ANNUAL REPORT 2015

THE SIAM CEMENT PUBLIC COMPANY LIMITED

" INNOVATION THAT CARES "

SCG

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Investors can find further information regarding the Company from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.scg.co.th

1 OVERVIEW OF BUSINESS AND VISION

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SCG has been awarded Industry Leader in Construction Materials on the Dow Jones Sustainability Indices (DJSI) by Robeco Sustainable Asset Management (RobecoSAM) for five consecutive years since 2011 and has been ranked Gold Class, the highest group, for eight consecutive years since 2008.

SCG is a leading ASEAN business conglomerate with regional focus, and established commitments towards business conducts that are in line with good corporate governance and sustainable development principles. Established in 1913, following the royal decree of His Majesty King Rama VI, SCG's cement products were the essential materials for the construction of Thailand's infrastructure projects during that period, which have contributed greatly towards the country's modernization. Since its inception, SCG has grown continuously and has earned widespread recognition as a role model for other businesses, both locally and internationally.

Today, SCG is comprised of three core business units, namely 1) SCG Cement-Building Materials, 2) SCG Chemicals and 3) SCG Packaging.

Our vision is that, SCG will be a regional market leader, contributing to the sustainable progress of ASEAN and the local communities where SCG operates. Through SCG's world class business practices, corporate governance principles and uncompromising safety standards, we are committed to creating value for our customers, employees, and all other stakeholders. We will constantly ensure that our operational excellence, technology development and innovation will allow us to provide quality products and services in order to enhance the quality of life for all.

2 MESSAGE FROM THE BOARD OF DIRECTORS

In 2015, the global and the Thai economy staged a recovery although the growth was slower than previously forecast amid an extended period of low oil and energy prices. However, the economy in the ASEAN region in the second half of the year gradually regained momentum anchored by infrastructure development and continuing economic support from local governments, indicating a positive signal for the launch of the ASEAN Economic Community (AEC).

SCG reports revenue from sales of 439,614 Million Baht, a decrease of 10% from the preceding year due largely to lower chemical product prices on the back of the great plunge in oil prices. Nevertheless, with SCG's commitment to research and development to address customer needs and strategic business expansion in ASEAN, profit for the year amounted to 45,400 Million Baht, an increase of 35% year-on-year. Having taken into account the Group's performance, its overall financial status, and global economic conditions, the Board of Directors has resolved to propose to the 2016 Annual General Meeting of Shareholder a dividend of 16.00 Baht per share for 2015, representing 42% of consolidated profit for the year.

Business in ASEAN in Anticipation of AEC Expansion

SCG ASEAN expansion and pursuit of becoming ASEAN sustainable business leader continues. In 2015, major investment project startups include the first cement plant in Indonesia and capacity expansion at the cement plant in Cambodia. The cement plants in Myanmar and Lao People's Democratic Republic are scheduled to commence production in 2016 and 2017, respectively. All the cement plants will employ the latest advanced production technology that is friendly to the environment, raising operating standards. Moreover, to strengthen its position as ASEAN's building material leader, SCG changed its product brand from Tra Chang to SCG to enable consumers quick brand recognition, linking the products to the corporate brand. In addition, SCG Paper has rebranded as SCG Packaging to focus on the constantly-growing packaging business. To match wide-ranging application needs, SCG Packaging endeavors to become a leading total packaging solutions provider in ASEAN. Moreover, SCG Packaging also acquired an 80% stake in Tin Thanh Packing Joint Stock Company (BATICO), a major flexible packaging manufacturer in Vietnam.

In 2015, revenue from export to ASEAN and SCG's ASEAN operations exclusive of Thailand amounted to 100,150 Million Baht, accounting for 23% of total revenue, similar to the last year. At present, SCG's assets in ASEAN amounted to 108,183 Million Baht, or 21% of the Group's total assets. The number of employees excluding Thailand stands at 16,482 or 31% of the total workforce, ready to accommodate SCG's future business operations and expansion.

Increasing R&D Investment

With a firm belief that innovative products and services can help uplift people's quality of life and contribute to a better environmental and sustainable society, SCG has promoted and invested heavily in research and development (R&D). In 2015, the Company earmarked over 3,510 Million Baht budget for R&D, an increase of 30% y-o-y, representing 0.8% of total revenue from sales. SCG's R&D team consists of 1,646 members. Sales of HVA (high value-added products and services) have grown steadily to 161,851 Million Baht, accounting for 37% of total revenue from sales whereas sales of eco value products amounted to 114,084 Million Baht, representing 26% of total revenue from sales.

In 2015, SCG saw an increase of HVA in every business unit. Examples include **Innovative medical materials** provide damage resistance during shipment for lower costs and helps reduce imports of medical devices. The **COTTO GRANDE Collection** of extra-large porcelain slabs which are highly resistant to heat, impact, and alkalinity and easy to clean, expanding application and design possibilities. A **Precast Concrete System** uses cutting-edge technology in the design, manufacture, and fabrication process. Aside from the good insulation properties, the precast concrete provides excellent noise attenuation and rapid construction. **FEST**, the innovative food safety packaging designed to be heat-resistant, non-melting, and made from non-harmful substances. The **Anti-microbial Dental-plaster** which prevents germs from spreading is ideal for dental applications. Moreover, to further develop HVA, SCG acquired all stakes in Norner Holding AS, a leading innovation and technology firm in Norway, specializing in the petrochemical industry, to enhance the Company's competitiveness in the global marketplace.

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

In 2015, to globally showcase the Company's competitiveness and demonstrate in ASEAN, the dedication to developing innovation, SCG organized SCG Innovative Exposition under the theme "Innovation that Cares". This promotes that innovations can contribute to a better quality of life and well-being, enabling people to enjoy a safer and more comfortable living. As Thailand is becoming an aging society, SCG has developed SCG Eldercare Solution to address such an emerging trend.

The World's No.1 in Sustainable Development for 5 Consecutive Years

SCG has conducted business in tune with the sustainable development approach under good corporate principles. In 2015, SCG is the first cement manufacturer in Thailand to have achieved in all its cement plants across the country, the Green Industry Level 5 certificate, the highest level, from the Ministry of Industry. SCG also enjoys pride of place as the first in the chemical industry to have all its plants achieve eco-factory certification from The Federation of Thai Industries. This was support of the community enterprises at Map Ta Phut, Rayong, empowering them to create income in a sustainable way and to become an Eco Community, which in turn will help drive Rayong towards becoming an Eco Industrial Town.

The commitment to operate business with the sustainable development has resulted in SCG been appointed the Industry Leader in the Construction Materials category on the Dow Jones Sustainability Indices (DJSI) for five consecutive years. DJSI ranks the world's top-notch companies that adopt sustainable best practices based on economic, social and environmental criteria to ensure investor confidence in sustainable business operations.

As Mr. Kan Trakulhoon, President & CEO of SCG, retired on January 1, 2016, the Board of Directors appointed Mr. Roongrote Rangsiyopash as the new President & CEO, effective from January 1, 2016. Mr. Kan will continue as a member of the Board of directors.

Throughout the years, SCG has demonstrated its relentless commitment to becoming ASEAN sustainable business leader. The company is resolved to continue driving economic, social, and environment development in all the countries where it operates in the years to come. The Board of Directors wishes to express its sincere appreciation to all shareholders, debenture holders, joint-venture partners, suppliers, customers, staff, stakeholders, and domestic and international financial institutions for the continued support that has helped realize SCG's success. We promise that SCG will continue to conduct business with integrity, prudence, transparency, and adherence to good corporate governance and sustainable development principles, acting the best interests of all parties. We believe that by doing so, SCG will prosper, and so will Thailand, along with ASEAN in tandem with SCG Vision.

Bangkok January 27, 2016

3 FINANCIAL RESULTS

The Siam Cement Public Company Limited and Its Subsidiaries

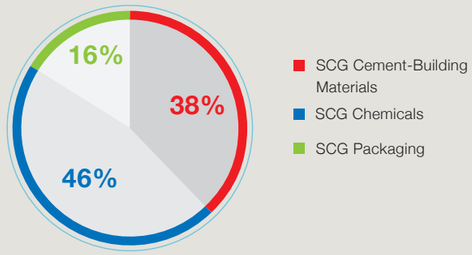
	2015	2014	2013	2012	2011
Consolidated Income Statement (Million Baht)					
Revenue from sales	**439,614**	487,545	434,251	407,601	368,579
Costs and expenses	**400,248**	461,649	411,322	396,535	354,997
Profit before finance costs, income tax expense, depreciation and amortization and includes dividends from associates (EBITDA)	**82,690**	66,493	61,265	45,716	46,253
Profit for the year [1]	**45,400**	33,615	36,522	23,580	27,281
Consolidated Statement of Financial Position (Million Baht)					
Assets [2]	**509,981**	465,823	440,689	395,573	373,789
Liabilities [2]	**266,975**	256,506	253,927	234,450	210,820
Shareholders' equity [2]	**243,006**	209,317	186,762	161,123	162,969
Equity attributable to owners of the parent [2]	**206,161**	177,283	161,538	143,186	140,199
Financial Ratio					
Total number of shares issued (Million Shares)	**1,200**	1,200	1,200	1,200	1,200
Book value per share (Baht)	**171.8**	147.7	134.6	119.3	116.8
Earnings per share (Baht)	**37.8**	28.0	30.4	19.7	22.7
Dividends per share (Baht)	**16.0**	12.5	15.5	11.0	12.5
Dividends payout ratio on profit for the year (%)	**42.3**	44.6	51.0	56.0	55.1
Return on revenue from sales (%)	**10.3**	6.9	8.4	5.8	7.4
Return on equity (%)	**23.7**	19.8	24.0	16.6	20.0
Return on assets (%)	**9.3**	7.4	8.7	6.1	7.4
EBITDA on total assets (%)	**16.9**	14.7	14.7	11.9	12.6
Debt to equity ratio (Times) [3]	**1.1**	1.2	1.4	1.5	1.3
Price earnings ratio (Times)	**12.1**	15.9	13.1	22.3	13.8
Net debt to EBITDA ratio (Times)	**2.0**	2.5	2.6	3.0	2.4

1 Represents profit for the year attributable to owners of the parent.
2 The figures for years 2011 and 2013 are reclassified.
3 Debt to equity ratio = Liabilities divided by shareholders' equity

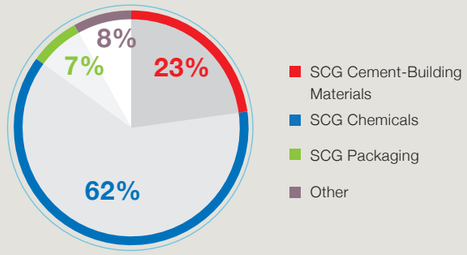
4 OPERATING OVERVIEW

The Siam Cement Public Company Limited and Its Subsidiaries

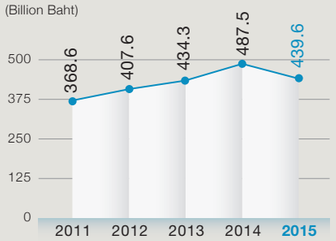
Revenue from sales breakdown 2015



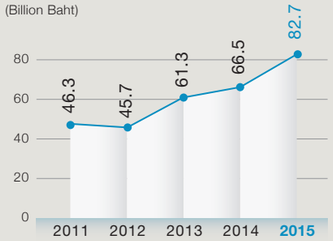
Profit for the year* breakdown 2015



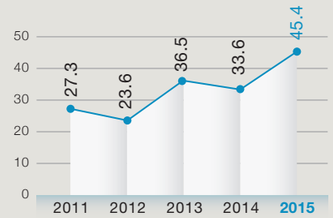
Revenue from sales
(Billion Baht)



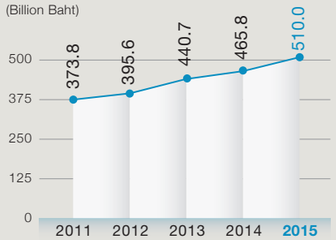
EBITDA
(Billion Baht)



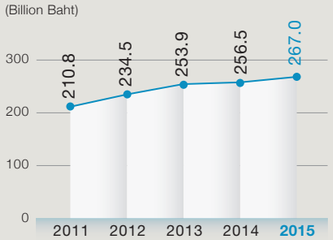
Profit for the year*
(Billion Baht)



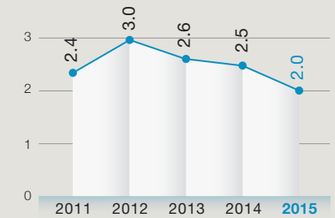
Assets
(Billion Baht)



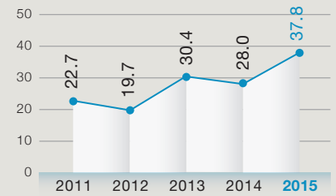
Liabilities
(Billion Baht)



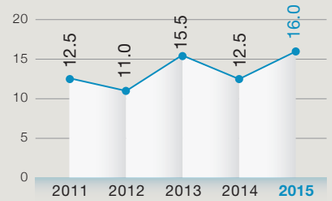
Net debt to EBITDA ratio
(Times)



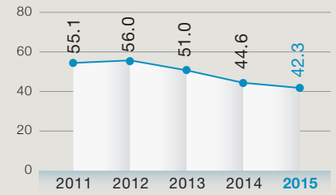
Earnings per share
(Baht/share)



Dividends per share
(Baht/share)



Dividends payout ratio on profit for the year*
(Percent)



* Profit for the year attributable to owners of the parent.

5 BUSINESS HIGHLIGHT

SCG Cement-Building Materials 8
SCG Chemicals 12
SCG Packaging 16

SCG

Consolidated revenue from sales was 439,614 Million Baht. Consolidated EBITDA was 82,690 Million Baht, and consolidated profit for the year was 45,400 Million Baht, an increase of 35% from the previous year, attributed to the healthy chemicals earning, despite the domastic weakness in the Cement and Building Materials operations. SCG has pledged to become ASEAN sustainable business leader and is committed to ongoing organizational development along with the promotion of research and development of innovations in products, services, and processes to uplift the quality of life for people in ASEAN.

SCG Cement-Building Materials

Revenue from sales was 178,988 Million Baht. EBITDA was 24,395 Million Baht, and profit for the year was 10,250 Million Baht, declining by 22% from the preceding year, due to the stagnant domestic market recovery in Thailand and lower domestic cement prices. SCG Cement-Building Materials focuses on business expansion in ASEAN to accommodate the growing demand driven by the development of infrastructure in the ASEAN countries.

SCG Chemicals

Revenue from sales was 200,433 Million Baht. EBITDA was 42,900 Million Baht, and profit for the year was 28,488 Million Baht, increasing by 129% from the previous year, attributable to wider product-to-feed margins. SCG Chemicals commits itself to promoting research and development of innovative products and services to address wide-ranging application needs and enhance competitiveness in the global marketplace.

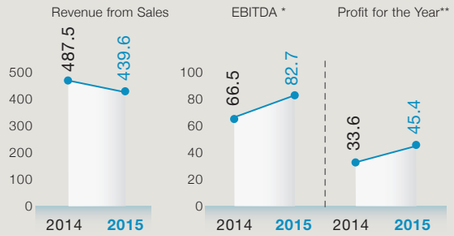
SCG Packaging

Revenue from sales was 70,907 Million Baht. EBITDA was 10,831 Million Baht, and profit for the year was 3,463 Million Baht, similar to the previous year mainly due to rising demand for packaging and packging paper upon the ASEAN's economic growth. SCG Packaging is resolved to expand its business in ASEAN and develop high value added products and services.

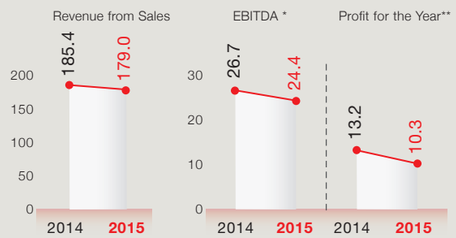
Other

EBITDA was 4,683 Million Baht, and profit for the year was 3,457 Million Baht. This could be attributed to the operating results of SCG Investment that recorded EBITDA inclusive of dividend from associated companies of 3,881 Million Baht and profit for the year of 7,056 Million Baht after deducting general and administrative expenses.

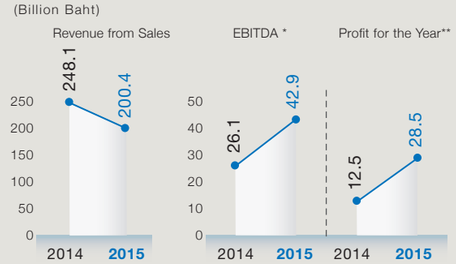
SCG
(Billion Baht)



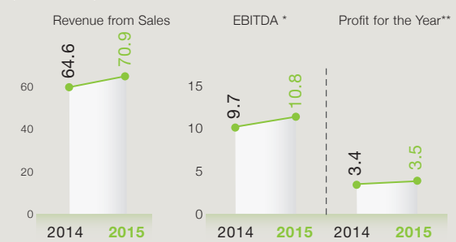
SCG Cement-Building Materials
(Billion Baht)



SCG Chemicals
(Billion Baht)

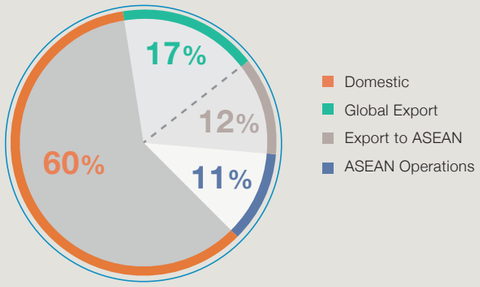


SCG Packaging
(Billion Baht)



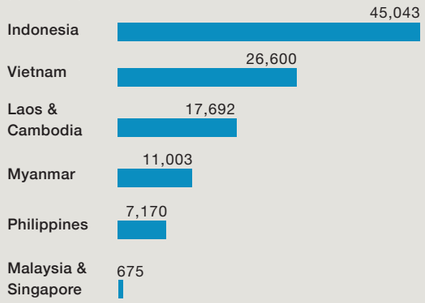
* Includes dividends from associates.
** Profit for the year attributable to owners of the parent.

Revenue from sales Breakdown



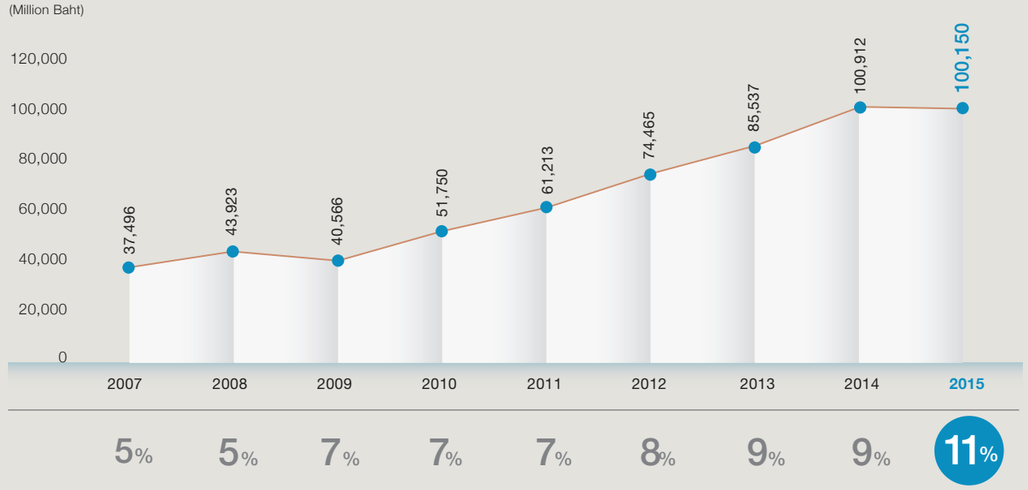
ASEAN Operations >> subsidiaries in ASEAN
Export Destinations >> from Thai subsidiaries

Regional operations - Assets in ASEAN
(Million Baht)



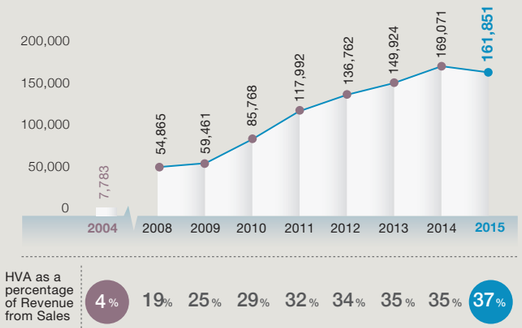
Total Assets in ASEAN = 108,183 Million Baht
(21% of Total Assets)

Revenue from Export to ASEAN and Sales in ASEAN
(Million Baht)

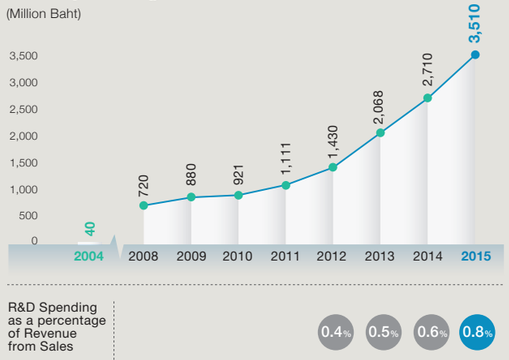


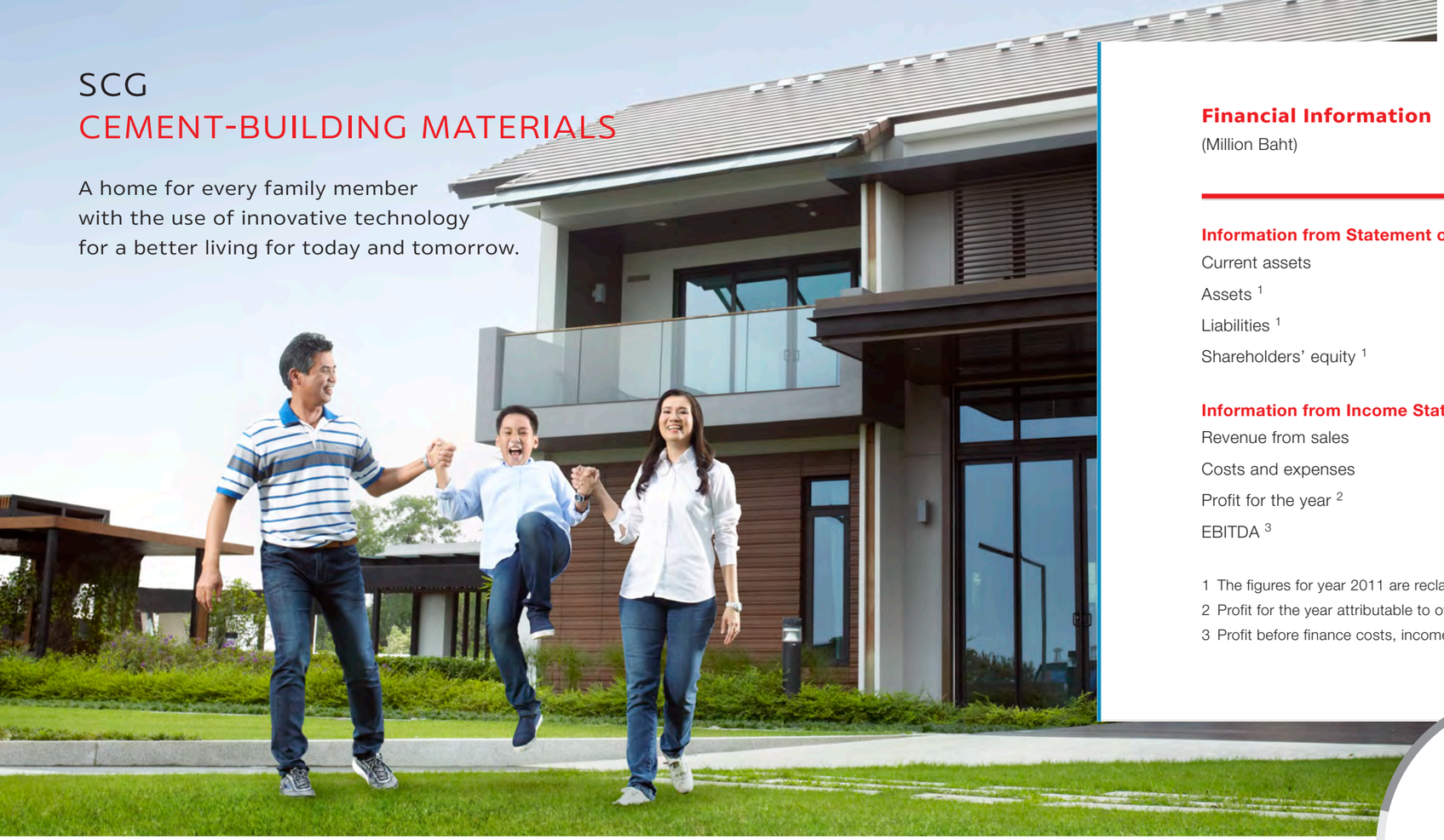
Percentage of Revenue from Sales from ASEAN Operations

Revenue from Sales of HVA
(Million Baht)



R&D Spending
(Million Baht)





SCG
CEMENT-BUILDING MATERIALS

A home for every family member
with the use of innovative technology
for a better living for today and tomorrow.

Financial Information

(Million Baht)

	2015	2014	2013	2012	2011
Information from Statement of Financial Position					
Current assets	**56,348**	53,566	51,935	38,736	30,347
Assets [1]	**187,976**	168,662	155,711	129,818	105,308
Liabilities [1]	**105,242**	85,937	72,699	63,544	47,443
Shareholders' equity [1]	**82,734**	82,725	83,012	66,274	57,865
Information from Income Statement					
Revenue from sales	**178,988**	185,423	174,642	154,537	128,580
Costs and expenses	**168,306**	170,565	158,350	140,050	116,004
Profit for the year [2]	**10,250**	13,180	16,092	13,129	9,802
EBITDA [3]	**24,395**	26,683	26,274	23,009	19,334

1 The figures for year 2011 are reclassified.
2 Profit for the year attributable to owners of the parent.
3 Profit before finance costs, income tax expense, depreciation and amortization and includes dividends from associates.

Operating Results

In 2015, domestic demand for cement remained at the same level as in the previous year, largely attributable to government investments. Whereas cement demand from household users and the private sector retracted, exports saw modest growth compared to last year. Overall, revenue from sales of SCG Cement-Building Materials amounted to 178,988 Million Baht, a decrease of 3% over the preceding year. EBITDA was 24,395 Million Baht, declining 9% year-on-year, and profit for the year was 10,250 Million Baht, a decrease of 22% from the year before.

Market and Competition

- In 2015, domestic demand for building products continued to slow down due to the lack of consumer confidence and declining purchasing power, triggered by sagging prices of agricultural commodities and prolonged drought. Nonetheless, SCG Cement-Building Materials managed to maintain its leadership status in the building product business through the continued development of high value-added products and services to better accommodate consumer needs.
- Demand for building products in the ASEAN region underwent significant growth, propelled by the expansion of the cement and building material markets in many countries, especially Cambodia and the Philippines where the governments promoted various large-scale infrastructure projects. Central to these included the Southern Economic Corridor, a road in Cambodia that connects to other countries in the Greater Mekhong Subregion, and the policy to promote housing development in the Philippines. In Myanmar and Vietnam, the growth was spurred by private investment projects such as factories, housing, hotels, and commercial buildings that grew continuously. However, the construction business in Indonesia was under downward pressure on the back of the delays of several government investment projects.

Revenue from sales
178,988
Million Baht

EBITDA
24,395
Million Baht

Organizational Development

Business Development

- Expanded cement capacity in Cambodia by another 900,000 tons per year with an investment of 5,000 Million Baht. Production began in the third quarter of 2015, resulting in a combined capacity of 2 million tons annually in Cambodia.
- Constructed a grey cement plant with an annual capacity of 1.8 million tons at Sukabumi, a city in West Java, Indonesia. With a capital investment of 11,000 Million Baht, the plant started commercial operations in the fourth quarter of 2015.

Human Resources Development

- Developed, designed, and built a learning course that enables all employees to enhance their work efficiency to the fullest in response to the corporate growth and sustainable career advancement of employees both locally and overseas.
- Oversaw and managed a diversified workforce in Thailand and ASEAN to promote a better quality of work life that allows for a safe, fair, and happy work environment with the focus on on-going organizational and personnel development.
- Encouraged employees in every department to suggest work-related ideas and create HVA products as well as other innovations to serve the needs of customers and all concerned parties.

Innovation Development

- Researched and developed SCG Eldercare Solution, a housing innovation for the elderly. This new line of solutions extends from bathroom products to encompass

entire housing solutions to ensure convenience and safety. Examples include automatic night light, shock absorption floor, mobility aid for use inside and outside the house, and healthy wall material that absorbs odor and moisture.

- Researched and developed innovations in cement and mortar by manufacturing the Platinum Formula Mortar, using flexible molecule technology that reduces the risk of cracking, thereby minimizing the cracks in the masonry wall and the need for repairs.
- Researched and developed digital printing technology on fiber-cement board, made by an extrusion process, to give the board a beautiful texture similar to those of natural materials but with a stronger, more durable, and longer use, both interior and exterior.
- Researched and developed 3D printing technology on cement including both powder bed printing technology and extrusion printing technology to facilitate construction, reduce waste at the sites, reduce labor, and accommodate the building of free form or architectural designs that cannot be achieved by conventional construction.
- Researched and developed wide-ranging innovative prefabrication solutions with excellent quality and ease of use. For instance, the precast concrete panel provides value added with the smooth surface to minimize masonry and plastering and special formula non-shrink grout that prevents leakage between panel joints.
- Researched and developed a wide array of interior precast concrete wall panels to match various application needs and construction demands. Examples are Walli-T, the precast concrete system that offers excellent strength and minimum panel joints, and the S Wall system that features lightweight, strength, and quick installation. They are ideal for today's construction industry faced with a persistent labor shortage.

Sustainable Development in Business Operations

- Defined SCG Green Port Standard encompassing loading and discharging, shipping, and storing of coals and cement clinker to meet the accepted safety and environmental management standards.
- Stressed the importance of the sustainable management of resources and the environment. For instance, CPAC converted the concrete buildups inside the mixer drum of a ready mix truck into materials for use in public works as well as recycling the recovered sand and aggregates. Also the CPAC Roof Tile Co., Ltd. used limestone tailings, by-products of limestone mining in the cement industry, for the 20% sand substitute.

"In order for us to deliver high quality products and services that satisfy the demands of customers, especially the elderly, who need special care and services, we commit ourselves to developing work processes based on multidisciplinary collaboration that focus on joint study, research, and experiment with experts from various disciplines such as medicine, behavioral science, ergonomics, and architecture among others. The multiple disciplinary combinations can invite deeper and more practical knowledge for use in developing housing solutions for the elderly to ensure their safety, comfort, and healthy lifestyle, both physically and mentally.

Not only do we offer products that address the application needs both inside and outside of the house, we also provide consultancy on design and installation by our team of experts to match the elderly's physical needs and their ability to perform daily activities. We are confident that the body of knowledge gained from this multidisciplinary collaboration will empower the elderly in our society to always enjoy a better living.

We Innovate for Better Human Living."

Sanit Ketsuwan
Director of Innovation and Technology Office

Rachaneekorn Duangleka
Project Manager: Communication and Network Collaboration, SCG Eldercare Solution

Dr. Pisit Geasee
Chief Engineer Innovative Product-Technology Development, Solution Technology Office

- Enhanced energy efficiency and reduced GHG emissions by replacing the wet grinding process to obtain powder for tile manufacture at Thai-German Ceramic Industry Public Company Limited with a dry grinding process. The efforts reduced energy consumption by 121,092 gigajoules per year, an equivalent of 67,933 tons of GHG per year.
- Set up plans to handle risks from drought at the plants by monitoring the water levels of the plants' raw water sources as well as public water sources on a daily basis while, at the same time, securing more water reserves. For example, The Siam Cement (Kaeng Khoi) Co., Ltd. turned its exhausted shale mine pits into ponds to collect and store rainwater.
- Improved the control system of fugitive cement dust from the main stacks at The Siam Cement (Thung Song) Co., Ltd. by replacing the electrostatic precipitators (ESPs) with new bag filters. At The Siam Cement (Kaeng Khoi) Co., Ltd. on the other hand, the electrostatic precipitators were replaced with hybrid filters that combine ESP and bag filter technology in one.
- Developed various SCG eco value-certified products including:
  1. K-Cement reduces GHG emissions by at least 20 kg CO_2/ton cement. It is produced at Kampot Cement in Cambodia.
  2. K-Plastering Cement reduces GHG emissions by at least 30 kg CO_2/ton cement. It is produced at Kampot Cement in Cambodia.
  3. Paving blocks integrate Cool Plus technology and use at least 10% recycled material in the manufacturing process.

Financial Information

(Million Baht)

	2015	2014	2013	2012	2011
Information from Statement of Financial Position					
Current assets	**45,769**	47,070	51,321	46,423	43,257
Assets [1]	**185,583**	183,884	192,063	176,837	176,036
Liabilities [1]	**79,818**	99,133	109,273	99,968	95,337
Shareholders' equity [1]	**105,765**	84,751	82,790	76,869	80,699
Information from Income Statement					
Revenue from sales	**200,433**	248,118	209,997	203,539	192,929
Costs and expenses	**170,433**	237,386	202,921	206,946	192,642
Profit for the year [2]	**28,488**	12,461	11,292	2,690	11,190
EBITDA [3]	**42,900**	26,142	20,342	8,628	14,394

1 The figures for year 2011 are reclassified.
2 Profit for the year attributable to owners of the parent.
3 Profit before finance costs, income tax expense, depreciation and amortization and includes dividends from associates.

Operating Results

In 2015, revenue from sales of SCG Chemicals totaled 200,433 Million Baht, declining by 19% from the previous year despite higher plastic resin sales volume. This is a result of sagging resin prices triggered by falling crude oil prices. Nevertheless, EBITDA and profit for the year increased by 64% and 129% from the previous year to 42,900 and 28,488 Million Baht, respectively, on the back of wider product-to-feed margins.

Market and Competition

- In 2015, the petrochemical industry entered an upward cycle with demand outstripping supply, resulting in wider product-to-feed margins. This contributed to the overall improved performance of SCG Chemicals.
- Prices of naphtha, the main feed, averaged 491 USD per ton, a drop of 43% from the previous year owing to a fall in crude oil prices. The average prices of polyethylene and polypropylene resins were 1,237 and 1,159 USD per ton, declines of 20% and 26% year-on-year, respectively. In spite of lower product prices, the plummeted feedstock prices provided larger cost advantage, leading to wider product-to-feed margins.
- To counteract the high volatility in petrochemical business, SCG Chemicals has developed a vast array of high value-added products and services (HVA), which are less prone to price fluctuations. Examples include plastic resins that can withstand extremely low and high temperatures for food packaging and plastic resins that can be used to produce high-pressure pipe for natural gas distribution and mining. In addition, the company also utilizes its know-how and expertise in petrochemical operations to drive numerous innovations and services. Chief among them are high-emissivity coatings for energy savings in industrial furnaces, inspection robots for machinery and plant condition assessment, consulting service for maintenance works and major turnarounds of petrochemical plants, as well as inspection and certification of flowmeters for distribution pipes. These endeavors are designed to enhance the company's sustainable competitiveness.

Revenue from sales
200,433
Million Baht

Organizational Development

Business Development

- Developed a wide range of special grade resins to address various needs of the customers, such as plastics for medical devices, home appliances, automotive parts, and packaging film. These innovative products have driven HVA sales to reach as high as 53% of the total sales.
- Acquired the remaining 49% stake of Norner Holding AS in Norway in August 2015. This resulted in SCG Chemicals holding 100% shares of Norner Group, a world-class provider of plastics research and development. This acquisition creates an opportunities for both companies to work collaboratively on several projects to add value to polymer products (e.g. polypropylene resins with improved quality for automotive applications and new production technology for polyethylene with advanced properties).
- Further implemented Integrated Business Excellence (IBE) system to enhance efficiency in the production system and interconnected work plan throughout the value chain. In 2015, over 1,200 Million Baht was released through SCG Chemicals' increasing plant productivity, adjusting product portfolio, and improving inventory management. IBE implementation also incorporates cultural transformation to foster continuous improvement mindset among the employees. To fully drive IBE, a selected group of employees with high potential were asked to leave their original positions and work full-time on work improvement projects.

EBITDA
42,900
Million Baht

- Began production and sale of polyethylene resins for high-pressure pipes used in natural gas distribution and mining. These special grade resins have been certified by The Plastics Industry Pipe Association of Australia and have

gained wide acceptance from pipe manufacturers in various countries.

- Upgraded the quality of polypropylene resins that are used to produce compounds for automotive applications. These resins offer high impact resistance with lower weight to save energy, as well as other distinctive properties (e.g. minimization of light reflection on materials used in the interior and elimination of flow marks, or tiger stripes, on the plastics surface).
- PT Chandra Asri Petrochemical Tbk. in Indonesia has completed capacity expansion and commenced operations with an increase in ethylene capacity from 600,000 to 860,000 tons per year. Additionally, the company jointly invested with Compagnie Financière du groupe Michelin to construct a synthetic rubber plant, which is scheduled for completion in 2018.

Human Resources Development

- Placed high importance on workforce retention, which was evidenced in higher job satisfaction in the latest employee engagement survey completed by all staff. This is a fruitful result of the company's policy to take exceptional care of the employees and to promote communication between the managements and their subordinates to drive the organization forward with unity.
- Focused on personnel development by establishing SCG Chemicals Academy, which comprises executives and team members from all business functions encompassing operations, commerce, technology, and corporate function. The working group is tasked to establish guidelines in developing employees' capabilities in alignment with the company's business direction.
- Defined strategic positions vital to driving the company in tandem with SCG Chemicals' strategies and appointed highly capable workforces to such positions. Capability building plans are also in place to equip the staff members with new knowledge and skills to prepare them for future business challenges.
- Conducted training on Process Safety Management to build a working system that ensures maximum safety. In addition, the Operation Excellence Training Center has developed a simulation system which simulates the real production control system at the plant for staff members to practice safe control of production process in emergency.

Innovation Development

- Entered a collaboration agreement with the Faculty of Engineering at Chulalongkorn University to research and develop technology for petrochemical industry. Both parties also jointly established the SCG-Chula Engineering Research Center at the 100th Year Building of Faculty of Engineering to drive research projects addressing industrial needs and to cater for growing work scope with better tools and equipment.
- Developed safe packaging innovation, a special grade of plastic resin for food packaging that tolerates temperature as low as -40 degrees Celsius. At this temperature, food freezes instantly, preserving the nutrition and taste of the food at its best. The plastic also withstands temperature of up to 130 degrees Celsius, making it ideal for heating food containing oil with high boiling point.
- Established the first commercial plant in Thailand that converts chemical waste into inorganic salt for pulp bleaching within SCG. This patented conversion system decreases chemical usage and reduces water consumption by 100,000 cubic meters annually.
- Design Catalyst, an SCG Chemicals' business unit dedicated to offering product design service to serve the needs of the customers, is committed to developing "Innovation for Care" to uplift the consumers' quality of life. Examples include:

> "SCG Chemicals pledges to create innovative products using state-of-the-art technology and design that best address the needs of the consumers. Chief among our innovations are Melamine tableware for the elderly, which has been designed in collaboration with Klang Hospital to accommodate physical conditions of senior population. Made from high quality melamine, the tableware is light-weighted and easy to use. Moreover, we continue to drive innovation by joining forces with numerous leading organizations, both locally and internationally, such as Chulalongkorn University and the Norner Group in Norway."
>
> **Supathida Tanboon-EK**
> *Design Catalyst and Project Manager*

- Melamine tableware for the elderly, which was designed in collaboration with Klang Hospital to accommodate physical conditions of senior population. Made from high quality melamine, the tableware is light-weighted and easy to use.
- Poly-Cast, a polymer splint designed to facilitate easier treatment. Produced from special polymer compound that becomes flexible at 60 degrees Celsius, Poly-Cast can be shaped effortlessly when exposed to moderate heat. This antimicrobial splint also employs porous design to ensure excellent ventilation and light weight without compromising its strength and durability.

Sustainable Development in Business Operations

- Incorporated the Eco Factory guidelines of The Federation of Thai Industries with the operations system to enhance eco efficiency, add value to the products, and minimize environmental impact.
- Supported the establishment of 12 community enterprises in Map Ta Phut, Rayong, building eco communities that sustainably generate income. This, in turn, will help shape Rayong into an eco industrial town.
- All the efforts in 2015 resulted in SCG Chemicals becoming the first chemical business in Thailand to have all its plants achieve eco-factory certification from The Federation of Thai Industries. At the same time, the company also collaborated with Community Partnership Association to support other plants to operate in line with the Eco Factory guidelines. Furthermore, SCG Chemicals was the first chemical company in Thailand to achieve Green Industry Level 5, which is the highest level, from the Ministry of Industry.

Financial Information

(Million Baht)

	2015	2014	2013	2012	2011
Information from Statement of Financial Position					
Current assets	**24,295**	22,969	21,782	19,927	16,963
Assets [1]	**83,218**	73,987	65,169	58,439	52,463
Liabilities [1]	**34,892**	29,150	26,133	22,656	19,936
Shareholders' equity [1]	**48,326**	44,837	39,036	35,783	32,527
Information from Income Statement					
Revenue from sales	**70,907**	64,614	59,135	57,430	54,839
Costs and expenses	**66,838**	60,368	54,731	53,127	50,461
Profit for the year [2]	**3,463**	3,448	3,587	3,560	3,331
EBITDA [3]	**10,831**	9,718	9,473	8,844	8,811

1 The figures for year 2011 are reclassified.
2 Profit for the year attributable to owners of the parent.
3 Profit before finance costs, income tax expense, depreciation and amortization and includes dividends from associates.

Operating Results

In 2015, revenue from sales of SCG Packaging totaled 70,907 Million Baht, up 10% compared to 2014 due to an increase in sales volume. EBITDA was 10,831 Million Baht, rising of 11% from the preceding year, and profit for the year was 3,463 Million Baht, similar to the last year.

Packaging business Chain : Total sales volume rose 11% compared to 2014, due to rising demand for packaging and packaging paper, especially in the ASEAN region, which grew by 4%.

Fibrous business Chain : Total sales volume similar to the last year from a demand of printing & writing paper in Thailand.

Market and Competition

- In 2015, domestic demand for corrugated containers witnessed a modest growth in the wake of the economic weakens. However, demand in ASEAN grew continuously, especially in Vietnam, prompting corrugated container manufacturers in the region to continue expanding their production capacities, resulting in an intense price competition. Consequently, it reminded a challenge for manufacturers to streamline their operations to better address customer needs and maintain sustainable business growth.
- Domestic demand for packaging paper remained stable compared to the previous year whereas demand in ASEAN increased steadily with continued capacity expansion of manufacturers in the region.
- Domestic demand for printing & writing paper dropped mainly from substitution of digital media, especially in promotional materials and magazine segment. In addition, imports of printing & writing paper in 2015 increased from the previous year as a result of the anti-dumping measures of the U.S. that prompted Chinese and Indonesian manufacturers to adjust their marketing strategies, aggressively tapping into the ASEAN markets.

Organizational Development

Business Development

- Rebranded from SCG Paper to SCG Packaging on June 2, 2015 to reflect the company's strategic focus toward the constantly-growing packaging business in tandem with the corporate goal to expand the packaging business in ASEAN. Emphasis was placed on providing sustainable total packaging solutions to customers through the ongoing development of wide-ranging high quality packaging products and services including flexible packaging.
- Expanded flexible packaging business in ASEAN to address the growing demand in food and consumer products segments. This is achieved by acquiring an 80% stake in Tin Thanh Packing Joint Stock Company (BATICO), a major flexible packaging manufacturer in Vietnam with an annual Production capacity of 230 million sq.meter. SCG Packaging also increased its stake in Prepack Thailand Co., Ltd. from 22% to 72% to reaffirm its strong presence as a total packaging solutions provider.
- Expanded the manufacturing base for packaging paper through capacity upgrade and expansion project at Vina Kraft Paper Co., Ltd. The move increased the company's production capacity by 243,000 tons per year, enable it to meet the fast-growing demand for packaging paper in Vietnam. The production is scheduled to start in the second quarter of 2017.
- Upgraded production capacity of semi-chemical pulp and unbleached short-fiber pulp in Thailand to accommodate the growing demand in the packaging paper business. The production capacities for semi-chemical pulp and unbleached short-fiber pulp stand at 70,000 tons and 25,000 tons per annum, respectively. Production is slated to begin in early 2016.

Revenue from sales
70,907
Million Baht

EBITDA
10,831
Million Baht

Human Resources Development

- SCG Packaging employed the 70 : 20 : 10 Model for Learning Transformation in developing its employees. The model holds that individuals obtain 70% of their knowledge from work-related experiences, 20% from interaction with others through various activities such as exchange of knowledge and getting advices from supervisors and colleagues, and 10% from formal education to enhance their learning effectiveness and to instill a sense of inquisitiveness to align with the corporate goal of becoming a Learning Organization.
- Managed human resources systematically by building effective succession planning in overseas to enhance the working performance and potential of employees. Developing talented and moral individuals in the communities where the company operates in line with one of SCG's core values of Concern for Social Responsibility, the efforts also help boost morale and encouragement among overseas employees as well as fostering strong long-term ties between the company and its staff members.
- Promoted leadership development of employees with focus on coaching skills to build a generation of leaders who have good understanding about themselves and others as well as being a role model equipped with a positive attitude and excellent skills in building trust. The objectives also extended to encouraging the leaders to integrate their coaching skills into conversation as a means to set goals and drive improvement along with the team, allowing everyone in the team to work side by side effectively in a sustainable manner.

Innovation Development

- Developed "Fest", food safety packaging which is clean and safe for containing food. Fest is certified with GMP (Good Manufacturing Practice) on par with EU standards, USFDA standards, and EU Regulations. It addresses consumer needs and promotes better health for consumers.
- Developed self-venting packaging for containing ready-to-go meals. Produced using the EazySteam technology, the packaging features a steam release mechanism that allows consumers to microwave the package's contents without first having to cut, punch or remove them from the package, thereby ensuring no food contamination, safety, and ease of use for consumers.
- Developed Peel & Clear Lid Film, the anti fog cling film that allows consumers to see the packaged food clearly through the lid before making a buying decision. The film also allows for easy opening while preventing spills and contamination of scrap plastic with the food.

"SCG Packaging is resolved to carrying out business in response to customer demands and with commitment to providing solutions to ensure consumers' better living. In an attempt to raise standards for food paper packaging to allow for a happy and sustainable quality of life for Thais, SCG Packaging has developed Fest, food safety packaging produced from food grade paper which is clean and safe for containing food. The packaging is made from virgin pulp which has not been bleached and contains no glow power. Fest is manufactured in a closed-system process to prevent any contamination, thereby requiring that the personnel be given additional training on strict compliance with the hygiene rules. As Fest is certified with GMP (Good Manufacturing Practice) on par with EU standards, USFDA standards, and EU Regulations, consumers can be assured that this food safety packaging is clean and safe."

Surasak Amawat
Managing Director
Thai Paper Co., Ltd.

- Established an industrial bag business to serve the needs of consumers for a variety of industrial bag styles. With pasted valve opening, the industrial bag facilitates stacking, allowing for more shipping space. Moreover, the special properties of the paper plies ensure moisture and heat protection, which help keep the products in good conditions for longer periods of time. On top of this, the micro perforation technique enhances ventilation efficiency, thereby keeping the work areas clean and dust-free.

Sustainable Development in Business Operations

- Employed advanced environmentally-friendly production technology and machinery along with reducing energy consumption and maximizing energy efficiency. The efforts also extended to recovering energy from manufacturing waste.
- Took care of the communities nearby the plants and all concerned parties to promote a harmonious and sustainable coexistence, allowing for the exchange of views and collaboration in solving problems. The company attached significance to sustainable development through various socially-beneficial activities. Chief among them were the SCG Healthy Living project that provided financial support for the purchase of medical tools and equipment to facilitate a healthy living and a better quality of life for people in the communities. The SCG Packaging Happy Community project supported and added value to products of the communities surrounding the plants. The Green Mart project was dedicated to supporting the communities nearby the plants to contribute to society, providing opportunities for eco-conscious vendors to promote their local products to the communities nearby. Aside from the Business Partnership project that engaged other plants in the neighborhood to contribute to the communities and the Supplier Development for Sustainability project, the One Manager One Community project was designed to hear opinions and suggestions from the communities, allowing the company to devise a working plan that matches their needs. All these projects were committed to developing the knowledge and capabilities of suppliers and other involved parties throughout the supply chain to achieve sustainability.

6 SUPPLEMENTARY INFORMATION

Investment in subsidiaries, associates, joint ventures and other companies of which their operations are significant.

	Name	Principal Business / Products	Location (Head Office / Factory)	Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million Baht)	Direct / Indirect Company and Subsidiaries Holding (Percent)	Total Direct / Indirect Holding * (Percent)
	SCG Cement-Building Materials Subsidiaries									
1	SCG Cement Co., Ltd.	Holding company	Bangkok	66-2586-3060-1	66-2586-3072	Ordinary shares	122	4,894	100	100
2	The Concrete Products and Aggregate Co., Ltd.	Holding company and ready-mixed concrete	Bangkok	66-2555-5000	66-2555-5003	Ordinary shares	91	9,140	100	100
3	The Siam Cement (Kaeng Khoi) Co., Ltd.	Cement	Saraburi	66-3624-0000-98	66-3624-0099	Ordinary shares	6	625	100	100
4	The Siam Cement (Ta Luang) Co., Ltd.	Cement	Saraburi	66-3628-8900	66-3628-8909	Ordinary shares	6	575	100	100
5	The Siam Cement (Thung Song) Co., Ltd.	Cement	Nakorn Sri Thamaraj	66-7553-8222	66-7553-8111	Ordinary shares	35	700	100	100
6	The Siam Cement (Lampang) Co., Ltd.	Cement	Lampang	66-5423-7500	66-5423-7501	Ordinary shares	94	589	100	100
7	Khammouane Cement Co., Ltd.	Cement	Laos	(85621) 243-435-6	(85621) 243-437	Ordinary shares	17	5,801	100	100
						Preferred shares	0.03	11		
8	Siam Mortar Co., Ltd.	Dry mortar	Saraburi	66-3624-0000-98	66-3624-0083	Ordinary shares	4	443	100	100
9	The Siam White Cement Co., Ltd.	White cement	Saraburi	66-3621-8400	66-3635-1219	Ordinary shares	2	200	100	100
10	The Siam Refractory Industry Co., Ltd.	Refractory	Bangkok	66-2586-3230	66-2586-2982	Ordinary shares	3	300	100	100
11	Cementhai Energy Conservation Co., Ltd.	Energy service	Bangkok	66-2586-2410	66-2586-3098	Ordinary shares	13	1,310	100	100
12	Eco Plant Services Co., Ltd.	Technical services and plant installation	Saraburi	66-3628-9103	66-3628-1212	Ordinary shares	1	50	100	100
13	Siam Research and Innovation Co., Ltd.	Research and development	Saraburi	66-3627-3152-63	66-3627-3151	Ordinary shares	1	100	100	100
14	SCI Eco Services Co., Ltd.	Industrial waste disposal	Bangkok / Saraburi / Nakorn Sri Thamaraj	66-2962-7295-7	66-2962-7298	Ordinary shares	2	187	100	100
15	PT Pion Quarry Nusantara	Quarry	Indonesia	(6221) 797-1190	(6221) 797-1090	Ordinary shares	0.001	16	100	100
16	PT SCG Pipe and Precast Indonesia	Concrete products	Indonesia	(6221) 797-1190	(6221) 797-1090	Ordinary shares	14	455	100	100
17	PT Semen Lebak	Cement	Indonesia	(6221) 791-83751	(6221) 791-80919	Ordinary shares	0.04	1,193	100	100
18	PT SCG Readymix Indonesia	Ready-mixed concrete	Indonesia	(6221) 797-1190	(6221) 797-1090	Ordinary shares	9	264	100	100
19	PT CPAC Surabaya	Ready-mixed concrete	Indonesia	(6231) 732-1512	(6231) 732-1512	Ordinary shares	1	43	100	100
20	Q Mix Supply Co., Ltd.	Ready-mixed concrete	Bangkok	66-2728-8800	66-2728-8801	Ordinary shares	8	800	100	100
21	CPAC Lao Co., Ltd.	Ready-mixed concrete	Laos	(85621) 720-385	(85621) 720-224	Ordinary shares	0.05	31	100	100
22	The Concrete Products and Aggregate (Vietnam) Co., Ltd.	Ready-mixed concrete	Vietnam	(8483) 602-7111	(8483) 713-3707	**	-	178	100	100
23	CPAC Concrete Products (Cambodia) Co., Ltd.	Precasted slab	Cambodia	(88523) 990-406	-	Ordinary shares	0.001	17	100	100
24	Silathai Sanguan (2540) Co., Ltd.	Crushing plant	Khonkaen	66-4335-8031	66-4335-8033	Ordinary shares	1	122	100	100
25	Cementhai Building Materials (Singapore) Pte. Ltd.	Holding company	Singapore	(65) 6534-9661	(65) 6534-9662	Ordinary shares	0.6	14	100	100
26	SCG Building Materials Co., Ltd.	Holding company	Bangkok	66-2586-3333	66-2586-2761	Ordinary shares	190	19,009	100	100
27	Cementhai Gypsum Co., Ltd.	Holding company	Bangkok	66-2586-3333	66-2586-2761	Ordinary shares	7	242	100	100
28	Thai Ceramic Holding Co., Ltd.	Holding company	Bangkok	66-2586-3333	66-2586-2761	Ordinary shares	2	200	100	100
29	MRC Roofing Co., Ltd.	Holding company	Bangkok	66-2555-0055	66-2555-0001	Ordinary shares	9	950	100	100

* Directly and indirectly holding through the Company, subsidiaries, associates, joint ventures and other companies.

** No issuance of share for the Limited Liability Company incorporated in Vietnam.
The capital contribution is as stipulated in the investment certificate of the invested company.

	Name	Principal Business / Products	Location (Head Office / Factory)	Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million Baht)	Direct / Indirect Company and Subsidiaries Holding (Percent)	Total Direct / Indirect Holding * (Percent)
30	The Siam Fibre-Cement Co., Ltd.	Fiber cement roof	Saraburi	66-2586-3333	66-2586-2761	Ordinary shares	110	11,000	100	100
31	The Fibre-Cement Products (Lampang) Co., Ltd.	Fiber cement roof	Lampang	66-5433-7301-5	66-5433-7300	Ordinary shares	2	230	100	100
32	Tip Fibre-Cement Co., Ltd.	Fiber cement roof	Bangkok	66-2286-7888	66-2286-8951-2	Ordinary shares	0.5	25	100	100
33	SCG Landscape Co., Ltd.	Concrete blocks for floor wall and fence	Saraburi	66-2586-6822	66-2586-6800	Ordinary shares	16	1,630	100	100
34	Siam Fiberglass Co., Ltd.	Insulation and glass wools	Saraburi	66-3637-3441-4	66-3637-3445-6	Ordinary shares	13	422	100	100
35	The CPAC Roof Tile Co., Ltd.	Concrete roof tiles	Nakorn Prathom/ Saraburi / Lamphun / Nakorn Sri Thamaraj / Chonburi / Khonkaen /Nakorn rajchasrima	66-2586-4032-4 66-2586-4037-9	66-2586-4308	Ordinary shares	2	211	100	100
36	SCG Concrete Roof (Vietnam) Co., Ltd.	Concrete roof tiles	Vietnam	(84650) 767-581-4	(84650) 767-580	**	-	235	100	100
37	SCG Roofing Philippines, Inc.	Concrete roof tiles	Philippines	(6343) 778-2942	(6343) 778-2934	Ordinary shares	206	153	100	100
38	SCG Concrete Roof (Cambodia) Co., Ltd.	Concrete roof tiles	Cambodia	(85523) 454-388	-	Ordinary shares	0.1	43	100	100
39	Thai Ceramic Roof Tile Co., Ltd.	Ceramic roof tiles	Saraburi	66-2586-5999	66-2586-5017	Ordinary shares	2	200	100	100
40	Cementhai Ceramics Co., Ltd.	Holding company	Bangkok	66-2586-3333	66-2586-2761	Ordinary shares	60	6,037	100	100
41	Cementhai Gypsum (Singapore) Pte. Ltd.	Holding company	Singapore	(65) 6297-9661	(65) 6297-9662	Ordinary shares	14	278	100	100
42	Cementhai Roof Holdings Philippines, Inc.	Holding company	Philippines	(6343) 778-2942	(6343) 778-2934	Ordinary shares	14	136	100	100
43	Cementhai Ceramic (Singapore) Pte. Ltd.	Holding company	Singapore	(65) 6297-9661	(65) 6297-9662	Ordinary shares	37	1,280	100	100
44	Cementhai Ceramics Philippines Holdings, Inc.	Holding company	Philippines	(6343) 778-2942	(6343) 778-2934	Ordinary shares	174	192	100	100
45	Keating Capital Partners Pte. Ltd.	Holding company	Singapore	(65) 6338-1888	(65) 6337-5100	Ordinary shares	14	400	100	100
46	Kitchener Limited	Holding company	Hong Kong	(852) 2846-1888	(852) 2845-0476	Ordinary shares	16	452	100	100
47	Thai Ceramic Co., Ltd.	Floor and wall ceramic tiles	Bangkok	66-2586-4094-8	66-2587-8800	Ordinary shares	32	3,160	100	100
48	The Siam Ceramic Group Industries Co., Ltd.	Floor and wall ceramic tiles	Saraburi	66-3637-6400	66-3637-6422	Ordinary shares	96	960	100	100
49	Cementhai Home Services Co., Ltd.	Home-related services	Bangkok	66-2586-4111	66-2586-4017	Ordinary shares	5	115	100	100
50	Gemago Co., Ltd.	Marketing and sales of floor and wall ceramic tiles	Bangkok	66-2586-3333	66-2586-2761	Ordinary shares	0.5	45	100	100
51	PT SCG Lightweight Concrete Indonesia	Light-weight concrete	Indonesia	(6226) 7861-0360	(6226) 7861-0361	Ordinary shares	4	1,253	100	100
52	SCG Distribution Co., Ltd.	Holding company	Bangkok	66-2586-3333	66-2586-5454	Ordinary shares	220	12,150	100	100
53	SCG Cement-Building Materials Company Limited	Domestic distribution	Bangkok	66-2586-3333	66-2586-2961	Ordinary shares	21	524	100	100
54	SCG Trading Co., Ltd.	International trading	Bangkok	66-2586-3333	66-2586-2251	Ordinary shares	4	400	100	100
55	SCG Trading Australia Pty. Ltd.	International trading	Australia	(612) 9438-1225	(612) 9436-0195	Ordinary shares	0.2	5	100	100
56	SCG Trading Guangzhou Co., Ltd.	International trading	China	(86) 208-365-2559	(86) 208-365-2595	Ordinary shares	0.03	24	100	100
57	SCG Trading Hong Kong Limited	International trading	Hong Kong	(852) 2838-6456	(852) 3549-7219	Ordinary shares	45	220	100	100
58	SCG Trading Philippines Inc.	International trading	Philippines	(632) 501-8634	(632) 501-8635	Ordinary shares	0.5	38	100	100
59	SCG Singapore Trading Pte. Ltd.	International trading	Singapore	(65) 6295-3455	(65) 6292-5241	Ordinary shares	1	23	100	100
60	SCG Trading USA Inc.	International trading	USA	(1310) 323-2194 Ext.106	(1310) 324-9528	Ordinary shares	0.1	36	100	100
61	PT SCG Trading Indonesia	International trading	Indonesia	(6221) 350-9488	(6221) 352-0718	Ordinary shares	0.002	5	100	100
62	SCG Trading Vietnam Co., Ltd.	Logistics service, international trading and local distribution	Vietnam	(848) 3526-9001	(848) 3526-9009	**	-	64	100	100

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63	SCG Trading Lao Co., Ltd.	International trading	Laos	(85621) 454-596-7	(85621) 454-598	Ordinary shares	0.02	11	100	100
64	SCG Marketing Philippines Inc.	International trading	Philippines	(632) 501-8634 (632) 501-8630	(632) 501-8635	Ordinary shares	0.4	30	100	100
65	SCGT Malaysia Sdn. Bhd.	International trading	Malaysia	(603) 5632-0168	(603) 5632-0158	Ordinary shares	2	14	100	100
66	SCG Trading (Cambodia) Co., Ltd.	International trading	Cambodia	(85523) 990-401-5	(85523) 990-400	Ordinary shares	0.0001	1	100	100
67	SCG Trading Middle East Dmcc	International trading	United Arab Emirates	9714-5520-293	9714-5520-294	Ordinary shares	0.001	11	100	100
68	SCG Logistics Management Co., Ltd.	Logistics service	Bangkok	66-2586-3333	66-2586-2158	Ordinary shares	33	3,340	100	100
69	SCG Logistics Management (Lao) Co., Ltd.	Logistics service	Laos	(856) 41-9591-9652	-	Ordinary shares	0.004	0.4	100	100
70	SCG Logistics Management (Cambodia) Co., Ltd.	Logistics service	Cambodia	(85523) 966-206	(85523) 966-205	Ordinary shares	0.03	11	100	100
71	SCG Trading Services Co., Ltd.	Business services	Bangkok	66-2586-3333	66-2586-4445	Ordinary shares	0.1	10	100	100
72	Myanmar CBM Services Co., Ltd.	Business services	Myanmar	(951) 966-2014	(951) 966-2014	Ordinary shares	0.02	66	100	100
73	SCG Sourcing Co., Ltd.	Retail	Bangkok	66-2586-3333	66-2586-5625	Ordinary shares	1	100	100	100
74	SCG Experience Co., Ltd.	Exhibition center services and consultation	Bangkok	66-2101-9922	66-2101-9920	Ordinary shares	5	500	100	100
75	SCG Skills Development Co., Ltd.	Logistics skills development school for SCG business partners	Saraburi	66-3672-4377	66-3672-4378	Ordinary shares	0.1	5	100	100
76	Buu Long Industry & Investment Joint Stock Company	White cement	Vietnam	(8461) 396-5475	(8461) 396-5478	Ordinary shares	4	56	99	99
77	PT Semen Jawa	Cement	Indonesia	(6221) 350-9491	(6221) 350-9704	Ordinary shares	287	9,210	98	98
78	PT KIA Serpih Mas	Floor and wall ceramic tiles	Indonesia	(6221) 386-2322	(6221) 386-2253	Ordinary shares	3,143	1,528	97	97
79	PT KIA Keramik Mas	Ceramic roof tiles	Indonesia	(6221) 386-2322	(6221) 386-2253	Ordinary shares	2,926	2,162	96	96
80	PT Keramika Indonesia Assosiasi, Tbk.	Floor and wall ceramic tiles	Indonesia	(6221) 386-2322	(6221) 386-2253	Ordinary shares	14,929	5,603	96	96
81	Kampot Cement Co., Ltd.	Cement	Cambodia	(85523) 996-839	(85523) 996-849	Ordinary shares	13	4,275	95	95
82	PT Tambang Semen Sukabumi	Limestone Quarry	Indonesia	(6221) 350-9491	(6221) 350-9704	Ordinary shares	3	8	93	93
83	PT Kokoh Inti Arebama Tbk.	Building materials distribution	Indonesia	(6221) 350-6227	(6221) 350-1767	Ordinary shares	981	350	91	91
84	The Siam Sanitary Fittings Co., Ltd.	Faucets and fittings	Bangkok	66-2973-5101-7	66-2973-5108-9	Ordinary shares	2	200	91	91
85	Sosuco and Group (2008) Co., Ltd.	Marketing and sales of floor and wall ceramic tiles	Bangkok	66-2938-9833	66-2119-0847	Ordinary shares	1	50	90	90
86	Prime Group Joint Stock Company	Holding company	Vietnam	(84) 211-3888-987	(84) 211-3888-986	Ordinary shares	101	1,413	85	85
87	Prime Trading, Import and Export One Member Limited Liability Company	Marketing and sales of floor and wall ceramic tiles	Vietnam	(84) 211-3888-986	(84) 211-3898-276	**	-	420	85	85
88	Ceramic Research Institution	Research and development new technology, materials and products	Vietnam	(84) 211-3888-987	(84) 211-3888-986	**	-	7	85	85
89	Prime International Im-Ex & Servicing Trading Co., Ltd.	Marketing and sales of machine and spare part	Vietnam	(84) 43-7877-139	(84) 43-7877-138	**	-	6	85	85
90	Prime Ngoi Viet Joint Stock Company	Clay roof tiles	Vietnam	(84) 211-3597-696	(84) 211-3597-702	Ordinary shares	25	350	85	85
91	Prime Pho Yen Joint Stock Company	Floor ceramic tiles	Vietnam	(84) 280-3866-632	(84) 280-3866-474	Ordinary shares	15	210	85	85
92	Prime Yen Binh Joint Stock Company	Wall ceramic tiles	Vietnam	(84) 211-3866-152	(84) 211-3866-154	Ordinary shares	13	182	85	85
93	Prime Truong Xuan Joint Stock Company	Water heater and mechanical	Vietnam	(84) 211-3726-552	(84) 211-3721-786	Ordinary shares	6	84	85	85

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94	Saraburirat Co., Ltd.	Concrete floor and wall tiles	Saraburi	66-2586-3333	66-2586-6800	Ordinary shares	1	96	83	83
95	Mariwasa-Siam Ceramics, Inc.	Floor and wall ceramic tiles	Philippines	(632) 717-6901	(6343) 778-2934	Ordinary shares	600	430	80	83
96	Prime Dai An Joint Stock Company	Exploration and processing material	Vietnam	(84) 211-3728-770	(84) 211-3726-547	Ordinary shares	3	35	81	81
97	SCG Myanmar Concrete and Aggregate Co., Ltd.	Ready-mixed concrete and related products	Myanmar	(84) 940-3723-905	-	Ordinary shares	0.0008	3	80	80
98	PT Surya Siam Keramik	Ceramic floor tiles	Indonesia	(6221) 5397-091	(6221) 5397-094	Ordinary shares	0.01	87	80	80
99	Myanmar CPAC Service Co., Ltd.	Ready-mixed concrete	Myanmar	(951) 681-351	(951) 681-351	Ordinary shares	4	148	80	80
100	Prime Dai Viet Joint Stock Company	Floor and wall ceramic tiles	Vietnam	(84) 211-3845-238	(84) 211-3844-464	Ordinary shares	13	182	77	77
101	Prime Thein Phuc Joint Stock Company	Exploration and processing material	Vietnam	(84) 54-3626-282	(84) 54-3752-292	Ordinary shares	5	70	77	77
102	Prime Phong Dien Joint Stock Company	Manufacture of material	Vietnam	(84) 54-3751-222	(84) 54-3751-222	Ordinary shares	3	35	77	77
103	Prime Dai Loc Joint Stock Company	Floor and wall ceramic tiles	Vietnam	(84) 510-3761-762	(84) 510-3761-763	Ordinary shares	30	414	76	76
104	CPAC Cambodia Co., Ltd.	Ready-mixed concrete	Cambodia	(85523) 356-677	-	Ordinary shares	0.2	5	75	75
105	Thai-German Ceramic Industry Public Company Limited	Floor and wall ceramic tiles	Saraburi	66-2790-9800	66-2790-9890	Ordinary shares	1,698	1,698	75	75
106	Green Conservation Solution Co., Ltd.	Renewable Energy / Refuse Derived Fuel (RDF)	Bangkok	66-2586-3333	66-2586-2979	Ordinary shares	2	50	74	74
107	Siam Sanitary Ware Co., Ltd.	Sanitary ware	Bangkok	66-2973-5040-54	66-2973-3470	Ordinary shares	1	60	71	71
108	Siam Sanitary Ware Industry Co., Ltd.	Sanitary ware	Saraburi	66-2973-5040-54	66-2973-3470	Ordinary shares	2	200	71	71
109	Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Sanitary ware	Saraburi	66-2973-5040-54	66-2973-3470	Ordinary shares	2	160	71	71
110	Prime Tien Phong Joint Stock Company	Floor and wall ceramic tiles	Vietnam	(84) 211-3888-174	(84) 211-3887-747	Ordinary shares	12	168	71	71
111	Mawlamyine Cement Limited	Cement	Myanmar	(951) 966-2014	(951) 966-2014	Ordinary shares	0.1	1,631	70	70
112	Quality Construction Products Public Company Limited	Light-weight concrete	Phra Nakhon Si Ayutthaya	66-3522-1271	66-3522-1270	Ordinary shares	400	400	68	68
113	Q-Con Eastern Co., Ltd.	Light-weight concrete	Rayong	66-3865-0515	66-3895-6468	Ordinary shares	59	590	68	68
114	SCGT Automobile Co., Ltd.	Dealer	Bangkok	66-2586-1402	66-2586-2203	Ordinary shares	15	146	67	67
115	Prime Vinh Phuc Joint Stock Company	Floor and wall ceramic tiles	Vietnam	(84) 211-3866-637	(84) 211-3887-347	Ordinary shares	25	350	65	65
116	Guangxi SCG Logistics Co., Ltd.	Logistics service	China	66-2586-1590	-	Ordinary shares	-	34	55	55
117	Panel World Co., Ltd.	Cement-bonded particleboard	Samutsakorn	66-3447-2033-4	66-3447-1404	Ordinary shares	2	245	55	55
118	Sosuco Ceramic Co., Ltd.	Floor and wall ceramic tiles	Saraburi	66-3637-6300	66-3637-6309	Ordinary shares	0.008	800	54	54
119	SCG-Sekisui Sales Co., Ltd.	Construction & Sales of modular houses manufactured	Bangkok	66-2586-1323	66-2586-1481	Ordinary shares	8	825	51	51
120	Mingalar Motor Co., Ltd.	Dealer	Myanmar	(951) 514-940	-	Ordinary shares	0.006	141	50	50
121	PT Siam-Indo Gypsum Industry	Gypsum boards	Indonesia	(6221) 8832-0028	(6221) 8832-0036	Ordinary shares	0.03	306	50	50
122	PT Siam-Indo Concrete Products	Natural-fibre roofing sheets	Indonesia	(6226) 743-2140	(6225) 743-2149	Ordinary shares	0.03	446	50	50
123	Prime Dai Quang Joint Stock Company	Packaging	Vietnam	(84) 510-2471-993	(84) 510-3761-444	Ordinary shares	2	28	48	48
124	Kampot Land Co., Ltd.	Land investment	Cambodia	(85523) 996-839	(85523) 996-849	Ordinary shares	0.001	0.2	47	47
125	Prime Hao Phu Joint Stock Company	Exploration and processing material	Vietnam	(84) 27-3821-118	(84) 27-3821-118	Ordinary shares	3	35	41	41
	Associates, Joint Ventures and Other Companies									
126	Global House International Company Limited	Holding Company	Bangkok	0-2586-3333	0-2586-5454	Ordinary shares	8	752	50	65
127	CMPI Land, Inc.	Land rental	Philippines	(632) 908-3720	(632) 750-6650	Ordinary shares	50	49	64	64
						Preferred shares	50	48		

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128	SCG Nichirei Logistics Co., Ltd.	Cold Chain	Bangkok	66-2586-6610	66-2586-3136	Ordinary shares	6	570	51	51
129	Thai Prosperity Terminal Co., Ltd.	Shipping port	Samut Prakarn	66-2754-4501-9	66-2754-4513	Ordinary shares	1	63	50	50
130	Sekisui-SCG Industry Co., Ltd.	Manufacture and distribute of home components	Saraburi	66-3637-3478	66-3637-3480	Ordinary shares	23	2,325	49	49
131	Survey Marine Services Co., Ltd.	Land rental	Bangkok	66-2296-1490-2	66-2296-1494	Ordinary shares	0.4	37	48	48
132	Jumbo Barges and Tugs Co., Ltd.	Transportation by lighter	Bangkok	66-2872-3014-5	66-2872-3016	Ordinary shares	5	457	45	45
133	Noritake SCG Plaster Co., Ltd.	Manufacture and distribute plaster	Saraburi	66-3637-3578-82	66-3637-3577	Ordinary shares	4	405	40	40
134	Mariwasa Holdings, Inc.	Holding company	Philippines	(632) 717-6901	(6343) 778-2934	Ordinary shares	248	235	40	40
135	Green Siam Resources Corporation	Bailng business	Philippines	(632) 501-8631	(632) 501-8631	Ordinary shares	13	95	40	40
136	CMPI Holdings, Inc.	Holding company	Philippines	(632) 813-1666	(632) 813-1704	Ordinary shares	48	55	40	40
137	Maker-Manifatture Ceramiche S.r.l.	Ceramic tiles	Italy	(39) 0536-840218	(39) 0536-840879	**	-	803	33	33
138	Siam Global House Public Company Limited	Building materials and home improvement products distribution	Roi Et	66-4351-9597	66-4351-1492	Ordinary shares	3,484	3,484	30	30
139	Anhui Conch-SCG Refractory Co., Ltd.	Refractory	China	(86) 553-839-9857	(86) 553-839-9877	**	-	497	30	30
140	The Siam Gypsum Industry Co., Ltd.	Gypsum boards	Bangkok	66-2555-0055	66-2555-0001	Ordinary shares	2	150	29	29
141	The Siam Gypsum Industry (Saraburi) Co., Ltd.	Gypsum boards	Saraburi	66-3637-3500-9	66-3637-3510	Ordinary shares	5	470	-	29
142	The Siam Gypsum Industry (Songkhla) Co., Ltd.	Gypsum boards	Songkhla	66-7420-6000-5	66-7420-6006	Ordinary shares	1	120	-	29
143	PT M Class Industry	Clay roof tiles	Indonesia	(6202) 6743-6888	(6221) 539-7094	Ordinary shares	34	222	28	28
144	Pacific Asian Logistic Joint Stock Company	Logistic	Vietnam	(84) 43-7738-420	(84) 43-7738-421	Ordinary shares	2	28	21	21
145	Asia Cement Public Company Limited	Cement	Bangkok	66-2641-5600	-	Ordinary shares	778	4,671	10	10
146	Holcim Cement (Bangladesh) Limited	Cement	Bangladesh	(8802) 988-1002-3	-	Ordinary shares	0.1	4	10	10
	SCG Chemicals									
	Subsidiaries									
147	SCG Chemicals Co., Ltd.	Holding company	Bangkok	66-2586-4762	66-2586-5561	Ordinary shares	344	32,277	100	100
148	Thai Polyethylene Co., Ltd.	Polyethylene and polypropylene	Rayong	66-3868-3393-7	66-3868-3398	Ordinary shares	52	5,190	100	100
149	SCG Plastics Co., Ltd.	Trading	Bangkok	66-2586-6161	66-2910-4022	Ordinary shares	0.1	5	100	100
150	SCG Performance Chemicals Co., Ltd.	Trading	Bangkok	66-2586-4115	66-2586-3676	Ordinary shares	0.05	3	100	100
151	Rayong Engineering & Plant Service Co., Ltd.	Engineering and plant service	Rayong	66-3868-5040-8	66-3891-1309	Ordinary shares	0.04	2	100	100
152	Protech Outsourcing Co., Ltd.	Engineering and plant service	Rayong	66-3868-2632-3	66-3868-2633	Ordinary shares	0.01	1	100	100
153	RIL 1996 Co., Ltd.	Industrial estate	Rayong	66-3868-9471-2	66-3891-1955	Ordinary shares	11	1,100	100	100
154	Texplore Co., Ltd.	Chemical technology licensing	Rayong	66-2586-6353	66-2586-2086	Ordinary shares	0.01	1	100	100
155	Vina SCG Chemicals Co., Ltd.	Holding company	Bangkok	66-2586-5435	-	Ordinary shares	33	1,369	100	100
156	SCG Chemicals (Singapore) Pte. Ltd.	Holding company	Singapore	(65) 6297-9661	-	Ordinary shares	38	804	100	100
157	Tuban Petrochemicals Pte. Ltd.	Holding company	Singapore	(65) 6297-9661	-	Ordinary shares	112	2,349	100	100
158	Hexagon International, Inc.	Holding company	USA	66-2586-4444	-	Ordinary shares	2	67	100	100
159	C4 Holding Pte. Ltd.	Holding company	Singapore	66-2586-1972	-	Ordinary shares	7	185	100	100
160	Norner Holding AS	Holding company	Norway	(47) 3557-8000	(47) 3557-8124	Ordinary shares	0.01	3	100	100
161	Norner AS	R&D service	Norway	(47) 3557-8001	(47) 3557-8125	Ordinary shares	0.001	0.1	100	100

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162	Norner Research AS	Research Institute	Norway	(47) 3557-8002	(47) 3557-8126	Ordinary shares	0.001	0.1	100	100
163	Norner IP AS	Technology service and licensing	Norway	(47) 3557-8003	(47) 3557-8127	Ordinary shares	0.001	0.1	100	100
164	Norner Verdandi AS	Technology service and licensing	Norway	(47) 3557-8004	(47) 3557-8128	Ordinary shares	0.01	3	100	100
165	CO2 Technologies AS	Holding company	Norway	(47) 3557-8005	(47) 3557-8129	Ordinary shares	0.001	0.5	100	100
166	PT TPC Indo Plastic & Chemicals	PVC	Indonesia	(6231) 395-2945	(6231) 395-2944	Ordinary shares	0.03	1,020	96	96
167	Rayong Pipeline Co., Ltd.	Rights of pipe rack use	Rayong	66-3893-7065	66-3803-5381	Ordinary shares	4	200	92	92
168	Thai Plastic and Chemicals Public Company Limited	PVC	Bangkok	66-2827-7272	66-2827-7273	Ordinary shares	875	875	91	91
169	TPC Paste Resin Co., Ltd.	PVC paste resins	Bangkok	66-2827-7272	66-2827-7273	Ordinary shares	3	333	91	91
170	The Nawaplastic Industries (Saraburi) Co., Ltd.	PVC pipe and fittings	Bangkok	66-2586-3930-5	66-2586-4305	Ordinary shares	4	400	91	91
171	Nawa Plastic Industries Co., Ltd.	PVC pipe and PVC products	Bangkok	66-2586-3930-5	66-2586-2444	Ordinary shares	4	426	91	91
172	Nawa Intertech Co., Ltd.	Molding products	Rayong	66-3889-2190	66-3889-2244	Ordinary shares	0.4	40	91	91
173	Chemtech Co., Ltd.	Plastic compound	Vietnam	(84650) 3784-992	(84650) 3784-993	**	-	103	91	91
174	Total Plant Service Co., Ltd.	Holding company	Rayong	66-3868-7320-3	66-3892-5299	Ordinary shares	12	1,180	91	91
175	SCG Ico Polymers Company Limited	Rotomolding compound	Bangkok	66-2586-2006	-	Ordinary shares	4	380	87	87
176	Map Ta Phut Tank Terminal Co., Ltd.	Tank and terminal service	Rayong	66-3868-9471-2	66-3891-1955	Ordinary shares	7	700	82	82
177	Minh Thai House Component Co., Ltd.	PVC doors and windows	Vietnam	(848) 3754-2989	(848) 3844-6073	**	-	36	73	73
178	Map Ta Phut Olefins Co., Ltd.	Raw materials for plastic resins	Rayong	66-3893-7000	66-3891-5310	Ordinary shares	225	22,520	55	67
179	Rayong Olefins Co., Ltd.	Raw materials for plastic resins	Rayong	66-3868-5040-8	66-3868-5036	Ordinary shares	108	10,820	50	67
180	Rayong Olefins (Singapore) Pte. Ltd.	Raw materials procurement	Singapore	(65) 6297-9661	-	Ordinary shares	0.02	0.5	67	67
181	Viet-Thai Plastchem Co., Ltd.	PVC compound	Vietnam	(84650) 3710-993	(84650) 3740-065	**	-	75	66	66
182	Alliance Petrochemical Investment (Singapore) Pte. Ltd.	Holding company	Singapore	(65) 6221-5318	-	Ordinary shares	46	1,881	65	65
183	TPC Vina Plastic and Chemicals Corporation Ltd.	PVC	Vietnam	(848) 3823-4730	(848) 3823-4725	**	-	1,013	64	64
184	Siam Stabilizers and Chemicals Co., Ltd.	Stabilizer	Rayong	66-3868-3451-3	66-3868-3449	Ordinary shares	190	190	55	55
185	Nawaplastic (Cambodia) Co., Ltd.	PVC pipe and fittings	Cambodia	(855) 2388-2072	(855) 2388-5172	Ordinary shares	1	45	55	55
186	Flowlab & Service Co., Ltd.	Calibration service	Rayong	66-3891-1321-2	66-3891-1381	Ordinary shares	0.02	4	51	51
	Associates, Joint Ventures and Other Companies									
187	SCG Plastics (China) Co., Limited	Trading	Hong Kong	(852) 2544-9991	(852) 2544-9992	Ordinary shares	0.1	4	58	58
188	SCG Plastics (Shanghai) Co., Ltd.	Trading	China	(8621) 6888-6091	(8621) 6888-6092	**	-	25	-	58
189	Siam Mitsui PTA Co., Ltd.	Raw materials for polyester and PET	Rayong	66-3868-5100	66-3868-7333	Ordinary shares	48	4,800	49	50
190	SMH Co., Ltd.	Holding company	Rayong	66-3868-5100	-	Ordinary shares	1	60	50	50
191	Siam Styrene Monomer Co., Ltd.	Raw materials for polystyrene	Rayong	66-3868-3215-6	66-3868-3991	Ordinary shares	48	4,755	50	50
192	Siam Synthetic Latex Co., Ltd.	Synthetic latex	Rayong	66-3868-3215-6	66-3868-3991	Ordinary shares	59	5,789	50	50
193	Siam Polyethylene Co., Ltd.	Polyethylene	Rayong	66-3868-3215-6	66-3868-3991	Ordinary shares	45	4,455	49	50
194	Siam Polystyrene Co., Ltd.	Polystyrene	Rayong	66-3868-3215-6	66-3868-3991	Ordinary shares	10	995	50	50
195	MTP HPPO Manufacturing Co., Ltd.	Propylene oxide	Rayong	66-3868-3215-6	66-3868-3991	Ordinary shares	79	7,900	-	50
196	Rayong Terminal Co., Ltd.	Tank and terminal service	Rayong	66-3868-9471-2	66-2586-6220	Ordinary shares	14	1,325	-	50
197	PT Siam Maspion Terminal	Tank and terminal service	Indonesia	(6231) 395-2945-8	-	Ordinary shares	0.01	327	50	50
198	SD Group Service Co., Ltd.	Holding company	Bangkok	66-2365-7000	66-3868-3991	Ordinary shares	0.8	78	50	50

* Directly and indirectly holding through the Company, subsidiaries, associates, joint ventures and other companies.

** No issuance of share for the Limited Liability Company incorporated in Vietnam and China.
The capital contribution is as stipulated in the investment certificate of the invested company.

	Name	Principal Business / Products	Location (Head Office / Factory)	Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million Baht)	Direct / Indirect Company and Subsidiaries Holding (Percent)	Total Direct / Indirect Holding * (Percent)
199	Bangkok Synthetics Co., Ltd.	Raw materials for synthetic rubber	Bangkok	66-2679-5120	66-2679-5119	Ordinary shares	12	1,173	49	49
200	Thai MMA Co., Ltd.	Raw materials for acrylic	Rayong	66-3868-5040-8	66-2586-5393	Ordinary shares	56	5,590	46	47
201	Grand Siam Composites Co., Ltd.	Polypropylene compound	Rayong	66-3868-4241	66-3868-4255	Ordinary shares	0.6	64	46	46
202	Thai MFC Co., Ltd.	Melamine compound	Rayong	66-3868-4241	66-3868-4255	Ordinary shares	2	200	45	45
203	Siam Tohcello Co., Ltd.	Raw materials for packaging film	Rayong	66-3801-0500	66-3801-0506	Ordinary shares	0.6	592	45	45
204	Long Son Petrochemicals Co., Ltd.	Raw materials for plastic resins	Vietnam	(848) 3825-7226	(848) 3825-7268	**	-	4,408	44	44
205	Mehr Petrochemical Company (P.J.S.C.)	Polyethylene	Iran	(9821) 8850-0641	(9821) 8805-0642	Ordinary shares	0.03	1,755	39	39
206	PT Trans-Pacific Polyethylene Indonesia	Polyethylene	Indonesia	(6221) 574-5880	-	Ordinary shares	0.2	472	39	39
207	PT Trans-Pacific Polyethylindo	Polyethylene	Indonesia	(6221) 574-5880	-	Ordinary shares	0.07	337	39	39
208	Riken (Thailand) Co., Ltd.	PVC compound	Bangkok	66-2501-1054	66-2501-1198	Ordinary shares	1	120	32	32
209	PT Chandra Asri Petrochemical Tbk.	Raw materials for plastic resins	Indonesia	(6221) 530-7950	(6221) 530-8930	Ordinary shares	3,287	14,679	31	31
210	PT Styrindo Mono Indonesia	Raw materials for polystyrene	Indonesia	(6221) 530-8505	(6221) 530-8506	Ordinary shares	0.3	10,093	-	31
211	GTC Technology US, LLC	Chemical technology licensing	USA	66-2586-4444	-	Ordinary shares	0.2	102	25	25
212	GTC Technology International, LP	Chemical technology licensing	USA	66-2586-4444	-	Ordinary shares	13	191	25	25
213	Tien Phong Plastics Joint Stock Company	PVC pipe	Vietnam	(843) 1385-2073	(843) 1364-0133	Ordinary shares	56	930	22	22
214	Thai PET Resin Co., Ltd.	PET resins	Rayong	66-3868-5900	66-3868-5999-609	Ordinary shares	9	900	20	20
215	Mitsui Advanced Composites (Zhongshan) Co., Ltd.	Polypropylene compound	China	(86) 760-533-2138	(86) 760-389-8880	Ordinary shares	15	596	20	20
216	Binh Minh Plastics Joint Stock Company	PVC pipe	Vietnam	(848) 3969-0973	(848) 3960-6814	Ordinary shares	45	682	19	19
217	PT Srithai Maspion Indonesia	Melamine compound	Indonesia	(6231) 891-3630	-	Ordinary shares	0.01	118	10	10
218	PT Trans-Pacific Polypropylene Indonesia	Polypropylene	Indonesia	(6221) 574-5880	-	Ordinary shares	0.07	220	10	10
219	PT Trans-Pacific Styrene Indonesia	Raw materials for polystyrene	Indonesia	(6221) 574-5880	-	Ordinary shares	0.1	314	10	10
220	PT Trans-Pacific Petrochemical Indotama	Raw materials for aromatics	Indonesia	(6221) 574-5880	-	Ordinary shares	15	8,931	5	5
	SCG Packaging									
	Subsidiaries									
221	SCG Packaging Public Company Limited	Holding company	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	156	1,563	98	98
	(Formerly : SCG Paper Public Company Limited)									
222	Siam Kraft Industry Co., Ltd.	Kraft paper	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	35	3,450	98	98
223	United Pulp & Paper Co., Inc.	Kraft paper	Philippines	(632) 870-0100	(632) 870-0409	Preferred shares	840	3,246	98	98
						Ordinary shares	141	1,082		
224	Paperlink Inter-Trade Corporation	Kraft paper	Philippines	(632) 870-0100	(632) 870-0409	Ordinary shares	0.1	1	98	98
225	InfoZafe Co., Ltd.	Shredding business	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	1	70	98	98
226	SCGP Excellence Traning Center Co., Ltd.	Training and Seminar	Bangkok	66-2586-3876	66-2586-4507	Ordinary shares	1	49	98	98
227	SCG Paper Energy Co., Ltd.	Energy	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	2	71	98	98
228	Thai Cane Paper Public Company Limited	Kraft paper	Bangkok	66-2440-0707	66-2440-0717	Ordinary shares	358	3,583	93	93
229	Thai Paper Co., Ltd.	Printing and writing paper	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	35	3,500	75	75
230	Thai Union Paper Public Company Limited	Printing and writing paper	Samut Prakarn	66-2754-2100-10	66-2754-2118	Ordinary shares	43	430	75	75
231	Siam Cellulose Co., Ltd.	Bleached pulp	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	78	7,770	75	75

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** No issuance of share for the Limited Liability Company incorporated in Vietnam.

The capital contribution is as stipulated in the investment certificate of the invested company.

	Name	Principal Business / Products	Location (Head Office / Factory)	Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million Baht)	Direct / Indirect Company and Subsidiaries Holding (Percent)	Total Direct / Indirect Holding * (Percent)
232	The Siam Forestry Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	2	184	75	75
233	Panas Nimit Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	75	75
234	Thai Panason Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	75	75
235	Thai Panadorn Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	75	75
236	Thai Panaram Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	75	75
237	Suanpa Rungsaris Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	75	75
238	Siam Panawes Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	75	75
239	Thai Panaboon Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	75	75
240	Thai Wanabhum Co., Ltd.	Forestry	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	75	75
241	Phoenix Pulp & Paper Public Company Limited	Bleached pulp	Khonkaen	66-2586-3333	66-2586-2164	Ordinary shares	211	2,108	75	75
		Printing and writing paper				Preferred shares	10	98		
242	Phoenix Utilities Co., Ltd.	Utilities	Khonkaen	66-2586-3333	66-2586-2164	Ordinary shares	15	1,500	75	75
243	Thai Containers Group Co., Ltd.	Corrugated boxes	Bangkok / Pathumthani / Samut Prakarn / Ratchaburi	66-2586-5991	66-2586-4723	Ordinary shares	14	1,384	69	69
244	Thai Containers Khonkaen Co., Ltd.	Corrugated boxes	Khonkaen	66-2586-3333	66-2586-2164	Ordinary shares	0.2	150	69	69
245	Thai Containers Rayong Co., Ltd.	Corrugated boxes	Rayong	66-2586-3333	66-2586-2164	Ordinary shares	1	650	69	69
246	Vina Kraft Paper Co., Ltd.	Kraft paper	Vietnam	(848) 268-0240-2	(848) 268-0239	**	-	6,069	69	69
247	TCG Rengo (S) Limited	Corrugated boxes	Singapore	(65) 6661-7325	(65) 6265-3144	Ordinary shares	2	56	69	69
248	New Asia Industries Co., Ltd.	Corrugated boxes	Vietnam	(848) 3729-4160	(848) 3729-3028	**	-	345	69	69
249	Alcamax Packaging (Vietnam) Co., Ltd.	Corrugated boxes	Vietnam	(84650) 374-303-1	(84650) 782-816	**	-	607	69	69
250	AP Packaging (Hanoi) Co., Ltd.	Corrugated boxes	Vietnam	(84320) 375-386-2	(84320) 752-868	**	-	248	69	69
251	Packamex (Vietnam) Co., Ltd.	Flexible Packaging	Vietnam	(848) 729-1030	(848) 729-1031	**	-	220	69	69
252	PT Primacorr Mandiri	Corrugated boxes	Indonesia	(6221) 596-2345	(6221) 596-2000	Ordinary shares	0.1	294	62	62
253	PT Indoris Printingdo	Corrugated boxes	Indonesia	(6221) 596-0772-3	(6221) 596-0774 (6221) 596-3076	Ordinary shares	0.02	55	62	62
254	TC Flexible Packaging Co., Ltd.	Holding company	Bangkok	66-2586-5991	66-2586-4723	Ordinary shares	20	1,877	52	52
255	Dyna Packs Co., Ltd.	Corrugated boxes	Samutsakorn	66-2810-9346-7	66-2810-9103	Ordinary shares	1	90	52	52
256	Orient Containers Co., Ltd.	Corrugated boxes	Samutsakorn	66-3488-3422-4	66-3488-3421	Ordinary shares	26	260	52	52
257	D-In-Pack Company Limited	Corrugated boxes	Nakhonpathom	66-3498-1401-4	66-3498-1406-7	Ordinary shares	0.005	50	52	52
258	Tawana Container Co., Ltd.	Corrugated boxes	Samut Prakarn	66-2324-0781	66-2324-0079	Ordinary shares	3	300	50	50
259	Tin Thanh Packing Joint Stock Company	Flexible Packaging	Vietnam	(84) 72-3779-747	(84) 72-3779-750	Ordinary shares	10	158	41	41
260	Prepack Thailand Co., Ltd.	Flexible Packaging	Samut Songkhram	0-3475-1186-7	0-3475-2634	Ordinary shares	3	322	37	37
			Rayong	0-3891-7004	-	Preferred shares	1	90		
	Associates and Other Companies									
261	Siam Toppan Packaging Co., Ltd.	Offset-printed cartons	Samut Prakarn	66-2709-3110-7	66-2324-0336	Ordinary shares	5	500	48	48
262	P&S Holdings Corporation	Holding company	Philippines	(632) 870-0100	(632) 870-0409	Ordinary shares	28	263	39	39
263	Siam Nippon Industrial Paper Co., Ltd.	Specialty paper	Bangkok	66-2586-3333	66-2586-2164	Ordinary shares	11	1,100	34	34
264	Thai British Security Printing Public Company Limited	Securities document	Samut Prakarn	66-2754-2650-8	66-2384-0917	Ordinary shares	11	110	18	18

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The capital contribution is as stipulated in the investment certificate of the invested company.

	Name	Principal Business / Products	Location (Head Office / Factory)	Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million Baht)	Direct / Indirect Company and Subsidiaries Holding (Percent)	Total Direct / Indirect Holding * (Percent)
265	Thai British Security Printing Overseas Co., Ltd.	Holding company	Samut Prakarn	66-2380-1320	66-2380-1326-27	Ordinary shares	0.1	1	18	18
266	Rengo Packaging Malaysia Sdn. Bhd.	Corrugated boxes	Malaysia	(603) 5636-3610	(603) 5636-3621	Ordinary shares	15	804	17	17
267	Thai British DPost Co., Ltd.	Digital printing	Samut Prakarn	66-2661-5215	66-2661-9580	Ordinary shares	3	34	9	9
	Other Subsidiaries									
268	Cementhai Holding Co., Ltd.	Holding company	Bangkok	66-2586-2104	66-2586-2008	Ordinary shares	0.01	1	100	100
269	Cementhai Property (2001) Public Company Limited	Holding company	Bangkok	66-2586-2104	66-2586-2008	Ordinary shares	7	72	100	100
270	Property Value Plus Co., Ltd.	Land business and land lease service	Bangkok	66-2586-2104	66-2586-2008	Ordinary shares	8	820	100	100
271	SCG Accounting Services Co., Ltd.	Accounting, financial and tax services	Bangkok	66-2586-3333	66-2586-2398	Ordinary shares	0.5	5	100	100
272	SCG Legal Counsel Limited	Legal consultant	Bangkok	66-2586-5777	66-2586-2976	Ordinary shares	0.2	15	100	100
273	CTO Management Co., Ltd.	Marketable securities investment	Bangkok	66-2586-3333	66-2587-2157	Ordinary shares	25	380	100	100
274	Cementhai Captive Insurance Pte. Ltd.	Insurance	Singapore	66-2586-3333	66-2587-2157	Ordinary shares	0.3	34	100	100
275	Siam Innovation Product and Solution Co.,Ltd. (Formerly : Siam Eco Energy Business Co., Ltd.)	Holding company	Bangkok	66-2586-3333	66-2587-2157	Ordinary shares	0.5	13	100	100
276	SCG Learning Excellence Co., Ltd	Training service	Bangkok	66-2586-3333	66-2586-2684	Ordinary shares	0.2	20	100	100
277	SCG Vietnam Co., Ltd.	Management consulting service	Vietnam	(848) 3526-9011-13	(848) 3526-9014	**	-	16	100	100
278	PT SCG Indonesia	Management consulting service	Indonesia	(6221) 350-9491	(6221) 352-0718	Ordinary shares	0.1	26	100	100
279	Siam GNE Solar Energy Co., Ltd	Electricity	Bangkok	66-2586-5684	66-2586-6284	Ordinary shares	0.2	16	50	50
	Associates and Other Companies									
280	Siam Kubota Corporation Co., Ltd.	Agricultural machinery	Pathumthani	66-2909-0300-1	66-2909-1698	Ordinary shares	31	2,739	40	40
281	Siam Kubota Metal Technology Co., Ltd.	Cast iron	Chachoengsao	66-3885-5115	66-3885-5110	Ordinary shares	9	900	-	40
282	Siam Kubota Leasing Co., Ltd.	Leasing	Pathumthani	66-2909-0300	66-2909-1697	Ordinary shares	80	2,000	-	40
283	Maxion Wheels (Thailand) Co., Ltd. (Formerly : Siam Lemmerz Co., Ltd.)	Aluminium alloy wheels	Saraburi	66-3637-3309-21	66-3637-3312-3	Ordinary shares	0.1	126	30	30
284	Siam AT Industry Co., Ltd.	Automotive parts	Chonburi	66-3845-4266-8	66-3845-4266	Ordinary shares	2	240	30	30
285	Thai Engineering Products Co., Ltd.	Automotive parts	Pathumthani	66-2529-3518-22	66-2529-1677	Ordinary shares	0.9	85	29	30
286	The Nawaloha Industry Co., Ltd.	Cast iron	Saraburi	66-3633-6531-4	66-3622-3209	Ordinary shares	3	300	30	30
287	Aisin Takaoka Foundry Bangpakong Co., Ltd.	Cast iron	Chonburi	66-3845-4671-7	66-3845-4670	Ordinary shares	5	475	30	30
288	Muang Thong United Co., Ltd.	Football team	Bangkok	66-2508-8100	66-2508-3369	Ordinary shares	3	233	30	30
289	The Siam Nawaloha Foundry Co., Ltd.	Cast iron	Saraburi	66-3628-8300	66-3628-8309	Ordinary shares	3	308	20	25
290	Musashi Auto Parts Co., Ltd.	Motorcycle transmission parts	Pathumthani	66-2529-1753-6	66-2529-4554	Ordinary shares	0.2	200	21	21
291	Lysando AG	Licensing Technology	Liechtenstein	(423) 262-5753	(423) 262-5752	Ordinary shares	1	39	20	20
292	IT One Co., Ltd.	Technical services	Bangkok	66-2271-5111	66-2271-5112	Ordinary shares	0.8	80	20	20
293	Toyota Motor Thailand Co., Ltd.	Automotives	Samut Prakarn	66-2386-1000	66-2386-1883	Ordinary shares	8	7,520	10	10
294	Siam Yamato Steel Co., Ltd.	Structural steel	Rayong	66-3868-3723-30	66-3868-3200	Ordinary shares	30	3,000	10	10
295	Siam Toyota Manufacturing Co., Ltd.	Automotive engines and automotive parts	Chonburi	66-3821-3451-5	66-3874-3310	Ordinary shares	29	2,850	4	4

* Directly and indirectly holding through the Company, subsidiaries, associates, joint ventures and other companies.

** No issuance of share for the Limited Liability Company incorporated in Vietnam.
The capital contribution is as stipulated in the investment certificate of the invested company.

7 SECURITIES AND SHAREHOLDERS

7.1 The Company's Securities

- Registered Capital 1,600 Million Baht.
- Issued and fully paid share capital: 1,200 Million Baht, comprising 1,200 Million ordinary shares.
- Ordinary shares at 1 Baht par value (At the Annual General Meeting of Shareholders held on March 26, 2003, the shareholders unanimously approved to change the par value of ordinary shares of the Company from 10 Baht per share to 1 Baht per share. The Company registered the change with Department of Commerce on April 17, 2003.)
- The Company does not issue other types of shares, except from ordinary shares.

7.2 Shareholders

1) First 10 major shareholders as at December 30, 2015

No.	Shareholders	No. of ordinary shares	% of total shares
1	THE CROWN PROPERTY BUREAU	369,070,600	30.756
2	THAI NVDR CO., LTD*	94,025,986	7.835
3	STATE STREET BANK EUROPE LIMITED	52,080,835	4.340
4	CHASE NOMINEES LIMITED 42	30,963,522	2.580
5	SOCIAL SECURITY OFFICE	24,230,850	2.019
6	STATE STREET BANK AND TRUST COMPANY	21,185,227	1.765
7	CPB EQUITY CO., LTD**	19,720,000	1.643
8	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG	18,492,136	1.541
9	OFFICE OF PRIVY PURSE	15,473,000	1.289
10	RANDERY BARAH MAKAN CO., LTD	15,105,600	1.259

Remark:

* Thai NVDR Co., Ltd. (Thai NVDR) is a subsidiary owned by the Stock Exchange of Thailand (SET) and regarded as listed securities in the SET who is responsible for issuing and selling Non-Voting Depository Receipts (NVDRs) to investors. The service is offered to all, irrespective of the number of securities held or the holder's nationality. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares (i.e. dividends, rights, and warrants) but there are no voting rights for NVDR holders. Further information regarding Thai NVDR Co., Ltd. can be found on www.set.or.th.

** CPB EQUITY Co., Ltd. is a company whose shares are 100% held by The Crown Property Bureau.

As at August 14, 2015, the first major 3 NVDR holders were as follows:

No.	NVDR holders	No. of ordinary shares	% of total shares
1	CHASE NOMINEES LIMITED	16,090,807	1.34
2	THE BANK OF NEW YORK (NOMINEES) LIMITED	8,023,016	0.67
3	STATE STREET BANK AND TRUST COMPANY	6,508,370	0.54

2) The majority of shareholders are a group whose movement has a marked influence on the establishment of corporate policy and strategy. (As at December 30, 2015)

No.	Shareholders	No. of ordinary shares	% of total shares
1	THE CROWN PROPERTY BUREAU	369,070,600	30.756
2	CPB EQUITY CO., LTD.	19,720,000	1.643

Among major shareholders, the company does not have any shareholding agreement, which might affect its management.

3) Minor Shareholders (As at February 12, 2016)
Total number of Minor Shareholders (Free float) is 29,772, equivalent to 66.88%

4) The company has imposed limitations on the number of shares which can be held by the foreigners at 25% of fully paid-up capital. As at December 30, 2015, the company declared that 25% of fully paid-up capital shares are held by the foreigners.

7.3 Issuance of Other Securities

The Siam Cement Public Company Limited issued 10 series* of debentures valuing 166,500 Million Baht as follows:

Debenture Lot	Total Amount Issue (Million Baht)	Outstanding Debenture (Million Baht)	Maturity Date	Coupon Rate (%)	Credit Rating
1/2012	25,000	25,000	April 1, 2016	4.15	A
2/2012	25,000	25,000	November 1, 2016	4.15	A
3/2012	6,500	6,500	October 12, 2019	4.40	A
1/2013	25,000	25,000	April 1, 2017	4.00	A
2/2013	20,000	20,000	October 1, 2017	4.25	A
1/2014	15,000	15,000	April 1, 2018	4.00	A
2/2014	10,000	10,000	October 1, 2018	3.90	A
1/2015 Tranche 1	15,000	15,000	April 1, 2018	3.75	A
1/2015 Tranche 2	15,000	15,000	April 1, 2019	3.90	A
2/2015	10,000	10,000	November 1, 2019	3.40	A
	166,500	**166,500**			

Remarks:

* Debenture were rated as from Fitch Ratings (Thailand) Limited.

7.4 Dividend Policy

The company has a dividend payout policy to the shareholders at 40% - 50% of the consolidated net profit. However, when reviewing the dividend payout for any potential changes for the respective period, the company may take into account all irregular situations, and uncontrollable factors, accordingly. In 2015, the consolidated net profit amounts at 45,400 Million Baht, resulting in the retained earnings for appropriation at the ordinary general meeting of shareholders on March 30, 2016, the Board resolved to declare the annual dividends for the year 2015 at 16.00 Baht per share or equal to 42% of consolidated net profit.

For dividend policy of most subsidiaries which are 100% owned by the company, the company takes into consideration their operating results, financial structure, financial position and investment plan, with no policy of transferring the interests.

Details of dividend distribution in the past 5 years :

Year	Interim dividends (Baht/share)	Final dividends (Baht/share)	Annual dividend (Baht/share)	Dividends payout ratio on net profit* (%)
2011	5.50	7.00	12.50	55
2012	4.50	6.50	11.00	56
2013	8.50	7.00	15.50	51
2014	5.50	7.00	12.50	45
2015	7.50	8.50	16.00**	42

Remark:

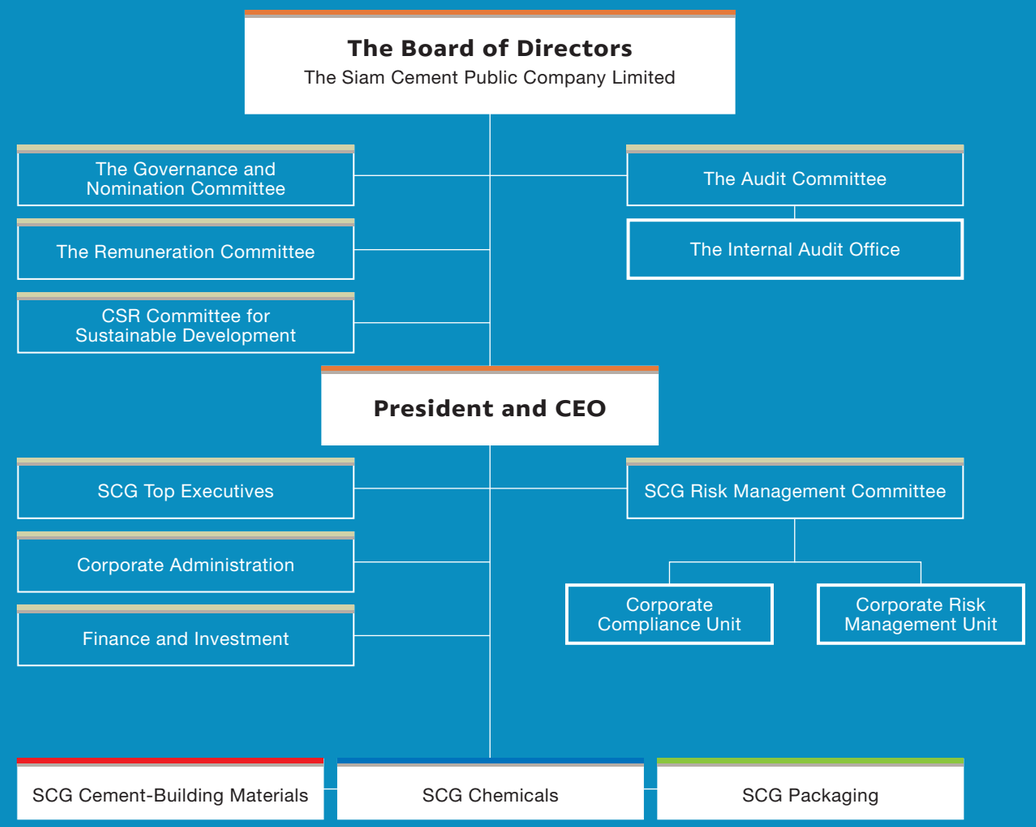
* Net profit represents profit for the year attributable to owners of the parent.

** The Board of Directors resolved to propose the annual general meeting of shareholders on March 30, 2016, to approve the dividend distribution for the year 2015 at 16.00 Baht per share.

8 MANAGEMENT STRUCTURE

Organization Structure

(As at January 1, 2016)



8.1 The Board of Directors

comprises the following names:

01 ***Mr. Chirayu Isarangkun Na Ayuthaya***
Chairman

02 ***Mr. Sumet Tantivejkul***
Independent Director

03 ***Mr. Pricha Attavipach***
Independent Director

04 ***Mr. Panas Simasathien***
Director

05 ***Mr. Yos Euarchukiati***
Director

06 ***Mr. Arsa Sarasin***
Independent Director

07 ***Mr. Chumpol NaLamlieng***
Independent Director

08 ***Mr. Tarrin Nimmanahaeminda***
Independent Director

09 ***Mr. Pramon Sutivong***
Independent Director

10 ***Mrs. Tarisa Watanagase***
Independent Director

11 ***Mr. Kan Trakulhoon***
Director

12 ***Mr. Roongrote Rangsiyopash***
President & CEO

The twelve members of the Board of Directors have no forbidden qualification as follows:

1. Never dishonestly committed an offence against property.

2. Never entered into any transaction which may cause conflict of interest against SCG during the year.

Composition of the Board of Directors

The Board of Directors comprises nationally respected, knowledgeable and competent persons who are responsible for drawing up corporate policy and collaborating with the top executives in making both short-term and long-term operating plans, financial policy, risk management policy, and organizational overview. The Board plays an important role in overseeing, monitoring and assessing the performance of the Company and top executives on an independent basis.

Among the Board directors, three have been appointed as authorized directors, namely, Mr. Yos Euarchukiati, Mr. Panas Simasathien, and Mr. Roongrote Rangsiyopash. Any two of the authorized directors are authorized to sign jointly on behalf of the Company.

The Board is comprised of eleven non-executive directors and one executive director, who is the Company's President & CEO

Three members of the Board who are directors or consultants and receive a salary of a major shareholder are Mr. Chirayu Isarangkun Na Ayuthaya, Mr. Panas Simasathien, and Mr. Yos Euarchukiati.

The seven independent directors are Mr. Sumet Tantivejkul, Mr. Pricha Attavipach, Mr. Arsa Sarasin, Mr. Chumpol NaLamlieng, Mr. Tarrin Nimmanahaeminda, Mr. Pramon Sutivong and Mrs. Tarisa Watanagase, constituting more than half of the Board of Directors. In addition, the seven independent directors meet all the requirements specified in the Company's list of qualifications of an independent director, which are more stringent than the qualifications stipulated by the Securities and Exchange Commission.

The Sub-committees

Directors	The Audit Committee (Total 4 members)	The Governance and Nomination Committee (Total 5 members)	The Remuneration Committee (Total 3 members)	The CSR Committee for Sustainable Development (Total 9 members)
1. Mr. Chirayu Isarangkun Na Ayuthaya	-	-	-	Member
2. Mr. Sumet Tantivejkul	-	Chairman	-	Member
3. Mr. Pricha Attavipach	Member	Member	-	-
4. Mr. Panas Simasathien	-	Member	-	-
5. Mr. Yos Euarchukiati	-	-	Member	Member
6. Mr. Arsa Sarasin	-	Member		Chairman
7. Mr. Chumpol NaLamlieng	-	-	Chairman	-
8. Mr. Tarrin Nimmanahaeminda	Chairman	Member	-	-
9. Mr. Pramon Sutivong	Member	-	Member	-
10. Mrs. Tarisa Watanagase	Member			
11. Mr. Kan Trakulhoon	-	-	-	Member
12. Mr. Roongrote Rangsiyopash	-	-	-	Member

Notes:

- Independent directors that meet all the requirements specified in the Company's list of qualifications of an independent director are number 2, 3, 6, 7, 8, 9 and 10
- Mr. Kajohndet Sangsuban, Mr. Cholanat Yanaranop and Mr. Yuttana Jiamtragan are members of the CSR Committee for Sustainable Development

Board of Directors' Meetings

It is the duty of each member of the Board to consistently attend the Board's meetings to stay informed of SCG's operations and make decisions regarding them. The Board holds at least eight scheduled meetings per year, the schedules of which are arranged in advance every year and submitted to each director at the beginning of the year so all the directors can arrange their schedule for the meetings. In addition, special meetings might be held to consider urgent matters.

At the meetings, the Chairman and the President & CEO of the Company jointly determine which agenda items are relevant to the meetings. Every individual member of the Board is entitled to propose agenda items.

In 2015, the Board held 10 meetings, eight scheduled meetings and two special meetings with 96% of the Board of Directors attending. Individually, each director attended more than 75% of the total number of meeting. Prior to each meeting, all members received the agenda and supporting documents five working days prior to the date of the meeting to allow adequate time for preparation.

When considering the matters presented to the Board, the Chairman of the Board presides over and duly conducts the meetings. All members of the Board are allowed to express their opinions independently. Resolutions are passed with a majority vote, whereby one director is eligible for one vote. A director with a vested interest in the issue under consideration or a director ineligible to vote shall be excused and/or abstain from voting. In case of a tied vote, the chairman of the meeting will cast his vote to reach a resolution.

SCG executives are allowed to attend the Board's meetings to provide useful information to the Board, and to learn directly about the Board's initiatives and policies for effective implementation. However, the executives are not allowed to attend the meeting for certain agenda items which are reserved only for the Board of Directors or for non-executive directors in order to ensure independence of consideration.

In addition, the Board attaches significance to managing the conflicts of interest of the concerned parties with prudence, fairness and transparency. The information shall be fully disclosed. Any director with a vested interest in the matter under consideration must not be involved in the decision process.

After the Meeting, the secretary to the Board of Directors is responsible for preparing the minutes for all directors. The minutes must then be approved as the first agenda item of the following meeting of the Board, which is duly signed by the Chairman. Directors may make comments, corrections or additions to ensure maximum accuracy and completeness. After approval, minutes of the meeting are stored securely in the corporate secretary's office together with all related documents, which are backed up electronically to facilitate data searches.

In addition, for the months in which the Board of Directors meeting is not held, all directors are continuously informed of the operating results. The Company submits to the director relevant documents, together with information about any significant developments that occurred during the month, in order to keep them informed.

In addition, the Company holds a meeting between non-executive Directors without the Management present both after the Company's annual medium-term business plan meeting and when necessity arises in order to discuss various issues of public interest to allow non-executive Directors to express their opinions independently. In 2015, a meeting without the Management was held on August 29, 2015 to discuss the development of the formulation, proposal, and monitoring of medium-term business plans.

The attendance of the directors in 2015

(January 1, 2015 - December 31, 2015)

Directors	Board of Directors (Total 12 directors) Total 10 times / year	The Audit Committee (Total 4 members) Total 6 times / year	The Governance and Nomination Committee (Total 5 members) Total 4 times / year	The Remuneration Committee (Total 3 members) Total 6 times / year	The CSR Committee for Sustainable Development (Total 6 members) Total 4 times / year	The 2015 Meeting of Shareholders (Total 12 directors) Total 1 time / year
1. Mr. Chirayu Isarangkun Na Ayuthaya	9/10				3/4	1/1
2. Mr. Snoh Unakul 7*	2/2				1/1	1/1
3. Mr. Sumet Tantivejkul	9/10		4/4		2/4	1/1
4. Mr. Pricha Attavipach	10/10	6/6	4/4			1/1
5. Mr. Panas Simasathien	10/10		4/4			1/1
6. Mr. Yos Euarchukiati	10/10			6/6	4/4	1/1
7. Mr. Arsa Sarasin	10/10		4/4		3/3	1/1
8. Mr. Chumpol NaLamlieng	8/10			5/6		0/1
9. Mr. Tarrin Nimmanahaeminda	9/10	6/6	4/4			1/1
10. Mr. Pramon Sutivong	10/10	6/6		6/6		1/1
11. Mrs. Tarisa Watanagase	10/10	6/6				1/1
12. Mr. Kan Trakulhoon	10/10				4/4	1/1
13. Mr. Roongrote Rangsiyopash	7/7				2/4	-

Notes:

1. Seven independent directors are number 3, 4, 7, 8, 9, 10 and 11.
2. Four members of the Audit Committee are number 4, 9, 10 and 11.
3. Five members of the Governance and Nomination Committee are number 3, 4, 5, 7 and 9.
4. Three members of the Remuneration Committee are number 6, 8 and 10.
5. Six members of the CSR Committee for Sustainable Development are number 1, 3, 6, 7, 12 and 13.
6. The 2015 Ordinary General Meeting of Shareholders was held on March 25, 2015.

7* Mr. Snoh Unakul was a director, a member of the Governance and Nomination Committee and the chairman of the CSR Committee for Sustainable Development since January 1 to March 25, 2015 and the persons who have been appointed/elected to fill the vacancies were as follows:

- Mr. Pricha Attavipach has been appointed as a member of the Governance and Nomination Committee.
- Mr. Arsa Sarasin has been appointed as the chairman of the CSR Committee for Sustainable Development.
- Mr. Roongrote Rangsiyopash has been elected as a director of the Company.

Board of Directors

Mr. Chirayu Isarangkun Na Ayuthaya

Age 73

Position in SCC
- Chairman
- Member of CSR Committee for Sustainable Development

Date of Appointment
August 25,1987 - November 24,1999
March 28, 2007 - Present

Education/Training
- Ph.D., Economics, Australian National University, Australia
- BSc, Economics (Hons), London School of Economics, University of London, England

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Risk management and corporate governance

Director Training
- Role of the Chairman Program (RCP) 1/2000, Thai Institute of Directors Association

Board member/management in Listed Company (1)

Since 2007 Director, The Siam Commercial Bank Public Company Limited

Position in Other Company/Organization/Institution (5)

Since 1987 Director-General, The Crown Property Bureau
Since 1987 Grand Chamberlain, The Royal Household Bureau
Since 1987 Chairman, The Deves Insurance Public Company Limited
Since 1998 Chairman, National Institute of Development Administration
Since 2006 Director, CPB Equity Company Limited

5-year Past Experiences and/or Remarkable Position

1976-1979 Dean, School of Development Economics, NIDA
1983-1985 Deputy Minister of Industry
1985 Minister of Industry
1986 Minister of Prime Minister's Office
1998-2007 Chairman, The Siam Commercial Bank Public Company Limited

Shareholdings (Ordinary Shares):
Held personally (None)
Held by spouse or minor children (None)
Family Relationship among Directors and Executives (None)

Mr. Sumet Tantivejkul

Age 76
Director qualified as an Independent Director (From January 28, 1998)

Position in SCC
- Director
- Chairman, The Governance and Nomination Committee
- Member of CSR Committee for Sustainable Development

Date of Appointment January 28, 1998

Education/Training
- Ph.D.(Political Science), Montpellier University, France
- M.A. (Political Science and International Law), Montpellier University, France
- B.A. (Political Science), Grenoble University, France
- Diploma, The Economic Development Institute of the World Bank (EDI), Washington, D.C., U.S.A

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Corporate governance

Director Training
- Bankruptcy and Rehabilitation Process: What Directors and Executive should know?, Thai Institute of Directors Association
- The Audit Committee…The Expectation Increase and The Responsibility Expansion, The Stock Exchange of Thailand
- Director Certification Program (DCP) 30/2003, Thai Institute of Directors Association
- Finance for Non-Finance Director (FND) 5/2003, Thai Institute of Directors Association
- Audit Committee Program (ACP) 1/2006, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (3)

Since 2002 Chairman, Elephant Reintroduction Foundation
Since 2002 Chairman, Elephant Reintroduction Foundation
Since 2002 Chairman, The Sirindhorn International Environmental Park

5-year Past Experiences and/or Remarkable Position

1994-1996 Secretary-General, Office of The National Economic and Social Development Board
1994-1996 Director, The Bank of Thailand
1994-2001 Director, Thai Airways International Public Company Limited
1996-1997 Director, Krung Thai Bank Public Company Limited
1997-1998 Chairman, Telephone Organization of Thailand
1997-2000 Director, Thai Farmers Bank Public Company Limited
2001-2012 Director, Council of Burapha University
2005-2010 President of the University Council, Thammasat University

Shareholdings (Ordinary Shares):
Held personally (None)
Held by spouse or minor children (None)
Family Relationship among Directors and Executives (None)

Mr. Pricha Attavipach

Age 77

Director qualified as an Independent Director (From March 31, 1999)

Position in SCC
- Director
- Member of the Audit Committee
- Member of the Governance and Nomination Committee

Date of Appointment March 31, 1999

Education/Training
- M.S. (Industrial Engineering & Management), Oklahoma State University, U.S.A.
- B.Sc. (Industrial Engineering), Chulalongkorn University

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Risk management and corporate governance

Director Training
- Director Certification Program (DCP) 39/2004, Thai Institute of Directors Association
- Finance for Non-Finance Director (FND) 8/2004, Thai Institute of Directors Association
- Audit Committee Program (ACP) 11/2006, Thai Institute of Directors Association
- Director Accreditation Program (DAP) 107/2014, Thai Institute of Directors Association

Board member/management in Listed Company (4)

Since 2004	Independent Director and Chairman of the Audit Committee, Thai Rung Union Car Public Company Limited
Since 2008	Chairman and Independent Director, Thai Sugar Terminal Public Company Limited
Since 2008	Chairman, Kaset Thai International Sugar Corporation Public Company Limited
Since 2008	Chairman, TS Flour Mills Public Company Limited

Position in Other Company/Organization/Institution (12)

Since 1933	Director, H.C. Starck Co., Ltd.
Since 2000	Chairman, Pan-Paper 1992 Company Limited
Since 2001	Specialist Senior Engineering (Industrial Engineer), Council of Engineers
Since 2002	Law Councillor of Ministry of Labour
Since 2003	Chairman, SIAM P.P. International Company Limited
Since 2004	Chairman, Ekarat Pattana Company Limited
Since 2004	Academic Director of the Safety and Health Vocational Management System, The Engineering Institute of Thailand Under H.M. The King's Patronage (E.I.T)
Since 2007	President of the University Council, Chaopraya University
Since 2008	Chairman, TS Oil Industry Company Limited
Since 2008	Chairman, TSG Asset Company Limited
Since 2010	Chairman, SI Property Company Limited
Since 2011	Chairman, Kaset Thai Bio Power Company Limited

5-year Past Experiences and/or Remarkable position

1993-2001	Director, PTT Exploration and Production Public Company Limited
1996-1999	Permanent Secretary, Ministry of Industry
1997-1998	Chairman, The Electricity Generating Authority of Thailand
1997-1999	Chairman, The Petroleum Authority of Thailand
1999-2000	Chairman, National Petrochemical Public Company Limited

Shareholdings (Ordinary Shares):

Held personally 31,100 shares (0.00259%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Panas Simasathien

Age 83

Position in SCC
- Director
- Member of the Governance and Nomination Committee

Date of Appointment December 29, 1999

Education/Training
- Honorary Doctorate in Commerce, Thammasat University
- Ph.D. (Accounting), University of Illinois, U.S.A.
- M.S. (Accounting), University of Illinois, U.S.A.
- B.A., Cum Laude, (Business Administration) Claremont Men's College, California, U.S.A.
- Certificate in Accountancy, Thammasat University

Expertise
- Economics, investment, policy setting and strategic planning
- Risk management and corporate governance
- Accounting and finance
- Law, rule and public service regulation

Director Training
- Director Certification Program (DCP) 2/2000, Thai Institute of Directors Association
- The Corporate Governance of Family Business: A Path to Sustainable Success, Thai Institute of Directors Association
- Strengthening Corporate Governance Practices in Thailand, Thai Institute of Directors Association
- Effective AGMs for Better Communication with Your Shareholders, Thai Institute of Directors Association
- Developing CG Policy Statement, Thai Institute of Directors Association
- Director Independence and Handling of Conflict of Interests, Thai Institute of Directors Association
- DCP Refresher Course 1/2005, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (4)

Since 1992	Deputy Chairman and Chairman of the Executive Committee, Siam Piwat Company Limited
Since 2000	Director, Board of The Crown Property Bureau
Since 2003	Chairman, The Council of State, Group 12
Since 2006	Director, CPB Equity Company Limited

5-year Past Experiences and/or Remarkable Position

1992	Minister of Finance
1993-1995	Chairman, The Electricity Generating Authority of Thailand
2005-2013	Chairman, The National Economic and Social Development Board
2011-2012	Chairman, Saha Union Public Company Limited

Shareholdings (Ordinary Shares):

Held personally 100,000 shares (0.00833%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Yos Euarchukiati

Age 73

Position in SCC
- Director
- Member of the Remuneration Committee
- Member of CSR Committee for Sustainable Development

Date of Appointment September 30, 1998

Education/Training
- B.Sc.(Eng.), University College London, University of London, England

Expertise
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Risk management and corporate governance
- Accounting and finance

Director Training
- Role of the Chairman Program (RCP) 1/2000, Thai Institute of Directors Association
- The Board's Role in Setting Effective Compensation Policy, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (3)

Since 1997	Advisor - Financial and Investment, The Crown Property Bureau
Since 2001	Chairman of the Executive Board of Director, CPB Equity Company Limited
Since 2001	Chairman, CPB Property Company Limited

5-years Past Experiences and/or Remarkable position

1992-1997	Vice Chairman, The Bank of Asia Public Company Limited
1990-2012	Chairman, Thai Plastic and Chemicals Public Company Limited
2001-2016	Chairman, Siam Sindhorn Company Limited

Shareholdings (Ordinary Shares):

Held personally 1,800,000 shares (0.15%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Arsa Sarasin

Age 79

Director qualified as an Independent Director (From July 25, 2001)

Position in SCC
- Director
- Member of the Governance and Nomination Committee
- Chairman of CSR Committee for Sustainable Development

Date of Appointment July 25, 2001

Education/Training
- B.A. (Business Administration), Boston University, U.S.A.

Expertise
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Corporate governance
- Telecommunication, communication and information technology

Director Training
- Director Accreditation Program (DAP) 5/2003, Thai Institute of Directors Association
- Audit Committee Program (ACP) 19/2007, Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND) 39/2008, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 32/2013,Thai Institute of Directors Association

Board member/management in Listed Company (4)

Since 1998	Chairman, Padaeng Industry Public Company Limited
Since 1999	Independent Director and Chairman, Siam Makro Public Company Limited
Since 1999	Independent Director, Vice Chairman and Chairman of the Audit Committee, Charoen Pokphand Foods Public Company Limited
Since 2015	Chairman and Independent Director, Dusit Thani Public Company Limited

Position in Other Company/Organization/Institution (9)

Since 1993	Chairman, Thai Asia Pacific Brewery Company Limited
Since 1995	Chairman, Amata City Company Limited
Since 2003	Director, Thai Pure Drinks Company Limited
Since 2004	Chairman of the Board of Governors for Amata Spring Country Club
Since 2004	Chairman of Advisor, Thai-Laos Friendship Association

Since 2005	Deputy Chairman, Thai Tapioca Development Institute
Since 2006	Chairman, Mae Sod Clean Energy Company Limited
Since 2013	Chairman, Mitsubishi Elevator Asia Company Limited
Since 2013	Adviser, Mitsubishi Electric Asia (Thailand) Company Limited

5-year Past Experiences and/or Remarkable Position

1977-1980	Ambassador Extraordinary and Plenipotentiary, Royal Thai Embassy of Belgium & Chief of Mission to the European Community
1982-1986	Permanent Secretary, Ministry of Foreign Affairs
1986-1988	Ambassador Extraordinary and Plenipotentiary, Royal Thai Embassy of United States of America
1991-1992	Minister of Foreign Affairs
1994-2004	Co-Chairman of the Thai-Laos Association
1995-1999	Vice Chairman of the Board of Directors, Bangkok Bank Public Company Limited
2000-2012	His Majesty's Principal Private Secretary

Shareholdings (Ordinary Shares):
Held personally 13,000 shares (0.00108%)
Held by spouse or minor children (None)
Family Relationship among Directors and Executives (None)

Mr. Chumpol NaLamlieng

Age 68
Director qualified as an Independent Director (From July 30, 2014)

Position in SCC
- Director
- Chairman, The Remuneration Committee

Date of Appointment August 1, 1992

Education/Training
- MBA, Harvard Business School, U.S.A.
- B.S. Mechanical Engineering, University of Washington, U.S.A.

Expertise
- Administration, organization management and human resource management
- Telecommunication, communication and information technology

Director Training
- Role of the Chairman Program (RCP) 2/2001, Thai Institute of Directors Association

Board member/management in Listed Company (1)

Since 2007	Independent Director and Chairman of the Nomination, Compensation and Corporate Governance Committee, The Siam Commercial Bank Public Company Limited

Position in Other Company/Organization/Institution (6)

Since 1990	Director, Navuti Company Limited
Since 1990	Director, Supaprunk Company Limited
Since 2010	Director, Siam Sindthorn Company Limited
Since 2011	Director, CBP Equity Company Limited
Since 2012	Director, Kempin Siam Company Limited
Since 2012	Director, Kempinski International SA

5-year Past Experiences and/or Remarkable Position

1990-2009	President, Garden River Company Limited
1993-2005	President, The Siam Cement Public Company Limited
2005-2009	Director, British Airways Public Company Limited
2004-2011	Chairman, Singapore Telecommunication Company Limited

Shareholdings (Ordinary Shares):
Held personally 201,000 shares (0.01675%)
Held by spouse or minor children (None)
Family Relationship among Directors and Executives (None)

Mr. Tarrin Nimmanahaeminda

Age 70
Director qualified as an Independent Director (From October 24, 2007)

Position in SCC
- Director
- Chairman, the Audit Committee
- Member of the Governance and Nomination Committee

Date of Appointment October 24, 2007

Education/Training
- MBA (Finance), The Stanford Graduate School of Business, U.S.A.
- B.A. (Government, Cum Laude), Harvard College, U.S.A.

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Accounting and finance
- Risk management and corporate governance
- International trade and investment

Director Training
- Role of the Chairman Program (RCP) 35/2014, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (4)

Since 1988	Vice Chairman, Princess Maha Chakri Sirindhorn Foundation
Since 1992	Chairman of the board of Executive Directors and Treasurer, The Prostheses Foundation of H. M. H. The princess Mother
Since 2003	Chairman, Siam Piwat Company Limited
Since 2013	Chairman, Nantawan Company Limited

5-year Past Experiences and/or Remarkable Position

1984-1992	President and Chief Executive Officer, Siam Commercial Bank Public Company Limited
1991-1992	Chairman of the Thai Bankers' Association
1992-1995	Minister of Finance (September 1992 - May 1995)
1996-2005	Member of the House of Representatives
1997-2001	Minister of Finance (November 1997 - February 2001)
1999-2000	Chairman of The Development Committee, The World Bank Group

Shareholdings (Ordinary Shares):
Held personally (None)
Held by spouse or minor children 25,000 shares (0.00208%)
Family Relationship among Directors and Executives (None)

Mr. Pramon Sutivong

Age 76
Director qualified as an Independent Director (From June 1, 2011)

Position in SCC
- Director
- Member of the Remuneration Committee
- Member of the Audit Committee

Date of Appointment April 29, 2009

Education/Training
- Master of Engineering, Major in Mechanical, University of Kansas, U.S.A.
- Bachelor of Engineering, Major in Mechanical, University of Kansas, U.S.A.
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Marketing and public relations

Director Training
- Role of the Chairman Program (RCP) 4/2001, Thai Institute of Directors Association
- Director Accreditation Program (DAP) 6/2003, Thai Institute of Directors Association
- Role of the Compensation Committee (RCC) 9/2009, Thai Institute of Directors Association
- Audit Committee Program (ACP) 45/2013, Thai Institute of Directors Association

Board member/management in Listed Company (1)

Since 1997	Independent Director, The Navakij Insurance Public Company Limited

Position in Other Company/Organization/Institution (10)

Since 1999	Chairman, Toyota Motor Thailand Company Limited
Since 1999	Chairman, Siam compressor Industry Company Limited
Since 1999	Director, Toyota Thailand Foundation
Since 2007	Director, Office of The Civil Service Commission
Since 2009	Senior Chairman, The Thai Chamber of Commerce and Board of Trade of Thailand
Since 2009	Honorary Director of the University Council, University of the Thai Chamber of Commerce
Since 2011	Chairman of Anti-Corruption Organization of Thailand
Since 2013	Member, Advisory Board, Sasin Graduate Institute of Business Administration
Since 2014	Member, National Reform Council
Since 2015	Member, National Reform Steering Assembly

5-year Past Experiences and/or Remarkable Position

1965-1980	Esso Standard Thailand Co., Ltd.
1981-1996	Managing Director, SCT Co., Ltd.
1984-1992	Vice President, The Siam Cement Public Company Limited
1992-1999	Senior Vice President, The Siam Cement Public Company Limited
1990-2005	Director, SCG Foundation
1998-2002	Chairman, International Chamber of Commerce Thailand
1999-2004	Chairman, Bankthai Public Company Limited
2006-2008	Member, National Legislative Assembly
2004-2009	Chairman, The Thai Chamber of Commerce
2005-2009	Chairman, Board of Trade of Thailand

Shareholdings (Ordinary Shares):
Held personally (None)
Held by spouse or minor children 50,000 shares (0.00416%)
Family Relationship among Directors and Executives (None)

Mrs. Tarisa Watanagase

Age 66
Director qualified as an Independent Director (From March 27, 2013)

Position in SCC
- Director
- Member of the Audit Committee

Date of Appointment March 27, 2013

Education/Training
- Ph.D. (Honorary) in Economics, Keio University, Tokyo, Japan
- Ph.D., Economics, Washington University, U.S.A.
- M.A., Economics, Keio University, Tokyo, Japan
- B.A., Economics, Keio University, Tokyo, Japan

- Advanced Management Program (AMP), Harvard Business School, U.S.A.
- Diploma, The State, Private Sector and Political Sectors Course (Class 3), National Defense College

Expertise
- Economics, investment, policy setting and strategic planning
- Accounting and finance
- Risk management
- Telecommunication, communication and information technology

Director Training
- Director Certification Program (DCP) 4/2000, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (10)

Since 2006	Director, Puey Ungphakorn Institute
Since 2006	Member, Foundation For Thailand Rural Reconstruction Movement Under Royal Patronage
Since 2010	Member, Board of Director, Ramathibodi Hospital Foundation
Since 2011	Member, Board of Directors and Audit Committee, Office of Insurance Commission
Since 2011	Member, Board of Director, the Heart Foundation of Thailand under the Royal Patronage of the Crown Princess
Since 2011	Director, Member, Board of Directors, Private Sector Collective Action Coalition Against Corruption (CAC)
Since 2011	Member, APD Advisory Group, Asia Pacific Department, IMF, Washington, D.C.
Since 2012	Director, Thailand Philharmonic Orchestra
Since 2013	Member, Advisory Board, Central Banking Publication, U.K.
Since 2013	Senior Advisor, Promontory Financial Group, Washington, D.C., U.S.A.

5-year Past Experiences and/or Remarkable Position

2006-2010	Governor, The Bank of Thailand
2006-2009	Chairperson, The Bank of Thailand Board
2006-2010	Chairperson, Monetary Policy Committee
2006-2010	Chairperson, Financial Institutions Policy Committee
2006-2010	Chairperson, Payment Systems Committee
2006-2010	Board Member, The National Economic and Social Development Board
2006-2010	Commission Member, The SEC Commission Members
2006-2010	Director, Board of Insurance Commission
2006-2010	Director, Thai Asset Management Corporation Board of Directors
2011	Expert, The Financial Sector Assessment Program (FSAP), IMF
2012-2013	Member, International Advisory Panel, State Bank of Vietnam, Vietnam
2013	Member, World Bank-IMF Joint Committee on Remuneration of Executive Directors and Alternates
2013-2014	Associate, Alliance for Financial Inclusion, Thailand

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children 40,100 shares (0.00333%)

Family Relationship among Directors and Executives (None)

Mr. Kan Trakulhoon

Age 60

Position in SCC
- Director
- Member of CSR Committee for Sustainable Development

Date of Appointment January 1, 2006

Education/Training
- Honorary Degree, Doctor of Engineering, Chulalongkorn University
- Honorary Degree, Doctor of Engineering (Production Engineering), Mahasarakham University
- M.S. (Management), The Georgia Institute of Technology, U.S.A.
- M.S. Engineering, The Georgia Institute of Technology, U.S.A.
- B.E. (Electrical), First Class Honours, Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Marketing and public relations
- Telecommunication, communication and information technology

Director Training
- Director Certification Program (DCP) 29/2003, Thai Institute of Directors Association

Board member/management in Listed Company (1)

Since 2015	Independent Director, Advanced Info Service Public Company Limited

Position in Other Company/Organization/Institution (20)

Since 2004	Board Member, East Asia Council, INSEAD
Since 2006	Board Member, World Business Council for Sustainable Development
Since 2006	Member, School of Engineering and Technology, Asian Institute of Technology
Since 2007	Member, Asia Business Council
Since 2010	Member, Board of Trustees, Asia Business Council
Since 2011	Shayu (Company Associate), Kubota Corporation (Japan)
Since 2011	Global Advisor, Kubota Corporation (Japan)
Since 2013	Advisor, The Federation of Thai Industries
Since 2013	Honorable Advisor, Environmental Engineering Association of Thailand
Since 2013	Director, National Science Technology and Innovation Policy Board
Since 2013	Advisor to the Executive Committee, Mahidol University Foundation
Since 2013	Director, The Engineering-Section Committee, Anandamahidol Foundation
Since 2013	Member, Advisory Board, Sasin Graduate Institute of Business Administration
Since 2014	Member, National Innovation Development Board
Since 2015	Member, Committee on the Acceleration of Policy towards the Special Economic Zones in the Form of Industrial Cluster, Ministry of Industry
Since 2015	Member of the Advisory Board, Nomura Holding Inc.
Since 2015	Director, Board of Committee, Chulalongkorn Hospital
Since 2016	Public-Private-People Partnership Working Group (Innovation and Productivity Improvement), Public-Private Steering Committee, Royal Thai Government
Since 2016	Public-Private-People Partnership Working Group (Law and Public Sector System Improvement), Public - Private Steering Committee, Royal Thai Government

5-year Past Experiences and/or Remarkable Position

1999-2002	President, Cementhai Ceramics Company Limited
2003-2004	Vice President, The Siam Cement Public Company Limited
2004-2005	Executive Vice President, The Siam Cement Public Company Limited
2005-2015	President & CEO, The Siam Cement Public Company Limited
2009-2011	Outside Director, Kubota Corporation (Japan)
2013-2015	Director, National Science and Technology Development Board

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Roongrote Rangsiyopash

Age 52

Position
- Director
- President & CEO
- Member of CSR Committee for Sustainable Development

Date of Appointment March 25, 2015

Education/Training
- MBA, Harvard Business School, U.S.A
- M.S. (Industrial Engineering), University of Texas at Arlington, U.S.A.
- B.E. (Mining), Chulalongkorn University

Expertise
- Business and industry relating to SCG
- Economics, investment, policy setting and strategic planning
- Administration, organization management and human resource management
- Marketing and public relations
- Telecommunication, communication and information technology

Director Training
- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (3)

Since 2015	Honorary Director, the National Science and Technology Development Board
Since 2015	Sub-Committee member, Steering Sub-committee on the Reforming of Science, Technology and Research for Innovation, National Reform Steering Assembly
Since 2015	Public-Private-People Partnership Working Group (Competitive Workforce), Public - Private Steering Committee, Thai Royal Committee

Other Positions in SCG
- Being chairman and director of non-listed companies under SCG Totaling 6 companies

5-year Past Experiences and/or Remarkable Position

2008-2011	Director, Thai-German Ceramic Industry Public Company Limited
2010-2011	Director, Quality Construction Products Public Company Limited
2011-2015	Chairman of the Board of Directors and Executive Committee, Thai British Security Printing Public Company Limited
2011-2015	Chairman, Thai Cane Paper Public Company Limited
2011-2015	President, SCG Paper
2012-2015	Director, Thai Plastic and Chemicals Public Company Limited
2013-2014	Expert Member, Government Pension Fund (GPF) Board of Directors
2013-2014	Chairman of Risk Management Subcommittee, Government Pension Fund (GPF)
2013- 2015	Director, Giga Impact Initiative Board (GII Board), National Science and Technology Development Agency (NSTDA)
2015	Executive Vice President, The Siam Cement Public Company Limited

Shareholdings (Ordinary Shares):

Held personally 30,000 shares (0.0025%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Report of Changes in Securities Holdings of Directors

Directors	Ordinary shares (shares)			Debentures (units)*			Ordinary shares of affiliated companies (shares)
	As at January 1, 2015	As at December 31, 2015	Increase/ (decrease) during financial year	As at January 1, 2015	As at December 31, 2015	Increase/ (decrease) during financial year	
1. Mr. Chirayu Isarangkun Na Ayuthaya	-	-	-	-	-	-	-
2. Mr. Sumet Tantivejkul	-	-	-	10,000	10,000	-	-
3. Mr. Pricha Attavipach	4,100	31,100	27,000	-	45,000	45,000	-
4. Mr. Panas Simasathien	100,000	100,000	-	37,000	37,000	-	-
5. Mr. Yos Euarchukiati	1,500,000	1,800,000	300,000	-	-	-	-
6. Mr. Arsa Sarasin	13,000	13,000	-	-	-	-	-
7. Mr. Chumpol NaLamlieng	201,000	201,000	-	101,000	101,000	-	-
8. Mr. Tarrin Nimmanahaeminda	-	-	-	-	-	-	-
Spouse	25,000	25,000	-				
9. Mr. Pramon Sutivong	-	-	-	10,000	12,000	2,000	-
Spouse	45,000	50,000	5,000	-	-	-	-
10. Mrs. Tarisa Watanagase	-	-	-	-	-	-	-
Spouse	25,000	40,100	15,100	-	-	-	-
11. Mr. Kan Trakulhoon	-	-	-	-	-	-	-
12. Mr. Roongrote Rangsiyopash	30,000	30,000	-	40,000	40,000	-	-

Notes:

1. The Siam Cement Public Company Limited has a registered capital of 1,600,000,000 Baht and paid-up of capital of 1,200,000,000 Baht. (1,200,000,000 shares).
2. According to the Public Limited Companies Act, an "affiliated company" means a public limited company with a relationship to a private company, a public limited company, or companies in the following manner:
   - Any company that has the authority to control the appointment and removal of directors with full management authority or that has majority management authority.
   - Holds more than 50% of issued shares.
3. According to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse and minor children.
4. The Public Limited Companies Act requires divulging the ordinary shares and debentures in the company and in affiliated companies held solely by a Board member as an individual.
5. The Siam Cement Public Company Limited debentures are 1,000 Baht per unit.
6.* Debentures of The Siam Cement Public Company Limited as at December 18, 2015.

8.2 Top Executives

Top Executives of SCG (As at January 1, 2016) comprises

01 Mr. Roongrote Rangsiyopash
President & CEO, SCG

02 Mr. Cholanat Yanaranop
Senior Vice President, SCG
President, SCG Chemicals

03 Mr. Somchai Wangwattanapanich
Vice President - Operations, SCG Chemicals

04 Mr. Pichit Maipoom
Senior Vice President, SCG
President, SCG Cement-Building Materials

05 Mr. Aree Chavalitcheewingul
Vice President - Regional Business, SCG Cement-Building Materials

06 Mr. Nithi Patarachoke
Vice President - Domestic Market, SCG Cement-Building Materials

07 Mr. Chana Poomee
Vice President - Operations, SCG Cement-Building Materials

08 Mr. Tanawong Areeratchakul
President, SCG Packaging

09 Mr. Chaovalit Ekabut
Vice President - Finance and Investment & CFO, SCG

10 Mr. Yuttana Jiamtragan
Vice President - Corporate Administration, SCG

The above-mentioned top executives of SCG are "Executive" according to the Notification of Capital Market Supervisory Board No. Tor Chor 23/2551.

The ten members of top executives have no forbidden qualification as following:

1. Never dishonestly committed an offence against property.

2. Never entered into any transaction which may cause conflicts of interest against SCG during the year.

SCG top executives are empowered with an authority to operate business under the policy, strategies and goals directed by the Board of Directors, which approves a clear and definite scope of responsibilities to ensure transparency and flexibility of operation. Their duties also encompass controlling and keeping expenses and capital expenditures within the limits approved by the Board in the annual operating plan; managing human resources in line with the prescribed policy; resolving problems or conflicts that affect the Company; and maintaining effective communication with related parties.

The Directors of Subsidiaries that are Core Businesses

(As at January 1, 2016)

Companies / Directors	Mr. Roongrote Rangsiyopash	Mr. Cholanat Yanaranop	Mr. Somchai Wangwattanapanich	Mr. Pichit Maipoom	Mr. Aree Chavalitcheewingul	Mr. Nithi Patarachoke	Mr. Chana Poomee	Mr. Tanawong Areeratchakul	Mr. Chaovalit Ekabut	Mr. Yuttana Jiamtragan
SCG Cement-Building Materials										
SCG Cement Company Limited	✓			✓	✓	✓			✓	
SCG Building Materials Company Limited	✓			✓	✓	✓			✓	
SCG Distribution Company Limited	✓			✓	✓	✓				
SCG Chemicals										
SCG Chemicals Company Limited	✓	✓	✓		✓				✓	
SCG Packaging										
SCG Packaging Public Company Limited	✓		✓		✓	✓		✓	✓	

SCG Top Executives

Mr. Roongrote Rangsiyopash

Age 52

Position
- Director
- President & CEO
- Member of CSR Committee for Sustainable Development

Education/Training
- MBA, Harvard Business School, U.S.A
- M.S. (Industrial Engineering), University of Texas at Arlington, U.S.A.
- B.E. (Mining), Chulalongkorn University

Director Training
- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (3)

Since 2015	Honorary Director, the National Science and Technology Development Board
Since 2015	Sub-Committee member, Steering Sub-committee on the Reforming of Science, Technology and Research for Innovation, National Reform Steering Assembly
Since 2015	Public-Private-People Partnership Working Group (Competitive Workforce), Public - Private Steering Committee, Thai Royal Committee

Other Positions in SCG
- Being chairman and director of non-listed companies under SCG Totaling 6 companies

5-year Past Experiences and/or Remarkable Position

2008-2011	Director, Thai-German Ceramic Industry Public Company Limited
2010-2011	Director, Quality Construction Products Public Company Limited
2011-2015	Chairman of the Board of Directors and Executive Committee, Thai British Security Printing Public Company Limited
2011-2015	Chairman, Thai Cane Paper Public Company Limited
2011-2015	President, SCG Paper
2012-2015	Director, Thai Plastic and Chemicals Public Company Limited
2013-2014	Expert Member, Government Pension Fund (GPF) Board of Directors
2013-2014	Chairman of Risk Management Subcommittee, Government Pension Fund (GPF)
2013- 2015	Director, Giga Impact Initiative Board (GII Board), National Science and Technology Development Agency (NSTDA)
2015	Executive Vice President, The Siam Cement Public Company Limited

Shareholdings (Ordinary Shares):

Held personally 30,000 shares (0.0025%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Cholanat Yanaranop

Age 56

Position
- Senior Vice President
- President, SCG Chemicals

Education/Training
- Master of Chemical Engineering, Imperial College London, UK.
- Bachelor of Environmental Chemical Engineering, (Second Class Honours), Salford University, Manchester, UK.
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training
- Directors Accreditation Program (DAP) 2005, Thai Institute of Directors Association

Board member/management in Listed Company (2)

Since 2011	Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia
Since 2012	Chairman, Thai Plastic and Chemicals Public Company Limited

Position in Other Company/Organization/Institution (2)

Since 2006	Director, Petroleum Institute of Thailand
Since 2008	Advisor, The Thai Institute of Chemical Engineering and Applied Chemistry

Other Positions in SCG
- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2005-2010	Director, PTT Chemical Public Company Limited
2007-2008	President, The Thai Institute of Chemical Engineering and Applied Chemistry
2013-2015	President, Community Partnership Association

Shareholdings (Ordinary Shares):

Held personally 33,500 shares (0.0028%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Somchai Wangwattanapanich
Age 57

Position
- Vice President - Operations, SCG Chemicals

Education/Training
- MBA, Chulalongkorn University.
- Bachelor of Engineering, Mechanical Engineering, Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training
- Director Accreditation Program (DAP) SCC/2004, Thai Institute of Directors Association
- Director Certification Program (DCP) 208/2015, Thai Institute of Directors Association

Board member/management in Other Listed Company (1)

Since 2014 Director, Thai Plastic and Chemicals Public Company Limited

Position in Other Company/Organization/Institution (2)

Since 2012 Vice Chairman, The Federation of Thai Industries

Since 2014 Chairman, The Industrial Environment Institute

Other Positions in SCG
- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2010-2012 Vice Chairman of Petrochemical Industry Club, The Federation of Thai Industries

2010-2012 Executive Committee of the Institute of Industrial and Water Resource and Supplies

2010-2014 Vice Chairman, The Industrial Environment Institute

2011-2013 Vice Chairman of Executive Committee, The Institute of Industrial Energy

2011-2013 Chairman, Climate Change working group under The Joint Standing Committee on Commerce, Industry and Banking

Shareholdings (Ordinary Shares):

Held personally 4,300 shares (0.0004%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Pichit Maipoom
Age 59

Position
- Senior Vice President
- President, SCG Cement-Building Materials

Education/Training
- M.E. (Industrial and Management), Asian Institute of Technology
- B.E. (Mechanical Engineering), Second Class Honours, King Mongkut's Institute of Technology North Bangkok
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training
- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Board member/management in Other Listed Company (4)

Since 2008 Director and Member of Executive Committee, Thai-German Ceramic Industry Public Company Limited

Since 2010 Director and Member of Executive Committee, Quality Construction Products Public Company Limited

Since 2011 President Commissioner, PT Keramika Indonesia Assosiasi Tbk, Indonesia

Since 2011 Commissioner, PT Kokoh Inti Arebama Tbk, Indonesia

Position in Other Company/Organization/Institution (None)

Other Positions in SCG
- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2005-2012 President, SCG Building Materials Company Limited

2008-2012 Honorable Chairman, Ceramic Industry Club of Thailand, The Federation of Thailand Industries

2012 Executive Vice President, SCG Cement Company Limited

2013-2014 Director, Siam Global House Public Company Limited

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Aree Chavalitcheewingul
Age 52

Position
- Vice President-Regional Business, SCG Cement-Building Materials

Education/Training
- Master of Engineering (Industrial Engineering and Management), Asian Institute of Technology
- Bachelor of Engineering (Electrical), Honours, Chiang Mai University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training (None)

Board member/management in Listed Company (4)

Since 2008 Director and Member of Executive Committee, Thai-German Ceramic Industry Public Company Limited

Since 2011 Director and Member of Executive Committee, Quality Construction Products Public Company Limited

Since 2011 Commissioner, PT Kokoh Inti Arebama Tbk, Indonesia

Since 2011 Commissioner, PT Keramika Indonesia Assosiasi Tbk, Indonesia

Position in Other Company/Organization/Institution (None)

Other Positions in SCG
- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2008-2011 Managing Director, Thai-German Ceramic Industry Public Company Limited

2011-2012 Director, Thai Plastic and Chemicals Public Company Limited

2011-2012 Vice President - Corporate Administration, The Siam Cement Public Company Limited

2012 Executive Vice President, SCG Building Materials Company Limited

2012-2013 Director, Siam Global House Public Company Limited

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Nithi Patarachoke
Age 52

Position
- Vice President-Domestic Market, SCG Cement-Building Materials

Education/Training
- MBA (Finance and Operations Management), University of Chicago, U.S.A.
- B.E. (Industrial), Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training (None)

Board member/management in Listed Company (1)

Since 2012 Director, Siam Global House Public Company Limited

Position in Other Company/Organization/Institution (1)

Since 2013 Vice Chairman, Thailand Management Association

Other Positions in SCG
- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2005-2010 Corporate Planning Director, The Siam Cement Public Company Limited

2010-2013 Managing Director, SCG Logistics Management Co., Ltd.

Shareholdings (Ordinary Shares):

Held personally 4,000 shares (0.0003%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr.Chana Poomee

Age 50

Position

- Vice President-Operations, SCG Cement-Building Materials

Education/Training

- B.Eng. Electrical Engineering, King Mongkut's of University Technology North Bangkok
- Master of Public Health,Sukhothai Thammathirat Open University

Director Training (None)

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (None)

Other Positions in SCG

- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2010-2013	Energy Director, SCG Cement-Building Materials Co., Ltd.
2013-2015	Country Director-Myanmar, SCG Cement-Building Materials Managing Director, ECO Plant Services Co., Ltd.
2013-2014	Managing Director, Mawlamyine Cement Ltd.
2015	Managing Director, Myanmar CBM Services Co., Ltd.

Shareholdings (Ordinary Shares):

Held personally 4,800 shares (0.0004%)

Held by spouse or minor children 500 shares (0.00004%)

Family Relationship among Directors and Executives (None)

Mr. Tanawong Areeratchakul

Age 52

Position

- President, SCG Packaging
- Member of CSR Committee for Sustainable Development

Education/Training

- B.E. (Electrical), King Mongkut's Institute of Technology Thonburi
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training (None)

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (None)

Other Positions in SCG

- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2007-2010	Managing Director, Rayong Olefins Co., Ltd.
2008-2012	General Director, Long Son Petrochemicals Co., Ltd.
2012-2014	Vice President - Corporate Administration, SCG

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Chaovalit Ekabut

Age 57

Position

- Vice President - Finance and Investment & CFO, SCG

Education/Training

- M.E. (Industrial Engineering and Management), Asian Institute of Technology
- B.E. (Mechanical) (First Class Honours), Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training

- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association
- Directors Certification Program (DCP) 84/2007, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) Thai Institute of Directors Association

Board member/management in Listed Company (2)

Since 2011	Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia
Since 2015	Director, Thai Plastic and Chemicals Public Company Limited

Position in Other Company/Organization/Institution (None)

Other Positions in SCG

- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2005-2010	President, SCG Paper
2005-2010	Chairman, Thai Cane Paper Public Company Limited
2005-2010	Chairman, Thai British Security Printing Public Company Limited

Shareholdings (Ordinary Shares):

Held personally 30,000 shares (0.0025%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mr. Yuttana Jiamtragan

Age 52

Position

- Vice President-Corporate Administration

Education/Training

- Master of Business Administration, Assumption University
- Bachelor of Sciences (Chemistry), Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training (None)

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (4)

Since 2012	Member, The Federation of Plastic Industries (AFPI)
Since 2012	Honorary Chairman, Plastic Industry Club, The Federation of Plastic Industries (AFPI)
Since 2012	Advisor, Thailand Institute of Packaging and Recycling Management for Sustainable Environment, The Federal of Thai Industries (TIPMSE)
Since 2015	Advisor, Thai Bioplastics Industry Association

Other Positions in SCG

- Being chairman and director of SCG's subsidiaries, associates and other companies which are non-listed as assigned by the company

5-year Past Experiences and/or Remarkable Position

2008-2015	Managing Director, SCG Performance Chemicals Co. Ltd.
2010-2013	Managing Director, SCG Polyolefin Co. Ltd.
2011-2015	Business Group Head : Compound & Formulation, SCG Chemicals

Shareholdings (Ordinary Shares):

Held personally 2,000 shares (0.00002%)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Chief officers in Accounting and Finance

Mr. Pichit Leelaphantmetha
Age 51

Position
- Corporate Accounting Director
- Managing Director, SCG Accounting Services Co., Ltd.

Education/Training
- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University
- Advanced Strategic Management (ASM) International Institute For Management Development, Switzerland

Director Training (1)
- Director Certification Program (DCP) 118/2009, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (1)

Since 2014 Accounting Standard Scrutinizing Sub-Committee, Federation of Accounting Professions (FAP) under The Royal Patronage of His Majesty the King

Other Position in SCG
- Being director and executive of non-listed companies invested by SCG as assigned by the Company

5-year Past Experiences and/or Remarkable Position

2012 The Committee of Management Accounting, Federation of Accounting Professions (FAP) under The Royal Patronage of His Majesty the King

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Mrs. Chantanida Sarigaphuti
Age 46

Position
- Corporate Treasurer

Education/Training
- M.S.(Finance), University of Illinois, USA
- BBA (Finance), Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training
- Company Secretary Program (CSP) 43/2011, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (None)

Other Position in SCG
- Being director and executive of non-listed Companies invested by SCG as assigned by the company

5-year Past Experiences and/or Remarkable Position

2008 Managing Director, SCT Services Co., Ltd.

2008 Manager, International Services Division, SCT Co., Ltd.

2010 General Manager, Corporate Services Group, Thai Plastic and Chemicals Public Company Limited

Shareholdings (Ordinary Shares):

Held personally (None)

Held by spouse or minor children (None)

Family Relationship among Directors and Executives (None)

Report of Changes in Securities Holdings of Executives

Executives	Ordinary shares of The Siam Cement Public Company Limited (shares)		
	As at January 1, 2015	As at December 31, 2015	Increase / (decrease) during financial year
1. Mr. Roongrote Rangsiyopash	30,000	30,000	-
2. Mr. Chaovalit Ekabut	20,000	30,000	10,000
3. Mr. Cholanat Yanaranop	25,500	33,500	8,000
4. Mr. Pichit Maipoom	-	-	-
5. Mr. Aree Chavalitcheewingul	-	-	-
6. Mr. Somchai Wangwattanapanich	8,300	4,300	(4,000)
7. Mr. Tanawong Areeratchakul	-	-	-
8. Mr. Nithi Patarachoke	4,000	4,000	-
9. Mr. Yuttana Jiamtragan*	2,000	2,000	-
10. Mr. Chana Poomee**	-	4,800	4,800
Spouse	500	500	-
11. Mr. Pichit Leelaphantmetha	-	-	-
12. Mrs. Chantanida Sarigaphuti	-	-	-

Notes:
1. The Siam Cement Public Company Limited has a registered capital of 1,600,000,000 Baht and paid-up of capital of 1,200,000,000 Baht. (1,200,000,000 shares).
2. In reference to the Notification of Capital Market Supervisory Board No. Tor Chor 23/2551, "Executives" shall mean the manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.
3. SCG Top executives according to the Notification of Capital Market Supervisory Board comprises the above-mentioed 12 members.
4. According to SEC regulation, ordinary shares of a company held by the directors and executives include those held by spouses and minor children.
5. * Mr. Yuttana Jiamtragan get appointed to be SCG management since July 1, 2015
6. ** Mr. Chana Poomee get appointed to be SCG management since January 1, 2016
7. No. 11-12 are Chief Officer of Accounting and Finance.

Head of Internal Audit

Mr. Anuwat Jongyindee

Age 58

Position

- Internal Audit Director

Education/Training

- Master of Accountancy, Chulalongkorn University
- Bachelor of Science (Business Administration), Kasetsart University

Director Training

- Director Accreditation Program (DAP) 82/2010, Thai Institute of Directors Association
- Director Certification Program (DCP) 135/2010, Thai Institute of Directors Association
- Audit Committee Program (ACP) 31/2010, Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (4)

Since 2008	Vice President and Auditing Supervision Committee, Association of Provident Fund
Since 2011	Accounting System Setting Committee, Federation of Accounting Profession of Thailand
Since 2014	Chairman of Risk Management and Internal Control Club, Thai Listed Companies Association (TLCA)
Since 2015	Committee of CAC Certification Committee

5-year Past Experiences and/or Remarkable Position

2005-2010	Corporate Accounting Director, The Siam Cement Public Company Limited
2005-2010	Director of Accounting Committee and President of Accounting Sub-Committee, Federal Accounting Profession of Thailand
2007-2010	Director, Thai Accounting Standard Committee, Federal Accounting Profession of Thailand

Shareholdings (Ordinary shares):

Held personally None

Held by spouses or minor children None

Family Relationship among Directors and Managements (None)

The Company Secretary

Mrs. Pornpen Namwong

Age 54

Position

- Corporate Secretary Director

Education/Training

- M.S., Japanese Business Studies, Chaminade University of Honolulu, Hawaii, U.S.A.
- Bachelor of Economics (Second Class Honours), Thammasat University

Seminar on Role and Responsibility of Company Secretary

- Company Secretary Program (CSP) 51/2013 Thai Institute of Directors Association
- Anti-Corruption: The Practical Guide (ACPG) Thai Institute of Directors Association
- Board Reporting Program (BRP) Thai Institute of Directors Association

Board member/management in Listed Company (None)

Position in Other Company/Organization/Institution (1)

Since 2010 Director, Thai Company Secretary Club

Other Positions in SCG

- Being company secretary of listed companies under SCG as assigned by the Company

5-year Past Experiences and/or Remarkable Position

1999-2010 Manager, Legal and Business Affairs, SCG Chemicals Co., Ltd.

Shareholdings (Ordinary shares):

Held personally 1,000 shares (0.00008%)

Held by spouses or minor children (None)

Family Relationship among Directors and Managements (None)

8.3 The Secretary to the Board of Directors and the Company Secretary

The Secretary to the Board of Directors

The Board appointed Mr. Worapol Jannapar as the secretary to the Board of Directors responsible for providing advice to the Board regarding the performance of duties in compliance with the law, preparing the minutes of the Board's meetings, and attending every Board meeting. He is deemed by the Board to be highly knowledgeable and experienced, especially in legal matters, allowing him to provide appropriate advice to the Board regarding laws, rules, regulations and the SCG Corporate Governance Policy.

The Company Secretary

The Board appointed Mrs. Pornpen Namwong as the company secretary and assistant secretary to the board of directors responsible for organizing the meetings of the Board, committees and shareholders. The company secretary is also in charge of preparing the minutes of the Board's meetings, the minutes of shareholders' meetings, and Annual Report as well as filing documents as stipulated by law. She is deemed by the Board to be appropriate because she is knowledgeable in managing corporate secretarial work, having served as director of the corporate secretary office, which supports the corporate secretarial work involving compliance with laws, rules, regulations and the SCG Corporate Governance Policy.

The Company constantly supports the company secretary to undergo training and development in the areas of law, accounting, or corporate secretarial work. The qualifications and experience of the company secretary are disclosed in the Company's annual report.

8.4 Remuneration for the Board and the Top Executives

Remuneration for the Board and the Sub-committees

SCG sets appropriate remuneration for members of the Board of Directors at rates comparable to those of leading companies listed in the SET, and other top companies in the same industries. Remuneration for the Board is also considered based on SCG's operating results, before being proposed for approval in the Shareholders' Meeting.

Director Remuneration

In the 11th Annual General Meeting of Shareholders held on March 24, 2004, a resolution passed concerning the remuneration and bonuses of directors. Monthly remuneration for all directors was set at 1,800,000 Baht, to be distributed among the directors in such manner that they themselves may consider appropriate. Regarding bonuses, permission was granted for the Board itself to determine the appropriate amount, but the amount cannot exceed 0.5% of total dividends paid to shareholders, and should be apportioned among the directors in such manner they themselves may consider appropriate. This took effect from the day the resolution was passed by a vote of the shareholders and remained in effect until the Shareholders' Meeting determined otherwise. The bonus for directors will be considered based on the growth of profits of the Company.

In addition to monetary remuneration, the Company does not grant other privileges to the directors.

As for remuneration for the Sub-committees, the Board of Directors is entitled to set the remuneration for each committee according to Clause 40 of the Company's Articles of Association. However, to ensure transparency in tune with good corporate governance, the Board of Directors in 2014 proposed that the remuneration of all forms for the Directors be disclosed at the Annual General Meeting of Shareholders and added to the regular agenda as an item to be approved, starting from the 2015 Annual General Meeting of Shareholders.

The Apportionment of Board Remuneration and Bonuses

Monthly Remuneration The Board of Directors passed a resolution to pay the chairman a 1.5 portion, or 216,000 Baht per month, and the other 11 board members one portion, or 144,000 Baht per month.

Director Bonuses The Board of Directors passed a resolution to pay the chairman a bonus of 1.5 portions and each of the other board members bonuses of one portion of total bonuses as approved in the Shareholders' Meeting.

Remuneration for the Sub-committees

The Board of Directors passed a resolution to remunerate members of the Sub-committees on the basis of a fixed fee and attendance fee, as follows:

	Position	Annual fixed fee (Baht)	Attendance fee (Baht)
The Audit Committee	Chairman	180,000	45,000
	Director	120,000	30,000
The Governance and Nomination Committee/ The Remuneration Committee	Chairman	150,000	37,500
	Director	100,000	25,000

The Remuneration for the Board of Directors and the Sub-committees in 2015

(January 1 - December 31, 2015)

Directors	Remuneration (Baht)				Directors' Bonus paid in 2015 (Baht)	Total (Baht)
	The Board of Directors	The Audit Committee	The Governance and Nomination Committee	The Remuneration Committee		
1. Mr. Chirayu Isarangkun Na Ayuthaya [1]	2,592,000	-	-	-	7,200,000	9,792,000
2. Mr. Sumet Tantivejkul [3]	1,728,000	-	300,000	-	4,800,000	6,828,000
3. Mr. Pricha Attavipach	1,728,000	300,000	176,667	-	4,800,000	7,004,667
4. Mr. Panas Simasathien	1,728,000	-	200,000	-	4,800,000	6,728,000
5. Mr. Yos Euarchukiati	1,728,000	-	-	250,000	4,800,000	6,778,000
6. Mr. Arsa Sarasin [2]	1,728,000	-	200,000	-	4,800,000	6,728,000
7. Mr. Chumpol NaLamlieng [4]	1,728,000	-	-	337,500	4,800,000	6,865,500
8. Mr. Tarrin Nimmanahaeminda [5]	1,728,000	450,000	200,000	-	4,800,000	7,178,000
9. Mr. Pramon Sutivong	1,728,000	300,000	-	250,000	4,800,000	7,078,000
10. Mrs. Tarisa Watanagase	1,728,000	300,000	-	-	4,800,000	6,828,000
11. Mr. Kan Trakulhoon	1,728,000	-	-	-	4,800,000	6,528,000
12. Mr. Snoh Unakul***	404,129	-	23,333	-	3,513,812	3,941,274
13. Mr. Roongrote Rangsiyopash****	1,323,871	-	-	-	1,286,188	2,610,059
Total	**21,600,000**	**1,350,000**	**1,100,000**	**837,500**	**60,000,000**	**84,887,500**

Note

1. Chairman of the Board of Directors
2. Chairman of the CSR Committee for Sustainable Development**
3. Chairman of the Governance and Nomination Committee
4. Chairman of the Remuneration Committee
5. Chairman of the Audit Committee

* The directors' bonus paid in 2015 consisted of the bonus payment based on the final dividend of the year 2014 paid to shareholders on April 23, 2015 and the interim dividend of the year 2015 paid on August 27, 2015 as represented in the item of "Administrative expenses" on the consolidated statements of income.

** The CSR Committee for Sustainable Development has no remuneration.

*** Mr. Snoh Unakul was a director and a member of the Governance and Nomination Committee in the year 2015 (Since 1 January to March 25, 2015).

**** Mr. Roongrote Rangsiyopash has been a director of the Company (replaced Mr. Snoh Unakul) in the year 2015 (Since March 26, 2015 to the present).

SCG Top Executives Remuneration

Policy on Top Executive Remuneration

The Board and the Remuneration Committee assess the performance of the President & CEO based on the Company's operating results, implementation of the Board's policies, and the overall socio-economic circumstances. The Remuneration Committee will then consider the appropriate remuneration in short term and long term for the President & CEO and top executives of SCG and propose such amount to the Board for approval, taking into account the following information regarding the current and previous years:

1. The business unit's operating results based on percentage of EBITDA on operating assets. The target EBITDA percentage for each business unit of SCG shall be set forth each year for assessment and comparison purposes.
2. The operating results of the business unit compared to those of other companies in the same industry, both locally and internationally.
3. The executive's capability to develop the business unit and improve operational efficiency for each business unit each year.

In addition, a survey on manager-level employees' opinions regarding the President & CEO and the top executives is included in the Remuneration Committee's consideration each year.

Top Executive Remuneration (As at December 31, 2015)

The total remuneration for ten executives in the form of salaries, bonuses, variable pay and others amounted to 271,211,129 Baht. For 2015, the Company made contributions of 17,043,680 Baht to the provident fund for the executives as the employees of the Company.

The remuneration for the directors and top executives of subsidiaries, which are SCG's core businesses (As at December 31, 2015)

Total remuneration for directors of subsidiaries that are core business of SCG

Directors of the core businesses, which encompass SCG Cement-Building Materials, SCG Chemicals and SCG Packaging are the top executives who are not subject to remuneration paid for being the directors.

Total remuneration for top executives of subsidiaries that are core businesses of SCG

1. Remuneration paid as money, such as monthly salary, bonus, and variable pay.
2. Other compensation such as provident fund contributions.

Details of remuneration for top executives of subsidiaries that are core businesses of SCG are as follows:

Subsidiaries that are core businesses	Number of executives	Total remuneration in the form of money (Baht)	Other compensation (Baht)
1. SCG Cement-Building Materials Co., Ltd.	4	30,958,333	2,369,107
2. SCG Chemicals Co., Ltd.	7	45,755,239	3,267,683
3. SCG Packaging PLC.	9	53,848,847	3,796,741

The above-mentioned number of executives and the remuneration excluded those of the presidents and vice president of subsidiaries that are SCG's core businesses, as they were included in the number and remuneration of the top executives of The Siam Cement Public Company Limited which are listed on the 2015 Annual Report.

8.5 Human Resources

With adherence to one of SCG 4 Core Values "Belief in the Value of the Individual", SCG attaches great significance to employees, considering them the most valuable assets of the Company. SCG has continuously consolidated the human resources management and strengthened corporate culture to better align with the Company's corporate strategies. The human resources management strategies given top priority include:

1 Human Resources Readiness to Support Future Business Expansion

1.1 Workforce Preparation for Business Expansion

- To ensure that sufficient employees are recruited, SCG has jointly designed and set up programs dedicated to producing human resources required by SCG in collaboration with educational institutes by providing financial support and scholarships in support of human resources development. In other countries where SCG operates, apart from providing scholarships, SCG is resolved to recruit high potential university graduates as well as experienced employees to accommodate future business expansion.
- SCG provides various employment types and hiring options in response to business requirements, both short term and long term, appropriate for each job position. For research and development, SCG has carried out diverse forms of activity such as collaboration projects with various institutes and the provision of R&D grants.
- Diversity and Inclusion Framework: SCG has established a framework for diversity and inclusion to accommodate a potential increase in the diversity of the future workforce in regardless of generations, nationalities, gender, etc. This framework will be used for boosting engagement with a more diverse pool of employees.
- Talent Management: SCG has implemented a talent management system which takes holistic care of employees with high potential and high performance in various aspects including compensation, remuneration, career growth, development as well as the assignment of tasks that are commensurate with employees' talent.

1.2 Employee Development

SCG's business expansion in the ASEAN countries has prompted a sharp increase in the number of employees. To handle accompanying challenges such as the competency development of the large number of employees to accommodate the business expansion and learning standardization across the region, SCG has implemented SCG Learning Transformation in tandem with its employee development.

Learning from hands-on experience with senior staff as a coach

Enhance SCG staff's competency through continuously learning

For SCG Learning Transformation, SCG has defined learning strategies and guidelines to serve as goals and guidance in its operation. An example is the role-based competency development, which is implemented to keep employees informed of their expected roles, responsibilities, and standards. The three groups of competencies include Business Unit Technical Competency, Professional Competency, and Leadership Competency, which they are expected to develop through a 70:20:10 Learning Model (70 refers to learning from doing or experience, 20 refers to the process of learning from others, and the final 10 refers to classroom training or self-learning). Other initiatives within SCG Learning Transformation include the cultivation of a learning culture in which employees must be responsible for driving their own learning and self-improvement, with supervisors serving as coach; the bridging of employee learning with the talent management system and the Company's strategies; and an establishment of a committee overseeing SCG learning at different levels to ensure that the competency of every employee is enriched, nurture attitude and capable leaders into SCG's future driving forces.

In addition, various components that promote learning have also been created, such as an IT-based learning management system.

However, to ensure continuous development while SCG Learning Transformation is being implemented, SCG employees at all levels, both domestic and overseas, are given opportunities from the first day of work to develop their potential for sustainable personal growth and the growth of the Company through various courses such as Ready Together, which is a course for new employees that cultivate SCG working methods, enhance business knowledge, help create networks, and foster a sense of responsibility towards society and the environment. In addition, to ensure that employees will be able to fulfill their duty with maximum efficiency, SCG also sets out to develop their business knowledge, leadership & teambuilding, as well as functional capabilities for their business areas. Some of the business courses that are offered include Abridged Business Concept (ABC), Business Concept Development (BCD), as well as Management Development Program (MDP) and Management Acceleration Program (MAP), which are a collaboration with leading universities Wharton School of the University of Pennsylvania and Duke Corporate Education respectively. Also offered are leadership and teambuilding courses, such as the Leadership Development Programs 1, 2, 3 (LDP 1, 2, 3).

To accommodate overseas investment expansion, SCG has also prepared and equipped its employees for working abroad through its Go Regional Program, which enhances their language skill, cultural sensitivity, and knowledge of overseas business conduct. Furthermore, the Company also advances its employees' knowledge about SCG business conduct through courses such as Cross Cultural Development Program and Business Practice Program. Courses are also offered to foreign employees to ensure equal standards of competency among SCG domestic and overseas employees.

2. Corporate Competency Enhancement

2.1 Human Resources Management System Enhancement

The e-HR Suites, SCG's holistic human resources management system that covers from the selection and employee competency development systems to the personal information management system, has been enhanced with up-to-date software and technology to support usage on mobile devices and on the Internet. This improvement has increased the capability and efficiency of the HR Information System of every company under SCG, both domestic and overseas.

For overseas investment, an effective human resources management system with quality on par with SCG and appropriateness for the locality is of paramount importance. SCG has applied its various excellent practices such as SCG Career Camp; people management through a HR committee; SCG HR Platform; "e-HR", a human resources management software; employee development systems; TQM and TPM; and safety principles to the business management at each overseas company where SCG makes an investment as proof of SCG's commitment to long-term and sustainable investments in each country.

2.2 Corporate Competency Enhancement through Restructuring and Corporate Culture

SCG has restructured its business to reduce overlapping work, enabling the Company to better address the needs of business and customers as well as adjusting to keep up with the constantly-changing market competition.

Through diverse activities, SCG promotes its "SCG People" working culture so that the Group is recognized as an innovative organization. Governed by SCG Code of Conduct, every employee is to live SCG 4 Core Values and demonstrate "Open & Challenge" way of working through assertiveness in their thinking and speaking, open-mindedness, and willingness to challenge and improve themselves. To develop employees' competency in supporting innovative culture, SCG has arranged number of programs to develop them at each level. These programs are, for instance, Thinking Skills for Innovation, Coaching for Innovation, Leadership Development Program, and Inno-Executive Coaching. In the meantime, SCG has developed SCG Inno Facilitators in every business to act as promoters of innovative culture within the organization.

As the end of 2015, The Siam Cement Public Company Limited had 1,839 employees. Total employees of the Group were 53,096.

Numbers of Employees in Each SCG Business Unit

As of December 31, 2015

Companies / Business Units	Numbers of Employees
The Siam Cement Public Company Limited	1,839
SCG Cement-Building Materials	34,945
SCG Chemicals	5,205
SCG Packaging	11,004
Other	103
Total	**53,096**

9 THE GOVERNANCE AND NOMINATION COMMITTEE'S REPORT

The Governance and Nomination Committee carried out its responsibilities as assigned by the Board of Directors. Its main duties include the recommendation of policies and implementation guidance regarding the corporate governance of SCG to the Board, categorized into the following five areas: the rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and responsibilities of the Board of Directors. The Committee's duties also include the annual review of compliance as well as the identification and nomination of qualified candidates to replace the retiring directors at the Annual General Meeting of Shareholders in 2016.

In 2015, the Governance and Nomination Committee held a total of four meetings, with an attendance record of 90%. Where attendance at any meeting was not possible, the director took the appropriate steps to obtain leave of absence and explained the reason for the absence. Significant duties performed by the Committee in 2015 were as follows:

1. Performance Evaluation of the Board by Independent Outside Counsel

The Governance and Nomination Committee proposed that the Board of Directors approve of the performance evaluation of the Board by an independent outside counsel in 2015 in addition to the performance assessment of the Board of Directors as a whole and self-assessment that are carried out annually. The objective was to appraise the effectiveness of the Board of Directors' structure, their performance of duties, and self-development by benchmarking it against corporate governance best practices and standards through the perspective of an independent outside counsel.

Procedure The counsel collected information about the Board of Directors' performance of duty in overseeing the Company's corporate governance by means of distributing questionnaires, surveying documents, interviewing representatives of the Board and involved functions, and assessing the effectiveness of the Board, benchmarking it against corporate governance best practices and the corporate governance performance of companies in the same industry.

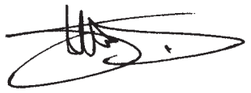
Assessment Results Overall, the Board of Directors' structure, their performance of duties, and self-development were considered complete and consistent with corporate governance principles and best practices. In particular, several areas including the composition and structure of the Board, separation of the roles of the Board and management, defining the direction, strategies, and major plans of the business units, information disclosure and transparency as well as the system and criteria for performance assessment of the top executives were rated excellent.

2. Revision of SCG Code of Conduct

To ensure good corporate governance practices, SCG has attached utmost importance to conducting business with commitment to ethics and virtues. The Governance and Nomination Committee in 2015 approved the review of the principles and guidelines in the SCG Code of Conduct handbook to cover SCG's current business best practices. To that end, a working group consisting of executives from the functions involved with each area of code of conduct were tasked with compiling and suggesting best practices. To provide opportunities for employees to express their views, a focus group discussion of representatives for different departments was conducted together with a SCG Hearing where employees at all levels voiced their opinions. The efforts ensured that the updated version of SCG Code of Conduct for 2015 was complete, clear, and consistent with international best practices and current circumstances.

3. Nomination of Qualified Candidates to Replace Retiring Directors

The Board of Directors, on the proposal of the Governance and Nomination Committee, prescribed that every shareholder is entitled to nominate candidates to be considered as replacements for retiring directors before the Annual General Meeting of Shareholders in 2016. One Shareholder has proposed a candidate to be elected as a director. Afterwards, the Governance and Nomination Committee (excluding directors with conflict of interests) diligently considered the qualifications of the candidates nominated as directors to replace the retiring directors in tandem with the Board Skill Matrix and the list of Chartered Directors of the Thai Institute of Directors Association (IOD), and resolved to propose to the Annual General Meeting of Shareholders in 2016 to elect four directors, who are retiring directors, namely Mr. Chirayu Isarangkun Na Ayuthaya, Mr. Tarin Nimmanahaeminda, Mr. Pramon Sutivong, and Mrs. Tarisa Watanagase to be directors of the Company.



Sumet Tantivejkul

Chairman of the Governance and Nomination Committee

10 CORPORATE GOVERNANCE

10.1 Corporate Governance Policy

SCG conducts business with responsibility, transparency and fairness, adhering to principles it has long practiced. SCG's business principles are defined by its ethical framework and constantly improved in view of economic and social changes. These principles call for balancing both sustainable benefits and the respectful treatment of all stakeholders with the Board of Directors behaving as role models in compliance with SCG's principles of corporate governance and Code of Conduct.

SCG's corporate governance is considered an integral part of its business policy. The Governance and Nomination Committee is entrusted with overseeing SCG's corporate governance matters, encompassing the establishment of policy and guidelines as well as monitoring the performances of the Board of Directors and the Management to ensure their compliance with SCG's corporate governance policy. The Committee also monitors and evaluates the corporate governance practices together with periodically reviewing the guidelines to ensure their alignment with business operations and corporate governance practices at national and international levels. Moreover, corporate government is specified as one of the main items on the agenda at the Board of Directors' meeting.

SCG is resolved to become a role model in corporate governance, encapsulating it in SCG Vision with the conviction that SCG's corporate governance will ensure fairness, transparency, and long-term economic value for shareholders whilst creating confidence among all stakeholders and enhancing the Company's competitiveness to achieve sustainable growth.

Guidelines on SCG's Corporate Governance

SCG firmly upholds and complies with the principles of corporate governance both locally and internationally. Examples include the Principle of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand, and the Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors (IOD). Added to this are the internationally-recognized benchmarks such as ASEAN Corporate Governance Scorecard (ASEAN CG Scoreboard) and DJSI Sustainability Assessment. The Governance and Nomination Committee takes charge of considering and proposing to the Board of Directors the establishment and implementation of the policy and guidelines for their approval. For issues that have yet been covered or implemented, the Management is to report to the Governance and Nomination Committee for review on an annual basis.

Realizing that corporate governance is an internationally accepted management practice and in line with SCG Core Values and SCG Code of Conduct, the Board of Directors compiled experiential knowledge and practices in management with commitment to virtues, ethics, and social responsibility, the business practices that have been passed down from generation to generation and proven to align with the corporate governance principles. They were codified into a booklet on SCG's corporate governance policy which was first published in 2003. It was last updated in 2014 to better align with international corporate governance standards and practices.

In 2015, SCG prepared and released the e-book version of the SCG Corporate Governance booklet to further enable easy access to the contents.

In 2015, SCG was rated on corporate governance practice by various agencies and achieved numerous awards as follows:

- Rated "Excellent" according to Corporate Governance Report of Thai Listed Companies 2015 carried out by the Thai Institute of Directors (IOD).
- Rated 99.25 points according to the evaluation of the quality of annual general meetings of shareholders (AGM checklist) of listed companies carried out by the Thai Investors Association.
- Awarded the 2015 Top 50 ASEAN Publicly Listed Companies assessed by ASEAN CG Scorecard in Manila, the Philippines.
- Obtained 2015 SET Sustainability Awards and Social Enterprise Investment Awards.
- Rated Level 5 Extended, the highest level, according to the CSR and anti-corruption progress indicators for Thai listed companies by the Thaipat Institute.

1. The Rights of Shareholders

SCG has the policy to support, promote, and facilitate every shareholder including institutional investors to ensure that shareholders, both as investors and owners of the Company, are entitled to all basic rights meeting widely accepted and reliable standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to attend Shareholders' Meetings, the right to propose in advance the Meeting agenda, the right to nominate a person to be a director, the right to express opinions independently, and the right to make

decisions on important affairs of the Company, e.g., the election of directors, the appointment of auditors and fixing of the audit fee, approval of significant transactions influencing the Company's direction, as well as amendment of Memorandum of Association and Articles of Association of the Company, etc. Each shareholder has the right to vote at meetings according to the number of shares owned whereby one share is entitled to one vote, and no particular shareholder allows privilege over the rights of other shareholders.

Apart from the abovementioned rights of the shareholders, SCG has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

1. SCG provides essential, clear, and up-to-date information for shareholders regarding the Company's business. The Company will notify shareholders of the information through SCG's website and the Stock Exchange of Thailand.

2. To ensure all shareholders receive clear and sufficient detailed information concerning the Shareholders' Meeting, allowing them to have adequate time to study the information before attending the Meeting, SCG will notify shareholders of the venue, date, time, and proposed agenda items. The information in Thai and English will be posted on the Stock Exchange of Thailand (SET) portal and SCG's website approximately two months prior to the Meeting.

For the meeting notice, the Company provides a detailed description of each agenda item together with the opinion of the Board of Directors. A notice of the meeting and attachments including the registration form, documents and evidence required prior to attending the Meeting, proxy procedure, registration, and proxy forms, in Thai and English, will be posted on SCG's website more than 30 days before the Meeting. Such documents are submitted to shareholders more than 21 days prior to the Meeting.

3. To facilitate shareholders unable to attend a Meeting, the Company provides an opportunity for them to appoint a representative, e.g., an independent director or any other person to act as proxy, using one of the proxy forms attached to the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce allow the shareholders to exercise their voting rights as they wish. The Company also attaches documents and evidence required prior to attending the Meeting, proxy procedure, and registration to the notice of the Meeting. Also attached is a profile of independent directors with no conflict of interests on the agenda to elect the directors proposed by the Company to serve as proxies for shareholders. The proxy forms in Thai and English can be downloaded from SCG's website.

For foreign investors who authorize custodians in Thailand to keep and safeguard their shares, the Company will arrange for the documents and evidence required prior to attending the Meeting well in advance to facilitate registration on the date of the Meeting.

4. The Company provides opportunities for the shareholders to submit questions related to items on the agenda or other information prior to the Meeting to the email address corporate@scg.co.th or to the Company's address. For more information, please contact Corporate Secretary Office via the following channels:

Address: 19th Floor, SCG 100th year Building
1 Siam Cement Road, Bangsue,
Bangkok 10800
Tel: 02-586-1392, 02-586-3078
Fax: 02-586-3007
E-mail: corporate@scg.co.th

5. For 2015, the Company held the Annual General Meeting of Shareholders on March 25, 2015. Eleven directors attended the Meeting as follows:

1) Mr. Chirayu Isarangkun Na Ayuthaya
Chairman of the Board and Member of CSR Committee for Sustainable Development
2) Mr. Snoh Unakul
Chairman of CSR Committee for Sustainable Development and Member of the Governance and Nomination Committee
3) Mr. Sumet Tantivejkul
Independent Director, Chairman of the Governance and Nomination Committee, and Member of CSR Committee for Sustainable Development
4) Mr. Pricha Attavipach
Independent Director and Member of the Audit Committee
5) Mr. Panas Simasathien
Member of the Governance and Nomination Committee
6) Mr. Yos Euarchukiati
Member of the Remuneration Committee and Member of CSR Committee for Sustainable Development
7) Mr. Arsa Sarasin
Independent Director and Member of the Governance and Nomination Committee
8) Mr. Tarrin Nimmanahaeminda
Independent Director, Chairman of the Audit Committee and Member of the Governance and Nomination Committee
9) Mr. Pramon Sutiwong
Independent Director, Member of the Audit Committee and Member of the Remuneration Committee
10) Mrs. Tarisa Watanagase
Independent Director and Member of the Audit Committee
11) Mr. Kan Trakulhoon
President & CEO and Member of CSR Committee for Sustainable Development

6. The 2015 Annual General Meeting of Shareholders was held at Athenee Crystal Hall, 3rd Floor, Plaza Athenee Bangkok A Royal Meridien Hotel as in 2014 to facilitate the increased number of shareholders, allowing them to raise questions and express opinions in the same meeting room, thereby ensuring a smooth, efficient meeting. Moreover, the venue was easily accessible by shareholders as it is located on Wireless Road within close reach of Ploenchit BTS Skytrain station.

7. On the date of the Meeting, the Company used a barcode system for registration based on the reference number already included in the registration form and proxy form to ensure convenience for shareholders and facilitate the registration. In addition, in the case of the appointment of another person as a proxy, the Company facilitated the affixing of the stamp duty on all proxy forms registering at the document check counter. The Company's officers were available at all times to provide assistance during the registration. Registration for the Meeting started no less than 2 hours prior to the Meeting.

8. Prior to the Meeting, the Secretary to the Board explained to the Meeting the procedures of voting, counting of votes, and announcing of voting results, which can be summarized as follows:

8.1 In voting for each agenda item, each Shareholder or a proxy authorized by any Shareholder to vote on his/her behalf was entitled to vote equal to the number of shares held, whereby one share would be equal to one vote. Votes were to be cast by the raising of hands.

8.2 To ensure transparency and verification, the Company provided voting cards for each agenda item. In casting votes, the Chairman requested shareholders or proxies who voted to disapprove or abstain for such agenda item to mark the voting cards accordingly with his/her signature affixed and raise their hands to notify the Company's officers so as to have their barcodes scanned and their voting cards collected. All shareholders who voted to approve needed to mark the voting cards accordingly with his/her signature affixed but were not required to raise their hands. All the voting cards were collected when the meeting adjourned.

As for a large number of shareholders who authorized their proxies to the Independent Directors, the Company needed to cast votes of approval, disapproval, or abstention for each agenda item according to their requisition.

8.3 The results of the vote count shall be announced at the Meeting after the completion of the counting of votes for each agenda item. However, vote counting for some agenda items might take longer. In such cases, the Chairman might request the Meeting to proceed with the consideration of the next item on the agenda to avoid disrupting the Meeting. The Meeting is informed of the result as soon as the vote counting has finished.

9. The Company assigned independent representatives from the auditor to check vote counting throughout the Meeting with the shareholders' right protection volunteer from Thai Investors Association serving as an observer.

10. Shareholders arriving after the Meeting commenced were allowed to vote on the agenda item considered provided that a resolution was not yet made. They constituted part of the quorum starting from the agenda item for which they were in attendance and can exercise their rights. As a consequence, the number of shareholders in each agenda item might vary.

11. At the Meeting, shareholders were allowed to freely express their opinions, give suggestions and raise questions on any agenda item before casting votes, so that shareholders could obtain sufficiently detailed information on the matter in question. When shareholders had questions or inquiries, specialists in specific fields were available to answer queries under the authority of the Board with representatives from the Auditor of the company as witnesses.

12. For any item on the agenda at the Shareholders' Meeting, the shareholders can call for a casting of votes by secret ballot if at least five shareholders have made such request. The Shareholders' Meeting shall resolve to approve the casting of votes by secret ballot upon a majority of votes.

13. The agenda of the 2015 Annual General Meeting of Shareholders was considered chronologically as it appeared in the invitation letter submitted to shareholders prior to the Meeting, without any changes in order or request the Meeting consider any agenda item other than those specified in the invitation letter.

14. The Company disclosed the voting results and resolutions for each agenda item at the 2015 Annual General Meeting of Shareholders to the public via SET Portal and SCG website after the Meeting ended.

15. The Company prepared the minutes of the Shareholders' Meeting completely encompassing all material information: names of Directors and the Management attending the Meeting, voting procedure, resolutions of the Meeting, voting results for each agenda item, key questions, clarification, and shareholders' comments. The Company prepared the Minutes of the 2015 Annual General Meeting

of Shareholders' and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were disseminated on the Company's website.

16. Following the Annual General Meeting of Shareholders, the Governance and Nomination Committee will consider the questions and suggestions made by shareholders at the Meeting and propose them to the Board of Directors to determine appropriate response measures and improve the next shareholders' meeting. For the 2015 Annual General Meeting of Shareholders, the suggestions made by the shareholders were compiled by the Management and proposed to the Governance and Nomination Committee as well as the Board of Directors for consideration. The response measures were determined as follows:

Shareholders' Suggestion	The Company's Response Measures
1. Suggestion to disclose background profile of the auditors in the agenda to consider and appoint the Company's auditors in support of good corporate governance practices	Disclose brief background profile of the auditors in the notice of the Annual General Meeting of Shareholders (AGM).
2. Suggestion to issue perpetual debentures	After studying the details of perpetual debentures, the Company deemed it appropriate to continue the current practice by issuing and offering a new batch of debentures to replace the one due to mature, allowing the Company to raise funds at an optimum interest rate. Meanwhile, the shareholders are entitled to exercising the right of preference to subscribe to the new debentures.
3. Suggestion to notify shareholders of the date and time for the AGM earlier	Continue the current practice (in which the Company notifies shareholders of the date and time for the upcoming AGM together with the meeting agenda and other fundamental details after the Board meeting in January each year through the Stock Exchange of Thailand and the Company's web site approximately two months prior to the date of the Meeting.) The notice is given earlier than many other companies.
4. Suggestion to consider that directors' remuneration should link rewards to the Company's net profit	The Remuneration Committee resolved on November 25, 2015 that the Company follow the current practice in remunerating the directors.
5. Shareholders of subsidiaries suggested that the Board propose the Meeting of Shareholders to acknowledge	Propose the 2016 Annual General Meeting of Shareholders to approve the audit fee as follows: 1. Annual audit fee for SCC's financial statements 2. Annual audit fee for consolidated financial statements, and quarterly review fee for the financial statements of SCC and SCC's consolidated financial statements

2. The Equitable Treatment of Shareholders

SCG is fully aware of its duty to protect the interests of every shareholder, major or minor, individual or institutional as well as Thai or foreign investors to ensure equality and fair treatment for all to further ensure the maximum benefits of shareholders. The efforts are as follows:

Provision of opportunities for minor shareholders to propose matters to be included in the Meeting agenda and to nominate candidates for the election of Board members prior to the date of the Shareholders' Meeting

The Company has prescribed criteria and procedures whereby minority shareholders may propose agenda items for the Meeting and nominate qualified candidate(s) to be considered for election as a director of the Company 3 months prior to the end of the Company's accounting period. Such rules and procedures are posted on SET Portal and the Company's website.

For the 2016 Annual General Meeting of Shareholders, the Company provided an opportunity to shareholders to propose agenda items for the Meeting and nominate qualified candidate(s) to be considered for election as a director of the Company during September 1 - November 30, 2015. The Agenda Item Proposal Form and/or Nomination for Directors Form along with the required documents must be sent to the Company Secretary or to the independent directors' email at ind_dir@scg.co.th. The criteria are as follows:

Prior to the Meeting, one or several shareholders holding in aggregate at least 5% of all issued shares of the Company (no less than 60 million shares) have the right to propose in advance agenda items. The Governance and Nomination Committee takes responsibility for screening the issues before presenting them to the Board of Directors for consideration. Should the proposed agenda item be included on the Meeting agenda, the Company shall specify it in the notice of the Meeting that the agenda item was proposed by a shareholder. However, in the event the proposed agenda item is rejected, the Company shall inform shareholders of the reasons at the Annual General Meeting of Shareholders.

For the nomination for directors, any shareholder is entitled to nominate in advance any qualified candidates for the election of Board members. The Governance and Nomination Committee shall consider the proposed nominees together with other nominated persons according to the Company's criteria for the nomination of directors. The Committee then presents the nominees to the Board for consideration before proposing them to the Shareholders' Meeting for approval.

In 2015, one qualified candidate was nominated by minority shareholders to be considered for election as a director of the Company. The Governance and Nomination Committee on December 11, 2015 considered the proposed four directors retiring by rotation together with the nominated person, taking into account their background, knowledge, experience and other qualifications.

Empowering shareholders unable to attend the Meeting to assign proxies to vote in their place

Shareholders unable to attend the Meeting are entitled to appoint the Independent Director of the Company with no conflict of interests on the agenda to act as a proxy to vote in their place, using one of the two proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce. The Company delivered the two proxy forms, the documents and evidence required prior to attending the Meeting, proxy procedure, and registration together with the Notice to Shareholders' Meeting, in Thai and English, to shareholders more than 20 days prior to the Meeting date. The documents, in Thai and English, were also publicized on the Company's website more than 30 days prior to the Meeting date.

Assigning Independent Directors to Take Care of the Interests of the Company and Shareholders

Independent directors play a key role in overseeing the Company's business operations. Realizing the important role of independent directors in supporting the policies useful for shareholders or objecting to the policies that affect Shareholders' interests, the Company provides channels for shareholders to give suggestions, express opinions, or file complaints to independent directors via email: ind_dir@scg.co.th. The independent directors are responsible for handling each matter appropriately, for example, investigating and seeking an appropriate solution. On the other hand, if there is a suggestion that is considered to affect the stakeholders or the business, the independent director will report it to the Board of Directors' meeting for consideration and include it on the agenda of the Shareholders' Meeting. In 2015, there were no comments or complaints from shareholders.

Preventing Misuse of Internal Information

The Company attaches significance to preventing the misuse of information that has not yet been disclosed to the public or confidential information that could have any impact on the Company's share price for one's own benefit or others. To that effect, the Company has established measures to prevent misuse of internal information (Insider Trading) and incorporated them into SCG Code of Conduct and Regulations for Employees in writing to provide guidelines for the concerned persons, namely, the Board of Directors, SCG top executives, and employees responsible for related functions as well as their spouses and children who are minors. They are as follows:

- The Board of Directors, top executives, and employees responsible for related functions as well as their spouses and children who are minors are prohibited from trading Company shares for a two-week period prior to the release of the Company's quarterly and annual financial statements and for 24 hours after the release (Blackout Period). Corporate Secretary Office will inform all concerned persons of the blackout period one month prior to such period via regular post.

The Company has made it imperative to review share trading of the concerned persons on a regular basis and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the information.

Moreover, the concerned persons who have knowledge of confidential information that could impact the Company's share price are prohibited from trading the Company's shares until 24 hours after the public disclosure.

- Directors and executives (Top Executives) as defined by SEC are required to make an initial reporting of their securities holding in the Company to the SEC within 30 days of the date on which they are appointed (Form 59-1). They are also required to report on any changes in securities holding as a result of the purchase, sale, transfer or acceptance of transfer of securities (Form 59-2) within 3 business days of the date of any changes.

In addition, the Board of Directors will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding be reported in the Board of Directors' meeting. The number of shares held by the directors and top executives both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

In 2015, there were no insider trading cases concerning the director, top executives, and employees involved with internal information.

Preventing Conflicts of Interests

The Company realizes the importance of managing the conflicts of interests of related persons, namely, the Board of Directors, SCG top executives, and employees in a prudent, fair, and transparent manner. As a consequence, the Board of Directors has established policies and measures regarding conflicts of interests as follows:

- Directors, top executives, and their related persons must file a report with the Company stating their interests in the management of the Company or a subsidiary when they first take the office. They must also file a report should there be any changes in their interests and at every year end.

The Company Secretary shall deliver a copy of such report to the Chairman and Chairman of the Audit Committee within 7 days upon the receipt of the report in compliance with the Securities and Exchange Act BE 2535 (1992) and to use such information for monitoring and preventing any conflict of interests.

- The Company discloses its shareholder structure in subsidiaries, associates, joint ventures and other companies as well as authorized directors to ensure that the Company has a clear and transparent shareholder structure. There is no cross-holding among major shareholders, thereby preventing any conflict of interests with any party.
- At a Board of Directors' meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.
- In case the connected transaction requires shareholders' approval, shareholders with a vested interest must abstain from voting on such agenda item as stipulated by law and the Company's regulations.

3. Role of Stakeholders

SCG has consistently adhered to its philosophy of ethical business conduct and corporate social responsibility as well as carried out its business to jointly create values with all stakeholders for mutual and sustainable benefits. This practice is overseen by the Board of Directors to ensure compliance with laws and regulations and adherence to SCG Corporate Governance Guidelines, SCG Sustainable Development Guidelines, SCG Code of Conduct, and other relevant policies, as well as protection of such rights and stringent equitable treatment.

With increasing stakeholder influence on the business conduct, the Board of Directors formally wrote the Stakeholder Engagement Policy in 2010 to serve as clear guidelines for employees on business conduct, create long-term added values for shareholders, and ensure careful consideration of possible impact on SCG stakeholders. Subsequently, in 2011, to increase confidence that stakeholder engagement was conducted thoroughly, appropriately, and justly, the Board of Directors approved the formulation of engagement policy and guidelines for each stakeholder groups in a formal written form, which serve as a clear guidance for employees on engaging each stakeholder groups. The policy and guidelines are published on the SCG website.

Stakeholder engagement guidelines are summarized below;

1) Shareholders

SCG attaches enormous significance to the shareholders, who are the business owners. As a result, the Board of Directors, which represents shareholders, as well as the executives and employees are committed to carrying out business in line with the principles of good corporate governance and SCG business philosophy to ensure maximum benefits and long-term value for shareholders.

SCG respects the rights of its shareholders and recognizes its duty in ensuring equitable treatment of all shareholders as well as the fundamental rights stipulated by laws and Articles of Association of the Company such as the rights to attend the Annual General Meeting of Shareholders, propose agenda items in advance, elect directors, receive fair remunerations, and voice opinions on the Company's business conduct through independent directors, all of which will be compiled and presented to the Board of Directors for review.

In addition to these aforementioned fundamental rights, SCG also carried out other measures to promote and facilitate the exercise of the rights of shareholders. The rights that shareholders are entitled to are disclosed under Section 1 'The Rights of Shareholders' and Section 2 'The Equitable Treatment of Shareholders'.

Fostering Good Relations with Shareholders

SCC Shareholder Activities

SCG recognizes the importance of fostering good relations with shareholders. As a result, since 2010, the Company has continuously hosted a range of activities that are beneficial to society and the environment as well as opened up opportunities for shareholders to visit the sites of the Company's three business units, namely Cement-Building Materials, Chemicals, and Packaging. To this effect, the Company sends out invitation letters, with reply forms included, to shareholders via post to provide an opportunity for shareholders to declare their intention to participate in activities. Shareholders have consistently expressed their interest and signed up for these activities. For each activity, the Company randomly chooses eligible candidates and announces the list of chosen participants on the SCG website as well as notify them via phone to confirm their participation.

In 2015, the Company held a total of four CSR activities for shareholders, as follows.

1. The "SCC Shareholders Do Good Deeds as a Tribute to the King" activity was held on July 9, 2015 in which shareholders visited Mrigadayavan Palace in Phetchaburi province to learn about the life of King Vajiravudh as well as the history and significance of the palace. The participants also planted trees and released marine animals at the Sirindhorn International Environmental Park to express their gratitude and to do good deeds as a tribute to the King.

2. The "Beautiful Temple: The Pride of Rattanakosin" activity which took place on November 3, 2015 took shareholders to the Lord Buddha Museum at Debsirin Temple in Bangkok where they were briefed on the history and significance of the temple, raising their awareness about conserving places of worship and maintaining Buddhism. The participants also made donations to the Lord Buddha Museum.

3. The "Step into the World of Innovations with SCG" activity was carried out on November 13, 2015 to take shareholders to the SCG Innovative Exposition 2015 at SCG Experience Building in Bangkok. They were briefed on SCG's efforts to drive innovations under the theme "Innovation That Cares", giving them both knowledge and enjoyment in experiencing a broad spectrum of innovations by SCG.

4. The "Beautiful Beach and Fish Returning Home" activity, which was held on December 9, 2015, took shareholders on a plant visit to SCG Chemicals Co.,Ltd located at RIL Industrial Land in Rayong province where they were briefed on the company's environmentally-friendly plant management efforts and the background of the "Beautiful Beach and Fish Returning Home" project. The participants also helped construct artificial reefs to attract fish in collaboration with the Suchada beach community. The project is one of SCG's social responsibility activities in line with SCG's business philosophy to operate with commitment to enabling the industry, society, and the environment to coexist in a harmonious and sustainable manner.

Shareholders were handing-on building the fish habitats in the "Beautiful Beach and Fish Returning Home" at Map Ta Phut in Rayong province.

"Support My School by SCG Debenture Club" project raised funds to donate educational materials to Wat Thong School in Phra Nakorn Si Ayutthaya Province.

Debenture Holder Activities

Since year 2000, SCG Debenture Club continues to take pride in delivering exceptional service to our valued bondholders. Throughout the year, we offer various activities for every bondholders to enjoy ranging from academic seminars about the latest business and health topics to Do-It-Yourself workshops. SCG Debenture Club has also been recognized for its outstanding selections of inbound and outbound trips ensuring unforgettable travel experiences to bondholders. We strive to deliver the highest quality and service by working with the most trusted travel agency and tour operator. Furthermore, as we value the importance of education, SCG Debenture Club initiated CSR program aimed at helping primary schools in rural area and uplifting the wellbeing of students under the campaign "Support My School by SCG Debenture Club". Together with the financial support from our bondholders, we continue to provide school supplies, shoes and backpacks as well as educational materials to underprivileged students. Apart from helping schools, SCG Debenture Club partners with non-profit organization to organize CSR activities such as workshop to help make physical therapy devices for patients' rehabilitation. Moreover, in 2015 SCG Debenture Club launched a mobile application in which bondholders can enjoy a series of special privileges and discount on dining, shopping and leisure

activities countrywide. The application also enables bondholders to apply for activity and event they are interested in. Moreover, the application features an online e-magazine version of Delight Magazine for all bondholders to enjoy.

2) Employees

SCG believes in and recognizes the value of humans as invaluable resources in driving SCG toward success. As a result, SCG is committed to caring and improving the quality of life of its employees to the best of its ability. The Company has taken into account cultural diversity and regional value and ensured that its labor and human rights practices comply with the laws and international standards in alignment with the highest level of the United Nations Global Impact (UNGC), which are universally-accepted guidelines in the areas of human rights, labor, the environment, and anti-corruption.

Quality of work life

- SCG attaches significance to enhancing the quality of life of employees by promoting a good work environment with the participatory involvement of employees at all levels to ensure employees' satisfaction and to foster strong ties working with SCG. This will contribute to enhanced efficiency and effectiveness in their performance of duty as well as a good work environment.

- SCG strictly upholds the SCG Core Values and Code of Conduct in carrying out business with concern for the rights of all stakeholders under the law, the Company's regulations, freedom, fairness, and equality to ensure SCG's sustainable business growth.

- SCG has cultivated its organizational culture, encompassing SCG Core Values, SCG Code of Conduct, and the 'open and challenge' organizational culture, which encourages the audacity to think and preparedness for excellence, in employees at every level through various means commensurate with their roles and responsibilities and the expectations of the organizational culture according to the employees' levels. The content of the organizational culture is included into employee development courses, namely the 'SCG Ready Together, We are SCG' course for new employees, the Business Concept Development (BCD) and Leadership Development Program (LDP) for primary executives, as well as development courses such as Orientation International Program, BCD Inter Program, LDP Inter Program for employees who operate in countries where SCG makes an investment to foster an understanding of the Company's business conduct and pride in SCG.

- Employees are given opportunities to take part in the management, allowing for various useful ideas, the exchange of experience, good relationship, acceptance of each other, strong ties with the Company, job satisfaction, and working toward common goals.

- Employees are entrusted with responsibility commensurate with their competency and experience, inspiring them to work to their fullest potential with initiative ideas. Moreover, the Company has encouraged its employees to express their creativity by awarding the Power of Innovation Award, SCG Young Talent Award, giving them a sense of pride in being part of SCG's progress and achievement.

- Having been established for more than 100 years, SCG has employed a diverse team of employees of different age ranges and lifestyles. More recently, SCG has operated in many ASEAN countries, resulting in the greater diversity in race, culture, and religion of employees. Under these circumstances, SCG has a unified human resources management policy with the focus on non-discrimination, equality, and fairness in the treatment of employees.

- SCG attaches great significance on ensuring employees physical and mental health. To this effect, the Company has initiated the Holistic Health Program, SCG Employee Club, and employee activities clubs such as the running club, the mental development for health club, as well as the provision of a sport center for employees to exercise.

Job Security

SCG has put in place appropriate remunerations policies for employees on all level. In the short term, remunerations are made in line with the Company's annual financial performance and the remuneration of other companies in the same industry, the data of which is garnered through surveys of wages and remunerations of employees on all levels in external institutes. In addition, the Consumer Price Index from a governmental agency is also regularly taken into account in adjusting the wages and remunerations. In the long term, an employee performance and potential assessment is clearly prescribed. The Company gives commensurate remunerations to employees with high competence and provides career growth in correspondence with the Company's succession plan. In addition to remuneration, the Company also provides appropriate employee benefits in a number of areas, which are regularly reviewed to stay in alignment with shifting economic and social circumstances, such as medical and dental benefits, annual checkups, allowances, and travel expenses. Furthermore, SCG provides training and knowledge for retiring employees, allowing them to prepare themselves, make health plans, and manage their finances after retirement effectively.

Furthermore, the Company has also established provident funds, registered as a juristic person with the Ministry of Finance under the Provident Fund Act B.E. 2530, for SCG employees. Employees who are members are to deposit monthly contributions to the fund at the rate of their choice as stipulated by law, and the Group makes monthly contributions to the fund at 5% to 13% of the members' basic salaries, depending on the length of employment.

Knowledge and Competency Enhancement

To ready itself for the rapid changes of the internal factors such as the business expansion in the region leading to a fast-growing number of employees and external factors such as intense competition and to create a sustainable growth for the company and employees, SCG has implemented SCG Learning Transformation. The objectives are to enhance the employees' capabilities and prepare them to grow with SCG in many years to come.

To that end, SCG has put in place learning platforms and other relevant human resources development and management systems to facilitate employee development. Examples include the development of employees according to their roles, responsibilities, implementation of the integrated 70 : 20 : 10 Learning Model, and adoption of the Learning Management System (LMS) to allow learning to take place anytime, anywhere and to enable effective tracking of learning. This will help build a learning and coaching culture in which every employee takes responsibility for self-driven learning while supervisors are responsible for providing learning opportunities and support as their coaches and mentors.

SCG pledges to equip employees with knowledge in different areas including technical for each business unit, professional as well as leadership knowledge and skills. The focus is on developing employees according to their roles and responsibilities, empowering them to better address business requirements. Such development will be more on learning from experience with the emphasis on building a strong corporate culture, and nurturing moral and ethical leaders at every level who will drive SCG toward achieving the defined business goals.

In addition, to ensure ongoing development of employees - considered by the Board of Directors, the Management, and employees alike as the Company's most valuable assets since the past to the present - employees at all levels from operators to managers, both locally and overseas, are provided with the opportunities to develop the potential from the first day of their employment to prepare for their own and the Company's sustainable growth. The move aligns with the development roadmap which provides guidelines for development encompassing business acumen, leadership and management together with the functional knowledge and skills.

Each SCG's business unit offers wide-ranging fundamental courses to raise employees' environmental awareness. Chief among these are ISO14001, SHE Law & Regulations, Volatile Organic Carbons (VOCs) Inventory, and Job Impact Community Analysis (JICA). Moreover, the corporate functions are tasked with instilling a sense of environmental concern into employees at every level from the first days of work. All new employees are required to attend the SCG Ready Together orientation program where they learn and take part in various activities contributing to the environment. These activities come in many different forms to match each area, for example, constructing check dams, growing mangrove plants, planting corals, and releasing sharks into oceans. To constantly emphasize the importance of the environment among employees at every level, the Company has made it mandatory that the managers attending the Business Concept Development (BCD) course jointly design and carry out an activity contributing to environmental conservation as part of the course requirements apart from learning in the class.

Environment, Health, and Safety

SCG is committed to promoting employees' environment, health, and safety as well as cultivating a consciousness in its employees and relevant personnel to adhere to SCG Code of Conduct in these areas through regular training and informative sessions. In addition, SCG also attaches great significance to compliance with standard guidelines and measures for international-level efficiency in terms of environment conservation.

As for employee health and safety, SCG has always recognized its importance and considered it another risk of the Company. As a result, SCG has consistently carried out measures in this regard, ranging from including it in SCG Code of Conduct, formulating an occupational health and safety policy, promoting an appropriate occupational health and safety management system in each operational unit, in the hope of fostering a safety culture.

Furthermore, SCG has clear safety policies and guidelines that employees have to strictly adhere to. In addition, employees are trained to foster an awareness of occupational safety. Employees in the production process are also trained on principles of risk assessment, prevention, and control as well as given regular practices.

Additional information on the care of employees can be found in the annual report, under the section of Human Resources, and in the Sustainability Report.

3) Customers

SCG is committed to continuously creating innovations to offer products and services that meet true needs of its customers in terms of both quality and fair prices. SCG products and services must be safe as per international safety standards and environmentally-friendly, as well as promotes sustainable growth through excellence strategies in operating and human value marketing to ensure customer confidence and highest satisfaction. To this end, SCG has

established a unit responsible for customer relations management in every business in order to offer suggestions on the Company's products and services, provide counsel regarding troubleshooting and after-sales services, and handle complaints when problems arise. Suggestions are then used to inform future operation plans to enhance operation efficiency.

Furthermore, SCG has put in place a management system to foster good customer relations, the main factor of which is the 'voice of customers. As such, customer satisfaction in each business group is surveyed on a yearly basis to gauge the expectation and satisfaction level of customers, and customer insights discovered in the process are then further developed into new innovations. An example is the development of an innovation encompassing the knowledge management system, e-Service, e-Selling, and the business Warehouse for the customer feedback process, resulting in a central database of customer information to facilitate sales and service providing. Also invented is a customer consumption behavior analysis system in order to learn customers' needs and create long-term satisfaction for customers.

4) Suppliers/Business Partners

SCG adheres to a framework of fair and transparent trade competition and strictly complies with the trading terms and conditions agreed upon, SCG Code of Conduct, and pledges given to its suppliers. To this effect, the Company determines appropriate and fair sale prices, taking into account the reasonableness, the quality, and the entailed services. In addition, regulations regarding procurement and operations are clearly established. These include refraining from demanding or accepting benefits from suppliers, supporting environmentally-friendly procurement, avoiding purchasing products from suppliers that violate human rights or intellectual property law as well as dealing business with suppliers that carry out illegal acts.

As for its business partners, SCG has a policy of taking good care of its business partners regarding the environment, work safety, and remunerations through provision of knowledge, counsel, and motivation in order to bring about development in the environmental management system through a supplier safety certification system and consideration of appropriate and fair remunerations. In addition, the Company is resolved to develop the capabilities and knowledge of its business partners both within and outside their lines of work to enable them to work more efficiently. At the same time, SCG also encourages its business partners to enhance their knowledge to achieve highest efficiency in their work.

In 2013, SCG drew up SCG Supplier Code of Conduct, in which suppliers are defined as any suppliers, contractors, and/or service providers for SCG, to ensure an accurate understanding among SCG suppliers and serves as guidelines for SCG suppliers in cooperating with the Company in becoming good corporate citizens and in adhering to good corporate governance, guided by the interest of society and the environment. The Code of Conduct also serves as mutual standards for business conduct and comprises five principles, namely 1) Business Ethics, 2) Labor & Human Rights, 3) Occupational Health & Safety, 4) Environment, and 5) Laws and Regulations. SCG suppliers are required to sign the acknowledgment of SCG Supplier Code of Conduct before conducting business with the Company.

In 2014, the Board of Directors approved the implementation of SCG Procurement and Vender Selection Policies and Guidelines, in which the policy regarding the selection and screening, the required qualification, and the application of SCG suppliers/business partners, as well as the procedures involved in carrying out business with SCG are clearly prescribed. This is in order to ensure ethical business conduct and responsibility toward society and the environment. The Company also refuses to conduct business with a person or a juristic person who violates the law or demonstrates behavior involving corruption. The policy is published on the SCG website.

5) Joint Venture Partners

SCG respects the rights of joint venture partners, treats every partner equitably and fairly, and does not exploit partners. The Company also collaborates with joint venture partners to promote, support, and strengthen the operation of joint ventures; encourage exchange of opinions and suggestions; formulate business plans; determine an appropriate and transparent allocation of interest and monitor and drive the operation of the joint ventures to be in accordance with the laws and sustainable development guidelines, in order for the joint ventures to achieve the shared goals.

6) Creditors

The Board of Directors takes into account equality for every relevant party and honesty in carrying out its business, and is committed to conducting business in such a way that creates confidence and justness for its creditors. Policies and guidelines regarding the treatment of creditors are as follows:

1. The Company strictly complies with the terms and conditions agreed upon with respect to amortizing, collateral care, and commitment and contingent liabilities.

2. In the event that one of the terms is not fulfilled or there arises a cause for a default, the Company must notify the creditor without concealing facts so as to jointly find solutions on a reasonable basis.

3. The Company manages its finance to create an appropriate financial structure to support the business and maintain the creditors' confidence.

4. The Company strives to maintain sustainable relations with creditors and mutual trust.

7) Communities

SCG carries out its business with concern for fairness for every stakeholder and is committed to socially-responsible business conduct. As a result, SCG has supported activities that improve the quality of life and benefit the communities where SCG operates, both domestic and in ASEAN countries. In addition, the Company also cultivates and promotes in its employees and related operators a consciousness of a good and responsible citizen who strives for the betterment of the communities and society. Furthermore, communities and every stakeholder are also encouraged to participate in activities or projects held SCG as well as provide suggestions or lodge complaints about any impact from SCG operations, so that the industry and communities can co-exist sustainably.

Because it is SCG's conviction that strong communities and society form the foundation for the prosperity of the country, the Company strives to improve the quality of lives of those in communities. To this end, the CSR Committee for Sustainable Development is tasked with directing policies, projects, and activities as well as promoting employee participation. SCG divides its community development management into two parts as described below;

- Society and communities around the plants: The Company's policies are to take care of the quality of life of people in the local communities. Two initiatives under such policies are "Cement Partnership Project" and "Community Partnership Association," both of which aim to bring about sustainable and harmonious co-existence between the industry and the communities, provide healthcare for the communities, grant scholarships to local residents, reach eco-industry standards, spread knowledge on community care, and host training courses to foster knowledge and competency in various areas for people in the communities.
- Society at large: The Company's policies in this regard focus on developing human potentials, the quality of life, as well as the well-being of people in society through projects that directly respond to social issues. These projects combine the Company's body of knowledge and expertise with the society's potential. Two such projects include the 'SCG Conserving Water for Tomorrow Project,' which involves the management of water resources for the communities' independence and harmonious co-existence with nature, and the 'Innovative Technology for the Restoration of Saline Land Project,' a collaboration of SCG and external organizations aimed at helping communities alleviate alkaline soil issues, introducing simple treatment technology. As well as establishing a network for exchange and expansion of knowledge for long-term independence.

Additional information on the Company's responsibility toward communities, the environment, and society can be found in the Sustainability Report 2015.

8) Government Agencies

SCG attaches significance to government agencies as one of the Company's stakeholders and has clearly defined guidelines for engaging in transactions with government agencies in SCG Code of Conduct and SCG Anti-corruption Policy. Furthermore, SCG ensures strict compliance with relevant laws and regulations despite varying conditions, procedures, or practices in each locality. In addition to refusing to engage in an act that could provide an incentive for officers in government agencies to commit an inappropriate or unlawful deed, the Company also cooperates with government agencies in providing academic assistance or support for various activities and is open to comments, suggestions, and complaints from government agencies.

9) The Media

SCG stresses the importance of disclosing information to the media, so they can communicate the information to the public with accuracy and in a timely fashion. To create continuous participation and good relations with the media, a number of activities have thus been held such as site and plants visits, CSR activities, opinion exchange sessions, activities catering to the interest of the media, regular media visits. The Group has also supported academic and CSR activities of the media as well.

10) Competitors

SCG has a policy to treat competitors fairly under an honest competition framework. The Company is committed to carrying out business fairly in compliance with the law and SCG Code of Conduct and with concern for trade ethics and transparency. The Company also refuses to gain an unfair advantage over its competitors through unlawful activities, seek confidential information through unethical or inappropriate means, engage in any action that violates competitors' intellectual properties rights, and destroying competitors' reputations with defamatory and untruthful statements. In addition, the Company supports and promotes free trade.

11) The Civil Society Sector, Academia, and Opinion Leaders

SCG conducts business with concern for social responsibility and all stakeholders. In addition to full, accurate, transparent, verifiable disclosure of information, the Company

recognizes the importance of comments and suggestions from the civil society sector, which reflect issues that the Company can improve to create values and benefit for society. Since 2010 up until now, the Sustainable Development Committee has held opinion panels comprising esteemed figures from government and private sectors, as well as independent entities. These panels focus on the care and the creation of value for society and communities as well as strive to include the industry and the entire SCG supply chain in order to create a shared business practice for sustainability.

Contacts for Stakeholders

SCG has opened up opportunities for stakeholders to offer suggestions, which will then be compiled, screened, and reported to the Company's top executives and the Board of Directors, through the following channels:

Company secretary	Tel: 66-2586-6098,
	E-mail: corporate@scg.co.th
Investor relations	Tel: 66-2586-3309,
	E-mail: invest@scg.co.th

In addition, the Company has also provided channels through which employees and external stakeholders can contact, offer opinions, lodge complaints, and report violation cases, namely the Whistleblower System via SCG intranet (for employees) and www.scg.co.th (for other stakeholders) for further actions to be taken. The procedures are as follows:

- Employees or stakeholders file reports via the designated channels. The information provided is considered confidential and revealed only as necessary. The Company has also put in place informant/complaint lodger protection measures, and the investigation does not require the revelation of the informant's identity or the information source. In addition, informants can demand appropriate protection measures or the Company might implement extra protection measures without having received any demand informants if the issue can potentially cause damage or dangers.
- The Internal Audit Office receives complaints, verifies the validity, and conducts a preliminary investigation with meticulousness to reach a conclusion within 30-60 days. Progress reports are also made to the informants if their identities are identified.
- In the event that a violation is proven, an investigation committee will be formed to pass judgment and determine the punishment. Then, the corruption or complaint will be reported to the Audit Committee and the Board of Directors.

Should stakeholders desire to contact the Board of Directors directly without going through the management in order to report cases of rights violation, corruption, non-compliance with laws or ethical practices which might be related to an executive, they can file reports to the independent directors via ind_dir@scg.co.th.

4. Disclosure and Transparency

SCG recognizes the importance of information disclosure because it greatly affects decision-making by investors and stakeholders. It is necessary, therefore, to define and administer measures concerning the disclosure of information, both financial and non-financial. Information disclosed via the SET Portal of the Stock Exchange of Thailand and SCG's website shall be complete, sufficient, transparent, reliable and up-to-date, written in both Thai and English.

Furthermore, the Board of Director is committed to adhering to SCG's guidelines for disclosure of relevant information to systematize SCG's practice of disclosure, prevent potential damage that results from inappropriate disclosure, and ensure shareholders, investors, the public, and stakeholders that the Company's disclosure is accurate, clear, compliant with the law, and equitable in accordance with the disclosure policy established in 2008. To this effect, SCG has defined parties entitled to disclosing key information not yet publically disclosed, established guidelines for the disclosure of various types of information to the public, and designated a period before public disclosure in which extra caution must be exercised. The details of the aforementioned guidelines are published on the SCG website, accessible to stakeholders and the general public.

SCG is committed to obeying the law, and the regulations and obligations mandated by the Securities and Exchange Commission (SEC), the SET and relevant government bodies. Regular amendment takes place to ensure that SCG is up-to-date in its adherence to laws, regulations and obligations, and to guarantee SCG's transparency in conducting business. For example, we:

1. Compile reports as required by laws related to directors and chief executives and submit such reports to the Securities and Exchange Commission, which include:
   - 1.1 Report of the holding of the company's securities upon the first appointment as the company's director or executive (Form 59-1) within 30 days of the date of appointment.
   - 1.2 Report of change in holding upon every purchase, sale, transfer or acceptance of transfer of the company's securities (Form 59-2), within three days from the date of such change.
   - 1.3 Disclosure of names of the directors and executive of the company that issues the securities (Form 35E-1), within seven business days from the date of appointment.
2. Establish a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or its subsidiaries. The criteria and reporting procedures are as follows:
   - Report when first taking office as a director or executive.
   - Report every time there is a change in director's or executive's vested interests.
   - Report at every-year-end
   - In the event that a director retires by rotation and is re-elected, he is not required to submit another report if there is no change to his stakes.
   - Directors and executives must submit their Reports on Interests via the company's secretary, who submits copies to the chair of the Board of Directors, the chair of the Audit Committee and the director of the Internal Audit Office within seven working days upon receiving the reports.
3. In 2010, the Board of Directors established a policy requiring all the directors to disclose/report their securities trading to the Board of Director's meeting and prescribing the directors and executives to report their holdings of the company's debentures and ordinary shares in the company's subsidiaries, as well as the ordinary shareholdings of their spouse and minor children, to the Board of Directors every quarter.

   In addition, in 2013, the Board of Directors announced a policy requiring all management to disclose their securities holdings, both direct and indirect, as well as the changes in securities holdings of the directors and top executives by reporting the number of shares they held at the beginning of the year and at year-end together with the number of those traded during the year in the Company's annual report.
4. Prepare a report on the Board's responsibility for financial statements and present it along with the Audit Committee's report in the Annual Report.
5. Disclose accurate, complete and timely financial information and non-financial information
6. Publish Notice of Annual General Meeting of Shareholders and Annual Report within 120 days after each financial year-end.
7. Publish minutes of the latest Annual General Meeting of Shareholders on the Company's website.
8. Disclose the roles and responsibilities of the Board of Directors and Sub-committee, the number of meetings held, and the number of meetings each individual director and Sub-committee member attended.
9. Disclose the date of the director's appointment in the Company's annual report.
10. Disclose the Board member selection process and the Board's performance assessment.
11. Disclose the policy on the remuneration of directors and top executives, including forms, types and amount of remuneration for each committee member.
12. Disclose details of each individual director's attendance of courses offered by the Thai Institute of Directors Association (IOD).
13. Disclose detailed information on the operations and investment structure of subsidiaries, associates, joint ventures and other companies.
14. Disclose the audit fee and other fees in the Company's annual report.
15. Disclose the Company's Memorandum of Association and Articles of Association on the Company's website.
16. Disclose policy on environmental and social responsibility and related performance.
17. Disclose corporate governance policies and related performance.
18. Reveal significant investment projects and relevant impacts of the projects via the SET Portal of the Stock Exchange of Thailand and SCG website to ensure that shareholders, investors, the press, and related parties are kept informed of information accurately, extensively, and transparently.

In 2015, major investments and developments disclosed by the Company included selling shares in the Siam Mitchelin Group Co.,Ltd, increasing share-holding in Prepack Thailand Co.,Ltd, SCC (VKPC)'s investing in the packaging paper business in ASEAN, rebranding SCG Paper as SCG Packaging to align with the redefined strategy, acquiring a flexible packaging business in Vietnam, and reporting on the progress of the petrochemicals project in Vietnam.

The Company's Information Distribution Channels

SCG places great importance upon transparency and full disclosure of significant financial, operational, and other relevant information, so that it is accurate, complete, and timely. In addition to fulfilling legal and SET reporting requirements, SCG has established its own broad infrastructure of dissemination channels to reach interested parties. These communications channels include:

1. The Investor Relations Department, which is responsible for direct communication with both local and international investors.
2. Press conferences on a quarterly basis to announce operating results, and regular press briefings to announce significant investment projects and activities.
3. Analyst conference to announce quarterly operating results to investors and analysts.
4. Activities to disseminate policy and operational guidelines to employees.
5. Activities to meet both local and international investors and other stakeholders.
6. Speaking opportunities to share knowledge in national and international forums.
7. Company visits and plant tours for shareholders, investors, analysts, NGOs, communities, the media, and other stakeholders.

8. Systematic distribution to the media of press releases, photo captions, news stories, advertisements, and social media.

9. Periodical publications and media, such as annual reports, sustainability reports, debenture holder journals, customer journals, dealer journals, and employee journals.

10. Electronic media for communications with employees, such as intranet, e-mail and social media.

11. Website: "www.scg.co.th" and social media

Press conferences on a quarterly basis to announce operating results

The Investor Relations Department

The Investor Relations Department of SCG is responsible for communications with institutional investors, retail investors, shareholders, analysts and relevant government bodies on an equal and fair basis. Should the shareholders require additional information, they can contact the Investor Relations Department directly via invest@scg.co.th. In 2015, SCG arranged activities for the president & CEO and the vice president to meet retail investors, institutional investors and analysts on a regular basis, whereby the operating results, financial statements and position, management discussion and analysis, and industry trends were presented. During the year these activities included:

- Domestic roadshows and conferences for the President & CEO as well as Vice President to meet with domestic institutional investors to clarify, communicate, and create accurate understanding based on SCG's business approach and general information. A total of 8 events were held.
- Meetings for the President of each business unit to meet with analysts and domestic institutional investors to inform and communicate business strategies and directions, providing them with knowledge and insights into each of SCG's business.
- Analyst Conferences held on a quarterly basis total 4 times.
- A total of 11 overseas roadshows.
- Site visits in the Group's major business units to foster a fundamental understanding of the production process, with emphasis on the production from the beginning to the finished product.
- Company visits, including One-on-One Meetings, Group Meetings, and Conference Call, to allow investors to inquire about the business conduct and strategies of the Company.

Investors' inquiries are also directly responded to via e-mail and telephone on a regular basis.

Should there be any need for additional information, shareholders can directly contact the Investor Relations Units via these channels:

Address:	1 Siam Cement Road, Bangsue, Bangkok, 10800
Tel:	66-2586-3309
Fax:	66-2586-3307
E-mail:	invest@scg.co.th

5. Responsibilities of the Board of Directors

5.1 The Structure of the Board of Directors

The Board of Directors comprises nationally respected, knowledgeable and competent persons who are responsible for drawing up corporate policy and collaborating with the top executives in making operating plans, both short-term and long-term, including financial policy, risk management policy, and organizational overview. The Board, which plays an important role in overseeing, monitoring and assessing the performance of the Company and top executives on an independent basis.

The Articles of Association of the Company prescribe that there must be no fewer than 9 but no more than 12 directors, all of whom are appointed and removed at the Meeting of Shareholders. The names of the directors are as follows:

1.	Mr. Chirayu Isarangkun Na Ayuthaya	Chairman
2.	Mr. Sumet Tantivejkul	Independent Director
3.	Mr. Pricha Attavipach	Independent Director
4.	Mr. Panas Simasathien	Director
5.	Mr. Yos Euarchukiati	Director
6.	Mr. Arsa Sarasin	Independent Director
7.	Mr. Chumpol NaLamlieng	Independent Director
8.	Mr. Tarrin Nimmanahaeminda	Independent Director
9.	Mr. Pramon Sutivong	Independent Director
10	Mrs. Tarisa Watanagase	Independent Director
11	Mr. Kan Trakulhoon	Director
12.	Mr. Roongrote Rangsiyopash	President & CEO

The Board of Directors is composed of an executive director, which is the President & CEO, and 11 non-executive directors, most of whom have prior experience related to the Company's main business, the industrial sector, or the management of a large organization beneficial to the directing of the Company. The profiles of each member of the Board can be found in the Annual Report.

In addition, the Board of Directors is composed of 7 independent directors, constituting more than half of the total number of directors, and one of these independent directors is female. The duties of these independent directors include auditing the management, providing opinions and comments, supporting policies beneficial to shareholders or opposing any inequitable or non-transparent decisions that may affect the benefits of shareholders or stakeholders, overseeing the establishment and disclosure of policies regarding connected transaction supervision to ensure the maximum benefit of the Company and its shareholders.

5.2 Scope of Authority of the Board of Directors

The Board of Directors has the following authorities:

1. Acting in a best interest of shareholders (Fiduciary Duty) by observing the following four main practices:
   - 1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
   - 1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).
   - 1.3 Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience).
   - 1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).

2. Directing SCG's visions, missions, and business strategies, with an annual revision and approval.

3. Reviewing the major operating plan, budgets, business goals, and business policies and enhancing the capabilities of SCG to reach a globally competitive level.

4. Overseeing and monitoring the implementation of the Company's strategies; overseeing and monitoring of each business unit's and SCG's overall performance by requiring their performance reports periodically; and setting policies to develop and improve the business operations with concern for safety, hygiene, social and environmental responsibility and development of SCG's employees.

5. Devoting their time and efforts to the Company without seeking benefits for themselves or others and not acting in conflict of interest or in competition with the Company or SCG.

6. Directing the Company's operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care to preserve the highest interests of the Company and fairness to all involved parties.

7. Specifying risk management policies and overseeing to ensure effective risk management systems together with reviewing and assessing the systems periodically and in the wake of a change in risk levels.

8. Overseeing and developing SCG's corporate governance to keep it consistent with international standards to provide guidelines for business operations while monitoring to ensure compliance and being a role model in complying with the principles of good corporate governance and SCG Code of Conduct.

9. Encouraging staff at all levels to be conscious of ethics and morality and comply with SCG's principles of corporate governance, Code of Conduct and the Anti-corruption policy while promoting awareness of the importance of internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.

10. Protecting the fair rights and interests of both major and minor shareholders along with supporting shareholders in exercising their rights to protect their own interests, and receive accurate, complete, transparent, veritable, and timely information.

11. Recognizing the roles, duties, and responsibilities of the Board of Directors, respecting the rights of shareholders, ensuring the equitable and transparent treatment of shareholders and other stakeholders, conducting the business transparently, disclosing information accurately and adequately, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders, and ensuring an opportunity for every stakeholder to contact or lodge complaints about potential issues directly to the Board of Directors.

12. Reviewing top executive development plans and the succession plan for the President & CEO while overseeing to ensure the effective performance assessment of top executives on an annual basis and determining appropriate remuneration in line with the Company's operating results to provide both short-term and long-term incentives.

13. Assessing the performance of the Board of Directors annually by performing three types of assessments, namely that of the Board and its Sub-committees as a whole, that of each individual director as a self-assessment, and that of the chairman together with monitoring the assessment results of the Board and its Sub-committees which will be jointly deliberated by the Board of Directors.

14. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and sub-committee members are determined appropriately.

15. Attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a

meeting must notify the Chairman or the Secretary to the Board in advance of the meeting.

16. Developing their knowledge and competency related to their duties consistently through courses or curricula related to directorial duties or seminars that enhance their knowledge.

Performing its duties, the Board of Directors may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

5.3 Scope of Authority of the Chairman of the Board of Directors

The Chairman of the Board of Directors has the following authority:

1. Sets Board meeting agenda in consultation with the President & CEO and oversees to ensure Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision making process.

2. Provides leadership and direction to the Board of Directors and chairs meetings of the Board.

   2.1 Conducts a Board meeting according to the agenda, the Company's Articles of Association, and applicable laws.

   2.2 Encourages and allocates sufficient time to each Board member to discuss and express their free and frank opinion with due circumspection and concern for all stakeholders.

   2.3 Sums up the Board meeting resolutions and the actions to take clearly.

   2.4 Sets up a Board meeting without the presence of the Executive Director.

3. Chairs meetings of shareholders according to the agenda, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.

4. Supports and be a role model in compliance with the principles of good corporate governance and SCG Code of Conduct.

5. Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the President & CEO and the Management in accordance with the Company's policy.

6. Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.

7. Oversees to ensure the Board of Directors has appropriate structure and composition.

8. Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.

9. Oversees to ensure the performance assessment of the Board of Directors as a whole and self-assessment of the directors, the Chairman, and the Sub-committee members. The assessment results are reviewed to find ways to improve their performance and enhance the knowledge and capabilities of the directors and the Sub-committee members.

5.4 The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors charter, and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-range business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, merger and acquisition, corporate spin-off, and joint venture deals.

5.5 Separation of the Roles of the Board of Directors and the Management

The Company defines clear roles and responsibilities regarding the Board of Directors and the Management. The Board shall be responsible for establishing the policies and overseeing the Management's implementation of those policies. The Management, on the other hand, shall be responsible for implementing the policies formulated by the Board, and ensuring that these are carried out as planned. Therefore, the Chairman and the President & CEO of the Company shall not be the same person, and each must be nominated and elected by the Board in order to ensure their appropriateness. Furthermore, the Board is responsible for establishing a succession plan covering the top executives, which is subject to annual review.

The Chairman shall not be a member of the Management and shall not participate in the Management of SCG's business; nor shall the Chairman be authorized to sign binding agreements on behalf of the Company. This is to clearly define separate roles between supervision of the Company's overall policy, and business management.

The Management is authorized to manage the Company's operations in accordance with the policies set by the Board; take responsibility for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan; manage human resources in line with the prescribed policy; resolve problems or conflicts that affect the Company; and maintain effective communication with the stakeholders.

5.6 Directors' Term of Service on Board

Duration of Each Term

At the Annual General Meeting of Shareholders each year, one-third of the total directors must retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third must retire from the Company. In choosing those directors who retire, length of service on the Board should be considered, so that those who have served longest are most eligible to retire. Nevertheless, a retiring director is eligible for re-election.

Consecutive Terms of an Independent Director

The Board of Directors resolved to limit the number of terms for which an individual may serve as an independent director to a maximum of three consecutive terms, with the first term starting from the Board's approval date on May 25, 2011 and the end of each term on the date of the Annual General Meeting of Shareholders in which they are due to retire by rotation. The Board of Directors may nominate their names to be re-elected at the Annual General Meeting of Shareholders as deemed fit, in which case they will no longer be deemed independent.

5.7 Policy on Directors and Top Executives Holding Directorship in Organizations outside SCG

Limitation of the Number of Listed Companies in Which a Director May Hold Directorship

The Board of Directors has set a policy to limit the number of listed companies in which each director may hold a directorship. This policy aims to protect the Company's best interests because it helps ensure that the directors have time sufficient to handle their duties. The Board of Directors has agreed to set the policy prescribing that each director should hold directorship of a maximum of five listed companies. In addition, SCG has a guideline in case the President & CEO is appointed as the director of another company. The matter will be proposed to the Board of Directors for approval.

Policy and Guidelines on SCG Top Executive's Directorship in Organizations outside SCG

The Board of Directors has established a policy allowing the President & CEO and the Company's management to hold a directorship in companies that are not SCG subsidiaries or associates or to spend the Company work hours carrying out directorships for external institutes for the three following organizations:

(1) Governmental organizations that are not established for the benefit of a political party, in which their service represents their cooperation with the authorities and contribution to the general public.

(2) Private organizations that are established for the benefit of the general public such as the Federation of Thai Industries, the Thai Chamber of Commerce, the Thailand Management Association, etc.

(3) Private organizations that are established for trading purposes but present no conflicts of interest with SCG and do not consume time to the extent that it is disadvantageous for the Company.

The President & CEO is to propose a directorship in other companies or external institutes for approval from the Board of Directors. As for management employees, the proposal must be submitted for approval in accordance with the Company's Approval Authority, in which case the proposal will be reviewed with consideration to the Company's intent to ensure that its employees demonstrate determination and effort and dedicate their working hours to their duties at the Company to the best of their ability, as well as adhere to the ethical guidelines regarding conflicts of interest, whereby employees do not engage in a conduct that constitutes a competitive with the Company's business. The approval of directorships or the use of the Company's working time on duties in external institutes/companies depends on the Company's judgment and is reviewed on a case-by-case basis. In this regard, the Company has informed relevant management employees of the aforementioned policy and process.

5.8 Performance Appraisal and Knowledge Enhancement

Performance Appraisal of the Board

SCG has stipulated a performance assessment and a review of the performance results of the Board of Directors and the Sub-committees at least once a year on a yearly basis. The assessment is divided into two types, namely the performance assessment of the Board of Directors as a whole and the self-assessment. The Board of Directors then analyzes and summarizes the results of the assessment to formulate measures to further enhance the efficiency of the Board of Directors.

The performance appraisal of the Board both as a whole and self-assessment comprises 8 major topics as follows:

1. Knowledge and understanding about the role and responsibilities of a director in accordance with the laws, rules, and regulations stipulated by various agencies or institutions such as SEC, SET, or Federation of Accounting Professions.
2. Strategy-setting and policy-making.
3. Performance of duties as the director / the committee.
4. Monitoring financial performance and reporting.
5. Board of Directors' meetings.
6. Nomination of the Company's directors and President & CEO.

7. Setting remuneration for the directors and top executives.

8. Performance appraisal of the President & CEO.

In 2009, SCG created the performance assessment form of the Chairman of the Board of Directors. The directors are required to assess the Chairman's performance since his role in defining policy and ensuring good corporate governance is essential to the Company. The assessment is divided into three main categories, reflecting the roles and responsibilities of the Chairman, namely the Board of Director's Meetings, the Shareholders' Meetings, and Performance on other duties.

As for the performance assessment of the Board of Directors as a whole and self-assessment, the Governance and Nomination Committee is tasked with reviewing the performance assessment forms for the Board of Directors and the Sub-committees, the performance assessment form of the Chairman, and information needs questionnaires used to enhance the knowledge and performance of the directors; and proposing these forms to the Board of Directors for review. In 2014, the Board of Directors approved the modification of the performance assessment forms for the Board of Directors and the Sub-committees and the performance assessment form of the Chairman as proposed by the Governance and Nomination Committee to better correspond with the 2013 revised Charter of the Board of Directors and Charter of the Sub-committees. As for the performance assessment form of the Remuneration Committee, the Board resolved that the 2013 form should be used.

The Corporate Secretary Office distributed the assessment forms to each director for assessing the performance of the Board of Directors and the Sub-committees in which he serves. Afterwards, the Corporate Secretary Office summarized and presented the results of the performance assessment to the Governance and Nomination Committee and the Board of Directors for acknowledgment and later submitted the assessment results to the Chairman of the Board and the Chairman of each Sub-committee.

In 2015, the performance assessment results of the Board of Directors and the Sub-committees were summarized as follows.

Board of Directors/ Sub-committees	Performance assessment results for the committee as a whole (%)	Performance assessment results for the committee Self-assessment (%)
1. The Board of Directors	95	93
2. The Audit Committee	99	96
3. The Governance and Nomination Committee	99	99
4. The Remuneration Committee	86	91

The Assessment of SCG President & CEO and SCG Top Executives

The Board and the Remuneration Committee assess the performance of the President & CEO based on the Company's operating results, implementation of the Board's policies, and the overall socio-economic circumstances. The Remuneration Committee will then consider the appropriate remuneration in short term and long term for the President & CEO and top executives of SCG and propose such amount to the Board for approval, taking into account the following information regarding the current and previous years:

1. The business unit's operating results based on percentage of EBITDA on operating assets. The target EBITDA percentage for each business unit of SCG shall be set forth each year for assessment and comparison purposes.

2. The operating results of the business unit compared to those of other companies in the same industry, both locally and internationally.

3. The executive's capability to develop the business unit and improve operational efficiency for each business unit each year.

In addition, a survey on manager-level employees' opinions regarding the President & CEO and the top executives is included in the Remuneration Committee's consideration each year.

Performance Evaluation of the Board by Independent Outside Counsel

In addition to the performance evaluation of the Board as whole and the performance self-assessment, in 2014, as per suggestion of the Governance and Nomination Committee, the Board of Directors resolved to have an additional performance evaluation conducted by an independent external consultancy company in 2015 in order to assess the completeness and identify opportunities to enhance the structure, performance, and self-improvement of the Board of Directors in comparison with the standards and guidelines on good corporate governance.

Procedure The consultants gathered data related to the role of the Board of Directors regarding good corporate governance encompassing various issues such as the Board of Directors' structure, roles and responsibilities, relationship with the Management, and self-improvement. Additional data was also collected from document reviews, information published on websites, and other necessary information related to the evaluation. Furthermore, interviews with representatives of the Company's Directors, top executives, and personnel relating to the performance of the Board duties were also conducted. Afterwards, the performance of the Board was evaluated against the good corporate governance guidelines and the corporate governance levels of other companies in the same industry.

Assessment Results The consultants opined that the Board of Directors' structure, responsibility, and performance were on an excellent level and in accordance with international good corporate governance principles, especially regarding the Directors' qualifications; the delegation of roles and responsibilities between the Board and the Management; the formulation of business directions, strategies, and key operation plans; the monitoring and review of the adequacy of the operation system; disclosure and transparency; and the system and standards in evaluating the performance of top executives. In addition, the Governance and Nomination Committee exchanged ideas with the consultants to a great extent and was given advice beneficial to the improvement of the role and performance of the Board, such as increasing the variety of seminars held to enrich the knowledge of the directors.

Development of Directors and Top Executives

The Governance and Nomination Committee deemed it appropriate to arrange activities to enhance knowledge beneficial to the performance of duties and responsibilities of the Company's directors. In the years past, the Company held five dialogs, allowing for an exchange of opinions among the directors, top executives, and outside experts as follows:

- On Wednesday July 6, 2011, a dialog on the "Laws, Rules, and Regulations Concerning the Listed Companies Essential to Directors and Suggestion for Preventive Measures" was held, allowing for an exchange of views between the directors and officers of the SEC and the Stock Exchange of Thailand (SET).
- On Monday July 23, 2012, a dialog on "Corporate Governance and Risk Management" between the Company's Board of Directors, top executives, and Dr. Bandid Nijathaworn, President & CEO of Thai Institute of Directors Association (IOD).
- On Thursday July 25, 2013, a dialog on "The Roles of the Board of Directors in Mergers and Acquisitions" was held in collaboration with Mr. Kitipong Urapeepatanapong, the Chairman of Baker & McKenzie Co., Ltd.
- On Monday October 13, 2014, a dialog on "The Role of the Board of Directors in Strategy Formulation and Business Planning" was held in collaboration with Managing Director, Governance Matters Pty Limited (Australia)
- On Wednesday November 19, 2014, a dialog on "Updating regulations and new cases related to directors' duties under the Securities and Exchange Act" was held in collaboration with SCG Legal Counsel Co., Ltd.

For 2015, the Governance and Nomination Committee organized 2 dialogs as follows:

- Wednesday July 15, 2015 on "The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" together with the Deputy Minister of Transport Akom Termpittayapisit and Secretary-General of Office of the National Economic and Social Development Board. The issues under discussion included:
  - Thailand's strategic moves in the ASEAN context
  - Infrastructure development
  - Special Economic Zone (SEZ) development
- Monday September 28, 2015 on "The Roles of Directors in Anti-corruption Efforts" together with representatives from the Anti-Corruption Organization of Thailand. The issues under discussion included:
  - The vision, mission, and strategy of the Anti-Corruption Organization of Thailand
  - Mechanisms to expand and instill anti-corruption awareness

Development Activities and Training Attended by Each Director in 2015

Directors	Development Activities and Training Attended
1. Mr. Chirayu Isarangkun Na Ayuthaya	- A dialog on "The Development of Thailand's Infrastructure and Strategies in the ASEAN Context"
2. Mr. Sumet Tantivejkul	- A dialog on "The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
3. Mr. Pricha Attavipach	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
4. Mr. Yos Euarchukiati	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"

5. Mr. Panas Simasathien	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
6. Mr. Arsa Sarasin	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
7. Mr. Tarrin Nimmanahaeminda	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
8. Mr. Pramon Sutivong	- A dialog on "The Roles of Directors in Anti-corruption Efforts"
9. Mrs. Tarisa Watanagase	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
10. Mr. Kan Trakulhoon	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context" and "The Roles of Directors in Anti-corruption Efforts"
11. Mr. Roongrote Rangsiyopash	- A dialog on " The Development of Thailand's Infrastructure and Strategies in the ASEAN Context "

Moreover, SCG encourages all members of the Board and the top executives to attend various seminars and courses beneficial to their responsibilities, allowing them to constantly meet and exchange opinions with directors and top executives of different organizations. Some of these courses are organized by the SCG Human Capital Institute, and some by governmental agencies or independent organizations, such as the Thai Institute of Directors Association. The SEC requires directors of all listed companies to complete at least one of the following training courses: Director Certification Program (DCP), Director Accreditation Program (DAP) or Audit Committee Program (ACP). Experience gained from these courses is useful to SCG's development.

Directors' Attendance at Training Sessions Conducted by the Thai Institute of Directors Association (IOD)

Training Courses Directors Of the Company	Finance for Non-Finance Director (FND)	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Role of the Chairman Program (RCP)	Role of the Compensation Committee (RCC)	Audit Committee Program (ACP)
1. Mr. Chirayu Isarangkun Na Ayuthaya				RCP 1/2000		
2. Mr. Sumet Tantivejkul	FND 5/2003		DCP 30/2003			ACP 1/2006
3. Mr. Pricha Attavipach	FND 8/2004	DAP 107/2014	DCP 39/2004			ACP 11/2006
4. Mr. Panas Simasathien			DCP 2/2000 DCP Re 1/2005			
5. Mr. Yos Euarchukiati				RCP 1/2000		
6. Mr. Arsa Sarasin	FND 39/2008	DAP 5/2003		RCP 32/2013		ACP 19/2007
7. Mr. Chumpol NaLamlieng				RCP 2/2001		
8. Mr. Tarrin Nimmanahaeminda				RCP 35/2014		
9. Mr. Pramon Sutivong		DAP 6/2003		RCP 4/2001	RCC 9/2009	ACP 45/2013
10. Mrs. Tarisa Watanagase			DCP 4/2000			
11. Mr. Kan Trakulhoon			DCP 29/2003			
12. Mr. Roongrote Rangsiyopash		DAP SCC/2004				

To support the Board's responsibilities, SCG has assigned the secretary to the Board and corporate secretary to work in coordination with the Board and the top executives. In addition, the Corporate Secretary Office is responsible for overseeing the legal matters, relevant standard practices and activities of the Board to ensure implementation of the Board's resolutions.

SCG prepared a handbook for directors, which includes the summary of laws, rules and regulations related to the directors as well as practices to keep directors informed of roles, duties, principles and practices for a director. The handbook is distributed to all directors for use as reference regarding basic information. In addition, directors are also kept abreast of laws related to or promoting good corporate governance such as Anti-corruption legislation.

In 2012, the Company distributed a handbook for independent directors published by the Stock Exchange of Thailand to every Board member with a concise summary for the Governance and Nomination Committee during the Board of Directors' meeting. However, the Board recommended producing a document or publication to enhance the directors' knowledge and understanding about the applicable laws and regulations. The Governance and Nomination Committee deemed it appropriate for the management to compile rules, requirements, and information useful for the directors' performance of duties into a publication with an executive summary for easy understanding and reference.

Therefore, in 2013 the Company revised its handbook for directors in both wording and presentation of information, making it more concise and easier to understand as well as modifying and adding rules in accordance with the currently prescribed regulations.

Readiness Preparation for SCG Directorship

For new directors, SCG established a Director Induction Program to facilitate their prompt performance of duties. SCG has commissioned the corporate secretary to coordinate the work in three areas:

1. To compile the necessary information for directors to ensure their compliance with laws, rules, and regulations related to the directors.

2. To provide important information essential for the directors' performance of duty such as the Articles of Association, SCG's directors handbook, the handbook for directors of listed companies, and summary of operating results, for use as quick reference.

3. To arrange for a meeting with the Chairman and directors and the executives or head of each function to stay informed and make queries about SCG's business in depth.

10.2 The Sub-committees

The Board has further established the Audit Committee, Governance and Nomination Committee, Remuneration Committee, and CSR Committee for Sustainable Development to be responsible for their specific areas and report directly to the Board for its consideration or reference. In this regard, SCG put in place its Charter of the Board of Directors and Charter of the Sub-committees specifying rights and duties, which is published on the Company's website. Moreover, the Board of Directors is entitled to form other sub-committees to handle any specific situations as seen appropriate.

1. The Audit Committee

The Audit Committee comprises 4 independent directors, all of whom are well accepted and have a full understanding of, and experience in, accounting or finance. Mr. Tarrin Nimmanahaeminda and Mrs. Tarisa Watanagase, with their extensive knowledge and experience, are responsible for reviewing the reliability of the financial statements. The Audit Committeee members' duties include a review to ensure that operations have been carried out in accordance with the Company's Articles of Association as well as the laws and regulations of compliance-related agencies. Moreover, the Committee is committed to promoting the advancement of SCG's financial and accounting report system to meet international standards and to ensure that the Company has an appropriate, modern and efficient internal control system, internal audit system and risk management system. The Audit Committee acts and expresses opinions independently.

The Audit Office with Mr. Anuwat Jongyindee as its Director acts as an operations unit reporting directly to the Audit Committee. The Audit Committee also consults regularly with external auditors, consultants and specialists in the areas of law and accounting. The Audit Committee must set up meetings with the Company's external auditor, which exclude the management, at least once a year in order to hear their comments. In addition, the Committee may seek external consultation and professional advice from independent consultants or specialists, as deemed appropriate, at the Company's expense.

The Audit Committee of the Company comprises the following 4 members:

1. Mr. Tarrin Nimmanahaeminda	Chairman
2. Mr. Pricha Attavipach	Member
3. Mr. Pramon Sutivong	Member
4. Mrs. Tarisa Watanagase	Member

The Audit Committee's Term on Board

The Audit Committee is subject to a three-year term. The directors must retire from office by rotation at the Annual General Meeting of Shareholders. Nevertheless, a retiring director is eligible for re-election.

Scope of Authority of the Audit Committee

The Audit Committee is authorized to fulfill the following duties:

1. Review the appropriateness of financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness, and adequacy.

2. Promote the development of financial reporting systems in compliance with International Financial Reporting Standards.

3. Review the compliance of the Company's Internal Control System with Internal Control Framework (COSO 2013) and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards.

4. Review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.

5. Review the presence of proactive preventive system to enhance operating effectiveness and efficiency.

6. Review the Company's risk management process to ensure its full coverage, effectiveness and compliance with international standards.

7. Review the Company's Compliance Procedure in accordance with the Securities and Exchange Act, rules, regulations and other laws relevant to the Company's business.

8. Review the results of fraud investigation, establish the preventive measures in organization and review the internal processes of whistleblower system.

9. Review the Company's business operation, risk management, IT governance, as well as Information and Integrated Network Security to ensure their effectiveness and compliance with international standards.

10. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.

11. Review the execution of the audit committee members for the performance assessment, both as a whole and self-assessment, of the audit committee annually.

12. Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with external auditors.

13. Prepare the audit committee's report to be disclosed in the Company's Annual Report and duly signed by the Chairman of the Audit Committee and containing opinions on various matters as required by SET.

14. Consider, select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the Company's external auditor and evaluate the effectiveness of external auditor's performance.

15. Organize meetings with the Company's external auditor, without the attendance of management, at least once a year.

16. Review the execution of the Internal Audit Office for the performance assessment according to international standards.

17. Approve the internal audit plan, budget and manpower of the Internal Audit Office.

18. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office.

19. Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command.

20. Review the Company's Anti-corruption procedures to ensure the effective compliance with the governance bodies' guidelines starting from promoting and raising the awareness, assessing the risks, incorporating the proactive preventive system, auditing, as well as reviewing the self-assessment form regarding anticorruption measures as assessed by Internal Audit Office, and to ensure that the Company has exercised the Anti-corruption systems as reported in the self-assessment form guided by Thai Institute of Directors (IOD).

21. Perform other actions as required by law or as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deemed appropriate, at the Company's expense.

The Audit Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

Responsibilities of the Audit Committee

1. In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.

2. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee:

(1) Transactions which may cause conflicts of interest.

(2) Fraud or irregular events or material flaws in the internal control system.

(3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

2. The Governance and Nomination Committee

The Governance and Nomination Committee comprises five of the Company's directors, all of whom are non-executive directors. The chairman of the Governance and Nomination Committee is an independent director. The Committee is responsible for proposing, revising, and supervising the Company's corporate governance matters. The Committee is also in charge of the nomination of persons qualified to become directors to replace those who are retired by rotation, or as the case may be. In addition, the Committee reviews the performance evaluation system of the Board of Directors and other committees, as well as the succession plan for the position of president.

The Governance and Nomination Committee of the Company comprises the following five members:

1. Mr. Sumet Tantivejkul	Chairman
2. Mr. Pricha Attavipach	Member
3. Mr. Panas Simasathien	Member
4. Mr. Arsa Sarasin	Member
5. Mr. Tarrin Nimmanahaeminda	Member

The Governance and Nomination Committee's Term on Board

The Governance and Nomination Committee is subject to a three-year term. The Directors must retire from office by rotation at the Annual General Meeting of Shareholders. Nevertheless, a retiring director is eligible for re-election.

Scope of Authority of the Governance and Nomination Committee

The Governance and Nomination Committee is authorized to fulfill the following duties:

1. Draw up the scope and policy of SCG's corporate governance and present them to the Board of Directors.

2. Make recommendations on the practice of SCG's corporate governance and give advice on corporate governance to the Board of Directors.

3. Oversee and monitor the performance of the Company's Board of Directors and the management to ensure their compliance with SCG's corporate governance policy.

4. Review the practice of corporate governance within SCG to ensure it is appropriate for the Company's business operations and consistent with international best practices and make recommendations to the Board of Directors for further improvement and keeping it up-to-date.

5. Review the independence of the Board of Directors, as well as any potential conflicts of interest in the performance of its duties.

6. Review the appropriateness of retaining the directorship should there be any change in a director's qualifications.

7. Recommend methods to assess the performance of the Board of Directors and the committees and review them annually. In addition, follow up and conclude the assessment results to the Board of Directors for acknowledgement and utilize such information for the improvement of work efficiency and enhancement of the directors' knowledge and capabilities.

8. Report regularly on progress and performance results to the Board of Directors after every meeting of the Governance and Nomination Committee.

9. Specify qualifications of any person to be nominated for directorship to align with SCG's business strategies and lay down the director nomination process to replace the retiring director, considering diverse candidates with skills, experience, gender and expertise useful for the Company.

10. Identify qualified candidates to replace directors retiring at the end of their terms, or whatever the case may be, with the diversity of the structure of the Board taken into account, and submit a list of nominees to the Board of Directors and/or Shareholders' Meeting for resolution.

11. Recommend a plan for succession of the Company's President & CEO and the top executives to the Board of Directors for consideration.

12. Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the committees. Should there be an alteration to the Charter of the Board of Directors and the committees, the recommendations in keeping it up-to-date. Governance and Nomination Committee shall review and make appropriate.

13. Review the performance appraisal of the Governance and Nomination Committee on a regular annual basis as a whole and as self-assessment.

14. Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Governance and Nomination Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

3) The Remuneration Committee

The Remuneration Committee comprises three of the Company's directors, none of whom are executives. In addition, two members of the Committee are independent members, one of whom is the Chairman of the Remuneration Committee. The Committee is responsible for monitoring and studying changes and trends in the remuneration of the Board of Directors and SCG top executives to suggest remuneration policies that can motivate these executives to lead the Company toward success as well as to retain smart and ethical employees within the organization.

The Remuneration Committee of the Company comprises the following three members:

1. Mr. Chumpol NaLamlieng	Chairman
2. Mr. Yos Euarchukiati	Member
3. Mr. Pramon Sutivong	Member

The Remuneration Committee's Term on Board

The Remuneration Committee is subject to a three-year term. The Directors must retire from office by rotation at the Annual General Meeting of Shareholders. Nevertheless, a retiring director is eligible for re-election.

Scope of Authority of the Remuneration Committee

The Remuneration Committee is authorized to fulfill the following duties:

1. Propose guidelines and methods for remuneration to be paid to the Board of Directors and the committees appointed by the Board of Directors, including bonus and attendance fee.

2. Recommend the policy on SCG management incentives including salary and annual bonus, in line with the Company's operating results and the performance of each top executive. Whenever it deems appropriate, the Committee shall consider the hiring of consulting firms to advise on project implementation.

3. Assess the performance of the President & CEO on an annual basis in order to determine his/her remuneration before proposing the Board of Directors for approval.

4. Assess the performance of each SCG top executive on an annual basis, based on the recommendation of the President & CEO, in order to determine his/her remuneration before proposing this to the Board of Directors for approval.

5. Consider the annual budget for the salary increase, changes of wage and compensation, and bonus of top executives before proposing to the Board of Directors.

6. Review, study, and track regularly the changes and trends in remuneration for the Board of Directors and SCG top executives in order to propose for the approval of the Board of Directors.

7. Consider the remuneration of the Board of Directors and SCG top executives, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that SCG retains its leadership in that industry and to motivate them to foster the Company's continuing development.

8. Report regularly on progress and performance results to the Board of Directors after every meeting of the Remuneration Committee.

9. Assess the performance of the Remuneration Committee and report the assessment results to the Board of Directors for acknowledgement.

10. Review and recommend for the Board of Directors' approval if there may be any alteration to the Charter of the Remuneration Committee in keeping it applicable and up to- date.

11. Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Remuneration Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the Committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

4) The CSR Committee for Sustainable Development

The CSR Committee for Sustainable Development comprises five of the Company's directors and three top executives. The Committee is responsible for establishing policies and guidelines on CSR activities for sustainable development, proposing the setting of annual CSR budget as well as monitoring the Committee's performance and reporting to the Board of Directors.

The CSR Committee for Sustainable Development comprises the following nine members:

1. Mr. Arsa Sarasin	Chairman
2. Mr. Chirayu Isarangkun Na Ayuthaya	Member
3. Mr. Sumet Tantivejkul	Member
4. Mr. Yos Euarchukiati	Member
5. Mr. Kan Trakulhoon	Member
6. Mr. Roongrote Rangsiyopash	Member
7. Mr. Kajohndet Sangsuban	Member
8. Mr. Cholanat Yanaranop	Member
9. Mr. Yuttana Jiamtragan	Member

10.3 Nomination and Appointment of Directors and Top Executives

Independent Directors

The seven independent directors are Mr. Sumet Tantivejkul, Mr. Pricha Attavipach, Mr. Arsa Sarasin, Mr. Chumpol NaLamlieng, Mr. Tarrin Nimmanahaeminda, Mr. Pramon Suthiwong and Mrs. Tarisa Watanagase

Qualifications of Independent Directors of SCC (Which is more stringent than the requirement of the office of Securities and Exchange Commission)

SCC's qualifications for independent directors are as follows:

1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, including shares held by related persons of such independent director.

2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.

4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.

The term "business relationship" in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or 20 Million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 Million Baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.

7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.

9. Shall be able to attend meetings of the Board of Directors and make independent judgment.

10. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

11. Shall be able to look after the interests of all shareholders equally.

12. Shall be able to prevent conflicts of interest.

13. Shall not have been convicted of violating security or stock exchange laws, financial institution laws, life insurance laws, general insurance laws, anti-money laundering laws or any other financial law of a similar nature, whether Thai or foreign, by an agency with authority under that certain law. Such wrongful acts include those involved with unfair trading in shares or perpetration of deception, fraud or corruption.

14. If qualified according to all items 1-13 specified above, the independent director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person with a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In 2015, all the seven Independent Directors neither involved in any business nor provided any professional service of which its value exceeded the specification in the Notification of Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issue Shares.

Nomination and Appointment of Directors and Top Executives

Nomination of Board Members

The Governance and Nomination Committee is responsible for selecting qualified candidates to replace the directors who are retiring on rotation at the end of their terms, or whatever the case may be, and proposing a list of nominees to the Board for resolution at the Shareholders' Meeting. The criteria for the selection of the nominated candidates are as follows:

Qualifications of a qualified nominated candidate such as:

- Readiness to dedicate time and perform duties in the interest of SCG;
- A work history that reflects honesty and transparency, and all the qualifications of a Board Director specified in the criteria of the Securities and Exchange Commission;
- Prior successful management experience in a large corporate;
- Initiative and the ability to constantly keep abreast of new global changes;
- Experience, expertise, and specialized skills which corroborate and supplement the capacity, knowledge, and experience that the existing members of the Board of Directors are still lacking in;
- No engagement in a business or position as a member of a Board of Directors or an executive in an organization that is a competitor of SCG;
- Assertiveness in expressing reasonable opinions and ideas;
- Display of ideals, the ability to work as a team, culture, and congeniality towards the existing members of the Board of Directors.

The selection of members of the Board of Directors according to SCG's Corporate Governance Guidance

The Governance and Nomination Committee is tasked with the duty of selecting candidates to replace the retiring directors at the end of their terms, or whatever the case may be, to propose to the Board of Directors and/or at the Annual General Meeting of Shareholders to be appointed. The Governance and Nomination Committee selects qualified candidates from various backgrounds, with credentials in a wide range of professions, excellent leadership, a breadth of vision, a proven record of ethics and integrity, and the ability to share their opinions independently.

Nominated candidate screening guidelines

In screening nominated candidates for the Board of Directors, the Governance and Nomination Committee has drawn up screening guidelines encompassing the following factors:

1) Qualifications of each nominated candidate

The Governance and Nomination Committee should take into consideration each nominated candidate's personal qualifications in various facets such as:

- Integrity and accountability
- Informed judgment
- Maturity, stability, characteristics of a good listener, and the ability to express individual independent opinion.
- Commitment to upholding principles, standards, and professionalism
- Other qualities the Committee deems essential

2) Required expertise in nominated candidates

The Governance and Nomination Committee should take into consideration areas of expertise and specialization that a nominated candidate should possess so that the Committee can formulate strategies and policies and effectively supervise the implementation.

3) Diversity of directors

In addition to the two aforementioned factors, the Governance and Nomination Committee might consider drawing up guidelines regarding the diversity of other qualifications of a nominated candidate such as an equal representation of different groups of stakeholders, educational backgrounds, age, gender, etc.

Moreover, the Governance and Nomination Committee used the Board Skill Matrix as supporting information in the selection of candidates to replace the retiring directors. The Matrix is divided into three categories as follows:

- Macro-management knowledge, experience, or expertise

  This category is further divided into several subcategories, ranging from SCG-related business or industry, administration, organization management, human resources management in the government or private sectors, economy, and investment to policy and strategy formulation, marketing or public relations, foreign affairs, and risk management.
- Specific knowledge, experience or, expertise

  This category is divided into three subcategories, namely laws, rules, and governmental regulations related to business operations, accountancy and finance, with specific knowledge on financial statement; accounting standards, or current/prior position as a member of an audit committee of a listed company; and telecommunication, communication, and information technology.
- Corporate Governance knowledge, experience, or expertise

  This category is divided into two subcategories, namely corporate compliance, including the formulation of relevant policies and guidelines; and treatment of stakeholders

In addition, the Governance and Nomination Committee also incorporated the list of chartered directors compiled by the IOD as additional information in the selection of candidates to replace the directors due to retire by rotation.

Rules and Procedures for the Election of Directors

1. Prior to the Annual General Meeting of Shareholders, the Governance and Nomination Committee proposes to the Board the names of persons to replace directors who are retired by rotation. The nominees will then be listed for consideration for election during the Meeting. All shareholders have an equal right to propose other candidates. Authority to select directors rests with shareholders.

2. A shareholder shall have one vote for each share he holds or represents.

3. At the election of Directors, the shareholders shall vote for each individual candidate nominated for Directors, but not exceeding the number of Directors required for that election. The vote shall not be distributed.

4. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman of the Meeting shall cast the deciding vote.

In 2015, four directors were due to retire by rotation, namely Mr. Snoh Unakul, Mr. Panas Simasathien, Mr. Arsa Sarasin, and Mr. Chumpol NaLamlieng. The Board of Directors' meeting on 29 October, 2014 had formulated guidelines for the nomination of qualified candidates to replace the retiring directors as proposed by the Governance and Nomination Committee, which advised that each director nominated no more than four qualified candidates to replace the retiring directors and the retiring directors should not nominate themselves as candidates.

On December 9, 2014, the Governance and Nomination Committee reviewed the list of six candidates that each Director had nominated, four of whom were retiring directors, and two of whom were external qualified candidates. (No shareholder had nominated a candidate for the election of Directors within the designated period).

The Governance and Nomination Committee's meeting, with no members having conflict of interests present, held an extensive discussion, taking into consideration the selection guidelines drawn up on December, 22 2004 and the guidelines published in the SCG Corporate Governance Handbook, as well as the guidelines for defining the qualifications and expertise of a director as per suggestions of the Thai Institute of Directors (IOD). After a careful and thorough consideration of each candidate's qualifications, the Committee passed a unanimous resolution to propose to the Board of Directors the three retiring Directors, namely Mr. Panas Simasathien, Mr. Arsa Sarasin, Mr. Chumpol NaLamlieng, and a newly-nominated candidate, Mr. Roongrote Rangsiyopash, to be elected as the Company's Directors because they possess all the qualifications required by the Company's Nomination Guidelines, while the Directors retiring by rotation had consistently also fulfilled their duties as members of the Board of Directors and Sub-committees with excellence.

After an extensive discussion and a careful consideration of the qualifications of each individual candidate, the Board of Directors, excluding the members with conflict of interests, resolved to endorse the list proposed by the Governance and Nomination Committee and proposed the election of the Directors at the Annual General Meeting of Shareholders in 2015. At the Annual General Meeting of Shareholders on March 25, 2015, in the election of the members of the Board of Directors to replace retiring directors by rotation, in which each candidate was elected individually, Mr. Panas Simasathien, Mr. Arsa Sarasin, Mr. Chumpol NaLamlieng, and, Mr. Roongrote Rangsiyopash received the highest numbers of votes and were thus elected as directors.

Nomination and Succession Plan for Top Executive Positions at SCG

SCG has put in place a proper and transparent nomination process for key management positions at every level in order to ensure that all of our top executives are

professionals who perform their duties independently from the major shareholder and other shareholders. The succession plan for the President & CEO and top executives is carried out by the Governance and Nomination Committee and considered by the Board of Directors. SCG's nomination process commences with the process of recruiting candidates who possess both talent and integrity. Young talents are the focus of recruitment, so that they can be groomed to become leaders in the future. Qualified employees will undergo a high potential assessment and pursue development courses following individual career development plan. These talents will be assigned challenging tasks, and their positions will be rotated periodically in order to further develop their leadership skills and all-round knowledge in every area of SCG's business. The plan is implemented at every level of employment to ensure that staff members are ready to fill any positions that become vacant.

10.4 Oversight of Company's Subsidiaries and Associates

For SCG to be recognized as an innovative organization and a role model in corporate governance and sustainable development in ASEAN in line with SCG vision, it is imperative that SCG put in place effective and efficient corporate governance, risk management, compliance, and internal controls that conform to international standards both in operation and information technology system. As a consequence, to ascertain that the oversight of Company's subsidiaries and associates aligns with the operating policies prescribed by the Board of Directors, the Board has set forth mechanisms for overseeing and monitoring the management and operations of Company's subsidiaries and associates. To that effect, the Board has empowered President & CEO and/or President of each business unit to perform such duties as selecting representatives to be board members, executives, or controlling persons in those entities and reporting it to the Board.

The number of SCG's representatives in each subsidiary and associate is determined by the percentage of holding in that entity. However, to ensure proper oversight of SCG's investment, President & CEO and/or President of each business unit shall report on the operating results of the subsidiaries and associates to the Board of Directors at the board meeting on a quarterly basis. A report on the operating results shall be submitted to the Board in the month when there is no board meeting.

Moreover, to enable SCG's representatives to oversee the operations of subsidiaries and associates properly and in compliance with the Company's operation policies, SCG has prepared an authority manual prescribing the scope of authority, duties, and responsibilities of persons representing SCG as board members or executives in the subsidiaries and associates in establishing key business policies. The manual allows the representatives to operate with more effectiveness and efficiency. Constant revisions on such manual are made, consistent with changes in the subsidiaries and associates both in Thailand and overseas.

Mechanisms for overseeing disclosure of financial information and operating results; connected transactions between subsidiaries and/or associates and related parties; disposal or acquisition of assets; or complete and accurate material transactions are stated in the Articles of Association of the subsidiaries and associates. Such transactions shall be in compliance with the rules and procedures stipulated by the announcement of the Stock Exchange of Thailand.

In addition the authority manual, which serves to allow operations to be completed with efficiency, the Audit Committee, in fulfilling the role as a supervisor, is responsible for assessing the effectiveness of the oversight, risk management, compliance, and the internal audit systems of the subsidiaries and associates with SCG's representatives in the management. The auditing is planned based on the risk of each company and includes the auditing and assessment of the company's internal control systems, efficiency, and effectiveness of operations, and financial statements. Furthermore, the Audit Committee has resolved for the subsidiaries and associates to implement as a preventative measure against errors a business self-audit system, which can be adjusted to suit the environment of each company, with emphasis on a holistic assessment, in order to create added values to the organizations. To this effect, the companies and the Audit Office jointly perform risk assessment, formulate the internal control system and risk warning signals, and produce risk-monitoring reports. In the presence of risk shifting, the internal control system must be modified to accommodate such a change. The assessment reports are then presented to the management, with a copy submitted to the Audit Office as supporting information for future audit plans according to the level of risk. In addition, external audits are to submit assessment reports on the internal control system to the Audit Committee every quarter.

The key to effective and efficient operational management between the Company and other business partners is the agreement on mutual understanding concerning issues such as separation of duty in management, the scope of authority, fair division of profit for all concerned parties. To that effect, SCG generated a Shareholders' Agreement which stipulates the Company to respect the rights of its business partners with all due fairness and cooperates fully with the partners to ensure successful operations of the joint ventures.

10.5 Internal Information Control

The Company attaches significance to preventing the misuse of information that has not yet been disclosed to the public or confidential information that could have any impact on the Company's share price for one's own benefit or others. To that effect, the Company has established measures to prevent misuse of internal information (insider trading) and incorporated them into SCG Code of Conduct and Regulations for Employees in writing to provide guidelines for the concerned persons, namely, the Board of Directors, SCG top executives, and employees responsible for related functions as well as their spouses and children who are minors. They are as follows:

- The Board of Directors, top executives, and employees responsible for related functions as well as their spouses and children who are minors are prohibited from trading Company shares for a two-week period prior to the release of the Company's quarterly and annual financial statements and for 24 hours after the release (blackout period). Corporate Secretary Office will inform all concerned persons of the blackout period one month prior to such period via regular post.

The Company has made it imperative to review share trading of the concerned persons on a regular basis and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the information.

Moreover, the concerned persons who have knowledge of confidential information that could impact the Company's share price are prohibited from trading the Company's shares until 24 hours after the public disclosure.

- Directors and executives (Top Executives) as defined by SEC are required to make an initial reporting of their securities holding in the Company to the SEC within 30 days of the date on which they are appointed (Form 59-1). They are also required to report on any changes in securities holding as a result of the purchase, sale, transfer or acceptance of transfer of securities (Form 59-2) within 3 business days of the date of any changes.

In addition, the Board of Directors will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding be reported in the Board of Directors' meeting. The number of shares held by the directors and top executives both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

- In 2015, there were no insider trading cases concerning the director, top executives, and employees involved with internal information.

10.6 Audit fee

For the fiscal year 2015, the Siam Cement Public Company Limited and its subsidiaries paid for audit fees amounting to 50.94 Million Baht to KPMG in Thailand and KPMG member firms in overseas, which the auditors worked for, and to persons or businesses related to the auditors and audit firm. This audit fee amount excluded the remuneration paid by associates.

In this regard, KPMG in Thailand and KPMG member firms in overseas and its auditors do not have any relationships or interests involving the company, management, or major shareholders, including their related persons.

Audit fees for the year 2015

1. Fees for annual audit and quarterly review of SCC and consolidated financial statements amounted to 5.34 Million Baht.

Audit Fees		
1. Annual audit fee for SCC's financial statement	250,000	Baht
2. Fees for annual audit and quarterly review of SCC and consolidated financial statements	5.09	Million Baht
Total audit fees of the Company	**5.34**	**Million Baht**

2. Fees for the annual audit of subsidiaries and quarterly review of listed subsidiaries performed by KPMG Thailand and KPMG overseas in which the fees were absorbed by the subsidiaries were as follows:

Audit fees		
1. Fees for annual audit of the subsidiaries' financial statements and quarterly review of listed subsidiaries on the Stock Exchange of Thailand		
- Number of subsidiaries	123	Companies
- Amount	23.27	Million Baht
2. Fees for annual audit of the overseas subsidiaries' financial statements		
- Number of subsidiaries	64	Companies
- Amount	22.33	Million Baht
Total audit fees of subsidiaries	**45.60**	**Million Baht**

Non-audit fee

For this fiscal year, the subsidiaries paid a non-audit fee, which was for reviewing compliance with the conditions of the BOI Promotion Certificate amounting to 2.94 Million Baht and for tax consulting and other services amounting to 1.18 Million Baht, to the audit firm and persons or businesses related to the auditors and the audit firm.

10.7 Good corporate governance guidelines in other aspects

The company has adopted and consistently complied with the principles of good corporate governance for listed companies recommended by the Stock Exchange of Thailand in 2012. In 2015, the areas that the company had yet to adopt were as follows:

1. Chairman of the Board should be an Independent Director

- The current Chairman of the Board is an executive of the major shareholders. However, the Board of Directors has specified the duties of the Chairman so that emphasis is placed on the interests of the company, shareholders, and stakeholders.

2. The Board of Directors should limit the terms of an independent director to no more than nine consecutive years, starting from the day of the first appointment. For that independent director to continue serving, the Board of Directors should consider the rationale of such a necessity.

- In 2015, the Governance and Nomination Committee nominated one retiring independent director, namely Mr. Arsa Sarasin, to be appointed a director for another term. With due consideration, the Committee opined that despite having served for nine consecutive years, Mr. Arsa has all the qualifications of an independent director. He is knowledgeable and possesses the experiences and expertise required by the Company. The Committee also found that Mr. Arsa has performed his duties as an independent director well.

3. The numbers of the consecutive terms a director and the numbers of the consecutive terms a subcommittee can serve should be specified, such as no more than three consecutive terms.

- Currently, the Board of Directors reviews the terms of a member of the Board of Directors and Sub-committees based on each individual's qualifications, the resulting diversity, and needed areas of knowledge and expertise, in tandem with the use of the Board Skill Matrix as additional information.

4. All members of the Nomination Committee are independent members.

- Currently, the Governance and Nomination Committee comprises five members, four of whom are independent members, constituting more than half of the Committee, and the Chairman of the Governance and Nomination Committee is also an independent member. However, the company always reviews the membership of each member of the sub-committees on a yearly basis, taking into account the qualifications and appropriateness as specified in the charters of the Sub-committees.

The Governance and Nomination Committee will review issues that have yet to be conducted in accordance with the Corporate Governance guidelines and report its opinion to the Board of Directors for an annual review.

In addition to the practices implemented in compliance with the 5 categories of The Principles of Good Corporate Governance for Listed Companies 2012 recommended by The Stock Exchange of Thailand, the company has in place other practices relating to good corporate governance as follows:

SCG Code of Conduct

The present prosperity, success, and stability of SCG are the result of doing business according to its ethical core values - the ideals that have been held in high regard and put into practice by the Board of Directors, by management, and by staff at all levels. They are:

"ADHERENCE TO FAIRNESS
DEDICATION TO EXCELLENCE
BELIEF IN THE VALUE OF THE INDIVIDUAL
CONCERN FOR SOCIAL RESPONSIBILITY"

In 1987, the Board of Directors compiled a list of principles in a formal written document called the "Siam Cement Group Code of Ethics" to serve as guidelines that were aligned with SCG's philosophies with the Company's directors serving as role models. It has been constantly updated to better correspond with the evolution of SCG and suit the shifting economic and social climate.

In 2015, the Governance and Nomination Committee approved of the setting up of a working team to review the topics and examples in the SCG Code of Conduct booklet and provided employees the opportunities to take part in the review by giving suggestions. In the 2015 version of the SCG Code of Conduct booklet, some topics have been combined while others separated. Apart from the added guidelines and examples, the booklet also features the definition of relevant terms to clearly convey the meaning and to align with laws, SCG policy, international best practices, and current circumstances. The booklet has been published in the forms of print and e-book.

To further raise awareness of the SCG Code of Conduct among employees, the Company informs its employees at every level of and promotes adherence to the SCG Code of Conduct to cultivate the awareness from the first day of employment onward. In addition to the publication of SCG Code of Conduct on the website, the Company has published SCG Code of Conduct Manual and distributed it to all new SCG employees along with conducting informational events to expound the Code of Conduct principles and practices to ensure that a clear understanding and strict adherence in performing their duties. This has also been included as a key factor in the yearly employee performance assessment.

Furthermore, since 2012, SCG has consistently raised awareness about compliance with the Code of Conduct through video clips simulating cases described in the Code of Conduct Manual and allowed employees to ask questions and share their experience to make the Code of Conduct more accessible and promote greater application in everyday life. These video clips are distributed in the form of e-Newsletter via email to every employee and published on the SCG intranet as well.

Moreover, SCG has also exchanged its knowledge and experience regarding the SCG Code of Conduct as well as the development of SCG's guidelines for corporate governance with interested companies and organizations both in the governmental and private section to support and promote awareness about ethical business conduct, fair treatment of stakeholders, and corporate social responsibility.

SCG also established the whistleblower policy, to protect any employee who files a complaint or reports on improprieties or suspected violations of laws, rules and regulations, the Company's Articles of Association, SCG Code of Conduct, and Anti-corruption Policy. In this regard, the Company has formed a working team responsible for devising policies and providing consultancy regarding compliance with SCG Code of Conduct. This team comprises the top management in business units responsible for relevant matters, each of whom is tasked with monitoring the performance results and providing counsel on relevant matters. In addition, the Company has established channels through which employees can voice their opinions and make inquiries about SCG Code of Conduct, which can be found on the SCG website under "SCG Code of Conduct" and "SCG Code of Conduct Consultation System".

Anti-corruption Efforts

SCG stresses the importance of fighting corruption and integrates it into its corporate culture in line with one of SCG's 4 Core Value "Adherence to Fairness" with focus on integrity, transparency, verification, and equitable treatment to all concerned parties in a respectful, sincere, friendly, and fair manner. The commitment resulted in the Siam Cement Public Company Limited having been certified by Thailand's Private Sector Collective Action against Corruption (CAC) in 2013 (SCG Anti-corruption policy is available for download at www.scg.co.th)

Throughout 2015, SCG carried out activities in support of the anti-corruption policy and kept employees at every level in all SCG business units abreast of the efforts and compliance. To meet the requirements of Thailand's CAC, which stipulates that the certified companies must apply for recertification every 3 years, SCG has devised more mechanisms. To that effect, the Audit Office and the business units carried out a workshop on internal control and risk assessment to provide employees with knowledge and advice, enabling them to assess corruption risk and the impact of such risk on the performance of duties both today and tomorrow as well as defining measures to reduce or mitigate the impact by themselves. At the same time, the Audit Office performed the assessment and monitoring of good governance practices and compliance with the Code of Conduct and SCG Anti-corruption policy on every audit period.

The additional activities carried out in 2015 to constantly create awareness and provide knowledge and understanding about the Anti-corruption policy among the directors, the Management, and employees to reduce corruption risk included:

1. Organized Preventive Pack Three activities dedicated to raising awareness, providing knowledge, and preventing corruption. The activity consisted of the following:
   1) Prepared "Ethics e-testing" covering the topics of Code of Ethics, SCG 4 Core Values, Code of Conduct, and the Company's Anti-corruption policy. The test contents were designed to enable the employees to learn and understand how to comply with the policy. The employees then signed to acknowledge the results. There was also a test which the employees must pass with a score of 100%.
   2) Conducted risk management and good control in accordance with the Three Lines of Defense Model.
   3) Compiled and communicated major corruption cases

2. Prepared Anti-corruption compliance which specifies indicators or signs of corruption as well as risk mitigation and control concerning the work system and performance of employees to allow for self-assessment of those working in the high risk functions such as project sales and project procurement.

3. Assessed the internal control regarding corruption for the year 2015 in line with the COSO 2013 principles.

Activities Constantly Carried out by SCG

1. Updating the SCG Code of Conduct as well as disseminating and communicating the contents to promote understanding about SCG Code of Conduct and Anti-corruption policy among employees to enhance understanding and compliance. The message was also conveyed through a video clip entitled "This requires compliance with the Code of Conduct", which shows how to comply with the code of conduct booklet and the Anti-corruption policy.

2. Executives meeting with employees to give details about the Company's business operations including the Anti-corruption policy and providing them with opportunities to make any inquiries for a better understanding.

3. Communicating and publicizing compliance with the SCG Code of Conduct and Anti-corruption policy through various courses and channels to reaffirm SCG's corporate culture as follows:

- New Employee Orientation Course
- SCG Ready Together Course
- Business Concept Development Course
- Leading Yourself Course
- Facilitative Leadership Course
- Good Corporate Governance Course supervisors and management employees (in each business unit)

4. IA Letter (available both in Thai and English) launch every two-month through email of every employee.

5. SCG Code of Conduct Consultation System and Anti-corruption policy banners on the SCG Intranet.

Furthermore, to demonstrate its intent in promoting and extending the concept to its suppliers, so that, with the synergy of SCG and its suppliers, the ethical practices and the corporate governance for communities, society, and the environment can reach the wider society. To that effect, SCG has compiled the "SCG Supplier Code of Conduct" as guidelines for SCG suppliers since 2013. It emphasizes SCG's relentless commitment to social responsibility encompassing five areas: 1) Ethical Business Practices, 2) Labor Protection and Human Rights, 3) Occupational Health and Safety, 4) The Environment, and 5) Laws and Regulations. In 2015, SCG continued its efforts, requiring all new suppliers to sign the Supplier Code of Conduct agreement when they completed the Supplier Registration form. The Company also provided support and consultancy for suppliers in operating in line with the sustainable development approach. To date, the number of participating suppliers has increased steadily, giving SCG added confidence to continue to develop more good citizens for society.

Policy on Protection and Fairness for Employees Who Inform on or Disclose of Wrongful Conduct or Non-Compliance with the Laws, Rules, and Regulations, the Company's Articles of Association, SCG Code of Conduct, and Anti-corruption policy (Whistleblower Policy)

SCG has given priority to good corporate governance and opened up opportunities for its employees and stakeholders to report or inform any irregularity in the business operations of SCG such as corporate governance, ethical practices, corruption, financial transactions, the Code of Conduct, and compliance with legal requirements, regulations, or Anti-corruption policy through specific channels provided. This is to ensure investigation on complaints are conducted according to the process specified in the "SCG Whistleblower Policy Guidelines" and reported to the Audit Committee and the Board of Directors. In addition, information on the procedures and the channels through which complaints can be lodged is clearly published on the Company's website.

To assure that such reporting or provision of information will not cause trouble to the complainant or informant, SCG has established a mechanism for protecting and relieving the distress that might occur to those who report or inform from unjust treatment such as abuse and threats. The Audit Office, responsible for the security of the Whistleblower System, has designated a separate server to ensure independence from other usage.

SCG has provided channels for complains as follows:

● As for internal channels for employees, complaints can be made both with the names identified and anonymously.

1. The banner on the first page of Intranet SCG website, which is accessible to every employee. Informants can direct their complaints to any of the following:

- Trusted supervisors
- The Director of the Corporate Human Resources Division
- The Internal Audit Director
- The Secretary to the Board of Directors
- A Company Director

2. Submission of a formal document to the aforementioned persons.

3. Email submission to an independent director at ind_dir@scg.co.th

● As for external parties, complaints can be lodged on www.scg.co.th under the "SCG Whistleblower System." Informants are required to identify their names and can direct their complaints to any of the following:

- The Corporate Secretary Office
- The Internal Audit Office
- An Independent Director
- A member of the Audit Committee

Complaints can also be lodged in the form of a formal document submitted to the aforementioned parties.

Informants can keep track of their complaints through a system, which is a vital mechanism in the control and prevention of corruption.

In 2015, a total of 39 complaints have been filed, 11 of which are still undergoing investigation, and 28 of which have already been investigated and categorized as follows:

- 5 complaints fall into the category of non-conformance with of Code of Conduct;
- 12 complaints fall into the category of non-compliancy with the Company's regulations;
- 11 complaints have no ground for any disciplinary action and yet are not persecution or defamation.

No complaints of violating the Anti-corruption policy have been filed. The financial impact was insignificant and caused no damage to the Company. The wrongdoers were expelled in accordance with the Human Resources Regulations.

The Company stresses the importance of compliance and punishment and has communicated and raised awareness among its employees regarding the Code of Conduct as well as used complaints to inform future preventive measures. The Internal Audit Office is responsible to monitoring, presenting, and reporting the results to the Audit Committee at every meeting.

11 THE CSR COMMITTEE FOR SUSTAINABLE DEVELOPMENT'S REPORT

According to our philosophy of 'Concern for Social Responsibility', SCG desires to improve the quality of life in every community wherever we operate. Our emphasis relies upon the aspects that help address the needs of society, build healthier communities, increase community income and develop human potential which all are essential for the social transformation and the competitiveness of the country.

Last year, SCG has leveraged our competence and expertise to move on our social responsibility missions. In addition, we have increased engagement with stakeholders as well as in partnership with relevant parties to achieve a greater impact.

To solve social challenge and improve people's lives

SCG has continuously proceeded with our flagship projects, "Conserving Water for Tomorrow Project" and "the Innovative Technology for the Remediation of Saline Land Project". In addition, we also encourage communities to form occupational groups in order to advocate for the communities. In 2015, Thailand faced a severe drought which affected large parts of the country. For a short term relief, SCG contributed a funding of 10 Million Baht, launching "SCG: United against Drought" by joining hands with the Royal Thai Army to distribute water tanks to help people suffering from the ongoing drought crisis in the Central and Northeastern areas. For long term resolution, SCG have worked with Utokapat Foundation under the Royal Patronage of H.M. the King to equip the communities with know-how in water management so that they can balance their water usage appropriately for both daily use and agricultural purposes, such as the implementation of the connected collection ponds at Baan Sa Pae, Moo Sam, Jae Hom district in Lampang province and the modification of canals at Baan Non Khwao, Wang Noi district in Khon Kaen province.

To develop human potential

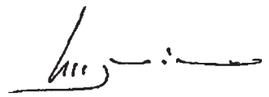
SCG believes that human capital is an essential factor to the country development. SCG continues to support various projects that enhance human potential at all levels and all fields, such as "the Power of Wisdom" project to develop the capability of community leaders, the medical research and development project in many areas to improve the medical treatment quality, the research for country development project by providing funds for practical purposes, "SCG Badminton Academy" to groom professional badminton players to the national league by Sports Science, and the "Specialists…the Maker of the Nation" project to alleviate labor shortages and contribute to the economic potential development of the nation.

To share opportunities to the society

SCG considers that sharing opportunities to the society is a key mission in every country where we operate. We launched "SCG Sharing the Dream" program to provide educational opportunities by funding as well as to improve access to public health services. In 2015, SCG collaborated with the Crown Property Bureau and Banphaeo Hospital (Public Organization) who have made advances in vision treatment. We initiated 'Sharing a Brighter Vision' project to provide eye surgery in Myanmar. The project helped improve the vision of 206 patients which provided a higher quality of life.

SCG believes that to develop a stronger and healthier society, the country and ASEAN will need the knowledge, understanding, and support of all stakeholders in order to reinforce growth and long term stability in every aspect.

On behalf of the CSR Committee for Sustainable Development



Arsa Sarasin

Chairman of the CSR Committee for Sustainable Development

12 SOCIAL RESPONSIBILITY

SCG pledges its commitment to contribute to the economic and social development of all the communities where SCG operates. To minimize its environmental impacts and enhance resource efficiency, the Company is committed to raising environmental awareness of employees at all levels together with developing every phrase of operations and employing environmentally-friendly technology. Furthermore, SCG is resolved to create a sustainable development network and clearly define direction for social and community development to fully address the needs and expectations of all concerned parties.

Driving Model Projects to Create a Sustainable Development Network

To help tackle problems associated with the nation's development, SCG strives to establish a collaboration network among business organizations as a partnership model to raise the standard on business operations that are friendly to society and the environment along with taking care of and uplifting people's quality of life. To that end, it is imperative that all SCG business units commit themselves to social development and environmental stewardship in accordance with the 3Rs (Reduce, Reuse/Recycle, Replenish) concept in their operations across ASEAN.

Water is a natural resource vital to life and becomes a critical factor for the operations of all sectors, especially the agricultural sector, which is very much dependent on natural water resources and yet has been faced with increasingly severe water scarcity due to the effects of climate change. In answer, SCG has joined forces with the communities surrounding the plants to carry out the SCG Conserving Water for Tomorrow project since 2003 to conserve and restore water sources by supporting the communities to build check dams in line with H.M. the King's initiative to restore nature equilibrium. During the joint efforts, the communities have learned to work systematically through the process of planning, acting, checking, generating knowledge which leads to practice, reviewing, and then expanding to derive new knowledge in alignment with constructivism learning theory. The project has served as a model for other communities to study and apply the knowledge gained to develop their own communities. At the same time, SCG employees taking part in the project have learned local wisdom and the communities' way of life, which instills a sense of volunteerism among the employees in tandem with SCG's learning culture and commitment to social and environmental responsibility.

Marine debris - trash in the oceans - is a major issue posing multiple threats to tourism. Not being disposed of properly, trash was brought indirectly into the sea by storm water or winds, adversely affecting marine ecosystems. To address the problem, SCG Chemicals has joined forces with coastline communities, government agencies and beach vendors in Rayong to carry out the Beautiful Beach and Fish Returning Home project since 2010. The objectives are to raise environmental awareness of the locals, encouraging all concerned parties to help keep the beaches clean, beautiful, and safe. The efforts also extend to conserving marine resources by collaborating with Center for Conservation of Marine and Coastal Resources 1 and fisher groups in Rayong to construct artificial reefs to attract fish, protect sprawling and nursery grounds, and create habitat for other marine life. The endeavors have helped restore the marine ecosystems and provide sustainable fisheries resources for the locals and their posterity.

SCG Conserving Water for Tomorrow to "The Puk Kid Pun Suk Learning Center-Ban Pan Tai", a model village for Sustanability.

Society Potential Enhancement Projects

SCG is committed to providing opportunities for people in society through numerous projects dedicated to enhancing individuals' potential in different areas. To achieve the goals, SCG has entrusted organizations with expertise in the areas to carry out the projects with SCG providing support and coordinating all the involved parties. The projects can be further developed and expanded to benefit other communities. Chief among them are the Power of the Intellect project dedicated to creating a new generation of leaders who are successful in their self-development efforts and share their success with others to help develop the ability of people especially farmers, which make up the majority of Thai population. To that end, it is advisable they change their thinking by thinking intellectually which will enable them to find solutions and become more self-dependent. The Skilled People for Nation-building project aims to empower vocational workers to become a major driving force in the country's development in the wake of the ASEAN Economic Community (AEC) integration. The project is also committed to communicating the benefits of vocational education to foster positive social attitudes and attract more young people to enroll on vocational track programs. It is hoped that in a long-term, the project can help support the government in the development of vocational workers.

Moreover, SCG has expanded its efforts to uplift the quality of life and well-being of people to other ASEAN nations. In 2015, SCG launched the Sharing a Brighter Vision project in Mawlamyine, the capital of Mon State in Myanmar, to offer surgical removal of the cataract, which is the leading cause of vision impairment and blindness in Myanmar. The cataract surgeries have enabled the needy patients to better take care of themselves and enjoy a better quality of life. The follow-up of the 206 patients after their surgery found that most of them have better vision and are capable of leading a normal life. In addition, the project ensured maximum satisfaction and foster strong ties between Thailand and Myanmar.

However, scores of patients are still awaiting the surgery. Forseeing that the development of hospitals might be a more sustainable public health solution, SCG donated mobile cataract surgery units for use by the ophthalmologists at the General Hospital. The Company also plans to offer a training program for the ophthalmologists and nurses at Banphaeo Hospital in Thailand to equip them with fresh knowledge that can be applied back home.

Promoting Youth Potential through Employee Involvement

SCG strives to enhance potential of people in society through projects that engage SCG employees and other concerned parties to work collaboratively to uplift the quality of life and enhance the potential of people in the areas of education, sports, and the environment. Wide-ranging examples include Sharing Opportunities…Drawing the Future Program to promote the potential of communities in different areas; Tales in the Garden Festival Program to promote early child development through reading; SCG Sci-camp to provide knowledge and instill positive attitudes towards the study of science, technology, and the environment among junior high school students; and SCG Excellent Internship Program for university students to instill a good sense of corporate governance and provide them with hands-on experience and a broad range of professional skills in their respective fields. For sports, SCG established SCG Badminton Academy, the first badminton academy in Thailand that fully employs sport sciences and technology, in which young players are developed and trained according to a scientific system along with systematic training programs with the focus on techniques and skills in professional badminton to groom the young talented players to achieve international sporting excellence. This will enable sports in Thailand to rise to the ranks of international standards and to be at the forefront of Asian sporting context.

"SCG International Internship" project provides opportunities for university students across ASEAN to gain work experience with SCG.

To develop potential of ASEAN youths, SCG has carried out the SCG Sharing the Dream project, offering more than 5,900 scholarships to youths in Indonesia, Vietnam, Myanmar, Cambodia, the Philippines, Laos, and Thailand each year. At the same time, the SCG International Internship provides opportunities for university students across ASEAN to gain hands-on experience working as interns in Thailand while the SCG Young Leader Program is designed to enhance leadership skills of ASEAN students.

Mitigating Problems and Uplifting the Quality of Life

SCG has provided constant support for activities dedicated to solving problems and mitigating hardship as well as uplifting quality of life for people in society including the disenfranchised. These socially beneficial activities and projects designed to improve people's quality of life include the Safety We Care project to promote collaboration and raise safety awareness among all concerned parties by sharing knowledge about road safety as a means to develop and streamline operations.

With a firm belief that successful social development in different dimensions requires collaborative efforts of various sectors, SCG in 2015 provided over 154.5 million Baht in support of SCG's benevolent projects as well as other organizations committed to benefiting society and uplifting people's quality of life, empowering them to be self-reliant in a sustainable way.

SCG publishes Sustainability Report annually. Complying with the Global Reporting Initiatives (GRI) Version G4, the report encapsulates SCG's progress in operating in line with United Nations Global Compact. Details about SCG's social and environmental activities can be found in the Sustainability Report and on www.scg.co.th.

13 INTERNAL CONTROL AND INTERNAL AUDIT

13.1 Internal Control

SCG's vision is to be recognized as an innovative workplace and a role model in corporate governance and sustainable development in ASEAN. SCG top executives believes that to become the leading organization, SCG must have the efficient and effective corporate governance, risk management and internal control systems that which comply with the international standards in terms of best practices and information technology. SCG has the Audit Committee who's responsible for determination of SCG's corporate governance policy, risk management, internal control and internal audit according to the following international standards:

- Corporate Governance reference organizations: Organization for Economic Co-operation and Development (OECD)/ Stock Exchange of Thailand (SET)/ Thai Institute of Directors Association (IOD)
- Risk Management reference standards: COSO Enterprise Risk Management/ ISO 31000
- Legal and Regulatory reference to relevant laws and regulations/ policies and Compliance procedures
- Internal Control reference standards: COSO Internal Control Framework 2013/COBIT

The Board of Directors, the Audit Committee and the management have formulated SCG's internal control system to comply with COSO Internal Control Framework 2013 (COSO: The Committee of Sponsoring Organization of Tradeway Commission). In agreement with this, the Internal Audit Office assessed the adequacy of SCG's Internal Control system according to Securities and Exchange Commission's assessment form (SEC) and submitted the result to SCG top executives and the Audit Committee for consideration and approval prior reporting to SCG's Board of Directors in the 202 the (1/2016) Board of Directors meeting on 25 November 2015. The meeting was attended by 7 independent directors whom 4 of them are the members of Audit Committee.

SCG's Board of Directors considered all items in the assessment form and further inquired for more information from the Audit Committee, the management and Internal Audit Director. By this consideration, SCG has adequacy and effectiveness of internal control system for SCG's operations in compliance with laws, regulations, policies and procedures; safeguarding of assets, and efficiency of resources utilization. There was no material deficiency found in internal control system.

SCG has set up to raise corporate governance, risk management, laws and regulations together with policies and procedures compliance and internal control (GRC) awareness to the management, supervisors and employees. By consideration from the Audit Committee, SCG has sufficient number of personnel for GRC implementation, along with adequate internal control systems for monitoring of SCG's subsidiaries' operations, safeguarding of SCG's and subsidiaries' assets against the misuse or unauthorized act by directors or the management, and against transactions that might result in a conflict of interest or connected transactions.

SCG top executives; by delegated form SCG's Board of Directors, have developed various tools in response to constantly changing risks over the time, to ensure proactive preventive systems for domestic and overseas businesses. In 2015, SCG top executives approved the relevant governance/internal control principles or tools as follows:

13.1.1 Preventive Pack Three

SCG has expanded its businesses included in domestic and overseas. The significant factor which enables SCG to achieve the goals and be sustainable is "employees" who stand for integrity and be ethical in practice to promote moral ethics in workplace. SCG has set proactive preventive system "Preventive Pack Three" including:

13.1.1.1 Ethics e-testing: for encouraging employees to learn, understand and put moral, ethics, SCG code of conduct and Anti-corruption policy into daily practice. Every employee have to study, sign for acknowledgement and test by 100% passed score. Currently, every SCG's employee has already passed.

13.1.1.2 Risk Management and Internal Control Responsibilities through "The Three Lines of Defense" model (widely accepted in the international standard): SCG provided guideline to determine objectives, roles and responsibilities together with sample of risk and relevant internal control in each business operational' system; through communication and workshop to the management for further enhancement and communication with the employees to understand their roles, as well as work in collaborate with their colleague, supervisors, business-enabling & supporting functions and the Internal Audit Office.

13.1.1.3 Sharing cases study in areas of fraud and non-compliance with laws and regulations, policies and procedures and code of conduct: for communication to every employees and prevention of repeated cases.

13.1.2 Legal and Regulatory Compliance

SCG has Corporate Compliance Unit who responsible for development of SCG's compliance management system; in term of laws, regulations, policies and procedures, setting control and monitoring processes for operational functions (First Line) to implement in the operations. The system helps to manage and reduce Compliance Risk which risk level is classified into SCG level, business unit level and company level. Compliance Risk included laws and regulations related to business operations, new investment projects and Anti-corruption compliance. Additionally, Anti-Corruption Compliance Evaluation Checklist (as a tool) has been implemented for high corruption risk's operational functions; for self-assessment including risks and setting up controls again corruption. If there is any query, the supervisors are available for clarification. The tool will help to strengthen the Board of Directors and the management confidence that SCG had sufficient internal control system against corruption.

13.1.3 Risk Management and Control Guideline for Investment Project

SCG has project investments in both domestic and overseas. Each project invests with a large amount of money and in certain period of time. For reducing risk and increasing efficiency in project management, SCG has prepared the risk management and control guideline for investment project for employees to use as operational guideline. The guideline shows steps of process, risks, controls and monitoring from the beginning till the end of process for project management.

13.1.4 Business Self Audit

As the Audit Committee authority, who govern and review the effectiveness of internal control system. The Audit Committee resolved to setting up Business Self Audit for raising business concept in preventive of changing risk. SCG has operated in a period of time and in compliance with COSO Internal Control Framework 2013 (COSO 2013) in area of individual and business function roles and responsibilities through "The Three Lines of Defense" model. The Internal Audit Office enhances risk management and internal control awareness to operational functions (First Line), business-enabling & supporting functions and business self audit team (Second Line) by conducting workshops which emphasized on employee's engagement in corporate governance, risk management and internal control, roles and responsibilities of First Line functions among employees and supervisors, and collaboration of First Line and Second Line functions. In addition, SCG has monitoring system to assess the adequacy and effectiveness of internal control and risk response to achieve SCG's objectives; also the monitoring of business self audit team's performance results to support audit planning and assess the internal control system.

13.1.5 Information Technology Governance and Security Assessment: Infrastructure and Network System

13.1.5.1 Currently, information technology (IT) system is the key factor for business operation; starting from business planning, setting up strategy and prompt information for decision making for serving business expansion and dynamic changes. For these reasons, SCG runs to more advanced and complex information technologies. SCG sets up SCG IT Governance Committee, responsible for oversight the use of IT system to achieve maximum benefits and security by recognizing of risks of rapid changing in technology, infrastructure and network security, as well as the use of information system for business management. SCG sets up Information Security & Compliance Unit who is responsible for oversight SCG's infrastructure and information technology

system. Additionally, SCG engaged external professional to performed security assessment: infrastructure and network system, having IT Audit and IT-BU join and share their experiences to develop and continually perform an evaluation of system's security to SCG.

13.1.5.2 At this present time, most of business communication and transactions do via e-mail which raises a change to hacker to hack information from both customers and suppliers. This will make the number of losses and damages to SCG. For reducing this risk, SCG announced "Guideline to provide defense against losses from commerce email hacked" to educate and communicate to SCG's employees, customers and business partners.

13.1.6 Development of Continuous Monitoring & Continuous Auditing System for Business Units

After the implementation of SAP ECC 6.0 SCG operating units (Auditees) generate Continuous Monitoring & Continuous Auditing report to use as a tool for analyzing, tracking irregularities in timely manner, by the same time, enhancing the effectiveness of internal control system together with business operations.

13.1.7 SCG Whistleblower System

SCG continuously develops SCG Whistleblower System for employees and other stakeholders as a channel to report non-compliance with corporate governance, code of conduct, rules, regulations, laws and Anti-corruption policy, included fraudulent acts. SCG employees can report via SCG Intranet while other stakeholders report via https://whistleblower.scg.co.th. Complainants may follow up on their reports via the system. Whistleblower system helps promote ethical business conduct on a sustainable basis. The system's security is closely monitored and maintained by the Internal Audit Office through the use of two steps password verification and a separate server from other operations. These measures help to ensure data security and prevent data leakage to other individuals.

13.2 Internal Audit

Audit Committee oversees the operation of Internal Audit Office that provide independent impartial, ethical and expert in line with the International Standard for Professional Internal Audit Practice (The Institute of Internal Auditors: IIA) and International Information Technology System Auditing Standard (Information Systems Audit and Control Association: ISACA and Global Technology Audit Guide: GTAG). The Audit Committee Charter and the Internal Audit Office Charter clearly stated the missions, scope of work, authority, duties, and responsibilities, as well as auditing guidelines which would be reviewed annually for any update.

The Internal Audit Office is not only perform auditing planning by consideration of related risk based audit plan, but has continually developed audit projects by emphasizing proactive and preventive system's setting up for SCG's value creation for SCG, aside from providing Assurance Service and Consulting Service. The key action plans in 2015 were summarized as follows:

13.2.1 Creating Sustainable High Value Services

To promote comprehensive corporate governance, risk management, legal and regulatory compliance and internal control, the Internal Audit Office performed as follows:

13.2.1.1 Encourage Three Lines of Defense Model

Creating awareness, encouraging risk management and internal control responsibilities through "The Three Lines of Defense" model by communicating and conducting workshop to the management, supervisors and employees to understand their roles, as well as work in collaborate with business-enabling & supporting functions (Second Line) e.g. Risk Management function, Compliance function and Business Self Audit team for integrated work and exchange internal control perspectives to add value to SCG.

13.2.1.2 Assessment of Internal Control Effectiveness according to COSO 2013

The assessment of SCG's internal control efficiency and effectiveness is in agreement with COSO 2013 to reach 3 objectives, composed of operations, reporting and compliance. This also corresponds to Adequacy of Internal Control Assessment form raised by the Securities and Exchange Commission (SEC). The assessment's result is submitted to the Audit Committee and SCG's Board of Directors for consideration prior disclose in the Annual Report and Annual Registration Statement (Form 56-1).

13.2.1.3 Risk and Internal Control Assessment for New Business Operational System

The Internal Audit Office is responsible for verification, assessment and giving the recommendation to operational functions (First Line) and business-enabling & supporting functions (Second Line). These are for providing assurance to the Board of Directors and the Audit Committee that SCG has effective and efficient risk management system, together with legal and regulatory compliance system. In addition, the Internal Audit Office performs risk and internal control assessment for SCG and its subsidiaries' new operational system in SCG and its subsidiaries such as Solution project etc. Once the improvement point was raised, the auditor will clarify, conduct workshop, provide the practical recommendation and monitor the performance result after the consultation. Additionally, the Internal Audit Office emphasize on safety and environmental audit to reduce Safety, Health and Environment (SHE) risk which is one significant risk in SCG 8 risk categories.

13.2.1.4 Setting up Overseas Internal Audit Teams

In 2015, the Internal Audit Office has Vietnamese and Indonesian auditors who assess the efficiency and effectiveness of governance, risk management, legal and regulatory compliance and internal control in SCG and its subsidiaries' business in overseas. The auditors are under the supervision of the Internal Audit Office in Thailand including policy and standard practices. Having foreign auditors will reduce risk incurred from culture, language, laws and regulation barriers.

13.2.1.5 Information Technology Audit

As SCG's rapidly expanded the businesses in both domestic and overseas with changing operating system specifically for each business unit, SCG has to develop new core IT systems. In this regard, representatives from Internal Audit Office were appointed as consultants to advise the appropriate control points and testing of control system. After the system is completed, IT auditors will carry out the testing once again.

13.2.2 Evaluation of the Internal Audit Office's Performance

The Internal Audit Office set criteria for auditees' (business units') satisfaction evaluation to ensure effective audit performance in accordance with the internal audit policy and plan. The Key Performance Indicators (KPIs) for assurance service was set not less than 85% whereby the 2015 performance result showed 93% satisfaction level. The outcomes were presented to the Audit Committee each year and kept as supporting information for further improvement.

13.2.3 Developing Auditors' Competencies

To promote professional and business competent for internal auditors, the Internal Audit Office performed as follows:

13.2.3.1 Reviewing Internal Audit Competency

In 2015, the Internal Audit Office reviewed internal audit competency in Softside area for professional enhancement; apart from business acumen and the international standards for professional practice. The review was conducted by auditors in conjunction with their supervisors and prepared Individual Development Plan (IDP). After that, the Internal Audit Office organized training courses and seminars on professional auditing and other training in association with SCG's business for auditors.

13.2.3.2 Developing Internal Audit Global Knowledge

- Keep track on best practices in good corporate governance, risk management, legal and regulatory compliance and internal control among leading audit professional institutes both locally and international, and applied appropriate practices in line with SCG's business.

- Encourage the internal auditors' development through continuous training both internally and externally to be well equipped with knowledge, competence and expertise in internal auditing, as well as other skills needed by SCG.
- Promote and support the internal auditors to become certified as professional internal auditors or to attain other related professional certification, based upon designated 40% Key Performance Indicators (KPIs). In 2015, the Internal Audit Office had been certified by 55% of total auditors, which exceeded the KPI of 40%.

13.2.3.3 Development of Business Knowledge

- Enhance internal auditors' business acumen by inviting experts from each business unit and external experts to share and discuss on current business trend and major business changes for auditors to better assess risks and to provide practical advisory.
- Set up a policy to recruit competent personnel from other business units to serve as internal auditors. On the other hand, the internal auditors are rotated to business units for broadening experiences.
- Organize knowledge - sharing sessions on interesting issues or significant findings in audit work on a regular basis.

13.2.3.4 Information Technology Knowledge

- Apply IT knowledge to support the audit process, for faster analysis and detection of warning signals/red flags as well as mitigate risks from operational errors and business frauds.
- Support internal auditors to develop IT audit skills for enabling them on effective auditing and recommendations according to IT Audit International Standard. For example, it encouraged personnel to obtain the Certified Information System Auditor (CISA).
- Promote IT auditing expertise in security assessment: infrastructure and network system by external professional, who were performed the security assessment of infrastructure and network system, to share their knowledge and experiences with IT Auditor.

13.2.3.5 Enhancing of Integrated Audit Project

The Internal Audit Office promoted integrated auditing by setting up a team, comprised of both IT and functional internal auditors; jointly assess risks, make suggestions on improvements and monitor any irregularities through the use of IT tools to enhance audit efficiency.

14 RISK MANAGEMENT

SCG has continuously raised risk management awareness throughout the organization as we believe that risk management is a crucial tool that allows the company to cope with uncertainties which are becoming more complex and more severe than in the past. This past year, SCG's risk management emphasis has extended beyond downside risk protection to help the organization exploring new business opportunities and making decision for new investments. All of the above will lead to add value to the organization, shareholders, and stakeholders as well as contribute to SCG's sustainable growth.

SCG Enterprise Risk Management Framework

SCG has implemented Enterprise Risk Management Framework which aligned with international standards. The SCG Risk Management Framework consists of:

1. Strategy Establishment

SCG has established explicit objectives and risk appetite in managing risk in order to ensure consistent risk management practices across the organization.

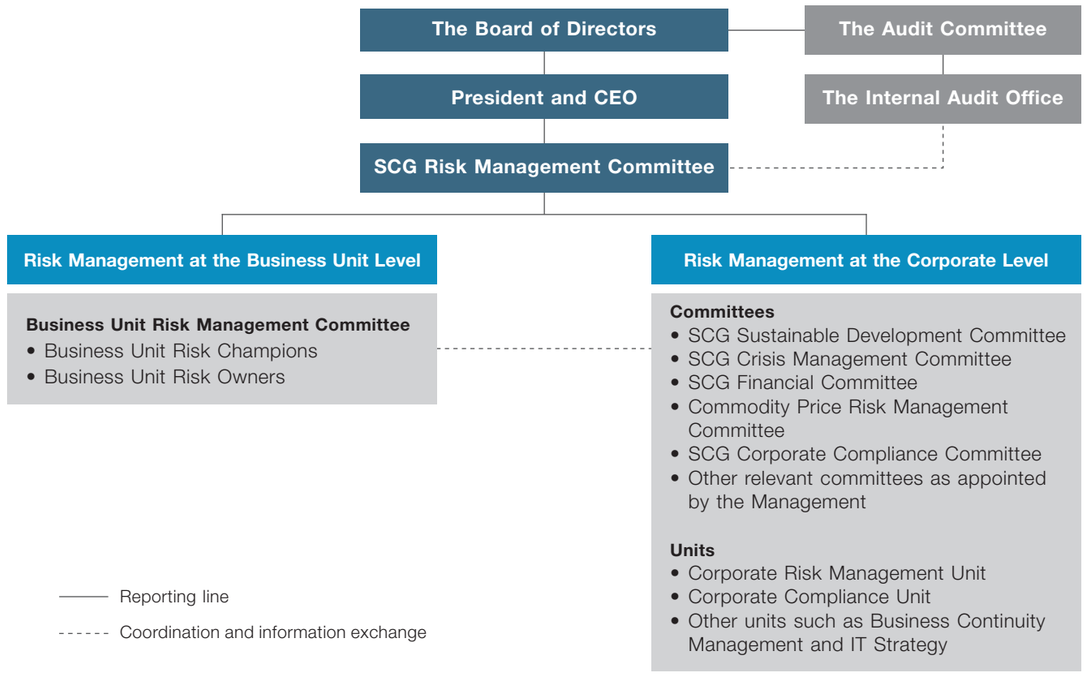
2. SCG Risk Management Structure and Responsibilities

Continuously committed to developing and improving risk management structure and capability, SCG has established the SCG Risk Management Committee chaired by the SCG President and CEO. The Committee oversees, supports, and monitors risk management in all areas, including compliance. The organization structure of SCG's risk management is illustrated below:

The Board of Directors and Audit Committee

The Audit Committee, on behalf of the Board of Directors, establishes risk management policies and oversees risk management process and practice in the countries where SCG operates. The Audit Committee also evaluates the risk management system to ensure efficiency, effectiveness and compliance with established guidelines.

Enterprise Risk Management Organizational Structure



Internal Audit

SCG Internal Audit's role is to conduct audit of the first line (Operating Unit) and the second line (management level, risk management and compliance, and other supporting functions) to provide assurance concerning the efficiency and effectiveness of risk management. The internal audit also reports the audit outcomes to the Audit Committee. Additionally, the Unit provides consultation and communicates Audit Committee's opinions to the first line and functions that are being audited for improvements.

The SCG Risk Management Committee

The SCG Risk Management Committee consists of the President and Vice President of each business unit. The SCG President and CEO serves as the Committee Chairman. The SCG Risk Management Committee has the following core responsibilities:

1. Improves / determines risk management structure and designates responsible parties for risk management.
2. Considers and approves risk management policies, strategies, framework, and plans.
3. Reviews and monitors SCG risk profile.

2.1 Risk Management at the Corporate Level

Risk management at the corporate level comprises top executives from all business units who establish directions, policies, goals, and strategies for managing risks which have a material and pervasive impact upon SCG's business operations. In this regard, SCG has set up relevant committees / corporate units to manage specific areas and closely monitor ensuing situations. These include:

2.1.1 The SCG Sustainable Development Committee defines policies and guidelines for sustainable development in the areas of safety, health, environment, community and social responsibility to be on par with international standards, while setting an example at the national level. The Committee also monitors relevant indicators and risk trends and reports to the SCG Risk Management Committee and the Board of Directors.

2.1.2 The SCG Crisis Management Committee consists of the SCG top executives who are assigned to set policies and strategies and make decisions on how to handle crises that affect, legally and otherwise, business operations and corporate image. The Committee also cooperates with external parties to support handling of these crises and provides updates on such situations to the SCG Risk Management Committee and the Board of Directors.

2.1.3 The SCG Financial Committee manages financial risks in the following ways:

- Establishes policies and guidelines for managing financial and foreign exchange risks with regard to investment transactions, loans, deposits, and international transactions.
- Establishes policies and oversees management of financial derivatives and cash management
- Monitors financial status, foreign exchange and interest rate trends, and reports such updates to the SCG Risk Management Committee.

2.1.4 The Commodity Price Risk Management Committee establishes policies, guidelines, and strategies for managing risks from rising or volatile prices of major raw materials and fuels used in manufacturing processes to manage costs and enhance competitiveness in the global market, and propose such information to the SCG Risk Management Committee and the Board of Directors.

2.1.5 The SCG Compliance Committee formulates strategies, coordinates and systematizes compliance efforts, as well as communicates SCG Compliance Policy to business units and corporate units through the Corporate Compliance Unit and reports to the SCG Risk Management Committee and the Board of Directors.

2.1.6 The Corporate Risk Management Unit communicates risk management policies and strategies established by the SCG Risk Management Committee to all relevant parties. The Unit coordinates with business unit risk champions to review risk management outcomes of key risks, which may impact SCG's both short and long term goals, and reports to SCG Risk Management Committee. The Unit also monitors key situations in SCG's strategic countries and compiles reports as part of cross-border risk management. Moreover, the Unit tracks and continuously improves SCG staff's risk management capabilities, promotes sharing of risk management knowledge, and builds risk management culture throughout the organization.

2.1.7 The Corporate Compliance Unit leads the establishment of SCG's Compliance Management System, which comprises of the compliance work system, the compliance framework, and the compliance audit and report to ensure clarity and system-wide linkage between SCG, business units, companies, units, and employees. The Unit reports the compliance management outcomes to SCG Compliance Committee and SCG Risk Management Committee.

2.1.8 Other Units are corporate risk owners responsible for managing risks which may have a pervasive impact upon SCG operations or which require specialized expertise; e.g. the Business Continuity Management and IT Strategy Unit (responsible for managing risks resulting in business disruption and IT risks); or the Corporate Communication Office (responsible for managing risks which may affect SCG's reputation). These Units report their risk management outcomes to their respective committees.

2.2 Risk Management at the Business Unit Level

As SCG consists of various business units operating in a diverse range of industries and working environments, each business unit has established Business Unit Risk Management Committee to ensure the efficient risk management and its ability to cope with business specific risks in a timely and appropriate manner. Each of these committees, which comprises executive officers from all companies within each business unit, are responsible for ensuring systematic risk management, establishing risk management structures and strategies, designating risk owners to manage risks, oversee and monitor risk management outcomes, and report such outcomes to the SCG Risk Management Committee. The designated business unit risk champions communicate risk management policies and strategies set by the Business Unit Risk Management Committee to all relevant parties. The risk champions monitor trends and important situations which may affect both short and long term goals of their business units in order to establish strategies and countermeasures. The champions also track and continuously improve the risk management capabilities of each business unit, as well as promote the exchange of risk management knowledge and build the culture within that unit.

3. Risk Management Process

In order to put the above risk management framework into practice, SCG designated three primary areas to manage risks. These are (1) medium and long-term strategic risk management (2) investment project risk management and (3) operational risk management. The following risk management processes for the above three areas are documented in the "SCG Risk Management Manual".

3.1 Risk / Opportunity Identification

Facilitating the risk / opportunity identification and creating a common language, SCG developed the SCG risk universe which covers all risks that could potentially impact the business performance. The risks are categorized into eight categories for easy understanding and practice as follows: (1) Safety, Health and Environment Risk (2) Compliance Risk (3) Reputation and Intellectual Property Risk (4) Hazard Risk (5) Input Risk (6) Process Risk (7) Financial Risk and (8) Business Risk.

3.2 Risk Assessment

SCG established common risk metrics to standardize assessment methodology across the organization. Risk owners use various tools e.g. scenario analysis, correlation analysis, and benchmarking to assess the likelihood, severity, and manageability of risk. The assessment results are then compared with specified risk limits, which are devised in accordance with risk appetite. SCG divides risk limit into two levels, the corporate level and the Business Unit level.

3.3 Risk Response

SCG chooses an appropriate risk mitigation strategy, i.e. Retain, Exploit, Transfer, Reduce and Avoid, to manage a specific risk, in line with SCG limit. If the risk owners find that a residual risk remains higher than the designated risk limit, countermeasures must be clearly stated or emergency response and business continuity plans must be developed in case of a crisis. For emerging opportunities, business plans must be developed to capture such opportunities on a timely basis.

3.4 Risk Reporting

Risk management results are reported to the Business Unit Risk Management Committee and SCG Risk Management Committee, respectively. Then, the reports are presented to the Audit Committee on a quarterly basis.

4. Building a Corporate Risk Culture

SCG recognizes that the risk culture is a critical component of the success of risk management, even with leading risk management tools and standards. If parties within the Group do not share a similar understanding of the risk management framework or risk appetite, or possess mindsets which are not in accordance with SCG risk management guidelines, erroneous decision-making can arise. SCG has, therefore, established guidelines for building a corporate risk culture as follows:

- Communicate messages from the "tone at the top" regarding the significance of risk management, with executives as role models in risk management.
- Establish practical guidelines by setting up common risk language, risk appetite and common risk assessment system.
- Specify roles, responsibilities and accountabilities of each risk owner.as well as risk champion of each business unit.
- Continuously improve existing risk management system which can add value to the business using feedback

from risk survey, selected companies' risk management evaluation results, and benchmarking with external companies' practices to improve organization's risk management.

- Embed risk management into investment project approval process, annual and medium-term planning.

- Prescribe risk as an agenda item of major meetings at each company.
- Designate risk management as a component of training and development programs for directors, top executives and SCG staff.

Key Risks and Management Strategies in Accordance with the Sustainable Development Approach

Safety, Health, and Environment Risk

1. Safety and Health Risks / Mitigation Plans

As SCG conducts its businesses in heavy industries which rely upon both machinery and chemical substances, the organization recognizes the importance of the health and safety of its employees and business partners. However, overseas operations in countries, whose environments and safety and health standards deviate from those identified by SCG can be susceptible to safety and health risks. Therefore, SCG has stipulated risk appetite and risk limits indicating that health and safety risks are considered unacceptable and continuously enforced offensive measures to prevent losses from occurring. SCG has established SCG Safety Framework and applied Safety Performance Assessment Program (SPAP) to monitor risks as well as adopting Behavior Based Safety system to reduce risky behavior, Management of Change to diminish risks induced by shifts in working environments, and Proactive Key Performance Indicator (KPI) to regulate risk-reduction activities to meet the target.

However, safety and health risks still remain a challenge in the face of each country's differing environments and safety and health standards.

Business Opportunities

In the short run, not only a safety and healthy workplace environment benefits SCG staff themselves, but it also allows the operations to run efficiently and smoothly and reduce unnecessary production cost.

In the long run, it is SCG's aim to continuously develop its position as the leader of change, and this extends to its suppliers. SCG coordinated with major suppliers to agree upon and sign on the SCG Supplier Code of Conduct the scope of which includes safety and health matters. In addition, SCG has successfully implemented SPAP in overseas companies that SCG operates and disseminated to its alliances the application of these safety management principles. With the synergy of SCG and its alliances, the practice can reach the wider society and bring about sustainable business conduct in both domestic and overseas.

2. Environment Risks / Mitigation Plans

As a result of climate change and natural disasters that are ever-increasing both in numbers and destructiveness, various environmental conservation movements have become active and may affect continuity of business operations, the organization's reputation, or increasing costs due to compensation expenses which may arise. Thus, SCG has consistently demonstrated its commitments to corporate social responsibility (CSR) through its projects such as SCG Conserving Water for Tomorrow and Community Partnership.

In addition to CSR projects, SCG recognizes that energy consumption directly leads to greenhouse gas emissions, one of the main causes of global warming. Therefore, SCG continuously improves the efficiency of its production to meet the energy efficiency target. For overseas production, SCG makes a strategic choice to utilize a country's natural resources according to their availability and price competitiveness. In addition, SCG strives to increase the use of renewable energy, to explore for sources of alternative energy and new types of fuels, and to develop products that reduce energy consumption and greenhouse gas emissions.

Moreover, SCG is the first-ever organization in Thailand to implement closed-system coal operation at Nakhon Luang port in Ayutthaya Province. The operation is on par with the Japanese and Australia standards. In order to mitigate impact from coal operation to the community and environment, the system covers the entire coal handling process, from sourcing, handling, stockpiling, and delivering to customers.

Business Opportunities

Several key global changes are currently driven by megatrends, one of them is the consumption of products and services with environmental consciousness, which SCG believes presents an opportunity for sales growth. For instance, the organization has introduced "Fest" food safety packaging, totally produced from bagasse and virgin pulp, pulp from shallow - rooted Eucalyptus trees which protect the ground. At the same time, SCG Chemicals is the first-ever chemical business in Thailand to be certified as "Eco Factory" from The Federation of Thai Industries.

Compliance Risk

3. Risks from Changes in Laws & Regulations / Mitigation Plans

Risks regarding compliance to laws and regulations include risks from noncompliance with internal and external laws and regulations such as legislation, government policy, Anti-corruption policy and SCG Code of Conduct. Laws and governmental policies in particular are subject to constant change; therefore, non-compliance or partial compliance could negatively affect the organization's reputation and result in significant penalties and fines or loss of business opportunities. In 2015, the National Legislative Assembly issued an Anti-corruption Act No. 3, where alteration is made on the enforcement of harsher penalties. This is in line with SCG's policy that addresses Anti-corruption as an important issue and fosters this matter as a company culture. Throughout 2015, SCG has carried out activities that support compliance of SCG Anti-corruption policies and communicate such policy to every SCG staff at all level to raise their awareness and to perform accordingly. For instance, Anti-corruption activity called "Preventive Pack Three" which comprises of 1) "Ethics e-testing" focusing on moral, SCG Philosophy, code of conduct and Anti-corruption policy, 2) good risk management and control practices in accordance with the "Three Lines of Defense" concept 3) collection and communication of fraudulence case study has been carried out to raise awareness, educate and prevent corruption among SCG staff.

Business Opportunities

Corruption can greatly cause negative impacts to business operations. For example, unnecessarily higher costs and expenses, unfair-practice with trading partners, loss of costumers' trust toward SCG products and the organization. As a result, SCG has communicated Anti-corruption policy to directors, executives and employees at all levels to follow strictly. By acting upon the policy, inessential expenses can be avoided, trading partners show their interests in doing business with SCG as they believe in fair practices, and customer's trust in SCG products and services. In addition to continuously communicating Anti-corruption policy to all employees throughout last year, SCG, as a certified company by the Private Sector Collective Action Coalition against Corruption Council and a leader of change, has demonstrated its commitment to promoting and disseminating such practice to other companies and alliances in Thailand. This is so that the principle and concept of good citizenship and compliance to communities, society, and environment can reach the wider society and bring about sustainable business.

Reputation and Intellectual Property Risk

4. Reputation risk from Social Media / Mitigation Plans

Social media is known for its ease of accessibility and speed of communication. In the event that SCG becomes the topic of negative news coverage, such rapidity may cause serious impact on the brand and reputation of the organization. To align with "SCG Brand Protection" strategy, which focuses on brand and reputation risk management, SCG has established a Brand Committee who is responsible for monitoring online risk events that could possibly impact SCG's reputation. Other responsibility includes the preparation of countermeasure and communication system for normal and crisis situations as well as conducting crisis management drill. At the same time, the organization has established "SCG Digital Media Presence", a working group who assists in building SCG's brand in a digital world using a systematic, efficient, and risk-aware approach. Concurrently, the group also provides consultation and training to SCG staff to be equipped with skills and complied with SCG's policy when building brand online.

Business Opportunities

As the use of social media is increasing, organization adaption to digital transformation is unavoidable. SCG foresees the opportunities from applying digital technology to create business value, for instance, online merchandising for SCG building material products to expand distribution channels and create opportunities to access new customers.

5. Intellectual property Risks/ Mitigation Plans

SCG believes that High Value Added Products and Services (HVA) could provide great benefits for the business and for consumers' quality of life. SCG continuously supports innovation development. Thus, Intellectual Property (IP) management plays a crucial role in risk mitigation and business opportunities enhancement. The Organization has established IP division at corporate level and business unit level to prevent SCG from infringing others or being infringed. This includes organizing IP trainings to provide knowledge and create understanding to employees.

Business Opportunities

After years of IP strategy implementation, SCG received "Asia IP Elite 2015" award for 2 consecutive years in IP Business Congress Asia 2015 conference held by Intellectual Asset Management (IAM), world leading magazine known for strategic IP management. This award has truly represented SCG as an ASEAN leader in intellectual property and allows the organization to create more opportunities in introducing new products and building trust among business partners.

Hazard Risk

6. Drought in Thailand / Mitigation Plans

This year Thailand faces severe drought situation and some areas may have more water shortage problems during dry season next year. SCG designated Corporate Business Continuity Management (BCM) unit and BCM of each business unit to monitor, assess, and communicate relevant information regarding the situation to affected companies

and concerned persons. In this regard, they can be alerted and able to prepare relevant measures to cope with the situation according to Business Continuity Plan. In addition, SCG has announced more strict water saving measures. For the manufacturing process, SCG strictly adhere to the application of 3R concept (Reduce, Reuse/Recycle, Replenish) by reducing the amount of water usage, treating waste water using the most efficient water treatment technology, and reusing water where applicable. Business Continuity Plan has been prepared and drill has been conducted. SCG also coordinates with related government organizations in order to support water shortage prevention project. For energy saving and environmental friendly building (green building), apart from using water saving lavatories and equipment, 100 percent recycled water from the pond in the headquarter office is used. Moreover, there is a campaign to build up consciousness of the SCG employees to save water in their daily lives.

Business Opportunities

SCG is aware of the effect from the severe drought this year. Therefore, SCG initiated project "SCG: United against Drought" to help the communities by providing large tanks and installing them at public such as school, temple, and community offices. In addition to the immediate relived measures, SCG organized a campaign to promote water saving among Thai people through water-saving sanitary wares. These activities presented a chance for SCG to introduce products leading to sales growth.

Input Risk

7. Labor Shortage and Rising Wages risk / Mitigation Plans

As the world including Thailand is entering aging society phase, and the size of working-age population is starting to fall off, labor shortage has become a potential threat that can affect labor-intensive businesses and lead to competition for labor and increases in wages. Encouraged by the labor shortage problem especially in the vocational field in Thailand, SCG has initiated the prototype project "Specialists…the Maker of the Nation Project" to elevate the status of vocational students to "skilled professionals." Under this program, they are both thinkers and practitioners who will serve as a driving force for a steady development of the country. The project also sets out to prepare vocational personnel for the advent of the ASEAN Economic Community to ensure their success.

In addition, relationship-building with universities and other institutions in ASEAN has been continuously performed, with university professors invited to learn more about SCG Thailand and the recruitment of top university students as interns or employees.

Business Opportunities

Labor shortage is a serious issue for property developers. As a result, a number of developers have started looking for prefabricated construction technology to shorten the construction time and lessen labor required. SCG HEIM has established a constant cooperation with property developers in introducing modular houses to their projects, which opens up new business opportunities for SCG.

8. Fluctuation of Fuel and Major Raw Material Price risks / Mitigation Plans

The continuous decrease in the global crude oil prices due to excess supplies has resulted in a drop in energy and commodity prices such as naphtha and fuel oil, which benefits businesses as the production cost is reduced. However, in the long run, risks of energy and commodity prices rebound are still present and production cost can be negatively impacted. As a result, SCG has designated a team of analysts who monitor and assess trends in fuel and major raw material prices to formulate sales plans, specify marketing strategies, and manage inventory at an appropriate level. Moreover, SCG has applied hedging instrument to reduce risks from commodities price fluctuation and maintain its costs to be competitive in the global market.

As for 2015, due to the fall of crude oil, the price of naphtha, a major raw material of SCG Chemicals, remained low. At the same time, as the prices of coal and fuel oil, main energy sources for SCG Cement-Building Materials and SCG Packaging, showed no sign of soaring, the Commodity Price Risk Management Committee has adjusted risk management strategy to suit with the changing circumstances.

Business Opportunities

SCG has developed high value added (HVA) products and services that minimize energy consumption, reduce business production cost and meet customers' needs. For examples, SCG Cement has introduced a new hybrid-formula cement in which consume less energy during combustion and requires less natural resources. 'The NEST,' the first Energy Plus house in ASEAN countries to have the capacity to generate more electricity than the needed amount, and Emisspro®, a coating substance for energy-saving burners. The substance was developed out of an attempt to achieve more efficient energy consumption, which led to research and development, and eventual technology licensing business for SCG.

Process Risk

9. Supply Chain Risks / Mitigation Plans

SCG considers all risk factors throughout the supply chain, start from raw material procurement, materials and equipment employed in the production and transportation, to sales and delivery of products and services. This is because any misalignment in the supply chain management can affect the confidence of consumers and other stakeholders as well as impact future operations. Therefore, to manage these risk factors, SCG has employed various instruments and risk assessment methodologies. This includes the assessment of supply chain disruption risks through Business Continuity Management process by prioritizing risks and management capabilities. The "Spend Analysis" that categorizes key production expenses and develops management strategies that supports the identification of key business partners based on business, environmental, and social risks, and the development of business partners driven by the concept of sustainable supply chains.

Business Opportunities

SCG's greater overseas business expansion and product variety have increased the operation complexity. Therefore, effective supply chain management has become crucial as it contributes to the reduction of administrative expenses, the increase of customer satisfactions and the escalation of sales growth.

10. Human Resources Management and Capability Risks / Mitigation Plans

In preparing the human resources readiness to accommodate future business expansion, SCG has consistently improved its human resources management to better align with its business strategies. For examples, workforce preparation program for future business expansion has been developed using Strategic Workforce Planning, employee competency development, and a talent management system, which takes holistic care of employees in various aspects. Those aspects include wages, remuneration, personal growth, development as well as the assignment of tasks that are commensurate with employees' talent. As for employee competency development, employees at each level will also be given an opportunity to develop their business knowledge through courses suitable for employees at each level that SCG offers.

Business Opportunities

In recruiting SCG staff in overseas operations to accommodate overseas business expansion, SCG attracts prospective employees to join the Organization through various means. These include establishing the SCG Brand as "Employer of Choice", engaging in campus recruitments in leading educational institutes, granting local students and staff scholarships from undergraduate to doctoral levels, and fostering good relations with the government sector, the private sector, communities, and leading companies in the countries that SCG has extended its investment to.

Financial Risk

11. Foreign Exchange Rates Fluctuation Risk / Mitigation Plans

SCG, as an organization that exportation is higher than importation, the appreciation of Thai Baht against US dollar could lead to a reduction in revenue from exportation and an increase in importation cost of major raw material such as naphtha, coal and waste paper. On the contrary, SCG receives benefits when the Thai Baht depreciates against US dollar. Throughout 2015, as a result of Thai Baht's continuing depreciation, SCG has maintained its counter measurement and mitigation plan through matching revenue and expense in foreign currency (Natural Hedge). Besides, agreement with trading partners in using local currency at an appropriate level has been established. SCG's Financial Committee will consider using financial instruments to hedge foreign exchange rate exposure when appropriate.

Business opportunities

As a result of Thai Baht and Indonesian Rupiah depreciation against US dollar as well as the slowdown of Thai economy, SCG has leveraged cross-currency competitiveness and focused on exportation to countries within and outside ASEAN, where appropriate.

Business Environment Risk

12. Risks from Economic Fluctuation in Countries of Investment / Mitigation Plans

Throughout 2015, commodity price in the global market declined significantly and the world's economy has slowed down due to a worse-than-expected slowdown in Chinese's economy. As a result, deceleration of economic growth in ASEAN countries was unavoidable. To mitigate such event, SCG has employed innovative or leading technology in developing high value added products and services (HVA) to maintain or improve margins, increased sales from export, and improved operational efficiency to reduce production costs. SCG has also evaluated and monitored risks in the countries where the organization has invested through an establishment of a Country Business Support Office (CBSO). Reports on significant risk events in each strategic country are presented quarterly to audit committee and top managements for country risk management and portfolio management. Under certain circumstances, SCG also

conducts a Scenario Planning and Sensitivity Analysis to assess potential consequences from such incidents, and formulates appropriate risk management strategies based on a risk-return trade off analysis.

Business opportunities

Despite a downtrend in economic growth in Thailand and Indonesia, which resulted in a slow demand for cement and building material products, SCG foresees opportunities for business operations. Examples include development of new products to serve niche markets with appropriate promotional activities, accelerating sales from export to ASEAN and non-ASEAN countries to compensate for domestic slowdown as well as future investment opportunities.

13. Risks from Uncertainty of Myanmar Development / Mitigation Plans

Regardless of constant economic growth, Myanmar presents various uncertainties from country development perspective after the election. Examples of such uncertainties include change in government policies, currency fluctuation, unclear laws and regulations as well as minority unrest. As a result, SCG has taken various precautions in doing business in Myanmar, for instance, a business continuity management (BCM), where supply chain analysis is applied to designate essential procedures, prioritize risks, and establish risk mitigating strategies. In addition, Emergency response plans have been established and regular drills conducted to respond to crisis.

Business opportunities

As one of the very first organization investing in Myanmar, SCG takes this opportunity to cooperate with related government agencies and other private sectors in proposing investment policy and appropriate regulations for foreign companies. Aside from business objectives, SCG has attempted to become a good citizen in Myanmar through various initiatives, promoting social and environmental responsibilities. One example is "SCG Sharing the Dream" project, which aims to cultivate good citizenship philosophy such as fairness and transparency through various youth educational support projects, fostering them to become good future leaders. Another example is "Sharing a Brighter Vision" project, which provided cataract surgery patients in rural Myanmar to bring back their happiness from regaining better visions.

Emerging Risk

Results from SCG risk analysis and assessment point out two key emerging risks; 1) risk from higher cost of energy in Thailand and 2) risk from lower level of Thailand's potential economic growth compared to that of the past

Various sources have forecasted that major source of energy supply in Thailand is diminishing while demand for energy is on a rising trend, which would likely lead to an increase in energy and electricity prices impacting SCG's energy cost. Therefore, emphasis has been placed on reducing energy risk. SCG established Energy Committee who is responsible for setting out and monitoring the organization's energy policy to increase energy utilization efficiency. Additionally, the organization appointed a taskforce who is responsible for the exploration of both the main and alternative sources of energy that are also environmentally-friendly. Moreover, the organization has encouraged the use of technology that allows for the utilization of low-cost, but not commonly used energy, the production of electricity from process waste, along with the development of products that requires lower production cost per unit or reduces energy consumption when in use. All of the above efforts are to help the organization to appropriately manage energy consumption from various sources, secure cost advantage, and provide stability and flexibility for future business expansion. In response to the societal need for energy reduction, SCG has introduced "SCG Green Building Solution", the first and only building material manufacturing company in Thailand to provide a consultation on development of an eco-friendly and energy-efficient building.

The study on "Thailand's New Normal" by Thailand Future Foundation shows that Thai economy could grow at a lower growth trajectory, compared to that of the past. It is expected that in the next decade, the growth potential is likely to be at an annual GDP of 3% (reduce from averaged of 5% in 2000-2010). Such a slower growth rate is due to the country's structural change such as aging workforce, which impacts competitiveness capability, and the reduction from export and production sectors. At the same time, domestic spending is hurt by low farm income as a result of the falling price of agricultural commodities and high household debt. All of the above factors will likely impact revenue and cost of SCG's operations in Thailand. To manage such risks, SCG has been focusing on initiatives such as increasing revenue from export and revenue proportion from ASEAN production base, accelerating the development of high value added product and service (HVA), and improving efficiency in supply chain management to reduce production cost, all of which are believed to contribute to the continuous and sustainable growth of the organization.

15 CONNECTED TRANSACTIONS

The Board of Directors emphasizes the need for careful review and consideration before granting approval for connected transactions, related transactions or transactions that may cause conflict of interest. The SCG Code of Conduct has set forth a policy regarding such transactions as follows:

Connected Transactions between the Company and its Subsidiaries

SCG comprises a large number of companies whose businesses are bound to conduct transactions with one another in such ways as providing services, trading raw materials and products, or providing financial support, technical assistance, human resources, etc. In doing business or performing duties related to such matters, all employees and parties concerned are required to comply with the law, the rules and regulations of government agencies, as well as the rules and operational authority of SCG in addition to any criteria or conditions prescribed by local communities.

Transactions with Outside Entities

In undertaking transactions with outside entities or other companies, the Company shall proceed by implementing fair methods and complying with the procedures as prescribed by law and the government agencies' rules and regulations, and SCG policies. To carry out transactions with outside entities, in addition, the Company is required to have an approval strictly in line with the operational authority of SCG, and act in accordance with the terms and conditions as agreed upon with honesty, transparency and accountability. The Company shall also avoid making transactions that may cause trouble or damage to SCG or outside parties.

The Company has designated the Stakeholder Engagement Policy and practice guidelines towards stakeholders by specifying that the Company conduct itself according to the framework of trading and competing honestly, consider a proper and fair purchase price taking into account the appropriateness in terms of price, quality and service obtained. The Company shall also be able to give reasonable explanation upon examination.

Furthermore, the Company has specified guidelines and procedures on how to consider the granting of approval for connected transactions, related transactions or transactions with potential conflict of interest, to ensure the Company's best interests and in accordance with the rules and regulations as prescribed by law. The directors and management shall disclose to the Company in advance whether they hold any stakes involving potential conflict of interest. The Company, in turn, shall consider the appropriateness of any transaction, and in cases where such transactions need approval in accordance with the regulations and procedures prescribed by law, the management shall propose such matters to the Board of Directors or at the Shareholders' Meetings, and shall disclose the information to investors in a transparent manner. Under no circumstances shall the directors or management concerned be allowed to participate in the process of considering approval.

Policy or Trend of Future Connected Transactions

Connected transactions in the future will continue to be based on traditional business practices and will follow the policy of the market determining prices in negotiated transactions, as in the past. No special benefit will accrue either to companies or relevant individuals from connected transactions.

Connected Transactions

The Company strictly follows the policy to comply with the Notification of Capital Market Supervisory Board regarding Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, as well as the laws, regulations, notifications or orders relating to the execution of related transactions.

Details of connected transactions between the Group and a company or a person which/who may have a potential conflict.

Type of Transaction	Connected companies / Relationship	Total Direct / Indirect Holding (%)	Amount (Million Baht) SCC	SCG Cement-Building Materials	SCG Chemicals	SCG Packaging	Other	Pricing policy
1. Transactions with associates and joint ventures								
1.1 SCG Cement-Building Materials								
Sales			-	3,699	-	-	-	Market price applied with third party transactions
	Sekisui-SCG Industry Co., Ltd.	49						
	Noritake SCG Plaster Co., Ltd.	40						
	The Siam Gypsum Industry (Saraburi) Co., Ltd.	29						
	The Siam Gypsum Industry (Songkhla) Co., Ltd.	29						
	The Siam Gypsum Industry Co., Ltd.	29						
Purchases			-	1,258	124	472	-	Market price applied with third party transactions
	Sekisui-SCG Industry Co., Ltd.	49						
	Siam Global House Public Company Limited	30						
	The Siam Gypsum Industry (Songkhla) Co., Ltd.	29						
	The Siam Gypsum Industry (Saraburi) Co., Ltd.	29						
Service income	Jumbo Barges and Tugs Co., Ltd.	45	-	741	-	-	-	Market price applied with third party transactions
Service expenses and others	Thai Prosperity Terminal Co., Ltd.	50	-	96	-	-	6	Market price applied with third party transactions
	The Siam Gypsum Industry (Saraburi) Co., Ltd.	29						
Loans from			-	235	-	-	-	Agreed interest rate
	Mariwasa Holdings, Inc.	40						
	PT M Class Industry	28						
Guarantees			-	169	-	-	-	Contract rate
	Anhui Conch-SCG Refratory Co., Ltd.	30						
1.2 SCG Chemicals								
Sales			-	-	17,688	-	-	Market price applied with third party transactions
	Siam Polyethylene Co., Ltd.	50						
	Siam Synthetic Latex Co., Ltd.	50						
	Bangkok Synthetics Co., Ltd.	49						
	Mehr Petrochemical Company (P.J.S.C.)	39						
	PT Chandra Asri Petrochemical Tbk	31						
	Thai PET Resin Co., Ltd.	20						
Purchases			-	27	45,375	40	-	Market price applied with third party transactions
	SCG Plastics (China) Co., Limited	58						
	SCG Plastics (Shanghai) Co., Ltd.	58						
	Siam Polyethylene Co., Ltd.	50						
	Siam Styrene Monomer Co., Ltd.	50						
	MTP HPPO Manufacturing Co., Ltd.	50						
	Siam Synthetic Latex Co., Ltd.	50						
	Bangkok Synthetics Co., Ltd.	49						
	Thai MMA Co., Ltd.	47						
	Grand Siam Composites Co., Ltd.	46						
	PT Styrindo Mono Indonesia	31						
	PT Chandra Asri Petrochemical Tbk	31						
	Inter Plastic Co., Ltd.	23						
	Tien Phong Plastics Joint Stock Company	22						
	Mitsui Advanced Composites (Zhongshan) Co., Ltd.	20						
	Binh Minh Plastics Joint Stock Company	19						

Type of Transaction	Connected companies / Relationship	Total Direct / Indirect Holding (%)	Amount (Million Baht) SCC	SCG Cement-Building Materials	SCG Chemicals	SCG Packaging	Other	Pricing policy
Service expenses and others			-	54	1,703	-	33	Market price applied with third party transactions
	Siam Mitsui PTA Co., Ltd.	50						
	Siam Synthetic Latex Co., Ltd.	50						
	Rayong Terminal Co., Ltd.	50						
	MTP HPPO Manufacturing Co., Ltd.	50						
	Siam Polyethylene Co., Ltd.	50						
	Bangkok Synthetics Co., Ltd.	49						
	Thai MMA Co., Ltd.	47						
	Grand Siam Composites Co., Ltd.	46						
	Siam Tohcello Co., Ltd.	45						
	Thai MFC Co., Ltd.	45						
	Long Son Petrochemicals Co., Ltd.	44						
	Mehr Petrochemical Company (P.J.S.C.)	39						
	PT Chandra Asri Petrochemical Tbk	31						
	Thai PET Resin Co., Ltd.	20						
Loans from			-	-	45	-	-	Agreed interest rate
	GTC Technology International, LP	25						
Guarantees			841	-	82	-	-	Contract rate
	Siam Tohcello Co., Ltd.	45						
	Mehr Petrochemical Company (P.J.S.C.)	39						
1.3 SCG Packaging								
Purchases			-	-	-	762	-	Market price applied with third party transactions
	Siam Toppan Packaging Co., Ltd.	48						
	Siam Nippon Industrial Paper Co., Ltd.	34						
	Saha Green Forest Co., Ltd.	19						
Service expenses and others	Siam Nippon Industrial Paper Co., Ltd.	34	-	6	-	-	1	Market price applied with third party transactions
Loans from	Saha Green Forest Co., Ltd.	19	-	-	-	5	-	Agreed interest rate
Guarantees	Siam Nippon Industrial Paper Co., Ltd.	34	-	-	-	495	-	Contract rate
1.4 Other								
Sales	Siam Kubota Corporation Co., Ltd.	40	-	1,424	-	-	-	Market price applied with third party transactions
Purchases			-	79	7	17	-	Market price applied with third party transactions
	Siam Kubota Corporation Co., Ltd.	40						
	Siam Kubota Metal Technology Co., Ltd.	40						
	Aisin Takaoka Foundry Bangpakong Co., Ltd.	30						
	The Siam Nawaloha Foundry Co., Ltd.	25						
Service income	IT One Co., Ltd.	20	436	464	194	123	1	Market price applied with third party transactions

Type of Transaction	Connected companies / Relationship	Total Direct / Indirect Holding (%)	Amount (Million Baht)					Pricing policy
			SCC	SCG Cement-Building Materials	SCG Chemicals	SCG Packaging	Other	
Service expenses and others	Siam Kubota Corporation Co., Ltd.	40	-	155	-	-	1,022	Market price applied with third party transactions
2. Transactions with other companies which have SCG executives holding								
2.1 Other								
Sales	Siam Yamato Steel Co., Ltd. Mr. Chaovalit Ekabut / Director Mr. Yuttana Jiamtragan / Director	10	-	2,185	-	-	-	Market price applied with third party transactions
Purchases	Siam Yamato Steel Co., Ltd. Mr. Chaovalit Ekabut / Director Mr. Yuttana Jiamtragan / Director	10	-	179	4	4	-	Market price applied with third party transactions
Service expenses and others	Siam Yamato Steel Co., Ltd. Mr. Chaovalit Ekabut / Director Mr. Yuttana Jiamtragan / Director	10	-	85	4	-	269	Market price applied with third party transactions

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16 REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of The Siam Cement Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of the Siam Cement Public Company Limited and its subsidiaries represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

17 THE AUDIT COMMITTEE'S REPORT

The Audit Committee independently performed its duties, as assigned by the Board of Directors, in accordance with the Charter of Leading & Monitoring Audit Committee to review and monitor strategic planning and business strategies towards SCG goals. In addition, the Committee supported the implementation of adequate corporate governance to be in line with the regulations and good practice guidelines from the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as international standards. The Committee's duties included reviewing the financial statements and corporate governance practices, monitoring the information system, assessing risk management, reviewing compliance to law and regulations, reviewing internal controls, internal audit practices and fraud investigations, as well as proposing the appointment of external auditors.

In 2015, the Committee held six meetings with 100% attendance by the members. Additionally, the Committee considered the process to maintain and develop internal audit quality in providing independent and objective assurance service and consulting service in a sustainable manner with value creation to companies under SCG, both domestically and internationally. The Committee also reviewed SCG's Internal Control System to comply with COSO Internal Control Framework 2013, together with the consideration of the internal control assessment form as stipulated by the Securities and Exchange Commission prior to the proposal to the Board of Directors on the disclosure in the Annual Report and Annual Registration Statement (56-1 Form) for the year 2015. The Committee focused on promoting all employees' roles and responsibilities through the "Three Lines of Defense" for risk management and internal control effectiveness, and Ethic e-testing, with the objective of creating acknowledgment, understanding, and awareness among approximately 34,000 employees, and monitoring compliance with SCG Four Core Values, SCG Code of Conduct and Anti-corruption policy. The Committee also conducted a case study of corruption, non-conformance to laws, and the Company's regulations, policies, and code of conduct. The development of company internal auditors in Vietnam and Indonesia is ongoing. Additionally, the security assessment of SCG's infrastructure and network system was performed to identify vulnerability for correction and improvement. In 2015, the Committee performed its duties as follows:

1. Review of Financial Statements The Audit Committee reviewed significant data and information in the quarterly and annual financial statements of the Company for the year 2015, as well as the consolidated financial statements of The Siam Cement Public Company Limited and its subsidiaries, which were prepared as per Thai Financial Reporting Standards (TFRS) in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items and obtained sufficient clarification from the external auditors, the Management, and the Director of the Internal Audit Office, confirming that the financial statements and the disclosure in the notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee therefore approved the Financial Statements, which were reviewed and audited by the external auditors without reservation.

In addition, the Committee held a meeting with the external auditors without the presence of the Management so as to freely discuss important matters in the preparation of the financial statements and the disclosure of information in accordance with financial reporting standards and to be beneficial to users of these financial statements, as well as to hear whether there was any suspicious information indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551. In 2015, the external auditors did not discover any material misstatements or indications of suspicious incidents. Furthermore, to confirm that no such incidents were discovered, the Audit Committee resolved that the President & CEO reports the results received from all business units and relevant responsible parties to the Audit Committee. In 2015, the President & CEO confirmed that no indication of such suspicious incidents was found. Thus, the preparation of the financial statements and consolidated financial statements was conducted with reliability and transparency, and the external auditors performed their duties independently and with verifiability.

2. Review of Corporate Governance The Audit Committee reviewed compliance with the SCG Code of Conduct and SCG Corporate Governance and revealed that the directors and employees strictly followed the prescribed principles. The Board of Directors consistently and continuously instilled a sense of ethics and morality within its employees. This year, SCG continues to conduct its business in accordance with sustainable development and corporate governance principles, with reference to international standards including Organization for Economic Co-operation and Development (OECD), Stock Exchange of Thailand (SET), and Thai Institute of Directors Association (IOD). SCG has strictly implemented its own Anti-corruption policy and further implemented it within its subsidiaries as deemed appropriate through the communication and training

through various means. The Anti-corruption policy has also been shared since 2013 with suppliers to adopt the SCG Supplier Code of Conduct as a guideline for its business practices; partnering in doing business as a good citizen with awareness of corporate governance and corporate social responsibility in a concrete manner in addition to the legal specifications, and as the standards for business operations. In addition, SCG has encouraged suppliers to show commitment through the endorsement of the SCG Supplier Code of Conduct. The Internal Audit Office is responsible for the assessment and monitoring of their compliance to the SCG Supplier Code of Conduct and Anti-corruption policy. Moreover, the Audit Committee strictly complied with the laws relating to securities and the stock exchange, the Stock Exchange of Thailand's regulations as well as other laws related to business conduct, especially in terms of connected transactions and those which might result in conflicts of interest as well as information regarding the relevant directors. Such information was reviewed and disclosed to the Stock Exchange of Thailand in a timely manner.

The Audit Committee had conducted the committee's overall performance assessment and self-assessment, with a highly satisfactory result similar to the previous year. Matters assessed included the Committee's preparedness, financial reports, meetings with the external auditors, review of connected transactions, disclosure of information in other reports, risk management and internal control, the Audit Committee meetings, as well as the performance of the Internal Audit Office and the Audit Committee's secretary.

3. Review of Risk Management Assessment The Audit Committee reviewed, on a quarterly basis, the assessment of the risk management model, risk dashboard, the impact, compliance, the promptness in managing risk in all business units, Furthermore, the Committee conducted quarterly reviews on risks from major global and regional economic changes, overseas investment, and business interruption, by considering the internal and external factors, likelihood, impacts, and managing risk to be at an acceptable level. Risk warning signals were also reviewed as per established criteria whereby the Internal Audit Office performed its duty to audit and assessed as proposed by the SCG Risk Management Committee. The SCG Risk Management Committee consists of the SCG President and CEO serving as the Chairman, and SCG Management Committee as the members, with the duty to consider the structure and approve policy for the risk management framework, and risk management plan. The Committee also reviews the risk profile and monitors SCG risk management on a monthly or quarterly basis while the Corporate Risk Management Unit is responsible for compiling risk reports and managing risks in the form of a risk dashboard. In 2015, the SCG risk management process was communicated to key relevant persons in SCG; including the Board of Directors, the top to the middle executives, and the risk champions of each business unit for better understanding and effective implementation as well as quality improvement of risk management reports at all levels (SCG, Business Unit, Business Supply Chain, Company, and Country Risk Level). This will also be extended to encourage and promote accountability from risk owners and enhance the quality of risk management reports. Risk culture was embedded into daily operations through seminars and training sessions on the importance, objectives and processes of risk management. To support SCG Risk Management, there were agenda for risk management included in Executive Committee Meetings for both business unit and SCG levels. Follow-ups and improvement was regularly performed for the efficiency and effectiveness of the risk management system.

4. Review of Internal Control and Internal Audit Systems The Audit Committee reviewed the results of the internal control assessment, both in terms of the operational system and information technology system, which were reported by the Internal Audit Office on a monthly and quarterly basis, and assessed in compliance with the adequacy internal control assessment of the Securities and Exchange Commission and the Stock Exchange of Thailand (SEC). The Committee concluded that SCG had adequate internal controls appropriate for the Company's business operations. This corresponded with the external auditor's opinion that there was no material deficiency impacting the Company's financial statements, which is one of the missions prescribed in the Internal Audit Office Charter. This year the Committee focused on creating employee awareness to promote moral principles, ethical behavior and code of conduct by building the SCG internal preventive system called "Preventive Pack Three". Preventive Pack Three comprises Ethics e-testing, responsibility guidelines for good risk management and control according to the Three Lines of Defense", and a case study of corruption, non-conformance to laws, and the Company's regulations, policies, and code of conduct. In addition, the Audit Committee compiled practice guidelines for operators to assess risk, specified adequate controls as guidelines for work performance such as the Anti-Corruption Compliance assessment, risk management guidelines and project control, guidelines for preventing damage caused by the use of e-mails in contacting, buying-selling products or raw materials with customers or suppliers, etc. The Committee adopted the Control Self Assessment (CSA) tool or set up of Business Self Audit teams to implement as deemed appropriate for each business both domestic and overseas, in accordance with the relevant laws, regulations and business readiness. To further mitigate risks for overseas companies, workshops were organized for executives/staff in each company to raise awareness on governance, risk, compliance to laws and regulations, and controls. In addition, the Internal Audit Office in collaboration with SCG business units has continuously developed the Continuous Monitoring & Continuous Auditing reports to support businesses in governance within operational responsibilities and support internal auditors in the audit process. Workshops were organized for business units by using the material findings to allow the person in charge at all levels to gain better understanding of the risks, impacts, and internal controls involved in the operations.

Regarding the internal audit, the Audit Committee conducted an annual review of the Audit Committee Charter and the Internal Audit Office Charter to ensure their relevancy to SCG's current risk and business environment. This year the Internal Audit Office placed emphasis on the Three Lines of Defense through workshops in order to communicate with staff working in each unit, both First Line and Second Line, to understand their roles and duties, to assess risk management and internal audits according to COSO 2013 as well as SCG new businesses, work systems or new information technology systems. Additionally, Country Internal Auditor teams in Vietnam and Indonesia have been developed, under the authority of the Internal Audit Office in Thailand, to perform their duty in assessing the efficiency and effectiveness of governance, risk management, compliance to laws and regulations, and internal controls of SCG and its overseas subsidiaries.

Workshops were organized for IT representatives of business units to disseminate knowledge as relates to international standards, risk, internal control, and IT audit results. Also, SCG engaged external professionals to assess SCG's infrastructure and network system in security measures to find out risk as regards safety, and to further improve and create solutions. IT auditors adopted this assessment principle when performing the audit task. The Audit Committee reviewed the Audit Office's performance according to the approved medium-term plan and annual plan. This review showed that established targets and key performance indicators were achieved. With regard to audit development, the Internal Audit Office emphasized leveraging auditors' competency as well as developing audit tools in accordance with the international standards for the Professional Practice of Internal Auditing and the world-class internal audit practice. Such development was also to support auditors to become certified as professional internal auditors.

5. Review of Fraud Investigations In addition to the employee's Whistleblower System, SCG further developed a Whistleblower System to enable external parties to report dishonesty via www.scg.co.th which is in operation for the third year. This channel of receiving complaints was added to the existing methods of making a complaint through phone calls, e-mails to the directors, the Internal Audit Director, and the Secretary to the Board. In 2015, 39 cases, via external party and employee Whistleblower Systems, were found in terms of fraud and non-compliance with the laws and company's regulations, Corporate Governance policy, SCG Four Core Values, SCG Code of Conduct, or Anti-corruption policy; 28 cases were fully investigated while 11 cases were undergoing fact-finding and investigation. No cases were recorded as regards non-conformance to the Anti-corruption policy. 5 cases, fully investigated, were recorded as concerns non-conformance with the Code of Conduct, 12 cases on non-compliance with the Company's regulations, and 11 cases did not match the complaints which did not defame nor cause damage to others, with the non-material value and did not cause the Company damage. For example, violation of regulations or supervisors' order, or careless work performance. Complaints submitted through the system were taken into consideration for determination of future preventive measures. The Audit Committee also reviewed the investigation results of fraud and preventive measures in the operational systems; together with a fraud audit based on risk assessment and investigation policy to keep them updated and appropriate for continuous business operations.

6. Appointment of the External Auditor and Review of the Audit Fee for 2016 From the selection process of 6 audit firms, KPMG Phoomchai Audit Ltd. has been selected and appointed as the external auditor of SCG for the three-year period from 2015 to 2017. Based on the satisfactory results of their performance appraisal and their qualification as independent auditors, the external auditors possess professional expertise, knowledge and experience in auditing SCG's businesses, and share knowledge related to business in addition to auditing, therefore, the Audit Committee recommended them to the Board of Directors. The Board of Directors agreed to seek approval at the Shareholders' Meeting for the appointment of Mr. Winid Silamongkol, Certified Public Accountant Registration No. 3378; or Mr. Wairoj Jindamaneepitak, Certified Public Accountant Registration No.3565; or Ms. Sureerat Thongarunsang, Certified Public Accountant Registration No. 4409; or Ms. Porntip Rimdusit, Certified Public Accountant Registration No. 5565; all of KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2016; approval of the Company's audit fee for the fiscal year 2016 and the annual audit and quarterly review fee for SCG's consolidated financial statements amounting to 5.42 Million Baht and acknowledgement of the annual audit fee for the year 2016 of subsidiaries's financial statements and quarterly review fee for listed subsidiaries's financial statements which were audited by KPMG in Thailand and KPMG overseas. SCG subsidiaries were responsible for the audit fee totaling 49.84 Million Baht.

On behalf of the Audit Committee

Tarrin Nimmanahaeminda
Chairman of the Audit Committee

18 OPERATING RESULTS AND FINANCIAL STATUS

18.1 Business Overview

SCG's profit for the year increased attributed to the healthy chemicals earning, while revenue from sales decreased, largely due to lower chemicals prices, following the continued drop in crude oil prices in the global market since the end of last year.

In 2015, SCG's revenue from sales decreased 10% from the previous year to 439,614 Million Baht, largely due to lower chemicals prices, following the continued drop in crude oil prices in the global market since the end of last year. However, EBITDA increased 24% from the previous year to 82,690 Million Baht. Likewise, profit for the year increased 35% to 45,400 Million Baht on better earning in the chemicals business, reflecting higher margin and lower inventory loss adjustment from last year, despite the domestic weakness in the cement-building materials operations, due to the stagnant domestic market recovery.

Share of profit of associates and joint ventures for 2015 amounted to 10,293 Million Baht, an increase of 4,185 Million Baht from the previous year with details as follows:

- SCG Chemicals associates: Share of gain amounted to 7,199 Million Baht, increased 4,404 Million Baht from the previous year, attributed to better margin from the chemicals associates.
- Other associates: Share of profit amounted to 3,094 Million Baht, decreased 219 Million Baht or dropped 7% from the previous year.

18.2 Operating Results of Strategic Business Segments

SCG Cement-Building Materials

In 2015, revenue from sales decreased 3% from the previous year to 178,988 Million Baht, due to the stagnant domestic market recovery in Thailand and lower domestic cement prices. This resulted in the drop of 9% from the previous year in EBITDA to 24,395 Million Baht. Similarly, profit for the year decreased 22% from the previous year to 10,250 Million Baht due to lower EBITDA and increased depreciation.

SCG Chemicals

In 2015, revenue from sales decreased 19% from the previous year to 200,433 Million Baht on lower chemicals prices, following the drop in crude oil prices. However, EBITDA increased 64% from the previous year to 42,900 Million Baht and profit for the year registered 28,488 Million Baht, an increase of 129% from the previous year, benefiting from better margin as a result of cheaper feedstock prices.

SCG Packaging

In 2015, revenue from sales increased 10% from the previous year to 70,907 Million Baht, following increased export sales volume in both the Packaging Chain and the Fibrous Chain. EBITDA amounted to 10,831 Million Baht, up 11% from the previous year, similarly, profit for the year increased slightly to 3,463 Million Baht. Additionally, in the fourth quarter of 2015, the business had gained on divestment of Thai British Security Printing Public Company Limited (TBSP).

18.3 Financial Status

Assets

Continued solid financials, with cash and cash under management of 40,279 Million Baht.

Total assets of SCG as at December 31, 2015 was 509,981 Million Baht, with an increase of 9% from the previous year. Key components of total assets were property, plant and equipment at 45%, current assets at 29% and investments at 20%. Ranking of asset values by business segments are SCG Cement-Building Materials, SCG Chemicals, and SCG Packaging, respectively.

Current assets: amounted to 148,396 Million Baht as at December 31, 2015, with an increase of 8% from the previous year, comprising largely of trade and other receivables, inventories, short-term investments, and cash and cash equivalents. At December 31, 2015, SCG's working capital was 60,998 Million Baht with working capital days at 50 days.

Cash and cash under management: amounted to 40,279 Million Baht as at December 31, 2015, increase 8,636 Million Baht from the previous year, despite the CAPEX and Investments of 45,194 Million Baht during the year.

Investments in associates and joint ventures: amounted to 90,890 Million Baht as at December 31, 2015, an increase of 8,542 Million Baht or 10% from the previous year, with reasons as follows:

- Increase from share of profit using equity method amounted to 10,293 Million Baht.
- Increase in investments amounted to 1,134 Million Baht, during the year, the cement-building materials had formed the joint venture with Siam Global House Public Company Limited to invest in a modern trade, Global House International Company Limited.
- Decrease from the change in status of associate to subsidiary amounted to 291 Million Baht of Prepack Thailand Co., Ltd., a leading producer of flexible packaging products in Thailand.
- Decrease from dividends received amounted to 3,344 Million Baht.

Property, plant and equipment: amounted to 230,932 Million Baht as at December 31, 2015, an increase of 25,459 Million Baht or 12% from the previous year due to the CAPEX during the year.

Liabilities

Net debt decreased 1,921 Million Baht, resulting from an increase in operating cash inflow, despite high CAPEX during the year.

Total liabilities as at December 31, 2015 amounted to 266,975 Million Baht, an increase of 4% from the previous year. During the year, SCG had issued new debentures totaling 40,000 Million Baht to replace the matured debentures of 25,000 Million Baht and to support the operation, plus the future investments. Finance costs were 9,076 Million Baht, an increase of 1,810 Million Baht from last year due to the foreign exchange loss.

Net debt (interest-bearing debt less cash and cash under management) of SCG as at December 31, 2015 decreased 1,921 Million Baht from the previous year to 162,485 Million Baht, resulting from an increase in EBITDA, despite the CAPEX and Investments of 45,194 Million Baht, mainly from the investment in the cement plant construction projects in Myanmar, Indonesia, Laos and Cambodia, including the acquisition of Prepack Thailand Co., Ltd. and Tin Thanh Packing Joint Stock Company (BATICO), a top manufacturer of flexible packaging products in Vietnam.

18.4 Financial ratios

SCG's financial ratios remain solid.

In 2015, current ratio registered 1.2 times and net debt to EBITDA ratio decreased to 2.0 times, compared to 2.5 times in the last year. At the end of 2015, debt to equity ratio was at 1.1 times, compared to 1.2 times in the last year.

From the financial position and performance of 2015, the Board of Directors considered proposing the Annual General Meeting of Shareholders for approval of 2015 dividend payment of 16.00 Baht per share, representing a dividend payout ratio of 42% of consolidated profit for the year. SCG has already paid an interim dividend of 7.50 Baht per share on August 27, 2015. The final dividend will be paid at the amount of 8.50 Baht per share on April 28, 2016

Independent auditor's report

To the Shareholders of The Siam Cement Public Company Limited

I have audited the accompanying consolidated financial statements of The Siam Cement Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement and statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Winid Silamongkol
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok

17 February 2016

Consolidated statement of financial position

As at 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

Assets	Note	2015	2014
Current assets			
Cash and cash equivalents	9	16,077,796	19,030,720
Temporary investments	9	18,509,910	8,022,501
Trade and other receivables	5, 6	54,293,881	51,840,527
Short-term loans	5	125,583	116,281
Inventories	7	52,897,613	52,747,012
Other current assets	8	6,491,317	6,240,690
Total current assets		**148,396,100**	**137,997,731**
Non-current assets			
Available-for-sale investments	9	9,316,085	8,384,729
Investments in associates	10	86,075,912	77,309,823
Investments in joint ventures	10	4,814,064	5,038,613
Other long-term investments	11	3,065,331	3,078,406
Long-term loans	5	162,227	153,106
Investment properties	13	1,235,700	1,635,596
Property, plant and equipment	14	230,932,124	205,473,426
Goodwill	15	11,523,866	10,799,347
Intangible assets	15	7,666,594	7,169,150
Deferred tax assets	16	2,766,789	4,261,412
Other non-current assets	17	4,025,852	4,521,289
Total non-current assets		**361,584,544**	**327,824,897**
Total assets		**509,980,644**	**465,822,628**

On behalf of the Board of Directors

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

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

Consolidated statement of financial position

As at 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

Liabilities and shareholders' equity	Note	2015	2014
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	18	16,191,863	12,509,436
Trade and other payables	5	48,833,485	45,080,296
Current portion of long-term debts	19	6,934,641	8,138,751
Current portion of debentures	20	49,903,849	24,884,734
Short-term loans	5	181,635	89,615
Income tax payable		2,206,591	2,025,076
Other current liabilities		3,065,111	2,789,640
Total current liabilities		**127,317,175**	**95,517,548**
Non-current liabilities			
Long-term debts	19	13,350,292	24,218,962
Debentures	20	116,201,884	126,207,074
Deferred tax liabilities	16	2,124,679	2,366,208
Employee benefit obligations	21	6,689,944	6,330,655
Other non-current liabilities	22	1,290,955	1,865,147
Total non-current liabilities		**139,657,754**	**160,988,046**
Total liabilities		**266,974,929**	**256,505,594**
Shareholders' equity			
Share capital	23		
Authorized share capital - Ordinary share		**1,600,000**	**1,600,000**
Issued and paid-up share capital - Ordinary share		1,200,000	1,200,000
Retained earnings			
Appropriated			
Legal reserve	24	160,000	160,000
General reserve		10,516,000	10,516,000
Unappropriated		202,440,240	174,573,404
Other components of shareholders' equity		(8,155,213)	(9,166,354)
Total equity attributable to owners of the parent		**206,161,027**	**177,283,050**
Non-controlling interests	12	36,844,688	32,033,984
Total shareholders' equity		**243,005,715**	**209,317,034**
Total liabilities and shareholders' equity		**509,980,644**	**465,822,628**

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

Consolidated income statement

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	Note	2015	2014
Revenue from sales	5	439,613,704	487,545,097
Cost of sales	5	(341,511,031)	(409,431,192)
Gross profit		**98,102,673**	**78,113,905**
Other income	5, 26	10,134,413	9,923,696
Profit before expenses		**108,237,086**	**88,037,601**
Selling expenses	27	(17,670,627)	(17,312,833)
Administrative expenses	28	(31,990,254)	(27,639,215)
Total expenses		**(49,660,881)**	**(44,952,048)**
Profit from operations		**58,576,205**	**43,085,553**
Share of profit of associates and joint ventures		10,293,046	6,108,455
Profit before finance costs and income tax expense		**68,869,251**	**49,194,008**
Finance costs	30	(9,076,244)	(7,266,427)
Profit before income tax expense		**59,793,007**	**41,927,581**
Income tax expense	31	(6,076,816)	(4,967,683)
Profit for the year		**53,716,191**	**36,959,898**
Profit attributable to			
Owners of the parent		**45,399,712**	**33,615,327**
Non-controlling interests		8,316,479	3,344,571
		53,716,191	36,959,898
Basic earnings per share (in Baht)			
Attributable to owners of the parent	32	**37.83**	**28.01**

On behalf of the Board of Directors

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

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

Consolidated statement of comprehensive income

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	Note	2015	2014
Profit for the year		**53,716,191**	**36,959,898**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains (losses)	21	(202,732)	99,833
Share of other comprehensive income of associates and joint ventures		(54,526)	34,685
Income tax on other comprehensive income relating to items that will not be reclassified	31	40,359	786
Items that will be reclassified to profit or loss when specific conditions are met			
Foreign currency translation differences		123,382	(429,875)
Losses on remeasuring available-for-sale investments	9	(87,988)	(2,078,444)
Share of other comprehensive income of associates and joint ventures		919,018	(426,680)
Income tax on other comprehensive income relating to items that will be reclassified	31	17,598	411,490
Other comprehensive income for the year, net of income tax		**755,111**	**(2,388,205)**
Total comprehensive income for the year		**54,471,302**	**34,571,693**
Total comprehensive income attributable to			
Owners of the parent		**46,430,293**	**31,348,368**
Non-controlling interests		8,041,009	3,223,325
		54,471,302	34,571,693

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	Note	Issued and paid-up share capital	Retained earnings: Appropriated: Legal reserve	Retained earnings: Appropriated: General reserve	Retained earnings: Unappropriated	Other components of equity: Other comprehensive income: Currency translation differences	Other components of equity: Other comprehensive income: Gains (losses) on remeasuring available-for-sale investments	Other components of equity: Other comprehensive income: Share of other comprehensive income of associates and joint ventures	Other components of equity: Changes in ownership interests in subsidiaries that do not result in a loss of control	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Balance at 1 January 2014		**1,200,000**	**160,000**	**10,516,000**	**155,777,015**	**(3,094,274)**	**2,472,509**	**49,116**	**(5,542,034)**	**161,538,332**	**25,223,320**	**186,761,652**
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Dividends	33	-	-	-	(14,955,629)	-	-	-	-	(14,955,629)	(908,028)	(15,863,657)
Total contributions by and distributions to owners of the parent		**-**	**-**	**-**	**(14,955,629)**	**-**	**-**	**-**	**-**	**(14,955,629)**	**(908,028)**	**(15,863,657)**
Changes in ownership interests in subsidiaries												
Acquisition and increase in capital of non-controlling interests without a change in control		-	-	-	-	-	-	-	(648,021)	(648,021)	4,127,386	3,479,365
Acquisition and increase in capital of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	-	367,981	367,981
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(648,021)**	**(648,021)**	**4,495,367**	**3,847,346**
Total transactions with owners, recorded directly in shareholders' equity		**-**	**-**	**-**	**(14,955,629)**	**-**	**-**	**-**	**(648,021)**	**(15,603,650)**	**3,587,339**	**(12,016,311)**
Comprehensive income for the year												
Profit or loss		-	-	-	33,615,327	-	-	-	-	33,615,327	3,344,571	36,959,898
Other comprehensive income		-	-	-	136,691	(327,507)	(1,649,463)	(426,680)	-	(2,266,959)	(121,246)	(2,388,205)
Total comprehensive income for the year		**-**	**-**	**-**	**33,752,018**	**(327,507)**	**(1,649,463)**	**(426,680)**	**-**	**31,348,368**	**3,223,325**	**34,571,693**
Balance at 31 December 2014		**1,200,000**	**160,000**	**10,516,000**	**174,573,404**	**(3,421,781)**	**823,046**	**(377,564)**	**(6,190,055)**	**177,283,050**	**32,033,984**	**209,317,034**

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	Note	Issued and paid-up share capital	Retained earnings			Other components of equity				Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
			Appropriated		Unappropriated	Other comprehensive income			Changes in ownership interests in subsidiaries that do not result in a loss of control			
			Legal reserve	General reserve		Currency translation differences	Gains (losses) on remeasuring available-for-sale investments	Share of other comprehensive income of associates and joint ventures				
Balance at 1 January 2015		**1,200,000**	**160,000**	**10,516,000**	**174,573,404**	**(3,421,781)**	**823,046**	**(377,564)**	**(6,190,055)**	**177,283,050**	**32,033,984**	**209,317,034**
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Dividends	33	-	-	-	(17,349,719)	-	-	-	-	(17,349,719)	(3,937,799)	(21,287,518)
Total contributions by and distributions to owners of the parent		**-**	**-**	**-**	**(17,349,719)**	**-**	**-**	**-**	**-**	**(17,349,719)**	**(3,937,799)**	**(21,287,518)**
Changes in ownership interests in subsidiaries												
Acquisition and increase in capital of non-controlling interests without a change in control		-	-	-	-	-	-	-	(202,597)	(202,597)	647,409	444,812
Acquisition and increase in capital of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	-	60,085	60,085
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(202,597)**	**(202,597)**	**707,494**	**504,897**
Total transactions with owners, recorded directly in shareholders' equity		**-**	**-**	**-**	**(17,349,719)**	**-**	**-**	**-**	**(202,597)**	**(17,552,316)**	**(3,230,305)**	**(20,782,621)**
Comprehensive income for the year												
Profit or loss		-	-	-	45,399,712	-	-	-	-	45,399,712	8,316,479	53,716,191
Other comprehensive income		-	-	-	(183,157)	364,469	(69,749)	919,018	-	1,030,581	(275,470)	755,111
Total comprehensive income for the year		**-**	**-**	**-**	**45,216,555**	**364,469**	**(69,749)**	**919,018**	**-**	**46,430,293**	**8,041,009**	**54,471,302**
Balance at 31 December 2015		**1,200,000**	**160,000**	**10,516,000**	**202,440,240**	**(3,057,312)**	**753,297**	**541,454**	**(6,392,652)**	**206,161,027**	**36,844,688**	**243,005,715**

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

Consolidated statement of cash flows

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	2015	2014
Cash flows from operating activities		
Profit for the year	53,716,191	36,959,898
Adjustments for		
Depreciation and amortization	20,769,968	18,062,136
Interest income	(923,470)	(794,609)
Interest expense	7,867,603	8,000,328
Unrealized gain on foreign currency exchange	(117,820)	(156,009)
Allowance for decline in value of inventories (reversal)	(707,213)	511,877
Dividend income	(2,427,181)	(4,053,581)
Employee benefit expense	542,144	691,480
Share of profit of associates and joint ventures	(10,293,046)	(6,108,455)
Income tax expense	6,076,816	4,967,683
Gain on sales of investments, impairment loss on goodwill and investments, and others	(1,289,389)	218,737
Profit provided by operating activities before changes in operating assets and liabilities	**73,214,603**	**58,299,485**
Decrease (increase) in operating assets		
Trade and other receivables	(1,873,709)	(1,332,847)
Inventories	709,352	2,303,720
Other current assets	696,830	(581,233)
Other non-current assets	219,700	209,579
Net decrease (increase) in operating assets	**(247,827)**	**599,219**

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

Consolidated statement of cash flows

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	Note	2015	2014
Increase (decrease) in operating liabilities			
Trade and other payables		1,372,399	(6,531,108)
Other current liabilities		284,539	575,532
Employee benefit obligations		(293,008)	(319,467)
Other non-current liabilities		(993,591)	(219,538)
Net increase (decrease) in operating liabilities		**370,339**	**(6,494,581)**
Cash generated from the operations		**73,337,115**	**52,404,123**
Income tax paid		(5,590,087)	(4,915,468)
Net cash provided by operating activities		**67,747,028**	**47,488,655**
Cash flows from investing activities			
Interest received		830,013	753,975
Dividends received		5,728,314	9,399,298
Temporary investments		(10,480,866)	(1,045,966)
Available-for-sale investments		(33,541,064)	(20,445,889)
Investments in associates, joint ventures and other companies		(405,789)	(2,661,253)
Net cash outflow on acquisition of subsidiaries	4	(1,485,942)	(1,111,881)
Proceeds from sales and return of investments		35,078,524	21,652,134
Income tax paid from sales of investments		(371,349)	(157,275)
Purchases of property, plant and equipment		(41,683,869)	(39,627,885)
Proceeds from sales of property, plant and equipment		248,800	378,228
Purchases of intangible assets		(1,385,809)	(1,267,925)
Payments received from loans to related and other parties		90,264	24,470
Currency translation differences		(421,625)	(304,155)
Net cash used in investing activities		**(47,800,398)**	**(34,414,124)**

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

Consolidated statement of cash flows

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht

	2015	2014
Cash flows from financing activities		
Borrowings		
Interest paid	(8,072,053)	(8,240,016)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	3,346,170	(455,204)
Proceeds from (payments of) short-term loans	26,753	(54,870)
Proceeds from long-term debts	2,825,506	8,578,412
Payments of long-term debts	(15,230,830)	(8,218,923)
Payments of finance lease	(48,100)	(793,059)
Proceeds from issuance of debentures	39,899,660	24,918,630
Redemption of debentures	(24,885,735)	(14,963,863)
Net increase (decrease) in borrowings	**(2,138,629)**	**771,107**
Dividends paid		
Dividends paid to owners of the parent	(17,349,719)	(14,955,629)
Dividends paid to non-controlling interests	(3,912,148)	(885,820)
Total dividends paid	**(21,261,867)**	**(15,841,449)**
Acquisition and increase in capital of non-controlling interests	500,942	3,592,607
Net cash used in financing activities	**(22,899,554)**	**(11,477,735)**
Net increase (decrease) in cash and cash equivalents	**(2,952,924)**	**1,596,796**
Cash and cash equivalents at beginning of the year	19,030,720	17,433,924
Cash and cash equivalents at end of the year	**16,077,796**	**19,030,720**
Supplementary information for cash flows		
Non-cash transactions		
Accrued dividend income	42,392	205,359
Outstanding payable from purchases of property, plant and equipment and intangible assets	3,825,973	1,749,807

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

Notes to the financial statements

For the year ended 31 December 2015

The Siam Cement Public Company Limited and its Subsidiaries

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These notes form an integral part of the consolidated financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 17 February 2016.

1 General information

The Siam Cement Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The Company was listed on the Stock Exchange of Thailand on 25 April 1975.

The Company and its subsidiaries, the "Group", is an industrial group which operates core businesses of SCG Cement-Building Materials, SCG Chemicals and SCG Packaging (Formerly: SCG Paper).

Details of the Company's subsidiaries, which have significant operations and were included in the consolidated financial statements, are as follows:

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
SCG Cement Co., Ltd.	100
The Concrete Products and Aggregate Co., Ltd.	100
The Siam Cement (Kaeng Khoi) Co., Ltd.	100
The Siam Cement (Ta Luang) Co., Ltd.	100
The Siam Cement (Thung Song) Co., Ltd.	100
The Siam Cement (Lampang) Co., Ltd.	100
Khammouance Cement Co., Ltd. (Incorporated in Laos)	100
Siam Mortar Co., Ltd.	100
The Siam White Cement Co., Ltd.	100
The Siam Refractory Industry Co., Ltd.	100
Cementhai Energy Conservation Co., Ltd.	100
ECO Plant Services Co., Ltd.	100
Siam Research and Innovation Co., Ltd.	100
SCI Eco Services Co., Ltd.	100
PT Pion Quarry Nusantara (Incorporated in Indonesia)	100
PT SCG Pipe and Precast Indonesia (Incorporated in Indonesia)	100
PT Semen Lebak (Incorporated in Indonesia)	100

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
PT SCG Readymix Indonesia (Incorporated in Indonesia)	100
PT CPAC Surabaya (Incorporated in Indonesia)	100
Q Mix Supply Co., Ltd.	100
CPAC Lao Co., Ltd. (Incorporated in Laos)	100
The Concrete Products and Aggregate (Vietnam) Co., Ltd. (Incorporated in Vietnam)	100
CPAC Concrete Products (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100
Silathai Sanguan (2540) Co., Ltd.	100
Cementhai Building Materials (Singapore) Pte. Ltd. (Incorporated in Singapore)	100
SCG Building Materials Co., Ltd.	100
Cementhai Gypsum Co., Ltd.	100
Thai Ceramic Holding Co., Ltd.	100
MRC Roofing Co., Ltd.	100
The Siam Fibre-Cement Co., Ltd.	100
The Fibre-Cement Products (Lampang) Co., Ltd.	100
Tip Fibre-Cement Co., Ltd.	100

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
SCG Landscape Co., Ltd.	100
Siam Fiberglass Co., Ltd.	100
The CPAC Roof Tile Co., Ltd.	100
SCG Concrete Roof (Vietnam) Co., Ltd. (Incorporated in Vietnam)	100
SCG Roofing Philippines, Inc. (Incorporated in the Philippines)	100
SCG Concrete Roof (Cambodia) Co., Ltd. (Incorporated in the Cambodia)	100
Thai Ceramic Roof Tile Co., Ltd.	100
Cementhai Ceramics Co., Ltd.	100
Cementhai Gypsum (Singapore) Pte. Ltd. (Incorporated in Singapore)	100
Cementhai Roof Holdings Philippines, Inc. (Incorporated in the Philippines)	100
Cementhai Ceramic (Singapore) Pte. Ltd. (Incorporated in Singapore)	100
Cementhai Ceramics Philippines Holdings, Inc. (Incorporated in the Philippines)	100
Keating Capital Partners Pte. Ltd. (Incorporated in Singapore)	100
Kitchener Limited (Incorporated in China)	100
Thai Ceramic Co., Ltd.	100
The Siam Ceramic Group Industries Co., Ltd.	100
Cementhai Home Services Co., Ltd.	100
Gemago Co., Ltd.	100
PT SCG Lightweight Concrete Indonesia (Incorporated in Indonesia)	100
SCG Distribution Co., Ltd.	100
SCG Cement-Building Materials Co., Ltd.	100
SCG Trading Co., Ltd.	100
SCG Trading Australia Pty. Ltd. (Incorporated in Australia)	100
SCG Trading Guangzhou Co., Ltd. (Incorporated in China)	100

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
SCG Trading Hong Kong Limited (Incorporated in China)	100
SCG Trading Philippines Inc. (Incorporated in the Philippines)	100
SCG Singapore Trading Pte. Ltd. (Incorporated in Singapore)	100
SCG Trading USA Inc. (Incorporated in USA)	100
PT SCG Trading Indonesia (Incorporated in Indonesia)	100
SCG Trading Vietnam Co., Ltd. (Incorporated in Vietnam)	100
SCG Trading Lao Co., Ltd. (Incorporated in Laos)	100
SCG Marketing Philippines Inc. (Incorporated in the Philippines)	100
SCGT Malaysia Sdn. Bhd. (Incorporated in Malaysia)	100
SCG Trading (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100
SCG Trading Middle East Dmcc (Incorporated in the United Arab Emirates)	100
SCG Logistics Management Co., Ltd.	100
SCG Logistics Management (Lao) Co., Ltd. (Incorporated in Laos)	100
SCG Logistics Management (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100
SCG Trading Services Co., Ltd.	100
Myanmar CBM Services Co., Ltd. (Incorporated in Myanmar)	100
SCG Sourcing Co., Ltd.	100
SCG Experience Co., Ltd.	100
SCG Skills Development Co., Ltd.	100
Buu Long Industry & Investment Joint Stock Company (Incorporated in Vietnam)	99

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
PT Semen Jawa (Incorporated in Indonesia)	98
PT KIA Serpih Mas (Incorporated in Indonesia)	97
PT KIA Keramik Mas (Incorporated in Indonesia)	96
PT Keramika Indonesia Assosiasi, Tbk. (Incorporated in Indonesia)	96
Kampot Cement Co., Ltd. (Incorporated in Cambodia)	95
PT Tambang Semen Sukabumi (Incorporated in Indonesia)	93
The Siam Sanitary Fittings Co., Ltd.	91
PT Kokoh Inti Arebama Tbk. (Incorporated in Indonesia)	91
Sosuco and Group (2008) Co., Ltd.	90
Prime Group Joint Stock Company (Incorporated in Vietnam)	85
Prime Trading, Import and Export One Member Limited Liability Company (Incorporated in Vietnam)	85
Ceramic Research Institution (Incorporated in Vietnam)	85
Prime International Im-Ex & Servicing Trading Co., Ltd. (Incorporated in Vietnam)	85
Prime Ngoi Viet Joint Stock Company (Incorporated in Vietnam)	85
Prime Pho Yen Joint Stock Company (Incorporated in Vietnam)	85
Prime Yen Binh Joint Stock Company (Incorporated in Vietnam)	85
Prime Truong Xuan Joint Stock Company (Incorporated in Vietnam)	85
Saraburirat Co., Ltd.	83

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
Mariwasa-Siam Ceramics, Inc. (Incorporated in the Philippines)	83
Prime Dai An Joint Stock Company (Incorporated in Vietnam)	81
SCG Myanmar Concrete and Aggregate Co., Ltd. (Incorporated in Myanmar)	80
PT Surya Siam Keramik (Incorporated in Indonesia)	80
Myanmar CPAC Service Co., Ltd. (Incorporated in Myanmar)	80
Prime Dai Viet Joint Stock Company (Incorporated in Vietnam)	77
Prime Thein Phuc Joint Stock Company (Incorporated in Vietnam)	77
Prime Phong Dien Joint Stock Company (Incorporated in Vietnam)	77
Prime Dai Loc Joint Stock Company (Incorporated in Vietnam)	76
CPAC Cambodia Co., Ltd. (Incorporated in Cambodia)	75
Thai-German Ceramic Industry Public Company Limited	75
Green Conservation Solution Co., Ltd.	74
Siam Sanitary Ware Co., Ltd.	71
Siam Sanitary Ware Industry Co., Ltd.	71
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	71
Prime Tien Phong Joint Stock Company (Incorporated in Vietnam)	71
Mawlamyine Cement Limited (Incorporated in Myanmar)	70
Quality Construction Products Public Company Limited	68
Q-Con Eastern Co., Ltd.	68
SCGT Automobile Co., Ltd.	67

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
Prime Vinh Phuc Joint Stock Company (Incorporated in Vietnam)	65
Guangxi SCG Logistics Co., Ltd. (Incorporated in China)	55
Panel World Co., Ltd.	55
Sosuco Ceramic Co., Ltd.	54
SCG-Sekisui Sales Co., Ltd.	51
Mingalar Motor Co., Ltd. (Incorporated in Myanmar)	50
SCG Chemicals	
SCG Chemicals Co., Ltd.	100
Thai Polyethylene Co., Ltd.	100
SCG Plastics Co., Ltd.	100
SCG Performance Chemicals Co., Ltd.	100
Rayong Engineering and Plant Service Co., Ltd.	100
Protech Outsourcing Co., Ltd.	100
RIL 1996 Co., Ltd.	100
Texplore Co., Ltd.	100
Vina SCG Chemicals Co., Ltd.	100
SCG Chemicals (Singapore) Pte. Ltd. (Incorporated in Singapore)	100
Tuban Petrochemicals Pte. Ltd. (Incorporated in Singapore)	100
Hexagon International, Inc. (Incorporated in USA)	100
C4 Holding Pte. Ltd. (Incorporated in Singapore)	100
Norner Holding AS (Incorporated in Norway)	100
Norner AS (Incorporated in Norway)	100
Norner Research AS (Incorporated in Norway)	100

	Direct/ Indirect Holding (%)
SCG Cement-Building Materials	
PT Siam-Indo Gypsum Industry (Incorporated in Indonesia)	50
PT Siam-Indo Concrete Products (Incorporated in Indonesia)	50
Prime Dai Quang Joint Stock Company (Incorporated in Vietnam)	48
Kampot Land Co., Ltd. (Incorporated in Cambodia)	47
Prime Hao Phu Joint Stock Company (Incorporated in Vietnam)	41
SCG Chemicals	
Norner IP AS (Incorporated in Norway)	100
Norner Verdandi AS (Incorporated in Norway)	100
CO2 Technologies AS (Incorporated in Norway)	100
PT TPC Indo Plastic & Chemicals (Incorporated in Indonesia)	96
Rayong Pipeline Co., Ltd.	92
Thai Plastic and Chemicals Public Company Limited	91
TPC Paste Resin Co., Ltd.	91
The Nawaplastic Industries (Saraburi) Co., Ltd.	91
Nawa Plastic Industries Co., Ltd.	91
Nawa Intertech Co., Ltd.	91
Chemtech Co., Ltd. (Incorporated in Vietnam)	91
Total Plant Service Co., Ltd.	91
SCG ICO Polymers Company Limited	87
Map Ta Phut Tank Terminal Co., Ltd.	82
Minh Thai House Component Co., Ltd. (Incorporated in Vietnam)	73
Map Ta Phut Olefins Co., Ltd.	67

	Direct/ Indirect Holding (%)
SCG Chemicals	
Rayong Olefins Co., Ltd.	67
Rayong Olefins (Singapore) Pte. Ltd.	
(Incorporated in Singapore)	67
Viet-Thai Plastchem Co., Ltd.	
(Incorporated in Vietnam)	66
Alliance Petrochemical Investment (Singapore) Pte. Ltd.	
(Incorporated in Singapore)	65
SCG Packaging	
SCG Packaging Public Company Limited	
(Formerly: SCG Paper Public Company Limited)	98
Siam Kraft Industry Co., Ltd.	98
United Pulp and Paper Co., Inc.	
(Incorporated in the Philippines)	98
Paperlink Inter-Trade Corporation	
(Incorporated in the Philippines)	98
InfoZafe Co., Ltd.	98
SCGP Excellence Training Center Co., Ltd.	98
SCG Paper Energy Co., Ltd.	98
Thai Cane Paper Public Company Limited	93
Thai Paper Co., Ltd.	75
Thai Union Paper Public Company Limited	75
Siam Cellulose Co., Ltd.	75
The Siam Forestry Co., Ltd.	75
Panas Nimit Co., Ltd.	75
Thai Panason Co., Ltd.	75
Thai Panadorn Co., Ltd.	75
Thai Panaram Co., Ltd.	75
Suanpa Rungsaris Co., Ltd.	75
Siam Panawes Co., Ltd.	75
Thai Panaboon Co., Ltd.	75
Thai Wanabhum Co., Ltd.	75
Phoenix Pulp & Paper Public Company Limited	75
Phoenix Utilities Co., Ltd.	75
Thai Containers Group Co., Ltd.	69

	Direct/ Indirect Holding (%)
SCG Chemicals	
TPC Vina Plastic and Chemicals Corporation Ltd.	
(Incorporated in Vietnam)	64
Siam Stabilizers and Chemicals Co., Ltd.	55
Nawaplastic (Cambodia) Co., Ltd.	
(Incorporated in Cambodia)	55
Flowlab & Service Co., Ltd.	51
SCG Packaging	
Thai Containers Khonkaen Co., Ltd.	69
Thai Containers Rayong Co., Ltd.	69
Vina Kraft Paper Co., Ltd.	
(Incorporated in Vietnam)	69
TCG Rengo (S) Limited	
(Incorporated in Singapore)	69
New Asia Industries Co., Ltd.	
(Incorporated in Vietnam)	69
Alcamax Packaging (Vietnam) Co., Ltd.	
(Incorporated in Vietnam)	69
AP Packaging (Hanoi) Co., Ltd.	
(Incorporated in Vietnam)	69
Packamex (Vietnam) Co., Ltd.	
(Incorporated in Vietnam)	69
PT Primacorr Mandiri	
(Incorporated in Indonesia)	62
PT Indoris Printingdo	
(Incorporated in Indonesia)	62
TC Flexible Packaging Co., Ltd.	52
Dyna Packs Co., Ltd.	52
Orient Container Co., Ltd.	52
D-In-Pack Company Limited	52
Tawana Container Co., Ltd.	50
Tin Thanh Packing Joint Stock Company	
(Incorporated in Vietnam)	41
Prepack Thailand Co., Ltd.	37

	Direct/ Indirect Holding (%)
Other	
Cementhai Holding Co., Ltd.	100
Cementhai Property (2001) Public Company Limited	100
Property Value Plus Co., Ltd.	100
SCG Accounting Services Co., Ltd.	100
SCG Legal Counsel Limited	100
CTO Management Co., Ltd.	100
Cementhai Captive Insurance Pte. Ltd.	
(Incorporated in Singapore)	100

	Direct/ Indirect Holding (%)
Other	
Siam Innovation Product and Solution Co., Ltd.	
(Formerly: Siam Eco Energy Business Co., Ltd.)	100
SCG Learning Excellence Co., Ltd.	100
SCG Vietnam Co., Ltd.	
(Incorporated in Vietnam)	100
PT SCG Indonesia	
(Incorporated in Indonesia)	100
Siam GNE Solar Energy Co., Ltd	50

Details of the Company's subsidiaries with insignificant operations that were included in the consolidated financial statements are as follows:

	Direct/ Indirect Holding (%)
The CPAC Ready Mixed Concrete	
(South) Co., Ltd.	100
SCG Holding Co., Ltd.	100
The Nawaloha Foundry Bangpakong Co., Ltd.	100
Bangsue Industry Co., Ltd.	100
The Siam Iron and Steel Co., Ltd.	100
Dhara Pipe Co., Ltd.	100
Siam Nawaphan Co., Ltd.	100
Siam Paraffins Co., Ltd.	100
SCG Corporation S.A.	
(Incorporated in Panama)	100

	Direct/ Indirect Holding (%)
SCG Trading (Jordan) L.L.C.	
(Incorporated in Jordan)	100
Siam Cement Myanmar Trading Ltd.	
(Incorporated in Myanmar)	100
Siam TPC Co., Ltd.	96
Siam TPC (Singapore) Pte. Ltd.	
(Incorporated in Singapore)	96
Myanmar CPAC Trading Co., Ltd.	
(Incorporated in Myanmar)	80
SCG Trading Emirates L.L.C.	
(Incorporated in the United Arab Emirates)	49

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2014.

During 2015, the Group acquired the ordinary shares of Prepack Thailand Co., Ltd. which is incorporated in Thailand and Tin Thanh Packing Joint Stock Company which is incorporated in Vietnam. These companies are included in the Group's consolidated financial statements in 2015. In addition to this, in the fourth quarter of 2015, the Group sold partial interest of Thai British Security Printing Public Company Limited, reducing its ownership interest thereby ceasing to have control over the subsidiary since the date of sale, as discussed in note 4.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2015. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group. However, TFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly, the Group has included additional disclosures in notes 9, 13, 20 and 35.

In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these consolidated financial statements. Those new and revised TFRSs are disclosed in note 40.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- available-for-sale financial assets are measured at fair value;
- the present value of the defined benefit obligations.

(c) Functional and presentation currency

The consolidated financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Note 4	Acquisition of business and change in status of subsidiary
Note 6, 7, 9, 10, 11, 13, 14 and 15	Measurement of the recoverable amounts of each asset and cash-generating units containing goodwill
Note 16 and 31	Utilization of tax losses, current and deferred tax
Note 21	Discount rate, salary increase rate, employee turnover rate and mortality rate
Note 36	Provisions and contingent liabilities

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 9	Cash and cash equivalents and other investments;
Note 13	Investment properties;
Note 20	Debentures; and
Note 35	Financial instruments.

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Group and the Group's interests in associates and joint ventures.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Subsidiaries

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

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity–accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement.

Interests in associates and joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity–accounted investees, until the date on which significant influence or joint control ceases.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

(b) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(c) Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

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

Bad debts recovered are recognized in other income in profit or loss.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost is calculated using the following formula:

Finished goods	- at standard cost which approximates actual production cost
Merchandise	- at average cost
Goods in process	- at standard cost which includes direct raw materials, direct labor and manufacturing overhead costs.
Raw materials, spare parts, stores, supplies and others	- at average cost

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(e) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

(f) Investments

Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method.

Investments in other debt and other equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments, which are stated at amortized cost, less any accumulated impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognized directly in equity. Impairment losses and foreign exchange differences on available-for-sale monetary items are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss.

Equity securities which are not marketable are stated at cost less any accumulated impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the end of the reporting period.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	5 - 20 years
Buildings and structures	5 - 40 years

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(h) Finance lease

The Group recognized finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

Leased assets

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

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Land improvements	3 - 33	years
Buildings and structures		
- SCG Cement-Building Materials	3 - 49	years
- SCG Chemicals	5 - 30	years
- SCG Packaging	20 - 30	years
- Other	5 - 40	years
Plant, machinery and equipment		
- SCG Cement-Building Materials	4 - 20	years
- SCG Chemicals	3 - 40	years
- SCG Packaging	3 - 20	years
Transportation equipment	3 - 20	years
Furniture, fixtures and office equipment	2 - 20	years

For two particular subsidiaries, Phoenix Pulp & Paper Public Company Limited and Thai Cane Paper Public Company Limited, depreciation of property, plant and equipment has been computed by the following methods over the periods as follows:

Phoenix Pulp & Paper Public Company Limited

			Depreciation method
Land improvements	5 - 30	years	Straight-line
Buildings and structures			
- Acquired prior to 1 January 2002	30	years	Sinking fund
- Acquired from 1 January 2002	20, 25, 30	years	Straight-line
Machinery and equipment	15	years	Sinking fund
Certain machinery and equipment	5 - 25	years	Straight-line
Transportation equipment	5	years	Straight-line
Furniture, fixtures and office equipment	3, 5	years	Straight-line

Thai Cane Paper Public Company Limited

			Depreciation method
Land improvements	5 - 20	years	Straight-line
Buildings and structures	5, 20	years	Straight-line
Production machinery			
- Kanchanaburi Mill			Estimated production capacity of 1.92 million tons
- Prachinburi Mill			Estimated production capacity of 5.25 million tons
Machinery and equipment	5 - 15	years	Straight-line
Transportation equipment	5	years	Straight-line
Furniture and fixtures	5, 10	years	Straight-line

The effect of using the above different depreciation methods on the consolidated financial statements is insignificant.

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

No depreciation is provided on freehold land or assets under construction.

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

(j) **Goodwill and intangible assets**

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

License fees	term of agreements
Software licenses	3 - 20 years
Other	2 - 25 years

No amortization is provided on assets under development.

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

(k) **Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortization, if no impairment loss had been recognized.

(l) Trade and other payables

Trade and other payables are stated at cost.

(m) Employee benefits

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates allowed by the entity.

Sale of goods and services rendered

Revenue is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognized as services are provided on the basis of stage of completion.

Interest and dividend income

Interest income is recognized in profit or loss using the effective interest method. Dividend income is recognized in profit or loss on the date the Group's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

Royalty fee income

Royalty fee income is recognized on an accrual basis in accordance with the terms of agreement.

(p) Expenses

Operating leases

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense, over the term of lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Group's incremental borrowing rate.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expense

The Group offered certain qualifiable employees the option to take early retirement from the Group. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(q) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

(r) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

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

Foreign entities

The assets and liabilities of foreign entities, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the end of the reporting period.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates for acquisition occurred before the date 1 January 2013, and stated at exchange rates ruling at the end of reporting period for acquisition beginning on or after 1 January 2013.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions and using the weighted average method.

Foreign exchange differences arising on translation are recognized in other comprehensive income and presented in other components of equity until disposal of the investments, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented in other components of equity until disposal of the investment.

(s) Derivative financial instruments

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables and payables, long-term receivables, loans, investments, borrowings and debentures.

The Group operates internationally and is exposed to risks from changes in interest and foreign exchange rates. The Group uses derivative financial instruments to mitigate those risks. All gains and losses on hedge transactions are recognized in profit or loss in the same period as the interest and exchange differences on the items covered by the hedge.

(t) Business segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisitions of business and changes in status of subsidiary

Year 2015

Acquisitions

In the first quarter of 2015, the financial statements of Prepack Thailand Co., Ltd. (Prepack), a leading producer of flexible packaging products in Thailand, have been included in the Group's consolidated financial statements through a share purchase of an additional 50% stake from the existing shareholders. The Group's ownerships (by a subsidiary) increased from 22% to 72%. As the result, the Group has significant management control over its financial and operating policies since 28 January 2015. The transaction value is Baht 798 million, resulting in the Group determined the fair value of the previously held equity interest in Prepack prior to the change of status from associate to subsidiary.

	in million Baht
Fair value of previously held equity interest	302
Less carrying amount of investment at equity method	(291)
Gain on revaluation of investment	**11**

In the second quarter of 2015, SCG Packaging acquired 80% of the ordinary shares of Tin Thanh Packing Joint Stock Company (BATICO), a top manufacturer of flexible packaging products in Vietnam, for a consideration of Baht 889 million.

The acquisition qualifies for treatment as a business combination in accordance with TFRS 3 (revised 2014) "Business Combinations", which requires that the assets acquired, liabilities and contingent liabilities assumed be recorded at their fair values on acquisition date, together with goodwill, if any. The determination of the fair values of the above acquisition has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

The subsidiaries' net assets and liabilities at the acquisition date comprised the following:

			in million Baht
	Prepack	BATICO	Total
Cash and cash equivalents	58	38	96
Trade receivables	303	223	526
Inventories	146	159	305
Other current assets	4	52	56
Property, plant and equipment	430	406	836
Intangible assets	6	3	9
Other non-current assets	46	75	121
Interest-bearing loans and borrowings	(60)	(546)	(606)
Trade payables	(225)	(107)	(332)
Other current liabilities	(23)	(22)	(45)
Other non-current liabilities	(56)	(2)	(58)
Carrying amounts of net identifiable assets and liabilities	**629**	**279**	**908**
Add fair value adjustments	308	160	468
Less non-controlling interests	(275)	(88)	(363)
Less fair value of previously held equity interest	(302)	-	(302)
Recognized value of net assets acquired	**360**	**351**	**711**
Goodwill	438	538	976
Total consideration transferred	**798**	**889**	**1,687**
Cash acquired	(58)	(38)	(96)
Net cash outflows	**740**	**851**	**1,591**
Less accrued investment and other specified purpose deposit in bank			(132)
Net cash outflows in 2015			**1,459**

Accrued investment of Baht 94 million will be paid by the Group to the seller when all prescribed conditions are achieved by the acquired company.

The assets and liabilities since acquisition date of these companies have been included in the Group's consolidated financial statements for the period ended 31 December 2015. Since acquisition date, the subsidiaries contributed revenue from sales of Baht 2,221 million to the Group's operating results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue from sales would have been Baht 440,543 million for the year ended 31 December 2015.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently the Group will adjust the provisional fair values or recognize any additional assets or liabilities that existed at the acquisition date, and the adjustments on accounting transactions of such acquisition will be made.

Disposal of interest in subsidiary with a change of control

In the fourth quarter of 2015 the Group sold 32% of its interest in Thai British Security Printing Public Company Limited ("TBSP"), a subsidiary, for Baht 463 million in cash, reducing its ownership interest to 17.79% thereby ceasing to have control over the subsidiary. The TBSP's financial statements have not been included in the Group's consolidated financial statements since 20 November 2015. The carrying amount of TBSP's net assets in the Group's consolidated financial statements on the date of the sale was Baht 621 million. The Group recognized a decrease in non-controlling interests of Baht 312 million; and a gain on disposal of investment before income tax expense of Baht 254 million, which is included in other income in the consolidated income statements.

The Group remeasured the fair value of the Group's retained interest in TBSP at the date when control was lost by contractually agreed prices equivalent to fair value based on the discounted cash flow method under an assumption that TBSP continues its current operation. A gain on remeasurement of Baht 147 million is included in other income in the consolidated income statements.

The carrying amount of net assets and liabilities on the date when control was lost comprised the following:

	in million Baht
	TBSP
Cash and cash equivalents	208
Trade receivables	172
Inventories	152
Other current assets	36
Property, plant and equipment	301
Intangible assets	15
Other non-current assets	7
Interest-bearing loans and borrowings	(61)
Trade payables	(97)
Other current liabilities	(55)
Other non-current liabilities	(40)
Non-controlling interests	(17)
Carrying amounts of net assets and liabilities	**621**
Less non-controlling interests	(312)
Carrying amounts of the interest in subsidiary	**309**
Net recognized value of disposal of investment in subsidiary	453
Less carrying amounts of the interest in subsidiary	(199)
Gain on disposal of investment-before income tax expense	**254**

Year 2014

Acquisitions

In the second quarter of 2014, SCG Cement-Building Materials acquired 100% of the ordinary shares of Silathai Sanguan (2540) Co., Ltd. (Silathai Sanguan), which operates a crushing plant in Thailand, for a cash consideration of Baht 104 million.

In the third quarter of 2014, SCG Cement-Building Materials acquired 55% of the ordinary shares of Panel World Co., Ltd. (Panel World), which operates cement-bonded particleboard in Thailand, for a cash consideration of Baht 550 million.

In the fourth quarter of 2014, the Group had acquired the businesses as follows;

- SCG Chemicals acquired 51% of the ordinary shares of Norner Holding AS (Norner Group), a leading Innovation and Technology firm in Norway, specializing in material and polymer industries, for a cash consideration of Baht 159 million.

- SCG Packaging acquired 100% of the ordinary shares of D-In-Pack Company Limited (D-IN), its plant is to convert sheet boards to boxes and caters in Thailand, for a cash consideration of Baht 30 million. In addition to this, SCG Packaging acquired 90% of the ordinary shares of PT Indoris Printingdo (Indoris), a high quality packaging manufacturer in Indonesia, for a cash consideration of Baht 249 million.

The acquisitions qualify for treatment as a business combination in accordance with TFRS 3 (revised 2012) "Business Combinations", which requires that the assets acquired, liabilities and contingent liabilities assumed be recorded at their fair values on acquisition date, together with goodwill, if any. The determination of the fair values of the above acquisitions has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

In 2014, the Group incurred acquisition cost of Baht 21 million which have been included in administrative expenses in the Group's consolidated income statement.

The assets and liabilities since acquisition date of these companies have been included in the Group's consolidated financial statements for the year ended 31 December 2014. Since acquisition date, those subsidiaries contributed revenue from sales of Baht 163 million to the Group's operating results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue from sales would have been Baht 488,268 million for the year ended 31 December 2014.

The subsidiaries' net assets and liabilities at acquisition date comprised the following:

in million Baht

	Silathai Sanguan	Panel World	D-IN	Indoris	Norner Group	Total
Cash and cash equivalents	-	86	-	23	36	145
Trade receivables	-	25	19	28	60	132
Inventories	-	19	3	18	-	40
Other current assets	-	20	-	-	58	78
Property, plant and equipment	11	260	29	42	34	376
Other non-current assets	-	3	-	-	54	57
Interest-bearing loans and borrowings	(41)	-	(13)	(24)	(30)	(108)
Trade payables	-	(8)	(14)	(18)	(5)	(45)
Other non-current liabilities	-	(88)	(1)	(17)	(95)	(201)
Carrying amounts of net identifiable assets and liabilities	**(30)**	**317**	**23**	**52**	**112**	**474**
Add fair value adjustments	132	24	28	124	99	407
Less non-controlling interests	-	(153)	-	(18)	(103)	(274)
Recognized value of net assets acquired	**102**	**188**	**51**	**158**	**108**	**607**
Goodwill	2	362	-	91	51	506
Gain on a bargain purchase	-	-	(21)	-	-	(21)
Total consideration transferred	**104**	**550**	**30**	**249**	**159**	**1,092**
Cash acquired	-	(86)	-	(23)	(36)	(145)
Net cash outflows	**104**	**464**	**30**	**226**	**123**	**947**
Less accrued investment						(21)
Net cash outflows in 2014						**926**

5 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control, common control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	in million Baht		
	2015	2014	Pricing policies
Associates and joint ventures			
Purchases	22,811	28,288	Market price
Service fee	1,959	1,915	Market price
Revenue from sales	48,161	63,809	Market price
Service income and others	1,023	925	Market price
Management fee and others	2,054	2,048	Mainly based on percentage of revenue from sales
Dividend income	3,344	5,345	Upon declaration
Other			
Purchases	2,187	2,384	Market price
Revenue from sales	191	480	Market price
Service income and others	89	107	Market price
Management fee and others	283	344	Mainly based on percentage of revenue from sales
Dividend income	2,238	3,816	Upon declaration

Balances as at 31 December with related parties were as follows:

Trade receivables

	in million Baht	
	2015	2014
Associates and joint ventures		
Siam Polyethylene Co., Ltd.	1,855	1,557
PT Chandra Asri Petrochemical Tbk.	1,115	11
Siam Synthetic Latex Co., Ltd.	469	433
Siam Styrene Monomer Co., Ltd.	427	598
Bangkok Synthetics Co., Ltd.	349	429
Thai MMA Co., Ltd.	291	370
Grand Siam Composites Co., Ltd.	251	131
Binh Minh Plastics Joint Stock Company	104	67
SCG Plastics (Shanghai) Co., Ltd.	98	77
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	64	235
Siam Toppan Packaging Co., Ltd.	60	60
Siam Global House Public Company Limited	59	51
The Siam Gypsum Industry (Saraburi) Co., Ltd.	58	51
Siam Kubota Corporation Co., Ltd.	43	37
Siam Nippon Industrial Paper Co., Ltd.	39	16
Thai MFC Co., Ltd.	22	9
Sekisui-SCG Industry Co., Ltd.	21	10
SCG Plastics (China) Co., Limited	18	8
Siam Mitsui PTA Co., Ltd.	16	18
The Siam Gypsum Industry (Songkhla) Co., Ltd.	11	13
MTP HPPO Manufacturing Co., Ltd.	11	21
PT Styrindo Mono Indonesia	-	59
Other companies	47	75
	5,428	4,336
Other		
Siam Yamato Steel Co., Ltd.	88	79
Other companies	16	14
	104	93
Total	**5,532**	**4,429**

Other receivables

	in million Baht	
	2015	2014
Associates and joint ventures		
Long Son Petrochemicals Co., Ltd.	369	305
Siam Kubota Corporation Co., Ltd.	343	343
Mehr Petrochemical Company (P.J.S.C.)	67	11
Siam Mitsui PTA Co., Ltd.	54	45
Sekisui-SCG Industry Co., Ltd.	46	17
Thai PET Resin Co., Ltd.	42	14
Siam Nippon Industrial Paper Co., Ltd.	27	14
Grand Siam Composites Co., Ltd.	26	38
Thai MMA Co., Ltd.	25	57
Siam Tohcello Co., Ltd.	16	8
Thai MFC Co., Ltd.	9	21
Other companies	72	89
	1,096	962
Other		
Siam Yamato Steel Co., Ltd.	28	14
Siam Toyota Manufacturing Co., Ltd.	14	13
Michelin Siam Group Co., Ltd.	-	205
Other companies	13	17
	55	249
Total	**1,151**	**1,211**

Short-term loans

	in million Baht	
	2015	2014
Associates		
PT M Class Industry	75	68
GTC Technology International, LP	45	41
Other companies	5	6
Total	**125**	**115**

Long-term loans

	in million Baht	
	2015	2014
Associate		
Mariwasa Holdings, Inc.	**160**	**149**

Movements during the years on loans to related parties were as follows:

	in million Baht	
	2015	2014
Short-term		
At 1 January	115	146
Increase	16	-
Decrease	(6)	(31)
At 31 December	**125**	**115**
Long-term		
At 1 January	149	143
Increase	11	6
At 31 December	**160**	**149**

Trade payables

	in million Baht	
	2015	2014
Associates and joint ventures		
Mehr Petrochemical Company (P.J.S.C.)	2,363	2,757
Siam Polyethylene Co., Ltd.	464	469
Siam Kubota Corporation Co., Ltd.	409	706
Bangkok Synthetics Co., Ltd.	179	204
The Siam Gypsum Industry (Saraburi) Co., Ltd.	147	142
Thai MMA Co., Ltd.	100	127
Siam Synthetic Latex Co., Ltd.	99	69
Sekisui-SCG Industry Co., Ltd.	90	145
Thai PET Resin Co., Ltd.	88	83
Jumbo Barges and Tugs Co., Ltd.	68	57
IT One Co., Ltd.	59	53
Maker-Manifatture Ceramiche S.r.l.	38	-
Siam Nippon Industrial Paper Co., Ltd.	29	12
The Siam Gypsum Industry (Songkhla) Co., Ltd.	19	21
Siam Styrene Monomer Co., Ltd.	15	18
PT Chandra Asri Petrochemical Tbk.	-	573
Other companies	23	27
	4,190	5,463
Other		
Siam Yamato Steel Co., Ltd.	89	101
Total	**4,279**	**5,564**

Other payables

	in million Baht	
	2015	2014
Associates		
IT One Co., Ltd.	43	38
Other companies	12	10
Total	**55**	**48**

Short-term loans

	in million Baht	
	2015	2014
Other		
PT Trans-Pacific Polyethylene Indonesia	85	78
Other companies	12	12
Total	**97**	**90**

Movements during the years on short-term loans from related parties were as follows:

	in million Baht	
	2015	2014
At 1 January	90	88
Increase	7	2
At 31 December	**97**	**90**

Key management compensation

	in million Baht	
	2015	2014
For the year ended 31 December		
Short-term employee benefits	356	306
Post-employment benefits	44	19
Total	**400**	**325**

Management compensation comprises the remuneration paid to the directors of The Siam Cement Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, others and contribution to defined contribution plans.

6 Trade and other receivables

	Note	2015	2014
		in million Baht	
Trade receivables			
Related parties	5	5,532	4,429
Other companies		38,190	36,810
Less allowance for doubtful accounts		980	931
Net		37,210	35,879
		42,742	40,308
Other receivables			
Related parties	5	1,151	1,211
Other companies		10,401	10,322
		11,552	11,533
Total		54,294	51,841
Doubtful debts expenses for the year		64	110

	2015	2014
	in million Baht	
Trade receivables		
Related parties		
Within credit terms	5,448	4,382
Overdue:		
Less than 3 months	36	42
3 - 6 months	44	2
Over 6 - 12 months	-	1
Over 12 months	4	2
Total	5,532	4,429
Other companies		
Within credit terms	32,059	31,439
Overdue:		
Less than 3 months	4,201	3,893
3 - 6 months	530	391
Over 6 - 12 months	429	225
Over 12 months	971	862
	38,190	36,810
Less allowance for doubtful accounts	980	931
Net	37,210	35,879
Total	42,742	40,308

The normal credit term granted by the Group is 15 - 90 days.

As at 31 December 2015, the outstanding overdue amounts of above accounts receivable have credit bank guarantees amounting to Baht 1,159 million *(2014: Baht 1,011 million).*

7 Inventories

	2015	2014
	in million Baht	
Finished goods	20,991	22,249
Goods in process	2,643	2,557
Raw materials	11,005	12,037
Spare parts	7,191	6,731
Stores, supplies and others	5,273	4,365
Raw materials in transit	6,302	6,018
Total	53,405	53,957
Less allowance for decline in value	507	1,210
Net	52,898	52,747
Cost of inventories recognized as an expense in cost of sales:		
Cost of sales	341,511	409,431
Less write-down to net realizable value	(287)	(1,020)
Add reversal of write-down	878	493
Less service cost and others	(17,671)	(19,227)
Net total	324,431	389,677
Changes in inventories of finished goods and goods in process	1,172	(307)
Raw materials and supplies used	243,290	341,222

8 Other current assets

As at 31 December 2014, an investment in Michelin Siam Group Co., Ltd. was classified as non-current assets held for sale. In the first quarter of 2015, the Company sold its entire 10% stake in that investment to Michelin Group of France with the proceeds from sales of Baht 2,329 million and recognized a gain before tax totalling Baht 1,857 million included in the consolidated income statement.

9 Cash and cash equivalents and other investments

	in million Baht	
	2015	2014
Cash and cash equivalents		
Cash on hand and at banks	11,008	14,716
Highly liquid short-term investments	5,037	4,280
Cash (Private funds)	33	35
Total	**16,078**	**19,031**
Temporary investments		
Fixed deposits with financial institutions	2,226	53
Available-for-sale debt securities (Private funds)	16,284	7,970
Total	**18,510**	**8,023**
Available-for-sale investments		
Available-for-sale debt securities (Private funds)	5,532	4,505
Marketable equity securities	3,784	3,880
Total	**9,316**	**8,385**

As at 31 December 2015, the value of private funds invested by 3 independent assets management companies was totalling Baht 21,849 million *(2014: Baht 12,510 million)*. Those private funds had invested in debt securities which had high liquidity and rating as investment grade with return rates from 1.41% to 3.59% per annum *(2014: from 1.99% to 3.90% per annum)*.

Fair values

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position as at 31 December 2015 are as follows:

				in million Baht
	Carrying	Fair value		
	amount	Level 1	Level 2	Total
Temporary investments				
Available-for-sale debt securities (private funds)	**16,284**	**-**	**16,284**	**16,284**
Available-for-sale investments				
Available-for-sale debt securities (private funds)	5,532	-	5,532	5,532
Marketable equity securities	3,784	3,784	-	3,784
Total	**9,316**	**3,784**	**5,532**	**9,316**

The table above analyzes recurring fair value measurements for financial assets. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The levels applicable to the Group's investments are defined as follows:

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

The Group determined Level 2 fair values for simple over-the-counter financial assets based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

10 Investments in associates and joint ventures

Movements for the years ended 31 December in investments in associates and joint ventures accounted for using the equity method were as follows:

	in million Baht	
	2015	2014
At 1 January	**82,348**	**79,188**
Share of net profit of investments - equity method	10,293	6,108
Increase in investments	1,134	2,446
Dividend income	(3,344)	(5,345)
Disposals	(27)	-
Accumulated impairment of investment	(87)	-
Change of the status to subsidiaries	(291)	-
Change of the status to associates	-	355
Other	864	(404)
At 31 December	**90,890**	**82,348**

Investments in associates and joint ventures as at 31 December and dividends from these investments in the years then ended at the same date, were as follows:

	Total direct/ indirect holding (%)		Paid-up capital		Cost method		Equity method		Dividend income	
										in million Baht
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Associates										
SCG Cement-Building Materials										
Siam Global House Public Company Limited	30	30	3,484	3,049	9,414	9,414	10,262	9,974	15	15
The Siam Gypsum Industry Co., Ltd.	29	29	150	150	46	46	621	628	330	241
Sekisui-SCG Industry Co., Ltd.	49	49	2,325	2,325	1,139	1,139	605	688	-	-
Maker - Manifatture Ceramiche S.r.l.	33	33	803	803	502	502	447	442	-	-
Jumbo Barges and Tugs Co., Ltd.	45	45	457	457	262	262	320	322	13	-
Anhui Conch-SCG Refractory Co., Ltd.	30	30	497	497	148	148	242	210	16	8
Noritake SCG Plaster Co., Ltd.	40	40	405	405	134	134	195	183	-	-
PT M Class Industry	28	28	222	222	106	106	76	62	-	-
Green Siam Resources Corporation	40	40	95	95	38	38	48	53	-	-
Thai Prosperity Terminal Co., Ltd.	50	50	63	63	31	31	37	50	-	-
CMPI Holding, Inc.	40	40	55	55	18	18	21	20	1	2
Mariwasa Holdings, Inc.	40	40	235	235	94	94	17	17	-	-
Lao Premium Roof Tiles Co., Ltd.	-	50	-	21	-	11	-	26	-	-
Other companies			136	136	51	51	54	49	1	10
			8,927	**8,513**	**11,983**	**11,994**	**12,945**	**12,724**	**376**	**276**
SCG Chemicals										
PT Chandra Asri Petrochemical Tbk.	31	31	14,679	14,679	14,247	14,237	14,972	14,015	43	23
Bangkok Synthetics Co., Ltd.	49	49	1,173	1,173	10,800	10,800	12,681	12,233	-	3,437
Siam Styrene Monomer Co., Ltd.	50	50	4,755	4,755	2,375	2,375	7,249	6,134	648	-
Thai MMA Co., Ltd.	47	47	5,590	5,590	2,571	2,571	4,212	3,742	939	617
Siam Polyethylene Co., Ltd.	50	50	4,455	4,455	2,183	2,183	4,054	2,440	-	-
Siam Synthetic Latex Co., Ltd.	50	50	5,789	5,789	2,788	2,788	2,785	1,384	-	-
Mehr Petrochemical Company (P.J.S.C.)	39	39	1,755	1,335	1,529	801	1,535	744	-	-
Tien Phong Plastics Joint Stock Company	22	22	930	845	738	738	1,048	922	30	23
Siam Polystyrene Co., Ltd.	50	50	995	995	493	493	995	935	-	-
Binh Minh Plastics Joint Stock Company	19	19	682	682	642	642	949	832	57	42
Grand Siam Composites Co., Ltd.	46	46	64	64	167	167	880	800	277	277
Riken (Thailand) Co., Ltd.	32	32	120	120	42	42	485	464	84	112
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	20	20	596	596	119	119	350	339	76	75
GTC Technology International, LP	25	25	191	191	107	107	254	259	-	-
PT Siam Maspion Terminal	50	50	327	327	163	163	247	240	67	33
Thai PET Resin Co., Ltd.	20	20	900	900	180	180	140	158	-	-
Thai MFC Co., Ltd.	45	45	200	200	87	87	130	153	90	81
Siam Tohcello Co., Ltd.	45	45	592	592	266	266	123	205	-	-
SD Group Service Co., Ltd.	50	50	78	78	38	38	112	111	-	-
GTC Technology US, LLC	25	25	102	102	160	160	17	56	-	-
Other companies			13	20	15	18	74	83	38	21
			43,986	**43,488**	**39,710**	**38,975**	**53,292**	**46,249**	**2,349**	**4,741**

	Total direct/ indirect holding (%)		Paid-up capital		Cost method		Equity method		Dividend income	
										in million Baht
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
SCG Packaging										
Siam Toppan Packaging Co., Ltd.	48	48	500	500	245	245	395	384	9	5
Siam Nippon Industrial Paper Co., Ltd.	34	34	1,100	1,100	495	495	319	417	-	-
Rengo Packaging Malaysia Sdn. Bhd.	17	17	804	804	201	201	131	160	-	-
Saha Green Forest Co., Ltd.	19	19	190	190	48	48	48	50	-	-
Prepack Thailand Co., Ltd.	-	15	-	367	-	288	-	291	-	-
Other companies			263	263	105	105	-	-	-	-
			2,857	**3,224**	**1,094**	**1,382**	**893**	**1,302**	**9**	**5**
Other										
Siam Kubota Corporation Co., Ltd.	40	40	2,739	2,739	1,120	1,120	13,897	12,120	435	109
Thai Engineering Products Co., Ltd.	30	30	85	85	76	76	1,465	1,430	18	47
Musashi Auto Parts Co., Ltd.	21	21	200	200	42	42	903	853	17	-
Siam AT Industry Co., Ltd.	30	30	240	240	72	72	705	723	24	49
Aisin Takaoka Foundry Bangpakong Co., Ltd.	30	30	475	475	142	142	634	543	40	38
The Nawaloha Industry Co., Ltd.	30	30	300	300	90	90	514	442	13	9
The Siam Nawaloha Foundry Co., Ltd.	25	25	308	308	74	74	370	358	7	11
Lysando AG	20	20	39	39	355	355	319	344	-	-
Muang Thong United Co., Ltd.	30	30	233	120	140	120	108	97	-	-
IT One Co., Ltd.	20	20	80	80	16	16	89	88	56	60
Maxion Wheels (Thailand) Co., Ltd. (Formerly: Siam Lemmerz Co., Ltd.)	30	30	126	126	299	299	29	36	-	-
			4,825	**4,712**	**2,426**	**2,406**	**19,033**	**17,034**	**610**	**323**
Total			**60,595**	**59,937**	**55,213**	**54,757**	**86,163**	**77,309**	**3,344**	**5,345**
Less accumulated impairment loss			-	-	120	-	87	-	-	-
Investment in associates - Net			**60,595**	**59,937**	**55,093**	**54,757**	**86,076**	**77,309**	**3,344**	**5,345**
Joint ventures										
SCG Cement-Building Materials										
Global House International Company Limited	65	-	752	-	376	-	375	-	-	-
SCG Nichirei Logistics Co., Ltd.	51	51	570	570	291	291	267	282	-	-
			1,322	**570**	**667**	**291**	**642**	**282**	**-**	**-**
SCG Chemicals										
Long Son Petrochemicals Co., Ltd.	44	44	4,408	4,408	2,189	2,189	2,083	1,997	-	-
Siam Mitsui PTA Co., Ltd.	50	50	4,800	4,800	2,372	2,372	2,064	2,735	-	-
SMH Co., Ltd.	50	50	60	60	31	31	25	25	-	-
			9,268	**9,268**	**4,592**	**4,592**	**4,172**	**4,757**	**-**	**-**
Investment in joint ventures			**10,590**	**9,838**	**5,259**	**4,883**	**4,814**	**5,039**	**-**	**-**
Total			**71,185**	**69,775**	**60,352**	**59,640**	**90,890**	**82,348**	**3,344**	**5,345**

Immaterial associates and joint ventures

The following is summarized financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

in million Baht

	Immaterial Associates		Immaterial Joint Ventures	
	2015	2014	2015	2014
Carrying amount of interests in immaterial associates and joint ventures	86,076	77,309	4,814	5,039
Group's share of:				
– Profit (loss) for the year	10,133	6,955	160	(847)
– Other comprehensive income for the year	731	(385)	133	(7)
– Total comprehensive income for the year	10,864	6,570	293	(854)

Common stock dividend payments

In the second quarter of 2015, the Annual General Meeting of the Shareholders of Siam Global House Public Company Limited approved dividend payment for the year 2014 of cash dividend and common stock dividend with the date of dividend payment on 8 May 2015. The Group is entitled to receive common stock dividend of 131 million shares at the par value Baht 1 per share, totalling Baht 131 million. Additionally, the Annual General Meeting of the Shareholders of Tien Phong Plastics Joint Stock Company approved dividend payment of cash dividend and common stock dividend with the date of dividend payment on 19 June 2015 and 4 August 2015, respectively. The Group is entitled to receive common stock dividend totalling of 1.34 million shares at the par value VND 10,000 per share, totalling Baht 20 million.

11 Other long-term investments

in million Baht

	Total direct/ indirect holding (%)		Investment		Dividend income	
	2015	2014	2015	2014	2015	2014
At Cost						
SCG Cement-Building Materials						
Asia Cement Public Company Limited	10	10	942	942	82	47
Holcim Cement (Bangladesh) Limited	10	10	375	375	22	18
Finfloor S.p.A.	10	10	299	299	8	9
Other companies			59	59	-	-
			1,675	1,675	112	74
SCG Chemicals						
PT Trans-Pacific Petrochemical Indotama	5	5	2,002	2,002	-	-
PT Trans-Pacific Polyethylene Indonesia *	39	39	184	184	-	-
PT Trans-Pacific Polyethylindo *	39	39	131	131	-	-
PT Trans-Pacific Styrene Indonesia	10	10	31	31	-	-
Econic Technologies Ltd.	6	3	23	23	-	-
PT Trans-Pacific Polypropylene Indonesia	10	10	22	22	-	-
Other companies			29	33	6	7
			2,422	2,426	6	7
* No existence of significant influence						
SCG Packaging			31	31	-	-
Other						
Toyota Motor Thailand Co., Ltd.	10	10	881	881	2,045	3,459
Siam Yamato Steel Co., Ltd.	10	10	484	484	50	30
Siam Toyota Manufacturing Co., Ltd.	4	4	178	178	25	41
Michelin Siam Group Co., Ltd.						
- Cumulative preferred shares	-	10	-	-	-	205
Other companies			14	14	-	-
			1,557	1,557	2,120	3,735
Total			5,685	5,689	2,238	3,816
Less accumulated impairment losses			2,620	2,611	-	-
Net			3,065	3,078	2,238	3,816

The aggregate values of the above investments, based on the latest available audited financial statements as at 31 December 2015 are as follows:

in million Baht

	Cost	Interests in carrying amount	Accumulated impairment losses
Non-marketable securities	5,685	10,471	(2,620)

12 Non-controlling interests

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

		in million Baht
	Rayong Olefins Co., Ltd.	Map Ta Phut Olefins Co., Ltd.
Non-controlling interests at 31 December 2015		
Non-controlling interest percentage	49.46%	45.27%
Current assets	8,664	10,080
Non-current assets	7,510	34,266
Current liabilities	(3,559)	(13,234)
Non-current liabilities	(237)	(7,233)
Net assets	**12,378**	**23,879**
Carrying amount of non-controlling interest	6,122	10,810
For the year ended 31 December 2015		
Revenue	55,655	69,293
Profit for the year	7,373	7,419
Other comprehensive income for the year	(4)	(4)
Total comprehensive income for the year	**7,369**	**7,415**
Profit for the year:		
– Attributable to owners of the parent	3,726	4,060
– Attributable to non-controlling interest	3,647	3,359
Other comprehensive income for the year:		
– Attributable to owners of the parent	(2)	(2)
– Attributable to non-controlling interest	(2)	(2)
	7,369	**7,415**
Cash flows from operating activities	10,748	9,564
Cash flows from investing activities	(14)	(812)
Cash flows from financing activities	(9,503)	(8,755)
Net increase (decrease) in cash and cash equivalents	**1,231**	**(3)**
Dividends to non-controlling interest	**3,104**	**-**

13 Investment properties

			in million Baht
	Land and land improvements	Buildings and structures	Total
Cost			
At 1 January 2014	1,619	496	2,115
Additions	203	32	235
Disposals	(95)	-	(95)
Transfers to property, plant and equipment	(16)	-	(16)
At 31 December 2014	**1,711**	**528**	**2,239**
Additions	147	-	147
Transfers to property, plant and equipment	(88)	-	(88)
Transfers to land development for sales	(431)	-	(431)
At 31 December 2015	**1,339**	**528**	**1,867**
Accumulated depreciation and accumulated impairment losses			
At 1 January 2014	304	276	580
Depreciation charge for the year	-	23	23
At 31 December 2014	**304**	**299**	**603**
Depreciation charge for the year	-	23	23
Impairment losses	1	4	5
At 31 December 2015	**305**	**326**	**631**
Carrying amount			
At 31 December 2014	**1,407**	**229**	**1,636**
At 31 December 2015	**1,034**	**202**	**1,236**

Investment properties were revalued as at 31 December 2015 at open market values on an existing use basis. The fair value was Baht 3,783 million *(2014: Baht 4,118 million)*.

The fair value measurement for investment properties have been categorized as a Level 3 fair value based on the inputs, which are income approach and market approach, to the valuation technique used.

14 Property, plant and equipment

in million Baht

	Land and land improvements	Buildings and structures	Plant, machinery and equipment	Transportation and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
Cost							
At 1 January 2014	23,453	53,696	329,214	5,868	5,968	17,766	435,965
Acquisitions through business combinations	213	91	630	20	9	167	1,130
Additions	2,127	1,364	7,615	359	284	27,658	39,407
Disposals/written off	(202)	(202)	(3,171)	(139)	(134)	(22)	(3,870)
Transfers from investment properties	16	-	-	-	-	-	16
Transfers in (out)	652	2,574	10,499	326	184	(14,779)	(544)
Foreign currency translation differences	(12)	(31)	(211)	5	(4)	33	(220)
At 31 December 2014	**26,247**	**57,492**	**344,576**	**6,439**	**6,307**	**30,823**	**471,884**
Acquisitions through business combinations	129	298	1,741	74	40	13	2,295
Decrease from change in status of subsidiary	(30)	(223)	(1,015)	(3)	(112)	(4)	(1,387)
Additions	975	2,241	8,252	546	306	32,177	44,497
Disposals/written off	(64)	(107)	(3,143)	(183)	(200)	(40)	(3,737)
Transfers from investment properties	88	-	-	-	-	-	88
Transfers in (out)	1,335	4,997	18,023	1,851	317	(26,589)	(66)
Foreign currency translation differences	(23)	252	977	30	9	(4)	1,241
At 31 December 2015	**28,657**	**64,950**	**369,411**	**8,754**	**6,667**	**36,376**	**514,815**

in million Baht

	Land and land improvements	Buildings and structures	Plant, machinery and equipment	Transportation and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
Accumulated depreciation and accumulated impairment losses							
At 1 January 2014	6,940	29,260	206,818	4,373	4,732	-	252,123
Acquisitions through business combinations	-	34	311	8	7	-	360
Depreciation charge for the year	626	2,220	13,649	438	425	-	17,358
Impairment losses (reversal)	-	(28)	89	-	8	-	69
Disposals/written off	(68)	(140)	(2,975)	(118)	(127)	-	(3,428)
Transfers in (out)	(29)	(52)	170	1	(51)	-	39
Foreign currency translation differences	1	(3)	(102)	(2)	(4)	-	(110)
At 31 December 2014	**7,470**	**31,291**	**217,960**	**4,700**	**4,990**	**-**	**266,411**
Acquisitions through business combinations	-	111	722	39	33	-	905
Decrease from change in status of subsidiary	(1)	(185)	(807)	(3)	(90)	-	(1,086)
Depreciation charge for the year	757	2,381	15,691	550	483	-	19,862
Impairment losses (reversal)	-	-	364	-	(7)	-	357
Disposals/written off	(50)	(81)	(2,895)	(157)	(189)	-	(3,372)
Transfers in (out)	83	(77)	(998)	949	(5)	-	(48)
Foreign currency translation differences	35	124	673	18	4	-	854
At 31 December 2015	**8,294**	**33,564**	**230,710**	**6,096**	**5,219**	**-**	**283,883**
Carrying amount							
At 31 December 2014	**18,777**	**26,201**	**126,616**	**1,739**	**1,317**	**30,823**	**205,473**
At 31 December 2015	**20,363**	**31,386**	**138,701**	**2,658**	**1,448**	**36,376**	**230,932**

The gross carrying amount of fully depreciated property, plant and equipment that is still in use as at 31 December 2015 amounted to Baht 153,263 million *(2014: Baht 135,419 million)*.

In 2015, capitalized borrowing costs relating to the acquisition of the property, plant and equipment were capitalized as part of the cost of construction in progress, amounting to Baht 281 million *(2014: Baht 309 million)*, rates of interest capitalized at 1.70% - 4.85% per annum *(2014: 1.10% - 5.00% per annum)*.

As at 31 December 2015, the cost of machinery and equipment held under finance leases was Baht 1,208 million *(2014: Baht 875 million)* and has carrying amount of Baht 949 million *(2014: Baht 796 million)*.

15 Goodwill and intangible assets

in million Baht

	Goodwill	Software licenses & license fees	Development cost	Other	Total
Cost					
At 1 January 2014	10,300	5,728	1,616	2,966	20,610
Acquisitions through business combinations	506	15	-	103	624
Additions	-	267	861	170	1,298
Disposals/written off	-	(27)	-	-	(27)
Transfers in (out)	-	939	(928)	71	82
Foreign currency translation differences	(7)	(1)	-	-	(8)
At 31 December 2014	**10,799**	**6,921**	**1,549**	**3,310**	**22,579**
Acquisitions through business combinations	976	11	-	-	987
Additions	-	781	324	424	1,529
Disposals/written off	-	(88)	(8)	(20)	(116)
Transfers in (out)	-	885	(1,099)	61	(153)
Foreign currency translation differences	161	-	-	-	161
At 31 December 2015	**11,936**	**8,510**	**766**	**3,775**	**24,987**
Accumulated amortization					
At 1 January 2014	-	3,505	-	465	3,970
Amortization charge for the year	-	530	-	123	653
Disposals/written off	-	(23)	-	-	(23)
Transfers in (out)	-	(1)	-	12	11
At 31 December 2014	**-**	**4,011**	**-**	**600**	**4,611**
Acquisitions through business combinations	-	2	-	-	2
Amortization charge for the year	-	646	-	211	857
Impairment losses	412	4	-	-	416
Disposals/written off	-	(67)	-	(2)	(69)
Transfers in (out)	-	(7)	-	(13)	(20)
At 31 December 2015	**412**	**4,589**	**-**	**796**	**5,797**
Carrying amount					
At 31 December 2014	**10,799**	**2,910**	**1,549**	**2,710**	**17,968**
At 31 December 2015	**11,524**	**3,921**	**766**	**2,979**	**19,190**

In the second quarter of 2015, the Group has recognized the impairment loss on goodwill of an investment in a subsidiary of SCG Chemicals of Baht 412 million, which is presented under the caption of "Administrative expenses" in the consolidated income statement.

For the purpose of impairment testing, the recoverable amount of goodwill was based on its value in use and was determined by discounting the future cash flows for the period of five years using weighted average cost of capital of the Group.

16 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statement of financial position as follows:

in million Baht

	2015	2014
Deferred tax assets	2,767	4,261
Deferred tax liabilities	(2,125)	(2,366)
Net	**642**	**1,895**

Movements in total deferred tax assets and liabilities during the years were as follows:

in million Baht

	At 1 January 2014	Credited (charged) to profit or loss (note 31)	Credited (charged) to other comprehensive income (note 31)	Increase through business combinations	Translation differences	At 31 December 2014
Deferred tax assets						
Investments	182	(50)	-	-	-	132
Property, plant and equipment	323	2	-	1	-	326
Employee benefit obligations	1,204	73	(8)	2	(4)	1,267
Loss carry forward	3,393	(416)	-	10	-	2,987
Other	745	22	-	-	(3)	764
Total	**5,847**	**(369)**	**(8)**	**13**	**(7)**	**5,476**
Deferred tax liabilities						
Available-for-sale investments	(793)	-	412	-	-	(381)
Property, plant and equipment	(3,110)	260	-	(81)	11	(2,920)
Other	(125)	(139)	-	(7)	(9)	(280)
Total	**(4,028)**	**121**	**412**	**(88)**	**2**	**(3,581)**
Net	**1,819**	**(248)**	**404**	**(75)**	**(5)**	**1,895**

in million Baht

	At 1 January 2015	Credited (charged) to profit or loss (note 31)	Credited (charged) to other comprehensive income (note 31)	Increase through business combinations	Translation differences	At 31 December 2015
Deferred tax assets						
Investments	132	14	-	-	-	146
Property, plant and equipment	326	(33)	-	-	-	293
Employee benefit obligations	1,267	41	35	4	4	1,351
Loss carry forward	2,987	(1,566)	-	5	2	1,428
Other	764	(193)	(2)	(10)	2	561
Total	**5,476**	**(1,737)**	**33**	**(1)**	**8**	**3,779**
Deferred tax liabilities						
Available-for-sale investments	(381)	(36)	18	-	-	(399)
Property, plant and equipment	(2,920)	566	-	(143)	2	(2,495)
Other	(280)	22	-	13	2	(243)
Total	**(3,581)**	**552**	**18**	**(130)**	**4**	**(3,137)**
Net	**1,895**	**(1,185)**	**51**	**(131)**	**12**	**642**

The deductible temporary differences and unused tax losses that have not been recognized as deferred tax assets (liabilities) are as the following items:

in million Baht

	2015	2014
Deductible temporary differences		
- Inventories	145	574
- Property, plant and equipment	468	362
- Employee benefit obligations	209	177
- Other	145	169
Unused tax losses	31,581	29,570
Total	**32,548**	**30,852**

The deductible temporary differences do not expire under current tax legislation and the tax losses which would be expired within 2023. The Group has not recognized these items in deferred tax assets.

As at 31 December 2015 and 2014, no deferred tax liability has been recognized in respect of temporary differences associated with investments in subsidiaries and joint ventures, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such difference will not reverse in the foreseeable future.

17 Other non-current assets

in million Baht

	2015	2014
Land prepayments	1,123	1,055
Factory prepayments	736	675
Land and assets not used in operations	618	630
Other prepayment	379	404
Recoverable tax	223	200
Other	1,148	1,758
Total	**4,227**	**4,722**
Less accumulated impairment losses	201	201
Net	**4,026**	**4,521**

18 Bank overdrafts and short-term loans from financial institutions

in million Baht

	2015	2014
Promissory notes	13,883	10,573
Loans	2,123	1,787
Bank overdrafts and others	186	149
Total	**16,192**	**12,509**

The Group has overdraft lines with several banks amounting to approximately Baht 5,700 million in 2015 *(2014: Baht 5,700 million).*

19 Long-term debts

in million Baht

	2015	2014
Current		
- Unsecured		
Current portion of long-term debts	6,878	8,115
Current portion of finance lease liabilities	57	24
	6,935	**8,139**
Non-current		
- Unsecured		
Long-term debts	13,246	24,147
Finance lease liabilities	104	72
	13,350	**24,219**
Total	**20,285**	**32,358**

The currency denomination of interest-bearing debts is as follows:

	2015	2014
		in million Baht
Thai Baht	12,051	23,157
US Dollars	7,317	8,051
Euro	429	652
Peso	283	377
Other	205	121
Total	**20,285**	**32,358**

In 2015, the Group has drawn down under the loan agreements made equivalent to Baht 2,995 million *(2014: Baht 8,590 million)*. In addition, the Group has repaid long-term loans of Baht 7,298 million to certain local financial institutions before their maturity date of the loan agreement. The average interest rates are 0.69% - 7.42% per annum *(2014: 0.62% - 6.26% per annum)*.

In addition, in the fourth quarter of 2015, a subsidiary entered into the long-term loan agreements with 3 commercial banks in Vietnam amounting to Vietnamese Dong 1,220 billion, equivalent to Baht 1,952 million, which has not been yet drawn down. The interest rates are at cost of fund period of 3 - 6 months plus 0.50% - 0.80% per annum and repayment schedules are semi-annually, with the first repayment is after 18 months from the first drawn down date.

As at 31 December 2015, the Group has undrawn down totalling equivalent to Baht 2,981 million.

The average interest rate of long-term debts in foreign currency is approximately 1.08 % per annum in 2015 *(2014: 0.92% per annum)*. The Group has mainly entered into various forward foreign exchange contracts and interest rate swap agreements to hedge the foreign exchange rate and interest rate risks as discussed in note 35.

The interest-bearing debts, excluding finance lease liabilities, can be classified by periods to maturity as follows:

	2015	2014
		in million Baht
Within 1 year	6,878	8,115
After 1 year but within 5 years	13,014	21,993
After 5 years	232	2,154
Total	**20,124**	**32,262**

Finance lease liabilities

Subsidiaries entered into leased machinery and equipment agreements. Lease terms are for a period of 3 - 9 years. Finance lease liabilities as at 31 December are as follows:

	Principal	Interest	Payments
			in million Baht
Year 2015			
Within 1 year	57	1	58
After 1 year but within 5 years	97	2	99
After 5 years	7	-	7
Total	**161**	**3**	**164**
Year 2014			
Within 1 year	24	4	28
After 1 year but within 5 years	61	7	68
After 5 years	11	1	12
Total	**96**	**12**	**108**

20 Debentures

As at 31 December 2015, the Company had issued unsubordinated and unsecured debentures totalling Baht 166,500 million *(2014: Baht 151,500 million)* as follows:

Debentures No.	in million Baht 2015	in million Baht 2014	Interest Rate (% p.a.)	Term	Maturity Date	Fair Value * 2015	Fair Value * 2014
Debentures - The Siam Cement Public Company Limited							
1/2011	-	15,000	4.00	4 years	1 April 2015	-	1,003
2/2011	-	10,000	4.50	4 years	1 November 2015	-	1,031
1/2012	25,000	25,000	4.15	4 years	1 April 2016	1,006	1,029
2/2012	25,000	25,000	4.15	4 years	1 November 2016	1,026	1,031
3/2012	6,500	6,500	4.40	7 years	12 October 2019	1,081	1,047
1/2013	25,000	25,000	4.00	4 years	1 April 2017	1,027	1,037
2/2013	20,000	20,000	4.25	4 years	1 October 2017	1,040	1,041
1/2014	15,000	15,000	4.00	4 years	1 April 2018	1,045	1,042
2/2014	10,000	10,000	3.90	4 years	1 October 2018	1,059	1,023
1/2015	15,000	-	3.75	3 years	1 April 2018	1,039	-
1/2015	15,000	-	3.90	4 years	1 April 2019	1,047	-
2/2015	10,000	-	3.40	4 years	1 November 2019	1,029	-
Total	166,500	151,500					
Less Debentures held by subsidiaries	394	408					
Net	**166,106**	**151,092**					
Less Current portion	49,904	24,885					
Net	**116,202**	**126,207**					

* Latest price (Baht per unit: 1 unit = Baht 1,000) as at 31 December 2015 and 2014.

At the Annual General Meeting of the Shareholders of the Company held on 25 March 2015, the shareholders resolved to increase another Baht 50,000 million to be the ceiling of the issuance and offering of debentures, totalling Baht 250,000 million.

The Group determined Level 2 fair values for simple over-the-counter financial assets based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

21 Employee benefit obligations

The Group operates post-employment benefits and pension plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Employee benefit obligations in consolidated statements of financial position as at 31 December

		in million Baht
	2015	2014
Post-employment benefits		
Legal severance payments plan	5,986	5,456
Pension	101	60
Other long-term employee benefits	512	701
Other employee benefits	172	192
Total	**6,771**	**6,409**
Less plan assets of foreign subsidiaries	81	78
Net	**6,690**	**6,331**

Movements in the present value of the defined benefit obligations

		in million Baht
	2015	2014
Defined benefit obligations at 1 January	6,217	5,913
Included in profit or loss		
Current service costs	458	429
Interest on obligation	230	226
Actuarial gains	(226)	(15)
	462	**640**
Included in other comprehensive income		
Actuarial losses (gains)	203	(100)
Foreign currency translation differences	(15)	(8)
	188	**(108)**
Other		
Benefits paid	(300)	(250)
Acquisitions through business combinations	15	22
Transferred from other employee benefits	17	-
	(268)	**(228)**
Defined benefit obligations at 31 December	**6,599**	**6,217**

Movements in the fair value of plan assets of foreign subsidiaries

		in million Baht
	2015	2014
Plan assets at 1 January	78	62
Contributions paid into the plan	6	23
Benefits paid	(3)	(7)
Plan assets at 31 December	**81**	**78**

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	in million Baht
For the years ended 31 December 2015	
Demographic assumptions	(724)
Financial assumptions	244
Experience adjustment	683
Total	**203**

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period

		%
	2015	2014
For the years ended 31 December		
Discount rate *		
- Thailand	2.62 - 3.73	3.50 - 4.58
- Vietnam	6.55 - 6.90	10.50
- Indonesia	8.50 - 9.20	7.50 - 9.00
- Other	4.67 - 5.90	5.10 - 5.75
Salary increase rate	3.00 - 9.00	3.00 - 8.70
Employee turnover rate **	1.00 - 35.00	0.50 - 20.00
Mortality rate ***	25.00, 30.00, 50.00, 100.00 of TMO2008	25.00, 30.00, 50.00 of TMO2008

* Market yields on government bonds for legal severance payments plan and pension

** Upon the length of service

*** Reference from TMO2008: Thai Mortality Ordinary Table 2008

Sensitivity analysis

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

Effect on the defined benefit plans at 31 December 2015

	in million Baht
	Increase (decrease)
Discount rate	
0.5% increase	(333)
0.5% decrease	364
Salary increase rate	
1.0% increase	736
1.0% decrease	(630)
Employee turnover rate	
10.0% increase	(201)
10.0% decrease	212

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Plan assets of foreign subsidiaries		%
	2015	2014
For the years ended 31 December		
Discount rate	4.67 - 5.90	5.10 - 5.75

22 Other non-current liabilities

	in million Baht	
	2015	2014
Deferred revenue	293	415
Accrued dividend and interest of debentures	143	163
Provision for share certificates compensation case	-	349
Other	855	938
Total	1,291	1,865

23 Share capital

		in million shares / million Baht			
	Par	2015		2014	
	Value (in Baht)	Number of shares	Value	Number of shares	Value
Authorized					
At 1 January					
- ordinary shares	1	1,600	1,600	1,600	1,600
At 31 December					
- ordinary shares	1	1,600	1,600	1,600	1,600
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,200	1,200	1,200	1,200
At 31 December					
- ordinary shares	1	1,200	1,200	1,200	1,200

24 Reserves and other components of shareholders' equity

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Fair value changes in available-for-sale investments

Fair value changes in available-for-sale investments recognized in equity relate to cumulative net changes in the fair value of available-for-sale investments until the investments are derecognized.

25 Business segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

SCG Cement-Building Materials	Manufacture and sale of grey cement, ready-mixed concrete, white cement, dry mortar, roof tiles, concrete paving blocks, ceramic tiles, sanitary wares and sanitary fittings. Distribution of cement, building and decorative products of the Group companies through distributors, as well as importing fuel products, waste paper and scrap iron.
SCG Chemicals	Manufacture and sale of olefins, polyolefins and other chemical products.
SCG Packaging *	Manufacture and sale of pulp, printing and writing paper, gypsum linerboard, kraft paper and corrugated boxes.
Other	Jointly invest with leading companies in other businesses, mainly agricultural machine, automotive parts and components and steel, as well as other services.

* The business name of SCG Paper was changed to SCG Packaging to reflect the business's strategic focus towards packaging products, with the aim of providing total and sustainable packaging solutions for its customers.

The segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

Information relating to business segments for the years ended 31 December was as follows:

in million Baht

	Total assets		Revenue from sales		EBITDA (1)	
	2015	2014	2015	2014	2015	2014
Consolidated SCG	509,981	465,823	439,614	487,545	82,690	66,493
Business Segments						
SCG Cement-Building Materials	187,976	168,662	178,988	185,423	24,395	26,683
SCG Chemicals	185,583	183,884	200,433	248,118	42,900	26,142
SCG Packaging	83,218	73,987	70,907	64,614	10,831	9,718
Other	281,443	260,437	83	86	4,683	4,083

in million Baht

	Profit for the year (2)		Depreciation and amortization	
	2015	2014	2015	2014
Consolidated SCG	45,400	33,615	20,770	18,062
Business Segments				
SCG Cement-Building Materials	10,250	13,180	9,162	7,655
SCG Chemicals	28,488	12,461	6,135	5,779
SCG Packaging	3,463	3,448	4,852	4,153
Other	3,457	4,829	621	475

(1) Represents profit before share of profit of associates and joint ventures, finance costs, income tax, depreciation and amortization and includes dividends from associates.

(2) Represents profit for the year attributable to owners of the parent.

Operating results of business segments

in million Baht

	SCG Cement-Building Materials		SCG Chemicals		SCG Packaging	
	2015	2014	2015	2014	2015	2014
Information from statements of financial position						
Current assets	56,348	53,566	45,769	47,070	24,295	22,969
Investments in associates and joint ventures	13,607	13,020	57,464	51,006	893	1,302
Other long-term investments	1,467	1,481	3,822	3,917	17	17
Property, plant and equipment	100,191	84,662	74,361	75,126	54,105	47,506
Other non-current assets	16,363	15,933	4,167	6,765	3,908	2,193
Total assets	187,976	168,662	185,583	183,884	83,218	73,987
Short-term loans	74,741	56,714	41,926	53,532	21,630	15,197
Other current liabilities	23,427	22,371	23,198	21,800	7,527	6,640
Long-term loans	2,074	1,498	12,229	21,758	3,986	5,900
Other non-current liabilities	5,000	5,354	2,465	2,043	1,749	1,413
Total liabilities	105,242	85,937	79,818	99,133	34,892	29,150
Shareholders' equity	82,734	82,725	105,765	84,751	48,326	44,837
Total liabilities and shareholders' equity	187,976	168,662	185,583	183,884	83,218	73,987
Supplementary information						
Increase in non-current assets	29,362	24,539	5,597	5,059	13,526	11,910

in million Baht

	Other		Intersegment Elimination		Consolidated SCG	
	2015	2014	2015	2014	2015	2014
Information from statements of financial position						
Current assets	148,068	130,249	(126,084)	(115,856)	148,396	137,998
Investments in associates and joint ventures	18,947	17,034	(21)	(13)	90,890	82,349
Other long-term investments	105,335	104,300	(98,259)	(98,252)	12,382	11,463
Property, plant and equipment	3,416	3,342	(1,141)	(5,163)	230,932	205,473
Other non-current assets	5,677	5,512	(2,734)	(1,863)	27,381	28,540
Total assets	281,443	260,437	(228,239)	(221,147)	509,981	465,823
Short-term loans	50,051	24,887	(115,136)	(104,707)	73,212	45,623
Other current liabilities	3,271	2,605	(3,318)	(3,521)	54,105	49,895
Long-term loans	116,213	126,220	(4,950)	(4,950)	129,552	150,426
Other non-current liabilities	2,058	2,163	(1,166)	(411)	10,106	10,562
Total liabilities	171,593	155,875	(124,570)	(113,589)	266,975	256,506
Shareholders' equity	109,850	104,562	(103,669)	(107,558)	243,006	209,317
Total liabilities and shareholders' equity	281,443	260,437	(228,239)	(221,147)	509,981	465,823
Supplementary information						
Increase in non-current assets	1,071	1,239	(93)	(253)	49,463	42,494

in million Baht

	SCG Cement-Building Materials		SCG Chemicals		SCG Packaging	
	2015	2014	2015	2014	2015	2014
Information from income statements						
Revenue from sales						
External customers	170,696	177,226	199,690	247,248	69,145	62,985
Intersegment	8,292	8,197	743	870	1,762	1,629
Total revenue from sales	178,988	185,423	200,433	248,118	70,907	64,614
Cost of sales	(137,970)	(141,402)	(156,062)	(225,914)	(58,237)	(52,768)
Gross profit	41,018	44,021	44,371	22,204	12,670	11,846
Other income	1,897	1,808	1,522	2,127	691	493
Profit before expenses	42,915	45,829	45,893	24,331	13,361	12,339
Operating expenses	(28,058)	(27,077)	(11,477)	(8,709)	(7,391)	(6,779)
Profit before finance costs and income tax expense	14,857	18,752	34,416	15,622	5,970	5,560
Finance costs	(2,278)	(2,086)	(2,894)	(2,763)	(1,210)	(821)
Profit before income tax expense	12,579	16,666	31,522	12,859	4,760	4,739
Income tax expense	(2,250)	(3,230)	(3,274)	(1,236)	(587)	(682)
Profit after income tax expense	10,329	13,436	28,248	11,623	4,173	4,057
Share of profit (loss) of associates and joint ventures	604	539	7,199	2,795	(91)	(66)
Profit for the year	**10,933**	**13,975**	**35,447**	**14,418**	**4,082**	**3,991**
Profit attributable to:						
Owners of the parent	**10,250**	**13,180**	**28,488**	**12,461**	**3,463**	**3,448**
Non-controlling interests	683	795	6,959	1,957	619	543
	10,933	13,975	35,447	14,418	4,082	3,991

in million Baht

	Other		Intersegment Elimination		Consolidated SCG	
	2015	2014	2015	2014	2015	2014
Information from income statements						
Revenue from sales						
External customers	83	86	-	-	439,614	487,545
Intersegment	-	-	(10,797)	(10,696)	-	-
Total revenue from sales	83	86	(10,797)	(10,696)	439,614	487,545
Cost of sales	(11)	(12)	10,769	10,665	(341,511)	(409,431)
Gross profit	72	74	(28)	(31)	98,103	78,114
Other income	6,308	5,783	(284)	(287)	10,134	9,924
Profit before expenses	6,380	5,857	(312)	(318)	108,237	88,038
Operating expenses	(2,928)	(2,572)	193	185	(49,661)	(44,952)
Profit before finance costs and income tax expense	3,452	3,285	(119)	(133)	58,576	43,086
Finance costs	(2,806)	(1,735)	112	139	(9,076)	(7,266)
Profit before income tax expense	646	1,550	(7)	6	49,500	35,820
Income tax benefit (expense)	226	431	(192)	(251)	(6,077)	(4,968)
Profit after income tax expense	872	1,981	(199)	(245)	43,423	30,852
Share of profit of associates and joint ventures	2,586	2,848	(5)	(8)	10,293	6,108
Profit for the year	**3,458**	**4,829**	**(204)**	**(253)**	**53,716**	**36,960**
Profit attributable to:						
Owners of the parent	**3,457**	**4,829**	**(258)**	**(303)**	**45,400**	**33,615**
Non-controlling interests	1	-	54	50	8,316	3,345
	3,458	4,829	(204)	(253)	53,716	36,960

Geographical segment

The Group has expanded its investment and operating in foreign countries. All significant revenue from sales and non-current assets on the basis of geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical segment information

in million Baht

	Revenue from sales		Non-current assets	
	2015	2014	2015	2014
Thailand	264,963	298,857	196,502	186,173
Vietnam	30,802	28,128	14,925	12,570
China	29,570	33,437	-	-
Indonesia	26,464	28,889	18,000	13,407
Other	87,815	98,234	21,931	12,928
Total	**439,614**	**487,545**	**251,358**	**225,078**

Major customer

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

26 Other income

	in million Baht	
	2015	2014
Dividend income from other companies	2,427	4,054
Gain from sales of investments and others	2,278	34
Management fee income	2,157	2,143
Interest income from financial institutions	917	765
Gain on disposals of scrap and others	602	712
Rental income and royalty fee income	194	196
Income from penalty/delay payment	87	83
Other	1,472	1,937
Total	**10,134**	**9,924**

27 Selling expenses

	in million Baht	
	2015	2014
Freight, sales promotion and advertising expenses	16,106	15,998
Other	1,565	1,315
Total	**17,671**	**17,313**

28 Administrative expenses

	in million Baht	
	2015	2014
Salary, welfare and personnel expenses	21,214	18,862
Outside wages	1,721	1,509
Depreciation and amortization expenses	1,599	1,314
Supplies, repair and maintenance	1,112	1,018
Publication and donation	1,010	1,036
Professional fees	956	1,130
Impairment loss on goodwill, investments and assets	905	154
Tax, license fees and others	761	691
Research and development	539	368
Loss from financial instruments	464	145
Communication and transportation	279	281
Interest cost of employee benefits	230	224
Utility expenses	220	224
Cost of business acquisition	6	21
Provision for share certificates compensation case	-	42
Other	974	620
Total	**31,990**	**27,639**

29 Employee benefit expenses

	in million Baht	
	2015	2014
Salaries and wages	33,486	29,146
Welfares and others	4,289	3,926
Contribution to defined contribution plans	1,883	1,605
Contribution to defined benefit plans	462	638
Early retirement expenses	52	41
Total	**40,172**	**35,356**

The Group has provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits made solely by the Group are payable to the employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 13% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

30 Finance costs

		in million Baht	
	Note	2015	2014
Interest - Thai Baht loans		7,763	7,490
Interest - Foreign loans		807	714
Interest - Provident funds		13	14
Loss (gain) on exchange rate		774	(643)
		9,357	**7,575**
Capitalized as cost of construction in progress	14	(281)	(309)
Net		**9,076**	**7,266**

31 Income tax

Income tax recognized in profit or loss

		in million Baht	
	Note	2015	2014
Current tax			
Current tax		4,885	4,745
Under (over) provided in prior years		7	(25)
		4,892	**4,720**
Deferred tax			
Movement in temporary differences	16	1,185	248
Total		**6,077**	**4,968**

Income tax recognized in other comprehensive income

	Note	2015	2014
		in million Baht	
Actuarial losses		(40)	-
Losses on remeasuring available-for-sale investments		(18)	(412)
Total	16	**(58)**	**(412)**

Reconciliation of effective tax rate

	2015		2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		59,793		41,928
Share of profit of associates and joint ventures		(10,293)		(6,108)
		49,500		35,820
Income tax using the Thai corporation tax rate	20	9,900	20	7,164
Tax rates in foreign jurisdictions		(51)		7
Income not subject to tax		(507)		(771)
Tax privileges		(3,902)		(1,445)
Expenses deductible at a greater amount		(233)		(160)
Expenses not deductible for tax purposes and others		741		363
Tax losses		(1,063)		(413)
Current tax		**4,885**		**4,745**
Under (over) provided in prior years		7		(25)
Movement in temporary differences		1,185		248
Income tax expense	**12**	**6,077**	**14**	**4,968**

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% of net taxable profit for the accounting period which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2015 and 2014 based upon FAP's clarification of reduction in the corporate income tax rate in 2012. On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

32 Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December was based on the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the years as follows:

	2015	2014
	in million Baht / million shares	
Profit for the year attributable to owners of the parent	45,400	33,615
Weighted average number of ordinary shares outstanding	1,200	1,200
Basic earnings per share (in Baht)	**37.83**	**28.01**

33 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 26 March 2014, the shareholders resolved to declare total dividends for the year 2013 at Baht 15.50 per share, totalling approximately Baht 18,600 million. The interim dividend was paid twice at the amount of Baht 8.50 per share to the shareholders entitled to receive the dividends. The interim dividend for the first half of 2013 at Baht 5.50 per share, totalling Baht 6,569 million, was paid on 29 August 2013 and the interim dividend for SCG 100th Anniversary at Baht 3.00 per share, totalling Baht 3,584 million, was paid on 28 November 2013. The final dividend was paid at the amount of Baht 7.00 per share to the shareholders entitled to receive the dividends, totalling Baht 8,374 million, and was paid on 24 April 2014.

At the Annual General Meeting of the Shareholders of the Company held on 25 March 2015, the shareholders resolved to declare total dividends for the year 2014 at Baht 12.50 per share, totalling approximately Baht 15,000 million. The interim dividend was paid at the amount of Baht 5.50 per share to the shareholders entitled to receive the dividends, totalling Baht 6,581 million, and was paid on 28 August 2014. The final dividend was paid at the amount of Baht 7.00 per share to the shareholders entitled to receive the dividends, totalling Baht 8,368 million, and was paid on 23 April 2015.

At the Board of Directors' Meeting of the Company held on 29 July 2015, the directors approved to pay interim dividend for the year 2015 at Baht 7.50 per share to the shareholders entitled to receive dividends, totalling Baht 8,982 million and was paid on 27 August 2015.

34 Agreements

As at 31 December, the Group had:

a) Certain subsidiaries have entered into agreements with several foreign companies for the latter to provide technical information, technical know-how and technical assistance to manufacture licensed products. As at 31 December 2015, the subsidiaries are committed to pay technical know-how fees for a lump sum amount, and royalty fees based on a percentage of net sales of products as indicated in the agreements.

b) Certain subsidiaries have entered into various different long-term agreements with local and foreign companies in order to purchase raw materials, receive services, lease assets, acquire assets, and construct plants and other assets. Additionally, the Group has obtained concession licenses from the government and has to comply with conditions specified in the applicable laws.

35 Financial instruments

Liquidity risk

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

Credit risk

Credit risk arises from the possibility that customers may not be able to settle obligations to the Group as per contracts which may cause financial loss. The Group has a policy to protect this risk by assessing the credit of customers, defining the credit limit, asking for bank guarantees and/or personnel guarantees, credit terms, controlling credit utilization and reviewing collections. Fair value of receivables which is presented in the statement of financial position is the balances net of allowance for doubtful accounts.

Interest rate risk

Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Group manages debts by using both fixed interest rates and floating interest rates, depending on the market circumstances.

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivables mature were as follows:

Loans receivable

					in million Baht
	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Year 2015					
Current					
Short-term loans	4.25 - 4.50	125	-	-	125
Non-current					
Long-term loans	2.00	-	-	160	160
Total		125	-	160	285
Year 2014					
Current					
Short-term loans	4.75 - 10.00 LIBOR3M plus 2.15	115	-	-	115
Non-current					
Long-term loans	2.00	-	-	149	149
Total		115	-	149	264

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

Financial liabilities

					in million Baht
	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Year 2015					
Current					
Bank overdrafts and short-term loans from financial institutions	1.30 - 7.38 MOR / MMR	16,192	-	-	16,192
Short-term loans	0.50 - 2.56	182	-	-	182
Long-term loans from financial institutions	2.00 - 7.42 MLR minus (2.35 - 2.50) LIBOR plus (0.36 - 0.70) EURIBOR plus 0.65 THBFIX plus 1.30	6,878	-	-	6,878
Finance lease liabilities	2.30 - 11.70	57	-	-	57
Debentures	4.15	49,904	-	-	49,904
Non-current					
Long-term loans from financial institutions	2.00 - 7.42 MLR minus (2.125 - 2.50) LIBOR plus 0.70 EURIBOR plus 0.65	-	13,014	232	13,246
Finance lease liabilities	2.30 - 11.70	-	104	-	104
Debentures	3.40 - 4.40	-	116,202	-	116,202
Total		73,213	129,320	232	202,765

	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
					in million Baht
Year 2014					
Current					
Bank overdrafts and	2.05 - 8.25	12,509	-	-	12,509
short-term loans	MOR / MMR				
from financial institutions	LIBOR plus 3.00				
Short-term loans	0.50	90	-	-	90
Long-term loans	2.00 - 7.42	8,115	-	-	8,115
from financial institutions	MLR minus (1.75 - 2.50)				
	LIBOR plus (0.1775 - 1.00)				
	EURIBOR plus 0.65				
	THBFIX plus 1.30				
Finance lease liabilities	3.50 - 8.57	24	-	-	24
Debentures	4.00 - 4.50	24,885	-	-	24,885
Non-current					
Long-term loans	2.00 - 7.42	-	21,993	2,154	24,147
from financial institutions	MLR minus (1.00 - 2.50)				
	LIBOR plus (0.325 - 0.70)				
	EURIBOR plus 0.65				
	THBFIX plus 1.30				
Finance lease liabilities	3.50 - 8.57	-	72	-	72
Debentures	3.90 - 4.40	-	126,207	-	126,207
Total		45,623	148,272	2,154	196,049

Foreign exchange risk

Foreign exchange risk arises from the fluctuation of foreign exchange rates.

As at 31 December, the Group's foreign currency interest-bearing financial liabilities are as follows:

	Current		Non-current		Total	
	2015	2014	2015	2014	2015	2014
						in million Baht
US Dollars	1,931	2,107	5,705	6,354	7,636	8,461
Peso	600	457	122	219	722	676
Dong	528	620	81	-	609	620
Euro	220	217	215	435	435	652
Yen	17	12	47	98	64	110
Other	65	92	5	8	70	100
Total	3,361	3,505	6,175	7,114	9,536	10,619

The Group uses derivative financial instruments to manage its risk on foreign debts. This is in compliance with the policy and guidelines agreed and approved by the Board of Directors of the Company, and there are controls on operating procedures for compliance with the policy.

The financial derivatives utilized are forward exchange contract, cross currency swap and interest rate swap to hedge the foreign exchange rate and interest rate risks of short-term and long-term loans as discussed in note 36. Furthermore, the Group also has adequate export and other income in foreign currencies to reduce the impact of exchange rate fluctuations.

Fair values of financial assets and liabilities

The fair value of current portion of financial assets and liabilities are taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

The fair value of long-term loans and borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

Other financial assets and liabilities not stated above had the fair and carrying value at 31 December 2015 as following:

	Contract amount	Fair value Level 2
		in million Baht
Current		
Current portion of long-term loans	6,878	7,058
Forward exchange contracts *		
Forward receivable	10,787	10,906
Forward payable	5,722	5,792
Cross currency swap *		
Swap loans	1,401	1,641
Commodity contracts *	451	462
Non-current		
Long-term loans	13,246	13,113
Cross currency swap *		
Swap loans	3,799	4,468

* The fair values of forward exchange contracts, cross currency swap, and commodity contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

The Group determines Level 2 fair values for debt securities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

36 Commitments and contingent liabilities

As at 31 December, the Group had:

	in million Baht	
	2015	2014
a) Guarantees on loans of non-consolidated related parties	1,587	990
b) Bank guarantees issued by banks to government, state enterprises and private sectors	1,682	1,675
c) Unused letters of credit	1,302	1,104
d) Commitments		
- for purchase of raw material contracts	70,409	96,656
- for rental and service agreements	3,805	3,835
- for purchasing land, construction and installation of machinery and implementation project	16,479	27,446

Commitment for construction and installation of machinery included construction plant in Indonesia, Myanmar and Laos amounted to US Dollars 462 million, equivalent to Baht 16,908 million for the entire project. However, as at 31 December 2015, there has been construction cost occurred totalling US Dollars 326 million, equivalent to Baht 11,996 million *(2014: US Dollars 233 million, equivalent to Baht 7,675 million)*.

e) Contingent liability for the assessment and others amounted to Baht 131 million (the cases are under the consideration of the Courts) *(2014: Baht 131 million)*, and receiving the notice to adjust net tax losses from the Revenue Department (the cases are under the consideration of the Board of Appeal) of subsidiaries, of which the outcome is uncertain, the Group has not yet recorded such contingent liability in the consolidated financial statements.

f) In the first quarter of 2009, the Company lodged a complaint with the police officers against an ex-employee for the theft (form of ordinary share certificate) and the forgery of 672,000 Company's ordinary share certificates. In the second quarter of 2009, the Company was notified by the Civil Court that the heirs and the estate administrator of the shareholder whose shares were forged ("Plaintiff") filed a civil lawsuit against the Company and relevant individuals and juristic persons for compensation. At present, the case has reached the final judgment. The summary of judgments rendered by each court is as below.

In the fourth quarter of 2011, the Civil Court had the judgment that the ex-employee committed a tort against the Plaintiff and ordered him to return the shares or pay the cash for shares prices together with interest until fully paid, and the dividend which the Plaintiff should have received. In addition, the court also decided that the Company, as the employer, shall be jointly liable to the Plaintiff. The Company and the Plaintiff had each appealed the judgment of the Civil Court to the Appeal Court.

On 29 April 2014, the Appeal Court has made a decision on the case, ordering (i) the ex-employee who committed a tort to return shares of the Company to the Plaintiff or to pay the Plaintiff the share price at the last trading price of the Company's shares on the date of payment, which shall not be less than Baht 314.38 per share, together with dividends and an interest until the date of payment, and (ii) the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly responsible with the ex-employee. On 23 July 2014, the Company has appealed the judgment of the Appeal Court to the Supreme Court and lodged amendment of the Plaintiff's appellate motion to the Supreme Court on 30 September 2014.

On 22 December 2015, the Supreme Court has upheld the judgment of the Appeal Court. Therefore, the Company has recorded the provision for compensation for the amount which the Company is expected to be liable, in the statement of financial position as at 31 December 2015 of Baht 201 million *(2014: Baht 349 million)*.

On 21 January 2016, the Company has fully made compensation to the Plaintiff according to the judgment by return of the shares with the ordinary share certificates and payment of (i) the dividend from the shares prior to the commencement of a civil lawsuit with interest thereon; (ii) the dividend from the shares from and after the commencement of a civil lawsuit with interest thereon; and (iii) any costs and expenses paid for court procedure, accounting for Baht 319 million in total. The Company is presently preparing to file a civil lawsuit against all relevant persons for recourse.

g) The Group had entered into forward contracts and swap contracts with several local and foreign banks to hedge against the risk from foreign investment, payment of borrowings, payment for goods, machinery and equipment purchased, and money received from sales of goods. The details of the contracts are as follows:

	in million / in million Baht			
	Contract amount - Swap Loan			
	Currency		Equivalent to Baht	
	2015	2014	2015	2014
US Dollars	175	226	5,200	6,729

The above contracts will be gradually due within April 2020 *(2014: due within April 2020)*.

	in million / in million Baht							
	Contract amount							
	Forward Receivable				Forward Payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2015	2014	2015	2014	2015	2014	2015	2014
US Dollars	269	497	9,657	16,408	117	176	4,187	5,814
Euro	19	6	749	239	33	61	1,324	2,632
Yen	24	29	7	8	544	670	158	193
Other	-	-	374	93	-	-	53	17
Total			10,787	16,748			5,722	8,656

The above contracts will be gradually due within April 2017 *(2014: due within April 2016)*.

In the third quarter of 2015, the Company had cancelled the forward contracts amounting to US Dollars 501 million, equivalent to Baht 17,314 million before the maturity date.

h) The Group had entered into interest rate swap contracts with various foreign banks to hedge the risk of interest on foreign loans of US Dollars 147 million *(2014: US Dollars 196 million)*, whereby exchanging floating interest rates based on LIBOR with fixed interest rates from 2.67% to 4.60% per annum *(2014: from 2.67% to 4.60% per annum)*. These contracts will be gradually due within July 2018 *(2014: due within July 2018)*. The Group determines Level 2 fair values for these interest rate swap contracts. The unrealized loss on fair value amounted to Baht 194 million.

i) The Company had entered into cross currency swap and interest rate swap contract with a local bank to hedge against the risk in exchange rate and interest rate amounting to US Dollars 213 million *(2014: US Dollars 213 million)* and to swap interest rate into fixed interest rate at 3.86% per annum *(2014: fixed interest rate at 3.86% per annum)*. The contracts will be due within October 2019 *(2014: due within October 2019)*. However, in the third quarter of 2015, the Company had cancelled the entire contract before the maturity date.

j) The Group had entered into commodity and freight swap contracts with various local banks and foreign banks to hedge the risk of price changes amounting to US Dollars 12 million, equivalent to Baht 451 million *(2014: US Dollars 77 million, equivalent to Baht 2,566 million)*. These contracts will be gradually due within December 2016 *(2014: due within December 2015)*.

k) A joint venture had entered into the contract for purchasing raw materials from a certain company in Vietnam with the contract period of 17 years.

l) The Company had entered into the service agreements with two local companies. Those companies will provide information and technology outsourcing services to the Group. The estimated commencement price is approximately Baht 6,500 million. The agreements period is for 7 years.

37 Capital Management

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business's performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

38 Other

On 29 September 2009, the Central Administrative Court ordered 8 governments authorities to order the temporary suspension of the projects or activities representing a total of 76 projects in the Map Ta Phut Industrial Estate and vicinity of Rayong Province. Thereafter, the Supreme Administrative Court and the Central Administrative Court ordered the 12 projects to resume construction. However, the 64 projects were still suspended according to the order of the Central Administrative Court, including 18 projects totalling approximately Baht 57,500 million which mainly are joint ventures projects of SCG Chemicals.

On 2 September 2010, the Central Administrative Court delivered its judgment to revoke permits of the projects, for which such permits were issued after the Constitution B.E. 2550 came into force, and fall within the list of 11 types of serious impact projects issued on 31 August 2010 by the Ministry of Natural Resources and Environment. As a result of the judgment, almost all projects of the Group which are considered as non-serious impact projects are able to continue their operations, except for 1 project of the Group which fall within the list. Around the end of 2012, such project has complied with the paragraph 2 of Article 67 of the Constitution B.E. 2550. The Industrial Estate Authority of Thailand (IEAT) was of the opinion that the project has fulfilled the requirements and accordingly, IEAT has submitted the issue to the prosecutor, requesting the prosecutor to request the Supreme Administrative Court to revoke the temporary suspension order in order to allow the project to resume construction. On 1 April 2013, the prosecutor has filed the petition to the Supreme Administrative Court. Later, in July 2014, the Supreme Administrative Court has revoked the temporary suspension of the project. In October 2014, the Group obtained a permit from IEAT and the project is able to operate as normal.

At present, the plaintiffs and the government authorities have already appealed the judgment of the Central Administrative Court to the Supreme Administrative Court.

39 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 27 January 2016, the directors approved the following matters:

a) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2015 at the rate of Baht 16.00 per share. An interim dividend of Baht 7.50 per share was paid on 27 August 2015, as discussed in note 33. The final dividend will be at the rate of Baht 8.50 per share, payable to shareholders entitled to receive dividends totalling approximately Baht 10,200 million and is scheduled for payment on 28 April 2016. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 30 March 2016.

b) To issue debentures No. 1/2016 on 1 April 2016, amount of Baht 25,000 million. Term of the new debenture is for 4 years, with fixed interest rate at 3% per annum, and is to replace the debentures No. 1/2012 amounting to Baht 25,000 million to be retired for redemption on 1 April 2016.

c) To submit for approval, SCG Building Materials to acquire an addition of 15% stake in Prime Group, the manufacturer of ceramic tiles in Vietnam, which is valued approximately at Baht 2,190 million. As a result, SCG Building Materials holds the entire stake.

40 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Group has not adopted the revised TFRSs that have been issued but are not yet effective. The revised TFRSs will become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table:

TFRSs	Topic	Effective year
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016

TFRSs	Topic	Effective year
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016

TFRSs	Topic	Effective year
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016

Management has made a preliminary assessment of the potential initial impact on the Group's consolidated financial statements of the revised TFRSs and expects that there will be no material impact on the consolidated financial statements in the period of initial application.

Independent auditor's report

To the Shareholders of The Siam Cement Public Company Limited

I have audited the accompanying financial statements of The Siam Cement Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2015, the income statement and statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Winid Silamongkol
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2016

Statement of financial position

As at 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

Assets	Note	2015	2014
Current assets			
Cash and cash equivalents	6	4,794,733	6,543,121
Temporary investments	6	16,284,158	7,969,790
Other receivables	4	2,491,699	4,861,134
Short-term loans	4	113,847,171	103,593,028
Other current assets	5	690,804	318,222
Total current assets		**138,108,565**	**123,285,295**
Non-current assets			
Available-for-sale investments	6	8,886,209	7,943,563
Investments in associates	7	577,442	577,442
Investments in subsidiaries	7	105,403,417	105,393,991
Other long-term investments	8	3,030,058	3,030,058
Investment properties	9	1,952,844	1,960,249
Property, plant and equipment	10	3,373,269	3,297,191
Intangible assets	11	2,655,764	2,287,072
Deferred tax assets	12	-	19,120
Other non-current assets		294,831	319,126
Total non-current assets		**126,173,834**	**124,827,812**
Total assets		**264,282,399**	**248,113,107**

On behalf of the Board of Directors

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

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

Statement of financial position

As at 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

Liabilities and shareholders' equity	Note	2015	2014
Current liabilities			
Other payables	4	690,682	463,361
Current portion of debentures	13	50,000,000	25,000,000
Short-term loans	4	4,127,278	5,741,944
Accrued interest expense		1,556,587	1,434,460
Income tax payable		-	12,348
Other current liabilities		333,692	301,663
Total current liabilities		**56,708,239**	**32,953,776**
Non-current liabilities			
Debentures	13	116,500,000	126,500,000
Deferred tax liabilities	12	109,005	-
Employee benefit obligations	14	647,904	549,073
Other non-current liabilities	4	1,389,134	1,548,264
Total non-current liabilities		**118,646,043**	**128,597,337**
Total liabilities		**175,354,282**	**161,551,113**
Shareholders' equity			
Share capital	15		
Authorized share capital - Ordinary share		**1,600,000**	**1,600,000**
Issued and paid-up share capital - Ordinary share		1,200,000	1,200,000
Retained earnings			
Appropriated			
Legal reserve	16	160,000	160,000
General reserve		10,516,000	10,516,000
Unappropriated		75,784,029	73,356,105
Other components of shareholders' equity		1,268,088	1,329,889
Total shareholders' equity		**88,928,117**	**86,561,994**
Total liabilities and shareholders' equity		**264,282,399**	**248,113,107**

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

Income statement

For the year ended 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

	Note	2015	2014
Revenues			
Dividend income	4	18,575,945	22,761,885
Intellectual property income	4	2,988,070	3,112,939
Management fees for administration	4	2,207,679	2,418,403
Other income	5, 17	2,771,507	671,461
Total revenues		**26,543,201**	**28,964,688**
Expenses			
Administrative expenses	18	(2,724,950)	(2,488,657)
Profit before finance costs and income tax expense		**23,818,251**	**26,476,031**
Finance costs	4, 20	(3,611,678)	(1,861,482)
Profit before income tax expense		**20,206,573**	**24,614,549**
Income tax expense	5, 21	(381,911)	(384,332)
Profit for the year		**19,824,662**	**24,230,217**
Basic earnings per share (in Baht)	22	**16.52**	**20.19**

On behalf of the Board of Directors

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

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

Statement of comprehensive income

For the year ended 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

	Note	2015	2014
Profit for the year		**19,824,662**	**24,230,217**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses	14	(58,774)	(4,816)
Income tax on other comprehensive income relating to items that will not be reclassified	21	11,755	963
Items that will be reclassified to profit or loss when specific conditions are met			
Losses on remeasuring available-for-sale investments	6	(77,251)	(1,843,495)
Income tax on other comprehensive income relating to items that will be reclassified	21	15,450	368,699
Other comprehensive income for the year, net of income tax		**(108,820)**	**(1,478,649)**
Total comprehensive income for the year		**19,715,842**	**22,751,568**

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

Statement of changes in shareholders' equity

For the years ended 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

	Note	Issued and paid-up share capital	Retained earnings			Other components of shareholders' equity	Total shareholders' equity
			Appropriated		Unappropriated		
			Legal reserve	General reserve		Gains (losses) on remeasuring available-for-sale investments	
Balance at 1 January 2014		**1,200,000**	**160,000**	**10,516,000**	**64,085,370**	**2,804,685**	**78,766,055**
Transactions with owners, recorded directly in shareholders' equity							
Dividends	23	-	-	-	(14,955,629)	-	(14,955,629)
Total transactions with owners, recorded directly in shareholders' equity		**-**	**-**	**-**	**(14,955,629)**	**-**	**(14,955,629)**
Comprehensive income for the year							
Profit or loss		-	-	-	24,230,217	-	24,230,217
Other comprehensive income		-	-	-	(3,853)	(1,474,796)	(1,478,649)
Total comprehensive income for the year		**-**	**-**	**-**	**24,226,364**	**(1,474,796)**	**22,751,568**
Balance at 31 December 2014		**1,200,000**	**160,000**	**10,516,000**	**73,356,105**	**1,329,889**	**86,561,994**
Balance at 1 January 2015		**1,200,000**	**160,000**	**10,516,000**	**73,356,105**	**1,329,889**	**86,561,994**
Transactions with owners, recorded directly in shareholders' equity							
Dividends	23	-	-	-	(17,349,719)	-	(17,349,719)
Total transactions with owners, recorded directly in shareholders' equity		**-**	**-**	**-**	**(17,349,719)**	**-**	**(17,349,719)**
Comprehensive income for the year							
Profit or loss		-	-	-	19,824,662	-	19,824,662
Other comprehensive income		-	-	-	(47,019)	(61,801)	(108,820)
Total comprehensive income for the year		**-**	**-**	**-**	**19,777,643**	**(61,801)**	**19,715,842**
Balance at 31 December 2015		**1,200,000**	**160,000**	**10,516,000**	**75,784,029**	**1,268,088**	**88,928,117**

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

Statement of cash flows

For the year ended 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

	Note	2015	2014
Cash flows from operating activities			
Profit for the year		19,824,662	24,230,217
Adjustments for			
Depreciation and amortization		598,903	457,222
Interest income		(5,215,089)	(4,790,911)
Interest expense		6,663,698	6,075,565
Unrealized loss (gain) on foreign currency exchange		(68,432)	32,125
Dividend income		(18,575,945)	(22,761,885)
Employee benefit expense		93,163	44,563
Income tax expense		381,911	384,332
Gain on sales of other long-term investments and others	5	(1,873,136)	(27,225)
Profit provided by operating activities before changes in operating assets and liabilities		**1,829,735**	**3,644,003**
Decrease (increase) in operating assets			
Other receivables		105,915	(2,310)
Other current assets		(107,459)	823,589
Other non-current assets		26,159	6,322
Net decrease in operating assets		**24,615**	**827,601**
Increase (decrease) in operating liabilities			
Other payables		237,835	(180,329)
Other current liabilities		31,965	71,252
Employee benefit obligations		(53,041)	(17,453)
Other non-current liabilities		(284,062)	530,062
Net increase (decrease) in operating liabilities		**(67,303)**	**403,532**
Cash generated from the operations		**1,787,047**	**4,875,136**
Income tax paid		(399,402)	(284,717)
Net cash provided by operating activities		**1,387,645**	**4,590,419**

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

Statement of cash flows

For the year ended 31 December 2015

The Siam Cement Public Company Limited

in thousand Baht

	Note	2015	2014
Cash flows from investing activities			
Interest received		5,142,446	4,774,067
Dividends received		20,957,157	20,362,365
Temporary investments		(8,257,536)	(993,255)
Available-for-sale investments		(33,541,064)	(20,445,889)
Investments in associates, subsidiaries and other companies		(9,426)	(61,449)
Proceeds from sales and return of investments	5	34,740,583	21,642,617
Income tax paid from sales of investments		(371,349)	(157,275)
Purchases of property, plant and equipment and intangible assets		(1,099,063)	(1,262,148)
Proceeds from sales of property, plant and equipment and intangible assets		15,668	95,943
Loans to related parties		(10,207,755)	(6,746,337)
Net cash provided by investing activities		**7,369,661**	**17,208,639**
Cash flows from financing activities			
Borrowings			
Interest paid		(6,541,309)	(5,962,384)
Decrease in short-term loans from financial institutions		-	(6,500,000)
Proceeds from (payments of) short-term loans		(1,614,666)	436,403
Proceeds from issuance of debentures		40,000,000	25,000,000
Redemption of debentures		(25,000,000)	(15,000,000)
Net increase (decrease) in borrowings		**6,844,025**	**(2,025,981)**
Dividends paid		(17,349,719)	(14,955,629)
Net cash used in financing activities		**(10,505,694)**	**(16,981,610)**
Net increase (decrease) in cash and cash equivalents		**(1,748,388)**	**4,817,448**
Cash and cash equivalents at beginning of the year		6,543,121	1,725,673
Cash and cash equivalents at end of the year		**4,794,733**	**6,543,121**
Supplementary information for cash flows			
Non-cash transactions			
Accrued dividend income		18,308	2,604,879
Accrued income for implementation project		124,931	7,200
Outstanding payables from purchase of property, plant and equipment and intangible assets		13,940	91,376

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

Notes to the financial statements

For the year ended 31 December 2015

The Siam Cement Public Company Limited

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 17 February 2016.

1 General information

The Siam Cement Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The Company was listed on the Stock Exchange of Thailand on 25 April 1975.

The Company holds investments in the following core business segments: SCG Cement-Building Materials, SCG Chemicals and SCG Packaging (Formerly: SCG Paper).

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2015. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company. However, TFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly, the Company has included additional disclosures in notes 6, 9, 13 and 24.

In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRSs are disclosed in note 28.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- available-for-sale financial assets are measured at fair value;
- the present value of the defined benefit obligations.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Note 6, 7, 8, 9 and 11	Measurement of the recoverable amounts of each asset and cash-generating units
Note 12 and 21	Current and deferred tax
Note 14	Discount rate, salary increase rate, employee turnover rate and mortality rate
Note 25	Provisions and contingent liabilities

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6	Cash and cash equivalents and other investments;
Note 9	Investment properties;
Note 13	Debentures; and
Note 24	Financial instruments.

3 Significant accounting policies

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

(a) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(b) Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

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

Bad debts recovered are recognized in other income in profit or loss.

(c) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

(d) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries are accounted for using the cost method.

Investments in other debt and other equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments, which are stated at amortized cost, less any accumulated impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognized directly in equity. Impairment losses and foreign exchange differences on available-for-sale monetary items are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss.

Equity securities which are not marketable are stated at cost less any accumulated impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the end of the reporting period.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

(e) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	5 years
Buildings and structures	5, 20, 40 years

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(f) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

Leased assets

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

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Land improvements	5	years
Buildings and structures	5, 20, 40	years
Plant, machinery and equipment	5, 10, 20	years
Transportation and equipment	5	years
Furniture, fixtures and office equipment	5	years

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

No depreciation is provided on freehold land or assets under construction.

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

(g) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

License fee	term of agreements
Software licenses	3, 10 years
Other	5, 10, 25 years

No amortization is provided on assets under development.

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

(h) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of the Company's investments in held-to-maturity securities carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortization, if no impairment loss had been recognized.

(i) Trade and other payables

Trade and other payables are stated at cost.

(j) Employee benefits

Defined contribution plans

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

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(l) Revenue

Revenue excludes value added taxes.

Service fee income

Intellectual property income, management income and service income are recognized on an accrual basis in accordance with the terms of agreement.

Rental income

Rental income is recognized in profit or loss on a straight-line basis over the term of the rent. Lease incentives granted are recognized as expenses in which they are incurred.

Interest and dividend income

Interest income is recognized in profit or loss using the effective interest method. Dividend income is recognized in profit or loss on the date the Company's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

(m) Expenses

Operating leases

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense, over the term of lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expenses

The Company offered certain qualifiable employees the option to take early retirement from the Company. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance.

(n) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and interests in joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

(o) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

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

(p) Derivative financial instruments

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables and payables, long-term receivables, loans, investments, borrowings and debentures.

The Company operates internationally and is exposed to risks from changes in interest and foreign exchange rates. The Company uses derivative financial instruments to mitigate those risks. All gains and losses on hedge transactions are recognized in profit or loss in the same period as the interest and exchange differences on the items covered by the hedge.

4 Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control, common control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	in million Baht		
	2015	2014	Pricing policies
Associates			
Intellectual property income, management income, services and others	542	537	Mainly based on percentage of revenue from sales
Dividend income	465	417	Upon declaration
Subsidiaries			
Intellectual property income, management income, services and others	4,542	4,811	Mainly based on percentage of revenue from sales
Dividend income	15,733	18,342	Upon declaration
Interest income	4,600	4,291	Contract rate
Interest expense	45	60	Contract rate
Other			
Intellectual property income, management income, services and others	264	310	Mainly based on percentage of revenue from sales
Dividend income	2,210	3,791	Upon declaration

In the income statement for the year ended 31 December 2015, the Company presents finance costs of Baht 3,612 million *(2014: Baht 1,861 million)*, which is comprised of interest expense and financial charges of Baht 8,212 million *(2014: Baht 6,152 million)* and interest income from related parties of Baht 4,600 million *(2014: Baht 4,291 million)*.

Balances as at 31 December with related parties were as follows:

Receivables from related parties

	in million Baht	
	2015	2014
Current accounts		
Associates		
Siam Kubota Corporation Co., Ltd.	159	161
Other companies	55	37
	214	198
Subsidiaries		
Thai Polyethylene Co., Ltd.	448	539
The Concrete Products and Aggregate Co., Ltd.	182	177
SCG Cement-Building Materials Co., Ltd.	113	57
The Siam Cement (Ta Luang) Co., Ltd.	109	106
Siam Kraft Industry Co., Ltd.	108	71
The Siam Cement (Kaeng Khoi) Co., Ltd.	81	92
The Siam Cement (Thung Song) Co., Ltd.	80	83
Phoenix Pulp & Paper Public Company Limited	75	-
SCG Chemicals Co., Ltd.	72	82
SCG Cement Co., Ltd.	66	44
The Siam Fibre-Cement Co., Ltd.	65	74
SCG Logistics Management Co., Ltd.	52	52
SCG Trading Co., Ltd.	42	46
Thai Ceramic Co., Ltd.	40	40
SCG Building Materials Co., Ltd.	35	-
The Siam Cement (Lampang) Co., Ltd.	34	37
Vina Kraft Paper Co., Ltd.	34	-
Siam Mortar Co., Ltd.	30	27
United Pulp & Paper Co., Inc.	30	-
Thai Paper Co., Ltd.	30	24
Map Ta Phut Olefins Co., Ltd.	23	38
The Siam Refractory Industry Co., Ltd.	21	21
SCG Packaging Public Company Limited	21	23
SCG Plastics Co., Ltd.	21	28
Cementhai Holding Co., Ltd.	2	2,402
Other companies	180	201
	1,994	4,264

	in million Baht	
	2015	2014
Other		
Siam Yamato Steel Co., Ltd.	20	4
Michelin Siam Group Co., Ltd.	-	205
Other companies	14	19
	34	228
Total	**2,242**	**4,690**

Short-term loans to related parties

	in million Baht	
	2015	2014
Notes receivable		
Subsidiaries		
The Concrete Products and Aggregate Co., Ltd.	54,588	36,486
SCG Chemicals Co., Ltd.	29,020	36,930
The Siam Fibre-Cement Co., Ltd.	14,631	14,877
SCG Packaging Public Company Limited	12,786	12,248
SCG Distribution Co., Ltd.	2,046	2,662
Cementhai Ceramics Co., Ltd.	769	381
Siam Innovation Product and Solution Co., Ltd.	7	9
Total	**113,847**	**103,593**

Movements during the years on loans to related parties were as follows:

	in million Baht	
	2015	2014
Short-term		
At 1 January	103,593	96,941
Increase	34,703	35,140
Decrease	(24,449)	(28,488)
At 31 December	**113,847**	**103,593**

Payables to related parties

	in million Baht	
	2015	2014
Current accounts	**142**	**137**

Short-term loans from related parties

	in million Baht	
	2015	2014
Notes payable		
Subsidiaries		
Cementhai Holding Co., Ltd.	1,605	3,241
The Siam Iron and Steel Co., Ltd.	1,304	1,305
Cementhai Captive Insurance Pte. Ltd.	324	340
Property Value Plus Co., Ltd.	296	282
SCG Accounting Services Co., Ltd.	258	232
Bangsue Industry Co., Ltd.	170	169
SCG Learning Excellence Co.,Ltd.	79	111
SCG Legal Counsel Limited	55	52
CTO Management Co., Ltd.	33	7
Other companies	3	3
Total	**4,127**	**5,742**

Movements during the years on short-term loans from related parties were as follows:

	in million Baht	
	2015	2014
At 1 January	5,742	5,306
Increase	1,060	3,205
Decrease	(2,675)	(2,769)
At 31 December	4,127	5,742

	in million Baht	
	2015	2014
Charges for implementation project	125	7

Key management compensation

	in million Baht	
	2015	2014
For the years ended 31 December		
Short-term employee benefits	209	171
Post-employment benefits	20	8
Total	229	179

Management compensation comprises the remuneration paid to the directors of The Siam Cement Public Company Limited under the articles of the Company and the remuneration paid to the management as staffs expenses in terms of salary, bonus, others and contribution to defined contribution plans.

5 Other current assets

As at 31 December 2014, an investment in Michelin Siam Group Co., Ltd. was classified as non-current assets held for sale. In the first quarter of 2015, the Company sold its entire 10% stake in that investment to Michelin Group of France with the proceeds from sales of Baht 2,329 million and recognized a net gain before tax totalling Baht 1,857 million included in the income statements.

6 Cash and cash equivalents and other investments

	in million Baht	
	2015	2014
Cash and cash equivalents		
Cash on hand and at banks	3,640	6,386
Highly liquid short-term investments	1,122	122
Cash (Private funds)	33	35
Total	4,795	6,543
Temporary investments		
Available-for-sale debt securities (Private funds)	16,284	7,970
Total	16,284	7,970
Available-for-sale investments		
Available-for-sale debt securities (Private funds)	5,532	4,505
Marketable equity securities	3,354	3,439
Total	8,886	7,944

As at 31 December 2015, the value of private funds invested by 3 independent assets management companies was totalling Baht 21,849 million *(2014: Baht 12,510 million)*. Those private funds had invested in debt securities which had high liquidity and rating as investment grade with return rates from 1.41% to 3.59% per annum *(2014: from 1.99% to 3.90% per annum)*.

Carrying amounts and fair values

The fair values of financial assets together with the carrying amounts in the statement of financial position as at 31 December 2015 are as follows:

				in million Baht
	Carrying	Fair Value		
	amount	Level 1	Level 2	Total
Temporary investments				
Available-for-sale debt securities (Private funds)	16,284	-	16,284	16,284
Available-for-sale investments				
Available-for-sale debt securities (Private funds)	5,532	-	5,532	5,532
Marketable equity securities	3,354	3,354	-	3,354
Total	8,886	3,354	5,532	8,886

The table above analyzes recurring fair value measurements for financial assets. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The levels applicable to the Company's investments are defined as follows:

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

The Company determined Level 2 fair values for simple over-the-counter financial assets based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company entity and counterparty when appropriate.

7 Investments in associates and subsidiaries

Movements for the years ended 31 December in investments in associates and subsidiaries accounted for using the cost method were as follows:

		in million Baht
	2015	2014
At 1 January	105,971	105,953
Acquisitions and additional investments	10	21
Return of capital	-	(3)
At 31 December	105,981	105,971

Investments in associates and subsidiaries as at 31 December and dividend income from these investments in the years ended at the same date, were as follows:

	Ownership interest (%)									in million Baht
			At Cost		Accumulated impairment losses		Net		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
SCG Cement-Building Materials	100	100	42,499	42,499	111	111	42,388	42,388	4,895	7,199
SCG Chemicals	100	100	44,084	44,084	-	-	44,084	44,084	10,368	8,112
SCG Packaging	98	98	17,172	17,162	-	-	17,172	17,162	769	769
Other	100	100	2,478	2,478	141	141	2,337	2,337	166	2,679
Total			106,233	106,223	252	252	105,981	105,971	16,198	18,759

8 Other long-term investments

	Ownership interest (%)					in million Baht
			Investment		Dividend income	
	2015	2014	2015	2014	2015	2014
At Cost						
Asia Cement Public Company Limited	10	10	1,119	1,119	82	47
Toyota Motor Thailand Co., Ltd.	10	10	881	881	2,045	3,459
Siam Yamato Steel Co., Ltd.	10	10	401	401	50	30
Siam Toyota Manufacturing Co., Ltd.	4	4	329	329	25	41
Finfloor S.P.A.	10	10	299	299	8	9
Michelin Siam Group Co., Ltd.						
- Cumulative preferred shares	-	10	-	-	-	205
Other companies	-	-	10	10	-	-
Total			3,039	3,039	2,210	3,791
Less accumulated impairment losses			9	9	-	-
Net			3,030	3,030	2,210	3,791

The aggregate values of the above investments, based on the latest available audited financial statements as at 31 December 2015 are as follows:

			in million Baht
	Cost	Interests in carrying amount	Accumulated Impairment losses
Non-marketable securities	3,039	10,341	(9)

9 Investment properties

in million Baht

	Land and land improvements	Buildings and structures	Total
Cost			
At 1 January 2014	1,622	540	2,162
Additions	-	76	76
Disposals/written-off	(2)	-	(2)
Adjustment	2	-	2
Transfers to investment properties	(11)	-	(11)
At 31 December 2014	**1,611**	**616**	**2,227**
Additions	8	-	8
At 31 December 2015	**1,619**	**616**	**2,235**
Accumulated depreciation			
At 1 January 2014	105	140	245
Depreciation charge for the year	-	19	19
Adjustment	2	-	2
At 31 December 2014	**107**	**159**	**266**
Depreciation charge for the year	-	16	16
At 31 December 2015	**107**	**175**	**282**
Carrying Amount			
At 31 December 2014	**1,504**	**457**	**1,961**
At 31 December 2015	**1,512**	**441**	**1,953**

Investment properties were revalued as at 31 December 2015 at open market values on an existing use basis. The appraised value was Baht 2,797 million *(2014: Baht 3,020 million)*.

The fair value measurement for investment properties have been categorized as a Level 3 fair value based on the inputs, which are income approach, to the valuation technique used.

10 Property, plant and equipment

in million Baht

	Land and land improvements	Building and structures	Plant, machinery and equipment	Transportation and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
Cost							
At 1 January 2014	520	2,231	844	34	360	472	4,461
Additions	89	200	142	5	61	33	530
Disposals/written off	-	(3)	-	-	(10)	-	(13)
Transfers from investment properties	11	-	-	-	-	-	11
Transfers in (out)	193	195	35	-	30	(453)	-
At 31 December 2014	**813**	**2,623**	**1,021**	**39**	**441**	**52**	**4,989**
Additions	80	206	44	2	64	11	407
Disposals/written off	-	(8)	(30)	(17)	(13)	-	(68)
Transfers in (out)	1	25	1	-	22	(49)	-
At 31 December 2015	**894**	**2,846**	**1,036**	**24**	**514**	**14**	**5,328**
Accumulated depreciation and accumulated impairment losses							
At 1 January 2014	90	899	113	34	273	-	1,409
Depreciation charges for the year	120	88	51	-	36	-	295
Disposals/written off	-	(2)	-	-	(10)	-	(12)
At 31 December 2014	**210**	**985**	**164**	**34**	**299**	**-**	**1,692**
Depreciation charges for the year	127	100	54	1	47	-	329
Disposals/written off	-	(7)	(30)	(17)	(12)	-	(66)
At 31 December 2015	**337**	**1,078**	**188**	**18**	**334**	**-**	**1,955**
Carrying amount							
At 31 December 2014	**603**	**1,638**	**857**	**5**	**142**	**52**	**3,297**
At 31 December 2015	**557**	**1,768**	**848**	**6**	**180**	**14**	**3,373**

The gross carrying amount of fully depreciated property, plant and equipment that is still in use amounted to Baht 1,175 million as of 31 December 2015 *(2014: Baht 1,218 million)*.

11 Intangible assets

in million Baht

	Software licenses	Software licenses development cost	Other	Total
Cost				
At 1 January 2014	417	1,076	494	1,987
Additions	130	453	7	590
Disposals/written off	(1)	-	-	(1)
Transfers in (out)	790	(803)	13	-
At 31 December 2014	**1,336**	**726**	**514**	**2,576**
Additions	591	8	37	636
Disposals/written off	(1)	-	(13)	(14)
Transfers in (out)	684	(716)	32	-
At 31 December 2015	**2,610**	**18**	**570**	**3,198**
Accumulated amortization				
At 1 January 2014	142	-	4	146
Amortization charge for the year	143	-	1	144
Disposals/written off	(1)	-	-	(1)
At 31 December 2014	**284**	**-**	**5**	**289**
Amortization charge for the year	247	-	7	254
Disposals/written off	-	-	(1)	(1)
At 31 December 2015	**531**	**-**	**11**	**542**
Carrying amount				
At 31 December 2014	**1,052**	**726**	**509**	**2,287**
At 31 December 2015	**2,079**	**18**	**559**	**2,656**

12 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

in million Baht

	2015	2014
Deferred tax assets	209	351
Deferred tax liabilities	(318)	(332)
Net	**(109)**	**19**

Movements in total deferred tax assets and liabilities during the years were as follows:

in million Baht

	At 1 January 2014	Credited (charged) to profit or loss (note 21)	Credited (charged) to other comprehensive income (note 21)	At 31 December 2014
Deferred tax assets				
Available-for-sale investments	1	-	-	1
Investments in associates and subsidiaries	52	-	-	52
Employee benefit obligations	112	4	1	117
Provision for the case of share certificates compensation	61	9	-	70
Unrealized loss on hedging contracts	94	8	-	102
Other	9	-	-	9
Total	**329**	**21**	**1**	**351**
Deferred tax liabilities				
Available-for-sale investments	(701)	-	369	(332)
Finance lease receivable	(11)	11	-	-
Total	**(712)**	**11**	**369**	**(332)**
Net	**(383)**	**32**	**370**	**19**

in million Baht

	At 1 January 2015	Credited (charged) to profit or loss	Credited (charged) to other comprehensive income (note 21)	At 31 December 2015
Deferred tax assets				
Available-for-sale investments	1	7	-	8
Investments in associates and subsidiaries	52	-	-	52
Employee benefit obligations	117	11	12	140
Provision for the case of share certificates compensation	70	(70)	-	-
Unrealized loss on hedging contracts	102	(102)	-	-
Other	9	-	-	9
Total	351	(154)	12	209
Deferred tax liabilities				
Available-for-sale investments	(332)	-	15	(317)
Finance lease receivable	-	(1)	-	(1)
Total	(332)	(1)	15	(318)
Net	19	(155)	27	(109)

13 Debentures

As at 31 December 2015, the Company had issued unsubordinated and unsecured debentures totalling Baht 166,500 million *(2014: Baht 151,500 million)* as follows:

Debentures No.	in million Baht 2015	in million Baht 2014	Interest Rate (%p.a.)	Term	Maturity Date	Fair Value * 2015	Fair Value * 2014
1/2011	-	15,000	4.00	4 years	1 April 2015	-	1,003
2/2011	-	10,000	4.50	4 years	1 November 2015	-	1,031
1/2012	25,000	25,000	4.15	4 years	1 April 2016	1,006	1,029
2/2012	25,000	25,000	4.15	4 years	1 November 2016	1,026	1,031
3/2012	6,500	6,500	4.40	7 years	12 October 2019	1,081	1,047
1/2013	25,000	25,000	4.00	4 years	1 April 2017	1,027	1,037
2/2013	20,000	20,000	4.25	4 years	1 October 2017	1,040	1,041
1/2014	15,000	15,000	4.00	4 years	1 April 2018	1,045	1,042
2/2014	10,000	10,000	3.90	4 years	1 October 2018	1,059	1,023
1/2015	15,000	-	3.75	3 years	1 April 2018	1,039	-
1/2015	15,000	-	3.90	4 years	1 April 2019	1,047	-
2/2015	10,000	-	3.40	4 years	1 November 2019	1,029	-
Total	166,500	151,500					
Less Current portion	50,000	25,000					
Net	116,500	126,500					

* Latest price (Baht per unit: 1 unit = Baht 1,000) as at 31 December 2015 and 2014.

At the Annual General Meeting of the Shareholders of the Company held on 25 March 2015, the shareholders resolved to increase another Baht 50,000 million to be the ceiling of the issuance and offering of debentures, totalling Baht 250,000 million.

The Company determined Level 2 fair values for simple over-the-counter financial assets based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company entity and counterparty when appropriate.

14 Employee benefit obligations

The Company operates post-employment benefits and pension plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Employee benefit obligations in statements of financial position as at 31 December

	in million Baht	
	2015	2014
Post-employment benefits		
legal severance payments plan	625	517
Other long-term employee benefits	22	31
Other employee benefits	1	1
Total	**648**	**549**

Movements in the present value of the defined benefit obligations

	in million Baht	
	2015	2014
Defined benefit obligations at 1 January	548	517
Included in profit or loss :		
Current service costs	32	29
Interest on obligation	22	20
Actuarial gains	(12)	-
Transfer of employee benefit obligations from subsidiaries	38	-
	80	**49**
Included in other comprehensive income		
Actuarial losses	59	5
	59	**5**
Other		
Benefits paid	(40)	(23)
	(40)	**(23)**
Defined benefit obligations at 31 December	**647**	**548**

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	in million Baht
For the years ended 31 December 2015	
Demographic assumptions	(129)
Financial assumptions	36
Experience adjustment	152
Total	**59**

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period

	%	
	2015	2014
For the years ended 31 December		
Discount rate *	3.25, 2.62	3.58, 3.75
Salary increase rate	3.00 - 8.32	3.00 - 8.00
Employee turnover rate **	2.5 - 11.00	1.00 - 10.00
Mortality rate ***	25.00 of TMO2008	30.00 of TMO2008

* Market yields on government bonds for legal severance payments plan

** Upon the length of service

*** Reference from TMO2008: Thai Mortality Ordinary Table 2008

Sensitivity analysis

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

Effect on the defined benefit plans at 31 December 2015

	in million Baht
	Increase (decrease)
Discount rate	
0.5% increase	(37)
0.5% decrease	40
Salary increase rate	
1.0% increase	80
1.0% decrease	(69)
Employee turnover rate	
10.0% increase	(20)
10.0% decrease	21

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

15 Share capital

	Par Value (in Baht)	2015 Number of shares	2015 Value	2014 Number of shares	2014 Value
		in million shares / million Baht			
Authorized					
At 1 January					
- ordinary shares	1	1,600	1,600	1,600	1,600
At 31 December					
- ordinary shares	1	1,600	1,600	1,600	1,600
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,200	1,200	1,200	1,200
At 31 December					
- ordinary shares	1	1,200	1,200	1,200	1,200

16 Reserves and other components of shareholders' equity

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Fair value changes in available-for-sale investments

Fair value changes in available-for-sale investments recognized in equity relate to cumulative net changes in the fair value of available-for-sale investments until the investments are derecognized.

17 Other income

	2015	2014
	in million	
Income from sales of investments	1,872	27
Interest income from financial institutions	615	495
Reversal of provision for the case of share certificates compensation	148	-
Guarantee fee income	105	138
Gain on stores sold and others	29	9
Other	3	2
Total	2,772	671

18 Administrative expenses

	2015	2014
	in million Baht	
Salary, welfare and personnel expenses	3,213	2,830
Publication	601	529
Depreciation and amortization expenses	595	457
Outside wages	401	341
Repair and maintenance	280	254
Rent	194	162
Professional fees	111	161
Utility expenses	98	98
Tax, license fees and others	50	27
Provision for the case of share certificates compensation	-	42
Reimbursed amounts	(2,948)	(2,554)
Other	130	142
Total	2,725	2,489

19 Employee benefit expenses

	2015	2014
	in million Baht	
Salaries and wages	2,442	2,126
Welfares and others	177	178
Contribution to defined contribution plans	176	159
Early retirement expenses	24	4
Contribution to defined benefit plans	42	49
Contribution to transfer of employees from subsidiaries	38	-
	2,899	2,516
Capitalized as cost of construction in progress	(27)	(39)
Net	2,872	2,477

The Company has provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits made solely by the Company are payable to the employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Company for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 13% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

20 Finance costs

	in million Baht	
	2015	2014
Interest expense -Thai Baht loans	6,704	6,088
Interest expense - Foreign loans	31	6
Interest expense (income) - Affiliated companies		
Interest expense - Affiliated companies	45	60
Interest income - Affiliated companies	(4,600)	(4,291)
Loss on exchange rate	1,455	30
	3,635	1,893
Capitalized as cost of construction in progress	(23)	(32)
Net	3,612	1,861

21 Income tax

Income tax recognized in profit or loss

		in million Baht	
	Note	2015	2014
Current tax			
Current tax		224	411
Under provided in prior years		3	5
		227	416
Deferred tax			
Movement in temporary differences	12	155	(32)
Total		382	384

Income tax recognized in other comprehensive income

		in million Baht	
	Note	2015	2014
Losses on remeasuring available-for-sale investments		(15)	(369)
Actuarial losses		(12)	(1)
Total	12	(27)	(370)

Reconciliation of effective tax rate

	2015		2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		20,207		24,615
Income tax using the Thai corporation tax rate	20	4,041	20	4,923
Income not subject to tax		(3,714)		(4,551)
Expenses deductible at a greater amount		(12)		(10)
Expenses not deductible for tax purposes and other adjustments		(91)		49
Current tax		224		411
Under provided in prior years		3		5
Movement in temporary differences		155		(32)
Income tax expense	1.9	382	1.6	384

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% of net taxable profit for the accounting period which begins on or after 1 January 2015.

The Company has applied the reduced tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2015 and 2014 based upon FAP's clarification of reduction in the corporate income tax rate in 2012. On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

22 Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December was based on the profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the years as follows:

	in million Baht / million shares	
	2015	2014
Profit for the year attributable to ordinary shareholders	19,825	24,230
Weighted average number of ordinary shares outstanding	1,200	1,200
Basic earnings per share (in Baht)	16.52	20.19

23 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 26 March 2014, the shareholders resolved to declare total dividends for the year 2013 at Baht 15.50 per share, totalling approximately Baht 18,600 million. The interim dividend was paid twice at the amount of Baht 8.50 per share to the shareholders entitled to receive the dividends. The interim dividend for the first half of 2013 at Baht 5.50 per share, totalling Baht 6,569 million, was paid on 29 August 2013 and the interim dividend for SCG 100th Anniversary at Baht 3.00 per share, totalling Baht 3,584 million, was paid on 28 November 2013. The final dividend was paid at the amount of Baht 7.00 per share to the shareholders entitled to receive the dividends, totalling Baht 8,374 million, and was paid on 24 April 2014.

At the Board of Directors' Meeting of the Company held on 30 July 2014, the directors approved to pay interim dividend for the year 2014 at Baht 5.50 per share to the shareholders entitled to receive the dividends, totalling Baht 6,581 million and was paid on 28 August 2014.

At the Annual General Meeting of the Shareholders of the Company held on 25 March 2015, the shareholders resolved to declare total dividends for the year 2014 at Baht 12.50 per share, totalling approximately Baht 15,000 million. The interim dividend was paid at the amount of Baht 5.50 per share to the shareholders entitled to receive the dividends, totalling Baht 6,581 million, and was paid on 28 August 2014. The final dividend was paid at the amount of Baht 7.00 per share to the shareholders entitled to receive the dividends, totalling Baht 8,368 million, and was paid on 23 April 2015.

At the Board of Directors' Meeting of the Company held on 29 July 2015, the directors approved to pay interim dividend for the year 2015 at Baht 7.50 per share to the shareholders entitled to receive dividends, totalling Baht 8,982 million and was paid on 27 August 2015.

24 Financial instruments

Liquidity risk

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

Interest rate risk

Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Company manages debts by using both fixed interest rates and floating interest rates, depending on the market circumstances.

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature were as follows:

Loans receivable

	Effective interest rates (% p.a.)	in million Baht	
		Within 1 year	Total
Year 2015			
Current			
Short-term loans to related parties	4.63	113,847	113,847
Total		113,847	113,847
Year 2014			
Current			
Short-term loans to related parties	4.75	103,593	103,593
Total		103,593	103,593

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

Financial liabilities

	Effective interest Rate (% p.a.)	in million Baht		
		Within 1 year	After 1 year but within 5 years	Total
Year 2015				
Current				
Short-term loans from related parties	1.07	4,127	-	4,127
Debentures	4.15	50,000	-	50,000
Non-current				
Debentures	3.40 - 4.40	-	116,500	116,500
Total		54,127	116,500	170,627
Year 2014				
Current				
Short-term loans from related parties	0.95	5,742	-	5,742
Debentures	4.00 - 4.50	25,000	-	25,000
Non-current				
Debentures	3.90 - 4.40	-	126,500	126,500
Total		30,742	126,500	157,242

Foreign exchange risk

Foreign exchange risk arises from the fluctuation of foreign exchange rates.

The Company uses derivative financial instruments to manage its risk on foreign debts. This is in compliance with the policy and guidelines agreed and approved by the Board of Directors of the Company, and there are controls on operating procedures for compliance with the policy.

The financial derivatives utilized are forward exchange contracts, Cross currency swap and Interest rate swap to hedge the foreign exchange rate and interest rate risks as discussed in note 25.

Fair value

Since the majority of the financial assets and liabilities classified as short-term and loans are bearing interest at rates closed to current market rate, the management believes that as at 31 December 2015 and 2014, the carrying amount of the Company's financial instruments does not materially differ from their aggregate fair value.

25 Commitments and contingent liabilities

As at 31 December, the Company had:

	in million Baht	
	2015	2014
a) Guarantees on loans of related parties	7,953	14,044
b) Bank guarantees issued by banks to government, state enterprises and private sectors	452	480
c) Commitments		
- for rental agreements	86	95
- for purchasing land, office buildings 3, improvement of parking and office building and implementation project	98	358

d) In the first quarter of 2009, the Company lodged a complaint with the police officers against an ex-employee for the theft (form of ordinary share certificate) and the forgery of 672,000 Company's ordinary share certificates. In the second quarter of 2009, the Company was notified by the Civil Court that the heirs and the estate administrator of the shareholder whose shares were forged ("Plaintiff") filed a civil lawsuit against the Company and relevant individuals and juristic persons for compensation. At present, the case has reached the final judgment. The summary of judgments rendered by each court is as below.

In the fourth quarter of 2011, the Civil Court had the judgment that the ex-employee committed a tort against the Plaintiff and ordered him to return the shares or pay the shares prices with interest until the payment is fully made, together with the dividend which the Plaintiff should have received. In addition, the court also decided that the Company, as the employer, shall be jointly liable to the Plaintiff. The Company and the Plaintiff have appealed the judgment of the Civil Court to the Appeal Court.

On 29 April 2014, the Appeal Court has made a decision on the case, ordering (i) the ex-employee who committed a tort to return shares of the Company to the Plaintiff or to pay the Plaintiff the share price at the last trading price of the Company's shares on the date of payment, which shall not be less than Baht 314.38 per share, together with dividends and an interest until the payment is made in full, and (ii) the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly liable to the Plaintiff. The Company lodged the appeal to the Supreme Court on 23 July 2014 and filed the petition against the Plaintiff's appeal on 30 September 2014.

On 22 December 2015, the Supreme Court has upheld the judgment of the Appeal Court. Therefore, the Company has recorded the provision for compensation for the amount which the Company is expected to be liable, in the statement of financial position as at 31 December 2015 of Baht 201 million *(2014: Baht 349 million)*.

On 21 January 2016, the Company has fully made compensation to the Plaintiff according to the judgment by return of the shares with the ordinary share certificates and payment of (i) the dividend from the shares prior to the commencement of a civil lawsuit with interest thereon; (ii) the dividend from the shares from and after the commencement of a civil lawsuit with interest thereon; and (iii) any costs and expenses paid for court procedure, accounting for THB 319 million in total. The Company is presently preparing to file a civil lawsuit against all relevant persons for recourse.

e) The Company had entered into forward contracts with several local banks amounting to US Dollars 501 million, equivalent to Baht 17,314 million *(2014: US Dollars 400 million, equivalent to Baht 13,240 million)*, to hedge against the risk in exchange rates from its cash flows of commercial transactions to the affiliates. These contracts will be gradually due within August 2016 *(2014: due within November 2015)*. However, in the third quarter of 2015, the Company had cancelled the entire contract before the maturity date.

f) The Company had entered into cross currency swap and interest rate swap contract with a local bank to hedge against the risk in exchange rate and interest rate amounting to US Dollars 213 million *(2014: US Dollars 213 million)* and to swap interest rate into fixed interest rate at 3.86% per annum *(2014: fixed interest rate at 3.86% per annum)*. The contract will be due within October 2019 *(2014: due within October 2019)*. However, in the third quarter of 2015, the Company had cancelled the entire contract before the maturity date.

g) The Company had entered into commodity hedging contracts with various local banks and foreign banks *(2014: US Dollars 11 million, equivalent to Baht 380 million)*, to hedge the risk of price changes the affiliates. These contracts had been gradually due in December 2015 *(2014: due within December 2015)*.

h) The Company had entered into the service agreements with two local companies. Those companies will provide information and technology outsourcing services to the Company and affiliates. The estimated commencement price is approximately Baht 6,500 million. The agreements period is for 7 years.

26 Capital management

The management of the Company has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business's performance and sustained good cash flows management. In addition, the Company considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

27 Events after the reporting period

a) At the Board of Directors' Meeting of the Company held on 27 January 2016, the directors approved the following matters:

1) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2015 at the rate of Baht 16.00 per share. An interim dividend of Baht 7.50 per share was paid on 27 August 2015, as discussed in note 23. The final dividend will be at the rate of Baht 8.50 per share, payable to shareholders entitled to receive dividends totalling approximately Baht 10,200 million and is scheduled for payment on 28 April 2016. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 30 March 2016.

2) To issue debentures No. 1/2016 on 1 April 2016, amount of Baht 25,000 million. Term of the new debenture is for 4 years, with interest rate of 3% per annum, and is to replace the debentures No. 1/2012 amounting to Baht 25,000 million to be retired for redemption on 1 April 2016.

b) The Company paid for the capital increase in SCG Cement-Building Materials Co., Ltd., the subsidiary of the Company, on 4 February 2016. The capital increase is due to 242.89 million newly-issued ordinary shares at the price of 27.50 Baht per share for a total consideration of Baht 6,779 million, according to the resolutions of the Shareholders' Meeting of the subsidiary.

28 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Company has not adopted the revised TFRSs that have been issued but are not yet effective. The revised TFRSs will become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table:

TFRSs	Topic	Effective year
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016

TFRSs	Topic	Effective year
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016

TFRSs	Topic	Effective year
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016

Management has made a preliminary assessment of the potential initial impact on the Company's financial statements of the revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

21 REFERENCES

Registrars	**Thailand Securities Depository Company Limited**
Address	The Stock Exchange of Thailand Building 1st Floor, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Tel.	66-2009-9000
Fax	66-2009-9991
e-mail	SETContactCenter@set.or.th
Website	http://www.set.or.th/tsd
Auditors	**KPMG Phoomchai Audit Ltd.** Mr. Winid Silamongkol (Certified Public Accountant Registration No.3378) or Ms. Sureerat Thongarunsang (Certified Public Accountant Registration No.4409) or Ms. Pornthip Rimdusit (Certified Public Accountant Registration No.5565)
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Tel.	66-2677-2000
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Legal Advisors	**SCG Legal Counsel Limited**
Address	1 Siam Cement Road, Bangsue, Bangkok 10800
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Trustee of Debenture Holders	**TMB Bank Public Company Limited**
Address	3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900
Tel.	66-2299-1111
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Website	www.tmbbank.com

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22 REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

Stock Code	SCC (Listed on the Stock Exchange of Thailand - SET)
Registration No.	0107537000114
Type of Business	Holding company
Website	www.scg.co.th
Year of Establishment	1913
First Trade Date	April 30, 1975
Headquarter Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Registered Capital	1,600 Million Baht
Paid-up Capital	1,200 Million Baht Comprised of 1,200 Million Ordinary shares
Par Value	1 Baht par value
Preferred Share	None
Fiscal Year	January 1 - December 31 of each year
Shareholders	The Crown Property Bureau Group holds approximately 32.4% of shares while the remaining shares are held by other institutional and individual shareholders

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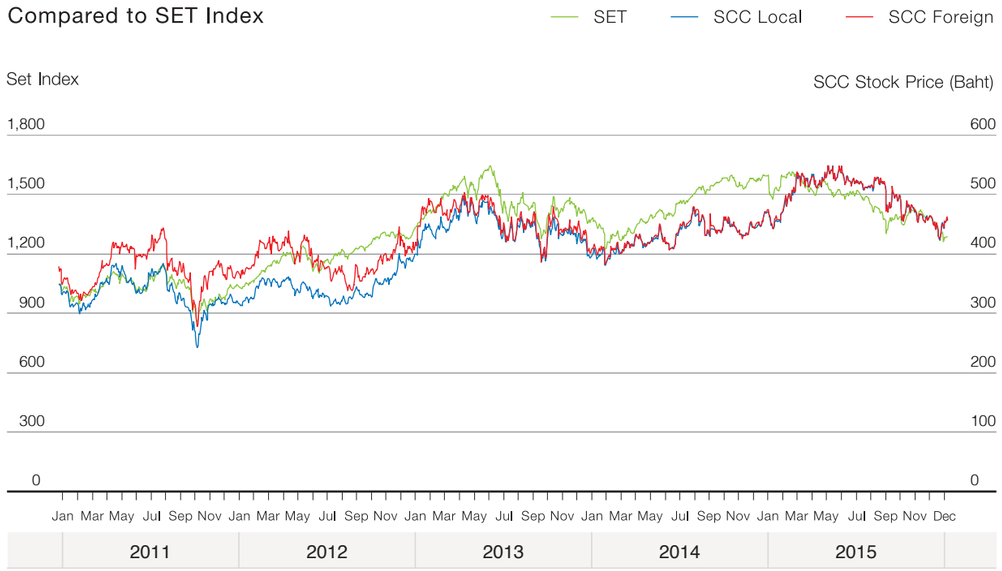
5 YEARS SHARE PRICES (2011 - 2015)

Compared to SET Index



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