

ANNUAL REPORT 2017

THE SIAM CEMENT PUBLIC COMPANY LIMITED

READY
FOR EVERY
CHANGE



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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.com



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Overview of Business and Vision

SCG is a leading business conglomerate operating the business for over a century in line with the principle of sustainable development and good corporate governance. 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. Today, SCG is comprised of three core business units, namely 1) SCG Cement-Building Materials, 2) SCG Chemicals and 3) SCG Packaging. Since its inception, SCG has grown continuously and has earned widespread recognition as a role model for businesses, both locally and internationally.

SCG envisions to become a regional business leader with an emphasis on product innovation and excellent services to meet customer needs and enhance standard of living while encouraging sustainable growth for societies and communities where it operates.

SCG is committed to creating value for employees and all stakeholders. Under world-class management capability, which strictly follows good corporate governance and uncompromising safety standards, SCG is the first in Thailand that achieves the world's ranking in the prestigious Dow Jones Sustainability Indices (DJSI) assessed by Robeco Sustainable Asset Management (RobecoSAM). SCG has been included in global ranking for 14 consecutive years since 2004. All achievements reflect company's goal to become a regional business leader in accordance with SCG's vision.

Message from the Board of Directors



The global economic fundamentals showed slight growth in 2017 driven by growth-friendly fiscal policies and steadily expanding global trade primarily in the United States, the European Union, Japan and China coupled with a favorable economic environment and diminishing risks.

The ASEAN economy expanded steadily, particularly in Vietnam which focused primarily on the promotion of investment and trade liberalization, making its economy one of the most attractive in the region. The country with the largest population in ASEAN like Indonesia benefited from higher government spending and healthy household consumption, which has positively affected the country's economy. The Philippines maintained a consistent economic growth rate. While Thailand's neighboring nations including Myanmar, Lao PDR and Cambodia enjoyed economic advantages derived from the foreign direct investment.

For Thailand, the economy growth beat market expectations. The National Economic and Social Development Board (NESDB) has projected that Thailand's 2017 GDP

growth will expand by 4.0% as a result of government spending on infrastructure and stimulus packages on top of the recovery of export market.

Despite improvements in economic performance from the previous year, SCG faced challenges that affected the business operations ranging from the high costs of raw materials in petrochemicals and packaging businesses, the rise of energy cost to strong Thai currency compounded with the fierce competition in the region especially in the cement business. Thus, SCG put the focus on embracing agile and adaptive business approach to keep up with the fast-paced and turbulent environment. SCG not only restructured the organization to enhance business performance but also expanded the embedment of Integrated Business Excellence (IBE) System to improve the efficiency of the production system and provide the effective management throughout the value chains. The transformative approaches brought about streamline operations, increase productivity, reduce costs and increase revenues. In addition, to improve SCG's competitive advantage, R&D has been promoted to constantly develop high value-added (HVA) products and services to be more responsive to consumer demands and support business expansion in the region.

For 2017, SCG reported revenue from sales of 450,921 Million Baht, increasing by 6% from the preceding year due largely to the increased sales price of chemicals products. Nevertheless, the Company's operating profit for the year totaled 55,041 Million Baht, decreasing by 2% year-on-year as a result of fierce competition in the region especially in the cement and building products business, strong Thai currency compounded with the high energy cost. Having taken into account of the Company's performance, its overall financial status, and global economic conditions, the Board of Directors has resolved to propose to the 2018 Annual General Meeting of Shareholders a dividend of 19.00 Baht per share for 2017, representing 41% of consolidated profit for the year. The full year dividends were divided into an interim dividend of 8.50 Baht per share and a final dividend of 10.50 Baht per share.

Enhancing Innovation to Seek Customer-Centric Solutions with Digital Technology

SCG focuses on adopting an open innovation strategy to enable SCG to address demand of today's consumers. For instance, the Open Innovation Center was set up to collaborate with various sectors and startups worldwide, for developing high-capability innovation in Materials, Clean Tech

and Sensor & Internet of Things (IoT). The establishment of a pilot plant allows the Company to jointly carried out collaborative research with a university in China with strong expertise. The efforts enable the scaling up of production capacity of Functional Material under the trademark CIERRA™ as a consequence of the creation of innovation derived from successful R&D collaboration with The University of Oxford in 2016.

Furthermore, SCG established AddVentures, a Corporate Venture Capital (CVC), to invest in startups relating to SCG's businesses. Examples include investment in startups that focus on digital and logistics businesses to allow customers to have access to SCG Logistics' delivery trucks, offering a more convenient and faster service with more than 7,000 trucks throughout the ASEAN region. Moreover, SCG aims to promote innovation processes utilizing digital technologies into the organization.

SCG has adopted digital technology to enhance its business proficiency such as automation & robotics to be used in the production and maintenance which succeeded in providing further services to serve customer needs internationally such as the Netherlands, other digital technologies such as automated storage/retrieval system (AS/RS), in addition to the integration of The IoT into the inventory management to ensure speed, convenience, and operation safety to ensure that SCG is leaping towards Industry 4.0.

In 2017, sales of HVA products totaled 175,541 Million Baht, accounting for 39% of total revenue from sales, whereas sales of eco value products amounted to 185,158 Million Baht, representing 41% of total revenue from sales. The Company earmarked over 4,178 Million Baht budget for R&D and innovation, representing 0.9% of total revenue from sales.

Moving Forward on Investment Plans in ASEAN to Achieve Sustainable Growth Together

One of the most prominent projects is Vietnam's first petrochemicals complex: Long Son Petrochemicals Company Limited (LSP). The construction of LSP complex is scheduled to take 4-5 years after the financing and project details will be updated in early 2018.

SCG Cement-Building Materials acquired Vietnam Construction Materials JSC (VCM) located in central Vietnam with the production capacity of 3.1 million tons per year. Meanwhile, cement plants in Myanmar and Lao PDR started the production in January and March 2017, respectively. SCG now addresses the growing demand in the region and operates in six major ASEAN nations, including Thailand, with the total production capacity of 33.5 million tons per year.

In Thailand, SCG Cement-Building Materials has restructured its ceramic tile business by merging five subsidiaries to leverage on the combined strengths of each subsidiary to generate synergies from marketing and sales, production, together with R&D. In addition, SCG launched SCG Express which offers express delivery service and is the first and only service provider to offer temperature-controlled parcel delivery. SCG Express plans to expand its service to cover areas nationwide by mid-2018.

SCG Packaging has completed the acquisition of stake in PT Indocorr Packaging Cikarang, Indonesia with a total output capacity of 32,000 tons per year. SCG Packaging has also set its sights on investing in all kinds of packaging solutions in response to growing market demand and consumer lifestyles.

SCG's overseas business operations in 2017 contributed to SCG's revenue from sales in ASEAN registered 106,597 Million Baht, representing 24% of total revenue from sales which is an increase of 9% y-o-y. And SCG's revenue from sales in other regions outside ASEAN, registered 80,084 Million Baht, amounting to 17% of total sales revenue. The total assets of SCG as of December 31, 2017 amounted to 573,412 Million Baht, while 24% representing assets in ASEAN.

Getting Ready for Changes

Despite improvements to keep the organization operating in an efficient manner under the disruptive circumstance driven by digital technology developments which lead to consumer behavior shifts on top of the rising energy cost and material input cost, SCG has also put its focus on employee's skill development program to help tackle potential challenges and expand their work horizon to support consumer demand and overseas business expansion.

The Board of Directors would like to express gratitude to all shareholders, debenture holders, joint-venture partners, suppliers, contractors, clients, employees and other relevant parties including domestic and international financial institutions for your continued contribution and support for SCG. And please be confident that SCG will operate our business conduct ethically in accordance with sustainability and principles of good corporate governance to establish a balance for developments between economy, society, and the environment to maximize benefits for all relevant parties along with realizing the SCG Vision of becoming ASEAN's sustainable business leader.

Bangkok, January 24, 2018.

On behalf of the Board of Directors

Chirayu Isarangkun Na Ayuthaya
Chairman

Roongrote Rangsiyopash
President & CEO

Financial Overview

The Siam Cement Public Company Limited and Its Subsidiaries

Consolidated Income Statement ¹

(Million Baht)

	2017	2016	2015	2014	2013
Revenue from sales	450,921	423,442	439,614	487,545	434,251
Costs and expenses	408,995	376,825	400,248	461,649	411,322
Profit before finance costs, income tax expense, depreciation and amortization and includes dividends from associates (EBITDA)	102,080	97,816	82,690	66,493	61,265
Profit for the year ²	55,041	56,084	45,400	33,615	36,522

Consolidated Statement of Financial Position ¹

(Million Baht)

Assets	573,412	539,688	509,981	465,823	440,689
Liabilities	271,587	258,070	266,975	256,506	253,927
Shareholders' equity	301,825	281,618	243,006	209,317	186,762
Equity attributable to owners of the parent	261,098	240,023	206,161	177,283	161,538

Financial Ratio

Total number of shares issued (Million Shares)	1,200	1,200	1,200	1,200	1,200
Book value per share (Baht)	217.6	200.0	171.8	147.7	134.6
Earnings per share (Baht)	45.9	46.7	37.8	28.0	30.4
Dividends per share (Baht)	19.0	19.0	16.0	12.5	15.5
Dividends payout ratio on profit for the year (%)	41.4	40.7	42.3	44.6	51.0
Return on revenue from sales (%)	12.2	13.2	10.3	6.9	8.4
Return on equity (%)	22.0	25.1	23.7	19.8	24.0
Return on assets (%)	9.9	10.7	9.3	7.4	8.7
EBITDA on total assets (%)	18.3	18.6	16.9	14.7	14.7
Debt to equity ratio (Times) ³	0.9	0.9	1.1	1.2	1.4
Price earnings ratio (Times)	10.5	10.6	12.1	15.9	13.1
Net debt to EBITDA ratio (Times)	1.4	1.5	2.0	2.5	2.6

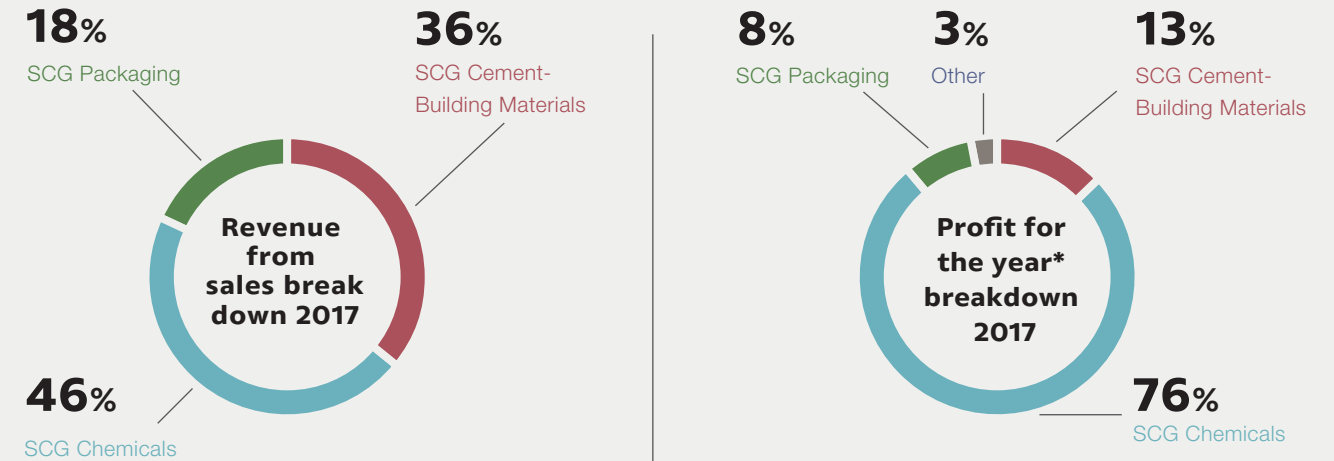
¹ The figures for years 2016 and 2013 are reclassified.

² Represents profit for the year attributable to owners of the parent.

³ Debt to equity ratio = Liabilities divided by shareholders' equity

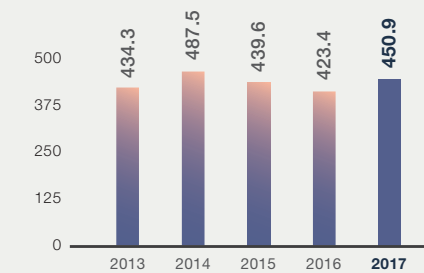
Operating Results

The Siam Cement Public Company Limited and Its Subsidiaries



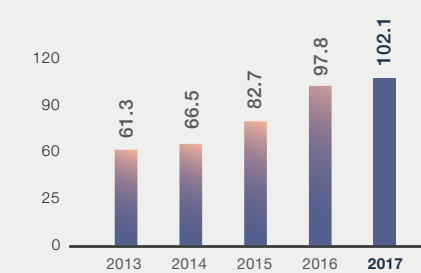
Revenue from sales

(Billion Baht)



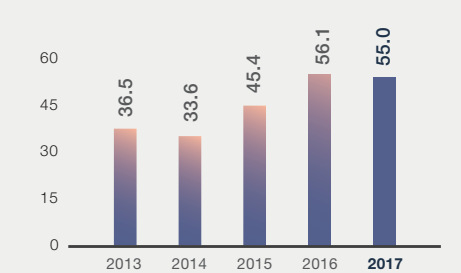
EBITDA

(Billion Baht)



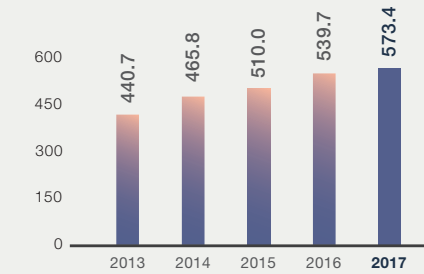
Profit for the year*

(Billion Baht)



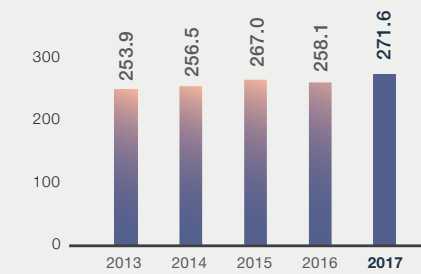
Assets

(Billion Baht)



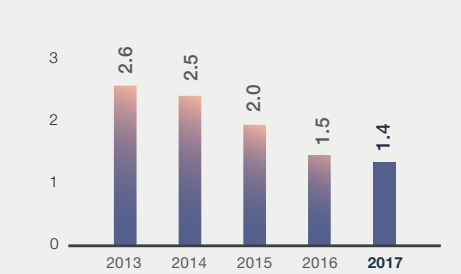
Liabilities

(Billion Baht)



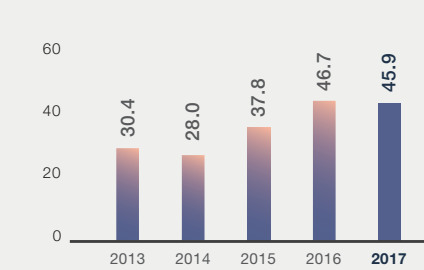
Net debt to EBITDA ratio

(Times)



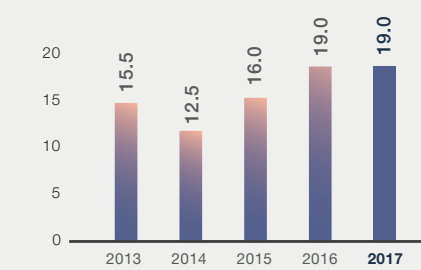
Earnings per share

(Baht/share)



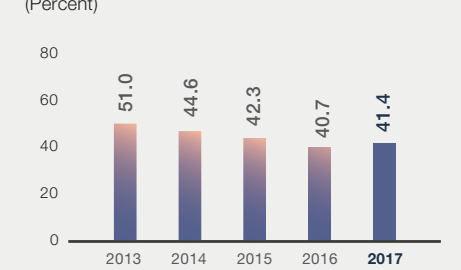
Dividends per share

(Baht/share)



Dividends payout ratio on profit for the year*

(Percent)



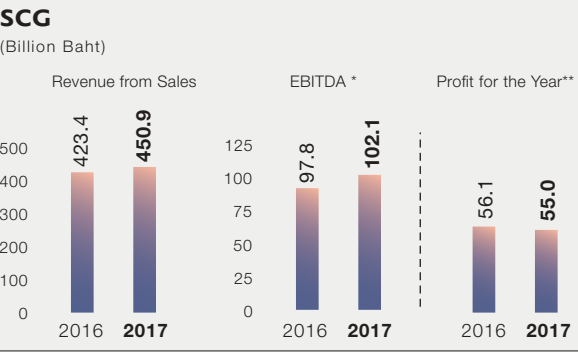
* Profit for the year attributable to owners of the parent.

Business Highlight

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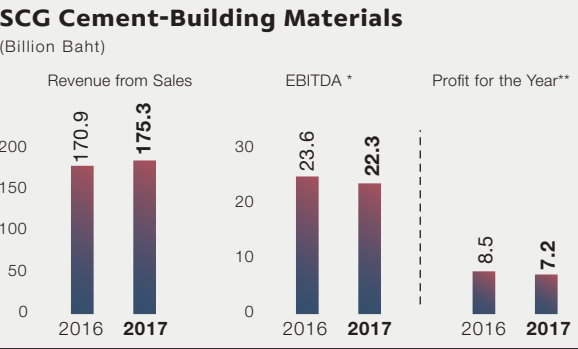
SCG

Consolidated revenue from sales increase 6% year-on-year to 450,921 Million Baht on higher chemicals prices, and consolidated EBITDA increased 4% year-on-year to 102,080 Million Baht, benefiting from the dividend income from associates companies. Consolidated profit for the year registered at 55,041 Million Baht, a decrease of 2% year-on-year, attributed to the weakness in the domestic Cement and Building Materials operations.



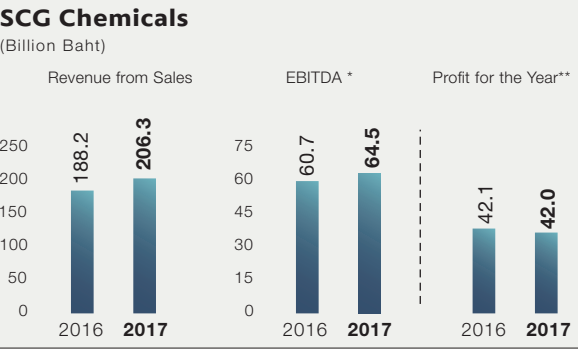
SCG Cement-Building Materials

Revenue from sales was 175,255 Million Baht. EBITDA was 22,319 Million Baht, and profit for the year was 7,230 Million Baht, declining by 15 % from the preceding year due to subdued demand in the domestic market that had a downward pressure on prices and sales. However, SCG Cement-Building Materials continually focuses on boosting of its manufacturing base in ASEAN to accommodate government investment as well as local consumption and trading among ASEAN member nations.



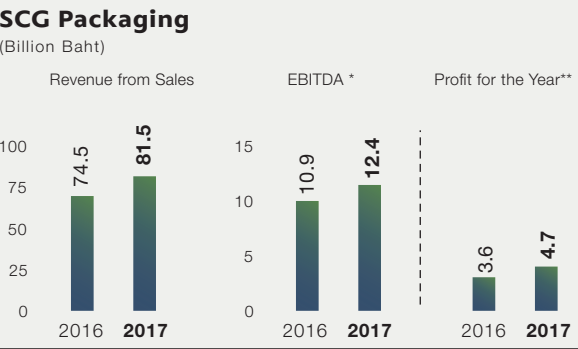
SCG Chemicals

Revenue from sales was 206,280 Million Baht. EBITDA was 64,461 Million Baht, and profit for the year remained stable at 42,007 Million Baht from slightly dropped of subsidiaries performance due to higher naphtha cost and strong Thai Baht, despite gain on investment sales and improved equity income from associates. SCG Chemicals has focused on developing new innovation, and increasing sales of High Value Added (HVA) products to satisfy customers' needs, expand business further to strengthen our competitiveness, and take on all changes.



SCG Packaging

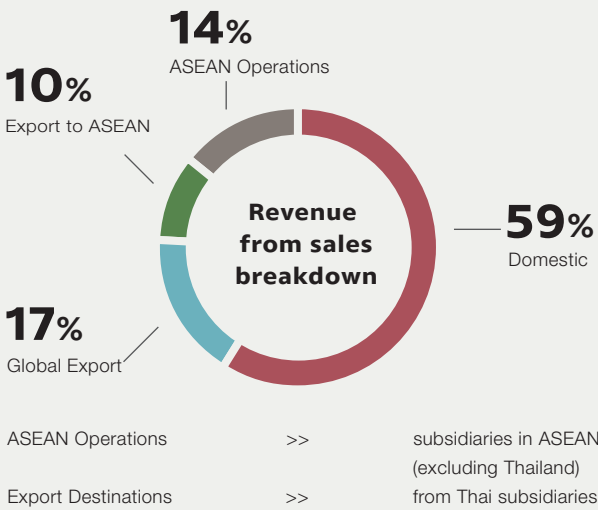
Revenue from sales was 81,455 Million Baht. EBITDA was 12,431 Million Baht, and profit for the year was 4,719 Million Baht, rising by 32% year-on-year, as a result of higher sales volume and sales of Thai Union Paper Public Company Limited's assets. SCG Packaging pledges to develop excellent quality packaging product and services to satisfy a diverse range of application needs in order to become a total packaging solutions provider.



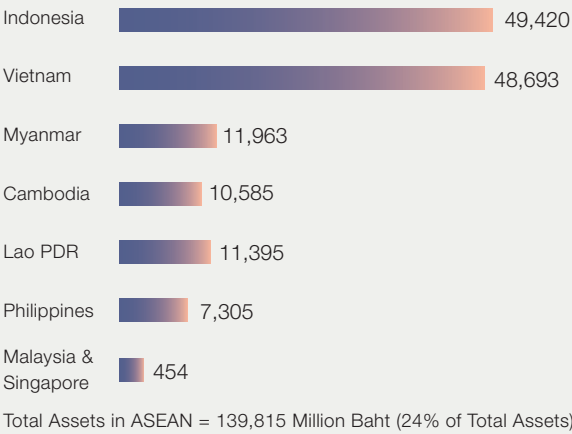
Other

EBITDA was 2,909 Million Baht, and profit for the year was 1,485 Million Baht. This could be attributed to the operating results of SCG Investment that recorded EBITDA inclusive of dividend from associated companies of 4,643 Million Baht and profit for the year of 5,500 Million Baht after deducting general and administrative expenses.

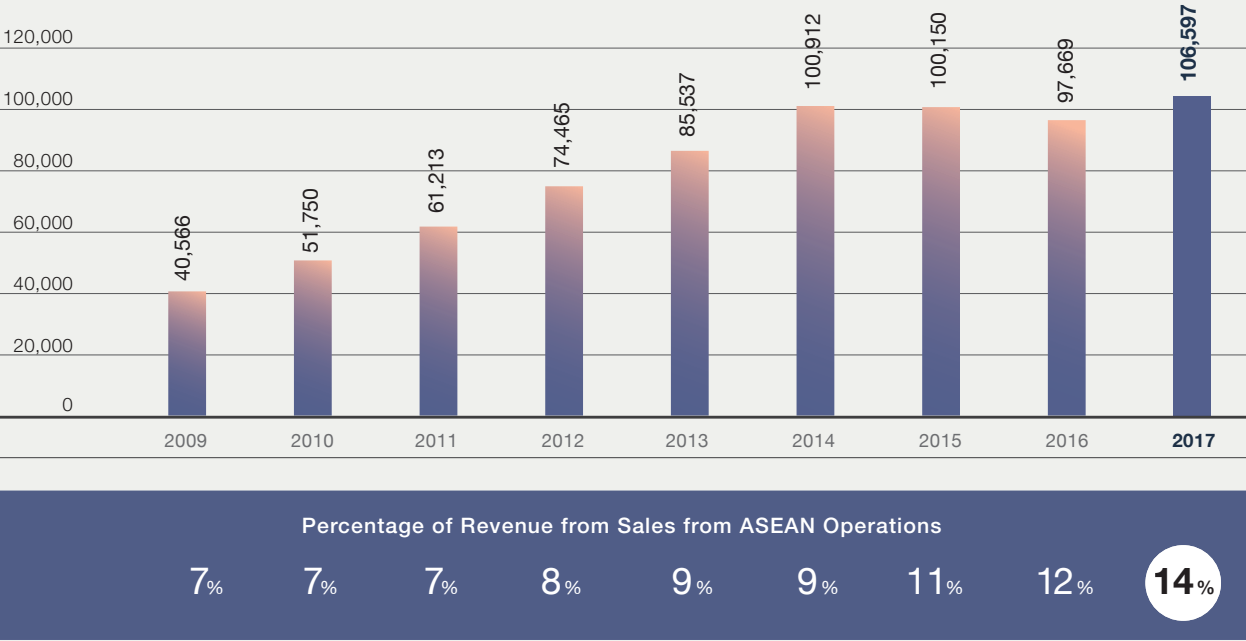
* Includes dividends from associates.
** Profit for the year attributable to owners of the parent.



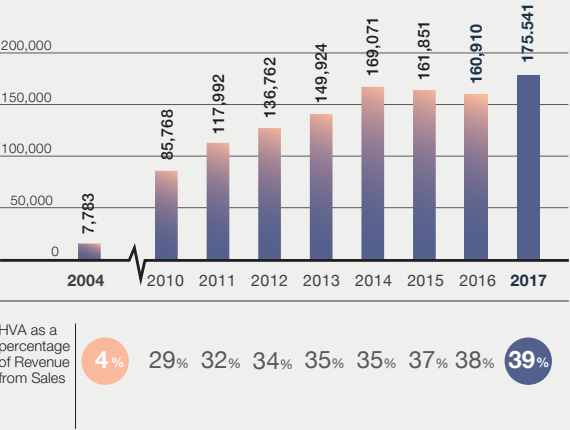
Total Assets in ASEAN
(Million Baht)



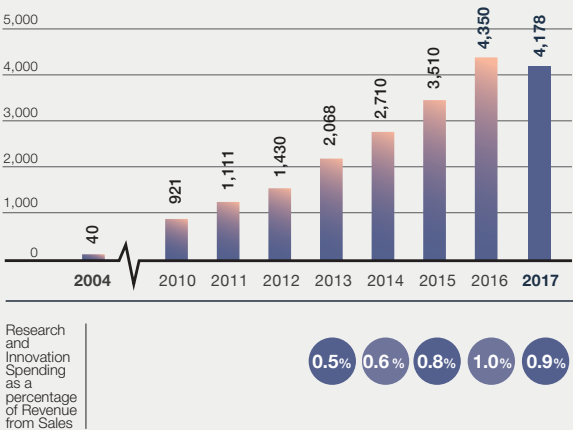
SCG's Revenue from Export to ASEAN and ASEAN Operations
(Million Baht)



Revenue from Sales of HVA
(Million Baht)



Research and Innovation Spending
(Million Baht)



SCG

Cement-Building Materials

Revenue
from sales

175,255

Million Baht

EBITDA

22,319

Million Baht

Elderly Bathroom Design

Innovation to support elderly living, focusing on safety, convenience and ease of use. Simplicity, durability and uncomplicated technology facilitate elderly bathroom usage, allowing for independence.

“

SCG Cement-Building Materials’ regional business expansion strategy has resulted in business operations covering several areas including the new brown field cement plants in Vietnam that caused an integration with existing cement plants of SCG in other countries to utilize the capacity with most efficiency. At the same time, the Thai operations continue to meet domestic demand and cover regional markets, while placing an increased emphasis toward the development of innovative products and services that satisfy the changing needs of modern day customers.

”

Business Challenges

- Domestic demand for cement and building materials fell due to lower consumer confidence and declining purchasing power. However, SCG Cement-Building Materials managed to maintain its leadership status in the building materials market through the continued development of high value-added products and services.

- Overall, business operations in ASEAN grew at a satisfactory rate, thanks to the expansion of the cement and building materials markets in several countries. Cambodia, in particular, witnessed a steady growth driven by housing and commercial building projects and the government’s large-scale infrastructure projects, such as the road network. Meanwhile, the construction market in Indonesia picked up from last year as a result of the government’s continuous investment in infrastructure, including toll roads, airports, dams and high-speed trains. In Myanmar, the growing construction market was led by private direct investment, especially in special economic zones. The Vietnam construction market grew slightly due to government investment in large projects such as bridges and sea ports. Similarly, the Philippines government increased infrastructure spending to spur growth in its local construction industry and domestic economy.

Notable Achievements in 2017

- SCG Cement-Building Materials has received multiple awards recognizing its achievements in 2017. These awards include:

- o “Thailand’s Top Corporate Brand Value Hall of Fame Award 2017” awarded by Chulalongkorn University’s Faculty of Commerce and Accountancy. For five consecutive years, SCG has been named the top corporate brand in the building materials sector.

- o “Thailand’s Most Admired Brand 2017 & Why We Buy?”, the survey studies brands’ credibility and factors associated with consumer purchasing decisions, awarded by BrandAge magazine. For five consecutive years, SCG has been awarded in the building materials/roof tiles category.

- o “No.1 Brand Thailand” awarded by Marketeer magazine. For the roof tiles sector, SCG is the number one brand.

- o “German Design Award 2017” awarded by German Design Council for COTTO’s Soft Paddle Faucet in the fixtures for housing category.

Financial Information

(Million Baht)

Information from Statement of Financial Position ¹

Current assets	56,466	58,702	56,348	53,566	51,935
Assets	213,134	203,068	187,976	168,662	155,711
Liabilities	106,913	103,198	105,242	85,937	72,699
Shareholders' equity	106,221	99,870	82,734	82,725	83,012

Information from Income Statement ¹

Revenue from sales	175,255	170,944	178,988	185,423	174,642
Costs and expenses	169,431	163,956	168,306	170,565	158,350
Profit for the year ²	7,230	8,492	10,250	13,180	16,092
EBITDA ³	22,319	23,639	24,395	26,683	26,274

¹ The figures for year 2016 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.

“In the future, digital disruption will affect SCG’s building materials and distribution businesses. Therefore, we have experimented with new Digital Platforms such as e-commerce to reach a new generation consumers who increasingly purchase products and services via online channels. Our objective is to enhance SCG’s distribution network with more of an omni-channel approach to fully tackle consumer needs. Thus, in addition to current distributor outlets, we will be able to serve customers via online channels. Our nationwide distributors will be our Business Partners for the new SCG Active OMNI-Channel program, which we will roll out in 2018.

The most important driver that prepares us for the change is SCG CBM’s employees. We aim to embed an Entrepreneurship Mindset into our corporate culture. Employees will respond to consumer needs quickly via ‘lean startup’ methods and collaborations in the internal and external eco-system of the business.”

Mr. Wiroat Rattanachaisit
Managing Director – Sales and Channels
SCG Cement-Building Materials

Operating Results

- Domestic demand for cement declined compared with 2016. Domestic demand came from government infrastructure projects, while demand from the household and private sectors witnessed some growth slowdown. Cement exports increased compared with the previous year.
- Total revenue for SCG Cement-Building Materials was 175,255 Million Baht, a 3% increase from the previous year. EBITDA was 22,319 Million Baht, a drop of 6% from 2016, while profit was down 15% to 7,230 Million Baht.

Organizational Efforts to Embrace Change
Human Resources

- **Enhancing employees’** capabilities in order to support business operations amidst a changing working environment. Also, strengthening the company’s working culture to support and align with the business direction, such as using customer-centric approaches, and working in a more “hands-on” manner.



- **Adopting the concept of “Open and Challenge” to provide opportunities for employees to demonstrate their potential**, thereby empowering them to develop technology and innovations that lead to high value-added products and services for the benefit of customers, society, and stakeholders.

Products and Innovation

- **Concrete Fabric:** Building on the success of the development of concrete fabric, the innovation was applied in projects including the Baan Sa Phae reservoir in Lampang province, and the Tamot check dam in Phatthalung province. The objective of the application of the two dams was to build a market and provide knowledge for users in preparation for a commercial launch.
- **3D Printing Mortar:** Extrusion 3D Printing is a new construction fabrication technology. In the future, it is anticipated that this technology will be able to build entire houses using automation, thereby requiring less labor than traditional construction methods. As a result, SCG has invented its own 3D printing technology compatible with SCG’s cement products. This will not only help solve labor shortage problems, but also increase efficiency by making installation faster and more convenient, enabling design flexibility, and handling more complicated projects.
- **Research and development in innovation for the Smart Ventilation and Air Quality control systems for homes to increase the quality of living:** The combination of the Passive Stack Ventilation innovation and solar-powered ventilation fans controlled by a smart system can help create a more comfortable living environment and reduce built-up heat. Furthermore, new products were developed to improve indoor air quality by aiding homeowners in monitoring and controlling humidity levels, temperature, CO2 and volatile organic compounds (VOCs).
- **SCG Eldercare Solution:** A series of housing innovations for the elderly dedicated to offering maximum safety throughout the house, as well as bedding solutions that ease joint and muscle pain in the lower body. For example, beds and chairs designed to make it easier to arise, special mattress to ease bedsores, bedside toilets, and an intelligent lighting system that automatically illuminates when getting up from bed at night.

- **Research and Development in wood substitute materials to cover more outdoor usage**, such as wall paneling and one-piece skirts, made from the extrusion technology and the existing fiber-composite technology.

Sustainable Development in Business
Operations

- **SCG Cement-Building Materials Co., Ltd.** invested in the installation of 500kW solar cell systems capable of generating power from the sunlight about 660 kWh per year, thereby reducing greenhouse gas emissions by 384 kg carbon dioxide per year. The investment totaled 15 Million Baht and will result in energy savings of 2 Million Baht per year.
- **Siam Sanitary Ware Industry Co., Ltd.** took part in soil improvement projects in Sara Buri Province, providing clay scrap, which are byproducts from the sanitary ware production process, as fertilized soil for local communities including Village No. 15 and Kaeng Khoi. The soil was also provided to the Royal Thai Army Cavalry Center for its campaign to plant vetiver ground covers for soil and water conservation. The campaign, which was coordinated with the Land Development Station in Sara Buri province, was held in honor of the 65th birthday celebration of Thailand’s King Maha Vajiralongkorn. It is planned to expand the project further in Sara Buri province by collaborating with other government agencies.
- **SCG Cement-Building Materials and its subsidiaries engaged in activities and received accreditations relating to sustainable development:**
 - o **SCG Cement-Building Materials Co., Ltd.,** a manufacturer of SCG Portland Cement and Tiger Brand Cement, received carbon footprint labels on 17 products and carbon footprint reduction labels on 17 products from the Thailand Greenhouse Gas Management Organization. In addition, SCG Portland Cement became the first and only cement product to be certified with the “Green Label” from the Thailand Environment Institute.
 - o **The Siam White Cement Co., Ltd.,** a manufacturer of white cement, received carbon footprint labels on 10 products and carbon footprint reduction labels on 3 products from the Thailand Greenhouse Gas Management Organization.
 - o **Concrete Product and Aggregate Co., Ltd.,** a manufacturer of ready-mix and instant concrete products, received carbon footprint labels on 10 products and carbon footprint reduction labels on 3 products from the Thailand Greenhouse Gas Management Organization.
 - o **The Siam Ceramic Group Industries Co., Ltd.** received carbon footprint reduction label for SCG Tiles for floors and walls from the Thailand Greenhouse Gas Management Organization, as well as received a carbon reduction label from Thailand Environment Institute.
 - o **Siam Sanitary Ware Fittings Co., Ltd.** saw its COTTO line become certified with the carbon reduction label from the Thailand Environment Institute. This marks 9th consecutive year that the range of faucet products has received the designation.

SCG Chemicals

Revenue
from sales

206,280

Million Baht

EBITDA

64,461

Million Baht

“

SCG Chemicals has focused on developing new innovations, and increasing sales of high value-added products to satisfy customers' needs and expanding business further to strengthen our competitiveness. To meet the challenges of the futures, the Company has also emphasized organizational development as a foundation for developing new innovation and becoming more innovative organization, in order to take on all changes. Moreover, the Company has committed itself to conducting business in line with sustainable development principles, and also developing enhancing eco-friendly production process.

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Smart Online Fault Analysis (SmartOFA)

A system which can access risk of machinery and also send out alerts before actual problem occurs.

Business Challenges

- The price of naphtha, the main feedstock, increased 24% from the previous year following the increase of crude oil price due to OPEC and Non-OPEC production cut at the beginning of the year to rebalance the market and geopolitical uncertainties. However, polyethylene (PE) prices increased only slightly, resulting in a decrease of PE-naphtha gap. Polypropylene (PP) and PVC prices increased following the increase of feedstock prices, leading to wider margins of both PP and PVC.
- Nevertheless, overall petrochemical industry experienced an upturn in 2017, which aligned with improved global economy, despite uncertainties of feedstock prices and additional supply of products from the United States. SCG Chemicals is equipped to handle these uncertainties by improving competitiveness through research and development on high value-added products. This effort, together with higher price of by-products from the use of naphtha as feedstock increased in the beginning of the year, resulted in satisfying operating result of SCG Chemicals.

Notable Achievements in 2017

- Developed 11 new resin grades to serve a variety of applications, including: new polyethylene for pipe (PE 112), which has only two producers globally; polyethylene for extra light weight cap and closure, which uses less plastic but still maintains similar properties and strength level; polypropylene for automotive parts which has a low-gloss property thereby reducing glare and reflection and increasing driving safety; PVC for cable jacket, which features improved softness, flexibility, safety, and insulation properties for indoor and outdoor usage. As a result, sales of HVA products amounted to 30% of total revenue from subsidiaries' sales.
- Entered into an agreement, granting rights to a drug development company in the United Kingdom to utilize the Functional Material as part of drug delivery supply. Additionally, a pilot plant was started up under the collaboration with a university in China with experiences in scaling up products from laboratory to produce Functional Material under the trademark CIERRA™ for flame retardant additive. Further application development includes catalysts for petrochemical process by using CIERRA™ to increase operational efficiency. SCG Chemicals has set up new company in Switzerland in order to enter into the potential market for CIERRA™ such as catalyst, barrier film, flame retardant additive, and drug delivery material. The Company also set up company in United Kingdom for application

Financial Information

(Million Baht)

Information from Statement of Financial Position ¹

	2017	2016	2015	2014	2013
Current assets	45,183	49,463	45,769	47,070	51,321
Assets	193,183	193,465	185,583	183,884	192,063
Liabilities	49,257	64,321	79,818	99,133	109,273
Shareholders' equity	143,926	129,144	105,765	84,751	82,790

Information from Income Statement ¹

Revenue from sales	206,280	188,163	200,433	248,118	209,997
Costs and expenses	169,512	147,209	170,433	237,386	202,921
Profit for the year ²	42,007	42,084	28,488	12,461	11,292
EBITDA ³	64,461	60,731	42,900	26,142	20,342

¹ The figures for year 2016 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.

"It is all starting from our team effort to apply technology such as Data Analytics to improve our maintenance work which main responsibility is to ensure all machines operate efficiently because in the past, it was more about problems solving rather preemption. After studying Data Analytics technology, we found opportunity to utilize knowledge and experience from our experts by developing mathematical model which can analyze what will happen to machine under certain circumstances. We also developed the system that can advise preventive action before machine breaks down. The other interesting point of this technology is that it can develop itself to be more intelligent when it collects more data. This innovation will help compile company-wide knowledge and systematically pass on for business sustainability and safety in our operations. In addition, this could be further developed to become a new business."

Mr. Sophon Arayasathaporn

Plant Reliability and Innovative Technology Center Manager

Rayong Engineering & Plant Service Co., Ltd.

Subsidiary of SCG Chemicals

research, enabling our capability to effectively respond to customers' needs of various industries.

- Expanded Low-Density Polypropylene (LDPE) capacity to 152,000 tons per year as planned, starting in April 2017. Property of this HVA LDPE resin is suitable for Flexible Packaging, especially food and beverage packaging and able to serve both domestic end users and global leading players in terms of product properties.

- Developed ReadyPlastic, a new online ordering platform for non-prime resins. The platform was well accepted and successfully tapped into the customer.

- Expanded the Integrated Business Excellence (IBE) System. In 2017, the efforts helped reduce production time loss which brought about higher plant productivity, cost reduction, improved product lines management and ability to set product prices to serve customer needs.

- Developed Smart Online Fault Analysis (SmartOFA) which can assesses risk and issues alerts before in advance

to warn of machinery malfunction in manufacturing plants. This helps reduce maintenance cost and reduce opportunity loss from machinery downtime.

Operating Results

- In 2017, revenue from sales of SCG Chemicals totaled 206,280 Million Baht, increased 10% from the previous year due to an increase of products prices following an increase of crude oil prices together with an increase of sales volume. EBITDA were increased 6% to 64,461 Million Baht mainly from higher dividend from associated companies. Profit for the year remained stable at 42,007 Million Baht. Subsidiaries performance slightly dropped from higher naphtha cost and strong Thai Baht, despite gain on investment sales offset with improved equity income from associates.

Organizational Efforts to Embrace Change Business Efforts

- Increased stakes in Long Son Petrochemical Company Limited, the first petrochemical complex in Vietnam, from 46% to 71% with competitiveness of well integration from upstream to downstream and feedstock flexibility. The project includes an investment in infrastructure which supports the complex such as deep sea port, and other facilities. This project, which will serve the fast growing demand in Vietnam which reflected in 2017 GDP growth rate at the range of 6-7%, has got support from the Vietnamese government. However, this project is slightly delayed from plan due to newly issued laws and regulations.

- Currently setting up Application Development Center for enhancing capability and expertise in developing innovative products from polyethylene and polypropylene. This will help solve the problems that manufacturers encounter with, and thereby help them to better meet the needs of end-consumers.

- Piloted Innovation Management Process (IMP) with packaging for food & beverage business, in creating innovative products that better answer customer's needs, eventually leading to more HVA products sales.

Human Resources

- Continuously promoted employee's capability building, designed job function and employee career path through Career Management system where employee can participate in individual growth planning to align with business direction, and developed well-rounded leaders, and specialists in each field.

- Extended human capital development program to overseas operations for continuous and sustainable growth of the business. For example, the Competency Development Program in Indonesia, in which staffs have gained more knowledge on technology and management skill through hands-on working experience at Map Ta Phut plant in Rayong province. For Vietnamese staffs, SCG

Chemicals has arranged employee skill development program by collaborating with leading educational institutions in both Vietnam and Thailand for the Long Son Petrochemical project.

- Recruited experts from various countries, such as Norway, France, The United Kingdom, The United States of America, Japan, and Singapore to work with local and overseas employees, to increase employees' capability, create diversity, and support existing and emerging businesses, in order to build sustainable growth for SCG Chemicals in both ASEAN and global scale.

- Implemented 9 Life Saving Rules together with building safety culture within organization through "The Lifesaver™" campaign with an aim to encourage all employees to have safety awareness, and to take care of themselves and others. The campaign has also expanded to nearby communities in Rayong.

Products and Innovation

- Developed new polymer production technology and came up with special grade of High-Density Polyethylene (HDPE) (New PE) with higher strength, enabling thinner finished products with similar durability, and no impact to current production process. This New PE can be used for various applications such as super thin film, new generation of pipe, and lightweight bottle cap. Super thin film will be in product testing process with customers in 2018 and then launched into the market.

Sustainable Development in Business Operations

- Developed eco-friendly products, and services, with SCG eco-value certified products accounting to 56% of total sales.

- Improving production process to be eco-friendly. In 2017, Rayong Olefins Co., Ltd., a subsidiary of SCG Chemicals, was awarded Green Industry level 5: Green Network, the highest rating of Green Industry, by Ministry of Industry, and RIL Industrial Estate was certified Eco Excellence level from Industrial Estate Authority of Thailand (IEAT), recognized as the only estate in Thailand ever achieved such status.

- Shared knowledge and supported surrounding communities for self-sustainability through various projects. For example, Fish Home Project by SCG Chemicals, together with communities in Chonburi and Rayong province, built 1,100 fish homes, has created protected area in 29 communities, and also helped increase income of community members from the increase of marine lives in the area. The Company has planned to expand the project by building 1,000 more of fish homes in Chanthaburi and Trat provinces to cover all eastern seaboard area.

SCG Packaging

Revenue
from sales

81,455
Million Baht

EBITDA

12,431
Million Baht

Flexible Packaging - Spout Pouch

An upright Flexible Packaging with caps for liquid products which provide ease of use.

Food Safe Packaging - FEST

Hygienic packaging with customized design that add values to food and beverages products.

“

The 2017 operating results of SCG Packaging rose compared with the previous year. The key factors that support this result are from capacity expansion of paper packaging in Vietnam, and business expansions in ASEAN in response to growing demand in the region. Furthermore, SCG Packaging is focusing on developing and increasing the sales of high value-added products, as well as enhancing production efficiency.

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Business Challenges

- Domestic demand for paper packaging and corrugated containers in 2017 continued to increase owing to higher-than-expected exports. Demand in ASEAN grew moderately in line with regional economic expansion and a growth in export-oriented manufacturing. Paper packaging and corrugated container manufacturers in the region continued to increase production capacity. With heightened competition, it is a challenge for manufacturers to increase organizational efficiency in order to meet the needs of customers and maintain a competitive edge sustainably.

- In 2017, domestic demand for printing and writing paper declined mainly due to the growth of digital media, particularly in the areas of promotional materials and magazines. Meanwhile, imports of coated paper and copier paper increased year-on-year. The copier paper industry remained highly competitive due to severe price competition from Chinese and Indonesian manufacturers.

Notable Achievements in 2017

- Successful capacity expansion of packaging business in the ASEAN region.
- Full capacity utilization of Vina Kraft Paper PM 2.
- Enhancing Packaging chain competitiveness though volatility of RCP price.
- Good progress on business transformation to be “Total Packaging Solutions Provider”.

Operating Results

- In 2017, revenue from sales of SCG Packaging amounted to 81,455 Million Baht, up 9% compared to 2016 mainly due to higher sales volume and prices of packaging chain. EBITDA was 12,431 Million Baht, up 14% from the previous year, and profit for the year was 4,719 Million Baht, improving 32% from 2016.

- Packaging Chain:** Total sales volume was up 8% compared to 2016 from capacity expansion in Vietnam and owing to increasing demand for packaging paper and corrugated containers, especially in ASEAN which grew 5% from the previous year.

- Fibrous Chain:** Total sales volume of printing and writing paper fell 8% compared to 2016, due to a decline in export sales and a steady decline in domestic demand.

Financial Information

(Million Baht)

Information from Statement of Financial Position ¹

Current assets	29,317	24,574	24,295	22,969	21,782
Assets	91,312	85,369	83,218	73,987	65,169
Liabilities	35,661	32,617	34,892	29,150	26,133
Shareholders' equity	55,651	52,752	48,326	44,837	39,036

Information from Income Statement ¹

Revenue from sales	81,455	74,542	70,907	64,614	59,135
Costs and expenses	76,539	70,469	66,838	60,368	54,731
Profit for the year ²	4,719	3,565	3,463	3,448	3,587
EBITDA ³	12,431	10,884	10,831	9,718	9,473

¹ The figures for year 2016 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.



“Presently, it is apparent that consumer behavior is changing rapidly. In order to effectively respond to these changes, the management of business operations and the use of analytics to cater these changes must be carried out as fast and efficiently as possible. Operating a business where information is crucial for decision making and increasing competitiveness, SCG packaging realizes the importance of adopting digital technology to manage the business and data to serve the needs of customers. Hence, Data Virtualization plays a major role in fulfilling those needs and is used as a tool for Value Chain management. The technology itself increases the efficiency in data visibility. For example, customers are able to track their purchased orders in real time, and make use of the given data in planning and forecasting their progress. In addition, this technology is available for different data processing (Data Analytics), which will enable the business to make decision making more accurate and faster. Optimization Modeling is one of the tools that we use to help manage the total Value Chain, starting from sales, production, and material sourcing, and it will help us to enhance our business competitive advantage, response customer needs, increase the ability to make faster and easier changes, and secure a sustainable business growth.”

Mr. Prakit Worawattananon
Strategic Supply Chain Director
SCG Packaging

Organizational Efforts to Embrace Change Business

- Investment in rigid plastic packaging business by acquiring 75% stake in Conimex Co, Ltd., whose products includes plastic bottles, plastic tubes, caps and closures. The company's market coverage includes both domestic and international manufacturers in cosmetics, personal care, consumer products and industrial liquids. The acquisition of Conimex illustrates SCG Packaging's strong commitment in becoming a total packaging solutions provider in ASEAN and strengthening its presence in the premium packaging segment.
- Acquired an 80% stake in PT Indocorr Packaging Cikarang, an Indonesian producer of high-quality corrugated containers for consumer products, with a combined capacity of 32,000 tons per year. Following this acquisition, SCG Packaging's combined production

capacity of corrugated containers increased to 1.04 million tons per year across the ASEAN region.

- Expanded business portfolio in Display Packaging to serve the premium packaging market. This was achieved by acquiring a 75% stake in Precision Print Co, Ltd., a company specializing in the manufacturing and offset printing of folding cartons that are used in industries ranging from cosmetics to supplementary food. This investment will enhance SCG Packaging's overall portfolio while further strengthening its position as a total packaging solution provider.

Human Resources

- Preparing employees to be adaptable for the new business model through educational programs to enhance employee efficiency and cultivate the idea of using digital technology in order to effectively meet the needs of customers.
- In order to support business expansion toward becoming a total packaging solutions provider, SCG Packaging has adjusted its organizational structure to be adaptable to serve the needs of customers more quickly and efficiently. The company has also promoted a corporate culture and leadership development program to groom leaders to step up to become role models.

Products and Innovation

- Developed a digital platform (E-Store) for spare parts management, in which the software is used to track the amount of spare parts and inventory available among factories.
- Developed flexible packaging for exported fruits and vegetables (OptiBreath®), expanded sales channels to modern trade retailers and developed integrated service solutions by offering design customization offerings for a variety of packaging.
- Developed flexible packaging with twist-off caps for beverages and liquid refills (Spout Pouch) which offers more convenient experiences for customers owing to its upright design, and its attractive appearance.
- Developed a flexible packaging which featured high tolerance for heat and pressure properties (Retort Pouch). The product is suitable for food that needs to be sterilized, and helps to maintain the quality of food for a longer period, allowing for convenience and reduce food preparation times.
- Developed sales channel for food safe packaging, Fest. Through modern and traditional trade retailers located around the country. The company also offers packaging design customization services to help add value to customers' products.
- Co-developed acid-free packaging with the Queen Sirikit Museum of Textiles. The packages are made from special ingredients that prevent the infiltration of acid particles, thereby helping to safely preserve valuable items

such as silk, antiques and important documents.

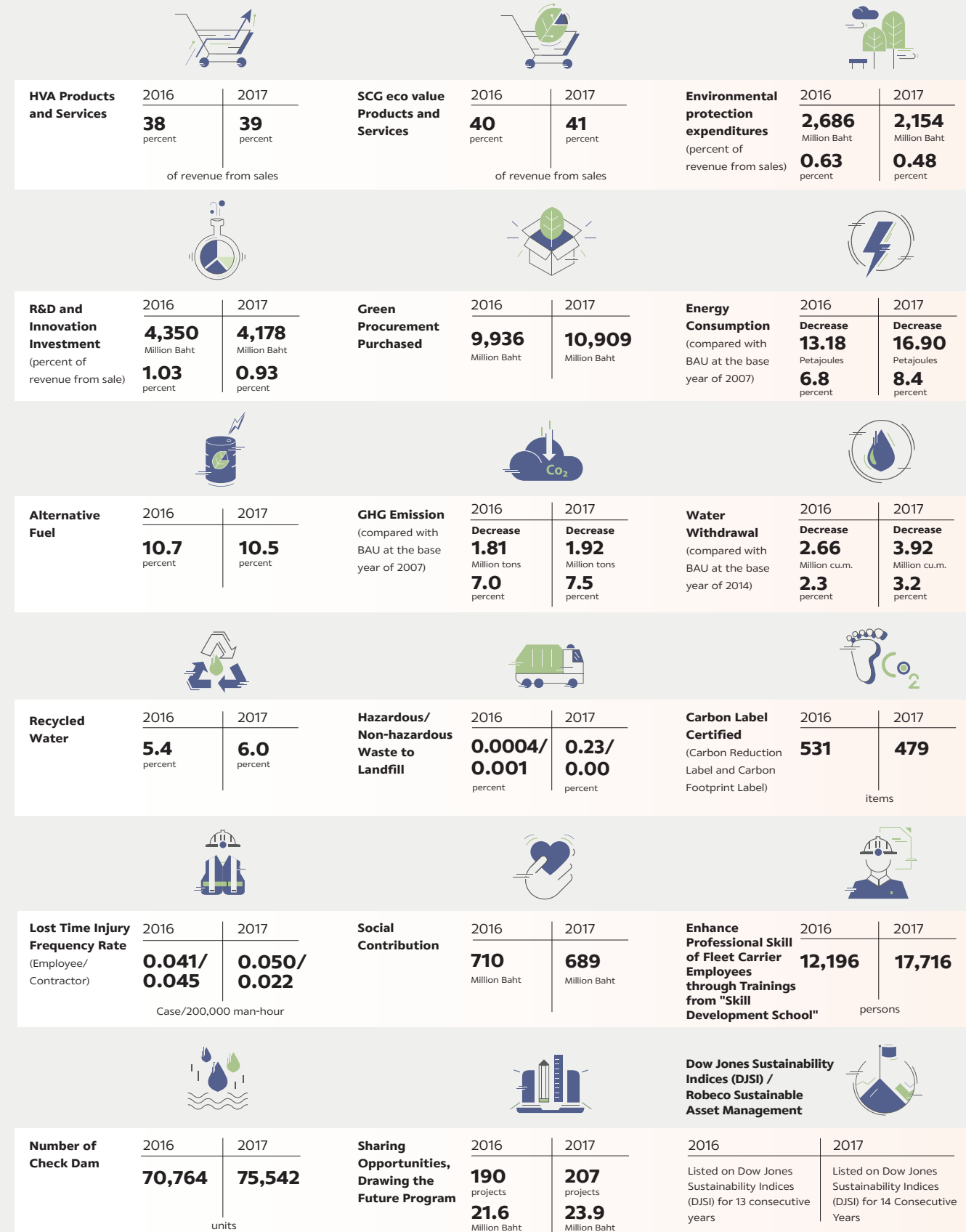
- Developed corrugated packaging for several types of parcels and also offered integrated solutions, including design customization services, delivery and online ordering, helping to enhance convenience for customers who want to differentiate their packaging.
- Developed honeycomb paper as a wood substitution for furniture industry. Honeycomb paper is lightweight yet strong, suitable for furniture production, as well as logistics industry.

Sustainable Development in Business Operations

- Reduced water usage in the manufacturing processes through rebalancing water usage, installing additional equipment and systems to reuse wastewater in other parts of the production process. These efforts have helped to reduce water usage by 1 million cubic meters per year.
- Reused waste materials by installing a kiln to reduce lime mud, a waste material from pulp production. This process results in calcium carbonate, which can be used as raw material in pulp production. In addition, used materials from the furnace are being applied as a component in the production of bricks.
- Improved the water treatment system by employing anaerobic wastewater treatment technology, providing treated water to farmers for agricultural purposes. Moreover, gas received from such systems is used as an alternative energy source.
- Social and Environmental Responsibility
 - o Continue the late King Bhumibol Adulyadej's philosophy of sustainable water management by organizing an activity called "The Journey to Preserve Water." The activity involved check dams building in the provinces of Nakhon Si Thammarat, Kanchanaburi and Khon Kaen, and transfer knowledge to communities to become more self-reliant.
 - o Held a packaging design competition called "SCG Packaging x Wallpaper* The Challenge 2017". The contest provided an opportunity for young designers to illustrate their potential in packaging design. The challenges were proposed by the two leading food manufacturers: Thai Theparos Food Products and Ampol Food Group. The contest also strengthened the relationship between the companies and packaging specialists.
 - o Held the third Green Mart: We are Greeners campaign to support products made by communities surrounding the plants and create social enterprise networking by establishing a distribution channel for green manufacturers to sell their products. Total sales from the activity in 2017 were 1.28 Million Baht.

Sustainability Highlights 2017

Sustainability Performance



Major Projects and Activities

SCG Compliance Policy

In 2017, SCG has implemented “SCG Compliance Policy” to require directors, executives and employees to respect and comply with applicable laws and to raise the awareness of rules and regulations compliance as a corporate culture, which require the executives to act as a role model. Moreover, Anti-Trust and Insider Trading have been considered as key governance efforts to ensure fairness to stakeholders and to prevent the misuse of internal information for one’s own benefit or others.

ARTIFICIAL INTELLIGENCE FOR CUSTOMER FEEDBACK INTERACTIONS

Due to the massive volume of queries via SCG LINE Official from an enormous number of customers interactions with multiple questions, SCG developed an artificial intelligence technology or Chatbot that can respond common customer queries based on frequently asked questions, such as product names, house information or shop locations. The technology integrates user location and other applications that lead to preferential shops as well as transmitting data to in-store staff nearby to provide information the customer needs during the shop visit. The AI chatbot offers 24 hours support which efficiently meets customer needs. Operating since August 2017, Chatbot has interacted with over 17,000 questions or an average of at least 3,000 customers per month.

CIRCULAR ECONOMY – WASTE TO ENERGY FROM CEMENT PRODUCTION

SCleco Services Co., Ltd, a subsidiary company of SCG, was established to help manage the industrial waste disposal of SCG subsidiary network and convert them into fuel for cement production as a replacement for fossil fuel. As SCG operates cement plants nationwide, the company can support industrial waste management of each area without building costly incineration plants. SCleco serves as a center receiving industrial waste, biomass and municipal solid waste. The company provides waste separation process prior to being transformed into Refuse Derived Fuel (RDF) which will later be incinerated at cement plants. Furthermore, SCG has continually carried out development plans. For instance, in 2017, the high-efficient Alternative Fuel Feeding system was installed at Kaeng Khoi plant in Saraburi province.

Eco Packaging

SCG develops paper and packaging that use less resources and be able to recycle as following. “Merchandising Display”, a product display that use paper - based packaging solution which can be a replacement of wood-based or plastic-based products such as counter, shelf display and standee. Paper-based packaging solution make from recycled paper with 64-100% fiber, offering light yet strong features that allow users to install, store and easy to move. In addition, it provides integrated services from designing, installing and collecting to recycled at the end of the process. “CS Super Flute”, a highly strong fiber product that can deliver exceptionally strong corrugating paper with reduced grammage. It outstandingly lowers the use of pulp by 8% compared to same quality corrugating paper. In 2017, SCG developed 125 gsm paper to be as strong as 150 gsm paper resulting in lower product weight and cut transportation costs. “Food-Grade packaging” “Fest”, paper packaging that ensure consumer safety and convenience to use. Fest is a food contact paper, made from natural fibers which is chemicals

free. Currently, there are 39 food-grade packaging items. 11 items relied on import raw material. In 2017, SCG expanded plant capacity to manufacture raw material for 8 items to fulfill customers need.

PUBLICATION OF LIMESTONE QUARRY REHABILITATION

Limestone Quarry and Biodiversity Rehabilitation Committee of SCG has carried out environmental rehabilitation for 20 years by conducting collaborative studies with several academic institutions. The findings showed satisfactory results in four quarries operations. In 2017, the working group published a 256-page book titled, “Limestone Quarry Rehabilitation” describing practices of quarry rehabilitation ranging from site preparation, surveying, seedlings, planting, maintaining, monitoring to evaluation. The book also includes notable case studies of other limestone quarry operations such as cliffland rehabilitation technique, local plant species conservation, local biodiversity learning center formation and providing appendix for local plant species of each quarry with proper data collection.

PRIME GROUP SAFETY ENHANCEMENT

SCG has expanded its production in ASEAN region and conducted joint venture operations with local companies. Among them is Prime Group in Vietnam. In 2013, it operated six ceramic tile plants with 3,300 workers. SCG recognized that poor maintenance of machines coupled with disorganized workplace and worker’s lack of safety awareness could lead to harmful consequences and hazards associated with working at height. Therefore, SCG introduced 5S Principle and initiated OHSAS 18001 and SCG Safety Framework systems in practice. In 2017, all plants certified OHSAS 18001 and followed SCG Safety Framework that meets the target of SPAP Level 3 (Qualifying). SCG also provide Occupational Health and Safety training which reduce the number of lost-time injuries cases from 42 in 2012 to 7 in 2017.

REDUCTION IN WATER SUPPLY USAGE BY INCREASING PRODUCTION EFFECTIVENESS AND RECYCLING TREATED WASTEWATER

SCG launched measures to improve manufacturing processes, machinery and water recycling treatment process. In 2017, 1.508 million cubic meters of water supply has been saved in SCG Chemicals’ operations while SCG Packaging saved 1.059 million cubic meters. Moreover, SCG initiates water project for farmers which helps lower usage of municipal water supplies and create good relationships with people surrounding the plants. Siam Kraft Industry Co., Ltd and Thai Cane Paper Co., Ltd provided around 4.6 million cubic meters of treated wastewater supply for farmers.

CARE FOR EMPLOYEES’ WELL-BEING

SCG focuses on promoting employees quality of work life and take care of all staff to build a stronger organizational commitment. In 2017, SCG launched a 5-storey building new Health Center with an area of 4,180 sq.m. It offers two zones. The first zone “Health Care” provides professional teams of doctors and staffs from Ramathibodi hospital who are dedicated to giving general healthcare service along with specialist services such as physical therapy. The second zone “Health Club” provides health-related activities and fitness center which offer a wide range of gym equipment and professional trainers to to help achieve fitness goals. Health Club has an average of about 300 visitors per day.

Supplementary Information

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

		Location (Head Office / Factory)
Name	Principal Business / Products	
SCG Cement-Building Materials Subsidiaries		
1	SCG Cement Co., Ltd.	Holding company Bangkok
2	The Concrete Products and Aggregate Co., Ltd.	Holding company / ready-mixed concrete Bangkok
3	The Siam Cement (Kaeng Khoi) Co., Ltd.	Cement Saraburi
4	The Siam Cement (Ta Luang) Co., Ltd.	Cement Saraburi
5	The Siam Cement (Thung Song) Co., Ltd.	Cement Nakorn Sri Thamaraj
6	The Siam Cement (Lampang) Co., Ltd.	Cement Lampang
7	Khammouane Cement Co., Ltd.	Cement Lao PDR
8	Siam Mortar Co., Ltd.	Dry mortar Saraburi
9	The Siam White Cement Co., Ltd.	White cement Saraburi
10	The Siam Refractory Industry Co., Ltd.	Refractory Bangkok
11	Cementhai Energy Conservation Co., Ltd.	Energy service Bangkok
12	Eco Plant Services Co., Ltd.	Technical services and plant installation Saraburi
13	Siam Research and Innovation Co., Ltd.	Research and development Saraburi
14	SCI Eco Services Co., Ltd.	Industrial waste disposal Bangkok / Saraburi / Nakorn Sri Thamaraj
15	Q Mix Supply Co., Ltd.	Ready-mixed concrete Bangkok
16	Silathai Sanguan (2540) Co., Ltd.	Aggregates Khonkaen
17	Silasanon Co., Ltd.	Aggregates Saraburi
18	PT Pion Quarry Nusantara	Aggregates Indonesia
19	PT SCG Pipe and Precast Indonesia	Concrete products Indonesia
20	PT Semen Lebak	Cement Indonesia
21	PT SCG Readymix Indonesia	Ready-mixed concrete Indonesia
22	PT CPAC Surabaya	Ready-mixed concrete Indonesia
23	CPAC Lao Co., Ltd.	Ready-mixed concrete Lao PDR
24	The Concrete Products and Aggregate (Vietnam) Co., Ltd.	Ready-mixed concrete Vietnam
25	Myanmar CPAC Service Co., Ltd.	Ready-mixed concrete Myanmar
26	CPAC Concrete Products (Cambodia) Co., Ltd.	Precast slab Cambodia
27	SCG Cement-Building Materials Vietnam Limited Liability Company	Cement distribution Vietnam

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

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)
66-2586-3060-1	66-2586-3072	Ordinary shares	122	4,894	100	100
66-2555-5000	66-2555-5003	Ordinary shares	104	10,416	100	100
66-3624-0000-98	66-3624-0099	Ordinary shares	6	625	100	100
66-3628-8900	66-3628-8909	Ordinary shares	6	575	100	100
66-7553-8222	66-7553-8111	Ordinary shares	35	700	100	100
66-5423-7500	66-5423-7501	Ordinary shares	94	589	100	100
(85621) 243-435-6	(85621) 243-437	Ordinary shares	32	11,093	100	100
		Preferred shares	0.06	21		
66-3624-0000-98	66-3624-0083	Ordinary shares	4	443	100	100
66-3621-8400	66-3635-1219	Ordinary shares	2	200	100	100
66-2586-3230	66-2586-2982	Ordinary shares	3	300	100	100
66-2586-2410	66-2586-3098	Ordinary shares	13	1,310	100	100
66-3628-9103	66-3628-1212	Ordinary shares	1	50	100	100
66-3627-3152-63	66-3627-3151	Ordinary shares	1	100	100	100
66-2962-7295-7	66-2962-7298	Ordinary shares	2	187	100	100
66-2728-8800	66-2728-8801	Ordinary shares	8	800	100	100
66-4335-8031	66-4335-8033	Ordinary shares	1	54	100	100
66-2555-5000	66-2555-5003	Ordinary shares	3	280	100	100
(6221) 797-1190	(6221) 797-1090	Ordinary shares	0.001	16	100	100
(6221) 797-1190	(6221) 797-1090	Ordinary shares	15	466	100	100
(6221) 798-3751	(6221) 791-80919	Ordinary shares	0.04	1,193	100	100
(6221) 797-1190	(6221) 797-1090	Ordinary shares	12	365	100	100
(6231) 732-1512	(6231) 732-1512	Ordinary shares	1	43	100	100
(85621) 720-385	(85621) 720-224	Ordinary shares	0.05	31	100	100
(84) 83-6027-111	(84) 83-7133-707	**	-	178	100	100
(951) 681-351	(951) 681-351	Ordinary shares	4	148	100	100
(88523) 990-406	-	Ordinary shares	0.001	17	100	100
(84) 93-3558-096	-	**	-	47	100	100

			Location (Head Office / Factory)
Name	Principal Business / Products		
61 SCG Singapore Trading Pte. Ltd.	International trading		Singapore
62 SCG Trading USA Inc.	International trading		USA
63 PT SCG Trading Indonesia	International trading		Indonesia
64 SCG Trading Lao Co., Ltd.	International trading		Lao PDR
65 SCG Marketing Philippines Inc.	International trading		Philippines
66 SCGT Malaysia Sdn. Bhd.	International trading		Malaysia
67 SCG Trading (Cambodia) Co., Ltd.	International trading		Cambodia
68 SCG Trading Middle East Dmcc	International trading		UAE
69 SCG Trading Vietnam Co., Ltd.	Logistics service, international trading and local distribution		Vietnam
70 SCG Logistics Management Co., Ltd.	Logistics service		Bangkok
71 SCG Logistics Lao Co., Ltd	Logistics service		Lao PDR
72 SCG Logistics Management (Cambodia) Co., Ltd.	Logistics service		Cambodia
73 SCG Trading Services Co., Ltd.	Business services		Bangkok
74 Myanmar CBM Services Co., Ltd.	Business services		Myanmar
75 Tip Fibre-Cement Co., Ltd.	Business services		Bangkok
76 SCG Sourcing Co., Ltd.	Retail		Bangkok
77 SCG Experience Co., Ltd.	Exhibition center, services and consultation		Bangkok
78 SCG Skills Development Co., Ltd.	Logistics skills development school for SCG business partners		Saraburi
79 Prime Group Joint Stock Company	Holding company		Vietnam
80 Prime Trading, Import and Export One Member Limited Liability Company	Marketing and sales of floor and wall ceramic tiles		Vietnam
81 Ceramic research Institution	Research and development		Vietnam
82 Prime International Import-Export and Service Trading Company Limited	Marketing and sales of sanitary ware		Vietnam
83 Prime Ngoi Viet Joint Stock Company	Clay roof tiles		Vietnam
84 Prime Pho Yen Joint Stock Company	Floor ceramic tiles		Vietnam
85 Prime Yen Binh Joint Stock Company	Wall ceramic tiles		Vietnam
86 Prime Tien Phong Joint Stock Company	Floor and wall ceramic tiles		Vietnam
87 Prime Vinh Phuc Joint Stock Company	Floor and wall ceramic tiles		Vietnam
88 Prime Truong Xuan Joint Stock Company	Water heater and mechanical		Vietnam
89 Buu Long Industry and Investment Joint Stock Company	White cement		Vietnam
90 PT Semen Jawa	Cement		Indonesia
91 PT KIA Serpih Mas	Floor and wall ceramic tiles		Indonesia
92 PT KIA Keramik Mas	Ceramic roof tiles		Indonesia

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			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)
Telephone	Facsimile	Type of shares				
(65) 6295-3455	(65) 6292-5241	Ordinary shares	1	23	100	100
(1310) 323-2194-106	(1310) 324-9528	Ordinary shares	0.1	36	100	100
(6221) 350-9488	(6221) 352-0718	Ordinary shares	0.002	5	100	100
(85621) 454-596-7	(85621) 454-598	Ordinary shares	0.02	11	100	100
(632) 501-8634	(632) 501-8635	Ordinary shares	1	59	100	100
(632) 501-8630						
(603) 5632-0168	(603) 5632-0158	Ordinary shares	2	14	100	100
(85523) 990-401-5	(85523) 990-400	Ordinary shares	0.0001	1	100	100
(971) 4-552-0293	(971) 4-552-0294	Ordinary shares	0.001	11	100	100
(84) 83-5269-001	(84) 83-5269-009	**	-	64	100	100
66-2586-3333	66-2586-2158	Ordinary shares	33	3,340	100	100
(85620) 9591-9650	-	Ordinary shares	0.1	13	100	100
(85523) 966-206	(85523) 966-205	Ordinary shares	0.03	11	100	100
66-2586-2222	66-2586-2250	Ordinary shares	0.1	10	100	100
(951) 966-2014	(951) 966-2014	Ordinary shares	0.02	66	100	100
66-2286-7888	66-2286-8951-2	Ordinary shares	1	3	100	100
66-2586-3333	66-2586-5625	Ordinary shares	1	100	100	100
66-2101-9922	66-2101-9920	Ordinary shares	5	500	100	100
66-3672-4377	66-3672-4378	Ordinary shares	0.1	5	100	100
(84) 211-3888-987	-	Ordinary shares	101	1,413	100	100
(84) 211-3888-986	(84) 211-3898-276	**	-	420	100	100
(84) 211-3888-987	-	**	-	7	100	100
(84) 243-7877-177	(84) 243-7877-138	**	-	6	100	100
(84) 211-3597-696	(84) 211-3597-702	Ordinary shares	25	350	100	100
(84) 280-3866-632	(84) 280-3866-474	Ordinary shares	15	210	100	100
(84) 211-3866-152	(84) 211-3866-154	Ordinary shares	13	182	100	100
(84) 211-3888-174	(84) 211-3887-747	Ordinary shares	12	168	100	100
(84) 211-3866-637	(84) 211-3887-347	Ordinary shares	25	350	100	100
(84) 211-3726-552	(84) 211-3721-786	Ordinary shares	6	84	99	99
(84) 61-3965-475	(84) 61-3965-478	Ordinary shares	4	56	99	99
(6221) 350-9491	(6221) 350-9704	Ordinary shares	331	10,778	98	98
(6221) 386-2322	(6221) 386-2253	Ordinary shares	3,143	1,528	97	97
(6221) 386-2322	(6221) 386-2253	Ordinary shares	2,926	2,162	96	96

			Location (Head Office / Factory)
Name	Principal Business / Products		
93 PT Keramika Indonesia Assosiasi, Tbk.	Floor and wall ceramic tiles		Indonesia
94 Prime Dai An Joint Stock Company	Exploration and processing materials		Vietnam
95 Kampot Cement Co., Ltd.	Cement		Cambodia
96 PT Tambang Semen Sukabumi	Limestone quarry		Indonesia
97 PT Kokoh Inti Arebama Tbk.	Building materials distribution		Indonesia
98 The Siam Sanitary Fittings Co., Ltd.	Faucets and fittings		Bangkok
99 Sosuco and Group (2008) Co., Ltd.	Marketing and sales of floor and wall ceramic tiles		Bangkok
100 Prime Dai Viet Joint Stock Company	Floor and wall ceramic tiles		Vietnam
101 Prime Thein Phuc Joint Stock Company	Exploration and processing materials		Vietnam
102 Prime Phong Dien Joint Stock Company	Manufacture of materials		Vietnam
103 Prime Dai Loc Joint Stock Company	Floor and wall ceramic tiles		Vietnam
104 CPAC Cambodia Co., Ltd.	Ready-mixed concrete		Cambodia
105 Saraburirat Co., Ltd.	Floor and wall concrete tiles		Saraburi
106 Mariwasa-Siam Ceramics, Inc.	Floor and wall ceramic tiles		Philippines
107 SCG Myanmar Concrete and Aggregate Co., Ltd.	Ready-mixed concrete and related products		Myanmar
108 PT Surya Siam Keramik	Ceramic floor tiles		Indonesia
109 Thai-German Ceramic Industry Public Company Limited	Floor and wall ceramic tiles and Industrial Estate		Saraburi
110 Green Conservation Solution Co., Ltd.	Municipal solid waste management service and use refuse derived fuel as alternative energy		Bangkok
111 Siam Sanitary Ware Co., Ltd.	Holding company		Bangkok
112 Siam Sanitary Ware Industry Co., Ltd.	Sanitary ware		Saraburi
113 Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Sanitary ware		Saraburi
114 Mawlamyine Cement Limited	Cement		Myanmar
115 Quality Construction Products Public Company Limited	Light-weight concrete	Phra Nakhon Si Ayutthaya	
116 Q-Con Eastern Co., Ltd.	Light-weight concrete	Rayong	
117 SCGT Automobile Co., Ltd.	Dealer	Bangkok	
118 SCG Yamato Express Co., Ltd.	Logistics service	Bangkok	
119 Prime Dai Quang Joint Stock Company	Packaging	Vietnam	
120 Guangxi SCG Logistics Co., Ltd.	Logistics service	China	
121 SCG-Shwe Me Logistics (Myanmar) Co., Ltd.	Logistics service	Myanmar	
122 Panel World Co., Ltd.	Cement-bonded particleboard	Samutsakorn	
123 Jumbo Barges and Tugs Co., Ltd.	Transportation by lighter	Bangkok	

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			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)
Telephone	Facsimile	Type of shares				
(6221) 386-2322	(6221) 386-2253	Ordinary shares	14,929	5,603	96	96
(84) 211-3728-770	(84) 211-3726-547	Ordinary shares	3	35	95	95
(85523) 996-839	(85523) 996-849	Ordinary shares	13	4,275	95	95
(6221) 350-9491	(6221) 350-9704	Ordinary shares	3	8	93	93
(6221) 350-6227	(6221) 350-1767	Ordinary shares	981	350	91	91
66-2973-5040-54	66-2529-1608	Ordinary shares	2	200	91	91
66-2938-9833	66-2973-3473	Ordinary shares	1	50	90	90
(84) 211-3845-238	(84) 211-3844-464	Ordinary shares	13	182	90	90
(84) 54-3626-282	(84) 54-3752-292	Ordinary shares	5	70	90	90
(84) 54-3751-222	(84) 54-3751-222	Ordinary shares	3	35	90	90
(84) 510-3761-762	(84) 510-3761-763	Ordinary shares	30	414	90	90
(85523) 356-677	-	Ordinary shares	0.002	128	90	90
66-2586-3333	66-2586-6800	Ordinary shares	1	96	83	83
(632) 717-6901	(6343) 778-2934	Ordinary shares	600	430	80	83
(959) 783-914-137	-	Ordinary shares	6	207	80	80
(959) 783-914-139						
(6221) 5397-091	(6221) 5397-094	Ordinary shares	0.01	87	80	80
66-2790-9800	66-2790-9890	Ordinary shares	1,698	1,698	75	75
66-2586-3333	66-2586-2979	Ordinary shares	2	185	74	74
66-2973-5040-54	66-2551-3512	Ordinary shares	1	60	71	71
66-2973-5040-54	66-3626-3522	Ordinary shares	2	200	71	71
66-2973-5040-54	66-3637-3664	Ordinary shares	2	160	71	71
(959) 796-093-056	-	Ordinary shares	0.1	1,631	70	70
(959) 978-757-519						
66-3522-1271	66-3522-1270	Ordinary shares	400	400	68	68
66-3865-0515	66-3895-6468	Ordinary shares	59	590	68	68
66-2586-1402	66-2586-2203	Ordinary shares	15	146	67	67
6689-115-8022	-	Ordinary shares	0.3	260	65	65
(84) 510-2471-993	(84) 510-3761-444	Ordinary shares	2	28	56	56
66-2586-1590	-	**	-	34	55	55
(959) 961-404-851	-	Ordinary shares	2	58	55	55
66-3447-2033-4	66-3447-1404	Ordinary shares	2	245	55	55
66-2872-3014-5	66-2872-3016	Ordinary shares	5	457	55	55

			Location (Head Office / Factory)
Name	Principal Business / Products		
124 Sosuco Ceramic Co., Ltd.	Floor and wall ceramic tiles		Saraburi
125 SCG-Sekisui Sales Co., Ltd.	Construction and sales of modular houses		Bangkok
126 Mingalar Motor Co., Ltd.	Dealer		Myanmar
127 PT Siam-Indo Gypsum Industry	Gypsum boards		Indonesia
128 PT Siam-Indo Concrete Products	Fiber cement roof tiles		Indonesia
129 Prime Hao Phu Joint Stock Company	Exploration and processing materials		Vietnam
130 PT SCG Barito Logistics	Logistics service		Indonesia
131 Kampot Land Co., Ltd.	Land investment		Cambodia
Associates, Joint Ventures and Other Companies			
132 Global House International Company Limited	Holding company		Bangkok
133 Global House Franchise (Myanmar) Co., Ltd.	Franchise - retail business		Myanmar
134 CMPI Land, Inc.	Land rental		Philippines
135 SCG Nichirei Logistics Co., Ltd.	Cold Chain		Bangkok
136 Thai Prosperity Terminal Co., Ltd.	Shipping port		Samut Prakarn
137 Sekisui-SCG Industry Co., Ltd.	Manufacture and distribute of home components		Saraburi
138 Survey Marine Services Co., Ltd.	Land rental		Bangkok
139 Noritake SCG Plaster Co., Ltd.	Manufacture and distribute plaster		Saraburi
140 Mariwasa Holdings, Inc.	Holding company		Philippines
141 Green Siam Resources Corporation	Baling business		Philippines
142 CMPI Holdings, Inc.	Holding company		Philippines
143 Siam Global House Public Company Limited	Building materials and home improvement products distribution		Roi Et
144 Anhui Conch-SCG Refractory Co., Ltd.	Refractory		China
145 The Siam Gypsum Industry Co., Ltd.	Gypsum boards		Bangkok
146 The Siam Gypsum Industry (Saraburi) Co., Ltd.	Gypsum boards		Saraburi
147 The Siam Gypsum Industry (Songkhla) Co., Ltd.	Gypsum boards		Songkhla
148 PT M Class Industry	Clay roof tiles		Indonesia
149 Asia Pacific Logistics and Transportation Joint Stock Company	Logistics service		Vietnam
150 Souvanny Home Center Public Company	Building materials and home improvement products distribution		Lao PDR
151 Asia Cement Public Company Limited	Cement		Bangkok
152 Finfloor S.p.A.	Holding company		Italy

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Telephone	Facsimile	Type of shares				
66-3637-6300	66-3637-6309	Ordinary shares	0.01	800	54	54
66-2586-1323	66-2586-1481	Ordinary shares	8	825	51	51
(951) 514-940	-	Ordinary shares	0.004	141	50	50
(6221) 8832-0028	(6221) 8832-0036	Ordinary shares	0.03	306	50	50
(6226) 743-2140	(6225) 743-2149	Ordinary shares	0.03	446	50	50
(84) 27-3821-118	-	Ordinary shares	3	35	49	49
(6221) 634-5668	(6221) 634-5666	Ordinary shares	4	103	49	49
(85523) 996-839	(85523) 996-849	Ordinary shares	0.001	0.2	47	47
66-2586-3333	66-2586-5454	Ordinary shares	12	1,190	50	65
(9599) 7785-0145	-	Ordinary shares	0.01	3	-	65
(632) 908-3720	(632) 750-6650	Ordinary shares	50	49	40	64
		Preferred shares	50	48		
66-2586-6610	66-2586-3136	Ordinary shares	6	570	51	51
66-2754-4501-9	66-2754-4513	Ordinary shares	1	63	50	50
66-3637-3478	66-3637-3480	Ordinary shares	23	2,325	49	49
66-2296-1490-2	66-2296-1494	Ordinary shares	0.4	37	48	48
66-3637-3578-82	66-3637-3577	Ordinary shares	4	405	40	40
(632) 717-6901	(6343) 778-2934	Ordinary shares	248	235	40	40
(632) 501-8631	(632) 501-8631	Ordinary shares	13	95	40	40
(632) 813-1666	(632) 813-1704	Ordinary shares	48	55	40	40
66-4351-9597	66-4351-1492	Ordinary shares	3,841	3,841	30	30
(86) 553-839-9857	(86) 553-839-9877	**	-	497	30	30
66-2555-0055	66-2555-0001	Ordinary shares	2	150	29	29
66-3637-3500-9	66-3637-3510	Ordinary shares	5	470	-	29
66-7420-6000-5	66-7420-6006	Ordinary shares	1	120	-	29
(6202) 6743-6888	(6221) 539-7094	Ordinary shares	34	222	28	28
(84) 43-7738-420	(84) 43-7738-421	Ordinary shares	2	28	25	25
(85621) 415-645	(85621) 262-984	Ordinary shares	165	1,328	-	22
66-2641-5600	-	Ordinary shares	778	4,671	10	10
(39) 05-3684-0111	(39) 05-3684-0322	Ordinary shares	11	429	10	10

Name	Principal Business / Products	Location (Head Office / Factory)
SCG Chemicals Subsidiaries		
153 SCG Chemicals Co., Ltd.	Holding company	Bangkok
154 Thai Polyethylene Co., Ltd.	Polyethylene and polypropylene	Rayong
155 SCG Plastics Co., Ltd.	Trading	Bangkok
156 SCG Performance Chemicals Co., Ltd.	Trading	Bangkok
157 Rayong Engineering & Plant Service Co., Ltd.	Engineering and plant service	Rayong
158 Protech Outsourcing Co., Ltd.	Engineering and plant service	Rayong
159 RIL 1996 Co., Ltd.	Industrial estate	Rayong
160 Texplore Co., Ltd.	Chemical technology services	Rayong
161 Vina SCG Chemicals Co., Ltd.	Holding company	Bangkok
162 SCG Chemicals (Singapore) Pte. Ltd.	Holding company	Singapore
163 Tuban Petrochemicals Pte. Ltd.	Holding company	Singapore
164 Hexagon International, Inc.	Holding company	USA
165 Norner Holding AS	Holding company	Norway
166 Norner AS	Research and development	Norway
167 Norner Research AS	Research Institute	Norway
168 Norner IP AS	Technology service and licensing	Norway
169 Norner Verdandi AS	Technology service and licensing	Norway
170 CO2 Technologies AS	Holding company	Norway
171 SMH Co., Ltd.	Research and development and technology service	Bangkok
172 PT TPC Indo Plastic and Chemicals	PVC	Indonesia
173 Thai Plastic and Chemicals Public Company Limited	PVC	Bangkok
174 TPC Paste Resin Co., Ltd.	PVC paste resins	Bangkok
175 The Nawaplastic Industries (Saraburi) Co., Ltd.	PVC pipe and fittings	Bangkok
176 Nawaplastic Industries Co., Ltd.	PVC pipe and PVC products	Bangkok
177 Nawa Intertech Co., Ltd.	Molding products	Rayong
178 Chemtech Co., Ltd.	Plastic compound	Vietnam
179 Total Plant Service Co., Ltd.	Holding company	Rayong
180 SENFI UK Limited	Research and development	UK
181 SENFI Swiss GmbH	Marketing service	Switzerland
182 Rayong Pipeline Co., Ltd.	Rights of pipe rack use	Rayong
183 SCG Ico Polymers Company Limited	Rotomolding compound	Bangkok
184 Map Ta Phut Tank Terminal Co., Ltd.	Tank and terminal service	Rayong
185 Viet-Thai Plastchem Co., Ltd.	PVC compound	Vietnam

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Telephone	Facsimile	Type of shares				
66-2586-4762	66-2586-5561	Ordinary shares	344	32,277	100	100
66-3868-3393-7	66-3868-3398	Ordinary shares	52	5,190	100	100
66-2586-6161	66-2910-4022	Ordinary shares	0.1	5	100	100
66-2586-4115	66-2586-3676	Ordinary shares	0.1	3	100	100
66-3868-5040-8	66-3891-1309	Ordinary shares	0.04	2	100	100
66-3868-2632-3	66-3868-2633	Ordinary shares	0.01	1	100	100
66-3868-9471-2	66-3891-1955	Ordinary shares	11	1,100	100	100
66-2586-6353	66-2586-2086	Ordinary shares	0.01	1	100	100
66-2586-5435	-	Ordinary shares	33	3,313	100	100
(65) 6297-9661	-	Ordinary shares	38	804	100	100
(65) 6297-9661	-	Ordinary shares	112	2,349	100	100
66-2586-4444	-	Ordinary shares	2	67	100	100
(47) 3557-8000	(47) 3557-8124	Ordinary shares	0.01	3	100	100
(47) 3557-8001	(47) 3557-8125	Ordinary shares	0.001	0.1	100	100
(47) 3557-8002	(47) 3557-8126	Ordinary shares	0.001	0.1	100	100
(47) 3557-8003	(47) 3557-8127	Ordinary shares	0.001	0.1	100	100
(47) 3557-8004	(47) 3557-8128	Ordinary shares	0.01	3	100	100
(47) 3557-8005	(47) 3557-8129	Ordinary shares	0.001	0.5	100	100
66-2586-4859	66-2586-6277	Ordinary shares	2	170	100	100
(6231) 395-2945	(6231) 395-2944	Ordinary shares	0.03	1,020	100	100
66-2827-7272	66-2827-7273	Ordinary shares	875	875	100	100
66-2827-7272	66-2827-7273	Ordinary shares	3	333	100	100
66-2586-3930-5	66-2586-4305	Ordinary shares	4	400	100	100
66-2586-3930-5	66-2586-2444	Ordinary shares	4	426	100	100
66-3889-2190	66-3889-2244	Ordinary shares	0.4	40	100	100
(84) 650-3784-992	(84) 650-3784-993	**	-	103	100	100
66-3868-7320-3	66-3892-5299	Ordinary shares	12	1,180	100	100
66-2586-4444	-	Ordinary shares	1	45	100	100
66-2586-4444	-	Ordinary shares	0.0003	1	100	100
66-3893-7065	66-3803-5381	Ordinary shares	4	200	92	92
66-2586-2006	-	Ordinary shares	4	380	87	87
66-3868-9471-2	66-3891-1955	Ordinary shares	7	700	82	82
(84) 650-3710-993	(84) 650-3740-065	**	-	75	72	72

Name	Principal Business / Products	Location (Head Office / Factory)
186 Long Son Petrochemicals Co., Ltd.	Raw materials for plastic resins	Vietnam
187 TPC Vina Plastic and Chemicals Corporation Ltd.	PVC	Vietnam
188 Rayong Olefins Co., Ltd.	Raw materials for plastic resins	Rayong
189 Map Ta Phut Olefins Co., Ltd.	Raw materials for plastic resins	Rayong
190 Alliance Petrochemical Investment (Singapore) Pte. Ltd.	Holding company	Singapore
191 Siam Stabilizers and Chemicals Co., Ltd.	Stabilizer	Rayong
192 Nawaplastic (Cambodia) Co., Ltd.	PVC pipe and fittings	Cambodia
193 Grand Nawaplastic Myanmar Co., Ltd.	PVC pipe and fittings	Myanmar
194 Flowlab & Service Co., Ltd.	Calibration service	Rayong
Associates, Joint Ventures and Other Companies		
195 SCG Plastics (China) Co., Limited	Trading	Hong Kong
196 SCG Plastics (Shanghai) Co., Ltd.	Trading	China
197 Siam Mitsui PTA Co., Ltd.	Raw materials for polyester and PET	Rayong
198 Siam Styrene Monomer Co., Ltd.	Raw materials for polystyrene	Rayong
199 Siam Synthetic Latex Co., Ltd.	Synthetic latex	Rayong
200 Siam Polyethylene Co., Ltd.	Polyethylene	Rayong
201 Siam Polystyrene Co., Ltd.	Polystyrene	Rayong
202 MTP HPPO Manufacturing Co., Ltd.	Propylene oxide	Rayong
203 Rayong Terminal Co., Ltd.	Tank and terminal service	Rayong
204 PT Siam Maspion Terminal	Tank and terminal service	Indonesia
205 SD Group Service Co., Ltd.	Holding company	Bangkok
206 Bangkok Synthetics Co., Ltd.	Raw materials for synthetic rubber	Bangkok
207 Thai MMA Co., Ltd.	Raw materials for acrylic	Rayong
208 Grand Siam Composites Co., Ltd.	Polypropylene compound	Rayong
209 Thai MFC Co., Ltd.	Melamine compound	Rayong
210 Siam Tohcello Co., Ltd.	Packaging film	Rayong
211 Thai PET Resin Co., Ltd.	PET resins	Rayong
212 Mehr Petrochemical Company (P.J.S.C.)	Polyethylene	Iran
213 PT Trans-Pacific Polyethylene Indonesia	Polyethylene	Indonesia
214 PT Trans-Pacific Polyethylindo	Polyethylene	Indonesia
215 Riken (Thailand) Co., Ltd.	PVC compound	Bangkok
216 PT Chandra Asri Petrochemical Tbk.	Raw materials for plastic resins	Indonesia
217 PT Styrimdo Mono Indonesia	Raw materials for polystyrene	Indonesia
218 GTC Technology US, LLC	Chemical technology services	USA
219 GTC Technology International, LP	Chemical technology services	USA

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(84) 83-8257-226	(84) 83-8257-268	**	-	4,749	71	71
(84) 83-8234-730	(84) 83-8234-725	**	-	1,013	70	70
66-3868-5040-8	66-3868-5036	Ordinary shares	108	10,820	51	68
66-3893-7000	66-3891-5310	Ordinary shares	225	22,520	55	67
(65) 6221-5318	-	Ordinary shares	46	1,881	65	65
66-3868-3451-3	66-3868-3449	Ordinary shares	190	190	60	60
(855) 2388-2072	(855) 2388-5172	Ordinary shares	1	179	60	60
(959) 863-3988	-	Ordinary shares	1	237	57	57
66-3891-1321-2	66-3891-1381	Ordinary shares	0.02	4	51	51
(852) 2544-9991	(852) 2544-9992	Ordinary shares	0.1	4	60	60
(86) 216-888-6091	(86) 216-888-6092	**	-	25	-	60
66-3868-5100	66-3868-7333	Ordinary shares	48	4,800	50	50
66-3868-3215-6	66-3868-3991	Ordinary shares	48	4,755	50	50
66-3868-3215-6	66-3868-3991	Ordinary shares	59	5,789	50	50
66-3868-3215-6	66-3868-3991	Ordinary shares	45	4,455	49	50
66-3868-3215-6	66-3868-3991	Ordinary shares	10	995	50	50
66-3868-3215-6	66-3868-3991	Ordinary shares	32	3,150	-	50
		Preferred shares	48	4,750		
66-3868-9471-2	66-2586-6220	Ordinary shares	14	1,325	-	50
(6231) 395-2945-8	-	Ordinary shares	0.01	327	50	50
66-2365-7000	66-3868-3991	Ordinary shares	1	78	50	50
66-2679-5120	66-2679-5119	Ordinary shares	12	1,173	49	49
66-3868-5040-8	66-2586-5393	Ordinary shares	56	5,590	46	47
66-3868-4241	66-3868-4255	Ordinary shares	1	64	46	46
66-3868-4241	66-3868-4255	Ordinary shares	2	200	45	45
66-3801-0500	66-3801-0506	Ordinary shares	1	592	45	45
66-3868-5900	66-3868-5999-609	Ordinary shares	9	900	20	40
(9821) 8850-0641	(9821) 8805-0642	Ordinary shares	0.1	1,755	39	39
(6221) 574-5880	-	Ordinary shares	0.2	472	39	39
(6221) 574-5880	-	Ordinary shares	0.1	337	39	39
66-2501-1054	66-2501-1198	Ordinary shares	1	120	35	35
(6221) 530-7950	(6221) 530-8930	Ordinary shares	17,834	27,248	31	31
(6221) 530-8505	(6221) 530-8506	Ordinary shares	0.3	10,093	-	31
66-2586-4444	-	Ordinary shares	0.2	102	25	25
66-2586-4444	-	Ordinary shares	13	191	25	25

Name	Principal Business / Products	Location (Head Office / Factory)
220 Mitsui Advanced Composites (Zhongshan) Co., Ltd.	Polypropylene compound	China
221 Binh Minh Plastics Joint Stock Company	PVC pipe	Vietnam
222 PT Srithai Maspion Indonesia	Melamine compound	Indonesia
223 PT Trans-Pacific Polypropylene Indonesia	Polypropylene	Indonesia
224 PT Trans-Pacific Styrene Indonesia	Raw materials for polystyrene	Indonesia
225 PT Trans-Pacific Petrochemical Indotama	Raw materials for aromatics	Indonesia
SCG Packaging Subsidiaries		
226 SCG Packaging Public Company Limited	Holding company	Bangkok
227 Siam Kraft Industry Co., Ltd.	Kraft paper	Bangkok
228 Invenique Co., Ltd.	Asset and intellectual property management service	Bangkok
229 SCGP Excellence Traning Center Co., Ltd.	Training and seminar	Bangkok
230 SCG Paper Energy Co., Ltd.	Energy	Bangkok
231 SCGP Solutions Co., Ltd.	Holding company	Bangkok
232 SCGP-T Plastics Company Limited	Holding company	Bangkok
233 United Pulp and Paper Co., Inc.	Kraft paper	Philippines
234 Paperlink Inter-Trade Corporation	Kraft paper	Philippines
235 Thai Cane Paper Public Company Limited	Kraft paper	Kanchanaburi
236 Precision Print Co., Ltd.	Offset-printed cartons	Samutsakorn
237 Conimex Co., Ltd.	Rigid plastic packaging	Samut Prakarn
238 Thai Containers Group Co., Ltd.	Corrugated boxes	Bangkok / Ratchaburi / Samut Prakarn / Pathumthani
239 Thai Containers Khonkaen Co., Ltd.	Corrugated boxes	Khonkaen
240 Thai Containers Rayong Co., Ltd.	Corrugated boxes	Rayong
241 Vina Kraft Paper Co., Ltd.	Kraft paper	Vietnam
242 TCG Rengo (S) Limited	Corrugated boxes	Singapore
243 New Asia Industries Co., Ltd.	Corrugated boxes	Vietnam
244 Alcamax Packaging (Vietnam) Co., Ltd.	Corrugated boxes	Vietnam
245 AP Packaging (Hanoi) Co., Ltd.	Corrugated boxes	Vietnam
246 Packamex (Vietnam) Co., Ltd.	Corrugated boxes	Vietnam
247 Phoenix Pulp & Paper Public Company Limited	Bleached pulp / printing and writing paper	Bangkok
248 Phoenix Utilities Co., Ltd.	Utilities	Khonkaen
249 Thai Paper Co., Ltd.	Printing and writing paper	Bangkok
250 Thai Union Paper Public Company Limited	Printing and writing paper	Samut Prakarn

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

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)
(86) 760-533-2138	(86) 760-389-8880	Ordinary shares	15	596	20	20
(84) 83-9690-973	(84) 83-9606-814	Ordinary shares	82	1,228	20	20
(6231) 891-3630	-	Ordinary shares	0.01	118	10	10
(6221) 574-5880	-	Ordinary shares	0.1	220	10	10
(6221) 574-5880	-	Ordinary shares	0.1	314	10	10
(6221) 574-5880	-	Ordinary shares	15	8,931	5	5
66-2586-3333	66-2586-2164	Ordinary shares	156	1,563	99	99
66-2586-3333	66-2586-2164	Ordinary shares	35	3,450	99	99
66-2586-3333	66-2586-2164	Ordinary shares	1	70	99	99
66-2586-3876	66-2586-4507	Ordinary shares	1	49	99	99
66-2586-3333	66-2586-2164	Ordinary shares	9	890	99	99
66-2586-3333	66-2586-2164	Ordinary shares	0.01	1	99	99
66-2586-3333	66-2586-2164	Ordinary shares	0.01	1	99	99
(632) 870-0100	(632) 870-0409	Ordinary shares	141	1,082	98	98
		Preferred shares	840	3,246		
(632) 870-0100	(632) 870-0409	Ordinary shares	0.1	1	98	98
66-3461-5800	66-3461-5899	Ordinary shares	358	3,583	93	93
66-2105-4477	66-3445-2339	Ordinary shares	3	33	74	74
66-2738-0305	66-2738-0318	Ordinary shares	4	420	74	74
66-2586-5991	66-2586-4723	Ordinary shares	14	1,384	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.2	150	69	69
66-2586-3333	66-2586-2164	Ordinary shares	1	650	69	69
(848) 268-0240-2	(848) 268-0239	**	-	6,069	69	69
(65) 6261-5846	(65) 6265-3144	Ordinary shares	2	56	69	69
(84) 83-7294-160	(84) 83-7293-028	**	-	345	69	69
(84) 650-3743-031	(84) 65-0378-2816	**	-	607	69	69
(84) 32-0375-3862	(84) 32-0375-2868	**	-	248	69	69
(84) 83-7291-030	(84) 83-7291-031	**	-	220	69	69
66-2586-3333	66-2586-2164	Ordinary shares	236	2,365	69	69
		Preferred shares	10	98		
66-4343-3104-6	66-4343-3101	Ordinary shares	15	1,500	69	69
66-2586-3333	66-2586-2164	Ordinary shares	78	7,770	69	69
66-2754-2100-10	66-2754-2118	Ordinary shares	43	430	69	69

			Location (Head Office / Factory)
Name	Principal Business / Products		
251 The Siam Forestry Co., Ltd.	Forestry		Bangkok
252 Panas Nimit Co., Ltd.	Forestry		Bangkok
253 Thai Panason Co., Ltd.	Forestry		Bangkok
254 Thai Panadorn Co., Ltd.	Forestry		Bangkok
255 Thai Panaram Co., Ltd.	Forestry		Bangkok
256 Suanpa Rungsaris Co., Ltd.	Forestry		Bangkok
257 Siam Panawes Co., Ltd.	Forestry		Bangkok
258 Thai Panaboon Co., Ltd.	Forestry		Bangkok
259 Thai Wanabhum Co., Ltd.	Forestry		Bangkok
260 PT Primacorr Mandiri	Corrugated boxes		Indonesia
261 PT Indoris Printingdo	Corrugated boxes		Indonesia
262 PT Indocorr Packaging Cikarang	Corrugated boxes		Indonesia
263 TC Flexible Packaging Co., Ltd.	Holding company		Bangkok
264 Dyna Packs Co., Ltd.	Corrugated boxes		Samutsakorn
265 Orient Containers Co., Ltd.	Corrugated boxes		Samutsakorn
266 D-In Pack Company Limited	Corrugated boxes		Nakhonpathom
267 Tawana Container Co., Ltd.	Corrugated boxes		Samut Prakarn
268 Tin Thanh Packing Joint Stock Company	Flexible packaging		Vietnam
269 Prepack Thailand Co., Ltd.	Flexible packaging		Samutsakorn
			Samut Songkhram / Rayong
Associates and Other Companies			
270 Siam Toppan Packaging Co., Ltd.	Offset-printed cartons		Samut Prakarn
271 P&S Holdings Corporation	Holding company		Philippines
272 Siam Nippon Industrial Paper Co., Ltd.	Specialty paper		Bangkok
273 Thai British Security Printing Public Company Limited	Securities document		Samut Prakarn
274 Thai British Security Printing Overseas Co., Ltd.	Holding company		Samut Prakarn
275 Saha Green Forest Co., Ltd.	Energy and utilities		Kamphaengphet
276 Thai British DPost Co., Ltd.	Digital printing		Samut Prakarn
Other Subsidiaries			
277 Cementhai Holding Co., Ltd.	Holding company		Bangkok
278 Cementhai Property (2001) Public Company Limited	Holding company		Bangkok
279 Property Value Plus Co., Ltd.	Land business and land lease service		Bangkok
280 SCG Accounting Services Co., Ltd.	Accounting, financial and tax services		Bangkok
281 SCG Legal Counsel Limited	Legal consultant		Bangkok
282 CTO Management Co., Ltd.	Marketable securities investment		Bangkok
283 Cementhai Captive Insurance Pte. Ltd.	Insurance		Singapore

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

			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)
Telephone	Facsimile	Type of shares				
66-2586-3333	66-2586-2164	Ordinary shares	2	184	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	69	69
66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	69	69
(6221) 596-2345	(6221) 596-2000	Ordinary shares	0.1	294	62	62
(6221) 596-0772-3	(6221) 596-0774	Ordinary shares	0.02	55	62	62
	(6221) 596-3076					
(6221) 893-6868	(6221) 893-6565	Ordinary shares	0.4	258	55	55
66-2586-5991	66-2586-4723	Ordinary shares	21	2,108	52	52
66-2810-9346-7	66-2810-9103	Ordinary shares	1	90	52	52
66-3488-3422-4	66-3488-3421	Ordinary shares	26	260	52	52
66-3498-1401-4	66-3498-1406-7	Ordinary shares	0.01	50	52	52
66-2324-0781	66-2324-0079	Ordinary shares	3	300	50	50
(84) 72-3779-747	(84) 72-3779-750	Ordinary shares	10	158	47	47
66-3444-0600-5	66-3444-0606-7	Ordinary shares	3	322	37	37
		Preferred shares	1	90		
66-2709-3110-7	66-2324-0336	Ordinary shares	5	500	48	48
(632) 870-0100	(632) 870-0409	Ordinary shares	28	263	39	39
66-2586-3333	66-2586-2164	Ordinary shares	11	1,100	31	31
66-2754-2650-8	66-2183-2763	Ordinary shares	110	110	18	18
66-2380-1320	66-2380-1326-27	Ordinary shares	4	37	-	18
66-5585-8033	66-5585-8031	Ordinary shares	19	190	17	17
66-2709-4201	66-2790-4200	Ordinary shares	3	34	-	9
66-2586-2104	66-2586-2008	Ordinary shares	0.01	1	100	100
66-2586-2104	66-2586-2008	Ordinary shares	7	72	100	100
66-2586-2104	66-2586-2008	Ordinary shares	8	820	100	100
66-2586-3333	66-2586-2398	Ordinary shares	1	5	100	100
66-2586-5777	66-2586-2976	Ordinary shares	0.2	15	100	100
66-2586-3333	66-2587-2157	Ordinary shares	25	380	100	100
66-2586-3333	66-2587-2157	Ordinary shares	0.3	34	100	100

		Location (Head Office / Factory)
Name	Principal Business / Products	
284 Siam Innovation Product and Solution Co., Ltd.	Provide innovative technology products and services	Bangkok
285 SCG Learning Excellence Co., Ltd	Training service	Bangkok
286 SCG Vietnam Co., Ltd.	Management consulting service	Vietnam
287 PT SCG Indonesia	Management consulting service	Indonesia
288 Bangsue Industry Co., Ltd.	Startup firm	Bangkok
289 Add Ventures Capital Co., Ltd. (Formerly: Siam Nawaphan Co., Ltd.)	Venture capital	Bangkok
290 Add Ventures Capital International Co., Ltd. (Formerly: SCG Management Co., Ltd.)	Overseas venture capital	Bangkok
291 Siam GNE Solar Energy Co., Ltd	Manufacturing and sales the electricity from renewable energy	Bangkok
Associates and Other Companies		
292 Siam Kubota Corporation Co., Ltd.	Agricultural machinery	Pathumthani
293 Siam Kubota Metal Technology Co., Ltd.	Cast iron	Chachoengsao
294 Siam Kubota Leasing Co., Ltd.	Leasing	Pathumthani
295 Siam AT Industry Co., Ltd.	Automotive parts	Chonburi
296 Thai Engineering Products Co., Ltd.	Automotive parts	Pathumthani
297 The Nawaloha Industry Co., Ltd.	Cast iron	Saraburi
298 Aisin Takaoka Foundry Bangpakong Co., Ltd.	Cast iron	Chonburi
299 Muang Thong United Co., Ltd.	Football team	Bangkok
300 The Siam Nawaloha Foundry Co., Ltd.	Cast iron	Saraburi
301 Lysando AG	Research and development	Liechtenstein
302 IT One Co., Ltd.	Technical services	Bangkok
303 Toyota Motor Thailand Co., Ltd.	Automotives	Samut Prakarn
304 Siam Yamato Steel Co., Ltd.	Structural steel	Rayong
305 Siam Toyota Manufacturing Co., Ltd.	Automotive engines and automotive parts	Chonburi
* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates 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.		

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)
66-2586-3333	66-2587-2157	Ordinary shares	1	13	100	100
66-2586-3333	66-2586-2684	Ordinary shares	0.2	20	100	100
(84) 83-526-9011-13	(84) 83-526-9014	**	-	16	100	100
(6221) 350-9491	(6221) 352-0718	Ordinary shares	0.1	26	100	100
66-2586-1920	-	Ordinary shares	4	303	100	100
66-2586-3333	-	Ordinary shares	12	305	100	100
66-2586-3333	-	Ordinary shares	5	455	100	100
66-2586-5684	66-2586-6284	Ordinary shares	0.2	16	50	50
66-2909-0300-1	66-2909-1698	Ordinary shares	31	2,739	40	40
66-3885-5115	66-3885-5110	Ordinary shares	9	900	-	40
66-2909-0300	66-2909-1697	Ordinary shares	80	2,000	-	40
66-3845-4266-8	66-3845-4266	Ordinary shares	2	240	30	30
66-2529-3518-22	66-2529-1677	Ordinary shares	1	85	29	30
66-3633-6531-4	66-3622-3209	Ordinary shares	3	300	30	30
66-3845-4671-7	66-3845-4670	Ordinary shares	5	475	30	30
66-2508-8100	66-2508-3369	Ordinary shares	3	233	30	30
66-3628-8300	66-3628-8309	Ordinary shares	3	308	20	25
(423) 262-5753	(423) 262-5752	Ordinary shares	1	39	20	20
66-2271-5111	66-2271-5112	Ordinary shares	1	80	20	20
66-2386-1000	66-2386-1883	Ordinary shares	8	7,520	10	10
66-3868-3723-30	66-3868-3200	Ordinary shares	30	3,000	10	10
66-3821-3451-5	66-3874-3310	Ordinary shares	29	2,850	4	4

Securities and Shareholders

8.1 The Company's Securities

Registered Capital 1,600 Million Baht.

Issued and fully paid share capital: 1,200 Million Baht, comprising of 1,200 Million ordinary shares.

Ordinary shares at 1 Baht par value per share (At the Annual General Meeting of Shareholders held on March 26, 2003, the shareholders 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 the Ministry of Commerce on April 17, 2003.)

The Company does not issue other types of shares, except from ordinary shares.

8.2 Shareholders

1) First 10 major shareholders (as at December 31, 2017)

No.	Shareholders	No. of ordinary shares	% of total shares
1	THE CROWN PROPERTY BUREAU	360,000,000	30.000
2	THAI NVDR CO., LTD.*	92,587,643	7.716
3	STATE STREET EUROPE LIMITED	55,881,292	4.657
4	SOCIAL SECURITY OFFICE	35,330,950	2.944
5	CHASE NOMINEES LIMITED	19,810,661	1.651
6	STATE STREET BANK AND TRUST COMPANY	19,020,326	1.585
7	CPB EQUITY CO., LTD.**	17,960,100	1.497
8	THE BANK OF NEW YORK MELLON	17,335,444	1.445
9	RANDERY BARAH MAKAN CO., LTD.	15,105,600	1.259
10	CEMENT THAI FOUNDATION	13,294,300	1.108

Remarks:* 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 96.72% held by The Crown Property Bureau.

As at August 10, 2017, the major NVDR holder was:

No.	NVDR holders	No. of ordinary shares	% of total shares
1	CHASE NOMINEES LIMITED	12,532,067	1.04
2	STATE STREET BANK EUROPE LIMITED	9,101,096	0.76
3	HSBC (SINGAPORE) NOMINEES PTE LTD	8,452,700	0.70
4	STATE STREET BANK AND TRUST COMPANY	8,010,050	0.67

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 31, 2017)

No.	Shareholders	No. of ordinary shares	% of total shares
1	THE CROWN PROPERTY BUREAU	360,000,000	30.000
2	CPB EQUITY CO., LTD.	17,960,100	1.497

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

3) Minor Shareholders (As at February 10, 2017)

Total number of Minor Shareholders (Free float) is 24,291, equivalent to 67.36%

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 31, 2017 the Company declared that 23.05% of fully paid-up capital shares are held by the foreigners.

8.3 Issuance of Other Securities

The Siam Cement Public Company Limited issued 11 series* of debentures valuing 181,500 Million Baht as follows:

Lots of Debentures	Total Issue Amount (Million Baht)	Outstanding Debenture (Million Baht)	Maturity Date	Coupon Rate (%)	Credit Rating
3/2012	6,500	6,500	October 12, 2019	4.40	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
1/2016	25,000	25,000	April, 1, 2020	3.00	A
2/2016	25,000	25,000	November 1, 2020	3.00	A
1/2017	25,000	25,000	April 1, 2021	3.25	A
2/2017	10,000	10,000	August 30, 2024	2.97	A
3/2017	25,000	25,000	October 1, 2021	3.05	A
Total	181,500	181,500			

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

8.4 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 necessity or irregular situations. In 2017, the consolidated net profit amounts at 55,041 Million Baht, accordingly the Board resolved to propose the ordinary general meeting of shareholders on March 28, 2018 to

approve the annual dividends for the year 2017 at 19.00 Baht per share or equal to 41% of consolidated net profit.

For dividend policy of subsidiaries which are mostly 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.

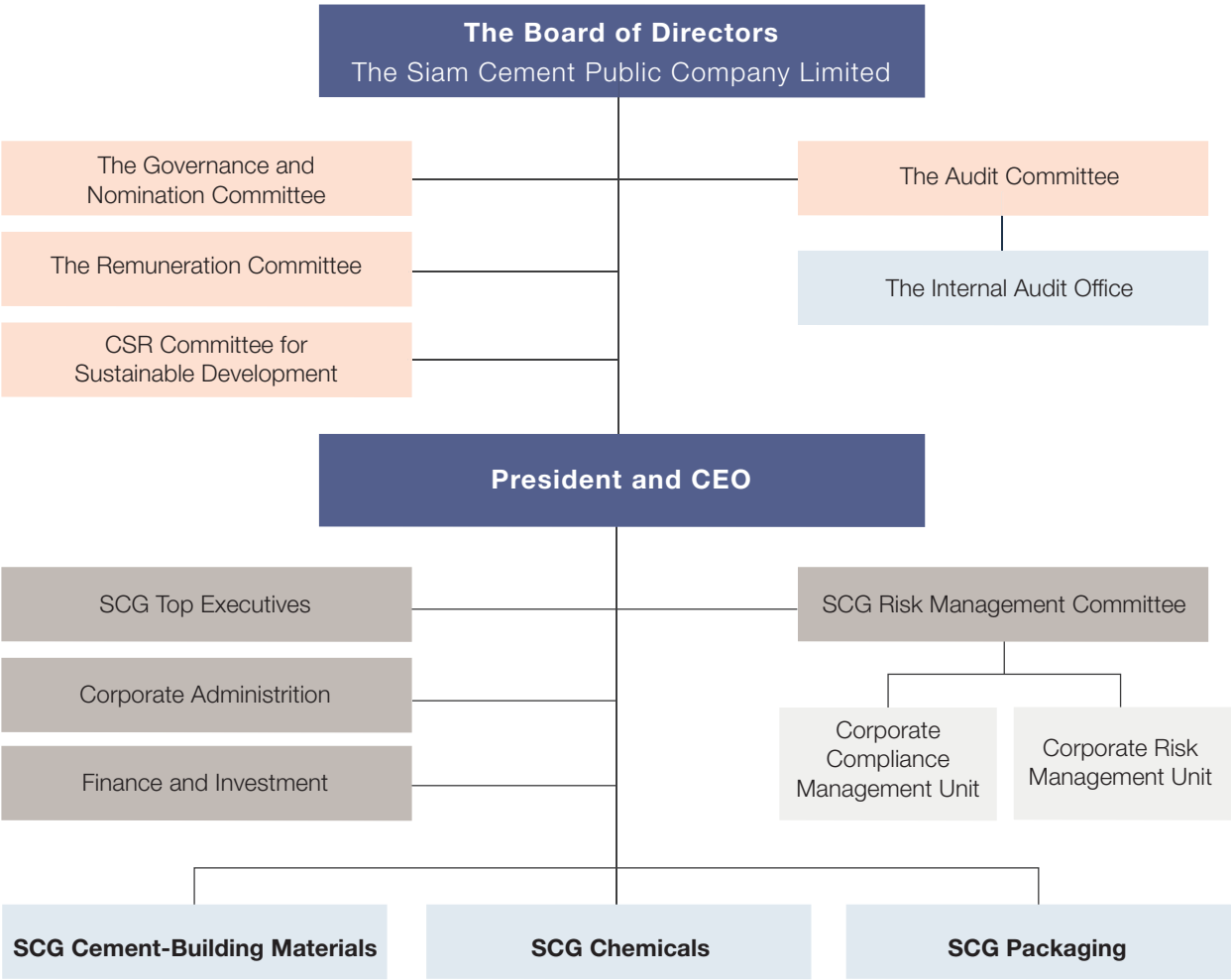
Detail of Dividend Distribution in the past 5 years

Year	Interim dividends (Baht/share)	Final dividends (Baht/share)	Annual dividends (Baht/share)	Dividend payout ratio on net profit* (%)
2013	8.50	7.00	15.50	51
2014	5.50	7.00	12.50	45
2015	7.50	8.50	16.00	42
2016	8.50	10.50	19.00	41
2017	8.50	10.50	19.00 **	41

Remarks:
* 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 28, 2018, to approve the dividend distribution for the year 2017 at 19.00 Baht per share.

Management Structure

Organization Structure (As at January 1, 2018)



9.1 The Board of Directors

comprises the following 12 members:

- 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. Arsa Sarasin
Independent Director
- 6

Mr. Chumpol NaLamlieng
Independent Director
- 7

Mr. Tarrin Nimmanahaeminda
Independent Director
- 8

Mr. Pramon Sutivong
Independent Director
- 9

Mrs. Tarisa Watanagase
Independent Director
- 10

Mr. Kan Trakulhoon
Director
- 11

Mr. Prasarn Trairatvorakul
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 a criminal 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 of Directors, the directors authorized to sign for and with binding effect on the Company are any two of three directors, namely Mr. Panas Simasathien or Mr. Prasarn Trairatvorakul or Mr. Roongrote Rangsiyopash,

jointly sign their names together or any one of the three mentioned directors jointly sign their name together with Mr. Sumet Tantivejkul or Mr. Arsa Sarasin or Mr. Chumpol NaLamlieng, totaling two directors.

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

Two members of the Board who are directors of the major shareholder are Mr. Chirayu Isarangkun Na Ayuthaya and Mr. Panas Simasathien.

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.

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 business decisions. 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 2017, the Board held 11 meetings, eight scheduled meetings and three special meetings with 96% of the Board of Directors attending. Individually, each director (excluding the director resigned during the year) attended more than 75% of the total number of meetings. 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 their 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 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 2017, a meeting without the Management was held on August 26, 2017.

The Sub-committees

Directors	The Audit Committee (4 members)	The Governance and Nomination Committee (5 members)	The Remuneration Committee (3 members)	The CSR Committee for Sustainable Development (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. Arsa Sarasin	-	Member	-	Chairman
6. Mr. Chumpol NaLamlieng	-	-	Chairman	-
7. Mr. Tarrin Nimmanahaeminda	Chairman	Member	-	-
8. Mr. Pramon Sutivong	Member	-	Member	-
9. Mrs. Tarisa Watanagase	Member	-	-	-
10. Mr. Kan Trakulhoon	-	-	-	Member
11. Mr. Prasarn Trairatvorakul	-	-	Member	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, 5, 6, 7, 8 and 9.
- Mr. Kajohndet Sangsuban, Mr. Cholanat Yanaranop and Mr. Yuttana Jiamtragan are also members of the CSR Committee for Sustainable Development.

The Attendance of the Directors in 2017

(January 1, 2017 – December 31, 2017)

Directors	Board of Directors (Total 12 directors) Total 11 times / year	The Audit Committee (Total 4 members) Total 6 times / year	The Governance and Nomination Committee (Total 5 members) Total 5 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 2017 Meeting of Shareholders (Total 12 directors) Total 1 times / year
1. Mr. Chirayu Isarangkun Na Ayuthaya	11/11				3/4	1/1
2. Mr. Sumet Tantivejkul	10/11		5/5		4/4	1/1
3. Mr. Pricha Attavipach	11/11	6/6	5/5			1/1
4. Mr. Panas Simasathien	11/11		5/5			1/1
5. Mr. Yos Euarchukiati*	5/7			2/4	2/2	1/1
Mr. Prasarn Trairatvorakul**	3/3			2/2	2/2	-
6. Mr. Arsa Sarasin	10/11		5/5		4/4	1/1
7. Mr. Chumpol NaLamlieng	11/11			6/6		1/1
8. Mr. Tarrin Nimmanahaeminda	11/11	6/6	4/5			1/1
9. Mr. Pramon Sutivong	11/11	6/6		6/6		1/1
10. Mrs. Tarisa Watanagase	11/11	6/6				1/1
11. Mr. Kan Trakulhoon	10/11				2/4	1/1
12. Mr. Roongrote Rangsiyopash	11/11				3/4	1/1

Notes:

1. Seven independent directors are number 2, 3, 6, 7, 8, 9 and 10
2. Four members of the Audit Committee are number 3, 8, 9 and 10
3. Five members of the Governance and Nomination Committee are number 2, 3, 4, 6 and 8
4. Three members of the Remuneration Committee are number 5, 7 and 9
5. Six members of the CSR Committee for Sustainable Development are number 1, 2, 5, 6, 11, and 12
6. The 2017 Ordinary General Meeting of Shareholders was held on March 29, 2017.
- * Resigned from the Company's directorship on August 17, 2017
- ** Being Company's director, a member of the Remuneration Committee, and a member of the CSR Committee for Sustainability Development on August 26, 2017

Board of Directors

Mr. Chirayu Isarangkun Na Ayuthaya

Age 75 years

Position

- Chairman
- Member of CSR Committee for Sustainable Development

Date of Appointment as a Director

- 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 or main Industries of SCG
- Administration and Large Organization Management
- Economics, Investment, Policy Setting and Strategic Planning
- Foreign Affairs
- Marketing, Accounting and Finance
- Corporate Governance and Risk Management

Director Training

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

Board Member/Management in Other Listed Company (1)

Since 2007 Director, The Siam Commercial Bank Public Company Limited

Position in Other Company/Organization/Institution (5)

Since 1987 Chairman, The Deves Insurance Public Company Limited

Since 1998 Chairman, National Institute of Development Administration

Since 2006 Chairman, CPB Equity Company Limited

Since 2016 Lord Chamberlain, The Royal Household Bureau

Since July 2017 Director-General, The Crown Property Bureau

5-year Past Experiences and/or Remarkable Positions

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

1987-2016 Grand Chamberlain, The Royal Household Bureau

1987-July 2017 Director-General, The Crown Property Bureau

1994-2005 Director , CPB Equity Company Limited

1998-2007 Chairman, The Siam Commercial Bank Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

Mr. Sumet Tantivejkul

Age 78 years

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

Position

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

Date of Appointment as a Director

- 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

- Administration and Large Organization Management
- Foreign Affairs
- Marketing
- 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 Directors (FND) 5/2003, Thai Institute of Directors Association
- Audit Committee Program (ACP) 11/2006, Thai Institute of Directors Association

Board Member/Management in Other Listed Company

(None)

Position in Other Company/Organization/Institution (5)

Since 1988 Director and Secretary – General, The Chaipattana Foundation

Since 2000	Chairman, Thai Rice Foundation
Since 2002	Chairman, Elephant Reintroduction Foundation
Since 2002	Chairman, The Sirindhorn International Environmental Park
Since 2012	Chairman, Utokapat Foundation
5-year Past Experiences and/or Remarkable Positions	
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

Mr. Pricha Attavipach

Age 79 years
Director qualified as an Independent Director (From March 31, 1999)

Position	
<ul style="list-style-type: none">• Director• Member of the Audit Committee• Member of the Governance and Nomination Committee	
Date of Appointment as a Director	
<ul style="list-style-type: none">• March 31, 1999	
Education/Training	
<ul style="list-style-type: none">• M.S. (Industrial Engineering & Management), Oklahoma State University, U.S.A.• B.Sc. (Industrial Engineering), Chulalongkorn University	
Expertise	
<ul style="list-style-type: none">• Business or core industries of SCG and other large industries• Administration and Large Organization Management• Economics, Investment, Policy Setting and Strategic Planning• Law• Marketing and Finance• Corporate Governance and Risk Management	
Director Training	
<ul style="list-style-type: none">• Director Certification Program (DCP) 39/2004, Thai Institute of Directors Association• Finance for Non-Finance Directors (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 Other 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

1997-1998	Chairman, Telephone Organization of Thailand
1997-2000	Director, Thai Farmers Bank Public Company Limited currently named Kasikornbank Public Company Limited
2001-2012	Director, Council of Burapha University
2005-2010	President of the University Council, Thammasat University

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives
(None)

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 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
Since 2016	Chairman, Bagasse Dryer Technology (Thailand) Company Limited

5-year Past Experiences and/or Remarkable positions

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
2002-2016	Law Councilor of Ministry of Labour

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 52,100 shares (0.0043%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives
(None)

Mr. Panas Simasathien

Age 85 years

Position	
<ul style="list-style-type: none">• Director• Member of the Governance and Nomination Committee	
Date of Appointment as a Director	
<ul style="list-style-type: none">• December 29, 1999	
Education/Training	
<ul style="list-style-type: none">• 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	
<ul style="list-style-type: none">• Business or large industries• Administration and Large Organization Management• Economics, Investment, Policy Setting and Strategic Planning• Law• Accounting and Finance• Corporate Governance and Risk Management	

Director Training	
<ul style="list-style-type: none">• 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	

Mr. Arsa Sarasin

Age 81 years
Director qualified as an Independent Director (From July 25, 2001)

Position	
<ul style="list-style-type: none">• Director• Chairman of CSR Committee for Sustainable Development• Member of the Governance and Nomination Committee	
Date of Appointment as a Director	
<ul style="list-style-type: none">• July 25, 2001	
Education/Training	
<ul style="list-style-type: none">• B.A. (Business Administration), Boston University, U.S.A.• Honorary Doctoral Degree in Political Science (International Affairs), Thammasat University	
Expertise	
<ul style="list-style-type: none">• Business or core industries of SCG and other large industries• Administration and Large Organization Management• Economics, Investment, Policy Setting and Strategic Planning• Foreign Affairs• Marketing and Finance• Corporate Governance	

- 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 Other Listed Company
(None)

Position in Other Company/Organization/Institution (3)	
Since 1992	Vice Chairman and Chairman of the Executive Committee, Siam Piwat Company Limited
Since 2003	Chairman, The Council of State, Group 12
Since 2006	Director, CPB Equity Company Limited
5-year Past Experiences and/or Remarkable Positions	
1992	Minister of Finance
1993-1995	Chairman, The Electricity Generating Authority of Thailand
2000-2017	Director, Board of The Crown Property Bureau
2005-2013	Chairman, The National Economic and Social Development Board
2011-2012	Chairman, Saha Union Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 100,000 shares (0.0083%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives
(None)

Director Training	
<ul style="list-style-type: none">• 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 Other Listed Company (3)	
Since 1998	Chairman, Padaeng Industry Public Company Limited
Since 1999	Chairman and Independent Director, Siam Makro Public Company Limited
Since 2015	Chairman and Independent Director, Dusit Thani Public Company Limited

Position in Other Company/Organization/Institution (10)		5-year Past Experiences and/or Remarkable Positions	
Since 1993	Chairman, Thai Asia Pacific Brewery Company Limited	1977-1980	Ambassador Extraordinary and Plenipotentiary, Royal Thai Embassy of Belgium & Chief of Mission to the European Community
Since 1995	Chairman, Amata City Company Limited	1982-1986	Permanent Secretary, Ministry of Foreign Affairs
Since 2003	Director, Thai Pure Drinks Company Limited		
Since 2004	Chairman of the Board of Governors for Amata Spring Country Club	1986-1988	Ambassador Extraordinary and Plenipotentiary, Royal Thai Embassy of United States of America
Since 2004	Chairman of Advisor, Thai-Laos Friendship Association	1991-1992	Minister of Foreign Affairs
Since 2005	Deputy Chairman, Thai Tapioca Development Institute	1994-2004	Co-Chairman of the Thai-Laos Association
Since 2006	Chairman, Mae Sod Clean Energy Company Limited	1995-1999	Vice Chairman of the Board of Directors, Bangkok Bank Public Company Limited
Since 2013	Chairman, Mitsubishi Elevator Asia Company Limited	1999-2016	Independent Director, Vice Chairman and Chairman of the Audit Committee, Charoen Pokphand Foods Public Company Limited
Since 2013	Advisor, Mitsubishi Electric Asia (Thailand) Company Limited	2000-2012	His Majesty's Principal Private Secretary
Since 2016	Advisor to Board of Directors, Charoen Pokphand Foods Public Company Limited		

Mr. Chumpol NaLamlieng

Age 70 years
Director qualified as an Independent Director (From July 30, 2014)

Position		Position in Other Company/Organization/Institution (4)	
<ul style="list-style-type: none">DirectorChairman, The Remuneration Committee		Since 1989	Director, Navuti Company Limited
Date of Appointment as a Director		Since 2010	Director, Siam Sindhorn Company Limited
<ul style="list-style-type: none">August 1, 1992		Since 2012	Director, Kempin Siam Company Limited
Education/Training		Since 2017	Advisor, CBP Equity Company Limited
<ul style="list-style-type: none">MBA, Harvard Business School, U.S.A.B.S. Mechanical Engineering, University of Washington, U.S.A.		5-year Past Experiences and/or Remarkable Positions	
Expertise		1990-2009	Director, Garden River Company Limited
<ul style="list-style-type: none">Business or main industries of SCG and other large industriesAdministration and Large Organization ManagementEconomics, Investment, Policy Setting and Strategic PlanningForeign AffairsLawMarketing, Accounting and FinanceInformation TechnologyCorporate Governance and Risk Management		1990-2017	Director, Supaprunk Company Limited
Director Training		1993-2005	President, The Siam Cement Public Company Limited
<ul style="list-style-type: none">Role of the Chairman Program (RCP) 2/2001, Thai Institute of Directors Association		2004-2011	Chairman, Singapore Telecommunication Company Limited
Board Member/Management in Other Listed Company		2005-2009	Director, British Airways Public Company Limited
(None)		2007-2016	Independent Director and Chairman of the Nomination, Compensation and Corporate Governance Committee, The Siam Commercial Bank Public Company Limited
		2011-2016	Director, CBP Equity Company Limited
		2012-2017	Director, Kempinski International SA
		Shareholdings (Ordinary Shares) (as at December 31, 2017)	
		<ul style="list-style-type: none">Held personally: 201,000 shares (0.0168%)Held by spouse or minor children: (None)	
		Family Relationship among Directors and Executives	
		(None)	

Mr. Tarrin Nimmanahaeminda

Age 72 years
Director qualified as an Independent Director (From October 24, 2007)

Position		Position in Other Company/Organization/Institution (4)	
<ul style="list-style-type: none">DirectorChairman, the Audit CommitteeMember of the Governance and Nomination Committee		Since 1988	Vice Chairman, Princess Maha Chakri Sirindhorn Foundation
Date of Appointment as a Director		Since 1992	Chairman of the board of Executive Directors and Treasurer, The Prostheses Foundation of H. M. H. The princess Mother
<ul style="list-style-type: none">October 24, 2007		Since 2003	Chairman, Siam Piwat Company Limited
Education/Training		Since 2013	Chairman, Nantawan Company Limited
<ul style="list-style-type: none">MBA (Finance), The Stanford Graduate School of Business, U.S.A.B.A. (Government, Cum Laude), Harvard College, U.S.A.		5-year Past Experiences and/or Remarkable Positions	
Expertise		1984-1992	President and Chief Executive Officer, Siam Commercial Bank Public Company Limited
<ul style="list-style-type: none">Business or main industries of SCG and other large industriesAdministration and Large Organization ManagementEconomics, Investment, Policy Setting and Strategic PlanningMarketing, Accounting and FinanceInformation TechnologyCorporate Governance and Risk Management		1991-1992	Chairman of the Thai Bankers' Association
Director Training		1992-1995	Minister of Finance (September 1992 - May 1995)
<ul style="list-style-type: none">Role of the Chairman Program (RCP) 35/2014, Thai Institute of Directors Association		1992	Member of the Senate
Board Member/Management in Other Listed Company		1996-2005	Member of the House of Representatives
(None)		1997-2001	Minister of Finance (November 1997 - February 2001)
Position in Other Company/Organization/Institution (4)		1999-2000	Chairman of The Development Committee, The World Bank Group
		Shareholdings (Ordinary Shares) (as at December 31, 2017)	
		<ul style="list-style-type: none">Held personally: (None)Held by spouse or minor children: 25,000 shares (0.0021%)	
		Family Relationship among Directors and Executives	
		(None)	

Mr. Pramon Sutivong

Age 78 years
Director qualified as an Independent Director (From June 1, 2011)

Position		Position in Other Company/Organization/Institution (5)	
<ul style="list-style-type: none">DirectorMember of the Remuneration CommitteeMember of the Audit Committee		Since 1997	Independent Director, The Navakij Insurance Public Company Limited
Date of Appointment as a Director		Position in Other Company/Organization/Institution (5)	
<ul style="list-style-type: none">April 29, 2009		Since 1999	Chairman, Siam Compressor Industry Company Limited
Education/Training		Since 1999	Director, Toyota Thailand Foundation
<ul style="list-style-type: none">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.		Since 2009	Honorary Director of the University Council, University of the Thai Chamber of Commerce
Expertise			
<ul style="list-style-type: none">Business or core industries of SCG and other large industriesAdministration and Large Organization ManagementEconomics, Investment, Policy Setting and Strategic PlanningForeign AffairsMarketing			

Since 2009	Senior Chairman, The Thai Chamber of Commerce and Board of Trade of Thailand	2006-2008	Member, National Legislative Assembly
Since 2011	Chairman of Anti-Corruption Organization of Thailand	2007-2017	Director, Office of The Civil Service Commission
		2013-2017	Member, Advisory Board, Sasin Graduate Institute of Business Administration
		2014-2016	Member, National Reform Council
		2015-2017	Member, National Reform Steering Assembly
5-year Past Experiences and/or Remarkable Positions		Shareholdings (Ordinary Shares) (as at December 31, 2017)	
1990-2005	Director, SCG Foundation	<ul style="list-style-type: none"> Held personally: (None) Held by spouse or minor children: 50,000 shares (0.0042%) 	
1992-1999	Senior Vice President, The Siam Cement Public Company Limited	Family Relationship among Directors and Executives	
1998-2002	Chairman, International Chamber of Commerce Thailand	(None)	
1999-2004	Chairman, Bankthai Public Company Limited		
1999-2017	Chairman, Toyota Motor Thailand Company Limited		

Mrs. Tarisa Watanagase

Age 68 years
 Director qualified as an Independent Director (From March 27, 2013)

Position	Since 2011	Member, Board of Director, the Heart Foundation of Thailand under the Royal Patronage of the Crown Princess
<ul style="list-style-type: none"> Director Member of the Audit Committee 		
Date of Appointment as a Director	Since 2011	Director, Member, Board of Directors, Private Sector Collective Action Coalition Against Corruption (CAC)
<ul style="list-style-type: none"> March 27, 2013 		
Education/Training	Since 2011	Member, APD Advisory Group, Asia Pacific Department, IMF, Washington, D.C.
<ul style="list-style-type: none"> Ph.D. (Honorary) in Economics, Keio University, Japan Ph.D., Economics, Washington University, U.S.A. M.A., Economics, Keio University, Japan B.A., Economics, Keio University, Japan Advanced Management Program (AMP), Harvard Business School, U.S.A. 	Since 2012 Since 2013 Since 2013	Director, Thailand Philharmonic Orchestra Member, Advisory Board, Central Banking Publication, U.K. Senior Advisor, Promontory Financial Group, Washington, D.C., U.S.A. Chairman, Childline Thailand Foundation (1387)
Expertise	Since 2015	Director, Chulalongkorn University Council
<ul style="list-style-type: none"> Administration and Large Organization Management Economics, Investment, Policy Setting and Strategic Planning Accounting and Finance Corporate Governance and Risk Management Crisis and Business Continuity Management 	Since 2016 Since 2016 Since 2017	Vice President, Thai-Japanese Association Director, Mitsubishi UFJ Financial Group
Director Training	5-year Past Experiences and/or Remarkable Positions	
<ul style="list-style-type: none"> Director Certification Program (DCP) 4/2000, Thai Institute of Directors Association Driving Company Success with IT Governance (ITG) 3/2016, Thai Institute of Directors Association 	2006-2010 2006-2009 2006-2010 2006-2010	Governor, The Bank of Thailand Chairperson, The Bank of Thailand Board Chairperson, Monetary Policy Committee Chairperson, Financial Institutions Policy Committee
Board Member/Management in Other Listed Company (None)	2006-2010	Chairperson, Payment Systems Committee
Position in Other Company/Organization/Institution (13)	2006-2010	Board Member, The National Economic and Social Development Board
Since 2006	2006-2010	Commission Member, The SEC Commission Members
Since 2006	2006-2010	Director, Board of Insurance Commission
	2006-2010	Director, Thai Asset Management Corporation Board of Directors
Since 2010	2011	Expert, The Financial Sector Assessment Program (FSAP), IMF
	2011-2017	Member, Board of Directors and Audit Committee, Office of Insurance Commission

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

2015	Short-term Consultant, World Bank Independent Evaluation Group
Shareholdings (Ordinary Shares) (as at December 31, 2017)	
<ul style="list-style-type: none"> Held personally: (None) Held by spouse or minor children: 40,400 shares (0.0034%) 	
Family Relationship among Directors and Executives (None)	

Mr. Kan Trakulhoon

Age 62 years

Position	Compensation Committee
<ul style="list-style-type: none"> Director Member of CSR Committee for Sustainable Development 	Member of the Nomination and Governance Committee
Date of Appointment as a Director	Member of the Strategic and Organizational Review Committee
<ul style="list-style-type: none"> January 1, 2006 	Member of the CSR Committee for Sustainable Development, Intouch Holdings Public Company Limited
Education/Training	Since 2017
<ul style="list-style-type: none"> 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	
<ul style="list-style-type: none"> Business or core industries of SCG and other large industries Administration and Large Organization Management Economics, Investment, Policy Setting and Strategic Planning Foreign Affairs Marketing, Accounting and Finance Information Technology Corporate Governance and Risk Management 	
Director Training	
<ul style="list-style-type: none"> Director Certification Program (DCP) 29/2003, Thai Institute of Directors Association 	

Board Member/Management in Other Listed Company (4)	
Since 2016	Chairman and Independent Director and Chairman of Leadership Development and Compensation Committee, Advanced Info Service Public Co. Ltd.
Since 2016	Independent Director and Director of the Nomination, Compensation and Corporate Governance Committee, The Siam Commercial Bank Public Company Limited
Since 2017	Independent Director Chairman of the Leadership Development and

	Independent Director, Bangkok Dusit Medical Services Public Company Limited
Position in Other Company/Organization/Institution (24)	
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	Advisor to the Executive Committee, Mahidol University Foundation
Since 2013	Executive Board Member, Engineer Division of the Anandamahidol Foundation
Since 2013	Member, Advisory Board, Sasin Graduate Institute of Business Administration
Since 2014	Member, National Development and Enhancing Competitiveness Committee
Since 2015	Member, National intellectual Property Policy Committee
Since 2015	Member of the Advisory Board, Nomura Holding Inc.
Since 2015	Member of the Executive Board, Chulalongkorn Hospital
Since 2015	Head of Private Sector for Public Private Collaborative Committees on Innovation and Digitalization
Since 2015	Head of Private Sector for Public Private Collaborative Committees on Legal Reform
Since 2015	Member of Public Private Collaborative Committees on Educational Reform
Since 2016	Member, Governing Committee of Food Innopolis
Since 2016	Member, Screening Committee for Strengthening and Sustainability of the Legal Economy

Since 2017	Advisor, Committee on National Reform, National Strategy, and Reconciliation
Since 2017	Member, Policy Committee of Special Economic Development Zone
Since 2017	Member, National Research and Innovation Policy Council
Since 2017	Member, Super Board on National Procurement
Since 2017	Executive Board Member, Queen Savang Vadhana Memorial Hospital
Since 2017	Member, National Strategy Preparation for Thailand 4.0 Committee
Since 2017	Member, National Reform Commission on State Administration
Since 2017	Member, National Strategic Committee
Since 2017	Advisor, Subcommittee on Industrial and Digital Innovation Promotion

Mr. Prasarn Trairatvorakul

Age 65 years

Position

- Director
- Member of the Remuneration Committee
- Member of CSR Committee for Sustainable Development

Date of Appointment as a Director

- August 26, 2017

Education/Training

- Bachelor of Engineering in Electrical Engineering (First Class Honors), Chulalongkorn University
- Master of Engineering in Industrial Engineering and Management, Asian Institute of Technology, Thailand
- Master in Business Administration, Harvard University, Massachusetts, U.S.A.
- Doctor of Business Administration, Harvard University, Massachusetts, U.S.A.
- Honorary Doctor of Business Administration, Rajamangala University of Technology Suvarnabhumi
- Honorary Doctor of Economics, Khon Kaen University
- Honorary Doctor of Economics, The University of the Thai Chamber of Commerce
- Honorary Doctor of Economics, Chulalongkorn University
- Honorary Doctor of Philosophy, National Institute of Development Administration

Expertise

- Business or core industries of other large industries
- Administration and Large Organization Management
- Economics, Investment, Policy Setting and Strategic Planning
- Marketing, Accounting and Finance
- Corporate Governance and Risk Management

5-year Past Experiences and/or Remarkable Positions

2005-2015	President & CEO, The Siam Cement Public Company Limited
2009-2011	Outside Director, Kubota Corporation (Japan)
2013-2015	Advisory Director, National Science and Technology Development Board
2013-2016	Advisory Director, National Science Technology and Innovation Policy Board

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

Director Training

- The Role of the Chairman Program (RCP) 2/2001, Thai Institute of Directors Association
- Director Certification Program (DCP) 21/2002, Thai Institute of Directors Association
- Ethical Leadership Program (ELP) 2/2015, Thai Institute of Directors Association

Board Member/Management in Other Listed Company (1)

Since 2017	Independent Director, Pruksa Holding Public Company Limited
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Position in Other Company/Organization/Institution (15)

Since1998	Director, Thai Red Cross Society
Since 2014	Member, State Enterprises Supervisory Board
Since 2015	Member, Committee to Enhance Competitiveness of the Nation
Since 2015	Member, Anti-corruption Committee
Since 2015	Advisor, Crown Property Bureau
Since 2016	Advisor, Board of Investment
Since 2016	Director, Thailand Sustainable Development Foundation
Since 2016	Member, Property Management Committee, Chulalongkorn University
Since 2016	Senior Advisor, CENTRAL Group
Since 2017	Chairman of the Council of Trustees and the Board of Directors, Thailand Development Research Institute (TDRI)
Since 2017	Chairman, Public Procurement Committee
Since 2017	Member, Education Reform Committee
Since 2017	Chairman, Economic Reform Committee
Since 2017	Member, Committee on King’s Scholarships for Thai Buddhist Monks
Since 2017	Member, Asset Management Committee of Vajiravudh College

5-year Past Experiences and/or Remarkable Positions

1999 – 2003	Secretary-General, Securities and Exchange Commission of Thailand
2004 – 2010	President, KASIKORNBANK Public Company Limited
2010 – 2015	Governor, Bank of Thailand

Mr. Roongrote Rangsiyopash

Age 54 years

Position

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

Date of Appointment as a Director

- 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 or main industries of SCG and other large industries
- Administration and Large Organization Management
- Economics, Investment, Policy Setting and Strategic Planning
- Foreign Affairs
- Marketing, Accounting and Finance
- Corporate Governance and Risk Management

Director Training

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

Board Member/Management in Other Listed Company
(None)

Position in Other Company/Organization/Institution (11)

Since 2015	Advisory Director, the National Science and Technology Development Board
Since 2015	Advisory, The Association National Defence College of Thailand under the Royal Patronage of His Majesty The King
Since 2015	Head of Private Sectors for Public Private Collaborative Committees on Competitive Workforce
Since 2016	Member, Committee on Preparations for Digital Economy and Society
Since 2016	Council Member, World Business Council for Sustainable Development
Since 2016	Member, Asia Business Council
Since 2016	Committee, Engineer Division of the Anandamahidol Foundation

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

Since 2017	Member, Sub-Committee Government Administration System Development for Driving toward 4.0. /office of the Prime Minister
Since 2017	Committee, Steering Committee on the Reforming Support for THAILAND 4.0 Policy
Since 2017	Advisory Director on Industrial and Organizational Phycology, Political System Development Committee
Since 2017	Advisory, Chulalongkorn University Alumni Association

Other Position in SCG

- Being chairman of non-listed companies under SCG totaling 8 companies

5-year Past Experiences and/or Remarkable Positions

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 Public Company Limited (currently named as SCG Packaging Public Company Limited)
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 Sub-committee, Government Pension Fund (GPF)
2013-2015	Executive Director, Giga Impact Initiative Board, National Science and Technology Development Agency (NSTDA)
2015	Executive Vice President, The Siam Cement Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- 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	As at	Increase/	As at	As at	Increase/	
	January 1, 2017	December 31, 2017	(decrease) during financial year	January 1, 2017	December 31, 2017	(decrease) during financial year	
1. Mr. Chirayu Isarangkun Na Ayuthaya	-	-	-	-	-	-	-
2. Mr. Sumet Tantivejkul	-	-	-	10,000	10,000	-	-
3. Mr. Pricha Attavipach	36,100	52,100	16,000	55,000	59,000	4,000	-
4. Mr. Panas Simasathien	100,000	100,000	-	37,000	72,000	35,000	-
5. Mr. Arsa Sarasin	13,000	13,000	-	-	-	-	-
6. Mr. Chumpol NaLamlieng	201,000	201,000	-	51,000	51,000	-	-
7. Mr. Tarrin Nimmanahaeminda	-	-	-	-	95,000	95,000	-
Spouse	25,000	25,000	-	-	-	-	-
8. Mr. Pramon Sutivong	-	-	-	12,000	15,000	3,000	-
Spouse	50,000	50,000	-	-	-	-	-
9. Mrs. Tarisa Watanagase	-	-	-	-	-	-	-
Spouse	40,100	40,100	300	-	-	-	-
10. Mr. Kan Trakulhoon	-	-	-	-	-	-	-
11. Mr. Prasarn Trairatvorakul*	-	-	-	-	5,000	5,000	-
12. Mr. Roongrote Rangsiyopash	30,000	30,000	-	58,000	72,000	14,000	-

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.

* Mr. Prasarn Trairatvorakul has been appointed as a director on August 26, 2017.

9.2 Top Executives of SCG

(As at January 1, 2018)



- 1

Mr. Roongrote Rangsiyopash
President & CEO, SCG
- 2

Mr. Cholanat Yanaranop
Executive Vice President, SCG President, SCG Chemicals
- 3

Mr. Tanawong Areeratchakul
President, SCG Packaging
- 4

Mr. Aree Chavalitcheewingul
President, SCG Cement-Building Materials
- 5

Mr. Chana Poomee
Vice President-Cement and Construction Solution Business, SCG Cement-Building Materials
- 6

Mr. Nithi Patarachoke
Vice President-Building Products and Distribution Business, SCG Cement-Building Materials
- 7

Mr. Paramate Nisagornsen
Vice President-Regional Business, SCG Cement-Building Materials
- 8

Mr. Chaovalit Ekabut
Vice President-Finance and Investment & CFO, SCG
- 9

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

Mr. Somchai Wangwattanapanich
Senior Vice President, SCG Chemicals
- 11

Mr. Sakchai Patiparnpreechavud
Vice President-Polyolefins and Vinyl Business, SCG Chemicals
- 12

Mr. Mongkol Hengrojanasophon
Vice President-Olefins Business and Operations, SCG Chemicals

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

The twelve members of top executives have no forbidden qualifications 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 5, 2018)

Companies	Directors											
	Mr. Roongrote Rangsiyopash	Mr. Cholanat Yanaranop	Mr. Somchai Wangwattananich	Mr. Mongkol Hengrojanasophon	Mr. Sakchai Patiparnreechavud	Mr. Aree Chavalitcheewingul	Mr. Nithi Patarachoke	Mr. Chana Poomee	Mr. Paramate Nisagornsen	Mr. Tanawong Areeratchakul	Mr. Chaovalit Ekabut	Mr. Yuttana Jiamtragan
SCG Cement-Building Materials SCG Cement-Building Materials Company Limited	✓					✓	✓	✓	✓		✓	✓
SCG Chemicals SCG Chemicals Company Limited	✓	✓	✓	✓	✓					✓	✓	
SCG Packaging SCG Packaging Public Company Limited	✓		✓			✓	✓			✓	✓	

Notes:

The Chief Officers in Accounting and Finance (as at January 1, 2018) are as follow:

1. Mr. Pichit Leelaphantmetha
- Corporate Accounting Director
2. Mrs. Chantanida Sarigaphuti
- Corporate Planning and Finance Director

SCG Top Executives

Mr. Roongrote Rangsiyopash

Age 54 years

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 Other Listed Company

(None)

Position in Other Company/Organization/Institution (11)

- Since 2015
- Advisory Director, the National Science and Technology Development Board
- Since 2015
- Advisory, The Association National Defence College of Thailand under the Royal Patronage of His Majesty The King
- Since 2015
- Head of Private Sectors for Public Private Collaborative Committees on Competitive Workforce
- Since 2016
- Member, Committee on Preparations for Digital Economy and Society
- Since 2016
- Council Member, World Business Council for Sustainable Development
- Since 2016
- Member, Asia Business Council
- Since 2016
- Committee, Engineer Division of the Anandamahidol Foundation
- Since 2017
- Member, Sub-Committee Government Administration System Development for Driving toward 4.0., Office of the Prime Minister
- Since 2017
- Committee, Steering Committee on the Reforming Support for THAILAND 4.0 Policy

- Since 2017
- Advisory Director on Industrial and Organizational Phycology, Political System Development Committee
- Since 2017
- Advisory, Chulalongkorn University Alumni Association

Other Position in SCG

- Being chairman of non-listed companies under SCG totaling 8 companies

5-year Past Experiences and/or Remarkable Positions

- 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 Public Company Limited (currently named as SCG Packaging Public Company Limited)
- 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 Sub-committee, Government Pension Fund (GPF)
- 2013-2015
- Executive Director, Giga Impact Initiative Board, National Science and Technology Development Agency (NSTDA)
- 2015
- Executive Vice President, The Siam Cement Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- 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 58 years

Position

- Executive Vice President, SCG
- President, SCG Chemicals
- Member of CSR Committee for Sustainable Development

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) 39/2005, Thai Institute of Directors Association
- Role of Chairman Program (RCP) 38/2016, Thai Institute of Directors Association

Board Member/Management in Other Listed Company (1)

Since 2011 Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia

Position in Other Company/Organization/Institution (5)

Since 2006 Director, Petroleum Institute of Thailand
Since 2009 Advisor, The Thai Institute of Chemical Engineering and Applied Chemistry

Mr. Somchai Wangwattanapanich
Age 59 years

Position

- Senior Vice President, 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

(None)

Position in Other Company/Organization/Institution (5)

Since 2012 Vice Chairman, The Federation of Thai Industries

Since 2014 Chairman, The Industrial Environment Institute

Since 2014 Director, Thai Plastic and Chemicals Public Company Limited

Since 2012 Chairman, Thai Plastic and Chemicals Public Company Limited

Since 2016 Director, Apexcela Company Limited

Since 2016 Director, Siam Bioscience Company Limited

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 Positions

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

2015-2016 Vice President, Community Partnership Association

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 33,500 shares (0.0028%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

Mr. Mongkol Hengrojanasophon
Age 49 years

Position

- Vice President-Olefins Business and Operations, SCG Chemicals

Education/Training

- Bachelor Degree Chemical Engineering, Khon Kaen University
- Advanced Management Program (AMP) Harvard Business School, U.S.A

Director Training (None)

Board Member/Management in Other Listed Company

(None)

Position in Other Company/Organization/Institution

(None)

Mr. Sakchai Patiparnpreechavud
Age 50 years

Position

- Vice President-Polyolefins and Vinyl Business, SCG Chemicals

Education/Training

- Master of Business Administration, Kasetsart University
- B.Eng. Electrical Engineering, Chulalongkorn University
- Advanced Management Program (AMP) Harvard Business School, U.S.A

Director Training (None)

Board Member/Management in Other 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

Mr. Aree Chavalitcheewingul
Age 54 years

Position

- President, 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 Other Listed Company (5)

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

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 Positions

2010-2013 Production Division Manager of Map Ta Phut Olefins Co., Ltd.

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 2,000 shares (0.0002%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

5-year Past Experiences and/or Remarkable Positions

2005-2009 Managing Director, Mehr Petrochemical Company, Iran

2009-2017 Managing Director, SCG Plastics Company Limited

2015-2017 Managing Director, SCG Performance Chemicals Company Limited
Business Group Head of Basics/Formulations/Fabrications, SCG Chemicals Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

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

Since 2011 Commissioner, PT Keramika Indonesia Assosiasi Tbk, Indonesia

Since 2011 Commissioner, PT Kokoh Inti Arebama Tbk, Indonesia

Since 2012 Director, Siam Global House 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 Positions

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, SCG

Mr. Nithi Patarachoke

Age 54 years

Position

- Vice President-Building Products and Distribution Business, 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 (1)

- Directors Accreditation Program (DAP) 140/2017, Thai Institute of Directors Association

Board Member/Management in Other Listed Company (1)

Since 2012	Director, Siam Global House Public Company Limited
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Position in Other Company/Organization/Institution (3)

Since 2013	Vice Chairman, Thailand Management Association
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Mr. Chana Poomee

Age 52 years

Position

- Vice President-Cement and Construction Solution Business, 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
- Advanced Management Program (AMP), Harvard Business School, U.S.A.

Director Training (None)

Board Member/Management in Other 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

2012	Executive Vice President, SCG Building Materials Company Limited
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Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives (None)

Since 2014	Director, Asia Cement Public Company Limited
Since 2016	Vice Chairman, The Federation of Thai Industries

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 Positions

2005-2010	Corporate Planning Director, The Siam Cement Public Company Limited
2010-2013	Managing Director, SCG Logistics Management Company Limited
2013-2017	Vice President-Domestic Market, SCG Cement-Building Materials

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 4,000 shares (0.0003%)
- Held by spouse or minor children: 10,000 shares (0.0008%)

Family Relationship among Directors and Executives (None)

5-year Past Experiences and/or Remarkable Positions

2010-2013	Energy Director, SCG Cement-Building Materials
2013-2015	Country Director-Myanmar, SCG Cement-Building Materials
2013-2015	Managing Director, ECO Plant Services Company Limited
2013-2014	Managing Director, Mawlamyine Cement Limited
2015	Managing Director, Myanmar CBM Services Company Limited
2015-2017	Vice President-Operations, SCG Cement-Building Materials

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 5,800 shares (0.0005%)
- Held by spouse or minor children: 500 shares (0.00004%)

Family Relationship among Directors and Executives (None)

Mr. Paramate Nisagornsen

Age 50 years

Position

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

Education/Training

- B.Eng. Electrical Engineering, King Mongkut's of University Technology North Bangkok
- M.S. Operational Management & Finance Massachusetts Institute of Technology, U.S.A.

Director Training (None)

Board Member/Management in Other 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

Mr. Tanawong Areeratchakul

Age 54 years

Position

- President, SCG Packaging

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 Other Listed Company (None)

Position in Other Company/Organization/Institution (2)

Since 2014	Executive Director, the Electronic Transactions Development Agency (Public Organization) or ETDA
Since 2015	Committee, Thai Listed Companies Association

5-year Past Experiences and/or Remarkable Positions

2007-2011	Managing Director, Nawa Plastic Industries Company Limited
2011	Business Group Head of Fabricated Products, SCG Chemicals Company Limited
2012-2016	Operations Vice President Director, PT. Chandra Asri Petrochemicals Tbk. Indonesia
2016	Managing Director, Bangkok Synthetics Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives (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 Positions

2007-2010	Managing Director, Rayong Olefins Company Limited
2008-2012	General Director, Long Son Petrochemicals Company Limited
2012-2015	Vice President - Corporate Administration, SCG

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives (None)

Mr. Chaovalit Ekabut

Age 59 years

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 Other Listed Company (1)

Since 2011 Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia

Mr. Yuttana Jiamtragan

Age 54 years

Position

- Vice President-Corporate Administration, SCG
- Member of CSR Committee for Sustainable Development

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 Other Listed Company (None)

Position in Other Company/Organization/Institution (6)

Since 2015 Advisor, Thai Bioplastics Industry Association

Since 2015 Advisor, Foundation for the Promotion of Science and Technology Under the Patronage of His Majesty the King

Since 2016 Committee, Center of Excellence on Environmental Health and Toxicology

Since 2016 Committee, NSTDA Chair Professor Fund

Since 2017 Committee for setting up the Research and Training Center for Supporting Industry 4.0 King Mongkut's of University Technology North Bangkok

Since 2017 Committee, Thai Listed Companies Association

Position in Other Company/Organization/Institution (1)

Since 2015 Director, Thai Plastic and Chemicals Public Company Limited

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 Positions

2005-2010 President, SCG Paper Public Company Limited (currently named as SCG Packaging Public Company Limited)

2005-2010 Chairman, Thai Cane Paper Public Company Limited

2005-2010 Chairman, Thai British Security Printing Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 30,000 shares (0.0025%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(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 Positions

2008-2015 Managing Director, SCG Performance Chemicals Company Limited

2010-2013 Managing Director, SCG Polyolefin Company Limited

2011-2015 Business Group Head: Compound & Formulation, SCG Chemicals

2012-2016 Member, The Federation of Thai Industries

2012-2016 Honorary Chairman, Plastic Industry Club, The Federation of Plastic Industries

2012-2016 Advisor, Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE)

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 2,000 shares (0.0002%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

Chief Officers in Accounting and Finance

Mr. Pichit Leelaphantmetha

Age 53 years

Position

- Corporate Accounting Director
- Managing Director, SCG Accounting Services Company Limited

Education/Training

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University

Director Training

- Director Certification Program (DCP) 118/2009, Thai Institute of Directors Association
- Advanced Strategic Management (ASM), International Institute For Management Development, Switzerland

Board Member/Management in Other Listed Company

(None)

Position in Other Company/Organization/Institution

(None)

Mrs. Chantanida Sarigaphuti

Age 48 years

Position

- Corporate Planning and Finance Director

Education/Training

- M.S. (Finance), University of Illinois, U.S.A.
- 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 Other Listed Company

(None)

Position in Other Company/Organization/Institution

(None)

Other Position in SCG

- Being director and executive of non-listed companies under SCG as assigned by the Company

Other Position in SCG

- Being director and executive of non-listed companies under SCG as assigned by the Company

5-year Past Experiences and/or Remarkable Positions

2012-2014 The Committee of Management Accounting, Federation of Accounting Professions (FAP) under The Royal Patronage of His Majesty the King

2014-2017 Accounting Standard Scrutinizing Sub-Committee, Federation of Accounting Professions (FAP) under The Royal Patronage of His Majesty the King

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

5-year Past Experiences and/or Remarkable Positions

2008 Managing Director, SCT Services Company Limited

2008 Manager, International Services Division, SCT Company Limited

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

2012-2017 Corporate Treasurer, The Siam Cement Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 2,000 shares (0.0002%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

Report of Changes in Securities Holdings of Executives

No.	Executives	Ordinary shares of The Siam Cement Public Company Limited (shares)		
		As at	As at	Increase / (decrease) during financial year
		January 1, 2017	December 31, 2017	
1.	Mr. Roongrote Rangsiyopash	30,000	30,000	-
2.	Mr. Cholanat Yanaranop	33,500	33,500	-
3.	Mr. Somchai Wangwattanapanich	4,300	4,300	-
4.	Mr. Mongkol Hengrojanasophon*	1,000	2,000	1,000
5.	Mr. Sakchai Patiparnpreechavud**	-	-	-
6.	Mr. Aree Chavalitcheewingul	-	-	-
7.	Mr. Nithi Patarachoke	4,000	4,000	-
	Spouse	-	10,000	10,000
8.	Mr. Chana Poomee	5,800	5,800	-
	Spouse	500	500	-
9.	Mr. Paramate Nisagornsen***	-	-	-
10.	Mr. Tanawong Areeratchakul	-	-	-
11.	Mr. Chaovalit Ekabut	30,000	30,000	-
12.	Mr. Yuttana Jiamtragan	2,000	2,000	-
13.	Mr. Pichit Leelaphantmetha	-	-	-
14.	Mrs. Chantanida Sarigaphuti	2,000	2,000	-

Notes:

1. The Siam Cement Public Company Limited has a registered capital of 1,600,000,000 Baht and paid-up 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 14 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. No. 13-14 are the management of accounting and finance.
- * Mr. Mongkol Hengrojanasophon has been appointed to be SCG management since January 1, 2018.
- ** Mr. Sakchai Patiparnpreechavud has been appointed to be SCG management since January 1, 2018.
- *** Mr. Paramate Nisagornsen has been appointed to be SCG management since November 16, 2017.

Head of Internal Audit

Mr. Pattanapong Ittipalin

Age 51 years

Position

- Internal Audit Director

Education/Training

- Bachelor of Business Management (Accounting), Prince of Songkla University

Director Training (None)

Board Member/Management in Other Listed Company

(None)

Position in Other Company/Organization/Institution

(None)

5-year Past Experiences and/or Remarkable Positions

2008-2014	Financial Controller & Chief Accounting Officer, SCG Packaging
2014-2016	Head of Accounting System & Process Development, Corporate Accounting Office, SCG
2016-2017	Assistant Internal Audit Director, Internal Audit Office, SCG

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: (None)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

The Company Secretary

Mrs. Pornpen Namwong

Age 56 years

Position

- Corporate Secretary Director

Education/Training

- M.S., Japanese Business Studies, Chaminade University of Honolulu, Hawaii, U.S.A.
- Bachelor of Economics (Second Class Hours), 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
- Corporate Governance for Executives (CGE), Thai Institute of Directors Association

Board Member/Management in Other Listed Company

(None)

Position in Other Company/Organization/Institution (1)

Since 2010	Director, Thai Company Secretary Club, Thai Listed Companies Association
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Other Positions in SCG

- Company secretaries of SCG subsidiaries as being assigned.

5-year Past Experiences and/or Remarkable Positions

1999-2010	Manager, Legal and Corporate Affairs, SCG Chemicals Co., Ltd.
2016-2017	Advisor, Corporate Governance Subcommittee, Government Pension Fund

Shareholdings (Ordinary Shares) (as at December 31, 2017)

- Held personally: 1,000 shares (0.0001%)
- Held by spouse or minor children: (None)

Family Relationship among Directors and Executives

(None)

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

The Secretary to the Board of Directors

The Board appointed Mr. Worapol Jennapar 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.

9.4 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 resolved that all forms of remuneration for the Directors shall be disclosed at the Annual General Meeting of Shareholders and added to the regular agenda for approval. The 24th Annual General Meeting of Shareholders held on Wednesday, March 29, 2017, resolved to approve the retention of the remuneration of Directors and Sub-committee members.

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/	Chairman	150,000	37,500
The Remuneration Committee	Director	100,000	25,000

The Remuneration for the Board of Directors and the Sub-committees in 2017

(January 1, 2017 – December 31, 2017)

Directors	Remuneration (Baht)				Directors' Bonus paid in 2017* (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 ²	1,728,000	-	337,500	-	4,800,000	6,865,500
3. Mr. Pricha Attavipach	1,728,000	300,000	225,000	-	4,800,000	7,053,000
4. Mr. Panas Simasathien	1,728,000	-	225,000	-	4,800,000	6,753,000
5. Mr. Yos Euarchukiati ⁽¹⁾	1,089,600	-	-	113,056	4,800,000	6,002,656
6. Mr. Arsa Sarasin ³	1,728,000	-	225,000	-	4,800,000	6,753,000
7. Mr. Chumpol NaLamlieng ⁴	1,728,000	-	-	375,000	4,800,000	6,903,000
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 ⁶	1,728,000	-	-	-	4,800,000	6,528,000
12. Mr. Prasarn Trairatvorakul ⁽²⁾	604,800			84,792	-	689,592
13. Mr. Roongrote Rangsiyopash	1,728,000	-	-	-	4,800,000	6,528,000
Total	21,566,400	1,350,000	1,212,500	822,848	60,000,000	84,951,748

Note:

- 1. Chairman of the Board of Directors
- 2. Chairman of the Governance and Nomination Committee
- 3. Chairman of the CSR Committee for Sustainable Development**
- 4. Chairman of the Remuneration Committee
- 5. Chairman of the Audit Committee
- 6. Additional remuneration received as Chairman of the Management Advisory Committee was 270,000 Baht per month
- * The directors' bonus paid in 2017 consisted of the bonus payment based on the final dividend of the year 2016 paid to shareholders on April 27, 2017 and the interim dividend of the year 2017 paid on August 24, 2017 as represented in the item of "Administrative expenses" on the consolidated statements of income.
- ** The CSR Committee for Sustainable Development has no remuneration.
- (1) Resigned from the Company's directorship on August 17, 2017
- (2) Being Company's director, a member of the Remuneration Committee and a member of the CSR Committee for Sustainable Development on August 26, 2017

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.

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.	7	43,564,334	2,512,677
2. SCG Chemicals Co., Ltd.	8	66,508,625	4,539,715
3. SCG Packaging PLC.	11	63,582,475	4,843,440

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 SCG top executives.

Top Executive Remuneration (As at December 31, 2017)

The total remuneration for ten executives whose office was held during 2017, in the form of salaries, bonuses, variable pay and others amounted to 256,041,674 Baht. For 2017, the Company made contributions of 16,101,540 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, 2017)

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:



Management Acceleration Program (MAP) in Vietnam in collaboration with Duke Corporate Education

8.5 Human Resources

In adherence to one of SCG 4 Core Values “Belief in the Value of the Individual,” SCG attaches great significance to employees and consider them the most valuable assets of the Company. SCG has consistently improved its human resources management system and fostered a human resources culture that corresponds with its business strategies. SCG also places emphasis on human resources management strategies that are grounded in the present in order to maintain its competitive capacity.

1. Capability enhancement for region-wide business growth

SCG strives to strengthen the organization and its human resources to expedite decisions and overseas business operations. To this end, the Company has clearly defined the roles and responsibilities of its employees and units overseas as well as equipped its employees in each country with expertise related in human resources management such as relevant laws, labor relations, and human resources management systems. The Company has also cultivated relationships and created networks with governmental agencies, labor networks, and other business networks to exchange knowledge, develop its knowledge base, and foster cooperation to ultimately support business operations of the Company. Furthermore, SCG has actively enhanced its capacity to attract potential collaborators in each country

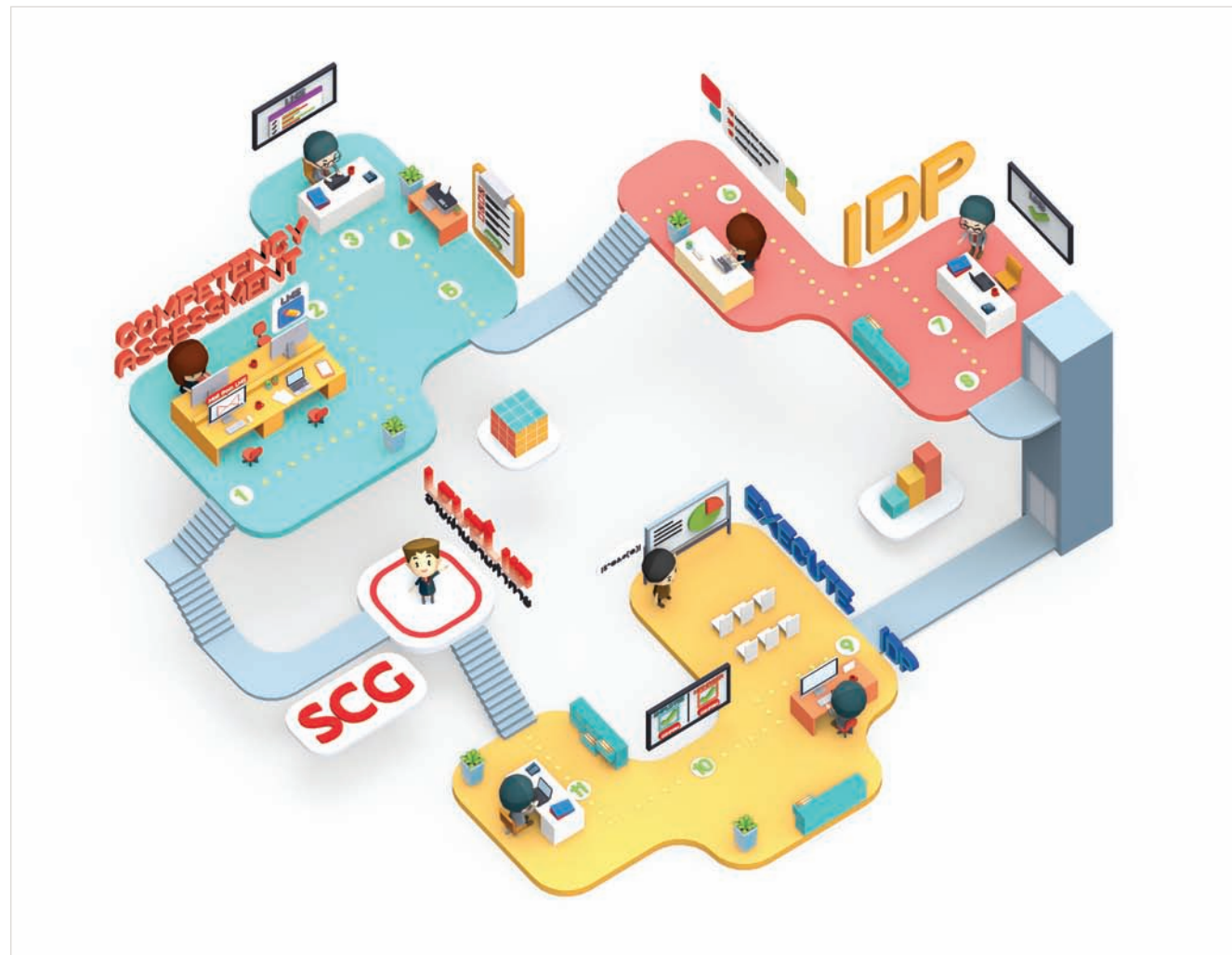
where SCG conducts business by designing employment and remuneration models that are flexible for those with experience and by strengthening its brand.

2. Human resources management in preparation for business expansion

SCG has continuously studied and developed different human resources management structures and systems to achieve suitable models that correspond with the circumstances of different new business ventures, are characterized by flexibility, and help enhance the Company’s adaptability regarding employment and working conditions, which will ultimately enable the Company to manage its human resources properly for each business.

3. Adaptability enhancement

To successfully enhance the organization’s adaptability, its employees constitute a key factor. As such, SCG has continuously improved its working processes and environment to foster an organization culture that is rooted in open-mindedness, respect of each other’s opinion, and audacity to embrace challenges. These ideals have been consistently communicated to employees throughout the organization, resulting in a strong organizational culture that has equipped the organization with the ability to adapt promptly and efficiently.



SCG conducts competency assessment and formulates individual development plans for each employee.

4. Continuous implementation of other human resources management strategies

SCG has also continuously pursued strategies in other dimensions of human resources management such as by conducting competency assessment both for domestic and overseas employees, developing SCG Talent Management System to ensure its completion and correspondence with the current business landscape, as well as putting in place an employee engagement system, in which employee engagement surveys are administered and the results are used to improve its existing human resources management systems in order to ensure currency and efficiency.

5. Human resources learning development

SCG believes in the value of the individual and strives for excellence. Recognizing that humans are invaluable resources in its pursuit of both short-term and long-term goals, SCG has invested in providing each of its employees

with the best learning experience to equip them with both expertise and integrity, which will contribute to SCG's competitive capacity and growth sustainably.

To ensure that the learning of SCG employees are at the maximum efficiency and meet business needs, SCG has adopted and applied role-based competency to every position so as to inform each employee of their roles and responsibilities in accordance with expected performance standards, which are designed in correspondence with its business needs. Any employees yet to meet their performance standards may choose 70:20:10 Learning Solutions in developing themselves. All learning and development solutions are part of SCG's Learning Management System, which is administered through an IT system to ensure maximum efficiency and effectiveness for both learners and the Company.

From their first day, each SCG employee is assigned individual competency profile, which includes three groups

of competencies. The first group is professional competency such as for sales, HR, supply chains, and R&D, while the second group is for technical operations of each business group such as chemicals, packaging, and cement-building materials, assigned in accordance with the employee's business group. Once an employee is promoted to a leader with subordinates, they will also be assigned a leadership competency. These competency profiles are overseen by the committees for each professional and business group to ensure correspondence with the Company's business needs. Every December-February, SCG conducts competency assessment and formulates individual development plans for each employee to allow supervisors and subordinates to jointly set development goals so as to meet business needs and ensure professional advancement of the employee for the year. Every employee will develop their professional performance and technical performance where they have room for improvement in accordance with the 70:20:10 model, which focuses not only classroom learning but also on learning from experience and practice as well as learning from other related individuals. As for employees with leadership competency, additional leadership assessment and development will also be required.

In addition, to ensure that every employee, both domestic and overseas, receives the opportunity to enhance their potential for their own and the Company's sustainable growth from their first day of employment, SCG has prescribed learning journeys to serve as a learning model for employees at all levels in accordance with their leadership roles, starting from employees with no subordinates or individual contributors to First Line Managers, Managers of Managers, Functional Leaders, Business Leaders, and Enterprise Leaders. For the leadership role at each level, SCG has prepared different learning and development paths. An example is the on-boarding program, a system of structured dialogues between superiors and individuals assuming a new leadership role that enables them to learn and understand the roles and expected behavior of each level of leadership from First Line Managers to Enterprise Leaders, to be taken in the first 90 days of transitioning to a new leadership role. In addition, SCG has also created New-to-Role Programs to help employees develop expertise and skills necessary for their levels, such as the Ready Together program for new employees. This year, SCG has introduced e-learning as part of the blended learning to enable new employees to learn anytime and anywhere to accommodate the modern learning styles and reduce the number of hours that they have to leave their work

to attend classes. New to Role Programs First Line Managers, Managers of Managers, Functional Leaders, and Business Leaders are for employees whose leadership roles transitions to First Line Managers, Managers of Managers, Functional Leaders, and Business Leaders, respectively.

Every employee with a role shift is required to complete these programs to ensure that they can operate to the expected level with maximum efficiency and prepare them for advancement to subsequent leadership roles. In addition, SCG has defined assigned programs such as Abridged Business Concept (ABC) for individual contributors, Business Concept Development (BCD) or Management Development Program (MDP) for First Line Managers, and Management Acceleration Program (MAP) for Managers of Managers. Both MDP and MAP are conducted in collaboration with a leading institute like Duke Corporate Education and have been adjusted to correspond with the current business landscape. These content improvements include the addition of design thinking, which focuses on utilizing thinking processes to obtain insights into problems, taking a customer-centric approach, and applying creativity and varied perspectives to ideation of solutions, which are then tested and developed to create guidelines or innovation that meet customers' needs or new paradigms for products and services. In addition, CANVAS Model has been added to these programs to enable learners to visualize the overall picture of the business and better assess management risks.

As the end of 2017, The Siam Cement Public Company Limited had 1,917 employees. The total number of SCG employees was 53,670.

Numbers of Employees in Each SCG Business Unit

As of December 31, 2017

Companies / Business Units	Numbers of Employees
The Siam Cement Public Company Limited	1,917
SCG Cement-Building Materials	34,689
SCG Chemicals	5,782
SCG Packaging	11,185
Other	97
Total	53,670

The Governance and Nomination Committee's Report

The Governance and Nomination Committee performed their duties as assigned by the Board of Directors. Chief among them include the recommendation of policies and guidances with regard to the corporate governance of SCG to the Board, knowledge and competency enhancement of directors, and raising awareness of SCG Principles of Corporate Governance and Code of Conduct.

In 2017, the Governance and Nomination Committee held a total of five meetings with an attendance record of 95%. The significant duties performed by the Committee in 2017 were as follows:

1. Recommendation of policies and guidances with regard to the corporate governance of SCG

The Governance and Nomination Committee recommended significant policies and guidances to enhance the performance of the duties of the Board of Directors and the Management as well as corporate governance practices that meet the internationally accepted standards. Significant policies and guidances proposed to the Board of Directors for consideration in 2017 are as follows:

- To consider applying the eight practice principles outlined in Corporate Governance Code for Listed Companies 2017 (the CG Code) developed by the Securities and Exchange Commission (SEC) into SCG business operations. As the leader and governing body of the Company, each Board member considered the Code thoroughly and understood the benefits and importance of adopting the CG Code for the Company's long-term sustainable value creation. To that effect, the Board stipulated that substitute measures be set forth where SCG corporate governance practices still fall short of the CG Code as well as measures to ensure that employees at all levels understand and adhere to SCG's Principles of Corporate Governance and Code of Conduct.
- Reviewed and revised SCG's policies and guidances related to information disclosure to align them with the current laws and best practices of SEC and the Stock Exchange of Thailand (SET). This was to ensure shareholders, investors, the public, and all stakeholders that SCG is committed to

the accurate and transparent disclosure of information in conformance with the applicable law and in an equitable manner.

- Proposed policies and guidelines regarding management of inside information that may affect the Company's share price to provide guidelines for the performance of duty for the Board of Directors, top executives, SCG employees and contractors who know or possess SCG material confidential information to prevent them from committing offenses.

- Reviewed and revised measures to prohibit trading in the securities of listed companies in SCG or other listed companies which related to inside information (Blackout Period) to align SCG practices with SEC and SET best practices as well as internationally accepted best practices.

- Reviewed and revised engagement policy and guidelines for different groups of stakeholders by draweing on issues relating to stakeholders to add value to the Company. This is to ensure more comprehensive policy, strategies, guidelines, and management procedures. In addition to reducing risks that may cause damage to the corporate image and reputation, the efforts also help enhance the brand and competitive advantages.

- Reviewed and revised Code of Conducts for Investor Relations to comply with the guidelines on information disclosure to investors via various channels such as road show, analyst presentation.

- Reviewed SCG Corporate Governance Handbook to keep it complete and up-to-date.

2. Knowledge and competency enhancement of directors to ensure more efficient performance of duties

To empower the Board of Directors to oversee and keep SCG's corporate governance system up-to-date with the changing socio-economic situations and international standards of practice as well as allow the directors and top executives to share their experience and views with experts in the form of discussion, the Governance and Nomination Committee in 2017 organized two discussions as follows:

- The first discussion on Eastern Economic Corridor Development (EEC) between Dr. Kanit Sangsubhan, Secretary-General of the EEC Office, and SCG directors and top executives to exchange views and perspectives on the role of the private sector in providing tangible support to the government's economic development policy.

- The second discussion on the Role of Directors on IT Governance and IT Security in conjunction with the Thai Institute of Directors (IOD) and KPMG Phoomchai Audit Ltd. The objectives were to highlight the importance of integrating IT to enhance business operation efficiency, its potential risks or adverse effects on the business, and the role of the Board of Directors in overseeing IT governance and IT security.

- It was prescribed that the performance assessment of the Board of Directors be carried out by independent counsels every three years to develop guidance for enhancing their performance. The next performance assessment is scheduled in 2018.

3. Promotion of awareness and compliance with SCG Principles of Corporate Governance and Code of Conduct among SCG employees

The Board of Directors played a vital role in raising awareness and being a good role model in complying with SCG corporate governance practices for SCG employees. To communicate SCG Code of Conduct to new employees, the Code was incorporated into the SCG Ready Together training course. More channels were added to promote employees' better understanding and engagement in expressing views and sharing experience related to SCG Code of Conduct through the "Dee Dee Club" Facebook fanpage where people can learn more about the SCG Code of Conduct. To promote better understanding of the SCG Principles of Corporate Governance and compliance with the SCG Code of Conduct, a mascot called Mr. Janya was developed to create constructive engagement with employees via the activity "Janya on Tour". Added to this was the conducting of workshops on Governance, Risk, and Compliance (Integrated GRC) and SCG Code of Conduct for employees.

4. Fostering good relations and understanding between SCG and shareholders

Realizing the importance of fostering good relations with shareholders, SCG encouraged shareholders to join in socially-responsible activities with SCG's core businesses. Throughout 2017, the Company hosted a wide range of activities beneficial to society, culture, and the environment.

5. Nomination of qualified candidates to fill the vacancy on the Board in 2017 and to replace the retiring directors in 2018

The Governance and Nomination Committee held an extraordinary meeting on August 24, 2017 to consider and nominate qualified candidates to fill the vacancy on the Board of Directors and propose to the Board. Moreover, during September 1 - November 30, 2017, the Company provided opportunities for every shareholder to nominate candidates to be considered as replacements for retiring directors before the Annual General Meeting of Shareholders in 2018. The Governance and Nomination Committee subsequently considered the qualifications of the candidates to replace the retiring directors with due diligence in tandem with the Board Skill Matrix which is revised annually to nominate the qualified candidates to replace the retiring directors.

In addition, the Governance and Nomination Committee also carried out many duties as entrusted. Examples included the review and revision of the charter of the Board of Directors, and Sub-committees. Details appeared in the Governance and Nomination Committee's Report, which was part of the 2017 Annual Report.

On behalf of the Governance and Nomination Committee



Sumet Tantivejkul

Chairman of the Governance and Nomination Committee

Corporate Governance

11.1 Corporate Governance Policy

SCG conducts business with responsibility, transparency, and fairness, adhering to the long practiced business principles defined by the framework of the SCG Code of Conduct and dedication to sustainable and balanced benefits. The Board of Directors behave as role models in compliance with SCG's Principles of Corporate Governance and Code of Conduct.

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.

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 governance is specified as one of the main items on the agenda at the Board of Directors' meeting.

Practices 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 of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as 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 Scorecard) 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.

The Board of Directors compiled knowledge and practices in management 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 guidelines, which was first published in 2003. Last updated in 2014, the booklet is now also published as an e-book on the Company's website.

In 2017, 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 2017 carried out by the Thai Institute of Directors (IOD).
- Rated 99 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.
- Received the Sustainability Award of Honor as part of the SET Sustainability Award 2017.
- Received the Best Company Performance Awards and the Best Innovative Company Awards as part of the SET Award 2017.
- Selected for Thailand Sustainability Investment 2017 list under Property & Construction Industry.

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.

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 that all shareholders receive clear and sufficient detailed information, allowing them to have adequate time to study the information before attending the Shareholders' Meeting, SCG has clearly notified shareholders of the venue, date, time, and proposed agenda items, both in Thai and English, 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 20 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 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 proposed by the Company to serve as proxies for shareholders.

For institutional or 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.com or to the Company's address. For more information, please contact Corporate Secretary Office via the following channels:

Address:	19 th Floor, SCG 100 th year Building 1 Siam Cement Road, Bangsue, Bangkok 10800
Tel:	66-2586-1392, 66-2586-3078
Fax:	66-2586-3007
E-mail:	corporate@scg.com

5. In 2017, all members of the Board of Directors attended the Annual General Meeting of Shareholders.

6. The 2017 Annual General Meeting of Shareholders was held at Athenee Crystal Hall, 3rd Floor, The Athenee Hotel, Bangkok. 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 two hours prior to the Meeting.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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, the Company's officers were available to answer queries under the authority of the Board.

13. 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.

14. The agenda of the 2017 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. Moreover, after all agenda items were considered, the Chairman welcomed shareholders' additional queries of their interest before declaring the meeting adjourned.

15. The Company disclosed the voting results and resolutions for each agenda item at the 2017 Annual General

Meeting of Shareholders to the public via SET Portal and SCG website after the Meeting ended.

16. 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 2017 Annual General Meeting of Shareholders within 14 days from the date of the meeting, posted the minutes on the Company's website and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce as stipulated by law.

17. Following the Annual General Meeting of Shareholders, the Governance and Nomination Committee will consider the questions and suggestions made by shareholders and propose them to the Board of Directors to determine appropriate response measures and improve the next shareholders' meeting. For the 2017 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' Suggestions	Consideration / Response Measures
1. Proposed that a shadow board be established as commonly practiced in many countries, consisting of shadow board members concerned about specific issues considered by certain Sub-committees.	No immediate need for the establishment of a shadow board as concerned. Shareholders may make suggestions to the Board of Directors in writing or via the Company's website.
2. Proposed that the Company issue perpetual debentures.	No immediate need for the issuance of perpetual debentures. Over the years, the protocol for the new offering of debentures to replace those due for redemption has enabled the Company to raise capital at an appropriate interest rate over a specific period of time. Rights to purchase the new offering of debentures would be first granted to holders of debentures due for redemption. Only then would the debentures carried over to be offered to investors and the general public.
3. Proposed that the dividend payment date be earlier.	The Company is working with the securities registrar to consolidate the procedures for paying out dividends to allow for an early dividend payment date.
4. Proposed that the Company pay stock dividends.	Compared to stock dividends, cash dividends, which are currently paid by the Company, incur the same tax cost to shareholders. Cash dividend payment, therefore, provides a more convenient option for shareholders. Where they wish to acquire additional shares in the Company, they can reinvest the cash on purchasing the Company's common shares.

Shareholders' Suggestions	Consideration / Response Measures
5. Proposed that a variable performance bonus be paid to the Directors in lieu of a fixed bonus.	At present, the Directors would receive a bonus of an amount not exceeding 0.5 percent of the dividend distributed to the shareholders, which is considered a variable performance bonus.
6. Proposed that the auditors communicate their opinions on the financial statements in a clearer manner to ease understanding.	The Company has entrusted the auditors to propose the shareholder's suggestion to the Federation of Accounting Professions for consideration.

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 for three months such rules and procedures are posted on SET Portal and the Company's website.

For the 2018 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, 2017. 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.com. 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.

Moreover, 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 the past year, no shareholder proposed any agenda item or candidate for the election of Board members prior to the 2018 Annual General Meeting according to the above-mentioned criteria and procedures.

Preventing Misuse of Internal Information

The Company attaches significance to preventing the misuse of internal 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. In SCG business operations, the Board of Directors, top executives, employees, and other involved parties must consider and deal with information that could reasonably be expected to affect the value of the Company's share or material information that has not yet been disclosed to the public. As a consequence, it is imperative that the internal information be appropriately managed and handled to prevent any information leaks that might be misused to take unfair advantage of other persons, which might constitute breaches of laws and cause damage to SCG's reputation.

In 2017, as proposed by the Governance and Nomination Committee, the Board of Directors approved the establishment of Insider Trading Policy and Insider Trading Guidelines to provide guidelines for the performance of duty for the Board of Directors, top executives, SCG employees and contractors who know or possess SCG material confidential information to prevent them from committing offenses. Such policy and guidelines are published on SCG website and communicated to all concerned persons for them to strictly uphold.

Furthermore, the Company reviewed the measures to prohibit trading in the securities of SCG or other listed companies related to insider information (Blackout Period) to comply with the Securities and Exchange Act amended B.E. 2559 and to align SCG practices with the SEC Office and the Stock Exchange best practices. They are as follows:

- The Board of Directors, top executives, and employees responsible for related functions (as well as their spouses or cohabiting couples and minor children) are prohibited from trading the securities of SCG or other listed companies related to insider information before one month of the public disclosure of quarterly and annual financial statements and until 24 hours after the disclosure of the information.

SCG Corporate Secretary Office will notify all involved persons of the blackout period in advance.

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 have effect on 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 three 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 2017, 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 seven days upon the receipt of the report in compliance with the Securities and Exchange Act B.E. 2535 and to use such information for monitoring and preventing any conflict of interests.

- 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.

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. Subsequently, in 2011, 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.

At present, stakeholders have easier access to the Company's information through various sources and play an increasingly active role in its business operations. In response to this, The Board of Directors in 2017 approved the review and revision of engagement policy and guidelines for each stakeholder group to ensure more comprehensive policy,

strategies, guidelines, and management procedures. In addition to reducing risks that may cause damage to the corporate image and reputation, the efforts also help enhance the brand and competitive advantages, adding value to the Company by demonstrating its commitment to stakeholders. The revised 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 the Articles of Association of the Company such as the rights to attend the Annual General Meeting of Shareholders, propose agenda items in advance, election of 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 their further 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' of the Annual Report.

Fostering Good Relations with Shareholders SCC Shareholders 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, culture, and the environment as well as opened up opportunities for shareholders to visit the sites of the Company's three business units. To this effect, the Company sends out invitation letters, with reply forms included, to shareholders via postal service to provide an opportunity for shareholders to express their intention to participate in activities. Shareholders have 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 2017, the Company held a total of four CSR activities for shareholders as follows:

1. The "Heartfelt Creation of Sandalwood Flowers as a Tribute to the Late King" program was held on July 20, 2017, taking the participating shareholders to join in the creation of sandalwood flowers at a workshop at Bureau of the Royal Household for the royal cremation ceremony of His Majesty the late King Bhumibol Adulyadej as a tribute to our beloved King. The shareholders also visited the Arts of the Kingdom Museum at the Ananda Samakhom Throne Hall of Dusit Palace where they appreciated the history, delicate Thai crafts, architecture, and detailed works of art from the hands of craftsmen that reflect the Thai cultural identity passed down on from one generation to another. They are precious treasures that all Thais can be justly proud of.

2. The "Beautifying the Beach and Creating Fish Habitat" program was held on September 27, 2017 on Suchada beach in Map Ta Phut, Rayong. As part of the program, the participating shareholders worked collaboratively to create artificial fish habitats, using the unused polyethylene pipes after the end-product testing. The structures will provide habitat and spawning beds for fish and other aquatic species, leading to healthy marine ecosystems and thriving fisheries for the communities in the future.

3. The "Magnificent Places of Worship: The Precious Values of Rattanakosin" program was held on October 17, 2017, taking the participants to visit Wat Thipsukhontharam in Don Salaep subdistrict, Huai Krachao District, Kanchanaburi Province. This significant place of worship of Rattanakosin houses Phra Buddha Metta Pracha Thai Trai Lokanat Gandhara Anusorn, which was cast as a tribute to His Majesty the late King Bhumibol Adulyadej's 84th birthday and Her Majesty Queen Sirikit's 80th birthday and in remembrance of Somdej Phramahatheerajarn who initiated the building of Phra Buddha Metta Pracha Thai Trai Lokanat Gandhara Anusorn. The shareholders also donated money for maintenance of the temple.

4. The "Growing Seedlings to Bring Back a Forest" program was held on November 21, 2017 in which the shareholders joined in growing seedlings which will be replanted to regrow a forest at the Banhoaisaphan-samakkhi Community Forest Learning Center in Phanom Thuan, Kanchanaburi Province. They also visited Wangsala Complex comprising SCG Packaging member companies with eco-friendly operations and management.

Debenture Holder Activities

SCG has continued to deliver exceptional services to our valued bondholders for more than 10 years through various activities and privileges matching our bondholders’ lifestyles. In 2017, a wide array of activities and privileges were carried out as follows:

- Two seminars on “The Land and Building Tax” and “Constipation is more dangerous than you think”.
- Workshops designed to give impetus to try out a new skill or hobby i.e. making string figures, doing chair exercises.
- Two concerts under the theme “With Love and Missing” at the Royal Paragon Hall accommodating over 8,400 bondholders and their companions.
- Trips to domestic destinations including Mae Sot, Ranong, Betong, Uthai Thani and Chiang Rai and to overseas destinations including Iran, China, Italy, and Bali.
- CSR activities

1) The SCG Debenture Club Supports My School program mobilized funds from SCG and bondholders to purchase school supplies for rural schools as a means to develop basic education. A total money donation of 1.1 Million Baht was given to Ban Nong Khra School and Ban Huai Phlap School in Prachuap Khiri Khan.

2) Workshops to allow SCG bondholders to make 200 dolls which were given to the Queen Sirikit National Institute of Child Health and 100 cloth story books given to the Orphanage Foundation of Thailand.

- A visit to the plant site of Siam Kraft Industry Co., Ltd (Banpong Plant) where 600 bondholders and their traveling companions observed the manufacturing process equipped with the sophisticated PM 16 machine and the robotic arms used in the warehouse.

In addition, bondholders can obtain special discounts on See Fah Restaurant, True Coffee, Bangchak gas station (by presenting the member card) Samitivej Hospital, SCG HOME SOLUTION, and many other business partners. They can also enjoy a series of specially selected monthly privileges through the SCG Debenture Club mobile application, details of which can be found on the application and the quarterly ‘delight’ magazine. All these activities and privileges have reaffirmed SCG’s demonstrated commitment to debenture holders and society.

2) Employees Labor and Human Rights

SCG carries out business with adherence to ethics and responsibility for society and stakeholders in accordance with corporate governance principles and Code of Conduct. As for human rights protection, this is included in the SCG Code



SCG bondholders made 200 dolls which were given to the Queen Sirikit National Institute of Child Health.

of Conduct under the Labor and Human Rights section. SCG abides by the laws of each country and complies with UN Guiding Principles on Business and Human Rights, United Nations Universal Declaration of Human Rights (UNUDHR), and United Nations Global Compact (UNGC), which SCG has supported since 2012. Added to this are the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and other international requirements on human rights according to the binding treaties.

To ensure SCG’s commitment to prevent human rights infringement, SCG has prescribed a human rights policy and practice guidelines to prevent violation in every business transaction of SCG as well as its business value chain and joint ventures. To provide clear guidelines in business operations, the policy has been communicated and disclosed to all involved parties. Moreover, the Company has also undertaken a due diligence process and disclosed the performance in the Company’s Sustainability Report.

Care of Employees Remuneration Management

SCG has established remuneration policies that offer appropriate remunerations to employees on all levels and are competitive with those of other companies in the same industry with adherence to fair and equitable compensation practices both within and beyond the Group.

To maintain a shared sense of internal equity and fairness, remuneration is determined by job value. Each job is appropriately assigned to a pay grade that represents employees performing similar work in the compensation structures. Employees are entitled to fair and equitable compensation based on their performance as well as each position’s requirements and responsibilities. As for external

equity, SCG pledges to align the compensation with the economic circumstances, inflation rates, the Consumer Price Index, and remunerations of other businesses in the same industry, the data of which is garnered through surveys of wages and remunerations of employees on all levels in external industries.

SCG determines compensation in alignment with the Company’s short and long term operating results. In the short term, the annual operating results such as revenues from sales, net profit, and EBITDA will be factored into the equation. In the long term, the Company’s long-term comparatives including profit growth, market shares, sustainable development performance, overall operating results and ongoing operational enhancement are taken into consideration.

Employee Benefits Management

SCG has established an employee benefits management policy and clear practice guidelines. They are disclosed in the Company’s HR Management Disciplines as well as HR Regulations and Guidelines.

SCG’s employee benefits management policy focuses on providing appropriate and fair benefits for each group of employees. They are regularly reviewed to remain in alignment with changing socio-economic circumstances. The benefits extend to the employee’s family members across their employment periods from first day of service through to retirement. They also encompass numerous areas including work-related benefits such as allowances, travel expenses, accommodations; medical benefits such as medical and dental expenses, annual checkups, sports and fitness centers; and employee assistance benefits such as accident insurance, loans, compensation, etc.

Long-term Employee Care

SCG is committed to providing long-term employee care, establishing 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 2-15% of their basic salaries as stipulated by law, and the Group matches monthly contributions to the fund at 5-13% of their basic salaries depending on the length of employment. Moreover, SCG provides other long-term benefits to employees such as reimbursements of retirement medical expenses according to the criteria and conditions prescribed by the Company, a plan to help employees prepare for retirement in the areas of health, money management and investment, career promotion, and establishment of employee clubs.

Knowledge and Competency Enhancement

SCG has defined strategies in enhancing the knowledge and competency of employees together with practice guidelines, providing goals and operational directions to achieve business success. The strategies include the following:

1. Formulate the learning structure that integrates role-based competency with the same standard across the region to equip employees with the knowledge and competency to cope with emerging business challenges and the Company’s rapid growth.

2. Create a culture of learning and coaching in which each individual employee assumes responsibility for their learning and development backed by the supervisor and the new 70 : 20 : 10 Model learning platform that emphasizes enhancing learning efficiency.

3. Connect employees’ learning with the talent management system encompassing defining candidate qualifications, recruiting, developing, and retaining talent to ensure maximum learning efficiency, enabling employees to better meet business requirements.

4. Develop employee and leadership competency by establishing committees and agency dedicated to promoting employees’ learning, ranging from the Learning Council at the corporate level, the BU Academy Committee at the business unit level, and the Professional Academy Committee at an individual level. The efforts ensure that each employee will be fully developed to meet company’s requirement. At the same time, employees at managerial level will develop the attitudes, knowledge, and competency needed to address the increasingly intense competition and to enhance the competency of their staff members to become a vital force of SCG.

5. Create an environment conducive to learning by implementing a Learning Management System (LMS), enabling SCG to deliver the same quality learning experience across the region to maximize learning efficiency. Moreover, e-learning or gamification are adopted to promote digital classroom environments.

To tangibly realize the strategies in enhancing knowledge and competency, the Learning Council has set forth the learning policy to ensure SCG’s learning management at all locations meet the same standard. Details of which are as follows:

“SCG believes in the value of the individual and dedicates to excellence, we are committed to invest in creating the best learning experience for all SCG employees and to develop highly competent workforce under SCG values in order to sustain SCG’s competitive advantages and growth.

1. SCG promotes learning agility as part of its organizational capabilities that supports business directions and cope with fast changing environment.

2. SCG learning infrastructure and related people systems shall facilitate employee development based on role-based competency with performance standard in order to ensure individual and business achievements.

3. At SCG, we learn from experience, others and formal learning. Essentially, our employees are accountable for their own learning and development to realize their potential and fulfill their career aspiration; SCG leaders at all levels shall support their employees by coaching, mentoring and providing learning opportunity to foster employee learning for mutual success and growth.”

To provide guidelines on managing learning in accordance with the learning policy to corporate functions and each business unit, SCG has prescribed “Guidance for Training of Employees” to ensure all the learning management efforts of SCG both domestic and overseas are of the same quality and standard. Such guidance defines standards for various aspects such as training arrangement, credentials of a potential speaker, materials, etc.

Since 2016, SCG has adopted the Learning Management System (LMS) to manage the learning of certain groups of employees in Thailand, spanning Competency Assessment, Individual Development Plan (IDP) and the 70 : 20 : 10 Model. Some 11,000 employees, or 30% of the total work force in Thailand took part in this pilot project. Later in 2017, the initiative extended to 21,000 employees, accounting for 60% of the total workforce in the Kingdom together with a group of HR officials in SCG’s subsidiaries in Indonesia and Vietnam. Those who have not taken part in the competency assessment on a LMS are required to carry out competency assessment and IDP on other platforms to ascertain that employees on all levels access learning and development to enhance their potential, ready to drive their professional advancement and the Company’s business growth sustainably.

In 2017, SCG revised an assessment and development system for key talents with the focus on adding premium development to the program designed for general employees. Examples include development through project assignment or sending talents to attend advanced courses. This is accompanied by the close monitoring and assessment of the development efforts.

For 2017, SCG employee has an average learning & development day at 9 days per employee. The learning & development expense both domestic & overseas amounted to 1,445 Million Baht.

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. According to 2017 customer satisfaction survey through SCG Contact Center, the result of overall customer satisfaction survey of SCG was 100%

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.

SCG drew up the 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. The Code 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 interests of society and the environment. The Code of Conduct also serves as mutual standards for business conduct and SCG suppliers are required to sign the acknowledgment of the SCG Supplier Code of Conduct before conducting business with the Company.

The Board of Directors approved the implementation of SCG Procurement and Vendor Selection Policies and Guidelines, in which the policy regarding the selection and screening, the required qualifications, 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 all concerned parties and honesty in carrying out its business. The Board is also committed to creating confidence and ensuring fair treatment to creditors. Policies and guidelines regarding the treatment of creditors are as follows:

1. The Company enters all types of agreement with each creditor in compliance with the law in a fair, and transparent way, without taking advantage of the parties to the agreement.

2. Any fraudulent method or concealment of material facts or information that may damage the creditors are prohibited.

3. The Company strictly complies with any agreed terms and conditions with all types of creditor accurately and straight forwardly.

4. The Company will pay loans plus interests to all types of creditor at the full amount when due.

To maintain the creditors’ confidence, the Company stresses the importance of managing its finances to create an appropriate financial structure. The Company also strives to constantly keep creditors abreast of the Company’s business status and maintain sustainable relations with creditors.

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 by 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.

8) Government Agencies

SCG has clearly defined guidelines for engaging in transactions with government agencies in the 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 attaches significance to the timely, accurate, and transparent disclosure of information to the media, so they can communicate the information to the public with accuracy and in a timely fashion. To create continuous media

engagement, a number of activities catering to the interests of the media have been held such as press conferences, CSR activities. The Company is also committed to fostering good relations with the media through opinion exchange sessions to further development and provision of support for their academic activities based on the media code of conduct.

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, or destroy competitors' reputations with defamatory and untruthful statements. In addition, the Company supports and promotes free trade, avoiding any acts that monopolize the market, impede or limit fair competition.

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.com
Investor relations	Tel: 66-2586-3309, E-mail: invest@scg.com

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 Whistleblowing System via SCG intranet (for employees) and www.scg.com (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.com

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 shall be complete, sufficient, transparent, reliable and up-to-date.

SCG has defined a disclosure policy in writing to provide guidelines for all employees to uphold since 2008. The Board of Directors in 2017 resolved to revise the disclosure policy to align it with the current laws and best practice guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. The efforts ensure shareholders, investors, and all stakeholders that SCG is committed to the accurate and transparent disclosure of information in compliance with the laws and in an equitable manner. Details of the policy and guidelines are published on SCG websites for all stakeholders and the public.

SCG is committed to strictly obeying the law, and the regulations and obligations mandated by the Securities and Exchange Commission (SEC), SET, and relevant government bodies. Regular amendment takes place to ensure accurate information disclosure 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.
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 according to the criteria and reporting procedures prescribed by the Company.
3. 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 minors, to the Board of Directors every quarter. They are also required to report the number of shares they hold 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. Publish Notice of Annual General Meeting of Shareholders and Annual Report within 120 days after each financial year-end.
6. Publish minutes of the latest and previous Annual General Meeting of Shareholders on the Company's website.
7. 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.
8. Disclose the date of the director's appointment in the Company's Annual Report.
9. Disclose the Board member selection process and the Board's performance assessment.
10. Disclose the policy on the remuneration of directors and top executives, including forms, types and amount of remuneration for each committee member.
11. Disclose details of each individual director's attendance of courses offered by the Thai Institute of Directors Association (IOD).
12. Disclose detailed information on the operations and

investment structure of subsidiaries, associates, joint ventures and other companies.

13. Disclose the audit fee and other fees in the Company's Annual Report.

14. Disclose the Company's Memorandum of Association and Articles of Association on the Company's website.

15. Disclose policy on environmental and social responsibility and related performance.

16. Disclose corporate governance policies and related performance.

17. 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.

Furthermore, the Board of Directors approved the establishment of Code of Conduct for Investor Relations (IR) to ensure that SCG's investor relations practices are appropriate and fair to all stakeholders. The Code of Conduct for IR compiled all SCG's best practices related to investor relations to provide clear guidelines for IR officers in their performance of duties in compliance with SCG Corporate Governance Principles. The endeavors will add value to the Company and create confidence among shareholders, investors, the general public, and all stakeholders, leading to sustainable business operations.

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.com" and social media.

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.com. In 2017, 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. 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 10 events were held.

- Seven briefings by the President of each business unit to provide knowledge and insights into SCG business units with respect to strategies and business directions to analysts and institutional investors.

- Analyst Conferences held on a quarterly basis totaling four times.

- A total of 10 overseas roadshows.
- A total of six 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.com

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. Arsa Sarasin	Independent Director
6. Mr. Chumpol NaLamlieng	Independent Director
7. Mr. Tarrin Nimmanahaeminda	Independent Director
8. Mr. Pramon Sutivong	Independent Director

9. Mrs. Tarisa Watanagase	Independent Director
10. Mr. Kan Trakulhoon	Director
11. Mr. Prasarn Trairatvorakul*	Director
12. Mr. Roongrote Rangsiyopash	President & CEO

Remark: * Appointed director on August 26, 2017.

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 seven 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

(Revised as of December 20, 2017 by the board of Directors resolution)

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. Defining and reviewing the structure of the Board of Directors, number of directors, and proportion of independent directors as well as Board diversity and director qualifications to align with SCG's business operations.
- 3. Directing SCG's visions, missions, and business strategies, with an annual revision and approval.
- 4. Reviewing the major operating plan, budgets, business

goals, and business policies and enhancing the capabilities of SCG to reach a globally competitive level.

5. 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.

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, prudence, and integrity to preserve the highest interests of the Company with fairness to all involved parties.

7. Overseeing and supporting the creation of innovations that create value for SCG as well as all stakeholders.

8. Overseeing and monitoring IT management and the implementation of the IT security system.

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

10. 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.

11. 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 audit to reduce the risk of fraud and abuse of authority and prevent any illegal act.

12. Overseeing and monitoring the Company's liquidity and debt service coverage together with emergency plans and mechanisms in case of problems arising.

13. Overseeing and monitoring to ensure that the preparation of financial statements and disclosure of material information are accurate, sufficient, and timely and are in compliance with the relevant regulations and guidelines.

14. Overseeing to ascertain shareholders' involvement in the decision making of SCG's important matters, respecting the rights of shareholders, ensuring the equitable and transparent treatment of shareholders and other stakeholders, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders effectively and ensuring an opportunity for every stakeholder

to contact or lodge complaints about potential issues directly to the Board of Directors.

15. 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.

16. 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 as well as reviewing the assessment results of the Board and Sub-committees on a regular basis.

17. 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.

18. Devoting sufficient time to perform their duties, 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.

19. Monitoring and managing any potential conflicts of interest between the Company, the Management, the Board of Directors, or shareholders as well as overseeing to prevent misuse of SCG's assets and the entering into inappropriate transactions with persons connected with SCG.

20. 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

(Revised as of December 20, 2017 by the Board of Directors resolution)

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.

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, mission, 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, material connected transactions, 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 by hold a meeting between non-executives directions without the Management participates in such agenda.

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 Duration of Each Term

The Company's Articles of Association stipulates the director's term of office in accordance with the Public Limited Companies Act B.E. 2535 that 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 office. 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.

Currently, the Board comprises 12 directors, each of whom has directorship term of three years. 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 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 four other 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 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. On top of this is the performance appraisal of the Chairman of the Board of Directors. 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.

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.

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 2017, 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	92	95
2. The Audit Committee	99	98
3. The Governance and Nomination Committee	99	98
4. The Remuneration Committee	88	94

The Assessment of SCG President & CEO and SCG Top Executives

The Board of Directors 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 for the President & CEO and top executives of SCG and propose such amount to the Board 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.

Performance Evaluation of the Board by Independent Outside Counsel

Apart from the performance assessment of the Board of Directors as a whole and self-assessment, the Board also set a policy to engage independent outside counsel to conduct additional performance assessment of the Board in every three years to develop the guidance for more efficient performance of the Board. The next round of assessment will be conducted in 2018.



A dialog on "The Role of Directors in IT Governance and IT Security" in conjunction with IOD and KPMG.

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. As a consequence, the Company has held many dialogs, allowing for an exchange of experience and views among the directors, top executives and outside experts since 2011.

In 2017, the Governance and Nomination Committee held two dialogs, one on "Eastern Economic Corridor Development (EEC)" on June 12, 2017 in cooperation with Dr. Kanit Sangsubhan, Secretary-General of the EEC Office and the other on "The Roles of Directors in IT Governance and IT Security" on October 4, 2017 in conjunction with the Thai Institute of Directors (IOD) and KPMG Phoomchai Audit Ltd. (KPMG). The objectives were to provide opportunities for the Company's directors and top executives to share experience and views with experts in the form of dialog.

Development Activities and Training Attended by Each Director in 2017

Directors	Development Activities and Training Attended
1. Mr. Chirayu Isarangkun Na Ayuthaya	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office
2. Mr. Sumet Tantivejkul	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG
3. Mr. Pricha Attavipach	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG
4. Mr. Panas Simasathien	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG - The Director Dinner Talk 2017 on “The Board of Directors and Its Roles in Driving Thailand” organized by IOD - The 4 th National Director Conference on “Steering Governance in a Changing World” organized by IOD
5. Mr. Arsa Sarasin	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG - the Director Dinner Talk 2017 on “The Board of Directors and Its Roles in Driving Thailand” organized by IOD
6. Mr. Tarrin Nimmanahaeminda	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office
7. Mr. Pramon Sutivong	- A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG - The Director Dinner Talk 2017 on “The Board of Directors and Its Roles in Driving Thailand” organized by IOD - The 4 th National Director Conference on “Steering Governance in Changing World” organized by IOD
8. Mrs. Tarisa Watanagase	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG - the Director Dinner Talk 2017 on “The Board of Directors and Its Roles in Driving Thailand” organized by IOD
9. Mr. Kan Trakulhoon	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG
10. Mr. Prasarn Trairatvorakul	- A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG
11. Mr. Roongrot Rangsiyopash	- A dialog on “Eastern Economic Corridor Development” with Dr. Kanit Sangsuphan, Secretary-General of the EEC Office - A dialog on “The Role of Directors in IT Governance and IT Security” organized by IOD and KPMG

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)

Directors	Training Courses	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)	Driving Company Success with IT Governance (ITG)	Ethical Leadership (ELP)
1. Mr. Chirayu Isarangkun Na Ayuthaya					RCP 1/2000				
2. Mr. Sumet Tantivejkul		FND 5/2003		DCP 30/2003			ACP 11/2006		
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. Arsa Sarasin		FND 39/2008	DAP 5/2003		RCP 32/2013		ACP 19/2007		
6. Mr. Chumpol NaLamlieng					RCP 2/2001				
7. Mr. Tarrin Nimmanahaeminda					RCP 35/2014				
8. Mr. Pramon Sutivong			DAP 6/2003		RCP 4/2001	RCC 9/2009	ACP 45/2013		
9. Mrs. Tarisa Watanagase				DCP 4/2000				ITG 3/2016	
10. Mr. Kan Trakulhoon				DCP 29/2003					
11. Mr. Prasarn Trairatvorakul				DCP 21/2002	RCP 2/2001				ELP 2/2015
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.

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.

11.2 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 Committee members’ duties include a review to ensure that operations have been carried out in accordance with the Company’s policies, 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. Pattanapong Ittipalin 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 as deemed appropriate, at the Company’s expense.

The Audit Committee of the Company comprises the following four 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

(Revised as of December 20, 2017 by the Board of Directors’ resolution)

The Audit Committee is authorized to fulfill the following duties:

1. Review the appropriateness of the financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards and promote the development of financial reporting systems in compliance with International Financial Reporting Standards.
2. Consider connected transactions, acquiring or selling of assets, or those with possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Securities and Exchange Commission, Thailand.
3. Review the presence of the Company’s risk management, work processes, control, oversight of performance of duties, IT governance, as well as Information and Integrated Network Security to ensure their effectiveness and compliance with international standards.
4. Review the Company’s Anti-corruption procedures to ensure the effective compliance with the guidelines of the governance bodies including Collective Action Coalition Against Corruption (CAC), Thai Institute of Directors (IOD), and The National Anti-Corruption Commission. The efforts start from promoting and raising awareness, assessing the risks, internal controls, incorporating the proactive preventive system, reporting frauds, auditing as well as reviewing the self-assessment form regarding anti-corruption measures as audited and assessed by the Internal Audit Office.
5. 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.
6. 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. Also, 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.
7. Review the results of fraud investigation, establish the preventive measures in organization and review the internal

processes of whistleblowing system.

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

9. 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 auditor and evaluate the effectiveness of auditor’s performance.

10. 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.

11. Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with the Company’s auditors. Also, organize meetings with the Company’s auditor, without the attendance of management, at least once a year.

12. Approve the internal audit plan, budget and manpower of the Internal Audit Office. Also, provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office.

13. Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command. Also, review the execution of the Internal Audit Office for the performance assessment according to international standards.

14. Review the presence of the Audit Committee’s performance assessment as a whole and as self-assessment on an annual basis.

15. 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 the Sub - 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 Term Governance and Nomination Committee

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. Define the scope and policy of SCG Corporate Governance and propose to the Board of Directors for consideration on a regular basis.
- 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. Oversee the presence of appropriate and sufficient anti-corruption policy for business operations.
- 6. Review the independence of the Board of Directors, as well as any potential conflicts of interest in the performance of its duties.
- 7. Review the appropriateness of retaining the directorship should there be any change in a director’s qualifications.
- 8. Recommend methods for performance assessment of the Board of Directors, Sub-committees, and Chairmen on an annual basis as well as follow up and report the assessment results to the Board of Directors, allowing them to enhance their performance of duties and improve the directors’ competency.
- 9. Report regularly on progress and performance results to the Board of Directors after every meeting of the Governance and Nomination Committee.
- 10. 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.
- 11. 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.
- 12. Recommend a plan for succession of the Company’s President & CEO and the top executives to the Board of

Directors for consideration.

- 13. Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the Sub-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.
 - 14. Review the performance appraisal of the Governance and Nomination Committee on a regular annual basis as a whole and as self-assessment.
 - 15. 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 directors and the Chairman of the Remuneration Committee is an independent director. 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. Pramon Sutivong | Member |
| 3. Mr. Prasarn Trairatvorakul | Member* |
- Remark: * Appointed director on August 26, 2017

The Remuneration Committee’s

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 Sub-committees appointed by the Board of Directors, including bonus and attendance fee.
- 2. Recommend the policy on SCG management remuneration 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 six 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. Kan Trakulhoon | Member |
| 5. Mr. Prasarn Trairatvorakul | Member* |
| 6. Mr. Roongrote Rangsiyopash | Member |
| 7. Mr. Kajohndet Sangsuban | Member |
| 8. Mr. Cholanat Yanaranop | Member |
| 9. Mr. Yuttana Jiamtragan | Member |

Remark: * Appointed director on August 26, 2017

11.3 Nomination and Appointment of Directors and Top Executives Independent Directors

The Company mandates that at least half of the total number of directors be independent directors. Currently, the Board of Directors consists of seven independent directors as follows: 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 2017, 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 with a focus on the recruitment of needed skills and expertise. The list comprises three categories as follows:

• **Knowledge, expertise, or experience in Macro-management**

This category is divided into seven subcategories, namely, SCG-related business or industry, other large businesses or industries, administration and management of large corporations, economy and investment, policy and strategy formulation, foreign affairs, and risk management.

• **Specific knowledge, experience or, expertise**

This category is divided into five subcategories encompassing law, marketing, accounting/financial literacy with specific knowledge on financial statement accounting

standards, or current/prior position as a member of an audit committee of a listed company as well as finance, and information technology.

• **Corporate Governance knowledge, experience, or expertise**

This category is divided into two subcategories, namely, corporate compliance including the formulation of relevant CG policy and guidance, and shareholder engagement.

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.

As proposed by the Governance and Nomination Committee, the Board of Directors formulated guidelines for the nomination of qualified candidates to replace the retiring directors as follows:

1. Each director shall nominate no more than four qualified candidates to replace the retiring directors and the retiring directors should not nominate themselves as candidates.

2. Each director shall assess his/her knowledge and expertise according to the Board Skill Matrix for use as supporting information in the nomination of qualified candidates to replace the retiring directors.

3. The Governance and Nomination Committee shall consider qualified candidates nominated by each director together with those nominated by shareholders within the

designated period.

4. The Governance and Nomination Committee with no member having conflict of interests present shall review the list of candidates nominated by the directors and shareholders and propose four qualified candidates to the Board of Directors which will subsequently be proposed for election at the Annual General Meeting of Shareholders. The review shall take into consideration the guidelines published in SCG Corporate Governance Handbook as well as suggestions of the Thai Institute of Directors (IOD), and careful and thorough consideration of each candidate's qualifications.

5. The Board of Directors with no member having conflict of interests present shall consider the qualifications of each candidate in a careful and thorough manner and subsequently propose the qualified candidates for election as directors to replace the retiring directors at the Annual General Meeting of Shareholders.

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.

11.4 Oversight of Company's Subsidiaries and Associates

The Board of Directors has set forth the 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 them 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.

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. 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 to the authority manual, the Audit Committee, in fulfilling the role as a supervisor, is responsible for assessing the effectiveness of the oversight, risk management, 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.

11.5 Internal Information Control

The Company has established measures to prevent misuse of internal information and incorporated them into SCG Code of Conduct and Regulations for Employees in writing. The Insider Trading Policy involved with the use of information that could reasonably be expected to affect the value of the Company's share was also formulated with the approval of the Board of Directors. The policy encompasses such measures as prohibiting the directors, top executives, employees, and those responsible for related functions from trading in the securities of SCG or other companies related to insider information (Blackout Period) 30 days before the public disclosure of quarterly and annual financial statements and until 24 hours after the disclosure of the information. Other measures include reporting of any changes in shareholding of the Board of Directors and top executives as stipulated by Securities and Exchange Commission (SEC) and reporting to the Board of Directors' meeting on a regular basis.

Aside from the aforementioned measures, the Company has defined guidelines on managing internal information that could have any impact on the Company's share price. They prescribe how the internal information can be appropriately managed and handled to minimize the risks associated with the misuse of such information. The policy and guidelines regarding the use of internal information are disclosed under the topic 'Corporate Governance' under Section 'The Equitable Treatment of Shareholders of the Annual Report' and published on the SCG websites.

11.6 Audit fee

For the fiscal year 2017, the Siam Cement Public Company Limited and its subsidiaries paid for audit fees amounting to 55.93 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 2017

1. Fees for annual audit and quarterly review of the Company and consolidated financial statements amounted to 6.03 Million Baht.

Audit Fees of the Company	
1. Annual audit fee for the Company's financial statement	260,000 Baht
2. Fees for annual audit and quarterly review of the Company and consolidated financial statements	5.77 Million Baht
Total audit fees of the Company	6.03 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 of subsidiaries	
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	127 Companies
- Amount	23.29 Million Baht
2. Fees for annual audit of the overseas subsidiaries' financial statements	
- Number of subsidiaries	68 Companies
- Amount	26.61 Million Baht
Total audit fees of subsidiaries	49.90 Million Baht

Non-audit fee

The Company paid for the assurance fee of Sustainability Development Report amounting to 1.56 Million Baht. The subsidiaries paid for auditing compliance with the conditions of the BOI Promotion Certificate amounting to 3.03 Million Baht and for tax consulting and other services amounting to 10.10 Million Baht, to the audit firm and persons or businesses related to the auditors and the audit firm.

11.7 Implementation of Corporate Governance Code for Listed Companies 2017

In 2017, the Board of Directors, as recommended by the Governance and Nomination Committee, considered applying the practice guidelines outlined in Corporate Governance Code for Listed Companies 2017 (the CG Code) developed by the Securities and Exchange Commission (SEC) into SCG business operations. As the governing board of the Company, all the directors considered the Code thoroughly and understood the benefits and importance of adopting the CG Code for the Company's sustainable value creation. The performance results in accordance with each practice guideline in the CG Code were assessed to ensure conformance with the guidelines that match SCG's business operations. Where the practice guidelines fell short of accommodating SCG business, the Board of Directors stipulated that substitute measures be set forth and recorded as the resolution made by the Board so they will be considered and reviewed annually. For 2017, the aspects of which the company has not yet complied are detailed in Section 11.8.

11.8 Good corporate governance guidelines in other aspects

The Company has continuously adopted and complied with the Principles of Good Corporate Governance for Listed Companies 2012 recommended by the Stock Exchange of Thailand. Furthermore, the Board of Directors in 2017 resolved to apply Corporate Governance Code for Listed Companies 2017 (the CG Code) developed by the Securities and Exchange Commission (SEC) into SCG business operations where it deems appropriate. In 2017, the areas that the Company had yet to adopt but were replaced with comparable measures as follows:

- 1. Chairman of the Board should be an Independent Director



President & CEO communicated SCG Code of Conduct to new employees in SCG Ready Together training course.

• 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. In addition, all board members required to assess the performance of duties of the Chairman on a yearly basis.

2. 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. The number of consecutive terms an independent director can serve should be no more than nine consecutive years, starting from the first appointment. If the director is to hold the office more than the term limit, it needs to be considered earnestly.

• 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.

• At the 2017 Annual General Meeting of Shareholders, two independent directors who held the office for more than nine consecutive years and were due to retire by rotation were Mr. Sumet Tantivejkul and Mr. Pricha Attavipach. The Board of Directors considered it appropriate to propose both retiring independent directors for re-election, details of where were distributed to shareholders prior to the election of directors. The Board of Directors considered and opined that both directors are capable of expressing their opinions independently and their qualifications are in accordance with the relevant rules and regulations. They have brought a blend



The employee engagement activity "Janya on Tour"

of experience, knowledge, and experience to make recommendations benefiting strategy formulation and SCG's business operations in line with the sustainable development approach.

3. All members of the Nomination Committee are independent directors.

• Currently, the Governance and Nomination Committee comprises five members, four of whom are independent directors, constituting more than half of the Committee, and the Chairman of the Governance and Nomination Committee is also an independent director. 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.

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

Raising awareness of corporate governance

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”, currently known as SCG Code of Conduct, 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.

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 the SCG Code of Conduct on the website, the Company has published the 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 clear understanding and strict adherence in performing their duties. This has also been included as a key factor in the yearly employee performance assessment. The Board of Directors played a vital role in raising awareness and being a good role model in complying with SCG corporate governance practices for SCG employees. To communicate SCG Code of Conduct to new employees, the Code was incorporated into the SCG Ready Together training course. More channels were added to promote employees’ better understanding and engagement in expressing views and sharing experience related to SCG Code of Conduct through the “Dee Dee Club” Facebook fanpage where people can learn more about the SCG Code of Conduct. To promote better understanding of the SCG Principles of Corporate Governance and compliance with the SCG Code of Conduct, a mascot called Mr. Janya was developed to create constructive engagement with employees via the activity “Janya on Tour”. Added to this was the conducting of workshops on Governance, Risk and Compliance (GRC) and SCG Code of Conduct for employees.

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 whistleblowing 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 by establishing the Anti-corruption Policy which was proposed to the Governance and Nomination Committee for approval prior to being submitted to the Board of Directors for approval in order to be a guideline for business operations and integrated into 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 being certified by Thailand’s Private Sector Collective Action against Corruption (CAC) on July 5, 2013. SCG continually remains committed to anti-corruption implementation. In 2016, SCG passed the recertification. Moreover, two SCG subsidiaries, listed companies and one non-listed company, were also certified in 2016, thanks to their shared commitment to fighting corruption. The certified companies comprise Thai-German Ceramic Industry Public Company Limited, Quality Construction Products Public Company Limited (listed companies) and Thai Plastic and Chemicals Public Company Limited (non-listed company) (SCG Anti-corruption Policy is available for download at www.scg.com)

In 2017, the National Anti-Corruption Commission (NACC) announced “Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials and Agents of Public International Organizations” under section 123/5 of the Organic Act on Counter Corruption B.E. 2542. SCG reminded and raised employees’ awareness of the actions that might cause corruption risk and continuously conducted risk

indicators analysis and corruption risk assessment. This risk was categorized as one of compliance risk.

SCG has created the Proactive and Preventive System by determining corruption risk, mitigation plans, control activities, responsible persons, monitoring, measurement, reviewing and evaluating methods of the risk assessment process for employees to use as guidelines for corruption prevention. At the same time, the Audit Office performed the assessment and monitoring of good governance practices and compliance with the SCG Code of Conduct and Anti-corruption Policy in every audit period.

The additional activities carried out in 2017

To foster awareness and understanding among the Directors, Executives, and employees as well as inspire actual implementation of the Company’s Anti-corruption Policy in accordance with Section 123/5 of the Organic Act on Counter Corruption B.E. 2542 announced by NACC, SCG carried out the following activities:

1. The Board of Directors approved the adoption of Section 123/5 announced by NACC, with the approval of the Audit Committee. The CEO communicated this development to every SCG employee via “Message from CEO” to demonstrate the tone at the top.

2. Awareness promotion activities were continuously organized to educate employees and develop proactive and preventive anti-corruption systems.

1) Prepared “Ethics e-testing” of which the test contents were classified into three levels, consistent with the roles and responsibilities of the employees’ levels by testing employees on ethics, SCG 4 Core Values, Code of Conduct and Anti-corruption Policy. The contents of the test were designed to encourage employees to learn and understand the adoption of the policy, and all Thai employees were required to pass the test at 100%. In addition, the answers given were also analyzed. Most incorrect answers were communicated to have employees’ understanding realigned.

2) Fostered responsibility and accountability awareness regarding risk management and control in accordance with the Three Lines of Defense.

3) Communicated important corruption cases to employees to illustrate responsibility and accountability in accordance with the Three Lines of Defense.

3. A compliance management system for controlling and monitoring anti-corruption operations was introduced to define clear roles and responsibilities, including law and rule compilation, risk assessment, control, monitoring, inspection,

and reporting, for both internal and external reports.

4. An “Anti-corruption Compliance Assessment Form” was created for units involving high risks such as project procurement, project sales, and government affairs units. The assessment form defined indicators/signs of corruption risks as well as provided methods for risk mitigation and control both for system and employee operations so as to enable operators and supervisors of the unit to analyse risks involved by themselves, apply control methods correctly, and use self-assessment results to improve subsequent operation plans to enhance efficiency. In addition, appropriate internal control and penalties in accordance with Section 123/5 of the Organic Act on Counter Corruption B.E. 2542 announced by NACC were also communicated to employees.

Activities Constantly carried out by SCG

1. Distribution and communication of SCG Code of Conduct (Revised) and Anti-corruption Policy to all employees for acknowledgment and adoption via a series of VDO clips: “Good life with SCG Code of Conduct,” “Janya on Tour,” and “Anti-corruption.”

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. Training employees on compliance with Corporate Governance and the Anti-corruption Policy through various courses/channels to reaffirm SCG’s corporate culture. These are as follows:

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

4. Six issues of IA Letter to (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.

6. SCG demonstrates 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 society at large. To that effect, SCG has compiled the “SCG Supplier Code of Conduct” as guidelines for SCG

The Remuneration Committee’s Report

The Remuneration Committee performed their duties as prescribed in the Charter of the Remuneration Committee by the Board of Directors with prudence, fairness, and rationality. The Committee considered the remuneration in comparison with the remuneration offered by other listed companies or leading corporations in the same business.

In 2017, the Committee held a total of six meetings to consider the remuneration of the Board of Directors and Sub-committees before proposing to the Board and the Shareholders’ Meeting for approval. The Committee also considered the remuneration of SCG President & CEO and top executives in alignment with the performance of each executive and SCG’s operating results to retain SCG leadership in the industry.

Moreover, the Remuneration Committee also provided views and recommendations to the Management with regard to human resources management to foster the morale and retention of highly capable employees with the Company.

On behalf of the Remuneration Committee



Chumpol NaLamlieng
Chairman of the Remuneration Committee

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 2017, 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 (Whistleblowing Policy)

SCG has given priority to good corporate governance and opened up opportunities for employees and stakeholders to report or inform any irregularities in the business operations of SCG such as corporate governance, ethical practices, corruption, financial transactions, Code of Conduct, and compliance with legal requirements, regulations, or Anti-corruption Policy through the specific channels provided. This is to ensure investigation of complaints are conducted according to the process specified in the “SCG Whistleblowing 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 publicized on the Company’s website.

To ensure 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 Whistleblowing 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.com.

- As for external parties, complaints can be lodged on www.scg.com under the “SCG Whistleblowing 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 2017, a total of 31 complaints involving non-compliance with laws, the Company’s regulations, anti-corruption policy, corporate governance policy, SCG 4 Core Values, Employee Code of Conduct, or Supplier Code of Conduct were filed through SCG Whistleblowing System for external parties and employees, with five pending cases from the previous years. Of these, 27 have been investigated, while for the nine remaining cases, the fact-finding and investigation is still ongoing. Of all completed cases, no case of corruption was found, while four cases were instances of non-compliance with the Code of Conduct, nine cases were those of violation of the Company’s regulations (incurring insignificant damages), and the 14 others appeared to have no grounds.

After the investigation, one employee was dismissed, while four others were penalized in accordance with 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.

The CSR Committee for Sustainable Development's Report

Uplifting the quality of life for the community and society where SCG conducts business both in Thailand and ASEAN is one of the top corporate social responsibility priorities that SCG has carried out continuously over the years in line with the sustainable development approach. Backed by SCG's management prowess, the endeavors have created participatory community involvement, allowing the community to learn effective problem solving, and further the development, empowering them to grow in a stable and sustainable manner.

In the past year, SCG took great pride in having seen several communities become stronger and more self-reliant. They are better equipped to solve problems, create careers, and enhance the quality of life while, at the same time, sharing the body of knowledge with the neighboring communities in accordance with the sustainable development approach.

Sustainably Strong Community

For more than 10 years, SCG has carried out the SCG Conserving Water for Tomorrow project in tune with His Majesty the Late King Bhumibol Adulyadej's initiative on sustainable water management. A total of 75,000 check dams have been constructed in six areas surrounding SCG plants in Lampang, Rayong, Kanchanaburi, Saraburi, Khon Kaen, and Nakhon Si Thammarat. The continued efforts have enabled the communities to have access to water for irrigation all year round, resulting in better agricultural output, higher income, and family members going back to farm practice. Some communities have evolved into a community

learning center, sharing knowledge and inspiring other communities as well as those interested so they can apply the knowledge in water management to benefit their own communities.

Chief among the communities achieving a remarkable success in water management is Ban Sa Phae, Amphoe Chae Hom, Lampang. Its moves to "seek water" through the construction of check dams and to "store water" by building Sra Puang--connected small and medium water reservoirs on the land donated by the locals have transformed the community into Kasetpranit or intensive agriculture. The farming allowed the community to grow balsam pears, pumpkins, and other crops seven times a year, bringing over 18 Million Baht in income to the community. SCG pledges further efforts to drive other communities toward embracing water management practice as a means to achieve sustainable self-reliance.

SCG in cooperation with the Utokpat Foundation under the Royal Patronage of H.M. the King has also expanded the know-how on community water management in line with the Royal Initiative by incorporating scientific equipment and water treatment technology to allow for the storage, reservation, and drainage of water. The efforts help tackle problems associated with drought and flooding, resulting in ample water for consumption and agricultural purposes. One successful community that has evolved into a community learning center is "Pa Phu Thum Phu Kratae Community Nature Museum at Waeng Noi, Khon Kaen". Having suffered drought and flooding repeatedly for over 40 years, the community adopted information technology and local wisdom

to manage water by constructing a canal to retain water runoff, building small connected canals to channel water into "Monkey Cheeck" or water retention areas before distributing the water to agricultural fields. The water can be reused for several times at no cost, earning the community over 12 Million Baht a year from agricultural yield.

Furthermore, SCG conducted the Fish Home Project to restore coastal areas and enable local fisheries to become sustainably self-reliant. The artificial fish homes were created, using the unused polyethylene pipes after the end-product testing in conjunction with the Office of Marine and Coastal Resources Management 1 (Rayong), fishery groups in Rayong and Chonburi, and volunteers across the country. In the past five years, some 1,200 fish homes have been constructed encompassing 29 fishery groups. The structures help expand coastal reserve, as well as provide habitat and spawning beds for aquatic species, leading to the marine biodiversity of 120 species, 28 of which include commercially important fish species such as sea bass, and grouper. This creates more income for the local fishery communities. SCG sets its sights on expanding the project to Chanthaburi and Trad to cover the whole eastern coastal areas.

A Better Quality of Life

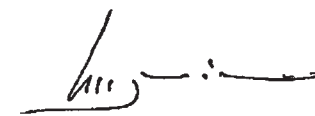
Realizing the importance of education, SCG has provided over 5,600 scholarships each year under the Sharing the Dream program to financially disadvantaged youths who demonstrate good conduct and filial piety in the seven countries of Thailand, Vietnam, Indonesia, Cambodia, Myanmar, Lao PDR, and the Philippines. The scholarships

provide opportunities for the students to pursue study in the disciplines they find challenging such as medicine, innovation and technology, among many others. The project also fosters a strong rapport between the scholarship recipients and SCG employees who serve as their mentors, providing advice on education-related issues and how to lead a healthy life. SCG is resolved to provide further support in the fields of study needed for development in each country.

Uplifting the quality of life for people in ASEAN is another mission SCG is committed to in its business operations. Run in collaboration with Crown Property Bureau and Banphaeo Hospital (Public Organization) for three years, the Sharing a Brighter Vision program has provided surgery to restore eyesight to 600 cataract patients in Mawlamyine, Myanmar, empowering them to take care of themselves and not become a burden for the family. The program also aims to educate the locals to take better care of their eyes.

With Concern for Social Responsibility, SCG strives to carry out numerous socially-beneficial activities both run by SCG and in cooperation with alliances to create change and progress for Thai society and the ASEAN region as a whole.

On behalf of the CSR Committee for Sustainable Development



Arsa Sarasin

Chairman of the CSR Committee for Sustainable Development

Corporate Social Responsibility



"The Water Conservation Journey Project" dedicated to passing on inspiration to communities and youths

Today's world of rapid change has inevitably impacted the community. In response, SCG is committed to initiating socially responsible activities designed to engage the community in the learning process to achieve self-reliance. The efforts are dedicated to promoting collaboration in constructive problem-solving, enabling the community to adjust swiftly to the constantly-changing world.

Model Projects to Promote a Sustainably Strong Community

SCG pledges to support the community to adjust to the change through participatory engagement, allowing the community to understand the problem and find an appropriate solution with everyone taking part in it. The further development contributes to a better quality of life, making the community sustainably strong and self-reliant.

Conserving Water for Tomorrow

For more than 10 years, SCG has carried out the SCG

Conserving Water for Tomorrow project in tune with His Majesty the Late King Bhumibol Adulyadej's initiative on sustainable water management. A total of 75,000 check dams have been constructed in water shed areas surrounding SCG plants. The continued efforts have enabled the communities to have access to water, resulting in higher income and a better quality of life. Examples include Ban Sa Phae, Amphoe Chae Hom, Lampang which constructed seven Sra Puang--connected small and medium water reservoirs to store over 30,400 cubic meters of water channeled from the check dams to irrigate some 500 rais of land. The transformation of the community into Kasetpranit or intensive agriculture allowed the community to grow crops seven times a year, bringing an average annual income of 100,000 Baht per household, or a total of 18 Million Baht to the community. The fruits of the efforts have brought family members back to farm practice and the successful water management ideas have been passed on to their younger generation.

For 2017, the Conserving Water for Tomorrow project

further passed on the inspiration and knowledge on water management to locals and youths in many other communities in Kanchanaburi, Nakhon Si Thammarat and Khon Kaen through the program entitled "The Water Conservation Journey to Carry on H.M. the Late King's Initiative by Building Check Dams across Thailand" The objectives were to encourage the community leaders to apply the ideas to solve water-related problems in their areas and create understanding among youths, allowing them to share the knowledge in water management in line with the Royal Initiative with their peers. The dedicated endeavors resulted in the construction of more than 300 check dams in Ban Khao Musi, Kanchanaburi, Ban Nampu, Nakhon Si Thammarat, and Ban Muang Wan, Khon Kaen.

Fish Home Project to Restore Coastal Areas

Degradation of marine coastal ecosystems has direct impacts on coastal fisheries, pressuring the local fishermen to give up their livelihood in the face of drastically dwindling catches. In response, SCG joined forces with the Office of Marine and Coastal Resources Management 1 (Rayong), and fishery groups in Rayong and Chonburi to create artificial fish homes, using PE100 pipes to provide hatcheries for small aquatic species, and it is designated as marine protected areas. In the past five years, some 1,200 fish homes have been constructed, encompassing 29 fishery groups in Rayong and Chonburi. The structures have led to the marine biodiversity of 120 species. The increasing fish stocks has brought more income for local fishermen, eliminating the need for them to sail further for their catches. Moreover, the areas with the artificial fish habitats are marine protected areas for young marine creatures jointly preserved by the communities so the younger generation can enjoy sustainable use of marine resources.

Skilled Professionals of the Future Program

Thailand still falls short of producing skilled vocational labor to meet the rising demand in the industrial and service sectors, which may affect the nation's long-term development. To help enhance the quality of vocational labor, SCG Foundation has initiated the Skilled Professionals of the Future program, providing scholarships for vocational students at the Vocational Certificate level in industrial engineering and service industry. The scholarship is non-binding and the funds continue until the successful completion of the recipient's studies in a Higher Vocational



Fish Homes Project to restore coastal areas, leading to the marine biodiversity of 120 species

Certificate. The objective also extends to promoting good attitudes toward vocational education in Thai society. Over the past five years, the program has carried out various activities dedicated to enhancing the potential of scholarship recipients, empowering them to enter the employment market professionally. The moves along with "Thailand 4.0 model", which is the vision to transform the Thai economy into an innovation-driven economy. To drive these efforts, it is important to have highly qualified vocational workers as the driving force in the industrial and service sectors, which will be the key future growth drivers for Thai economy. Currently, there are a total of 1,500 recipients of Skilled Professionals of the Future scholarship.

Enhancing the Community Potential through Expertise

Building on the expertise of SCG's core business units, SCG introduced the Community Potential Enhancement project, enabling them to overcome challenges and further develop to achieve a better quality of life in a sustainable manner.

Growing Eucalyptus Clones for Salinity Land in Northeastern Communities

Agriculture in northern Thailand has long been threatened as approximately 19% of the agricultural land is saline soil. This results in crop failure or low yields, leading to the problems of low income or poverty. Some locals have abandoned their farm land and migrated to the cities. The situations have caused a string of social and economic problems.



Creating a safety culture to make the community
“The Lifesaver™” every day



Developing skills among vocational students through
hands-on training with the “Excellent Model School” project

In conjunction with National Science and Technology Development Agency (NSTDA), SCG Packaging has developed a salt-tolerant eucalyptus clones that offers high yield. The tree roof system absorbs soil salinity and controls underground water at a level that does not affect the soil surface, thereby reducing patches of salt on the surface. In addition, SCG Packaging has also joined hands with the Land Development Department to plant eucalyptus trees in a pilot plot of land, using innovative technology in combination with local wisdom. For example, eucalyptus branches and leaves are used to fertilize soil, allowing the trees to grow successfully and pose no harm to the rice fields. The joint efforts have promoted the planting of eucalyptus on dykes and the growing of saline-tolerant fruits to earn supplementary income. Since 2010, SCG Packaging's initiatives have restored over 300,000 rai of salt-affected agricultural land. Also, the yield of jasmine rice grown in saline soil increased from 150-225 to 450-750 kilograms per rai. Moreover, farmers earn 14,000 Baht per rai four years from selling eucalyptus trees.

Passing on The Lifesaver™ Corporate Culture to Maintain Community Safety

Thailand is ranked second in the world in terms of traffic fatalities while Rayong has the highest rate of road deaths in the country ([http:// www. thaihealth.or.th](http://www.thaihealth.or.th)). Aside from causing death and huge property loss, road accidents also bring about substantial damage to the country's economy.

As a consequence, SCG Chemicals in collaboration with Map Ta Phut Municipality in Rayong rolled out the “Keeping the Community Safe by Being the Lifesaver™ Every

Day” campaign to promote preventive measures as a means to reduce the number of road accidents in Rayong and to build a safety culture in the community. The campaign was piloted at the Tulip village of Neun Payom Community to serve as a model community in road safety. The campaign is built around the success in creating a corporate safety culture entitled “The Lifesaver™”, which focuses on taking care of oneself and encouraging others to strictly adhere to safety codes. Seven life-saving tips to prevent road-traffic accidents were formulated: Don't drink and drive, Don't use a mobile phone while driving, Always wear a helmet, Always fasten up your seatbelt, Don't drive over the speed limit, Always carry your driver's license, and Never drive in the wrong direction. The efforts also extended to improving nine accident-prone spots in the pilot community and organizing training to raise driving safety awareness as well as promote traffic discipline and road safety.

Excellent Model School

In response to the growing demand for vocational labor in Thailand's industrial and service sectors, especially in the fields of installation and maintenance, mechatronics, electrical mechanics, manufacturing industry, construction, electrical and control, machine tool technology, mechanics, and electrical mechanics, SCG Cement-Building Materials has collaborated with vocational colleges nationwide to carry out the “Excellent Model School” project. The objectives are to bring vocational students to excellence and develop their vocational and job-ready skills to prepare them for the industrial sector. To that effect, a dual education system was



Scholarships for Forest Ranger's Children to boost the ranger's morale and motivation in protecting the forest cover for the Thai people

introduced where one-year teaching at a vocational college alternates with a one-year apprenticeship in a company. The study plan and practical training are carefully designed based on the actual work places to ready students for the employment market and become a key driving force for the country's expanding economy. So far, a total of 247 students have undergone this project.

Scholarships for of Forest Ranger's Children

At present, 102 million rai of protected forest, accounting for 31.5% of Thailand's land area, is protected by 20,000 forest rangers who work to prevent forest encroachment and wildlife poaching to conserve the total forest cover for many years to come.

In line with one of Core Values of Belief in the Value of the Individual and in an attempt to boost forest officials' morale and motivation enabling them to walk to their full potential without having to worry about the care their children are getting, SCG Foundation pledges to help relieve their financial burden on education by providing non-binding Scholarships to their children. The recipients will receive continued funding throughout their bachelor degree program. Currently there are 205 children of forest rangers from 54 forest areas granted the scholarships.

Expanding a Better Quality of Life to ASEAN

SCG is committed to providing support and inspiration for people in ASEAN to uplift their quality of life, readying them to cope with today's fast-changing world.



Uplifting the quality of life for people in Myanmar by providing surgery for cataract patients

Sharing the Dream Scholarships

The program provides scholarships to students who demonstrate excellent academic performance, good conduct, and filial piety in the seven ASEAN countries of Myanmar, Lao PDR, Indonesia, Vietnam, the Philippines, Cambodia, and Thailand. Last year a total of 1,680 scholarships amounting to 27.5 million baht were granted. In addition, a number of local SCG employees in each respective country served as their mentors, providing advice and encouragement to inspire the students to overcome challenges and pursue their education successfully.

Sharing a Brighter Vision

Run in collaboration with the Crown Property Bureau and Banphaeo Hospital Public Organization for the third consecutive year, the Sharing a Brighter Vision program brought a group of skilled ophthalmologist and advanced medical equipment to provide surgery to restore eyesight to cataract patients in Mawlamyine, Myanmar, empowering them to take care of themselves and lead a normal life with their families. In 2017, 209 patients were treated.

Furthermore, the program also aims to create awareness about cataract and other eye health problems as well as educate the locals on how to prevent cataract and take care of their eye health through TV and the Internet. The locals are also encouraged to share such knowledge and information on social media to reach people in other areas.

Internal Control and Internal Audit

1. Internal Control

SCG's vision is to be a regional market leader, contributing to the sustainable progress of ASEAN and the local communities where we operate. Through SCG 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, technological development and innovation will enable us to provide quality products and services in order to enhance the quality of life for all. Top SCG executives believe that to become the leading organization, SCG must have efficient and effective corporate governance, risk management, compliance and internal control systems that comply with international standards in terms of best practices and information technology. SCG has the Audit Committee whose responsibility includes the determination of SCG corporate governance policy, risk management, compliance, internal control and internal audit according to the following international standards:

- Corporate Governance	Reference organizations: Organization for Economic Co-operation and Development (OECD) / Securities and Exchange Commission (SBC) / Stock Exchange of Thailand (SET) / Thai Institute of Directors Association (IOD)
- Risk Management	Reference standards: COSO Enterprise Risk Management/ISO31000
- Compliance	Reference to relevant laws and regulations / policies and procedures
- Internal Control	Reference standards: COSO Internal Control Framework 2013/COBIT5

The Board of Directors, the Audit Committee and the Management have formulated an SCG internal control system to comply with the COSO Internal Control Framework 2013 (The Committee of Sponsoring Organization of Treadway Commission). In agreement with this, the Internal Audit Office

assessed the adequacy of the SCG Internal Control system according to the Securities and Exchange Commission's assessment form (SEC) and submitted the results to SCG's top executives and the Audit Committee for consideration and approval prior to reporting to the SCG Board of Directors in the 218th Board of Directors meeting on November 29, 2017. The meeting was attended by 7 independent directors, 4 of whom are members of the Audit Committee.

Board of Directors considered all items in the assessment form and acquired further information from the Audit Committee, the Management and Internal Audit Director. As regards this consideration, SCG has an adequate and effective internal control system for SCG operations in compliance with laws, regulations, policies and procedures; the safeguarding of assets, and efficiency of resources utilization. There was no material deficiency found in the internal control system.

SCG has set out to raise corporate governance, risk management, compliance and internal control (GRC) awareness among the Management, supervisors and employees. Following consideration from the Board of Directors, SCG has a sufficient number of personnel for GRC implementation, along with adequate internal control systems for the monitoring of SCG subsidiaries' operations, the safeguarding of SCG and subsidiaries' assets against the misuse or unauthorized acts by directors or management, and against transactions that might result in a conflict of interests or connected transactions.

Through delegation from the Board of Directors, SCG's top executives have developed various tools in response to constantly changing risks over time, to ensure proactive preventive systems for domestic and overseas businesses. In 2017, these executives approved the following relevant governance/internal control principles or tools:

1.1. Proactive Preventive System

SCG has expanded its businesses both domestic and overseas. The significant factor enabling SCG to achieve its goals and be sustainable is its "employees", who stand for integrity and ethical practice in promoting moral ethics in the workplace. SCG has set the proactive and preventive system "Proactive Preventive System", which includes:

- 1.1.1 Ethics e-testing: for instilling morals, ethics, SCG Code of Conduct and Anti-corruption Policy

awareness among employees in practice and for appropriate application, as reflected by the success of results. In 2017, continuing for the 3rd year, the test was categorized into 3 levels into employee's duties, authority, and roles and responsibilities at each level. Every SCG employee has achieved a 100% pass score. Additionally, test results are further analyzed by looking at those issues which employees answered incorrectly. Then communicate to employees for their better understanding.

- 1.1.2 Risk Management and Internal Control Responsibilities through the "Three Lines of Defense" model which has been widely and internationally accepted: the model has been promoted and emphasized to employees and supervisors (First Line), business-enabling & supporting functions (Second Line) and the Internal Audit Office (Third Line), in order to continuously apply this model to business operations, starting from risk assessment, identification of control activity, monitoring and evaluation processes. The First line's staffs are considered the most important in making this model succeed and be efficient. SCG strengthens this awareness by using various communication methods such as First line who is the top/key person of the Company/function communicates this issue to employees/subordinates or setting workshops for practical use in operation (Execution).
- 1.1.3 Sharing case studies in areas of fraud and non-compliance with laws and regulations, policies and procedures and Code of Conduct: for raising employee's awareness and prevention of repeated cases.

1.2 Integrated Governance, Risk Management, Compliance and Internal Control (Integrated GRC)

SCG has implemented governance, risk management, compliance and internal control practices to meet international standards as "Integrated GRC", which will improve efficiency and effectiveness, as well as reduce duplication of work by starting from governance, strategic determination, and risk management to the monitoring process. By communicating to every employee to be understood correctly and its benefits realized. Employees can govern, perform risk assessment, comply and define internal control activities in their responsible assignments.

1.3 Compliance

SCG implemented the SCG Compliance Management System (CMS) which is developed for efficient and effective monitoring. SCG has a Corporate Compliance Unit responsible

for the development of the SCG compliance management system in terms of the laws, regulations, policies and procedures, setting controls and monitoring processes for achieving practical results. This system helps to manage and reduce Compliance Risk. In 2017, SCG designed the policies to improve the efficiency of monitoring:

- SCG Compliance Policy to indicate the employee's roles and responsibilities and guideline for compliance.
- Anti-Trust Policy to create the Anti-Trust Law awareness among the Management, supervisors and employees in SCG investing.
- Insider Trading Policy to manage material information which influences stock prices.
- Disclosure Policy to disclose any material information to investors and other stakeholders through the SET Information Disclosure System.

1.4 Anti-corruption

SCG designed the Anti-corruption Management System in accordance with ISO19600, a systematic guideline for the company/business function (First Line), which is a high risk area. Business-enabling & supporting functions (Second Line) is a consultant to give advice and recommendations. The Internal Audit Office (Third Line) is responsible for assessing the efficiency and effectiveness of the policy's compliance to raise the confidence of the Management, the Audit Committee and the Board of Directors. In agreement with this, the Internal Audit Office set the Anti-Corruption Compliance Checklist workshops in high risk areas. In 2017, the President & CEO communicated to the Management, supervisors and employees to comply with the section 123/5 of The Organic Act on Counter Corruption. The management has to assess the risks, determine the practical control, support and communicate to employees to comply with Anti-corruption Policy.

1.5 Business Self Audit

As the Audit Committee authority, who governs and reviews the effectiveness of internal control system, the Audit Committee is resolved to setting up the Business Self Audit to further business concepts in managing risk to comply with the COSO Internal Control Framework 2013 (COSO 2013) in areas of individual and business function roles and responsibilities through the "Three Lines of Defense" model. The Internal Audit Office together with business-enabling & supporting functions and the Business Self Audit team (Second Line) have reconsidered the current operational practice and acted as the consultant for employees (First Line) on risk assessment, the adequacy and effectiveness of the internal control system, including the sharing of best practice / success cases, so as to strengthen operational efficiency, reduce redundancies and build up a proactive preventive system for employees to promptly respond to fast-changing risk in the current environment.

1.6 Information Technology Governance and Security Assessment: Infrastructure and Network System

- 1.6.1 Currently, the Information Technology (IT) system is the key factor for business operations in Industry 4.0, helping to create competitive advantage, change the business operational platform. As such IT is a key business strategy. For these reasons, SCG runs more advanced and complex information technologies. SCG set up the SCG IT Governance Committee, responsible for the oversight of the use of the IT system to achieve maximum benefits and security by recognizing the risks of rapid changes in technology, infrastructure and network security, as well as the use of information systems for business management.
- 1.6.2 In 2017, SCG reviewed and updated the SCG e-policy in accordance with the international standard, COBIT5, and kept pace with changing technology and emerging risk. The policy added certain issues, which cover the current technology which SCG uses and upcoming technology which SCG will use in the future. The policy helps to prevent employees from using technology for the wrong purposes and illegally under the law of the operational country as well as prevent damage which might occur with the infrastructure and network system and help keep confidential information secure. The policy has been classified by users for easy adoption. SCG conducted e-Policy e-testing to encourage employees to gain greater understanding. A hundred percent of employee has passed the test.
- 1.6.3 At present, Information Technology has become a part of business operations e.g. data storage, equipment usage, infrastructure and network system, and merge in the daily operation. SCG has realized the significance of IT risk prevention. Therefore, Cybersecurity Governance Committee was organized to regulate the efficiency of SCG's cybersecurity. IT guidelines have been decided, and communication has been emphasized; in order to raise awareness of IT security – the most important factor in maintaining the data confidentiality of the Company. In addition, SCG organized seminars and conducted various types of media to educate employees such as video clips, infographics and posters, etc.

1.7 Development and Promoting of Continuous Monitoring & a Continuous Auditing System for Business Units

SCG has implemented various systems which help to promptly track warning signals. The Internal Audit Office has

established a Continuous Monitoring & Continuous Auditing system to generate warning signal reports for business units/ functions within SCG to use as a tool for analyzing, tracking irregularities and setting control activities which has been developed and improved efficiency by data analytics and graph presentation. Users can analyze easily, quickly and efficiently.

1.8 SCG Whistleblowing System

SCG continuously develops its SCG Whistleblowing 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, including fraudulent acts. SCG employees can report via SCG Intranet while other stakeholders report via <https://whistleblower.scg.com> or submit written documents by e-mail/letter. SCG clearly sets the process for handling the complaint, starting from gathering all the facts as confidential information, officially appointing a fact finding working team, officially appointing an investigation committee, punishment approval consideration and reporting of the complaint's result. Complainants may follow up on their complaints via the system. The whistleblowing 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-step password verification and a separate server from other operations. These measures help to ensure data security and prevent data leakage to other individuals.

2. Internal Audit

The Audit Committee oversees the operation of Internal Audit Office that provides independence, impartiality, ethics and expertise in line with the International Standards 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 state the missions, scope of work, authority, duties, and responsibilities, as well as auditing guidelines which are reviewed annually for any updates.

The Internal Audit Office not only performs auditing by consideration of the risk-based audit plan, but also emphasizes proactive and preventive systems to strengthen and shifts up SCG corporate value, enhance assurances and advices and gain business insight. The key operations in 2017 are summarized as follows:

2.1 Creating Sustainable High Value Services

To promote comprehensive corporate governance, risk management, compliance and internal control, the Internal

Audit Office performs the following:

2.1.1 Encourage the 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 workshops for the Management, supervisors and employees to understand their roles, prepared the communication presentation and script to the responsible functions, as well as working in collaboration with business-enabling & supporting functions (Second Line) e.g. Risk Management function, Compliance function and Business Self Audit team for integrated work and exchange of internal control perspectives to continually add value to SCG.

2.1.2 Assessment of Internal Control Effectiveness according to COSO 2013

The assessment of SCG internal control efficiency and effectiveness is in agreement with COSO 2013 to achieve 3 objectives: operations, reporting and compliance. This also corresponds to the 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 the Board of Directors for consideration prior to disclosure in the Annual Report and Annual Registration Statement (Form 56-1).

2.1.3 Risk and Internal Control Assessment for New Business Operational System

The Internal Audit Office is responsible for verification, assessment and giving recommendations to employees and supervisors (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, compliance and internal control systems. In addition, the Internal Audit Office performs risk and internal control assessment in the areas of new operational systems for SCG and subsidiaries. Once the improvement point was raised, the auditor will clarify, conduct a workshop, provide practical recommendations and monitor the performance results after the consultation. Additionally, the Internal Audit Office emphasizes the safety and environmental audit to reduce the Safety, Health and Environment (SHE) risk, which is one significant risk in the SCG key risk categories.

2.1.4 Setting up Overseas Internal Audit Teams

Currently, SCG expansively has a number of investments in foreign countries, according to SCG vision which will be a regional market leader.

To ensure the efficiency and consistency with SCG policy for overseas operations, the Audit Committee resolved to set up overseas internal audit teams in order to evaluate the effectiveness and efficiency of corporate governance, risk management, compliance and internal control. At present, the Internal Audit Office has Vietnamese and Indonesian auditors. In 2017, the Internal Audit Office emphasizes on training the auditing knowledge to align with internal audit standards, deep audit techniques to scale up overseas internal auditors' competency by focusing on assurance and advisory service to reduce risks arising from cultural differences, local languages, as well as legal and regulatory compliance. The auditors are under the supervision of the Internal Audit Office in Thailand including policy and standard practices. The Internal Audit Office also has created a proactive and preventive system by communicating issues in high risk areas in both business operation and information technology to employees, such as the impact of changes in law and IT security, etc.

2.1.5 Information Technology Audit

- According to the Medium Term Plan 2017-2019, SCG has focused on Digital Transformation to create new innovation for providing values to company. SCG continuously expanded the businesses both domestically and overseas with a changing operating system specifically for each business unit and increasing of Cybersecurity trend. SCG has developed new core IT systems. In this regard, representatives from the Internal Audit Office were appointed as consultants to advise on the appropriate control points and testing of the control system. After the system is completed, IT auditors will carry out the testing once again. For reducing IT risk, in 2017, the Internal Audit Office conducted workshops on Security Awareness “Cyber Aware Talks” for the responsible persons of each business unit
- performed audit projects complied with SCG e-Policy 2017 on key operational systems to increase the confidentiality level of internal controls over IT security

2.1.6 Anti-corruption Efforts

SCG constantly emphasizes the conducting of business with transparency and fairness. In 2012, SCG was a signatory company of Thailand's Private Sector Collective Action Coalition Against Corruption's (CAC) Declaration of Intent and was a certified company on July 5, 2013. In 2016,

Risk Management

SCG passed the recertification, including 2 SCG’s listed subsidiaries (Thai-German Ceramic Industry Public Company Limited and Quality Construction Products Public Company Limited) and 1 SCG’s non-listed subsidiary (Thai Plastic and Chemicals Public Company Limited) passed the certified company. SCG continually remains committed to anti-corruption policy. In 2017, Internal Audit Office cooperates with company/ business function with high risk areas to conduct workshops for sharing Anti-Corruption Risk Assessment and Control and also communicate the section 123/5 of The Organic Act on Counter Corruption to employees.

2.2 Evaluation of the Internal Audit Office’s Performance

2.2.1 The Internal Audit Office set the criteria for evaluating the auditee’s satisfaction to provide a clear performance measurement and to ensure the internal audit’s effectiveness, in accordance with the internal audit policy and plan. The Key Performance Indicators (KPIs) for assurance service were set at not less than 85% for each audit project whereby the 2017 performance results showed a 95% satisfaction level. The result is presented to the Audit Committee each year and kept as supporting information for further improvement.

2.3 Development of Auditors’ Competencies

To promote professional and business competence for internal auditors, the Internal Audit Office performs the following:

- 2.3.1 Development of Internal Audit Global Knowledge
- Keep track of best practices in corporate governance, risk management, compliance and internal controls among leading audit professional institutes both local and international, and applied appropriate practices in line with the businesses.
 - Encourage the development and continuous conduct of both internal and external training for internal auditors to be well equipped with knowledge, competence and expertise in internal auditing, as well as other skills needed by the company.
 - Promote and support internal auditors to become certified as professional internal auditors or attain other related professional certification. In 2017, 50% of internal auditors were certified auditors, which exceeded the Key Performance Indicators (KPIs) set with not less than 40% of internal auditors.

2.3.2 Development of Business Knowledge

- Enhance business acumen/business knowledge among internal auditors by inviting experts from each business unit and experts from external parties to share and discuss current business trends and major business changes for auditors to better assess risks and to provide practical advisory services.
- Recruit competent persons from other business units to serve as internal auditors according to the recruitment policy. On the other hand, the internal auditors are rotated to business units to gain broader experience.
- Organize knowledge-sharing sessions on interesting issues or significant findings in audit work on a regular basis.

2.3.3 Information Technology Knowledge

- Apply IT knowledge to support the auditing process, for the faster analysis and detection of warning signals/red flags as well as to mitigate risks from operational errors and business fraud.
- Support internal auditors to develop IT audit skills for enabling them in effective auditing and recommendations according to the IT Audit International Standard. For example, it encouraged personnel to obtain the Certified Information System Auditor (CISA).

2.3.4 Enhancement of Integrated Audit Project

The Internal Audit Office continuously encourages the integrated auditing project by setting up a team, comprised of both function and IT internal auditors; collaboratively performing an audit project in order to make suggestions for operational improvement and monitor irregularities through the use of IT tools for the enhancement of audit efficiency.

2.3.5 Development of Soft Side Skills

To conduct the soft side seminar and workshop for internal auditors to strengthen in their belief and change mindset, reduce fear and reinforce new beliefs, so as to bring out the best of their potential/capabilities and devise a plan for improvement, to bring about greater success in their work and their lives.

SCG believes that effective Enterprise Risk Management contributes to the achievement of business goals, ensures the organization’s ability to cope with uncertainties and the various risk aspects becoming increasingly complex and severe. SCG has also continuously raised risk management awareness throughout the organization and aims for better risk management efficiency of strategic formulation, operation, and decisions regarding new investments to add value to the organization and stakeholders which will contribute to SCG’s sustainable growth.

SCG Enterprise Risk Management Framework

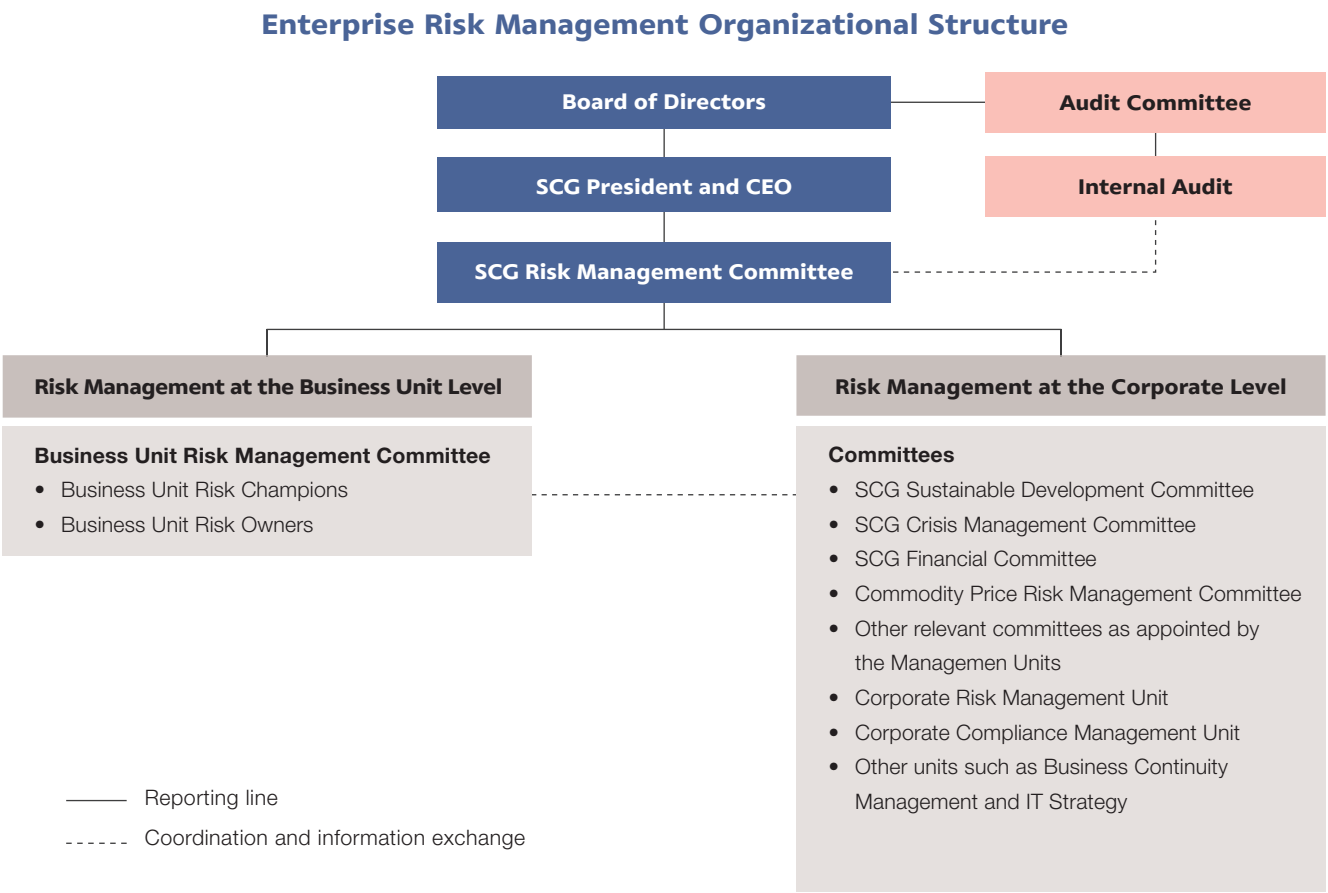
SCG has implemented Enterprise Risk Management Framework in alignment with international standards. The framework consists of:

1. Strategy Establishment

SCG has established explicit objectives and risk appetite in managing risks to ensure consistent risk management practice across the organization.

2. SCG Risk Management Structure and Responsibilities

The organization structure of SCG’s risk management is illustrated below:



The Board of Directors and the Audit Committee

The Audit Committee, on behalf of the Board of Directors, establishes risk management policies and oversees the risk management process and practice of SCG. The Audit Committee also evaluates the risk management system to ensure efficiency, effectiveness and compliance with established guidelines.

Internal Audit

SCG Internal Audit’s role is to conduct an audit of the first line (Operating Unit) and the second line (management level, risk management and compliance, and other supporting functions) to provide assurance on 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. Determine risk management structure and assign accountabilities for risk management.
- 2. Consider and approve risk management policies, strategies, framework, and plans.
- 3. Review and monitor the SCG risk profile.

3. Risk Management Process

The SCG risk management framework is applied in three primary areas: medium and long-term strategic risk management, investment project risk management and operational risk management. The risk management process, documented in the “SCG Risk Management Manual” for the above areas, comprises 1) Risk/Opportunity Identification, 2) Risk Assessment, 3) Risk Response (including defining the Key Risk Indicators and Key Performance Indicators which are the leading and lagging indicators in order to anticipate risk events and to manage risks to be in line with the targets), 4) Risk Reporting 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 risk culture is a critical component of risk management. SCG has, therefore, assigned top executives to communicate the significance of risk management (tone at the top) and be role models in risk management. This includes establishing practical guidelines on the common risk language, risk appetite, common risk assessment system, and accountability of each risk owner. Moreover, SCG has encouraged employees to include risk management as part of the agenda in major meetings at each company. Apart from that, risk management was designated as a component of training and development programs for directors, top executives and SCG staff. SCG has also encouraged experience sharing across departments and companies to improve risk management practices through lessons learned. In addition, learning materials in digital format was recently developed to increase risk awareness and coverage for SCG staff from the commencement of employment. Over past years, SCG has defined integrated GRC definition and communicated the objectives and benefits of integrated GRC. In 2017, the Corporate Governance Unit, Risk Management Unit, and Compliance Management Unit have coordinated to increase communication coverage, understanding of GRC concepts and their importance to all SCG staff.

Key Risks, Opportunities and Management Strategies

In 2017, SCG assessed and mitigated the significant risks in alignment with material sustainability issues as illustrated below.

Safety, Health, and Environment Risk

1. Safety and Health Risks

Overseas operations in countries where environment, safety and health are substandard can pose risks.

- Implemented various safety & health standards such as Occupational Health and Safety standards (OHSAS 18001) and Safety Performance Assessment Program (SPAP) in overseas companies and disseminated the application of safety management principles to its trading partners to extend the practice to the wider society.
- In 2017, SCG enforced “9 Life Saving Rules” to all employees and business partners to operate safely in the workplace and on the road. In addition, safety awareness is constantly promoted and punishment is applied for noncompliance in supporting behavioral change and safety culture.

SCG believes that safety and a healthy workplace environment allow operations to run efficiently and smoothly, reduce unnecessary production costs and create trust among customers, business partners and stakeholders.

2. Climate Change and Environmental Risk

Climate change, global warming, water crisis and exposure to environmental risk may affect the continuity of business operations, organization’s reputation, or cost.

- Increase the use of alternative energy, for example, the use of solar power and the experiment of planting and using energy crops to produce electricity to lower greenhouse gas emissions. In addition, various projects are conducted to reduce greenhouse gas emissions, for example, power generation from waste heat and combustion production efficiency improvement in ceramic plants.
- Developed environmentally-friendly products and services, for example, Stay Cool, an insulation that keeps out heat 7 times better than normal insulation and preserves an air conditioner’s power usage. Another example is Emisspro®, a coating substance for energy-saving burners, which was developed out of attempts to reduce energy use and greenhouse gas emissions.
- For the manufacturing process, SCG strictly adheres to the application of the 3R concept (Reduce, Reuse/ Recycle, and Replenish) and collaborates with related government organizations in order to support water shortage prevention projects.
- SCG has continued various corporate social responsibility (CSR) projects, for example, building 70,000 check dams according to the Royal initiatives and promoting “Satanee Rak Nam”, a community learning center for water conservation. In addition, activities and projects’ assessment regarding social, environmental and economic aspects are conducted to ensure SCG’s operations and the surrounding communities live together sustainably.

Compliance Risk

3. Compliance Risks from Changes in Laws & Regulations

Risks from noncompliance or partial compliance caused by constant changes in laws & regulations could negatively affect the organization’s reputation and result in significant penalties and fines or loss of business opportunities.

- Sets out SCG compliance policy and communicate to all SCG employees.

- Closely monitors changes from government policies as well as laws and regulations in the countries where SCG operates. Build networking with government and the private sector in domestic and overseas operations to increase the efficiency in monitoring law and regulation changes.
- Monitor Base Erosion and Profit Shifting (BEPS) measures introduced by the Organization for Economic Co-operation and Development (OECD) to prevent future tax risks that could incur reputational risk and the loss of license to operate.
- Constantly updates the SCG Code of Conduct according to changes in laws and regulations. This includes conducting “Ethics e-testing” focusing on SCG Philosophy, anti-corruption and human rights policies. Communicates good risk management and control practices in accordance with the “Three Lines of Defense” concept to SCG staff at all levels to prevent non-compliance.

Reputation and Intellectual Property Risk

4. Reputation Risk from Social Media

Social media has been widely used as a channel to communicate and exchange opinions on products, services, and organizations. In the event that SCG becomes the topic of negative news coverage on social media, its outstretch nature may cause serious impact on the brand and reputation of the organization.

- Established a Brand Committee which oversees the monitoring of online risk events, and the preparation of countermeasures and a communication system, which includes a crisis management drill.
- Applied digital technology to analyze the voices of customers and stakeholders regarding SCG’s products, services and businesses using information from social media to proactively assess market movements, stakeholders’ satisfaction and expectations.

5. Intellectual Property Risks

SCG has continuously supported the development of High Value Added products and services (HVA) to increase competitive advantage and elevate industry performance. Therefore, Intellectual Property (IP) management plays a crucial role in risk mitigation to prevent SCG’s trademarks and innovations from being infringed.

- Established IP division and IP management system at corporate and business unit levels to prevent SCG from infringing others or being infringed. This includes organizing

IP training for SCG employees to raise awareness and promote practice.

After years of IP strategy and IP management implementation, SCG received the “Asia IP Elite 2017” award for the fourth consecutive year at the IP Business Congress Asia 2017 Conference hosted by Intellectual Asset Management (IAM). This award truly represents SCG’s achievement in IP management and IP system which covers IP creation, IP protection and IP commercialization. This system is implemented at the beginning of research and development until new products and services are launched into the markets.

Hazard Risk

6. Geopolitical Risk

A more severe geopolitical conflicts, resulting in economic instability and higher risk exposure from doing business internationally, could impact SCG operations and its business continuity.

- Closely monitor the situations and build a network of geopolitical experts locally and overseas to obtain up-to-date information for risk mitigations and business continuity plans.
- Conduct scenario analysis of the most likely situation that could impact SCG’s operations and prepare business continuity plans to handle crisis events accordingly.
- Business Continuity Management (BCM) Unit at corporate and business unit levels leads the efforts to manage the situation to minimize impact.

Input Risk

7. Labor Shortage and Rising Wages Risk

As the world including Thailand is entering the era of aging society, problems from labor market imbalance in ASEAN countries have caused competition for labor and rapid wage hikes in some countries.

- Continuously build relationship with universities and other institutions in ASEAN.
- Continue the Pracha Rat (people’s state) project called “Role Model Institute” to advance the status of vocational students with the aim to supply skilled laborers to the market. Under this project, vocational students benefit from real life working experience, English skills improvement and safety culture knowledge in the workplace.
- Implementation of automatic machines and robots to enhance production efficiency and to prepare for the labor shortage situation, for example, PVC manufacturing robots

to increase production capacity and reduce defective products, and an inspection robot to deliver inspection and repair services in hazardous areas both in-house and to large industrial customers outside SCG.

8. Fluctuation in Energy and Major Raw Material Prices Risk

The rising trend of global crude oil price due to the possibility of oil production cut by the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC countries has resulted in the upward trend of energy and commodity prices such as naphtha and fuel oil. In addition, the price of coal, one of the main energy sources for SCG Cement-Building Materials and SCG Packaging, has shown signs of soaring due to the Chinese coal mining restriction policy and its effect on decreased coal supply.

- Commodity Price Risk Management Committee has adjusted the risk management strategy to respond to the changing circumstances. For example, a hedging instrument is applied to reduce the risks from commodity price fluctuation and maintain competitive cost in the global market.
- Increases the proportion of alternative energy usage, for example, solar energy, industrial waste, and biomass to reduce the risk from energy price increases.
- Develops HVA products such as plastic for medical equipment and plastic parts for the automotive industry, with the aim to increase revenues and profits and to reduce the risk from raw materials price volatility.

Process Risk

9. Supply Chain Risks

SCG considers all risk factors throughout the supply chain, starting from raw material procurement, materials and equipment used in the production and transportation, to the sales and delivery of products and services, to prevent any misalignment that may affect the confidence of consumers and other stakeholders as well as the impact on SCG’s operations.

- Developed the SCG Supplier Code of Conduct for all suppliers to adhere to in order to help enhance operating standards for the mutual benefits of SCG and the suppliers.
- Conducts “Spend Analysis” to assess risks and impact on SCG’s operations in various dimensions covering economic, environmental and social. Results from the analyses are applied to classify suppliers, and develop strategies and plans to develop these suppliers, for example, the “Greening the Supply Chain” project to ensure the

sustainability of suppliers’ businesses.

- Conducts suppliers’ assessment using onsite and offsite audit considering products and services quality, economic, social, environment and governance performance,

10. Human Resources Management and Capability Risks

In preparation for human resources readiness and capability to accommodate future business expansion in Thailand and ASEAN countries, SCG has consistently improved its human resources management to be better aligned with its business strategies.

- Communicated human rights policies and practices to SCG employees, business partners and related parties to create understanding, fair and equitable business practices.
- In 2017, SCG assessed human rights risk and completed a mitigation plan for all Business units.
- Established a learning and coaching culture using the 70-20-10 approach. This method emphasizes on on-the-job training and learning from mistakes with support from supervisors. Furthermore, an employee at each level will be given the opportunity to develop their business knowledge, as well as leadership and teamwork skills.
- Applied competency development program to all SCG staff to improve job-related, business and management knowledge. SCG employee development programs are properly and continually conducted to ensure long term business competitive advantage.

Having constantly placed importance on equal treatment of all employees, staff competency development and employee engagement, in 2017, results from JobsDB Thailand survey showed that SCG is one of the most attractive employers in Thailand. This has resulted in SCG’s ability to better recruit talent to work with the Company.

Business Environment Risk

11. Foreign Exchange Rates Fluctuation Risk

In 2017, the Thai Baht appreciated against the US dollar compared to past years. Still, in 2018, it is expected that the Thai Baht could be volatile due to various uncertainties such as the impact from powerful countries’ international policies, the US Fed’s interest rate trends and US economic stimulus measures.

- SCG’s Financial Committee considers using financial instruments to hedge foreign exchange rate exposure when appropriate. This includes matching revenue and expense in

foreign currency (Natural Hedge), making agreements with trading partners using local currencies, and considering foreign exchange hedging for investment projects at an appropriate level.

- SCG has leveraged cross-currency competitiveness and focused on export to countries within and outside ASEAN where appropriate.

12. Risks to ASEAN Economic Growth and Competition

In 2017, the global economy recovered due to fundamental factors such as the stronger labor market and continued global trade expansion. However, the world’s economy will continue to face uncertainties pending powerful countries’ economic and political policies, for example, political uncertainties in Europe, monetary policy tightening in the US and Europe, non-performing loans and slowdown in the Chinese economy, directions on foreign trade from the US president and growing geopolitical risk in North Korea and the Middle East which could trigger a war. All these factors will likely affect the ASEAN economy directly or indirectly. Moreover, the market entries of new players, both large and small, in countries where SCG has presence will intensify the competition for SCG.

- Established Country Business Support Office (CBSO) to evaluate and monitor risks in the countries where SCG has invested. Besides, reports on significant risk events in each strategic country are presented quarterly to the audit committee and top management for country risk management and portfolio management. In addition, Scenario Planning and Sensitivity Analysis are conducted to assess potential consequences from such risks.

- Continue to develop HVA products and services to serve niche markets, increase sales from export, and accelerate sales from export to ASEAN and non-ASEAN countries to compensate for domestic slowdown and intense competition as well as explore future investment opportunities.

Emerging Risks

1. Risk from digital technology transformation

Digital technology has and will play a crucial role in daily lives and businesses, for example, the adoption of digital technology in delivery service, marketing and sales through online channels. In the long term, such development may impact the SCG business model and traditional

Connected Transactions

distribution channels, which threatens SCG's competitive advantage. On the other hand, such a trend could create new business opportunities. For this reason, SCG has dedicated efforts to monitoring and analyzing trends and changes in digital technology and adopting them to prevent disruption risks and capture new opportunities. Examples include the adoption of Big Data to investigate customers' needs and behavior in introducing products and services, the development of marketing strategy focusing on the Omni channel that allows customers to access products and services through physical stores and websites, and the adoption of new technologies, automatic machineries and robotics in the production process. In 2017, SCG found AddVenture, a venture capital aiming to invest in domestic, regional and global start-ups, to explore solutions that respond to market requirements and improve SCG's operation efficiency from utilizing digital technology. AddVenture focuses on collaborating with start-ups in various key areas, including industrial, robotics, energy-saving, e-commerce, and logistics.

2. Risk from cyber threat

Changes of business operating models and working processes that are becoming more dependent on digital technology, automation in productions and factories and the connection of plant equipment with the internet make businesses exposed to cyber risks. For example, stolen research and development data, trade secrets and employee data could result in large amounts of monetary impact and adverse effects on the Company's brand and reputation. SCG has therefore, set out e-Policy 2017 and the cyber security roadmap implemented in domestic and overseas operations. The policy and roadmap include data classification and management, social network usage guidelines and the procedures for human resource staff involved with the personal data of SCG employees. SCG has also raised awareness among staff through training and various activities to create the right understanding when using digital technology and to ensure that cyber threats are being prevented.

3. Risk from higher costs of energy in Thailand

Various sources have forecasted that the major sources of energy supply in Thailand are diminishing while demand for energy is on a rising trend, which will likely lead to an increase in energy and electricity prices impacting SCG's

energy costs. Therefore, emphasis has been placed on reducing energy risk. SCG established the Energy Committee which is responsible for setting out and monitoring the organization's energy policy to increase energy utilization efficiency. Additionally, the organization appointed a taskforce 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 require lower production cost per unit or reduce energy consumption when in use.

4. Risk from climate change, natural disaster and greenhouse gas emission control

Climate change from greenhouse gas accumulation, more severe and frequent natural disasters and regulatory development for emission control have become vital risks that have caught the world's attention and could pose risks to corporate reputation. In 2015, Thailand signed the Paris Agreement, according to the UN Framework Convention on Climate Change, to keep the global temperature rise below 2 degrees Celsius. SCG has therefore established measures to reduce greenhouse gas emissions, for example, increasing the proportion of alternative energy, conducting experiments on planting and using energy crops, generating power from waste heat, developing products and improving production processes to reduce greenhouse gas emissions such as a rooftop solar power generation system and power generation from solar panels for SCG's operations in Thailand and overseas countries. In addition, SCG has considered setting up a working committee to study the financial impact resulting from climate change and continued raising awareness among staff on the importance of energy conservation and the use of a clean and environmental friendly energy.

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 as at 31 December 2017 (Million Baht)				
			SCC	SCG Cement- Building Materials	SCG Chemicals	SCG Packaging	Other
1. Transactions with joint ventures and associates							
1.1 SCG Cement-Building Materials							
Sales			-	3,461	-	-	-
	Sekisui-SCG Industry Co., Ltd.	49					
	Noritake SCG Plaster Co., Ltd.	40					
	The Siam Gypsum Industry Co., Ltd.	29					
	The Siam Gypsum Industry (Saraburi) Co., Ltd.	29					
	The Siam Gypsum Industry (Songkhla) Co., Ltd.	29					
Purchases			-	1,699	264	597	-
	Sekisui-SCG Industry Co., Ltd.	49					
	Siam Global House Public Company Limited	30					
	The Siam Gypsum Industry (Saraburi) Co., Ltd.	29					
	The Siam Gypsum Industry (Songkhla) Co., Ltd.	29					
Service income			-	-	-	-	-
	Jumbo Barges and Tugs Co., Ltd. *	55					
Service expenses and others			6	88	-	-	-
	Thai Prosperity Terminal Co., Ltd.	50					
	The Siam Gypsum Industry (Saraburi) Co., Ltd.	29					
Loans from			-	177	-	-	-
	Sekisui-SCG Industry Co., Ltd.	49					
	Mariwasa Holdings, Inc.	40					
	PT M Class Industry	28					

1.2 SCG Chemicals

Sales **			-	2	19,012	-	-
	Siam Synthetic Latex Co., Ltd.	50					
	Siam Polyethylene Co., Ltd.	50					
	Bangkok Synthetics Co., Ltd.	49					
	Thai PET Resin Co., Ltd.	40					
	Mehr Petrochemical Company (P.J.S.C.)	39					
	PT Chandra Asri Petrochemical Tbk.	31					
Purchases ***			-	5	49,065	184	-
	SCG Plastics (China) Co., Limited	60					
	SCG Plastics (Shanghai) Co., Ltd.	60					
	Siam Styrene Monomer Co., Ltd.	50					
	Siam Synthetic Latex Co., Ltd.	50					
	Siam Polyethylene Co., Ltd.	50					

* Change status from associate to subsidiary in August 2016

Amount as at 31 December 2016 (Million Baht)					Pricing policy
SCC	SCG Cement- Building Materials	SCG Chemicals	SCG Packaging	Other	
-	3,427	-	-	-	Market price applied with third party transactions
-	1,081	207	491	-	Market price applied with third party transactions
-	402	-	-	-	Market price applied with third party transactions
6	82	-	-	1	Market price applied with third party transactions
-	164	-	-	-	Agreed interest rate

-	-	16,236	-	-	Market price applied with third party transactions ** Most transactions are from selling goods to subsidiaries as follows: SCG Chemicals Co., Ltd. SCG Plastics Co., Ltd. SCG Performance Chemicals Co., Ltd.
-	1	45,275	63	-	Market price applied with third party transactions *** Most transactions are from purchasing goods from subsidiaries as follows: SCG Performance Chemicals Co., Ltd. Rayong Olefins Co., Ltd. Map Ta Phut Olefins Co., Ltd.

Type of transaction	Connected companies / Relationship	Total Direct / Indirect Holding (%)	Amount as at 31 December 2017 (Million Baht)				
			SCC	SCG Cement- Building Materials	SCG Chemicals	SCG Packaging	Other
Service expenses and others	MTP HPPO Manufacturing Co., Ltd.	50					
	Bangkok Synthetics Co., Ltd.	49					
	Thai MMA Co., Ltd.	47					
	Grand Siam Composites Co., Ltd.	46					
	Thai MFC Co., Ltd.	45					
	PT Chandra Asri Petrochemical Tbk.	31					
	PT Styrimo Mono Indonesia	31					
	Mitsui Advanced Composites (Zhongshan) Co., Ltd.	20					
	Binh Minh Plastics Joint Stock Company	20					
			-	135	1,399	-	31
	Long Son Petrochemicals Co., Ltd. *	71					
	Siam Mitsui PTA Co., Ltd.	50					
	Siam Styrene Monomer Co., Ltd.	50					
	Siam Synthetic Latex Co., Ltd.	50					
	Siam Polyethylene Co., Ltd.	50					
	Rayong Terminal Co., Ltd.	50					
	Bangkok Synthetics Co., Ltd.	49					
	Thai MMA Co., Ltd.	47					
	Grand Siam Composites Co., Ltd.	46					
	Thai MFC Co., Ltd.	45					
Loans from	Thai PET Resin Co., Ltd.	40					
	PT Chandra Asri Petrochemical Tbk.	31					
Guarantees			-	-	41	-	-
	GTC Technology International, LP	25					
			127	-	40	-	-
	Siam Tohcello Co., Ltd.	45					
	Mehr Petrochemical Company (P.J.S.C.)	39					

1.3 SCG Packaging

Purchases			-	-	-	949	-
	Siam Toppan Packaging Co., Ltd.	48					
	Siam Nippon Industrial Paper Co., Ltd.	31					
	Saha Green Forest Co., Ltd.	17					
Service expenses and others			-	8	-	1	-
	Siam Nippon Industrial Paper Co., Ltd.	31					
Loans from			-	-	-	-	-
	Saha Green Forest Co., Ltd.	17					

* Change status from joint venture to subsidiary in June 2017

Amount as at 31 December 2016 (Million Baht)					Pricing policy
SCC	SCG Cement- Building Materials	SCG Chemicals	SCG Packaging	Other	
-	106	1,727	-	27	Market price applied with third party transactions
-	-	45	-	-	Agreed interest rate
418	-	63	-	-	Contract rate

-	-	-	763	-	Market price applied with third party transactions
-	10	-	1	2	Market price applied with third party transactions
-	-	-	5	-	Agreed interest rate

Type of transaction	Connected companies / Relationship	Total Direct / Indirect Holding (%)	Amount as at 31 December 2017 (Million Baht)				
			SCC	SCG Cement-Building Materials	SCG Chemicals	SCG Packaging	Other
Guarantees	Siam Nippon Industrial Paper Co., Ltd.	31	-	-	-	495	-

1.4 Other

Sales	Siam Kubota Corporation Co., Ltd.	40	-	1,255	-	-	-
Purchases	Siam Kubota Corporation Co., Ltd.	40	-	70	6	18	-
	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	154	326	132	87	-
Service expenses and others	Siam Kubota Corporation Co., Ltd.	40	1,059	170	-	-	9

2. Transactions with other companies which have SCG executives holding

2.1 SCG Cement-Building Materials

Purchases	Asia Cement Public Company Limited Mr. Nithi Patarachoke / Director	10	-	-	-	25	-
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2.2 SCG Packaging

Sales	Thai British Security Printing Public Company Limited Mr. Surasak Amawat / Director	18	-	2	-	-	-
Purchases	Thai British Security Printing Public Company Limited Mr. Surasak Amawat / Director	18	-	-	-	52	-
Service expenses and others	Thai British Security Printing Public Company Limited Mr. Surasak Amawat / Director	18	-	10	-	5	2

Amount as at 31 December 2016 (Million Baht)					Pricing policy
SCC	SCG Cement-Building Materials	SCG Chemicals	SCG Packaging	Other	
-	-	-	495	-	Contract rate

-	1,236	-	-	-	Market price applied with third party transactions
-	78	8	17	-	Market price applied with third party transactions
145	430	177	103	1	Market price applied with third party transactions
1,045	184	-	-	15	Market price applied with third party transactions

-	-	-	15	-	Market price applied with third party transactions
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-	2	-	-	-	Market price applied with third party transactions
-	-	-	94	-	Market price applied with third party transactions
-	10	-	-	3	Market price applied with third party transactions

Type of transaction	Connected companies / Relationship	Total Direct / Indirect Holding (%)	Amount as at 31 December 2017 (Million Baht)				
			SCC	SCG Cement- Building Materials	SCG Chemicals	SCG Packaging	Other
2.3 Other							
Sales	Siam Yamato Steel Co., Ltd.	10	-	2,623	-	-	-
	Mr. Chaovalit Ekabut / Director						
	Mr. Yuttana Jiamtragan / Director						
Purchases	Siam Yamato Steel Co., Ltd.	10	-	172	10	1	-
	Mr. Chaovalit Ekabut / Director						
	Mr. Yuttana Jiamtragan / Director						
Service expenses and others	Siam Yamato Steel Co., Ltd.	10	304	79	12	-	4
	Mr. Chaovalit Ekabut / Director						
	Mr. Yuttana Jiamtragan / Director						

Amount as at 31 December 2016 (Million Baht)					Pricing policy
SCC	SCG Cement-Building Materials	SCG Chemicals	SCG Packaging	Other	
-	2,190	-	-	-	Market price applied with third party transactions
-	185	5	2	-	Market price applied with third party transactions
267	76	4	-	5	Market price applied with third party transactions



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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

The Audit Committee’s Report

The Audit Committee independently performed its duties, in accordance with the Audit Committee Charter which has been reviewed in conformance with current business situation and approved by the Board of Directors in annual basis. In 2017, the Audit Committee emphasized the role of Strategic and Monitoring Audit Committee to review governance, strategic identification, business operation and monitoring in order to achieve the Company’s goals and business sustainability. By performing this, the Management and all employees must have ethics, integrity and Code of Conduct, as well as understand their roles, responsibilities, authority and accountability according to Three Lines of Defense model, together with working under the umbrella of Integrated Governance, Risk Management, Compliance and Control (Integrated GRC).

In 2017, the Committee held six meetings with 100% attendance by the members. The performance assessment of the Audit Committee as a whole and self-assessment are conducted each year. The assessment result was on very satisfaction level which was similar to previous year result. Assessment issues included the Audit Committee’s availability, performance under scope of the Audit Committee’s authority, the Audit Committee’s meeting, overall opinions, performance of the Audit Committee’s secretary and performance of the Internal Audit Office. In 2017, 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 2017, the consolidated financial statements of The Siam Cement Public Company Limited and its subsidiaries, which were prepared in accordance with Thai Financial Reporting Standards (TFRS) which is 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 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 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, including Key Audit Matters (KAM), 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 2017, the external auditors did not discover any material misstatements or indications of suspicious incidents. Furthermore, to ensure that no such incidents were discovered, the Audit Committee resolved that the President & CEO reports the results received from all President and Vice – President of business units and relevant responsible parties to the Audit Committee. In 2017, 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 Connected Transactions, Acquisition and Disposition Transactions and Transactions which might result in Conflict of Interests The Audit Committee reviewed the connected transactions and transactions which might result in conflict of interest, as well as information regarding the relevant directors. These transactions and information are reviewed and disclosed to the Stock Exchange of Thailand in timely manner.

3. Review of Corporate Governance 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), A securities and Exchange Commission (SEC) Stock Exchange of Thailand (SET), and Thai Institute of Directors Association (IOD). The Audit Committee reviewed the efficiency and effectiveness of good governance and found that the directors, the Management and employees have strictly complied with the policy by having the Board of Directors and the Management

as the role model. Employees approximately 33,300 persons have passed Ethics e-testing with 100% pass score. The test was operated for the 3rd consecutive year. Anti-corruption Policy has been seriously implemented throughout SCG and has been applied to subsidiaries as appropriate for the business. This commitment has extended to our suppliers by providing Supplier Code of Conduct for use as a guideline, which is aim to encourage our suppliers to behave as good citizens and conduct their businesses in such a way that they address societal and environmental concerns more than law and regulatory's requirements. There were approximately more than 5,000 suppliers who signed on Supplier Code of Conduct agreement. Board of Directors also approved the announcement of "Guideline on Appropriate Internal Control Measures to Prevent Bribery of State Officials, Foreign Public Officials and Agent of Public International Organization" according to Section 123/5 of the Organic Act on Counter Corruption B.E. 2542 (1999) of the National Counter Corruption Commission which was approved by Audit Committee and CEO communicated to every employee through Message from CEO (Tone at the top). This reflects the top management perspective to counter the corruption.

4. Review of Risk Management Assessment The Audit Committee reviewed efficiency and effectiveness of the Company's risk management process by responsibility of SCG Risk Management Committee. SCG Risk Management Committee consists of the SCG President and CEO, served as the Committee Chairman, and the SCG top executives as the members, with the duty to consider the structure, policy, risk management framework, risk management plan, also review risk profile and monitor the Company's risk management on a monthly or quarterly basis. While the Corporate Risk Management Unit is responsible for compiling risk reports and managing risk in the form of risk dashboard. In 2017, SCG emphasizes on emerging risk such as Digital Transformation, Cyber Security, etc., which significance and likelihood in the future are considered. SCG Risk Management Committee has prepared risk management measures by setting medium term plan, annual plan and taking investment project risk into consideration.

5. Review of Compliance SCG developed Compliance Management System (CMS), which is in accordance with ISO19600 standard, for business units to apply and integrate into the operations as appropriate. In 2017, SCG have announced 4 important policies such as Compliance Policy,

Insider Trading Policy, Disclosure Policy and Anti-trust Policy.

6. Review of Internal Control System The Audit Committee reviewed the results of internal control assessment, both in operational 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 (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, which impact the Company's financial statements. This 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. The Preventive System comprises Ethics e-testing, e-Policy e-testing, good risk management and control practices in accordance with "Three Lines of Defense" model, and a case study of corruption, non-conformance to laws, and the Company's regulations, policies, and code of conduct. In addition, Control Self Assessment (CSA) tool or setting Business Self Audit team helps 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 and controls. In addition, the Internal Audit Office in collaboration with business units (First Line) has continuously developed the Continuous Monitoring & Continuous Auditing reports to support businesses for monitoring 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 key internal controls involved in the operations.

7. 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, in 2017, the Internal Audit Office emphasized on continuous implementing Three Lines of Defense model from the previous year; such as, be the role model for employees by

first – line top management, provide communication and suggestion on risk assessment, control identification and monitoring of performance for the current system, the upcoming system, new business or new information technology system of SCG. Additionally, developing of Country Internal Auditor teams in Vietnam and Indonesia to perform their duties in assessing the efficiency and effectiveness of governance, risk management, compliance, and internal controls of SCG and its overseas subsidiaries; under the authority of the Internal Audit Office in Thailand. Workshops were organized for IT-BU representatives to disseminate knowledge about the international standards, risk, internal control and IT audit results, as well as perform audit in IT emerging risk areas e.g. Cyber Security Risk: Penetration test and Information Security Risk: Data Leakage.

8. Review of Fraud Investigations In addition to employee's Whistleblowing System, SCG developed Whistleblowing System to enable external parties to report dishonesty via www.scg.com further complaints through phone calls, send e-mails or letters to the directors, the Internal Audit Director, and the Secretary to the Board. In 2017, 31 cases, via external party and employee Whistleblowing Systems, were found in terms of non-compliance with laws, the Company's regulations, SCG Anti-corruption Policy, Corporate Governance policy, SCG Four Core Values, SCG Code of Conduct, or Supplier Code of Conduct; also, there were 5 cases pending from the pervious year. 27 cases were fully investigated while 9 cases were undergoing fact-finding and investigation process. The investigation's results composed of 4 cases were non-compliance with the Code of Conduct but none were related to Anti-corruption Policy, 9 cases on non-compliance with the Company's regulations and not contain material value and did not cause the Company damage and 14 cases did not match with the complaints or conducted correctly. Findings from the investigation were taken into consideration for determination of future procedure and preventive guidelines. The Audit Committee also reviewed fraud investigation results, fraud risk assessment and impact in order to determine fraud

preventive guidelines in operational systems; together with review preventive measures and investigation policy to be updated and appropriated with continuous business operation.

9. Appointment of the External Auditor and Review of the Audit Fee for 2018 KPMG In 2017, the Audit Committee considered auditor service proposal for company and subsidiaries both domestically and internationally from 3 leading auditor firms according to the Auditor Selection Panel suggestion and agrees to appoint KPMG Phoomchai Audit Ltd. as company auditor for the period ended 2018-2022 because KPMG Phoomchi Audit Ltd's. offer has utmost benefit to the company. For 2018, the Audit Committee recommends the Board of Directors to appoint approval at the Shareholder's 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. Porntip Rimdusit, Certified Public Accountant Registration No. 5565; or Ms. Thanyalux Keadkaew, Certified Public Accountant Registration No. 8179; all of KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2018; approval of the Company's audit fee for the fiscal year 2018 and the annual audit and quarterly review fee for SCG's consolidated financial statements amounting to Baht 6.05 Million and acknowledgement of the annual audit fee for the year 2018 of subsidiaries' financial statements and quarterly review fee for listed subsidiaries' financial statements which were audited by KPMG in Thailand and KPMG overseas. SCG subsidiaries were responsible for the audit fee totaling Baht 47.80 Million.

On behalf of the Audit Committee



Tarrin Nimmanahaeminda

Chairman of the Audit Committee

Operating Results and Financial Status

20.1 Business Overview

SCG's revenue from sales increased largely due to higher chemicals product prices, while profit for the year decreased mainly from the weakness in the domestic cement-building materials operations, following the continued market softness.

In 2017, SCG's revenue from sales increased 6% from the previous year to 450,921 Million Baht, largely due to higher chemicals product prices. EBITDA increased 4% from the previous year to 102,080 Million Baht, benefiting from the dividend income from associates. Profit for the year registered 55,041 Million Baht a decreased of 2% from the previous year, mainly from the weakness in the domestic cement-building materials operations, following the continued market softness.

Share of profit of associates and joint ventures for 2017 amounted to 18,212 Million Baht, an increase of 279 Million Baht from the previous year with details as follows:

- SCG Chemicals associates: Share of profit amounted to 14,826 Million Baht, increased 606 Million Baht from the previous year.
- Other associates: Share of profit amounted to 3,386 Million Baht, decreased 327 Million Baht from the previous year.

20.2 Operating Results of Strategic Business Segments

SCG Cement-Building Materials

In 2017, revenue from sales increased 3% from the previous year to 175,255 Million Baht, attributed to the contribution of the newly expanded ASEAN operations. While EBITDA decreased 6% from the previous year to 22,319 Million Baht, following weaker demand in the Thai market. Similarly, profit for the year decreased 15% from the previous year to 7,230 Million Baht.

SCG Chemicals

In 2017, revenue from sales increased 10% from the previous year to 206,280 Million Baht, mainly from the higher chemicals product prices. EBITDA also increased 6% from last year to 64,461 Million Baht from higher dividend income from associates. Profit for the year remained stable

at 42,007 Million Baht. Subsidiaries performance slightly dropped from higher naphtha cost and strong Thai Baht, despite gain on investment sales. However, equity income from associates slightly improved.

SCG Packaging

In 2017, revenue from sales increased 9% from the previous year to 81,455 Million Baht and EBITDA increased 14% to 12,431 Million Baht from higher sales volume of packaging paper and sales of Thai Union Paper Public Company Limited's assets. Profit for the year increased 32% from the previous year to 4,719 Million Baht.

20.3 Financial Status

Assets

Continued solid financials, with cash and cash under management of 64,129 Million Baht.

Total assets of SCG as at December 31, 2017 was 573,412 Million Baht, with an increase of 6% from the previous year. Key components of total assets were property, plant and equipment at 43%, current assets at 30% and investments at 19%. Ranking of asset values by business segments are SCG Cement-Building Materials, SCG Chemicals, and SCG Packaging, respectively.

Current assets: amounted to 171,619 Million Baht as at December 31, 2017, with an increase of 10% from the previous year, comprising largely of inventories, trade and other current receivables, cash and cash equivalents, and current investments. At December 31, 2017, SCG's working capital was 73,573 Million Baht with working capital days at 59 days.

Cash and cash under management: amounted to 64,129 Million Baht as at December 31, 2017, increase 16,877 Million Baht from the previous year, despite CAPEX and investments of 46,088 Million Baht during the year which is lower than expected, due to delay in the chemicals project in Vietnam.

Investments in associates and joint ventures: amounted to 98,331 Million Baht as at December 31, 2017, an increase of 2,833 Million Baht or 3% from the previous year with the following reasons:

- Increase from share of profit using equity method amounted to 18,212 Million Baht, attributed to healthy earnings from the chemicals associates.

- Decrease from dividends received amounted to 16,444 Million Baht mainly from the chemicals associates' dividend income.

In addition, significant movements during the year on investments in associates and joint ventures were as follows:

- Increase from additional investments totaling 4,061 Million Baht which is capital increase of the chemicals in PT Chandra Asri Petrochemical Tbk., the manufacturing of raw materials for plastic resins in Indonesia and the cement-building materials in Global House International Co., Ltd., the holding company investing in building materials and home improvement products distribution business.

- Decrease from disposals totaling 1,328 Million Baht, during the year, the chemicals had sold the entire 22% stake in Tien Phong Plastics Joint Stock Company, the manufacturing and sale of PVC pipes in Northern Vietnam, the packaging had divested all of its 17% stake in Rengo Packaging Malaysia Sdn. Bhd., a producer of corrugated boxes in Malaysia. Additionally, the other segment had sold its all 30% stakes in Maxion Wheels (Thailand) Co., Ltd., a leading manufacturer of automotive wheels in Thailand.

- Decrease from the change in status of joint venture to subsidiary amounted to 2,061 Million Baht from the additional share acquisition of 25% portion in Long Son Petrochemicals Co., Ltd., the first petrochemicals complex in Vietnam, resulting in the increase in ownership interests to 71%.

Property, plant and equipment: amounted to 248,847 Million Baht as at December 31, 2017, an increase of 3,664 Million Baht due to the CAPEX and investments during the year.

Liabilities

Net debt decreased 1,909 Million Baht, resulting from an increase in operating cash inflow, despite the CAPEX and Investments during the year.

Total liabilities as at December 31, 2017 amounted to 271,587 Million Baht, an increase of 5% from the previous

year. During the year, SCG had issued new debentures totaling 60,000 Million Baht to replace the matured debentures of 45,000 Million Baht and 15,000 Million Baht to support operations and future investments. Finance costs were 7,112 Million Baht, a decrease of 461 Million Baht from last year.

Net debt (interest-bearing debt less cash and cash under management) of SCG as at December 31, 2017 decreased 1,909 Million Baht from the previous year to 145,034 Million Baht, resulting from an increase in EBITDA, while significant cash outflow during 2017 amounted to 94,573 Million Baht, comprising CAPEX and investments of 46,088 Million Baht including the acquisition of the integrated cement operator in Vietnam and the capital increase in the petrochemical operator in Indonesia, dividend payments of 34,385 Million Baht, interest payment of 7,534 Million Baht and corporate tax of 6,566 Million Baht.

20.4 Taxes to government and local government authorities

		Country					
(Million Baht)	Year	Thailand	Vietnam	Indonesia	Cambodia	Philippines	Consolidated
Revenue from sales *	2016	257,723	32,426	27,668	11,464	8,901	423,442
	2017	264,240	38,554	28,487	11,691	9,911	450,921
Profit before tax **	2016	52,676	3,431	(215)	1,391	376	57,404
	2017	51,437	2,392	(376)	1,664	475	55,242
Reported Taxes	2016	4,618	539	85	272	107	4,618
	2017	5,694	414	104	191	137	5,694
Effective Tax Rate (%) ***	2016	9%	16%	n/a	20%	28%	8%
	2017	11%	17%	n/a	11%	29%	10%
Corporate Income Tax Rate (%)		20%	20%	25%	20%	30%	n/a
Cash Taxes Paid	2016	5,994	477	192	173	71	7,007
	2017	5,580	442	176	184	118	6,566
Cash Tax Rate (%)	2016	11%	14%	n/a	12%	19%	12%
	2017	11%	18%	n/a	11%	25%	12%
Additional information: Total liability of taxes to government and local government authorities							
Corporate Income Tax	2016	5,591	478	134	183	107	6,578
	2017	5,495	425	151	163	149	6,452
Property Tax	2016	176	1	5	0.2	41	228
	2017	190	1	3	0.2	35	235
Specific Business Tax	2016	7	2	14	0.2	21	44
	2017	5	70	7	0.2	20	102
Other Tax	2016	19	49	19	0.2	-	88
	2017	18	119	32	0.2	-	170
Total Taxes	2016	5,793	529	172	184	169	6,938
	2017	5,708	614	193	164	203	6,959

* Revenue from sales from geographical segment
** Represent profit before share of profit of associates and joint ventures and income tax expense
*** Calculated from reported taxes divided by profit before tax

In 2017, SCG recognized income tax expenses amounted to 5,694 Million Baht and the calculated effective tax rate was 10%. The lower tax rate comparing to the corporation income tax rate in each country was mainly from tax privileges. Total tax paid to government and local government authorities for the year 2017 amounted to 6,959 Million Baht, close to the previous year.

20.5 Financial ratios
SCG’s financial ratios remain solid.

In 2017, current ratio registered 1.5 times increased from 1.3 times in the previous year and net debt to EBITDA ratio registered 1.4 times decreased from 1.5 times in the previous year. At the end of 2017, debt to equity ratio remained at 0.9 times.
From the financial position and performance of 2017, the Board of Directors considered proposing the Annual

General Meeting of Shareholders for approval of 2017 dividend payment of 19.00 Baht per share, representing a dividend payout ratio of 41% of consolidated profit for the year. SCG has already paid an interim dividend of 8.50 Baht per share on August 24, 2017. The final dividend will be paid at the amount of 10.50 Baht per share on April 20, 2018.

Consolidated Financial Statements

The Siam Cement Public Company Limited and its Subsidiaries

Independent auditor’s report

To the Shareholders of The Siam Cement Public Company Limited

Opinion

I have audited the 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 2017, the consolidated income statement and statement of comprehensive income, changes in shareholder’s equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group, as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

The acquisitions of business	
Refer to Notes 2, 3 (a) and 4 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
During the year 2017, the Group has acquired many companies, both in Thailand and overseas, comprising of companies in SCG Cement-Building Materials business, SCG Chemicals business and SCG Packaging business. These result in the increase in production capacity, customer base in region, and competitive advantages of the Group. The accounting for the business acquisition requires management to make judgments on identifying and determining the fair values of assets acquired and liabilities assumed from a business acquisition comparing with the consideration transferred to the seller, resulting in the differences that give rise to goodwill or gain on bargain purchase recognition. The Group engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition. Therefore, this is an area of focus in my audit.	<p>My audit procedures focused on assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from a business acquisition with reference to its operating environment, my knowledge of the acquired business and industry, and other information obtained during the audit. The audit procedures included a combination of inquiry of management about the nature and objective for a business acquisition, inspecting share transfer agreement and relevant minutes of meetings of management in order to understand the significant terms and conditions, and the features relevant to the acquisition accounting. I consulted with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach. I evaluated the appropriateness of identifying assets acquired and liabilities assumed from a business acquisition, including the consideration transferred to the seller. I examined the relevant purchase and disbursement documents. I verified the mathematical accuracy of calculation of goodwill and gain on bargain purchase. In addition, I evaluated the independence and professional competence of the independent appraisers engaged by the Group.</p> <p>I also considered the adequacy of the Group’s disclosures in accordance with the financial reporting standard.</p>

The impairment testing of goodwill	
Refer to Notes 2, 3 (k) and 16 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
Due to the current economic conditions in the countries in which the acquired subsidiaries operate, the management considers that impairment testing of goodwill arising from business combination is important. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis and whenever an indication of impairment exists. This requires management’s judgment and estimates in determining the recoverable amount of cash generating unit, in particular the forecasting of future cash flows from future business plan and its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.	<p>My audit procedures focused on assessing the reasonableness of the key assumptions used to evaluate the recoverable amount of cash generating unit and impairment indicator.</p> <p>I evaluated the reasonableness and challenged key assumptions which underpin management’s discounted cash flows with reference to market situations and its operating environment, my knowledge of the industry, and other information obtained during the audit. I tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results. Additionally I consulted with KPMG valuation specialists when considering the appropriateness of the valuation methodology and discount rate.</p> <p>I also considered the adequacy of the Group’s disclosures in accordance with the financial reporting standard.</p>

Recognition of deferred tax assets	
Refer to Notes 2, 3 (q) and 17 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The management assessed the appropriateness of the recognition of the Group's deferred tax assets. This involved the management's judgment and assumptions used for the estimation of sufficient future taxable profits and the utilization of deferred tax assets, particularly on deferred tax assets from unused tax loss carry forward. Judgmental aspects depend on assumptions of future profitability, revenue from value added products which has been expected to increase revenue and profit growth, and the results of actions to be taken to increase sales and tightened cost control. Therefore, this is an area of focus in my audit.	<p>My audit procedures included the assessment of deferred tax assets recognition method and assumptions used in forecasting future taxable profits as provided by management. I compared key inputs used by the management to forecast future taxable profits to externally available data such as economic forecasts and the Group's historical data and performance, taking into account the reasonableness of historical estimation of tax profit in comparison to actual operating results.</p> <p>I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.</p>

The impairment testing of property, plant and equipment	
Refer to Notes 2, 3 (j) and 15 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The management assessed the impairment indication of property, plant and equipment towards to the Group's consolidated financial statements which focusing specifically on the business that performance was consistently below expectations. The impairment testing of property, plant and equipment is considered to be a risk area due to the fact that it involves significant judgment by management to identify any indication of impairment and recoverable amount. Judgmental aspects include estimates and assumptions which focusing particularly on the forecasting of future cash flows along with its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.	<p>My audit of impairment testing of property, plants and equipment focused on assessing the reasonableness of impairment indicator and the key assumption which underpins management's forecast.</p> <p>I evaluated the reasonableness of impairment indicator with reference to current market situations and its operating environment, my knowledge of the business, and other information obtained during the audit.</p> <p>I challenged significant assumptions which underpin management's discounted future cash flows with reference to recent performance, trend analysis, and tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical forecasts to the actual operating results. Additionally, I consulted with KPMG valuation specialists when considering the appropriateness of the valuation methodology and discount rate.</p> <p>I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

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

In connection with my audit of the consolidated financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRSs, 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.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Winid Silamongkol
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok

14 February 2018

Consolidated statement of financial position

As at 31 December 2017

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht			
Assets	Note	2017	2016
Current assets			
Cash and cash equivalents	10	43,936,645	27,709,352
Current investments	10	12,970,998	13,089,306
Trade and other current receivables	5, 6	55,407,319	51,473,037
Short-term loans	5	152,393	167,136
Inventories	7	57,649,895	53,334,689
Other current assets	8	1,471,196	5,533,980
Non-current assets classified as held for sale	9	30,832	5,318,910
Total current assets		171,619,278	156,626,410
Non-current assets			
Investments held as available for sale	10	7,161,645	6,347,801
Investments in associates	11	95,346,183	90,811,302
Investments in joint ventures	11	2,984,699	4,686,586
Other long-term investments	12	2,975,865	2,866,061
Other non-current receivables	13	5,244,715	2,947,011
Long-term loans	5	123,754	124,038
Investment property	14	1,492,151	1,307,115
Property, plant and equipment	15	248,847,055	245,183,484
Goodwill	16	17,476,705	11,657,407
Other intangible assets	16	11,402,643	8,761,920
Deferred tax assets	17	6,273,762	5,918,173
Other non-current assets		2,463,577	2,450,679
Total non-current assets		401,792,754	383,061,577
Total assets		573,412,032	539,687,987

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 2017

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht			
Liabilities and shareholders' equity	Note	2017	2016
Current liabilities			
Bank overdrafts and short-term borrowings			
from financial institutions	18	19,586,055	15,601,257
Trade and other current payables	5	46,056,049	48,553,228
Current portion of long-term borrowings	19	4,787,023	4,641,914
Current portion of debentures	20	39,918,630	44,888,595
Short-term borrowings	5	196,862	204,246
Current income tax payable		2,954,837	2,943,363
Other current liabilities		2,507,894	1,235,405
Total current liabilities		116,007,350	118,068,008
Non-current liabilities			
Long-term borrowings	19	3,458,809	7,634,002
Debentures	20	141,215,577	121,224,377
Deferred tax liabilities	17	2,317,689	3,025,449
Non-current provisions for employee benefits	21	7,572,904	7,183,629
Other non-current liabilities		1,014,790	934,403
Total non-current liabilities		155,579,769	140,001,860
Total liabilities		271,587,119	258,069,868
Shareholders' equity			
Share capital	22		
Authorized share capital - Ordinary share		1,600,000	1,600,000
Issued and paid share capital - Ordinary share		1,200,000	1,200,000
Retained earnings			
Appropriated			
Legal reserve	23	160,000	160,000
General reserve		10,516,000	10,516,000
Unappropriated		270,131,718	237,993,458
Other components of shareholders' equity	23	(20,910,148)	(9,846,450)
Total equity attributable to owners of the parent		261,097,570	240,023,008
Non-controlling interests	24	40,727,343	41,595,111
Total shareholders' equity		301,824,913	281,618,119
Total liabilities and shareholders' equity		573,412,032	539,687,987

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

Consolidated income statement

For the year ended 31 December 2017

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht			
	Note	2017	2016
Revenue from sales	5	450,920,997	423,442,369
Cost of sales	5	(349,306,959)	(319,021,053)
Gross profit		101,614,038	104,421,316
Other income	5, 26	13,316,173	10,787,034
Profit before expenses		114,930,211	115,208,350
Distribution costs	27	(23,566,636)	(23,978,351)
Administrative expenses	28	(29,009,610)	(26,253,152)
Total expenses		(52,576,246)	(50,231,503)
Profit from operations		62,353,965	64,976,847
Finance costs	30	(7,112,414)	(7,572,423)
Share of profit of associates and joint ventures		18,212,304	17,932,694
Profit before income tax		73,453,855	75,337,118
Tax expense	31	(5,694,193)	(4,617,938)
Profit for the year		67,759,662	70,719,180
Profit attributable to			
Owners of the parent		55,041,247	56,084,194
Non-controlling interests		12,718,415	14,634,986
		67,759,662	70,719,180
Basic earnings per share (in Baht)			
Attributable to owners of the parent	32	45.87	46.74

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 2017

The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht			
	Note	2017	2016
Profit for the year		67,759,662	70,719,180
Other comprehensive income			
Components of other comprehensive income			
that will be reclassified to profit or loss			
Exchange differences on translating financial statement		(8,766,137)	(730,991)
Gains on remeasuring investments held as available for sale	10	66,142	911,464
Reversal of remeasuring investments held as available for sale		(1,692,934)	(410,001)
Share of other comprehensive income of associates and joint ventures		(1,058,991)	77,410
Income tax relating to components of other comprehensive income			
that will be reclassified to profit or loss	31	325,331	(131,286)
Total components of other comprehensive income			
that will be reclassified to profit or loss		(11,126,589)	(283,404)
Components of other comprehensive income			
that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses	21	(156,042)	(149,372)
Share of other comprehensive income of associates and joint ventures		2,128	(18,587)
Income tax relating to components of other comprehensive income			
that will not be reclassified to profit or loss	31	34,375	28,475
Total components of other comprehensive income			
that will not be reclassified to profit or loss		(119,539)	(139,484)
Other comprehensive income for the year, net of tax		(11,246,128)	(422,888)
Total comprehensive income for the year		56,513,534	70,296,292
Total comprehensive income attributable to			
Owners of the parent		45,126,691	55,857,302
Non-controlling interests		11,386,843	14,438,990
		56,513,534	70,296,292

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

Consolidated statement of changes in shareholders’ equity

For the year ended 31 December 2017

The Siam Cement Public Company Limited and its Subsidiaries

	Note	Issued and paid share capital	Retained earnings		
			Appropriated		Unappropriated
			Legal reserve	General reserve	
Balance at 1 January 2016		1,200,000	160,000	10,516,000	202,440,240
Transactions with owners, recorded					
directly in shareholders' equity					
Contributions by and distributions to					
owners of the parent					
Dividends	33	-	-	-	(20,398,454)
<hr/>					
Total contributions by and distributions					
to owners of the parent		-	-	-	(20,398,454)
<hr/>					
Changes in ownership interests					
in subsidiaries					
Changes that do not result in					
a loss of control		-	-	-	-
Changes that result in an acquisition					
or a loss of control		-	-	-	-
<hr/>					
Total changes in ownership interests					
in subsidiaries		-	-	-	-
<hr/>					
Total transactions with owners, recorded					
directly in shareholders' equity		-	-	-	(20,398,454)
<hr/>					
Comprehensive income for the year					
Profit or loss		-	-	-	56,084,194
Other comprehensive income		-	-	-	(132,522)
<hr/>					
Total comprehensive income for the year		-	-	-	55,951,672
<hr/>					
Balance at 31 December 2016		1,200,000	160,000	10,516,000	237,993,458

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

In thousand Baht							
Other components of shareholders' equity					Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Other comprehensive income			Changes in other components from shareholders	Total other components of shareholders' equity			
Translation of financial statement	Investments held as available for sale	Share of other comprehensive income of associates and joint ventures					
(3,057,312)	753,297	541,454	(6,392,652)	(8,155,213)	206,161,027	36,844,688	243,005,715
-	-	-	-	-	(20,398,454)	(11,505,878)	(31,904,332)
-	-	-	-	-	(20,398,454)	(11,505,878)	(31,904,332)
-	-	-	(1,596,867)	(1,596,867)	(1,596,867)	1,396,872	(199,995)
-	-	-	-	-	-	420,439	420,439
-	-	-	(1,596,867)	(1,596,867)	(1,596,867)	1,817,311	220,444
-	-	-	(1,596,867)	(1,596,867)	(21,995,321)	(9,688,567)	(31,683,888)
-	-	-	-	-	56,084,194	14,634,986	70,719,180
(534,102)	362,322	77,410	-	(94,370)	(226,892)	(195,996)	(422,888)
(534,102)	362,322	77,410	-	(94,370)	55,857,302	14,438,990	70,296,292
(3,591,414)	1,115,619	618,864	(7,989,519)	(9,846,450)	240,023,008	41,595,111	281,618,119

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

Consolidated statement of changes in shareholders’ equity

For the year ended 31 December 2017

The Siam Cement Public Company Limited and its Subsidiaries

	Note	Issued and paid share capital	Retained earnings		
			Appropriated		Unappropriated
			Legal reserve	General reserve	
Balance at 1 January 2017		1,200,000	160,000	10,516,000	237,993,458
Transactions with owners, recorded					
directly in shareholders' equity					
Contributions by and distributions to					
owners of the parent					
Dividends	33	-	-	-	(22,799,365)
Total contributions by and distributions					
to owners of the parent					
		-	-	-	(22,799,365)
Changes in ownership interests					
in subsidiaries					
Changes that do not result in					
a loss of control					
		-	-	-	-
Changes that result in an acquisition					
or a loss of control					
		-	-	-	-
Total changes in ownership interests					
in subsidiaries					
		-	-	-	-
Total transactions with owners, recorded					
directly in shareholders' equity					
		-	-	-	(22,799,365)
Comprehensive income for the year					
Profit or loss					
		-	-	-	55,041,247
Other comprehensive income					
		-	-	-	(103,622)
Total comprehensive income for the year					
		-	-	-	54,937,625
Balance at 31 December 2017		1,200,000	160,000	10,516,000	270,131,718

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

in thousand Baht							
Other components of shareholders' equity							
Other comprehensive income			Changes in other components from shareholders	Total other components of shareholders' equity			
Translation of financial statement	Investments held as available for sale	Share of other comprehensive income of associates and joint ventures					Total equity attributable to owners of the parent
(3,591,414)	1,115,619	618,864	(7,989,519)	(9,846,450)	240,023,008	41,595,111	281,618,119
-	-	-	-	-	(22,799,365)	(11,641,161)	(34,440,526)
-	-	-	-	-	(22,799,365)	(11,641,161)	(34,440,526)
-	-	-	(1,252,764)	(1,252,764)	(1,252,764)	(2,019,104)	(3,271,868)
-	-	-	-	-	-	1,405,654	1,405,654
-	-	-	(1,252,764)	(1,252,764)	(1,252,764)	(613,450)	(1,866,214)
-	-	-	(1,252,764)	(1,252,764)	(24,052,129)	(12,254,611)	(36,306,740)
-	-	-	-	-	55,041,247	12,718,415	67,759,662
(7,669,423)	(1,082,521)	(1,058,990)	-	(9,810,934)	(9,914,556)	(1,331,572)	(11,246,128)
(7,669,423)	(1,082,521)	(1,058,990)	-	(9,810,934)	45,126,691	11,386,843	56,513,534
(11,260,837)	33,098	(440,126)	(9,242,283)	(20,910,148)	261,097,570	40,727,343	301,824,913

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

Consolidated statement of cash flows

For the year ended 31 December 2017

The Siam Cement Public Company Limited and its Subsidiaries

	in thousand Baht	
	2017	2016
Cash flows from operating activities		
Profit for the year	67,759,662	70,719,180
Adjustments for		
Tax expense	5,694,193	4,617,938
Depreciation and amortization	23,282,022	22,709,819
Loss on inventories devaluation	72,723	129,126
Employee benefit expense	896,567	913,129
Unrealized gain on foreign currency exchange	(84,999)	(224,243)
Share of profit of associates and joint ventures	(18,212,304)	(17,932,694)
Dividend income	(1,952,337)	(2,820,702)
Interest income	(810,912)	(818,208)
Interest expense	6,874,499	7,208,905
Gain on sales of investments and others	(3,730,756)	(743,547)
Cash flows generated from operations		
before changes in operating assets and liabilities	79,788,358	83,758,703
Decrease (increase) in operating assets		
Trade and other current receivables	(6,667,193)	2,452,033
Inventories	(4,875,104)	(386,092)
Other current assets	262,429	314,523
Other non-current assets	(206,630)	321,451
Net decrease (increase) in operating assets	(11,486,498)	2,701,915

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

Consolidated statement of cash flows

For the year ended 31 December 2017

The Siam Cement Public Company Limited and its Subsidiaries

			in thousand Baht
	Note	2017	2016
Increase (decrease) in operating liabilities			
Trade and other current payables		(1,506,543)	(3,743,109)
Other current liabilities		6,564	460,210
Provisions for employee benefits		(603,063)	(416,900)
Other non-current liabilities		245,929	(82,334)
Net decrease in operating liabilities		(1,857,113)	(3,782,133)
Net cash flows generated from operations		66,444,747	82,678,485
Income tax paid		(5,752,533)	(7,007,236)
Net cash flows provided by operating activities		60,692,214	75,671,249
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	4	(4,363,906)	(543,960)
Investments in associates and joint ventures		(4,061,291)	(28,000)
Proceeds from sales of investments		30,801,747	41,055,624
Current investments		(19,437,934)	(34,996,117)
Investments held as available for sale and other long-term investments		(2,137,212)	(2,558,277)
Proceeds from sales of property, plant and equipment		1,398,748	544,872
Acquisition of property, plant and equipment		(22,395,749)	(30,684,457)
Acquisition of intangible assets		(3,312,175)	(1,329,240)
Proceeds from repayment of loans to related parties		23,266	-
Dividends received		18,329,472	12,864,470
Interest received		846,165	864,564
Income tax paid from sales of investments		(813,571)	-
Net cash flows used in investing activities		(5,122,440)	(14,810,521)

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

Consolidated statement of cash flows

For the year ended 31 December 2017
The Siam Cement Public Company Limited and its Subsidiaries

in thousand Baht			
	Note	2017	2016
Cash flows from financing activities			
Proceeds from changes in ownership interests in subsidiaries			
that do not result in a loss of control		154,164	2,059,715
Payments of changes in ownership interests in subsidiaries			
that do not result in a loss of control	4	(3,352,204)	(2,259,013)
Proceeds from (payments of) borrowings			
Proceeds from (payments of) bank overdrafts and			
short-term borrowings from financial institutions		2,725,729	(898,881)
Proceeds from long-term borrowings		962,423	1,450,455
Payments of long-term borrowings		(12,132,093)	(9,943,398)
Payments of finance lease liabilities		(160,455)	(81,746)
Proceeds from issuance of debentures		59,949,830	49,968,663
Redemption of debentures		(44,928,595)	(49,961,424)
Net increase (decrease) in borrowings		6,416,839	(9,466,331)
Dividends paid			
Dividends paid to owners of the parent		(22,799,366)	(20,398,454)
Dividends paid to non-controlling interests		(11,585,336)	(11,516,182)
Total dividends paid		(34,384,702)	(31,914,636)
Interest paid		(7,534,427)	(7,595,570)
Net cash flows used in financing activities		(38,700,330)	(49,175,835)
Net increase in cash and cash equivalents			
16,869,444		11,684,893	
Effect of exchange rate changes on cash and cash equivalents		(642,151)	(53,337)
Cash and cash equivalents at beginning of the year		27,709,352	16,077,796
Cash and cash equivalents at end of the year		43,936,645	27,709,352
Supplementary information for cash flows			
Non-cash transactions			
Account payables from purchase of assets		2,523,241	4,304,417
Accrued investments		1,728,468	237,033

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

Notes to the financial statements

For the year ended 31 December 2017
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 14 February 2018.

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.

Details of the Company’s subsidiaries, which have significant operations and were included in the consolidated financial statements, are as follows:

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
SCG Cement-Building Materials		SCG Cement-Building Materials	
SCG Cement Co., Ltd.	100	PT Semen Lebak	
The Concrete Products and Aggregate Co., Ltd.	100	(Incorporated in Indonesia)	100
The Siam Cement (Kaeng Khoi) Co., Ltd.	100	PT SCG Readymix Indonesia	
The Siam Cement (Ta Luang) Co., Ltd.	100	(Incorporated in Indonesia)	100
The Siam Cement (Thung Song) Co., Ltd.	100	PT CPAC Surabaya	
The Siam Cement (Lampang) Co., Ltd.	100	(Incorporated in Indonesia)	100
Khammouane Cement Co., Ltd.		CPAC Lao Co., Ltd.	
(Incorporated in Lao PDR)	100	(Incorporated in Lao PDR)	100
Siam Mortar Co., Ltd.	100	The Concrete Products and	
The Siam White Cement Co., Ltd.	100	Aggregate (Vietnam) Co., Ltd.	
The Siam Refractory Industry Co., Ltd.	100	(Incorporated in Vietnam)	100
Cementthai Energy Conservation Co., Ltd.	100	Myanmar CPAC Service Co., Ltd.	
ECO Plant Services Co., Ltd.	100	(Incorporated in Myanmar)	100
Siam Research and Innovation Co., Ltd.	100	CPAC Concrete Products (Cambodia) Co., Ltd.	
SCI Eco Services Co., Ltd.	100	(Incorporated in Cambodia)	100
Q Mix Supply Co., Ltd.	100	SCG Cement-Building Materials Vietnam	
Silathai Sanguan (2540) Co., Ltd.	100	Limited Liability Company	
Silasanon Co., Ltd.	100	(Incorporated in Vietnam)	100
PT Pion Quarry Nusantara		Vietnam Construction Materials	
(Incorporated in Indonesia)	100	Joint Stock Company	
PT SCG Pipe and Precast Indonesia		(Incorporated in Vietnam)	100
(Incorporated in Indonesia)	100		

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
SCG Cement-Building Materials		SCG Cement-Building Materials	
Song Gianh Cement Joint Stock Company		PT SCG Lightweight Concrete Indonesia	
(Incorporated in Vietnam)	100	(Incorporated in Indonesia)	100
Mien Trung Cement One Member		SCG Distribution Co., Ltd.	100
Company Limited		SCG Cement-Building Materials Co., Ltd.	100
(Incorporated in Vietnam)	100	SCG Trading Co., Ltd.	100
Danang Cement One Member Company Limited		SCG Trading Australia Pty. Ltd.	
(Incorporated in Vietnam)	100	(Incorporated in Australia)	100
Phu Yen Cosevco Cement Company Limited		SCG Trading Guangzhou Co., Ltd.	
(Incorporated in Vietnam)	100	(Incorporated in China)	100
SCG Building Materials Co., Ltd.	100	SCG Trading Hong Kong Limited	
Cementthai Gypsum Co., Ltd.	100	(Incorporated in China)	100
MRC Roofing Co., Ltd.	100	SCG Trading Philippines Inc.	
Cementthai Ceramics Co., Ltd.	100	(Incorporated in the Philippines)	100
Cementthai Roof Holdings Philippines, Inc.		SCG Singapore Trading Pte. Ltd.	
(Incorporated in the Philippines)	100	(Incorporated in Singapore)	100
Cementthai Ceramics Philippines Holdings, Inc.		SCG Trading USA Inc.	
(Incorporated in the Philippines)	100	(Incorporated in USA)	100
Cementthai Gypsum (Singapore) Pte. Ltd.		PT SCG Trading Indonesia	
(Incorporated in Singapore)	100	(Incorporated in Indonesia)	100
The Siam Fibre-Cement Co., Ltd.	100	SCG Trading Lao Co., Ltd.	
The Fibre-Cement Products		(Incorporated in Lao PDR)	100
(Lampang) Co., Ltd.	100	SCG Marketing Philippines Inc.	
SCG Landscape Co., Ltd.	100	(Incorporated in the Philippines)	100
Siam Fiberglass Co., Ltd.	100	SCGT Malaysia Sdn. Bhd.	
The CPAC Roof Tile Co., Ltd.	100	(Incorporated in Malaysia)	100
SCG Concrete Roof (Vietnam) Co., Ltd.		SCG Trading (Cambodia) Co., Ltd.	
(Incorporated in Vietnam)	100	(Incorporated in Cambodia)	100
SCG Roofing Philippines, Inc.		SCG Trading Middle East Dmcc	
(Incorporated in the Philippines)	100	(Incorporated in the United Arab Emirates)	100
SCG Concrete Roof (Cambodia) Co., Ltd.		SCG Trading Vietnam Co., Ltd.	
(Incorporated in Cambodia)	100	(Incorporated in Vietnam)	100
Thai Ceramic Roof Tile Co., Ltd.	100	SCG Logistics Management Co., Ltd.	100
Thai Ceramic Co., Ltd.	100	SCG Logistics Lao Co., Ltd.	
The Siam Ceramic Group Industries Co., Ltd.	100	(Incorporated in Lao PDR)	100
Cementthai Home Services Co., Ltd.	100	SCG Logistics Management (Cambodia) Co., Ltd.	
Gemago Co., Ltd.	100	(Incorporated in Cambodia)	100

	Direct/ Indirect Holding (%)	Direct/ Indirect Holding (%)
SCG Cement-Building Materials		SCG Cement-Building Materials
SCG Trading Services Co., Ltd.	100	PT KIA Keramik Mas
Myanmar CBM Services Co., Ltd. (Incorporated in Myanmar)	100	(Incorporated in Indonesia) 96
Tip Fibre-Cement Co., Ltd.	100	PT Keramika Indonesia Assosiasi, Tbk. (Incorporated in Indonesia) 96
SCG Sourcing Co., Ltd.	100	Prime Dai An Joint Stock Company
SCG Experience Co., Ltd.	100	(Incorporated in Vietnam) 95
SCG Skills Development Co., Ltd.	100	Kampot Cement Co., Ltd.
Prime Group Joint Stock Company (Incorporated in Vietnam)	100	(Incorporated in Cambodia) 95
Prime Trading, Import and Export One Member Limited Liability Company (Incorporated in Vietnam)	100	PT Tambang Semen Sukabumi (Incorporated in Indonesia) 93
Ceramic Research Institution (Incorporated in Vietnam)	100	PT Kokoh Inti Arebama Tbk. (Incorporated in Indonesia) 91
Prime International Import-Export and Service Trading Company Limited (Incorporated in Vietnam)	100	The Siam Sanitary Fittings Co., Ltd. Sosuco and Group (2008) Co., Ltd. 90
Prime Ngoi Viet Joint Stock Company (Incorporated in Vietnam)	100	Prime Dai Viet Joint Stock Company (Incorporated in Vietnam) 90
Prime Pho Yen Joint Stock Company (Incorporated in Vietnam)	100	Prime Thein Phuc Joint Stock Company (Incorporated in Vietnam) 90
Prime Yen Binh Joint Stock Company (Incorporated in Vietnam)	100	Prime Phong Dien Joint Stock Company (Incorporated in Vietnam) 90
Prime Tien Phong Joint Stock Company (Incorporated in Vietnam)	100	Prime Dai Loc Joint Stock Company (Incorporated in Vietnam) 90
Prime Vinh Phuc Joint Stock Company (Incorporated in Vietnam)	100	CPAC Cambodia Co., Ltd. (Incorporated in Cambodia) 90
Prime Truong Xuan Joint Stock Company (Incorporated in Vietnam)	100	Saraburirat Co., Ltd. 83
Buu Long Industry and Investment Joint Stock Company (Incorporated in Vietnam)	99	Mariwasa-Siam Ceramics, Inc. (Incorporated in the Philippines) 83
PT Semen Jawa (Incorporated in Indonesia)	98	SCG Myanmar Concrete and Aggregate Co., Ltd. (Incorporated in Myanmar) 80
PT KIA Serpih Mas (Incorporated in Indonesia)	97	PT Surya Siam Keramik (Incorporated in Indonesia) 80
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		Green Conservation Solution Co., Ltd. 74
		Siam Sanitary Ware Co., Ltd. 71
		Siam Sanitary Ware Industry Co., Ltd. 71

	Direct/ Indirect Holding (%)	Direct/ Indirect Holding (%)
SCG Cement-Building Materials		SCG Cement-Building Materials
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	71	Jumbo Barges and Tugs Co., Ltd. 55
Mawlamyine Cement Limited (Incorporated in Myanmar)	70	Sosuco Ceramic Co., Ltd. 54
Quality Construction Products Public Company Limited	68	SCG-Sekisui Sales Co., Ltd. 51
Q-Con Eastern Co., Ltd.	68	Mingalar Motor Co., Ltd. (Incorporated in Myanmar) 50
SCGT Automobile Co., Ltd.	67	PT Siam-Indo Gypsum Industry (Incorporated in Indonesia) 50
SCG Yamato Express Co., Ltd.	65	PT Siam-Indo Concrete Products (Incorporated in Indonesia) 50
Prime Dai Quang Joint Stock Company (Incorporated in Vietnam)	56	Prime Hao Phu Joint Stock Company (Incorporated in Vietnam) 49
Guangxi SCG Logistics Co., Ltd. (Incorporated in China)	55	PT SCG Barito Logistics (Incorporated in Indonesia) 49
SCG-Shwe Me Logistics (Myanmar) Co., Ltd. (Incorporated in Myanmar)	55	Kampot Land Co., Ltd. (Incorporated in Cambodia) 47
Panel World Co., Ltd.	55	
SCG Chemicals		SCG Chemicals
SCG Chemicals Co., Ltd.	100	Norner Research AS (Incorporated in Norway) 100
Thai Polyethylene Co., Ltd.	100	Norner IP AS (Incorporated in Norway) 100
SCG Plastics Co., Ltd.	100	Norner Verdandi AS (Incorporated in Norway) 100
SCG Performance Chemicals Co., Ltd.	100	CO2 Technologies AS (Incorporated in Norway) 100
Rayong Engineering and Plant Service Co., Ltd.	100	SMH Co., Ltd. 100
Protech Outsourcing Co., Ltd.	100	PT TPC Indo Plastic and Chemicals (Incorporated in Indonesia) 100
RIL 1996 Co., Ltd.	100	Thai Plastic and Chemicals Public Company Limited 100
Texplore Co., Ltd.	100	TPC Paste Resin Co., Ltd. 100
Vina SCG Chemicals Co., Ltd.	100	The Nawaplastic Industries (Saraburi) Co., Ltd. 100
SCG Chemicals (Singapore) Pte. Ltd. (Incorporated in Singapore)	100	Nawa Plastic Industries Co., Ltd. 100
Tuban Petrochemicals Pte. Ltd. (Incorporated in Singapore)	100	Nawa Intertech Co., Ltd. 100
Hexagon International, Inc. (Incorporated in USA)	100	Chemtech Co., Ltd. (Incorporated in Vietnam) 100
Norner Holding AS (Incorporated in Norway)	100	
Norner AS (Incorporated in Norway)	100	

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
SCG Chemicals		SCG Chemicals	
Total Plant Service Co., Ltd.	100	TPC Vina Plastic and Chemicals Corporation Ltd.	
SENGFI UK Limited		(Incorporated in Vietnam)	70
(Incorporated in the United Kingdom)	100	Rayong Olefins Co., Ltd.	68
SENGFI Swiss GmbH		Map Ta Phut Olefins Co., Ltd.	67
(Incorporated in Switzerland)	100	Alliance Petrochemical Investment (Singapore) Pte. Ltd.	
Rayong Pipeline Co., Ltd.	92	(Incorporated in Singapore)	65
SCG ICO Polymers Company Limited	87	Siam Stabilizers and Chemicals Co., Ltd.	60
Map Ta Phut Tank Terminal Co., Ltd.	82	Nawaplastic (Cambodia) Co., Ltd.	
Viet-Thai Plastchem Co., Ltd.		(Incorporated in Cambodia)	60
(Incorporated in Vietnam)	72	Grand Nawaplastic Myanmar Co., Ltd.	
Long Son Petrochemicals Co., Ltd.		(Incorporated in Myanmar)	57
(Incorporated in Vietnam)	71	Flowlab & Service Co., Ltd.	51
SCG Packaging		SCG Packaging	
SCG Packaging Public Company Limited	99	New Asia Industries Co., Ltd.	
Siam Kraft Industry Co., Ltd.	99	(Incorporated in Vietnam)	69
Invenique Co., Ltd.	99	Alcamax Packaging (Vietnam) Co., Ltd.	
SCGP Excellence Training Center Co., Ltd.	99	(Incorporated in Vietnam)	69
SCG Paper Energy Co., Ltd.	99	AP Packaging (Hanoi) Co., Ltd.	
SCGP Solutions Co., Ltd.	99	(Incorporated in Vietnam)	69
SCGP-T Plastics Company Limited	99	Packamex (Vietnam) Co., Ltd.	
United Pulp and Paper Co., Inc.		(Incorporated in Vietnam)	69
(Incorporated in the Philippines)	98	Phoenix Pulp & Paper Public Company Limited	69
Paperlink Inter-Trade Corporation		Phoenix Utilities Co., Ltd.	69
(Incorporated in the Philippines)	98	Thai Paper Co., Ltd.	69
Thai Cane Paper Public Company Limited	93	Thai Union Paper Public Company Limited	69
Precision Print Co., Ltd.	74	The Siam Forestry Co., Ltd.	69
Conimex Co., Ltd.	74	Panas Nimit Co., Ltd.	69
Thai Containers Group Co., Ltd.	69	Thai Panason Co., Ltd.	69
Thai Containers Khonkaen Co., Ltd.	69	Thai Panadorn Co., Ltd.	69
Thai Containers Rayong Co., Ltd.	69	Thai Panaram Co., Ltd.	69
Vina Kraft Paper Co., Ltd.		Suanpa Rungsaris Co., Ltd.	69
(Incorporated in Vietnam)	69	Siam Panawes Co., Ltd.	69
TCG Rengo (S) Limited		Thai Panaboon Co., Ltd.	69
(Incorporated in Singapore)	69	Thai Wanabhum Co., Ltd.	69

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
SCG Packaging		SCG Packaging	
PT Primacorr Mandiri		Dyna Packs Co., Ltd.	52
(Incorporated in Indonesia)	62	Orient Container Co., Ltd.	52
PT Indoris Printingdo		D-In Pack Company Limited	52
(Incorporated in Indonesia)	62	Tawana Container Co., Ltd.	50
PT Indocorr Packaging Cikarang		Tin Thanh Packing Joint Stock Company	
(Incorporated in Indonesia)	55	(Incorporated in Vietnam)	47
TC Flexible Packaging Co., Ltd.	52	Prepack Thailand Co., Ltd.	37
Other		Other	
Cementhai Holding Co., Ltd.	100	SCG Vietnam Co., Ltd.	
Cementhai Property (2001) Public Company Limited	100	(Incorporated in Vietnam)	100
Property Value Plus Co., Ltd.	100	PT SCG Indonesia	
SCG Accounting Services Co., Ltd.	100	(Incorporated in Indonesia)	100
SCG Legal Counsel Limited	100	Bangsue Industry Co., Ltd.	100
CTO Management Co., Ltd.	100	Add Ventures Capital Co., Ltd.	
Cementhai Captive Insurance Pte. Ltd.		(Formerly: Siam Nawaphan Co., Ltd.)	100
(Incorporated in Singapore)	100	Add Ventures Capital International Co., Ltd.	
Siam Innovation Product and Solution Co., Ltd.	100	(Formerly: SCG Management Co., Ltd.)	100
SCG Learning Excellence Co., Ltd.	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 (%)		Direct/ Indirect Holding (%)
The CPAC Ready Mixed Concrete (South) Co., Ltd.	100	SCG Trading (Jordan) L.L.C.	
Cementhai Building Materials (Singapore) Pte. Ltd.		(Incorporated in Jordan)	100
(Incorporated in Singapore)	100	Siam Paraffins Co., Ltd.	100
Cementhai Ceramic (Singapore) Pte. Ltd.		SCG Holding Co., Ltd.	100
(Incorporated in Singapore)	100	The Nawaloha Foundry Bangpakong Co., Ltd.	100
Keating Capital Partners Pte. Ltd.		The Siam Iron and Steel Co., Ltd.	100
(Incorporated in Singapore)	100	Dhara Pipe Co., Ltd.	100
Kitchener Limited		SCG Corporation S.A.	
(Incorporated in China)	100	(Incorporated in Panama)	100
SCG Logistics Management (Lao) Co., Ltd.		Siam TPC Co., Ltd.	96
(Incorporated in Lao PDR)	100		

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
Siam TPC (Singapore) Pte. Ltd.		Myanmar CPAC Trading Co., Ltd.	
(Incorporated in Singapore)	96	(Incorporated in Myanmar)	80
PT Karya Makmur Kreasi Prima		Minh Thai House Component Co., Ltd.	
(Incorporated in Indonesia)	91	(Incorporated in Vietnam)	73

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2016, except as discussed in note 4.

During 2017, the Group acquired the ordinary shares of Vietnam Construction Materials Joint Stock Company group and Long Son Petrochemicals Co., Ltd. which are incorporated in Vietnam, PT Indocorr Packaging Cikarang which is incorporated in Indonesia and Precision Print Co., Ltd. and Conimex Co., Ltd. which are incorporated in Thailand. These 9 companies are included in the Group’s consolidated financial statements, 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 under the Royal Patronage of His Majesty the King (“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 2017. 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.

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 2018 and have not been adopted in the preparation of these consolidated financial statements. The Group has made a preliminary assessment of the potential initial impact on the consolidated financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

(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.
- contingent consideration assumed in a business combination are measured at fair value.
- defined benefit obligations are measured at the present value of non-current provisions for defined benefit plans.

(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 assumptions 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 subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed;
Note 11, 12, 14, 15 and 16	Impairment test: key assumptions underlying recoverable amounts;
Note 6, 7, 10, 11, 12, 14, 15 and 16	Measurement of the recoverable amounts of each asset and cash-generating units;
Note 17 and 31	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 21	Measurement of non-current provision for defined benefit plans: - key actuarial assumptions; and
Note 36	Recognition and measurement of 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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which these valuations should be classified.

Significant valuation issues are reported to the Group’s Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are 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 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 4	Acquisitions of business and changes in ownership interests in subsidiaries;
Note 10	Cash and cash equivalents and other investments;
Note 14	Investment property;
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.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it 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 joint ventures.

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, as described in subsidiaries section, other than those with entities under common control.

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 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 fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain or bargain purchase is recognized in profit for the period immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration 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 measured 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
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 classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities) are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use which are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(f) Investments

Investments in associates and joint ventures

Investments in associates and joint ventures in the consolidated financial statements 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 exchange 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 property

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

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 property 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 measured 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 of a qualifying asset. 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 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 property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

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 Group has changed the estimated useful lives of some assets based on the report of the independent appraiser prospectively from the date as 1 January 2017. The estimated useful lives are as follows:

	2017		2016	
Land improvements	5 - 50	years	3 - 33	years
Buildings and structures				
- SCG Cement-Building Materials	3 - 47	years	3 - 47	years
- SCG Chemicals	5 - 30	years	5 - 30	years
- SCG Packaging	5 - 40	years	5 - 30	years
- Other	5 - 40	years	5 - 40	years
Machinery and equipment				
- SCG Cement-Building Materials	2 - 30	years	4 - 30	years
- SCG Chemicals	2 - 30	years	3 - 30	years
- SCG Packaging	3 - 25	years	3 - 20	years
Transportation and equipment	3 - 20	years	3 - 20	years
Furniture, fixtures and office equipment	2 - 20	years	2 - 20	years

For three particular subsidiaries, Phoenix Pulp & Paper Public Company Limited, Thai Cane Paper Public Company Limited and Jumbo Barges and Tugs Co., Ltd., depreciation of property, machinery and equipment has been computed by the following methods over the periods as follows:

		Depreciation method
Phoenix Pulp & Paper Public Company Limited		
Buildings and structures		
Acquired prior to 1 January 2002	30 years	Sinking fund
Machinery and equipment	15 years	Sinking fund
Thai Cane Paper Public Company Limited		
Production machinery		
Kanchanaburi Mill		Estimated production capacity of 1.92 million tons
Prachinburi Mill		Estimated production capacity of 5.25 million tons
Jumbo Barges and Tugs Co., Ltd.		
Barges and components	10, 20 years	Declining

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 reporting period and adjusted if appropriate.

(i) Goodwill and other 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 assets.

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, other costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs of a qualifying asset. 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 measured 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:

Concession and license fees	Term of agreements
Software licenses	2 - 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 reporting period 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 by a qualified actuary using the projected unit credit method which is based on actuarial valuation 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.

	<p><i>Other long-term employee benefits</i></p> <p>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.</p> <p><i>Short-term employee benefits</i></p> <p>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.</p>
(n)	<p>Provisions</p> <p>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.</p>
(o)	<p>Revenue</p> <p>Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates allowed by the entity.</p> <p><i>Sale of goods and rendering of services</i></p> <p>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 the probable return of goods or there are significant uncertainties regarding recovery of the consideration due, associated costs. Revenue from rendering of services is recognized as services are provided on the basis of stage of completion of the transaction.</p> <p><i>Interest and dividend income</i></p> <p>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.</p> <p><i>Royalty fee income</i></p> <p>Royalty fee income is recognized on an accrual basis in accordance with the terms of agreement.</p>

(p)	<p>Expenses</p> <p><i>Operating leases</i></p> <p>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.</p> <p>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.</p> <p><i>Determining whether an arrangement contains a lease</i></p> <p>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.</p> <p>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.</p> <p><i>Finance costs</i></p> <p>Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.</p> <p>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.</p> <p><i>Early retirement expense</i></p> <p>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.</p>
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(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 ownership interests in subsidiaries

Year 2017

(a) Acquisitions

During the year 2017, the Group had acquired the significant businesses as follows:

(1) Vietnam Construction Materials Joint Stock Company, Vietnam

On 7 March 2017, subsidiary company in SCG Cement-Building Materials business acquired an entire of ordinary shares of Vietnam Construction Materials Joint Stock Company (“VCM”), which is a group of integrated cement operator in Vietnam. Based on the agreement, the consideration was estimated at US Dollars 195 million or equivalent to approximately Baht 6,875 million which amount included contingent consideration subject to conditions that the former shareholders had to achieve. Subsequently, the conditions were revised in the fourth quarter of 2017, as a result, the consideration changed to US Dollars 159 million or equivalent to approximately Baht 5,585 million.

Obtaining control in VCM results in the Group increasing its cement production capacity by 3.1 million tons per year and combined cement production capacity across ASEAN (ex-Thailand) to 10.5 million tons per year, relative to 23 million tons per year of total production capacity in Thailand. The VCM’s plant is located in central Vietnam, which is well-placed to be a cement production and distribution base in that area. Furthermore, there is potential for further efficiency enhancements to the total capacity to serve future cement demand in the regional markets. These are the main factors that cause goodwill arises from acquisition.

(2) PT Indocorr Packaging Cikarang, Indonesia

On 21 April 2017, subsidiary company in SCG Packaging business acquired 80% of ordinary shares of PT Indocorr Packaging Cikarang (“Indocorr”), which is a producer of high quality corrugated containers in Indonesia, for a total consideration of Rupiah 79.2 billion or equivalent to approximately Baht 206 million.

Obtaining control in Indocorr results in the Group increasing combined production capacity of corrugated containers to 1.045 million tons per year across ASEAN with Indorcorr’s production capacity of 32,000 tons per year. This acquisition is to serve rapidly growing packaging demand in Indonesian market.

The Group recognized a gain from bargain purchase of Baht 65 million which is included in other income in consolidated income statement. This bargain purchase was attributable to the fair value adjustment on land.

(3) Long Son Petrochemicals Co., Ltd., Vietnam

On 21 June 2017, subsidiary company in SCG Chemicals business acquired an additional 25% of ordinary shares of Long Son Petrochemicals Co., Ltd. (“LSP”), which is the first petrochemicals complex in Vietnam, for a total consideration of US Dollars 36.1 million or equivalent to approximately Baht 1,230 million.

Consequently, the Group’s ownership interests in LSP increased from 46% to 71%, resulted in the Group determining the fair value of the previously held equity interest in LSP before changing the status from joint venture to subsidiary as follows:

	in million Baht
Fair value of previously held equity interest in joint venture	
before changing to subsidiary	2,262
Less carrying amount of investment at equity method	(2,061)
Gain on revaluation of investment	201

As a result of obtaining control of LSP, the Group will possess competitive aspects ranging from integration, economies of scale, and flexible feedstock. In addition, there is an investment in infrastructure that supports business such as a deep sea port and other facilities. The total project cost of LSP is approximately US Dollars 5,400 million or equivalent to approximately Baht 188,000 million with commercial operation expected by 2022.

(4) Precision Print Co., Ltd., Thailand

On 1 September 2017, subsidiary company in SCG Packaging business acquired 75% of ordinary shares of Precision Print Co., Ltd. ("Precision Print"), which is a producer in Offset Printing of folding cartons, hangtag and stickers in Thailand for a total consideration of Baht 165 million.

Obtaining control in Precision Print results in the Group expanding its display packaging production to serve premium packaging market with Precision Print's production capacity of 4,650 tons per year. Furthermore, this acquisition is potential for strengthening the position of a total packaging solutions.

(5) Conimex Co., Ltd., Thailand

On 21 November 2017, subsidiary company in SCG Packaging business acquired 75% of ordinary shares of Conimex Co., Ltd. ("Conimex"), which is a producer of rigid plastic packaging products including plastic bottle made from HDPE, plastic tube, cap and closure which are used in industries ranging from cosmetic, personal care, consumer products and industrial liquid industries both domestic and international manufacturers, for a total consideration of Baht 298 million.

Obtaining control in Conimex will enhance SCG Packaging business's overall portfolio in term of incremental product category while strengthening its footstep in premium packaging segment such as cosmetic packaging.

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2017, the determination of the fair values of net assets and liabilities has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

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 adjustments on accounting transactions of such acquisition will be made.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	in million Baht					
	Fair value					
	VCM	Indocorr	LSP	Precision Print	Conimex	Total
Cash and cash equivalents	179	2	1,430	11	7	1,629
Trade receivables	369	114	-	54	207	744
Inventories	434	54	-	12	128	628
Other current assets	79	3	29	17	7	135
Property, plant and equipment	6,912	396	1,828	296	638	10,070
Intangible assets	628	-	-	1	2	631
Other non-current assets	54	11	1,469	28	21	1,583
Interest-bearing debts	(8,253)	(114)	-	(217)	(420)	(9,004)
Trade payables	(246)	(100)	-	(57)	(58)	(461)
Other current liabilities	(789)	(3)	(826)	(25)	(33)	(1,676)
Other non-current liabilities	(99)	(24)	-	(35)	(77)	(235)
Net identifiable assets and liabilities	(732)	339	3,930	85	422	4,044
Less non-controlling interests	-	(68)	(1,139)	(21)	(124)	(1,352)
Less fair value of previously held equity interest						
in joint venture before changing to subsidiary	-	-	(2,262)	-	-	(2,262)
Recognized value of net assets acquired	(732)	271	529	64	298	430
Goodwill	6,317	-	701	101	-	7,119
Gain on a bargain purchase	-	(65)	-	-	-	(65)
Total consideration transferred	5,585	206	1,230	165	298	7,484
Cash acquired						(1,629)
Net cash outflows						5,855
Less accrued investments						(1,659)
Net cash outflows in 2017						4,196

The Group has agreed to pay total consideration payables of Baht 1,659 million to the former shareholders when certain conditions are achieved within 2019.

The assets, liabilities and operating results since acquisition date of those subsidiaries have been included in the Group's consolidated financial statements for the year ended 31 December 2017. The subsidiaries contributed total revenue from sales of Baht 3,815 million and loss for the year of Baht 353 million to the Group's operating results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue from sales would have been Baht 452,562 million and consolidated profit for the year would have been Baht 54,903 million.

In addition, during the year 2017, the Group had repaid the interest-bearing debts amounting to Baht 8,450 million mainly before maturity date which were the liabilities assumed from the acquisition of VCM, Indocorr and Conimex.

The Group incurred acquisition costs totaling Baht 57 million which had been included in administrative expenses in the consolidated income statement.

(b) Change in ownership interests in subsidiaries

During the year 2017, subsidiary company in SCG Chemicals business had purchased additional ordinary shares of Thai Plastic and Chemicals Public Company Limited (“TPC”), totaling 76.54 million shares or representing 8.75%, amounting to Baht 3,061 million. As a result, the Group’s ownership was increased from 91.06% to 99.81%.

The following summarizes the effect of the change in the Group’s ownership interests in TPC:

	in million Baht
Carrying amount of non-controlling interests acquired	1,677
Less Consideration paid to non-controlling interests	(3,061)
Decrease in equity attributable to owners of the Group from additional investments in subsidiaries	(1,384)

This acquisition is in accordance with the Tender Offer submitted by the Group to purchase securities of TPC from all shareholders caused by delisting securities of TPC from the Stock Exchange of Thailand (“SET”), at the price of Baht 40 per share with Tender Offer period from 4 November 2016 to 11 January 2017. Then, the SET Board of Governors had issued an order to delist securities of TPC from the SET from 30 January 2017 onwards.

Year 2016

(a) Acquisitions

In the third quarter of 2016, the Group had acquired the significant businesses as follows:

(1) Jumbo Barges and Tugs Co., Ltd., Thailand

Subsidiary company in SCG Cement-Building Materials business acquired an additional 10% of ordinary shares of Jumbo Barges and Tugs Co., Ltd. (“JBT”), the river and coastal logistics provider, for a cash consideration of Baht 73 million. Consequently, the Group’s ownership increased from 45% to 55%, resulting in the Group determined the fair value of the previously held equity interest in JBT prior to the change of status from associate to subsidiary.

	in million Baht
Fair value of previously held equity interest in associate before changing to subsidiary	330
Less carrying amount of investment at equity method	(333)
Loss on revaluation of investment	(3)

(2) Silasanon Co., Ltd., Thailand

Subsidiary company in SCG Cement-Building Materials business acquired an entire of ordinary shares of Silasanon Co., Ltd. (“Silasanon”), a producer of aggregates, for a cash consideration of Baht 502 million.

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2016, the determination of the fair values of net assets and liabilities has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	in million Baht		
	Fair value		
	JBT	Silasanon	Total
Cash and cash equivalents	10	4	14
Trade receivables	81	20	101
Other current assets	79	21	100
Property, plant and equipment	1,361	538	1,899
Intangible assets	-	625	625
Other non-current assets	49	-	49
Interest-bearing debts	(504)	(351)	(855)
Trade payables	(31)	(59)	(90)
Other current liabilities	(58)	(270)	(328)
Other non-current liabilities	(58)	(156)	(214)
Net identifiable assets and liabilities	929	372	1,301
Less non-controlling interests	(417)	-	(417)
Less fair value of previously held equity interest in associate before changing to subsidiary	(330)	-	(330)
Recognized value of net assets acquired	182	372	554
Goodwill	-	130	130
Gain on a bargain purchase	(109)	-	(109)
Total consideration transferred	73	502	575
Cash acquired	(10)	(4)	(14)
Net cash outflows	63	498	561
Less accrued investments			(140)
Net cash outflows in 2016			421

(c) Change in ownership interests in subsidiaries

In the first quarter of 2016, subsidiary company in SCG Cement-Building Materials business acquired an additional 15% stake in Prime Group Joint Stock Company (“Prime Group”), the manufacturer of ceramic tiles in Vietnam, for a total consideration of Baht 2,177 million. As a result, the Group holds the entire its ownership interest.

The following summarizes the effect of the change in the Group’s ownership interest in Prime Group:

	in million Baht
Carrying amount of non-controlling interests acquired	790
Less Consideration paid to non-controlling interests	(2,177)
Decrease in equity attributable to owners of the Group	
from additional investments in subsidiaries	(1,387)

In the second quarter of 2016, Phoenix Pulp & Paper Public Company Limited (“PPPC”), a subsidiary company in SCG Packaging business, called for payment of ordinary shares for capital increase totaling Baht 1,748 million from the existing shareholders. For this calling, Nippon Paper Industries Company Limited (“NPI”) had acquired an additional share of 8% portion totaling Baht 1,707 million. Consequently, NPI’s ownership in PPC increased from 22% to 30%, resulting in the dilution from 76.48% to 68.73% of the Group’s direct holding and the increase in non-controlling interests of Baht 1,950 million.

5 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to 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		
	2017	2016	Pricing policies
<i>Associates and joint ventures</i>			
Purchases	23,730	20,899	Market price
Service fee	699	1,258	Market price
Revenue from sales	52,857	47,984	Market price
Service income and others	1,135	1,166	Market price
Management fee and others	1,771	2,040	Mainly based on percentage of revenue from sales
Dividend income	16,444	10,129	Upon declaration
<i>Other</i>			
Purchases	2,625	2,192	Market price
Revenue from sales	260	301	Market price
Service income and others	99	89	Market price
Management fee and others	317	276	Mainly based on percentage of revenue from sales
Dividend income	1,951	2,643	Upon declaration

Balances as at 31 December with related parties were as follows:

Trade receivables

	in million Baht	
	2017	2016
<i>Associates and joint ventures</i>		
Siam Polyethylene Co., Ltd.	1,875	1,380
Siam Styrene Monomer Co., Ltd.	806	521
Siam Synthetic Latex Co., Ltd.	558	489
Bangkok Synthetics Co., Ltd.	451	226
Thai MMA Co., Ltd.	435	290
Grand Siam Composites Co., Ltd.	310	225
Mien Trung Joint Stock Corporation	277	-
PT Styrindo Mono Indonesia	235	187
SCG Plastics (Shanghai) Co., Ltd.	108	170
PT Chandra Asri Petrochemical Tbk.	67	95
Siam Global House Public Company Limited	34	93
Other companies	493	509
	5,649	4,185
<i>Other</i>		
Siam Yamato Steel Co., Ltd.	78	64
Other companies	20	19
	98	83
Total	5,747	4,268

Other current receivables

	in million Baht	
	2017	2016
<i>Associates and joint ventures</i>		
Siam Kubota Corporation Co., Ltd.	331	329
Aisin Takaoka Foundry Bangpakong Co., Ltd.	97	39
Siam Nippon Industrial Paper Co., Ltd.	65	38
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	61	-
Siam Mitsui PTA Co., Ltd.	27	50
Thai MMA Co., Ltd.	25	21
The Nawaloha Industry Co., Ltd.	25	19
Grand Siam Composites Co., Ltd.	22	22
Thai MFC Co., Ltd.	9	53
Long Son Petrochemicals Co., Ltd.	-	592
PT Siam Maspion Terminal	-	24
Other companies	113	128
	<u>775</u>	<u>1,315</u>
<i>Other</i>		
Siam Yamato Steel Co., Ltd.	32	30
Siam Toyota Manufacturing Co., Ltd.	9	8
Other companies	16	16
	<u>57</u>	<u>54</u>
Total	<u>832</u>	<u>1,369</u>

Short-term loans

	in million Baht	
	2017	2016
<i>Associates</i>		
PT M Class Industry	68	74
GTC Technology International, LP	41	45
Other companies	8	5
Total	<u>117</u>	<u>124</u>

Long-term loans

	in million Baht	
	2017	2016
<i>Associates</i>		
Mariwasa Holdings, Inc.	84	90
Sekisui-SCG Industry Co., Ltd.	17	-
Total	<u>101</u>	<u>90</u>

Movements during the years on loans to related parties were as follows:

Short-term

At 1 January

Increase

Decrease

At 31 December

Long-term

At 1 January

Increase

Decrease

At 31 December

Trade payables

Associates

Mehr Petrochemical Company (P.J.S.C.)

Siam Polyethylene Co., Ltd.

Siam Kubota Corporation Co., Ltd.

PT Chandra Asri Petrochemical Tbk.

Bangkok Synthetics Co., Ltd.

The Siam Gypsum Industry (Saraburi) Co., Ltd.

Thai MMA Co., Ltd.

Siam Synthetic Latex Co., Ltd.

Sekisui-SCG Industry Co., Ltd.

IT One Co., Ltd.

Other companies

Other

Siam Yamato Steel Co., Ltd.

Other companies

Total

	in million Baht	
	2017	2016
	124	125
	8	-
	<u>(15)</u>	<u>(1)</u>
	<u>117</u>	<u>124</u>
	90	160
	17	-
	<u>(6)</u>	<u>(70)</u>
	<u>101</u>	<u>90</u>

	in million Baht	
	2017	2016
<i>Associates</i>		
Mehr Petrochemical Company (P.J.S.C.)	1,565	1,163
Siam Polyethylene Co., Ltd.	501	454
Siam Kubota Corporation Co., Ltd.	470	364
PT Chandra Asri Petrochemical Tbk.	454	60
Bangkok Synthetics Co., Ltd.	223	47
The Siam Gypsum Industry (Saraburi) Co., Ltd.	198	185
Thai MMA Co., Ltd.	172	104
Siam Synthetic Latex Co., Ltd.	104	106
Sekisui-SCG Industry Co., Ltd.	95	48
IT One Co., Ltd.	65	71
Other companies	79	104
	<u>3,926</u>	<u>2,706</u>

	198	106
	<u>5</u>	<u>5</u>
	<u>203</u>	<u>111</u>
Total	<u>4,129</u>	<u>2,817</u>

Other current payables

	in million Baht	
	2017	2016
Associates		
IT One Co., Ltd.	19	18
Thai MMA Co., Ltd.	14	1
Other companies	12	10
Total	45	29

Short-term borrowings

	in million Baht	
	2017	2016
Other		
PT Trans-Pacific Polyethylene Indonesia	77	84

Movements during the years on short-term borrowings from related parties were as follows:

	in million Baht	
	2017	2016
At 1 January	84	97
Decrease	(7)	(13)
At 31 December	77	84

The Board of Directors and key management compensation

	in million Baht	
	2017	2016
For the years ended 31 December		
Short-term employee benefits	341	358
Post-employment benefits	20	38
Total	361	396

The Board of Directors and key 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 current receivables

Trade receivables

Related parties
Other companies
Less allowance for doubtful accounts
Net

Other current receivables

Related parties
Other companies

Total

For the year ended 31 December

Doubtful debts expenses
Bad debts recovery

Trade receivables

Related parties

Within credit terms
Overdue:
Less than 3 months
3 - 6 months
Over 6 - 12 months

Total

Other companies

Within credit terms
Overdue:
Less than 3 months
3 - 6 months
Over 6 - 12 months
Over 12 months

Less allowance for doubtful accounts

Net

Total

The normal credit term granted by the Group is 15 - 90 days.

As at 31 December 2017, the outstanding overdue amounts of above accounts receivable have credit bank guarantees amounting to Baht 823 million (2016: Baht 1,191 million).

	in million Baht	
Note	2017	2016
	5,747	4,268
5	41,936	37,720
	(911)	(986)
	41,025	36,734
	46,772	41,002
5	832	1,369
	7,803	9,102
	8,635	10,471
	55,407	51,473
	(74)	(35)
	56	11
	in million Baht	
	2017	2016
	5,648	4,183
	98	80
	1	1
	-	4
	5,747	4,268
	35,796	30,667
	3,628	4,505
	715	924
	826	582
	971	1,042
	41,936	37,720
	(911)	(986)
	41,025	36,734
	46,772	41,002

7 Inventories

	in million Baht	
	2017	2016
Finished goods	22,250	21,114
Goods in process	3,174	2,684
Raw materials	14,019	12,421
Spare parts	7,793	7,418
Stores, supplies and others	4,810	4,445
Raw materials in transit	6,374	5,913
Total	58,420	53,995
Less allowance for decline in value	(770)	(660)
Net	57,650	53,335
Cost of inventories recognized as an expense in cost of sales:		
Cost of sales	349,307	319,021
Less write-down to net realizable value	(381)	(289)
Add reversal of write-down	358	268
Less service cost and others	(4,046)	(3,625)
Net total	345,238	315,375
Changes in inventories of finished goods and goods in process	(1,626)	(164)
Raw materials and supplies used	193,883	220,800

8 Other current assets

	in million Baht	
	2017	2016
Specified purpose deposit in bank for investment projects	47	4,115
Refundable corporate income tax assets	1,321	1,377
Other	103	42
Total	1,471	5,534

9 Non-current assets classified as held for sale

In the first quarter of 2017, the Group sold the marketable equity securities which had been classified as non-current assets classified as held for sale, totaling Baht 3,838 million and recognized a gain before tax totaling Baht 1,790 million included in other income in the consolidated income statement.

10 Cash and cash equivalents and other investments

	in million Baht	
	2017	2016
Cash and cash equivalents		
Cash on hand and at banks	38,272	21,599
Highly liquid short-term investments	5,655	6,078
Cash (Private funds)	10	32
Total	43,937	27,709
Current investments		
Fixed deposits with financial institutions	3,542	3,255
Available-for-sale debt securities (Private funds)	9,429	9,834
Total	12,971	13,089
Investments held as available for sale		
Available-for-sale debt securities (Private funds)	7,158	6,344
Marketable equity securities	4	4
Total	7,162	6,348

As at 31 December 2017, the value of private funds invested by 3 independent assets management companies was totaling Baht 16,597 million (2016: Baht 16,210 million). Those private funds have invested in debt securities which had high liquidity and rating as investment grade with return rates from 0.98% to 3.45% per annum (2016: from 1.34% to 3.45% per annum).

Fair values

The fair values of available-for-sale securities together with the carrying amounts in the consolidated statement of financial position as at 31 December 2017 are as follows:

	in million Baht			
	Carrying amount	Fair value		
		Level 1	Level 2	Total
Current investments				
Available-for-sale debt securities (Private funds)	9,429	-	9,429	9,429
Investments held as available for sale				
Available-for-sale debt securities (Private funds)	7,158	-	7,158	7,158
Marketable equity securities	4	4	-	4
Total	7,162	4	7,158	7,162

The table above analyzes recurring fair value measurements for available-for-sales securities. 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.

11 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:

	Note	in million Baht	
		2017	2016
At 1 January		95,498	90,890
Share of net profit of investments - equity method		18,212	17,933
Increase in investments		4,061	28
Dividend income		(16,444)	(10,129)
Disposals		(1,328)	(1,476)
Transfer from (to) non-current assets held for sales		1,449	(1,449)
Change of the status to subsidiaries	4	(2,061)	(357)
Other		(1,056)	58
At 31 December		98,331	95,498

Investments in associates and joint ventures as at 31 December and dividends from these investments for the years then ended at the same date, were as follows:

	Total direct/ indirect holding		in million Baht							
	(%)		Paid-up capital		Cost method		Equity method		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Associates										
SCG Cement-Building Materials										
Siam Global House Public Company Limited	30	30	3,841	3,658	9,414	9,414	10,989	10,701	182	48
The Siam Gypsum Industry Co., Ltd.	29	29	150	150	46	46	689	688	219	265
Sekisui-SCG Industry Co., Ltd.	49	49	2,325	2,325	1,139	1,139	511	526	-	-
Anhui Conch-SCG Refractory Co., Ltd.	30	30	497	497	148	148	305	253	28	24
Noritake SCG Plaster Co., Ltd.	40	40	405	405	134	134	227	211	-	-
PT M Class Industry	28	28	222	222	106	106	109	88	-	-
Thai Prosperity Terminal Co., Ltd.	50	50	63	63	31	31	48	48	-	-
Green Siam Resources Corporation	40	40	95	95	38	38	44	43	2	4
Mariwasa Holdings, Inc.	40	40	235	235	94	94	28	31	-	-
CMPI Holding, Inc.	40	40	55	55	18	18	19	19	-	-
Other companies			151	136	50	51	58	59	-	2
			8,039	7,841	11,218	11,219	13,027	12,667	431	343
SCG Chemicals										
PT Chandra Asri Petrochemical Tbk.	31	31	27,248	14,679	18,090	14,247	22,025	17,760	1,604	445
Bangkok Synthetics Co., Ltd.	49	49	1,173	1,173	10,800	10,800	13,241	13,179	1,661	573
Siam Styrene Monomer Co., Ltd.	50	50	4,755	4,755	2,375	2,375	6,075	6,473	2,383	2,800
Siam Polyethylene Co., Ltd.	50	50	4,455	4,455	2,183	2,183	5,120	5,555	3,278	1,967
Siam Synthetic Latex Co., Ltd.	50	50	5,789	5,789	2,788	2,788	4,110	4,250	1,764	789
Thai MMA Co., Ltd.	47	47	5,590	5,590	2,571	2,571	3,576	3,969	2,965	1,409
Mehr Petrochemical Company (P.J.S.C.)	39	39	1,755	1,755	1,529	1,529	1,357	1,449	5	97
Binh Minh Plastics Joint Stock Company	20	19	1,228	682	642	642	1,089	1,093	93	67
Siam Polystyrene Co., Ltd.	50	50	995	995	493	493	996	1,000	112	110
Grand Siam Composites Co., Ltd.	46	46	64	64	167	167	897	841	353	383
Riken (Thailand) Co., Ltd.	35	32	120	120	42	42	503	495	118	112
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	20	20	596	596	119	119	287	311	64	77
PT Siam Maspion Terminal	50	50	327	327	163	163	281	273	36	76
GTC Technology International, LP	25	25	191	191	107	107	234	244	-	-
Thai PET Resin Co., Ltd.	40	20	900	900	180	180	164	157	-	-
Siam Tohcello Co., Ltd.	45	45	592	592	266	266	114	104	-	-
Thai MFC Co., Ltd.	45	45	200	200	87	87	109	114	15	76
SD Group Service Co., Ltd.	50	50	78	78	38	38	104	109	-	-
GTC Technology US, LLC	25	25	102	102	160	160	56	45	-	-
Tien Phong Plastics Joint Stock Company	-	22	-	1,116	-	738	-	1,088	27	102
Other companies			4	13	13	15	55	78	7	9
			56,162	44,172	42,813	39,710	60,393	58,587	14,485	9,092

	Total direct/ indirect holding		In million Baht							
	(%)		Paid-up capital		Cost method		Equity method		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
SCG Packaging										
Siam Toppan Packaging Co., Ltd.	48	48	500	500	245	245	421	409	14	11
Siam Nippon Industrial Paper Co., Ltd.	31	30	1,100	1,100	495	495	281	304	-	-
Saha Green Forest Co., Ltd.	17	17	190	190	48	48	59	55	5	-
Rengo Packaging Malaysia Sdn. Bhd.	-	17	-	804	-	201	-	113	-	-
Other companies			263	263	105	105	-	-	-	-
			2,053	2,857	893	1,094	761	881	19	11
Other										
Siam Kubota Corporation Co., Ltd.	40	40	2,739	2,739	1,120	1,120	17,066	15,939	1,087	424
Thai Engineering Products Co., Ltd.	30	30	85	85	76	76	1,396	1,438	-	12
Siam AT Industry Co., Ltd.	30	30	240	240	72	72	714	718	31	5
Aisin Takaoka Foundry										
Bangpakong Co., Ltd.	30	30	475	475	142	142	646	681	214	110
The Nawaloha Industry Co., Ltd.	30	30	300	300	90	90	615	589	120	44
The Siam Nawaloha Foundry Co., Ltd.	25	25	308	308	74	74	382	376	8	5
Lysando AG	20	20	39	39	355	355	275	304	-	-
Muang Thong United Co., Ltd.	30	30	233	233	140	140	107	109	-	-
IT One Co., Ltd.	20	20	80	80	16	16	51	58	49	65
Maxion Wheels (Thailand) Co., Ltd.	-	30	-	126	-	299	-	-	-	-
Musashi Auto Parts Co., Ltd.	-	-	-	-	-	-	-	-	-	18
			4,499	4,625	2,085	2,384	21,252	20,212	1,509	683
Total			70,753	59,495	57,009	54,407	95,433	92,347	16,444	10,129
Less accumulated impairment loss			-	-	-	-	(87)	(87)	-	-
Less classified as assets held for sales			-	-	-	-	-	(1,449)	-	-
Investment in associates - Net			70,753	59,495	57,009	54,407	95,346	90,811	16,444	10,129
Joint ventures										
SCG Cement-Building Materials										
Global House International Company Limited	65	65	1,190	752	595	376	608	385	-	-
SCG Nichirei Logistics Co., Ltd.	51	51	570	570	291	291	252	256	-	-
			1,760	1,322	886	667	860	641	-	-
SCG Chemicals										
Siam Mitsui PTA Co., Ltd.	50	50	4,800	4,800	2,401	2,401	2,125	2,105	-	-
Long Son Petrochemicals Co., Ltd.	71	44	-	4,408	-	2,189	-	1,941	-	-
			4,800	9,208	2,401	4,590	2,125	4,046	-	-
Investment in joint ventures			6,560	10,530	3,287	5,257	2,985	4,687	-	-
Total			77,313	70,025	60,296	59,664	98,331	95,498	16,444	10,129

In the second quarter of 2017, the Group acquired the additional 25% stake in Long Son Petrochemicals Co., Ltd. from the existing partner and changed its status from joint venture to subsidiary, as discussed in note 4. In addition, in the third quarter and fourth quarter of 2017, the Group sold the entire 22% in Tien Phong Plastics Joint Stock Company with the proceeds from sales of Baht 2,350 million and recognized a gain of Baht 1,181 million, and the Group sold the entire 17% stake in Rengo Packaging Malaysia Sdn. Bhd. and the entire 30% stake in Maxion Wheels (Thailand) Co., Ltd. with the proceeds from sales totaling Baht 189 million and recognized a gain of Baht 38 million. These transactions are included in other income in the consolidated income statement.

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			
	Associates		Joint ventures	
	2017	2016	2017	2016
Carrying amount of interests in associates and joint ventures	95,346	90,811	2,985	4,687
The Group's share of:				
– Profit (loss) for the year	18,220	17,984	(8)	(51)
– Other comprehensive income for the year	(1,205)	139	148	(80)
– Total comprehensive income for the year	17,015	18,123	140	(131)

Common stock dividend payments

In the second quarter of 2017, the Annual General Meeting of the Shareholders of Siam Global House Public Company Limited approved dividend payment for the year 2016 of cash dividend and common stock dividend with the date of dividend payment on 19 May 2017. The Group is entitled to receive common stock dividend of 55 million shares at the par value Baht 1 per share, totaling Baht 55 million. Additionally, the Annual General Meeting of the Shareholders of Binh Minh Plastics Joint Stock Company approved dividend payment of cash dividend and common stock dividend with the date of dividend payment on 30 June 2017. The Group is entitled to receive common stock dividend totaling of 7.42 million shares at the par value VND 10,000 per share, totaling Baht 111 million.

12 Other long-term investments

	Total direct/ indirect holding		in million Baht			
	(%)		Investment		Dividend income	
	2017	2016	2017	2016	2017	2016
At Cost						
SCG Cement-Building Materials						
Asia Cement Public Company Limited	10	10	942	942	82	82
Finfloor S.p.A.	10	10	299	299	39	30
Other companies			55	59	-	9
			1,296	1,300	121	121

	Total direct/ indirect holding		in million Baht			
	(%)		Investment		Dividend income	
	2017	2016	2017	2016	2017	2016
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	-	-
Other companies			90	90	5	6
			2,407	2,407	5	6
* No existence of significant influence						
SCG Packaging						
			33	33	1	-
Other						
Toyota Motor Thailand Co., Ltd.	10	10	881	881	1,707	2,444
Siam Yamato Steel Co., Ltd.	10	10	484	484	50	50
Siam Toyota Manufacturing Co., Ltd.	4	4	178	178	55	8
Other companies			122	12	-	-
			1,665	1,555	1,812	2,502
Total			5,401	5,295	1,939	2,629
Less accumulated impairment losses			(2,425)	(2,429)	-	-
Net			2,976	2,866	1,939	2,629

The aggregate values of the above investments, based on the latest available audited financial statements as at 31 December 2017 are as follows:

	in million Baht		
	Cost	Interests in carrying amount	Accumulated impairment losses
	2017	2016	2017
Non-marketable securities	5,401	10,711	(2,425)

13 Other non-current receivables

	in million Baht	
	2017	2016
Advance payment for land lease and others	2,445	304
Land prepayments	976	1,062
Prepaid overhead	699	738
Other	1,125	843
Total	5,245	2,947

14 Investment property

Cost

At 1 January 2016	1,339	528	1,867
Additions	68	1	69
Disposals	(80)	-	(80)
Transfers from other non-current assets	73	-	73
Transfers from property, plant and equipment	4	37	41

At 31 December 2016

Acquisitions through business combinations	8	22	30
Disposals	(4)	-	(4)
Transfers from property, plant and equipment	192	-	192
Transfers to land development for sales	(4)	-	(4)

At 31 December 2017

Accumulated depreciation

and accumulated impairment losses

At 1 January 2016	305	326	631
Depreciation charge for the year	-	20	20
Reclassification from property, plant and equipment	-	12	12
At 31 December 2016	305	358	663
Acquisitions through business combinations	-	9	9
Depreciation charge for the year	-	20	20
At 31 December 2017	305	387	692

Carrying amount

At 31 December 2016	1,099	208	1,307
At 31 December 2017	1,291	201	1,492

Investment property was revalued as at 31 December 2017 at open market values on an existing use basis. The fair value was Baht 7,541 million (2016: Baht 4,878 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is the discounted cash flows and market approach.

15 Property, plant and equipment

	in million Baht						
	Land and land improvements	Buildings and structures	Machinery and equipment	Transportation and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
Cost							
At 1 January 2016	28,657	64,950	369,411	8,754	6,667	36,376	514,815
Acquisitions through business combinations	131	23	520	2,631	9	-	3,314
Additions	605	870	7,767	443	369	25,357	35,411
Disposals/written off	(193)	(325)	(3,228)	(157)	(199)	(18)	(4,120)
Transfers to investment property	(4)	(37)	-	-	-	-	(41)
Transfers in (out)	1,123	2,294	14,985	127	354	(19,056)	(173)
Currency translation differences	23	(11)	(335)	24	(5)	(298)	(602)
At 31 December 2016	30,342	67,764	389,120	11,822	7,195	42,361	548,604
Acquisitions through business combinations	390	4,607	7,655	84	75	1,858	14,669
Additions	428	1,094	9,370	529	309	9,992	21,722
Disposals/written off	(223)	(276)	(5,143)	(184)	(289)	(35)	(6,150)
Transfers to investment property	(192)	-	-	-	-	-	(192)
Transfers to assets held for sales	(12)	(39)	(414)	(3)	(7)	-	(475)
Transfers in (out)	1,867	8,321	24,774	685	326	(36,194)	(221)
Currency translation differences	(443)	(1,505)	(4,565)	(218)	(60)	(1,546)	(8,337)
At 31 December 2017	32,157	79,966	420,797	12,715	7,549	16,436	569,620

	in million Baht						
	Land and land improvements	Buildings and structures	Machinery and equipment	Transportation and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
Accumulated depreciation and accumulated impairment losses							
At 1 January 2016	8,294	33,564	230,710	6,096	5,219	-	283,883
Acquisitions through business combinations	1	4	172	1,234	4	-	1,415
Depreciation charge for the year	900	2,804	16,600	757	530	-	21,591
Impairment losses	6	42	394	-	-	44	486
Disposals/written off	(108)	(243)	(2,879)	(143)	(190)	-	(3,563)
Transfers to investment property	-	(12)	-	-	-	-	(12)
Transfers in (out)	(18)	(48)	(13)	6	17	-	(56)
Currency translation differences	(5)	(37)	(293)	18	(6)	-	(323)
At 31 December 2016	9,070	36,074	244,691	7,968	5,574	44	303,421
Acquisitions through business combinations	1	1,112	3,382	62	42	-	4,599
Depreciation charge for the year	1,040	2,565	16,952	848	614	-	22,019
Impairment losses	2	28	279	-	1	2	312
Disposals/written off	(146)	(229)	(4,876)	(155)	(276)	(9)	(5,691)
Transfers to assets held for sales	(1)	(35)	(395)	(3)	(7)	-	(441)
Transfers in (out)	(1)	13	1	(57)	(37)	-	(81)
Currency translation differences	(56)	(462)	(2,634)	(170)	(43)	-	(3,365)
At 31 December 2017	9,909	39,066	257,400	8,493	5,868	37	320,773
Carrying amount							
At 31 December 2016	21,272	31,690	144,429	3,854	1,621	42,317	245,183
At 31 December 2017	22,248	40,900	163,397	4,222	1,681	16,399	248,847

The effect of the change in the estimated useful lives of some assets, as described in note 3 (i), for the year ended 31 December 2017 is a decrease in depreciation expense approximately Baht 2,350 million.

The gross carrying amount of fully depreciated property, plant and equipment that is still in use as at 31 December 2017 amounted to Baht 167,105 million (2016: Baht 165,682 million).

In 2017, the Group 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 127 million (2016: Baht 201 million), rates of interest capitalized at 1.90% to 4.18% per annum (2016: 1.75% to 4.75% per annum).

As at 31 December 2017, the cost of machinery and equipment held under finance leases was Baht 1,465 million (2016: Baht 1,646 million) and has carrying amount of Baht 1,038 million (2016: Baht 1,162 million).

For the purpose of impairment testing of property, plant and equipment of the Group where indicators occurred, the recoverable amount was based on its value in use, determined by discounting the future cash flows which included estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the long-term compound annual EBITDA growth rate estimated by management. Discount rate was determined by using weighted average cost of capital of the Group.

16 Goodwill and intangible assets

	in million Baht				
	Goodwill	Intangible assets			
		Software licenses & license fees	Development cost	Concession and other	Total intangible assets
Cost					
At 1 January 2016	11,936	8,510	766	3,775	13,051
Acquisitions through business combinations	130	-	-	625	625
Additions	-	826	508	34	1,368
Disposals/written off	-	(30)	-	(1)	(31)
Transfers in (out)	-	263	(243)	203	223
Currency translation differences	3	1	-	4	5
At 31 December 2016	12,069	9,570	1,031	4,640	15,241
Acquisitions through business combinations	7,119	19	-	627	646
Additions	-	565	270	2,591	3,426
Disposals/written off	-	(333)	-	-	(333)
Transfers in (out)	-	459	(801)	334	(8)
Currency translation differences	(1,089)	(25)	-	(115)	(140)
At 31 December 2017	18,099	10,255	500	8,077	18,832
Accumulated amortization and accumulated impairment losses					
At 1 January 2016	412	4,589	-	796	5,385
Amortization charge for the year	-	773	-	304	1,077
Disposals/written off	-	(26)	-	-	(26)
Transfers in (out)	-	16	-	27	43
At 31 December 2016	412	5,352	-	1,127	6,479
Acquisitions through business combinations	-	15	-	-	15
Amortization charge for the year	-	864	-	408	1,272
Impairment losses	210	4	-	-	4
Disposals/written off	-	(316)	-	-	(316)
Transfers in (out)	-	(15)	-	(10)	(25)
At 31 December 2017	622	5,904	-	1,525	7,429
Carrying amount					
At 31 December 2016	11,657	4,218	1,031	3,513	8,762
At 31 December 2017	17,477	4,351	500	6,552	11,403

In the third quarter of 2017, the Group has recognized the impairment loss on goodwill of an investment in a subsidiary of SCG Cement-Building Materials of Baht 210 million, which is included in administrative expenses in the consolidated income statement.

For the purpose of impairment testing of goodwill of the Group where indicators occurred, the recoverable amount was based on its value in use, determined by discounting the future cash flows which included estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the long-term compound annual EBITDA growth rate estimated by management. Discount rate was determined by using weighted average cost of capital of the Group.

17 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	
	2017	2016
Deferred tax assets	6,274	5,918
Deferred tax liabilities	(2,318)	(3,025)
Net	3,956	2,893

Movements in total deferred tax assets and liabilities during the years were as follows:

	in million Baht					
	Credited (charged) to					
	At	profit or	other	Increase	Currency	At
	1 January	loss	comprehensive	through	translation	31 December
	2016	(note 31)	income	business	differences	2016
				combinations		
Deferred tax assets						
Loss carry forward	1,428	2,118	-	-	3	3,549
Investments	146	(56)	4	-	-	94
Property, plant and equipment	293	139	-	-	3	435
Provisions for						
employee benefits	1,351	110	20	-	4	1,485
Other	561	68	-	-	1	630
Total	3,779	2,379	24	-	11	6,193
Deferred tax liabilities						
Investments	(529)	(7)	(135)	-	-	(671)
Property, plant and equipment	(2,495)	153	-	(202)	15	(2,529)
Other	(113)	13	-	-	-	(100)
Total	(3,137)	159	(135)	(202)	15	(3,300)
Net	642	2,538	(111)	(202)	26	2,893

	in million Baht					
	Credited (charged) to					
	At	profit or	other	Increase	Currency	At
	1 January	loss	comprehensive	through	translation	31 December
	2017	(note 31)	income	business	differences	2017
				combinations		
Deferred tax assets						
Loss carry forward	3,549	260	-	18	(4)	3,823
Investments	94	(4)	(5)	-	-	85
Property, plant and equipment	435	132	-	5	(18)	554
Provisions for						
employee benefits	1,485	81	17	15	(25)	1,573
Other	630	30	-	5	(6)	659
Total	6,193	499	12	43	(53)	6,694
Deferred tax liabilities						
Investments	(671)	176	330	-	-	(165)
Property, plant and equipment	(2,529)	161	-	(148)	64	(2,452)
Other	(100)	(16)	-	(6)	1	(121)
Total	(3,300)	321	330	(154)	65	(2,738)
Net	2,893	820	342	(111)	12	3,956

The deductible temporary differences and unused tax losses that the Group has not been recognized as deferred tax assets (liabilities) are as the following items:

	in million Baht	
	2017	2016
Deductible temporary differences		
- Inventories	37	120
- Property, plant and equipment	126	305
- Provisions for employee benefits	202	146
- Other	206	394
Unused tax losses	10,154	7,505
Total	10,725	8,470

In the third quarter of 2016, a subsidiary had recognized deferred tax assets on the deductible temporary differences and unused tax losses totaling Baht 26,393 million due to the probability that future taxable profits will be available and can be utilized. The subsidiary recognized income tax benefit amounting to Baht 2,611 million in the consolidated income statement.

The unused tax losses on which the Group has not recognized deferred tax assets are the tax losses which do not expire under tax legislation and would be expired within 2025.

As at 31 December 2017 and 2016, 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.

18 Bank overdrafts and short-term borrowings from financial institutions

	in million Baht	
	2017	2016
Promissory notes	16,840	14,187
Loans	2,545	1,344
Bank overdrafts and others	201	70
Total	19,586	15,601

As at 31 December 2017, the Group has overdraft lines with several banks amounting to approximately Baht 7,831 million (2016: Baht 6,556 million).

19 Long-term borrowings

	in million Baht	
	2017	2016
Current		
- Unsecured		
Current portion of long-term borrowings	4,671	4,493
Current portion of finance lease liabilities	116	149
	4,787	4,642
Non-current		
- Unsecured		
Long-term borrowings	3,351	7,465
Finance lease liabilities	108	169
	3,459	7,634
Total	8,246	12,276

The currency denomination of interest-bearing debts is as follows:

	in million Baht	
	2017	2016
Thai Baht	3,148	4,838
US Dollars	3,740	5,691
Vietnamese Dong	1,344	1,356
Peso	11	91
Euro	-	206
Other	3	94
Total	8,246	12,276

In 2017, the Group has drawn down under the loan agreements made equivalent to Baht 1,031 million (2016: Baht 1,445 million). In addition, the Group has repaid long-term borrowings of Baht 7,565 million (2016: Baht 4,864 million) to financial institutions before their maturity date of the loan agreement which mainly from the acquisition of business in subsidiaries in 2017 as described in note 4. The average interest rates are 2.06% to 6.25% per annum (2016: 0.44% to 7.42% per annum).

As at 31 December 2017, the Group has undrawn low facilities totaling equivalent to Baht 1,570 million.

The average interest rate of long-term borrowings in foreign currency is approximately 4.40% per annum in 2017 (2016: 1.96% 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:

	in million Baht	
	2017	2016
Within 1 year	4,671	4,493
After 1 year but within 5 years	3,280	7,328
After 5 years	71	137
Total	8,022	11,958

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:

	in million Baht		
	Principal	Interest	Payments
Year 2017			
Within 1 year	116	10	126
After 1 year but within 5 years	107	12	119
After 5 years	1	-	1
Total	224	22	246
Year 2016			
Within 1 year	149	12	161
After 1 year but within 5 years	165	24	189
After 5 years	4	-	4
Total	318	36	354

20 Debentures

As at 31 December 2017, the Company had issued unsubordinated and unsecured debentures totaling Baht 181,500 million (2016: Baht 166,500 million) as follows:

	in million Baht		Interest rate			Fair value *	
Debentures no.	2017	2016	(% p.a.)	Term	Maturity date	2017	2016
Debentures - The Siam Cement Public Company Limited							
3/2012	6,500	6,500	4.40	7 years	12 October 2019	1,053	1,073
1/2013	-	25,000	4.00	4 years	1 April 2017	-	1,015
2/2013	-	20,000	4.25	4 years	1 October 2017	-	1,014
1/2014	15,000	15,000	4.00	4 years	1 April 2018	1,016	1,033
2/2014	10,000	10,000	3.90	4 years	1 October 2018	1,017	1,048
1/2015	15,000	15,000	3.75	3 years	1 April 2018	1,015	1,032
1/2015	15,000	15,000	3.90	4 years	1 April 2019	1,023	1,056
2/2015	10,000	10,000	3.40	4 years	1 November 2019	1,037	1,039
1/2016	25,000	25,000	3.00	4 years	1 April 2020	1,034	1,017
2/2016	25,000	25,000	3.00	4 years	1 November 2020	1,033	1,030
1/2017	25,000	-	3.25	4 years	1 April 2021	1,045	-
2/2017	10,000	-	2.97	7 years	30 August 2024	1,031	-
3/2017	25,000	-	3.05	4 years	1 October 2021	1,041	-
Total	181,500	166,500					
Less Debentures							
held by subsidiary	(366)	(387)					
Net	181,134	166,113					
Less Current portion							
	(39,918)	(44,889)					
Net	141,216	121,224					

* Latest price (Baht per unit: 1 unit = Baht 1,000) as at 31 December 2017 and 2016.

At the Annual General Meeting of the Shareholders of the Company held on 29 March 2017, the shareholders resolved to increase another Baht 50,000 million to be the ceiling of the issuance and offering of debentures, totaling Baht 300,000 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.

21 Non-current provisions for employee benefits

The Group operates defined benefit 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.

Non-current provisions for employee benefits in consolidated statements of financial position as at 31 December

	in million Baht	
	2017	2016
Post-employment benefits		
Legal severance payments plan	6,833	6,485
Pension	87	116
Other long-term employee benefits	558	508
Other employee benefits	205	163
Total	7,683	7,272
Less plan assets of foreign subsidiaries	(110)	(88)
Net	7,573	7,184

Movements in the present value of non-current provisions for defined benefit plans

	in million Baht	
	2017	2016
Non-current provisions for defined benefit plans at 1 January	7,109	6,599
Included in profit or loss		
Current service costs	562	555
Interest on obligation	260	227
Actuarial losses	6	7
	828	789
Included in other comprehensive income		
Actuarial losses	158	151
Currency translation differences	(101)	5
	57	156
Other		
Benefits paid	(563)	(447)
Acquisitions through business combinations	31	12
Transferred from other employee benefits	16	-
	(516)	(435)
Non-current provisions for defined benefit plans at 31 December	7,478	7,109

Movements in the fair value of plan assets of foreign subsidiaries

	in million Baht	
	2017	2016
Plan assets at 1 January	88	81
Contributions paid into the plan	27	19
Benefits paid	(15)	(14)
Expected return on plan assets	8	-
Actuarial gains	2	2
Plan assets at 31 December	110	88

Actuarial losses recognized in other comprehensive income as of the end of the reporting period arising from:

	in million Baht	
	2017	2016
For the years ended 31 December		
Demographic assumptions	1	-
Financial assumptions	57	-
Experience adjustment	98	149
Total	156	149

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	%	
	2017	2016
For the years ended 31 December		
Discount rate *		
- Thailand	2.62 - 3.76	2.62 - 3.76
- Vietnam	6.55 - 6.97	6.55 - 6.97
- Indonesia	6.97 - 8.75	8.00 - 8.51
- Other	2.30 - 5.70	5.86 - 5.90
Salary increase rate	3.00 - 9.00	3.00 - 9.00
Employee turnover rate **	1.00 - 35.00	1.00 - 35.00
Mortality rate ***	25.00 of TMO2008	25.00 of TMO2008

* Market yields on government's 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 non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	in million Baht	
	Increase (decrease)	
	2017	2016
Discount rate		
0.5% increase	(355)	(345)
0.5% decrease	387	376
Salary increase rate		
1.0% increase	912	823
1.0% decrease	(776)	(702)
Employee turnover rate		
10.0% increase	(249)	(225)
10.0% decrease	264	238

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

	%	
	2017	2016
For the years ended 31 December		
Discount rate	5.16 - 5.70	5.86 - 5.90

22 Share capital

	Par value (in Baht)	in million shares / million Baht			
		2017		2016	
		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

23 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 the Group's foreign operations until disposal of investment.

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.

24 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.	
	2017	2016	2017	2016
Non-controlling interests at 31 December				
Non-controlling interest percentage	49.46%	49.46%	45.27%	45.27%
Current assets	10,325	10,178	13,265	10,587
Non-current assets	8,592	9,019	33,536	35,165
Current liabilities	(5,497)	(5,968)	(16,833)	(14,237)
Non-current liabilities	(767)	(858)	(774)	(2,532)
Net assets	12,653	12,371	29,194	28,983
Carrying amount of non-controlling interest	6,258	6,119	13,216	13,121
For the years ended 31 December				
Revenue	63,440	49,917	78,571	68,481
Profit for the year	10,670	10,597	13,047	17,265
Profit for the year:				
– Attributable to owners of the parent	5,393	5,356	7,141	9,449
– Attributable to non-controlling interest	5,277	5,241	5,906	7,816
	10,670	10,597	13,047	17,265
Cash flows from operating activities	8,084	13,144	12,300	17,328
Cash flows from investing activities	(582)	(1,366)	(289)	(158)
Cash flows from financing activities	(9,911)	(10,604)	(12,005)	(17,177)
Net increase (decrease) in cash and cash equivalents	(2,409)	1,174	6	(7)
Dividends to non-controlling interest	5,137	5,244	5,811	5,505

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:

<i>SCG Cement-Building Materials</i>	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.
<i>SCG Chemicals</i>	Manufacture and sale of olefins, polyolefins and other chemical products.
<i>SCG Packaging</i>	Manufacture and sale of packaging paper, various types of packaging including paper packaging (corrugated container and food packaging) and plastic packaging (flexible packaging and rigid plastic packaging), pulp, dissolving pulp, and printing and writing paper.
<i>Other</i>	Jointly invest with leading companies in other businesses, mainly agricultural machine, automotive parts and components and steel, as well as other services.

The business 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)	
	2017	2016	2017	2016	2017	2016
Consolidated SCG	573,412	539,688	450,921	423,442	102,080	97,816
Business Segments						
SCG Cement-Building Materials	213,134	203,068	175,255	170,944	22,319	23,639
SCG Chemicals	193,183	193,465	206,280	188,163	64,461	60,713
SCG Packaging	91,312	85,369	81,455	74,542	12,431	10,884
Other	307,272	289,326	82	86	2,909	2,653

	in million Baht			
	Profit for the year (2)		Depreciation and amortization	
	2017	2016	2017	2016
Consolidated SCG	55,041	56,084	23,282	22,710
Business Segments				
SCG Cement-Building Materials	7,230	8,492	10,590	10,473
SCG Chemicals	42,007	42,084	6,612	6,131
SCG Packaging	4,719	3,565	5,206	5,302
Other	1,485	2,195	873	804

(1) Represents profit before share of profit of associates and joint ventures, finance costs, income tax expense, 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	
	2017	2016	2017	2016	2017	2016
Information from statements of financial position						
Current assets	56,466	58,702	45,183	49,463	29,317	24,574
Investments in associates and joint ventures	13,896	13,315	62,518	61,185	761	881
Other long-term investments	1,269	1,269	42	41	16	16
Property, plant and equipment	114,456	111,260	74,943	75,603	57,143	56,017
Other non-current assets	27,047	18,522	10,497	7,173	4,075	3,881
Total assets	213,134	203,068	193,183	193,465	91,312	85,369
Short-term borrowings	77,383	73,496	21,300	31,731	23,026	19,536
Other current liabilities	22,743	22,650	19,897	22,195	9,422	8,235
Long-term borrowings	1,449	1,821	5,405	7,156	1,328	3,227
Other non-current liabilities	5,338	5,231	2,655	3,239	1,885	1,619
Total liabilities	106,913	103,198	49,257	64,321	35,661	32,617
Shareholders' equity	106,221	99,870	143,926	129,144	55,651	52,752
Total liabilities and shareholders' equity	213,134	203,068	193,183	193,465	91,312	85,369
Supplementary information						
Increase in non-current assets	30,979	24,625	7,332	7,785	8,667	7,731
	in million Baht					
	Other		Intersegment Elimination		Consolidated SCG	
	2017	2016	2017	2016	2017	2016
Information from statements of financial position						
Current assets	147,543	140,196	(106,890)	(116,309)	171,619	156,626
Investments in associates and joint ventures	21,165	20,126	(9)	(9)	98,331	95,498
Other long-term investments	129,851	119,493	(121,040)	(111,605)	10,138	9,214
Property, plant and equipment	3,256	3,295	(951)	(992)	248,847	245,183
Other non-current assets	5,457	6,216	(2,599)	(2,625)	44,477	33,167
Total assets	307,272	289,326	(231,489)	(231,540)	573,412	539,688
Short-term borrowings	40,244	46,707	(97,464)	(106,134)	64,489	65,336
Other current liabilities	3,062	2,636	(3,605)	(2,984)	51,519	52,732
Long-term borrowings	141,223	121,234	(4,731)	(4,579)	144,674	128,859
Other non-current liabilities	1,942	2,093	(915)	(1,039)	10,905	11,143
Total liabilities	186,471	172,670	(106,715)	(114,736)	271,587	258,070
Shareholders' equity	120,801	116,656	(124,774)	(116,804)	301,825	281,618
Total liabilities and shareholders' equity	307,272	289,326	(231,489)	(231,540)	573,412	539,688
Supplementary information						
Increase in non-current assets	635	777	-	-	47,613	40,918

in million Baht

	SCG Cement- Building Materials		SCG Chemicals		SCG Packaging	
	2017	2016	2017	2016	2017	2016
Information from income statements						
Revenue from sales						
External customers	166,284	163,450	205,400	187,328	79,155	72,578
Intersegment	8,971	7,494	880	835	2,300	1,964
Total revenue from sales	175,255	170,944	206,280	188,163	81,455	74,542
Cost of sales	(138,587)	(133,374)	(155,479)	(134,362)	(67,291)	(61,499)
Gross profit	36,668	37,570	50,801	53,801	14,164	13,043
Other income	2,476	2,860	5,698	3,121	1,407	586
Profit before expenses	39,144	40,430	56,499	56,922	15,571	13,629
Operating expenses	(27,846)	(27,607)	(13,135)	(11,432)	(8,365)	(8,058)
Profit before finance costs and income tax	11,298	12,823	43,364	45,490	7,206	5,571
Finance costs	(2,998)	(2,975)	(898)	(1,415)	(883)	(912)
Profit before income tax	8,300	9,848	42,466	44,075	6,323	4,659
Tax expense	(1,628)	(1,936)	(3,833)	(2,501)	(659)	(533)
Profit after income tax	6,672	7,912	38,633	41,574	5,664	4,126
Share of profit of associates and joint ventures	818	884	14,826	14,220	4	5
Profit for the year	7,490	8,796	53,459	55,794	5,668	4,131
Profit attributable to:						
Owners of the parent	7,230	8,492	42,007	42,084	4,719	3,565
Non-controlling interests	260	304	11,452	13,710	949	566
	7,490	8,796	53,459	55,794	5,668	4,131

in million Baht

	Other		Intersegment Elimination		Consolidated SCG	
	2017	2016	2017	2016	2017	2016
Information from income statements						
Revenue from sales						
External customers	82	86	-	-	450,921	423,442
Intersegment	-	-	(12,151)	(10,293)	-	-
Total revenue from sales	82	86	(12,151)	(10,293)	450,921	423,442
Cost of sales	(16)	(15)	12,066	10,229	(349,307)	(319,021)
Gross profit	66	71	(85)	(64)	101,614	104,421
Other income	3,985	4,560	(250)	(340)	13,316	10,787
Profit before expenses	4,051	4,631	(335)	(404)	114,930	115,208
Operating expenses	(3,524)	(3,465)	294	331	(52,576)	(50,231)
Profit before finance costs and income tax	527	1,166	(41)	(73)	62,354	64,977
Finance costs	(2,387)	(2,344)	54	73	(7,112)	(7,573)
Profit (loss) before income tax	(1,860)	(1,178)	13	-	55,242	57,404
Tax income (expense)	781	562	(355)	(210)	(5,694)	(4,618)
Profit (loss) after income tax	(1,079)	(616)	(342)	(210)	49,548	52,786
Share of profit of associates and joint ventures	2,565	2,812	(1)	12	18,212	17,933
Profit for the year	1,486	2,196	(343)	(198)	67,760	70,719
Profit attributable to:						
Owners of the parent	1,485	2,195	(400)	(252)	55,041	56,084
Non-controlling interests	1	1	57	54	12,719	14,635
	1,486	2,196	(343)	(198)	67,760	70,719

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	
	2017	2016	2017	2016
Thailand	264,240	257,723	204,026	199,366
Vietnam	38,554	32,426	29,772	17,088
China	30,864	23,818	-	-
Indonesia	28,487	27,668	16,187	20,830
Other	88,776	81,807	29,234	29,626
Total	450,921	423,442	279,219	266,910

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	
	2017	2016
Gain on sales of investments and others	3,277	869
Management fee income	2,029	2,078
Dividend income from other companies	1,952	2,821
Gain on exchange rate from operations	1,416	1,589
Gain on sales of fixed assets	939	168
Interest income from financial institutions	855	791
Gain from financial instruments	641	49
Gain on disposals of scrap and others	585	655
Other	1,622	1,767
Total	13,316	10,787

27 Distribution costs

	in million Baht	
	2017	2016
Freight	11,627	11,305
Salary, welfare and personnel expenses	5,830	5,463
Sales promotion and advertising expenses	2,618	3,277
Rental expenses	668	653
Commission expenses	606	648
Other	2,218	2,632
Total	23,567	23,978

28 Administrative expenses

	in million Baht	
	2017	2016
Salary, welfare and personnel expenses	18,483	17,643
Depreciation and amortization expenses	1,728	1,598
Idle capacity costs	1,550	38
Outside wages	1,183	1,271
Professional fees	1,041	1,029
Publication and donation	1,036	1,004
Tax, license fees and others	945	830
Supplies, repair and maintenance	831	881
Research and development	759	699
Impairment loss on goodwill, investments and assets	719	746
Other	735	514
Total	29,010	26,253

29 Employee benefit expenses

	in million Baht	
	2017	2016
Salaries and wages	36,251	35,235
Welfares and others	4,459	4,395
Contribution to defined contribution plans	2,052	1,933
Contribution to defined benefit plans	820	789
Early retirement expenses	92	106
Total	43,674	42,458

The Group has provident fund plans to provide retirement and gratuity benefits to 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 15% 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

	Note	in million Baht	
		2017	2016
Interest - Thai Baht loans		6,576	7,174
Interest - Foreign loans		483	354
Interest - Provident funds and other		180	245
		7,239	7,773
Capitalized as cost of construction in progress	15	(127)	(201)
Net		7,112	7,572

31 Income tax

Income tax recognized in profit or loss		in million Baht	
	Note	2017	2016
Current tax			
Current tax		6,452	6,578
Under provided in prior years		62	578
		6,514	7,156
Deferred tax			
Movement in temporary differences	17	(820)	(2,538)
Total		5,694	4,618

Income tax recognized in other comprehensive income

	Note	in million Baht	
		2017	2016
Actuarial losses		(34)	(28)
Gains on (reversal of) remeasuring available-for-sale investments		(325)	131
Total	17	(359)	103

Reconciliation of effective tax rate

		2017		2016	
		Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense			73,454		75,337
Share of profit of associates and joint ventures			(18,212)		(17,933)
			55,242		57,404
Income tax using the Thai corporation tax rate	20		11,048	20	11,481
Tax rates in foreign jurisdictions			(61)		(129)
Income not subject to tax			(401)		(593)
Tax privileges			(4,405)		(4,871)
Expenses deductible at a greater amount			(1,121)		(272)
Expenses not deductible for tax purposes and others			683		846
Tax losses increase			709		116
Current tax			6,452		6,578
Under provided in prior years			62		578
Movement in temporary differences			(820)		(2,538)
Income tax expense	10		5,694	8	4,618

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin 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:

	in million Baht / million shares	
	2017	2016
Profit for the year attributable to owners of the parent	55,041	56,084
Weighted average number of ordinary shares outstanding	1,200	1,200
Basic earnings per share (in Baht)	45.87	46.74

33 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 30 March 2016, the shareholders resolved to declare total dividends for the year 2015 at Baht 16.00 per share, totaling approximately Baht 19,200 million. The interim dividend was paid at the amount of Baht 7.50 per share to the shareholders entitled to receive the dividends, totaling Baht 8,982 million, and was paid on 27 August 2015. The final dividend was paid at the amount of Baht 8.50 per share to the shareholders entitled to receive the dividends, totaling Baht 10,200 million, and was paid on 28 April 2016.

At the Annual General Meeting of the Shareholders of the Company held on 29 March 2017, the shareholders resolved to declare total dividends for the year 2016 at Baht 19.00 per share, totaling approximately Baht 22,800 million. The interim dividend was paid at the amount of Baht 8.50 per share to the shareholders entitled to receive the dividends, totaling Baht 10,198 million, and was paid on 25 August 2016. The final dividend was paid at the amount of Baht 10.50 per share to the shareholders entitled to receive the dividends, totaling Baht 12,600 million, and was paid on 27 April 2017.

At the Board of Directors' Meeting of the Company held on 26 July 2017, the directors approved to pay interim dividend for the year 2017 at Baht 8.50 per share to the shareholders entitled to receive dividends, totaling Baht 10,199 million, and was paid on 24 August 2017.

34 Agreements

As at 31 December, the Group had:

- 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 2017, the subsidiaries are committed to pay technical know-how fees for a lump sum amount as indicated in the agreements.
- 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 2017					
Current					
Short-term loans	4.00, 4.50 MLR plus 0.50	133	-	-	133
Long-term loans	3.75 MLR plus 0.50	19	-	-	19
Non-current					
Long-term loans	2.00 - 5.50 MLR plus 0.50	-	39	85	124
Total		152	39	85	276
Year 2016					
Current					
Short-term loans	4.25, 4.50 MLR plus 0.50	150	-	-	150
Long-term loans	MLR plus 0.50	17	-	-	17
Non-current					
Long-term loans	2.00 - 6.75 MLR plus 0.50	-	-	124	124
Total		167	-	124	291

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 2017					
Current					
Bank overdrafts and short-term borrowings from financial institutions	1.41 - 8.25 MOR / MMR MOR minus (1.25 - 1.75) Cost of fund plus 0.75	19,586	-	-	19,586
Short-term borrowings	2.50	197	-	-	197
Long-term borrowings from financial institutions	2.00 - 4.95 Cost of fund plus (0.50 - 0.80) LIBOR plus (0.38 - 0.70) MLR minus (0.50 - 2.50) VNIBOR plus 0.50	4,671	-	-	4,671
Finance lease liabilities	2.30 - 9.00 MLR minus 1.25 Cost of fund plus 0.75	116	-	-	116
Debentures	3.75 - 4.00	39,918	-	-	39,918
Non-current					
Long-term borrowings from financial institutions	2.00 - 4.95 Cost of fund plus (0.50 - 0.80) LIBOR plus (0.38 - 0.70) MLR minus (0.50 - 2.50) VNIBOR plus 0.50	-	3,280	71	3,351
Finance lease liabilities	2.30 - 9.00 MLR minus 1.25 Cost of fund plus 0.75	-	107	1	108
Debentures	2.97 - 4.40	-	131,256	9,960	141,216
Total		64,488	134,643	10,032	209,163

		in million Baht			
	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Year 2016					
Current					
Bank overdrafts and short-term borrowings from financial institutions	1.30 - 5.50 MOR / MMR MLR - 2.00	15,601	-	-	15,601
Short-term borrowings	2.52	204	-	-	204
Long-term borrowings from financial institutions	2.00 - 7.42 Cost of fund plus (0.50 - 0.80) LIBOR plus (0.36 - 0.70) EURIBOR plus 0.75 MLR minus (1.00 - 2.35)	4,493	-	-	4,493
Finance lease liabilities	2.30 - 11.55	149	-	-	149
Debentures	4.00, 4.25	44,889	-	-	44,889
Non-current					
Long-term borrowings from financial institutions	2.00 - 4.95 Cost of fund plus (0.50 - 0.80) LIBOR plus (0.36 - 0.70) MLR minus (1.00 - 2.35)	-	7,328	137	7,465
Finance lease liabilities	2.30 - 11.55	-	169	-	169
Debentures	3.00 - 4.40	-	121,224	-	121,224
Total		65,336	128,721	137	194,194

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:

	in million Baht					
	Current		Non-current		Total	
	2017	2016	2017	2016	2017	2016
US Dollars	2,764	2,386	1,682	3,869	4,446	6,255
Vietnamese Dong	1,301	684	996	1,156	2,297	1,840
Peso	513	342	8	12	521	354
Rupiah	135	-	-	-	135	-
Euro	-	206	-	-	-	206
Yen	-	18	-	72	-	90
Other	77	57	3	5	80	62
Total	4,790	3,693	2,689	5,114	7,479	8,807

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 borrowings as discussed in note 35. 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 as follows:

	in million Baht			
	2017		2016	
	Contract amount	Fair value Level 2	Contract amount	Fair value Level 2
Current				
Current portion of long-term borrowings	4,671	4,679	4,493	4,501
Forward exchange contracts *				
Forward receivable	19,297	19,111	5,219	5,228
Forward payable	10,513	10,440	3,851	3,817
Cross currency swap *				
Swap loans	2,047	2,161	1,401	1,638
Commodity contracts *	68	33	2,381	2,636
Non-current				
Long-term borrowings	3,351	3,351	7,465	7,487
Cross currency swap *				
Swap loans	724	788	2,398	2,819

* 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	
	2017	2016
(a) Guarantees on loans of non-consolidated related parties	662	976
(b) Bank guarantees issued by banks to government, state enterprises and private sectors	913	1,068
(c) Unused letters of credit	347	414
(d) Commitments		
for purchase of raw material contracts	57,812	75,309
for rental and service agreements	7,041	4,849
for purchasing land, construction and installation of machinery, and others	7,197	9,461
(e) The Group has 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, proceed from loans to 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	
	2017	2016	2017	2016
US Dollars	92	128	2,771	3,799

The above contracts will be gradually due within April 2020 (2016: due within April 2020).

	in million / in million Baht							
	Contract amount							
	Forward receivable				Forward payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2017	2016	2017	2016	2017	2016	2017	2016
US Dollars	571	134	18,763	4,781	284	83	9,334	2,957
Euro	10	3	389	136	25	17	971	678
Yen	117	8	34	2	404	532	124	180
Other			111	302			84	62
Total			19,297	5,221			10,513	3,877

The above contracts will be gradually due within June 2019 (2016: due within January 2018).

- (f) The Group has entered into interest rate swap contracts with various foreign banks to hedge against the risk of interest on foreign loans of US Dollars 54 million (2016: *US Dollars 100 million*), whereby exchanging floating interest rates based on LIBOR with fixed interest rates from 2.67% to 4.60% per annum (2016: *from 2.67% to 4.60% per annum*). These contracts will be gradually due within July 2018 (2016: *due within July 2018*). The Group determined Level 2 fair values for interest rate swap contracts has unrealized loss from fair values Baht 25 million.
- (g) The Group has entered into commodity hedging contracts with various local banks and foreign banks to hedge against the risk of price changes amounting to US Dollars 2 million, equivalent to Baht 68 million (2016: *US Dollars 66 million, equivalent to Baht 2,381 million*). These contracts will be gradually due within December 2018 (2016: *due within December 2017*).
- (h) The Company has 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 with the commencement date in June 2016.
- (i) A subsidiary has entered into the contract for purchasing raw materials from a certain foreign company with the supply period of 25 years and the contract is effective until the end of 2045. Both parties are obligated to commence supplying and taking such raw materials at the price, quantity and conditions specified in the contract no later than 1 October 2021 until the expiry date.
- (j) In the first quarter of 2009, the Company lodged a complaint in criminal case against an ex-employee for 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.

On 22 December 2015, in which the Supreme Court has made the judgment ordering the ex-employee, the offender committed a tort against the Plaintiff, to return the shares or to pay the cash for 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 ordering the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly liable with the ex-employee. 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.

On 21 January 2016, the Company has fully made compensation to the Plaintiff by returning the shares with the ordinary share certificates and making payment of dividends both from the shares prior to the commencement of a civil lawsuit with interest thereon and from the commencement date of a civil lawsuit including any costs and expenses paid for court procedure, accounting for Baht 319 million in total. Later on, Thailand Securities Depository Co., Ltd., the co-defendant, has filed a petition to the Supreme Court for an interpretation on the judgment. On 21 November 2017, the Supreme Court has already ordered the mentioned petition to be dismissed. The Company is in the preparation process of filing a civil lawsuit against all relevant persons for recourse.

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 Others

- (a) 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 totaling 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.

- (b) The Board of Directors’ Meeting No. 219 (8/2017), held on 20 December 2017, approved the support for the restructuring of its subsidiaries engaging in the business of manufacturing and distribution of ceramic tile in Thailand. The restructuring will be contemplated through the amalgamation of five Thai-based ceramic tile companies, which are indirectly held by SCC through Cementhai Ceramics Co., Ltd. (the Amalgamation). The Amalgamation is expected to generate synergies, by way of improving the efficiencies and enhancing competitiveness. These include synergies from sales, marketing, production and R&D in order to increase customer satisfaction.

These five Thai-based ceramic tile companies which are to be amalgamated into the New Company comprise 1) Thai Ceramic Co., Ltd., 2) Thai-German Ceramic Industry Public Company Limited, 3) The Siam Ceramic Group Industries Co., Ltd., 4) Sosuco and Group (2008) Co., Ltd., and 5) Gemago Co., Ltd.

Upon the completion of the Amalgamation subject to the approval of the Board of Directors and shareholders’ meeting of each company and the Stock Exchange of Thailand on the listing application.

39 Events after the reporting period

- (a) On 22 January 2018, a subsidiary under SCG Packaging had completed the acquisition of 68.3% stake from existing shareholder in Interpress Printers Sendirian Berhad, a sector-leading food-grade paper packaging company in Malaysia. The enterprise value is approximately Baht 836 million.
- (b) At the Board of Directors’ Meeting of the Company held on 24 January 2018, the directors approved the following matters:
- (1) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2017 at the rate of Baht 19.00 per share, totaling approximately Baht 22,800 million. An interim dividend of Baht 8.50 per share was paid on 24 August 2017, as discussed in note 33. The final dividend will be at the rate of Baht 10.50 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 12,600 million and is scheduled for payment on 20 April 2018. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2018.
- (2) To issue debentures No. 1/2018 on 2 April 2018, amount of Baht 30,000 million. Term of the new debenture is approximately 4 years with fixed interest rate at 3.00% per annum, and is to replace the debentures No. 1/2014 and No. 1/2015 totaling Baht 30,000 million to be retired for redemption.
- (c) On 31 January 2018, a subsidiary under SCG Packaging had acquired additional stakes from existing shareholders from 75% to 100% in two packaging companies in Thailand, namely Dyna Packs Co., Ltd. and Orient Containers Co, Ltd., for a total consideration of approximately Baht 263 million.

40 Reclassification of accounts

Certain accounts in the 2016 consolidated financial statements have been reclassified to conform to the presentation in the 2017 consolidated financial statements were as follows:

	in million Baht		
	Before reclassification	Reclassification	After reclassification
Consolidated statement of financial position			
Trade and other current receivables	48,329	3,144	51,473
Other current assets	8,043	(2,509)	5,534
Other non-current receivables	-	2,947	2,947
Other non-current assets	6,033	(3,582)	2,451
Trade and other current payables	45,957	2,596	48,553
Other current liabilities	3,832	(2,596)	1,236
Consolidated income statement			
Other income	9,198	1,589	10,787
Distribution costs	(16,002)	(7,976)	(23,978)
Administrative expenses	(34,229)	7,976	(26,253)
Finance costs	(5,983)	(1,589)	(7,572)

Financial Statements

The Siam Cement Public Company Limited

Independent auditor’s report

To the Shareholders of The Siam Cement Public Company Limited

Opinion

I have audited the financial statements of The Siam Cement Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2017, 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.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Impairment testing of investments in associates and subsidiaries	
Refer to Notes 2 and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The management assessed the impairment indicators of investments in associates and subsidiaries given rise to impairment testing by focusing on the business that its performance was below expectations. The impairment testing of investments in associates and subsidiaries highly involves management judgments in identifying whether there are impairment indicators on the investment, including estimating the recoverable amount of the investment, in particular the forecasting of future cash flows derived from financial budget of the associates and subsidiaries, expected growth rates and discount rate for those future cash flows, this is an area of focus in my audit.	My audit procedures focused on assessing the reasonableness of impairment indicators and the key assumptions which underpinned the recoverable amount of investment in associates and subsidiaries.
	I evaluated the reasonableness of impairment indicators with reference to current market situations and its operating environment, my knowledge of the business, and other information obtained during the audit.
	I challenged significant assumptions which underpinned management's discounted future cash flows with reference to recent performance, trend analysis, and tested the mathematical accuracy of the impairment calculations. Moreover, I evaluated reasonableness of the forecasting performances by comparing it with the historical forecast and the actual operating result. Additionally, I consulted with KPMG valuation specialists when considering the appropriateness of the valuation methodology and discount rate.
	I also considered the adequacy of the Company's disclosures in accordance with the financial reporting standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Winid Silamongkol
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2018

Statement of financial position

As at 31 December 2017

The Siam Cement Public Company Limited

in thousand Baht			
Assets	Note	2017	2016
Current assets			
Cash and cash equivalents	6	32,035,244	15,893,804
Current investments	6	9,428,604	9,833,853
Other current receivables	4	2,266,793	2,333,739
Short-term loans	4	95,749,240	103,121,587
Other current assets		231,926	15,681
Non-current assets classified as held for sale	5	-	3,202,906
Total current assets		139,711,807	134,401,570
Non-current assets			
Investments held as available for sale	6	7,157,896	6,344,340
Investments in associates	7	373,441	373,441
Investments in subsidiaries	7	128,181,530	118,748,482
Other long-term investments	8	3,030,058	3,030,058
Investment property	9	1,927,212	1,938,950
Property, plant and equipment	10	3,165,692	3,235,223
Other intangible assets	11	2,612,615	2,756,180
Deferred tax assets	12	228,313	-
Other non-current assets		262,340	804,888
Total non-current assets		146,939,097	137,231,562
Total assets		286,650,904	271,633,132

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 2017

The Siam Cement Public Company Limited

in thousand Baht			
Liabilities and shareholders' equity	Note	2017	2016
Current liabilities			
Other current payables	4	1,172,451	836,371
Accrued interest expense		1,467,979	1,436,332
Current portion of debentures	13	40,000,000	45,000,000
Short-term borrowings	4	6,374,637	6,657,547
Current income tax payable		-	4,073
Other current liabilities		73,026	70,798
Total current liabilities		49,088,093	54,005,121
Non-current liabilities			
Debentures	13	141,500,000	121,500,000
Deferred tax liabilities	12	-	126,242
Non-current provisions for employee benefits	14	700,635	678,995
Other non-current liabilities		1,216,341	1,390,698
Total non-current liabilities		143,416,976	123,695,935
Total liabilities		192,505,069	177,701,056
Shareholders' equity			
Share capital	15		
Authorized share capital - Ordinary share		1,600,000	1,600,000
Issued and paid 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		82,234,920	80,609,496
Other components of shareholders' equity		34,915	1,446,580
Total shareholders' equity		94,145,835	93,932,076
Total liabilities and shareholders' equity		286,650,904	271,633,132

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

Income statement

For the year ended 31 December 2017

The Siam Cement Public Company Limited

in thousand Baht			
	Note	2017	2016
Revenues			
Dividend income	4	22,876,077	24,067,112
Intellectual property income	4	2,744,223	2,808,115
Management fees for administration	4	2,556,116	2,550,347
Other income	17	2,558,968	2,120,770
Total revenues		30,735,384	31,546,344
Expenses			
Administrative expenses	18	(3,466,251)	(3,555,741)
Finance costs	4, 20	(2,484,332)	(2,434,766)
Total expenses		(5,950,583)	(5,990,507)
Profit before income tax		24,784,801	25,555,837
Tax expense	21	(348,729)	(329,470)
Profit for the year		24,436,072	25,226,367
Basic earnings per share (in Baht)	22	20.36	21.02

On behalf of the Board of Directors

Chirayu Isarangun 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 2017

The Siam Cement Public Company Limited

in thousand Baht			
	Note	2017	2016
Profit for the year		24,436,072	25,226,367
Other comprehensive income			
Components of other comprehensive income			
that will be reclassified to profit or loss			
Gains on remeasuring investments held as available for sale	6	65,947	799,997
Reversal of remeasuring investments held as available for sale	6	(1,830,528)	(576,882)
Income tax relating to components of other comprehensive			
income that will be reclassified to profit or loss	21	352,916	(44,623)
Total components of other comprehensive income			
that will be reclassified to profit or loss		(1,411,665)	178,492
Components of other comprehensive income			
that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses	14	(14,102)	(3,054)
Income tax relating to components of other comprehensive			
income that will not be reclassified to profit or loss	21	2,820	611
Total components of other comprehensive income			
that will not be reclassified to profit or loss		(11,282)	(2,443)
Other comprehensive income for the year, net of tax		(1,422,947)	176,049
Total comprehensive income for the year		23,013,125	25,402,416

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

Statement of changes in shareholders' equity

For the year ended 31 December 2017

The Siam Cement Public Company Limited

	Note	Issued and paid share capital
Balance at 1 January 2016		1,200,000
Transactions with owners, recorded directly in shareholders' equity		
Contributions by and distributions to owners of the Company		
Dividends	23	-
Total contributions by and distributions to owners of the Company		-
Comprehensive income for the year		
Profit or loss		-
Other comprehensive income		-
Total comprehensive income for the year		-
Balance at 31 December 2016		1,200,000
Balance at 1 January 2017		1,200,000
Transactions with owners, recorded directly in shareholders' equity		
Contributions by and distributions to owners of the Company		
Dividends	23	-
Total contributions by and distributions to owners of the Company		-
Comprehensive income for the year		
Profit or loss		-
Other comprehensive income		-
Total comprehensive income for the year		-
Balance at 31 December 2017		1,200,000

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

in thousand Baht				
Retained earnings			Other components of shareholders' equity	Total shareholders' equity
Appropriated		Unappropriated		
Legal reserve	General reserve		Investments held as available for sale	
160,000	10,516,000	75,784,029	1,268,088	88,928,117
-	-	(20,398,457)	-	(20,398,457)
-	-	(20,398,457)	-	(20,398,457)
-	-	25,226,367	-	25,226,367
-	-	(2,443)	178,492	176,049
-	-	25,223,924	178,492	25,402,416
160,000	10,516,000	80,609,496	1,446,580	93,932,076
160,000	10,516,000	80,609,496	1,446,580	93,932,076
-	-	(22,799,366)	-	(22,799,366)
-	-	(22,799,366)	-	(22,799,366)
-	-	24,436,072	-	24,436,072
-	-	(11,282)	(1,411,665)	(1,422,947)
-	-	24,424,790	(1,411,665)	23,013,125
160,000	10,516,000	82,234,920	34,915	94,145,835

Statement of cash flows

For the year ended 31 December 2017

The Siam Cement Public Company Limited

	in thousand Baht	
	2017	2016
Cash flows from operating activities		
Profit for the year	24,436,072	25,226,367
Adjustments for		
Tax expense	348,729	329,470
Depreciation and amortization	843,008	779,362
Employee benefit expense	61,144	63,713
Unrealized loss on foreign currency exchange	14,638	6,529
Dividend income	(22,876,077)	(24,067,112)
Interest income	(4,172,662)	(4,619,477)
Interest expense	6,098,347	6,485,693
Gain on sales of investments and others	(1,964,285)	(1,370,686)
Cash flows generated from operations		
before changes in operating assets and liabilities	2,788,914	2,833,859
Decrease (increase) in operating assets		
Other current receivables	(54,347)	198,420
Other current assets	7,331	19,944
Other non-current assets	2,034	4,191
Net decrease (increase) in operating assets	(44,982)	222,555
Increase (decrease) in operating liabilities		
Other current payables	144,251	(173,504)
Other current liabilities	6,649	5,928
Provisions for employee benefits	(58,027)	(35,230)
Other non-current liabilities	(70,042)	(104,977)
Net increase (decrease) in operating liabilities	22,831	(307,783)
Net cash flows generated from operations	2,766,763	2,748,631
Income tax received (paid)	622,890	(336,104)
Net cash flows provided by operating activities	3,389,653	2,412,527

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

Statement of cash flows

For the year ended 31 December 2017

The Siam Cement Public Company Limited

	in thousand Baht		
	Note	2017	2016
Cash flows from investing activities			
Investments in associates, subsidiaries and other companies	7	(9,433,048)	(13,345,065)
Proceeds from sales of investments		27,797,794	40,041,896
Current investments		(22,711,341)	(29,922,985)
Investments held as available for sale		(2,026,623)	(2,558,277)
Acquisition of property, plant and equipment and intangible assets		(519,352)	(531,683)
Proceeds from repayment of loans to related parties		7,372,347	10,725,585
Dividends received		22,865,104	24,063,127
Interest received		4,239,230	4,683,671
Income tax paid from sales of investments		(682,916)	-
Net cash flows provided by investing activities		26,901,195	33,156,269
Cash flows from financing activities			
Proceeds from (payments of) borrowings			
Proceeds from (payments of) short-term borrowings from related parties		(282,909)	2,530,268
Proceeds from issuance of debentures		60,000,000	50,000,000
Redemption of debentures		(45,000,000)	(50,000,000)
Net increase in borrowings		14,717,091	2,530,268
Dividends paid		(22,799,366)	(20,398,457)
Interest paid		(6,067,133)	(6,601,536)
Net cash flows used in financing activities		(14,149,408)	(24,469,725)
Net increase in cash and cash equivalents		16,141,440	11,099,071
Cash and cash equivalents at beginning of the year		15,893,804	4,794,733
Cash and cash equivalents at end of the year		32,035,244	15,893,804

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

Notes to the financial statements

For the year ended 31 December 2017
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 14 February 2018.

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.

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 under the Royal Patronage of His Majesty the King (“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 2017. 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.

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 2018 and have not been adopted in the preparation of these financial statements. The Company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

(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.
- defined benefit obligations are measured at the present value of non-current provisions for defined benefit plans.

(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 assumptions 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, 10 and 11	Measurement of the recoverable amounts of each asset and cash-generating units;
Note 12 and 21	Recognition of deferred tax assets;
Note 14	Measurement of non-current provisions for defined benefit plans: - key actuarial assumptions; and
Note 25	Recognition and measurement of 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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which these valuations should be classified.

Significant valuation issues are reported to the Company’s Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market 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 property;
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 classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities) are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

(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 exchange 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 property

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

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, 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 measured 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 of a qualifying asset. 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 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 property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

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	3, 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 reporting period and adjusted if appropriate.

(g) Intangible assets

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 Company 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, other costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs of a qualifying asset. 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 Company, which have finite useful lives, are measured 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.

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, 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, 5, 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 reporting period 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 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 by a qualified actuary using the projected unit credit method which is based on actuarial valuation method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized in other comprehensive income. 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 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 respective functional currencies 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 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		
	2017	2016	Pricing policies
<i>Associates</i>			
Intellectual property income, management income, services and others	1,062	1,051	Mainly based on percentage of revenue from sales
Dividend income	427	414	Upon declaration
<i>Subsidiaries</i>			
Intellectual property income, management income, services and others	4,005	4,130	Mainly based on percentage of revenue from sales
Dividend income	20,516	20,881	Upon declaration
Interest income	3,684	4,122	Contract rate
Interest expense	49	46	Contract rate
<i>Other</i>			
Intellectual property income, management income, services and others	304	267	Mainly based on percentage of revenue from sales
Dividend income	1,933	2,615	Upon declaration

In the income statement for the year ended 31 December 2017, the Company presents finance costs of Baht 2,484 million (2016: Baht 2,435 million), which comprised interest expense and financial charges of Baht 6,168 million (2016: Baht 6,557 million) and interest income from related parties of Baht 3,684 million (2016: Baht 4,122 million).

Balances as at 31 December with related parties were as follows:

Other current receivables

	in million Baht	
	2017	2016
<i>Current accounts</i>		
<i>Associates</i>		
Siam Kubota Corporation Co., Ltd.	331	329
Other companies	77	63
	408	392
<i>Subsidiaries</i>		
Thai Polyethylene Co., Ltd.	417	394
The Concrete Products and Aggregate Co., Ltd.	187	187
Siam Kraft Industry Co., Ltd.	96	82
The Siam Cement (Ta Luang) Co., Ltd.	83	112
SCG Cement-Building Materials Co., Ltd.	68	65
The Siam Cement (Kaeng Khoi) Co., Ltd.	65	74
SCG Logistics Management Co., Ltd.	56	53
SCG Chemicals Co., Ltd.	55	73
The Siam Cement (Thung Song) Co., Ltd.	55	52
The Siam Fibre-Cement Co., Ltd.	47	50
Thai Ceramic Co., Ltd.	39	38
SCG Trading Co., Ltd.	37	35
Other companies	375	392
	1,580	1,607
<i>Other</i>		
Siam Yamato Steel Co., Ltd.	31	29
Other companies	24	21
	55	50
Total	2,043	2,049

Short-term loans

	in million Baht	
	2017	2016
Notes receivable		
Subsidiaries		
The Concrete Products and Aggregate Co., Ltd.	63,831	59,096
SCG Packaging Public Company Limited	15,445	12,467
The Siam Fibre-Cement Co., Ltd.	7,761	9,396
SCG Chemicals Co., Ltd.	6,680	20,400
Other companies	2,032	1,763
Total	95,749	103,122

Movements during the years on short-term loans to related parties were as follows:

	in million Baht	
	2017	2016
At 1 January	103,122	113,847
Increase	19,458	23,185
Decrease	(26,831)	(33,910)
At 31 December	95,749	103,122

Other current payables

	in million Baht	
	2017	2016
Current accounts	120	145

Short-term borrowings

	in million Baht	
	2017	2016
Notes payable		
Subsidiaries		
Cementthai Holding Co., Ltd.	3,388	2,249
The Siam Iron and Steel Co., Ltd.	1,294	1,293
Cementthai Captive Insurance Pte. Ltd.	463	398
Property Value Plus Co., Ltd.	404	392
SCG Accounting Services Co., Ltd.	298	274
Bangsue Industry Co., Ltd.	175	170
SCG Learning Excellence Co.,Ltd.	171	119
SCG Distribution Co., Ltd.	2	1,636
Other companies	180	127
Total	6,375	6,658

Movements during the years on short-term borrowings from related parties were as follows:

	in million Baht	
	2017	2016
At 1 January	6,658	4,127
Increase	3,021	6,902
Decrease	(3,304)	(4,371)
At 31 December	6,375	6,658

The Board of Directors and key management compensation

	in million Baht	
	2017	2016
For the years ended 31 December		
Short-term employee benefits	183	175
Post-employment benefits	7	7
Total	190	182

The Board of Directors and key 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.

5 Non-current assets classified as held for sale

In the first quarter of 2017, the Company sold the marketable equity securities which had been classified as non-current assets classified as held for sale, totaling Baht 3,253 million and recognized a gain before tax totaling Baht 1,880 million included in other income in the income statement.

6 Cash and cash equivalents and other investments

	in million Baht	
	2017	2016
Cash and cash equivalents		
Cash on hand and at banks	29,034	13,862
Highly liquid short-term investments	2,991	2,000
Cash (Private funds)	10	32
Total	32,035	15,894
Current investments		
Available-for-sale debt securities (Private funds)	9,429	9,834
Investments held as available for sale		
Available-for-sale debt securities (Private funds)	7,158	6,344

As at 31 December 2017, the value of private funds invested by 3 independent assets management companies was totaling Baht 16,597 million (2016: Baht 16,210 million). Those private funds have invested in debt securities which had high liquidity and rating as investment grade with return rates from 0.98% to 3.45% per annum (2016: from 1.34% to 3.45% per annum).

Fair values

The fair values of available-for-sale securities together with the carrying amounts in the statement of financial position as at 31 December 2017 are as follows:

	in million Baht	
	Carrying amount	Fair value Level 2
Current investments		
Available-for-sale debt securities (Private funds)	9,429	9,429
Investments held as available for sale		
Available-for-sale debt securities (Private funds)	7,158	7,158

The table above analyzes recurring fair value measurements for available-for-sale securities. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Level 2 to the Company's investments is defined as 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	
	2017	2016
At 1 January	119,122	105,981
Acquisitions and additional investments	9,433	13,345
Disposals	(162)	(42)
Reversals (impairment losses)	162	(162)
At 31 December	128,555	119,122

Investments in associates and subsidiaries as at 31 December and dividend income from these investments in the years then ended at the same date, were as follows:

	Total holding (%)		in million Baht							
			Cost method		Accumulated impairment losses		Net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
SCG Cement-Building Materials	100	100	65,273	55,841	111	111	65,162	55,730	1,895	635
SCG Chemicals	100	100	44,084	44,084	-	-	44,084	44,084	18,045	19,711
SCG Packaging	99	99	17,176	17,175	-	-	17,176	17,175	770	770
Other	100	100	2,274	2,436	141	303	2,133	2,133	233	179
Total			128,807	119,536	252	414	128,555	119,122	20,943	21,295

On 10 April 2017, the Company paid for the capital increase in a subsidiary company which was the second additional share payment for a total consideration of Baht 9,432 million.

In year 2016, the Company recognized impairment losses in Maxion Wheels (Thailand) Co., Ltd. for a total of Baht 162 million. Subsequently in the fourth quarter of 2017, the Company sold the entire 30% stake with the proceeds from sales of Baht 83 million and recognized a gain of Baht 83 million, which is included in other income in the income statement.

8 Other long-term investments

		Total holding (%)		in million Baht			
		2017	2016	Investment		Dividend income	
				2017	2016	2017	2016
At Cost							
Asia Cement Public Company Limited		10	10	1,119	1,119	82	82
Toyota Motor Thailand Co., Ltd.		10	10	881	881	1,707	2,444
Siam Yamato Steel Co., Ltd.		10	10	401	401	50	50
Siam Toyota Manufacturing Co., Ltd.		4	4	329	329	55	8
Finfloor S.p.A.		10	10	299	299	39	30
Other companies		-	-	10	10	-	-
Total				3,039	3,039	1,933	2,614
Less accumulated impairment losses				(9)	(9)	-	-
Net				3,030	3,030	1,933	2,614

The aggregate values of the above investments, based on the latest available audited financial statements as at 31 December 2017 are as follows:

in million Baht		
Cost	Interests in carrying amount	Accumulated impairment losses
3,039	10,646	(9)

Non-marketable securities

9 Investment property

	in million Baht		
	Land and land improvements	Buildings and structures	Total
Cost			
At 1 January 2016	1,619	616	2,235
At 31 December 2016 and 2017	1,619	616	2,235
Accumulated depreciation			
At 1 January 2016	107	175	282
Depreciation charge for the year	-	14	14
At 31 December 2016	107	189	296
Depreciation charge for the year	-	12	12
At 31 December 2017	107	201	308
Carrying amount			
At 31 December 2016	1,512	427	1,939
At 31 December 2017	1,512	415	1,927

Investment property was revalued as at 31 December 2017 at open market values on an existing use basis. The fair value was Baht 4,858 million (2016: Baht 3,330 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is the discounted cash flows and market approach.

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 2016	894	2,846	1,036	24	514	14	5,328
Additions	9	143	21	-	66	38	277
Disposals/written off	(3)	(11)	(15)	(3)	(36)	-	(68)
Transfers in (out)	-	4	1	-	1	(6)	-
At 31 December 2016	900	2,982	1,043	21	545	46	5,537
Additions	13	186	96	3	42	3	343
Disposals/written off	-	(1)	(4)	(2)	(10)	-	(17)
Transfers in (out)	1	37	48	-	11	(46)	51
At 31 December 2017	914	3,204	1,183	22	588	3	5,914
Accumulated depreciation							
At 1 January 2016	337	1,078	188	18	334	-	1,955
Depreciation charge for the year	131	155	63	1	62	-	412
Disposals/written off	(3)	(10)	(15)	(1)	(36)	-	(65)
At 31 December 2016	465	1,223	236	18	360	-	2,302
Depreciation charge for the year	133	167	71	1	74	-	446
Disposals/written off	-	(1)	(1)	(1)	(10)	-	(13)
Transfers in	-	-	10	-	3	-	13
At 31 December 2017	598	1,389	316	18	427	-	2,748
Carrying amount							
At 31 December 2016	435	1,759	807	3	185	46	3,235
At 31 December 2017	316	1,815	867	4	161	3	3,166

The gross carrying amount of fully depreciated property, plant and equipment that is still in use as at 31 December 2017 amounted to Baht 1,208 million (2016: Baht 1,143 million).

11 Other intangible assets

	in million Baht			
	Software licenses	Development cost	Other	Total
Cost				
At 1 January 2016	2,610	18	570	3,198
Additions	427	36	-	463
Disposals/written off	(1)	-	(10)	(11)
Transfers in (out)	1	(12)	11	-
At 31 December 2016	3,037	42	571	3,650
Additions	281	4	3	288
Disposals/written off	(192)	-	(6)	(198)
Transfers in (out)	28	(35)	(44)	(51)
At 31 December 2017	3,154	11	524	3,689
Accumulated amortization				
At 1 January 2016	531	-	11	542
Amortization charge for the year	341	-	12	353
Disposals/written off	(1)	-	-	(1)
At 31 December 2016	871	-	23	894
Amortization charge for the year	378	-	7	385
Disposals/written off	(192)	-	(11)	(203)
At 31 December 2017	1,057	-	19	1,076
Carrying amount				
At 31 December 2016	2,166	42	548	2,756
At 31 December 2017	2,097	11	505	2,613

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	
	2017	2016
Deferred tax assets	237	240
Deferred tax liabilities	(9)	(366)
Net	228	(126)

Movements in total deferred tax assets and liabilities during the years were as follows:

	in million Baht			
	At 1 January 2016	Credited (charged) to profit or loss (note 21)	other comprehensive income	At 31 December 2016
Deferred tax assets				
Investments held as available for sale	8	-	4	12
Investments in associates and subsidiaries	52	-	-	52
Provisions for employee benefits	140	7	1	148
Other	9	19	-	28
Total	209	26	5	240
Deferred tax liabilities				
Investments held as available for sale	(317)	-	(49)	(366)
Others	(1)	1	-	-
Total	(318)	1	(49)	(366)
Net	(109)	27	(44)	(126)

	in million Baht			
	At 1 January 2017	Credited (charged) to profit or loss (note 21)	other comprehensive income	At 31 December 2017
Deferred tax assets				
Investments held as available for sale	12	(3)	(4)	5
Investments in associates and subsidiaries	52	-	-	52
Provisions for employee benefits	148	4	-	152
Other	28	-	-	28
Total	240	1	(4)	237
Deferred tax liabilities				
Investments held as available for sale	(366)	-	357	(9)
Total	(366)	-	357	(9)
Net	(126)	1	353	228

13 Debentures

As at 31 December 2017, the Company had issued unsubordinated and unsecured debentures totaling Baht 181,500 million (2016: Baht 166,500 million) as follows:

Debentures no.	in million Baht		Interest rate (% p.a.)	Term	Maturity date	Fair value *	
	2017	2016				2017	2016
3/2012	6,500	6,500	4.40	7 years	12 October 2019	1,053	1,073
1/2013	-	25,000	4.00	4 years	1 April 2017	-	1,015
2/2013	-	20,000	4.25	4 years	1 October 2017	-	1,014
1/2014	15,000	15,000	4.00	4 years	1 April 2018	1,016	1,033
2/2014	10,000	10,000	3.90	4 years	1 October 2018	1,017	1,048
1/2015	15,000	15,000	3.75	3 years	1 April 2018	1,015	1,032
1/2015	15,000	15,000	3.90	4 years	1 April 2019	1,023	1,056
2/2015	10,000	10,000	3.40	4 years	1 November 2019	1,037	1,039
1/2016	25,000	25,000	3.00	4 years	1 April 2020	1,034	1,017
2/2016	25,000	25,000	3.00	4 years	1 November 2020	1,033	1,030
1/2017	25,000	-	3.25	4 years	1 April 2021	1,045	-
2/2017	10,000	-	2.97	7 years	30 August 2024	1,031	-
3/2017	25,000	-	3.05	4 years	1 October 2021	1,041	-
Total	181,500	166,500					
Less Current portion	(40,000)	(45,000)					
Net	141,500	121,500					

*Latest price (Baht per unit: 1 unit = Baht 1,000) as at 31 December 2017 and 2016.

At the Annual General Meeting of the Shareholders of the Company held on 29 March 2017, the shareholders resolved to increase another Baht 50,000 million to be the ceiling of the issuance and offering of debentures, totaling Baht 300,000 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 Non-current provisions for employee benefits

The Company operates defined benefit plan 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.

Non-current provisions for employee benefits in statements of financial position as at 31 December

	in million Baht	
	2017	2016
Post-employment benefits		
legal severance payments plan	680	657
Other long-term employee benefits	21	21
Other employee benefits	-	1
Total	701	679

Movements in the present value of non-current provisions for defined benefit plans

	in million Baht	
	2017	2016
Non-current provisions for defined benefit plans at 1 January	678	647
Included in profit or loss		
Current service costs	36	34
Interest on obligation	23	21
Actuarial losses	-	1
Transfer of non-current provisions for employee benefits from subsidiaries	-	1
	59	57
Included in other comprehensive income		
Actuarial losses	14	3
	14	3
Other		
Benefits paid	(50)	(29)
Non-current provisions for defined benefit plans at 31 December	701	678

Actuarial losses recognized in other comprehensive income as of the end of the reporting period arising from:

	in million Baht	
	2017	2016
For the years ended 31 December		
Experience adjustment	14	3

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period

	%	
	2017	2016
For the years ended 31 December		
Discount rate *	3.25 - 3.39	3.25 - 3.39
Salary increase rate	3.00 - 8.32	3.00 - 8.32
Employee turnover rate **	2.50 - 11.00	2.50 - 11.00
Mortality rate ***	25.00 of TMO2008	25.00 of TMO2008

- * Market yields on government's bond 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 end of reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected non-current provisions for defined benefit plans by the amounts shown below.

Effect on non-current provisions for defined benefit plans at 31 December

	in million Baht	
	Increase (decrease)	
	2017	2016
Discount rate		
0.5% increase	(38)	(37)
0.5% decrease	41	41
Salary increase rate		
1.0% increase	98	89
1.0% decrease	(84)	(76)
Employee turnover rate		
10.0% increase	(24)	(22)
10.0% decrease	25	23

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)	in million shares / million Baht			
		2017		2016	
		Number of shares	Value	Number of shares	Value
<i>Authorized</i>					
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
<i>Issued and paid</i>					
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

	in million Baht	
	2017	2016
Gain from sales of investments	1,964	1,542
Interest income from financial institutions	515	485
Guarantee fee income	34	56
Other	46	38
Total	2,559	2,121

18 Administrative expenses

	Note	in million Baht	
		2017	2016
Salary, welfare and personnel expenses		3,736	3,605
Depreciation and amortization expenses		840	774
Publication		792	820
Outside wages		377	424
Repair and maintenance		329	304
Professional fees		325	227
Rent		194	196
Utility expenses		87	95
Impairment losses of investment	7	-	162
Reimbursed amounts		(3,518)	(3,305)
Other		304	254
Total		3,466	3,556

19 Employee benefit expenses

	in million Baht	
	2017	2016
Salaries and wages	2,899	2,792
Welfares and others	213	200
Contribution to defined contribution plans	216	203
Contribution to defined benefit plans	59	56
Early retirement expenses	19	1
Contribution to transfer of employees from subsidiaries	-	1
	3,406	3,253
Capitalized as cost of construction in progress	(14)	(8)
Net	3,392	3,245

The Company has provident fund plans to provide retirement and gratuity benefits to 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 15% 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	
	2017	2016
Interest expense -Thai Baht loans	6,123	6,513
Interest expense (income) - Affiliated companies		
Interest expense - Affiliated companies	48	46
Interest income - Affiliated companies	(3,684)	(4,122)
	2,487	2,437
Capitalized as cost of construction in progress	(3)	(2)
Net	2,484	2,435

21 Income tax

Income tax recognized in profit or loss

	Note	in million Baht	
		2017	2016
Current tax			
Current tax		348	340
Under provided in prior years		2	16
		350	356
Deferred tax			
Movement in temporary differences	12	(1)	(27)
Total		349	329

Income tax recognized in other comprehensive income

	Note	in million Baht	
		2017	2016
Actuarial losses		(3)	(1)
Gains on (reversal of) remeasuring available-for-sale investments		(353)	45
Total	12	(356)	44

Reconciliation of effective tax rate

	2017		2016	
	Rate		Rate	
	(%)	(in million Baht)	(%)	(in million Baht)
Profit before income tax expense		24,785		25,556
Income tax using the Thai corporation tax rate	20	4,957	20	5,111
Income not subject to tax		(4,568)		(4,806)
Expenses deductible at a greater amount		(38)		(28)
Expenses not deductible for tax purposes and other adjustments		(3)		63
Current tax		348		340
Under provided in prior years		2		16
Movement in temporary differences		(1)		(27)
Income tax expense	1.4	349	1.3	329

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin 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 of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	in million Baht / million shares	
	2017	2016
Profit for the year attributable to ordinary shareholders of the Company	24,436	25,226
Weighted average number of ordinary shares outstanding	1,200	1,200
Basic earnings per share (in Baht)	20.36	21.02

23 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 30 March 2016, the shareholders resolved to declare total dividends for the year 2015 at Baht 16.00 per share, totaling approximately Baht 19,200 million. The interim dividend was paid at the amount of Baht 7.50 per share to the shareholders entitled to receive the dividends, totaling Baht 8,982 million, and was paid on 27 August 2015. The final dividend was paid at the amount of Baht 8.50 per share to the shareholders entitled to receive the dividends, totaling Baht 10,200 million, and was paid on 28 April 2016.

At the Annual General Meeting of the Shareholders of the Company held on 29 March 2017, the shareholders resolved to declare total dividends for the year 2016 at Baht 19.00 per share, totaling approximately Baht 22,800 million. The interim dividend was paid at the amount of Baht 8.50 per share to the shareholders entitled to receive the dividends, totaling Baht 10,198 million, and was paid on 25 August 2016. The final dividend was paid at the amount of Baht 10.50 per share to the shareholders entitled to receive the dividends, totaling Baht 12,600 million, and was paid on 27 April 2017.

At the Board of Directors' Meeting of the Company held on 26 July 2017, the directors approved to pay interim dividend for the year 2017 at Baht 8.50 per share to the shareholders entitled to receive dividends, totaling Baht 10,199 million and was paid on 24 August 2017.

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 2017			
Current			
Short-term loans to related parties	3.75	95,749	95,749
Total		95,749	95,749

Year 2016			
Current			
Short-term loans to related parties	4.00	103,122	103,122
Total		103,122	103,122

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 rates (% p.a.)	in million Baht		
		Within 1 year	After 1 year but within 5 years	Total
Year 2017				
Current				
Short-term borrowings from related parties	0.71	6,375	-	6,375
Debentures	3.75 - 4.00	40,000	-	40,000
Non-current				
Debentures	2.97 - 4.40	-	141,500	141,500
Total		46,375	141,500	187,875
Year 2016				
Current				
Short-term borrowings from related parties	0.73	6,658	-	6,658
Debentures	4.00 - 4.25	45,000	-	45,000
Non-current				
Debentures	3.00 - 4.40	-	121,500	121,500
Total		51,658	121,500	173,158

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.

Fair value

Since the majority of the financial assets and liabilities classified as short-term and borrowings are bearing interest at rates closed to current market rate, the management believes that as at 31 December 2017 and 2016, 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	
	2017	2016
(a) Guarantees on loans of related parties	2,784	5,394
(b) Bank guarantees issued by banks to government, state enterprises and private sectors	101	101
(c) Commitments		
- for rental agreements	120	91
- for construction and improvement of office building and implementation project	18	197
- for title sponsor agreement	440	550
- other	29	-
(d) The Company has entered into forward contracts with several local banks amounting to US Dollar 320 million, equivalent to Baht 10,555 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 September 2018.		
(e) The Company has entered into the service agreements with two local companies. Those companies will provide information and technology outsourcing services to the Company and affiliates. The commencement price is approximately Baht 6,500 million. The agreements period is for 7 years with the commencement date in June 2016.		
(f) In the first quarter of 2009, the Company lodged a complaint in criminal case against an ex-employee for 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.		

On 22 December 2015, in which the Supreme Court has made the judgment ordering the ex-employee, the offender committed a tort against the Plaintiff, to return the shares or to pay the cash for 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 ordering the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly liable with the ex-employee. 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.

On 21 January 2016, the Company has fully made compensation to the Plaintiff by returning the shares with the ordinary share certificates and making payment of dividends both from the shares prior to the commencement of a civil lawsuit with interest thereon and from the commencement date of a civil lawsuit including any costs and expenses paid for court procedure, accounting for Baht 319 million in total. Later on, Thailand Securities Depository Co., Ltd., the co-defendant, has filed a petition to the Supreme Court for an interpretation on the judgment. On 21 November 2017, the Supreme Court has already ordered the mentioned petition to be dismissed. The Company is in the preparation process of filing a civil lawsuit against all relevant persons for recourse.

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

At the Board of Directors' Meeting of the Company held on 24 January 2018, the directors approved the following matters:

- (a) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2017 at the rate of Baht 19.00 per share, totaling approximately Baht 22,800 million. An interim dividend of Baht 8.50 per share was paid on 24 August 2017, as discussed in note 23. The final dividend will be at the rate of Baht 10.50 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 12,600 million and is scheduled for payment on 20 April 2018. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2018.
- (b) To issue debentures No.1/2018 on 2 April 2018, amount of Baht 30,000 million. Term of the new debenture is approximately 4 years with fixed interest rate at 3.00 % per annum, and is to replace the debentures No.1/2014 and No.1/2015 totaling Baht 30,000 million to be retired for redemption.

28 Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements were as follows:

	in million Baht		
	Before reclassification	Reclassification	After reclassification
Statement of financial position			
Other current receivables	2,317	17	2,334
Other current assets	33	(17)	16
Other current payables	533	303	836
Other current liabilities	374	(303)	71
Income Statement			
Administrative expenses	3,540	16	3,556
Finance costs	2,451	(16)	2,435

References

Registrars	Thailand Securities Depository Company Limited
Address	The Stock Exchange of Thailand Building 1 st Floor, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Tel.	66-2009-9999
Fax	66-2009-9991
e-mail	SETContactCenter@set.or.th
Website	www.set.or.th/tsd
Auditors	KPMG Phoomchai Audit Ltd. Mr. Winid Silamongkol (Certificated Public Accountant No. 3378) or Mr. Viroj Jindamaneepitak (Certificated Public Accountant No. 3565) or Ms. Pornthip Rimdusit (Certificated Public Accountant No. 5565) or Ms. Thanyalux Keadkeaw (Certified Public Accountant No. 8179)
Address	1 Empire Tower 50 th – 51 st Floors, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel.	66-2677-2000
Fax	66-2677-2222
Legal Advisors	SCG Legal Counsel Limited
Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Tel.	66-2586-5777 or 66-2586-5888
Fax	66-2586-2976
Trustee of Debenture Holders	TMB Bank Public Company Limited (Only for debenture SCC184A, SCC180A, SCC184B and SCC194A)
Address	3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900
Tel.	66-2299-1111
Fax	66-2990-6010
Website	www.tmbbank.com
Trustee of Debenture Holders	CIMB Thai Bank Public Company Limited (Only for debenture SCC19NA, SCC204A, SCC20NA, SCC214A and SCC210A)
Address	Capital Financial Markets and Payments Operations Department Agency Service and Compliance Unit, 15 th Floor, 44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330
Tel.	66-2626-7508
Fax	66-2657-3390
Website	www.cimbthai.com



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Investor Information

Stock Code	SCC (Listed on the Stock Exchange of Thailand - SET)	Contacts
Registration No.	0107537000114	Corporate Headquarters Tel. 66-2586-3333, 66-2586-4444 Fax 66-2586-2974 e-mail: info@scg.com
Type of Business	Holding Company	
Website	www.scg.com	
Year of Establishment	1913	Corporate Secretary Office Tel. 66-2586-6098 Fax 66-2586-3007 e-mail: corporate@scg.com
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	Investor Relations Department Tel. 66-2586-3309 Fax 66-2586-3307 e-mail: invest@scg.com
Par value	1 Baht par value	
Preferred Share	None	
Fiscal Year	January 1 – December 31 of each year	Enterprise Brand Management Office Tel. 66-2586-3770 Fax 66-2586-2974 e-mail: ebmo@scg.com
Shareholders	The Crown Property Bureau Group holds approximately 31.4% of shares while the remaining shares are held by other institutional and individual shareholders	Independent Directors as Minority Shareholders' Representative Fax 66-2586-3007 e-mail: ind_dir@scg.com

5 YEARS SHARE PRICES (2013-2017)

Compared to SET Index

— SET — SCC Local — SCC Foreign





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