

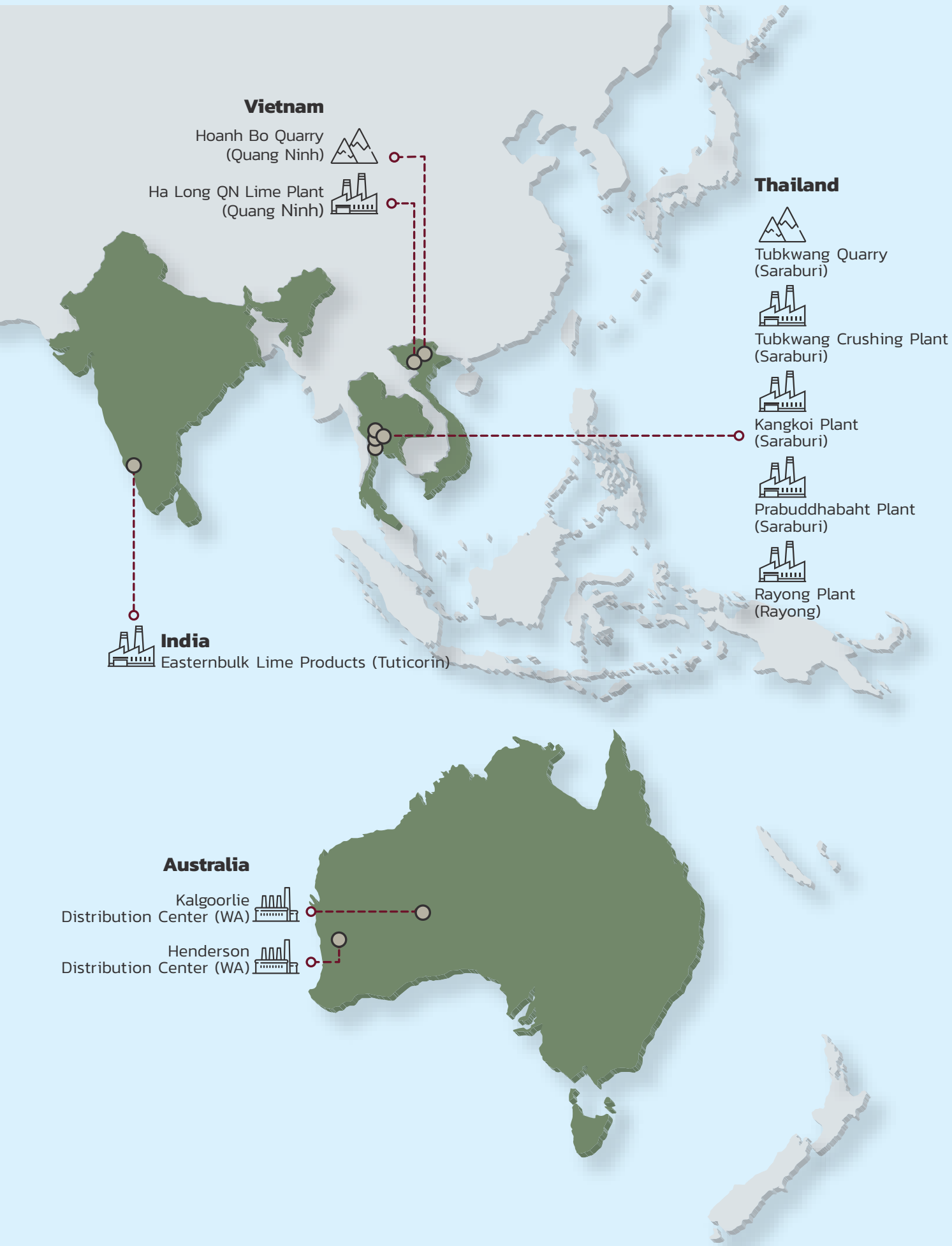
Annual Report 2020



GO GLOBAL

The World's Leading Lime Producer





Vietnam

Hoanh Bo Quarry
(Quang Ninh)



Ha Long QN Lime Plant
(Quang Ninh)



Thailand



Tubkwang Quarry
(Saraburi)



Tubkwang Crushing Plant
(Saraburi)



Kangkoi Plant
(Saraburi)



Prabuddhabaht Plant
(Saraburi)



Rayong Plant
(Rayong)

India



Easternbulk Lime Products (Tuticorin)

Australia

Kalgoorlie
Distribution Center (WA)



Henderson
Distribution Center (WA)



Operations – Thailand



 Tubkwang Quarry

 Saraburi Province



 Tubkwang Crushing Plant

 Saraburi Province



Kangkoi Plant

📍 Saraburi Province



Prabuddhabaht Plant

📍 Suraburi Province



Rayong Plant

📍 Rayong Province

Operations – Vietnam



Hoanh Bo Quarry



Halong City, Quang Ninh Province



Ha Long QN Lime Plant



Quang Ninh Province

Operations – Australia and India



Henderson Distribution Center
Kalgoorlie Distribution Center

📍 Western Australia



Easternbulk Lime Products Private Limited

📍 Tuticorin, India

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Investors can find further information of Chememan Public Company Limited from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.chememan.com



Mission

- Promote cost optimization in areas of production and logistics to enhance company's competitiveness
- Grow business using sustainability development principles with good governance
- Deploy advanced automation and technologies to increase work efficiency. Build a digital culture to achieve operational excellence in the organization
- Adopt agile ways of working. Be adaptive to changes, foster collaboration and professional skill sets for all employees
- Develop and innovate new products and services that match customers' needs. Continuously pursue vertical and horizontal expansion both domestically and internationally.

Our Core Values



Courage



Harmony



Energy



Mentality



Equilibrium

Vision

Chememan Public Company Limited aims at achieving
lime capacity of more than 2,000,000 TPA by 2025
to become a world-class leader in lime industry by
conducting business with good governance that provides
sustainability for all concerned parties.



Business Goals



To become the world's
leader in the lime industry



To be continuously
profitable

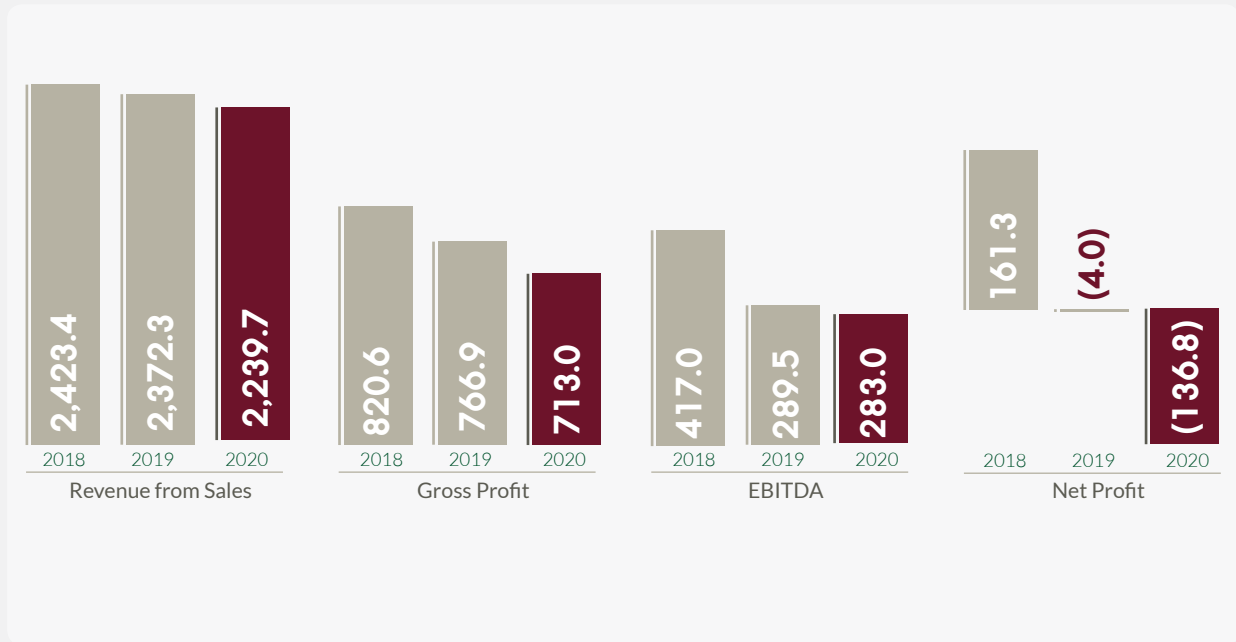


To promote sustainable
growth and development

Financial Highlights

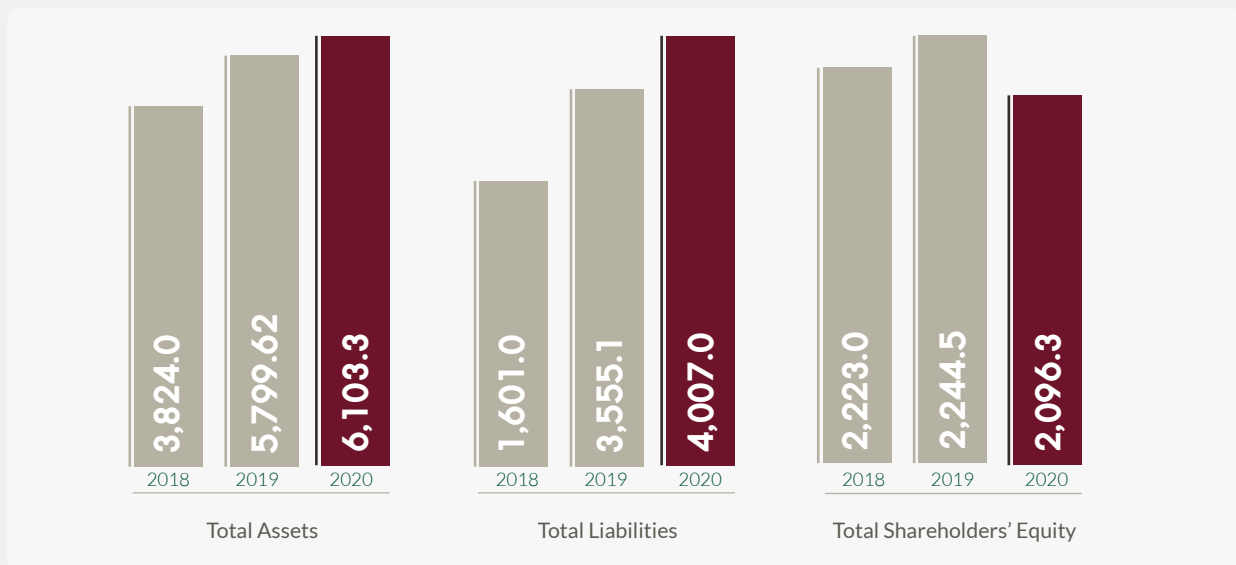
Statement of Comprehensive Income

Million Baht

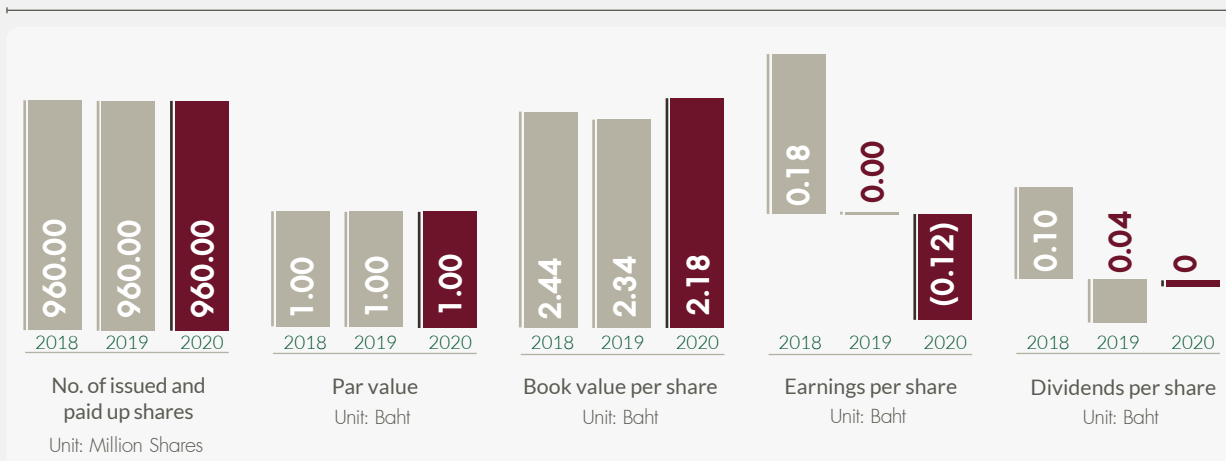


Statement of Financial Position

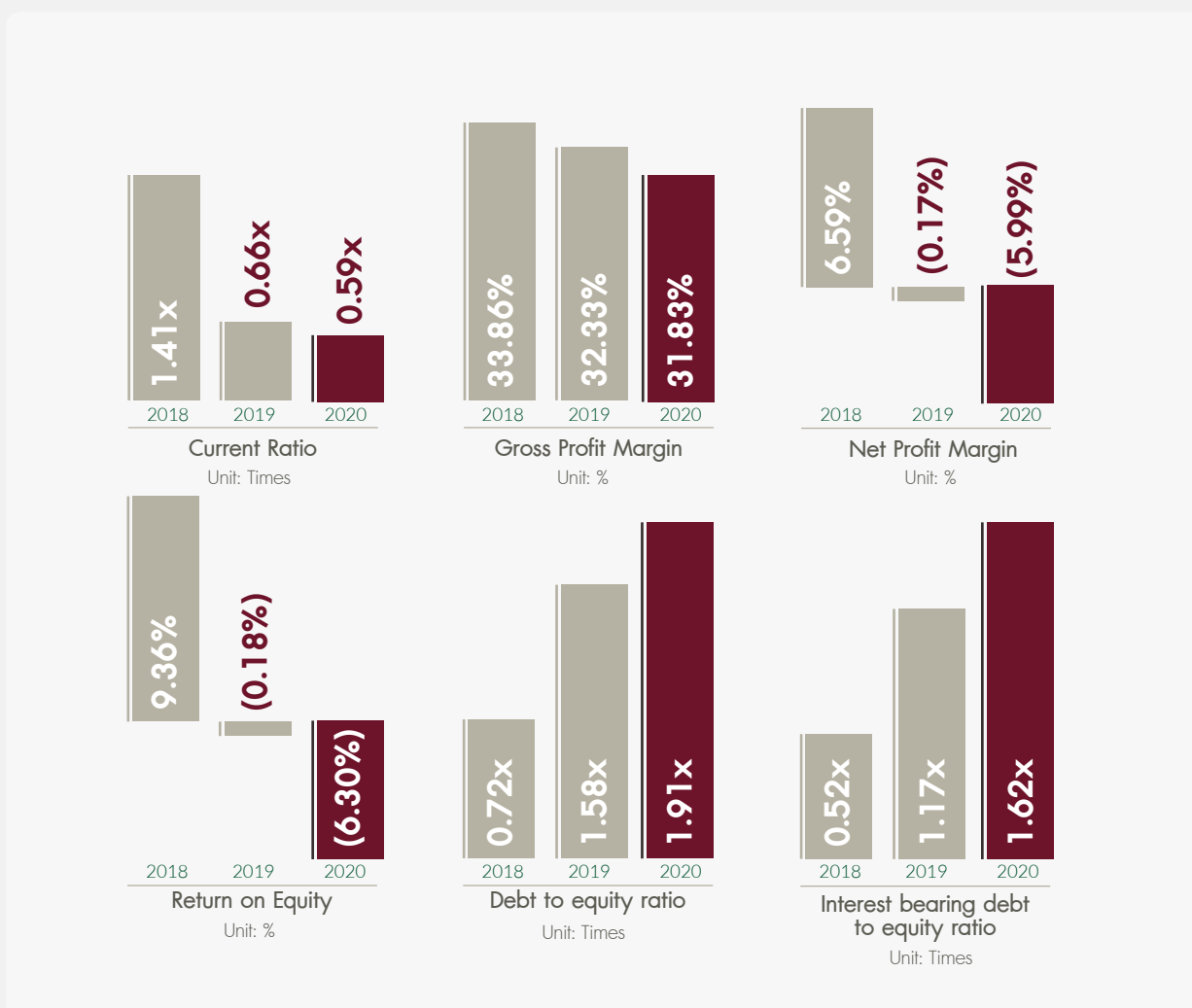
Million Baht



Information on Ordinary Shares



Financial Ratios





The COVID-19 pandemic has given CMAN many learning experiences to improve and manage future uncertainties. The entire team has shown great fighting spirit and determination throughout the pandemic and is the core success factor for CMAN's strong reputation as a reliable supplier and business partner.

Message from Chairman of the Board of Directors

If we look back in twenty years' time, 2020 will be remembered as a time of massive disruption to our normal lives. High unemployment, social distancing, school and work from home, closure of shopping malls and restaurants, and restricted traveling were caused by the COVID-19 pandemic. These issues continue in the first half of 2021, as countries experience COVID-19 virus mutations and slow vaccination progress.

Firms and entrepreneurs around the world experienced severe economic contractions, and for many industries, consistent growth is not expected until 2022. Thailand's GDP contracted 6% in 2020 due to its high dependence on international trade and tourism. This was Thailand's worst recession since 1998.

As a fully-integrated lime manufacturer and exporter, CMAN encountered many difficult challenges in 2020, most important of which was a reduction in lime demand both domestically and globally. The appreciation of the Thai Baht against the US Dollar and annual capacity utilization of less than 50% were the main reasons behind the negative financial performance. CMAN reacted quickly by adjusting sales plans, reducing production capacity, using the downtime to upgrade its kilns and machinery, and managing expenses. As a result, CMAN has weathered this challenging time and remains well-positioned to take advantage of the coming economic recovery.

In addition to CMAN's short-term strategies to cope with the crisis, its long-term goal of building a world-class lime company in the Asia-Pacific region remains the same. The team continues to enhance its strong reputation by adhering to its contract commitments and maintaining high standards in lime production and customer service. Albert Einstein quoted "In the midst of every crisis lies great opportunity". CMAN has been approached to invest in many opportunities and is studying them now. The next expansion phase has accelerated CMAN's emphasis on human resources training and development and application of appropriate technologies to enhance productivity and decision-making processes.

Most analysts expect that as more people get their COVID-19 vaccines, restrictions on our normal lives will be gradually lifted and slow economic growth will start in the second half of 2021. Looking on the positive side, the COVID-19 pandemic has given CMAN many learning experiences to improve and manage future uncertainties. The entire team has shown great fighting spirit and determination throughout the pandemic and is the core success factor for CMAN's strong reputation as a reliable supplier and business partner.

On behalf of the Board of Directors, I would like to thank our shareholders and partners for their continued trust and support. I would also like to thank our management and employees for their invaluable contributions to good corporate governance and business management practices, as these practices provide a strong foundation for many more years of continued success.



M.L. Chandchutha Chandratat
Chairman of the Board of Directors

Message from Chief Executive Officer

2020 was the unexpected year to happen. At the beginning of the year, the Company efficiently operated under its strategic plan and achieved the target profit. Since the COVID-19 pandemic became extensively more severe, the global economy was disrupted and demand for lime of various industries significantly decreased, which were the major causes of CMAN's production capacity reduction for several months and the negative financial performance as declared.

The COVID-19 pandemic has affected businesses and household sectors in an unprecedented way. This inadvertently caused the great disruption in many aspects and led to a "New Normal" lifestyle, in which everyone needs to adapt and change their behaviors to survive inevitably. Consequently, CMAN had to transform its business practices and management into a new context according to this change. The most important thing to deal with this circumstance is the honest communication with customers, business partners, employees, and other stakeholders, to build trust that CMAN is committed to upholding the standards under the stated agreement with its maximum capacity. For internal management, CMAN has set work direction, taking into account the health safety of employees as top priority, which included implementing working from home protocols, promoting hygiene working environment, strictly applying social distancing measure in the organization and critical technologies to enhance employees' potential. In addition, CMAN provided basic necessities and financial assistance to communities, those affected by the pandemic.

Nonetheless, with long-term strategies that emphasize adaptation and coherency with the new context in each strategic location, CMAN has been exposed to a wide range of opportunities during the crisis and the Company was therefore able to execute its investment plans. The first one was the expansion of lime and ground limestone production capacity at Easternbulk Lime Products in Tuticorin of India. Secondly, the executed investment plan was the commencement of commercial operation of Siriman Chemicals plant in Visakhapatnam, India in January 2021. Moreover, the plans included the efficiency improvement of the production system of Ha Long QN Lime plant in Vietnam to enhance competitiveness in both quality and cost. Lastly, the investment in a large distribution center in Australia which has been started and progressing well.

To ensure stable company progression amid the rapid-changing world, CMAN has restructured its organization to enhance efficiency, set its corporate strategies that align with its strengths, applied appropriate technologies to empower its market position and enable employees to undertake more constructive work as well as developing new skills for personnel through continuous training and learning in various forms. These are all the key elements that prepare CMAN to deal with any crises in the current time and the future.

On behalf of CMAN Plc, I would like to thank our management team, employees, business partners, customers, and all shareholders for the continued trust and support. I have the utmost confidence that CMAN will continue its relentless effort to offer beneficial lime and lime derivative chemical products, along with social, community and environmental responsibilities, to become a leading lime producer towards sustainable growth.



Mr. Adisak Lowjun
Chief Executive Officer

A man with dark hair, smiling, wearing a dark blue suit, white shirt, and a green and white striped tie. He is standing in a modern office hallway with large windows and glass partitions. His hands are clasped in front of him.

To ensure stable company progression amid the rapid-changing world, CMAN has restructured its organization, set its corporate strategies that align with its strengths, applied appropriate technologies to empower its market position as well as developing new skills for personnel.

These are all the key elements that prepare CMAN to deal with any crises in the current time and the future.

Board of Directors



1. M.L. Chandchutha Chandratat
Chairman of the Board and Director

2. Mr. Adisak Lowjun
Director and Chief Executive Officer

3. Mr. Chai Srivikorn
Director

4. Mrs. Rajjaneepen Ungpakorn
Director



5. Mr. Yarnsak Manomaiphiboon
Audit Committee Member and
Independent Director

6. Mr. Suthep Uacherdkul
Director

7. Mr. Charoen Churekanont
Director

8. Ms. Amata Issarangura Na Ayudhaya
Audit Committee Member and
Independent Director

9. Mr. Pornprom Karnchanachari
Chairman of Audit Committee and
Independent Director

Management Team



Mr. Adisak
Lowjun
.....
Director and
Chief Executive Officer



Mr. Suwat
Tunlayadechanont
.....
Deputy Chief Executive Officer



Mr. Apichat
Laochinda
.....
Vice President of
Engineering & Project



Mr. Komgrit
Panom-Upatam
.....
Vice President of
Lime Operations



Mr. Krissanapong
Tatirungsunsook
.....
Vice President of
Mining Operations



Mr. Wanus
Petchruarn
.....
Vice President of
Maintenance



Mr. Boonlert
Thungkatikajonkit

Vice President of
Commercial Market 2



Mr. Panom
Praiyontip

Vice President of
Business Development



Mr. Kamol
Sowattanaskul

Vice President of
Business Development



Mr. Kosol
Pittayaprasertkul

Vice President of
Supply Chain



Mr. Pathompob
Jainkiatfu

Vice President of
Technology



Ms. Pornphen
Wiwattanadecha

Vice President of
Finance & Accounting



Major General
Nattapond
Kongsompong
(Retired)

Vice President of
Corporate Affairs



Ms. Charanya
Burapharat

Vice President of
Business Development

Profiles of the Directors and Management Team

M.L. Chandchutha Chandratat

Chairman of the Board and Director (since 26 Aug 2016)*

Age (years): 54

Education / Training:

1. MBA, University of California at Berkeley, USA
2. Bachelor of Science (Magna Cum Laude) in Economics, University of Minnesota, Twin Cities, USA
3. Director Certification Program (DCP) 70/2006, Thai Institute of Directors Association
4. The Role of Chairman (RCM) 46/2563, Thai Institute of Directors Association

Shareholding Percentage (%): 0.58

Family Relationship with other executives: None

Work Experience:

2017 – Present	Chairman	Chememan PLC
2016 – 2017	Chairman of Audit Committee	Chememan PLC
2014 – Jan 2021	Managing Director	Boonrawd Brewery Co., Ltd.
2015 – Jan 2021	Director	Singha International Headquarter Co., Ltd.
2014 – Present	Managing Director	Akin Land Co., Ltd.
2014 – 2019	Managing Director	Boonrawd Trading International Co., Ltd.
2014 – 2019	President and Director	Singha North America, Inc.
2005 – 2014	President and Chief Executive Officer	Thoresen Thai Agencies PLC
2009 – 2012	Chairman	Unique Mining Services PLC
2007 – 2012	Chairman	Mermaid Maritime PLC
2009 – 2014	Director	UMS Coal Briquette Co., Ltd.
2009 – 2014	Director	UMS Lighter Co., Ltd.
2009 – 2014	Director	UMS Transport Co., Ltd.
2009 – 2014	Director	UMS Port Services Co., Ltd.
2009 – 2014	Director	Baconco Co., Ltd.
2008 – 2014	Director	Soleado Holdings PTE LTD
2007 – 2014	Director	JSSI Holdings, LLC
2005 – 2014	Director	Thoresen & Co. (Bangkok) Ltd. and 46 Thai Shipping Companies
2005 – 2014	Director	Thoresen Shipping and Logistics Limited
2005 – 2014	Director	Chidlom Marine Services & Supplies Limited
2005 – 2014	Director	Fearnleys (Thailand) Limited
2005 – 2014	Director	Gulf Agency Company (Thailand) Limited
2005 – 2014	Director	Thoresen (Indochina) S.A.
2005 – 2014	Director	Thoresen Chartering (HK) Limited
2005 – 2014	Director	Thoresen Shipping Singapore Pte. Ltd.
2005 – 2014	Director	GAC Thoresen Logistics Co., Ltd.

* M.L. Chandchutha Chandratat had resigned from the position of independent director since 22 December 2020.

Mr. Adisak Lowjun

Director and Chief Executive Officer

Director position (since 3 Mar 2003), Management position (since 1 Sep 2003)

Age (years): 59

Education / Training:

1. MBA (Finance), University of Texas at Arlington, USA
2. Bachelor of Engineering, Chulalongkorn University
3. Director Certification Program (DCP) 12/2001, Thai Institute of Directors Association
4. Role of the Chairman Program (RCP) 38/2016, Thai Institute of Directors Association
5. Executive Program, Class 28, Capital Market Academy (CMA)
6. Executive Development Training Program, Royal Thai Police, Fiscal Year 2020
7. E-Learning CFO's Orientation Course (Thai Version), Oct 2020, The Stock Exchange of Thailand

Shareholding Percentage (%): 7.54

Family Relationship with other executives:

Mrs. Rajjaneepen Ungpakorn (Spouse)

Work Experience:

2017 - Present	Director	Chememan PLC
2003 - Present	Chief Executive Officer	Chememan PLC
2003 - 2017	Chairman	Chememan PLC
2019 - Present	Director	CalMix Co., Ltd.
2017 - Present	Director	Easternbulk Lime Products Private Limited
2016 - Present	Director	Siriman Chemicals India Private Limited
2016 - Present	Director	Chememan India Private Ltd.
2015 - Present	Director	Chememan Lao Co., Ltd.
2010 - Present	Director	Northman Co., Ltd.
2008 - Present	Director	Chememan Australia Pty. Ltd.
2004 - 2020	Chairman	Tubkwang Co., Ltd.
2003 - Present	Chairman	Buranachart Co., Ltd.
2003 - Present	Chairman	Buranalux Co., Ltd.
2010 - 2018	Director	Chememan International Pte. Ltd.

Mr. Charoen Churekanont

Director (since 3 Mar 2003)

Age (years): 59

Education / Training:

1. Bachelor of Engineering (Mining Engineering) Chulalongkorn University
2. Director Certification Program (DCP) 223/2016, Thai Institute of Directors Association

Shareholding Percentage (%): 4.39

Family Relationship with other executives: None

Work Experience:

2003 - Present	Director	Chememan PLC
2003 - Present	Director	Buranachart Co., Ltd.
2019 - Present	Director	CMT Corp Co., Ltd.
2012 - Present	Managing Director	Siriphornjaroen Co., Ltd.
2010 - Present	Managing Director	Pacharapat Development Co., Ltd.
2009 - Present	Managing Director	Pornsirisub Co., Ltd.
2003 - Present	Managing Director	Thanaphumnakorn Co., Ltd.
2002 - Present	Managing Director	Issarapongcharoen Co., Ltd.
2002 - Present	Managing Director	Tiahongha Siripanich Co., Ltd.
1994 - Present	Director	Akarakorn Development Co., Ltd.
1992 - Present	Managing Director	Juriganont Co., Ltd.

Mr. Suthep Uacherdkul

Director (since 3 Sep 2003)

Age (years): 59

Education / Training:

1. MBA, University of Dallas, USA
2. Bachelor of Engineering Chulalongkorn University
3. Director Certification Program (DCP) 226/2016, Thai Institute of Directors Association

Shareholding Percentage (%): 3.92

Family Relationship with other executives: None

Work Experience:

2003 - Present	Director	Chememan PLC
2003 - Present	Director	Buranachart Co., Ltd.
2018 - Present	Managing Director	Hardware King Co., Ltd.
2013 - Present	Director	Subpana Property Co., Ltd.
2009 - Present	Director and Manager	J T Estate Co., Ltd.
2002 - Present	Director	Thanaphumnakorn Co., Ltd.
2002 - Present	Director and Manager	Mastermax Industry Co., Ltd.
1995 - Present	Managing Director	Rayong Mongkolchai Co., Ltd.

Mrs. Rajjaneepen Ungpakorn

Director (since 3 Sep 2003)

Age (years): 55

Education / Training:

1. MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University
2. Bachelor of Science in Business Administration and Accountancy, University of the Philippines
3. Director Certification Program (DCP) 224/2016, Thai Institute of Directors Association
4. Director Diploma Examination 2016

Shareholding Percentage (%): 7.54

Family Relationship with other executives:

Mr. Adisak Lowjun (Spouse)

Work Experience:

2003 - Present	Director	Chememan PLC
2008 - Present	Director	Buranalux Co., Ltd.

Mr. Chai Srivikorn

Director (since 3 Sep 2003)

Age (years): 59

Education / Training:

1. MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University
2. Bachelor of Engineering (HON), Bradford University, London, England
3. Director Certification Program (DCP) 225/2016, Thai Institute of Directors Association

Shareholding Percentage (%): 31.33

Family Relationship with other executives: None

Work Experience:

2003 - Present	Director	Chememan PLC
2008 - Present	Director	Chememan Australia Pty. Ltd.
2004 - 2020	Director	Tubkwang Co., Ltd.
2010 - 2018	Director	Chememan International Pte. Ltd.
2017 - Present	Director	CCM Spirits Co., Ltd.
2016 - Present	Director	CCM Group Co., Ltd.
1991 - Present	Director	Gaysorn Private Equity Co., Ltd.
1981 - Present	Director	Gaysorn Holding Co., Ltd.

Mr. Pornprom Karnchanachari

Chairman of Audit Committee and Independent Director (since 20 Dec 2016)

Age (years): 57

Education / Training:

1. Master of Comparative Law, University of Illinois at Urbana - Champaign, USA
2. Bachelor of Law, Chulalongkorn University
3. Director Accreditation Program (DAP) 141/2017, Thai Institute of Directors Association

Shareholding Percentage (%): None

Family Relationship with other executives: None

Work Experience:

2017 - Present	Chairman of Audit Committee and Independent Director	Chememan PLC
2016 - 2017	Audit Committee and Independent Director	Chememan PLC
2020 - Present	Director	Arkitektura Co., Ltd.
1994 - Present	Director	Legal Advisory Council Limited
1994 - 2015	Director	Thonburi Healthcare Group PLC

Miss Amata Issarangura Na Ayudhaya

Audit Committee Member and Independent Director (since 20 Dec 2016)

Age (years): 53

Education / Training:

1. MBA (Corporate Finance) Golden Gate University, USA
2. Bachelor of Arts (Political Science-Public Finance) Chulalongkorn University
3. Director Accreditation Program (DAP) 137/2017, Thai Institute of Directors Association

Shareholding Percentage (%): 0.02

Family Relationship with other executives: None

Work Experience:

2016 - Present	Audit Committee and Independent Director	Chememan PLC
2010 - 2014	Group Treasury	Thoresen Thai Agencies PLC

Mr. Yarnsak Manomaiphiboon

Audit Committee Member and Independent Director (since 29 Mar 2017)

Age (years): 54

Education / Training:

1. MBA (Finance), Indiana University at Bloomington, USA
2. Bachelor of Engineering, Chulalongkorn University
3. Director Accreditation Program (DAP) 23/2004, Thai Institute of Directors Association
4. Director Certification Program (DCP) 60/2005, Thai Institute of Directors Association

Shareholding Percentage (%): 0.02

Family Relationship with other executives: None

Work Experience:

2017 - Present	Audit Committee and Independent Director	Chememan PLC
2018 - Present	Director	ASCO Business Promotion Co., Ltd.
2018 - Present	Director	National Digital ID Co., Ltd.
2013 - Present	Chairman of Audit Committee and Independent Director	Principal Capital PLC
2012 - Present	Audit Committee, Good Corporate Governance Committee and Independent Director	Sahaviriya Steel Industries PLC
2012 - Present	Secretary General	Association of Thai Securities Companies

Mr. Suwat Tunlayadechanont

Deputy Chief Executive Officer, Director position (since 1 Jul 2005)*

Age (years): 60

Education / Training:

1. Master of Engineering Administration, The George Washington University, USA
2. Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University
3. Director Certification Program (DCP) 219/2016, Thai Institute of Directors Association

Shareholding Percentage (%): 3.31

Family Relationship with other executives: None

Work Experience:

2005 - 2020	Deputy Chief Executive Officer	Chememan PLC
2019 - Present	Director	Ha Long QN Lime Co., Ltd.
2015 - Present	Director	Chememan Lao Co., Ltd.
2008 - Present	Director	Chememan Australia Pty. Ltd.
2013 - 2020	Director	Chememan PLC
2004 - 2020	Director	Tubkwang Co., Ltd.
2010 - 2018	Director	Chememan International Pte. Ltd.

* Mr. Suwat Tunlayadechanont had resigned from the position of directorship since 10 November 2020 and the position of management, effectively from 1 January 2021 due to retirement.

Mr. Apichat Laochinda

Vice President of Engineering & Project (since 1 Jun 2007)*

Age (years): 59

Education / Training:

1. Bachelor of Engineering, (Industrial Engineering), Chulalongkorn University
2. Director Accreditation Program (DAP) 37/2005, Thai Institute of Directors Association

Shareholding Percentage (%): 4.36

Family Relationship with other executives: None

Work Experience:

2007 - Present	Vice President of Engineering & Project	Chememan PLC
2013 - Present	Director	Buranachart Co., Ltd.

* Mr. Apichat Laochinda has held the position of Chief Technology Officer since 1 January 2021.

Mr. Komgrit Panom-Upatam

Vice President of Lime Operations (since 1 Jun 2006)*

Age (years): 56

Education / Training:

1. Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology Thonburi

Shareholding Percentage (%): 0.13

Family Relationship with other executives: None

Work Experience:

2006 - Present	Vice President of Lime Operations	Chememan PLC
2019 - Present	Director	Ha Long QN Lime Co., Ltd.

* Mr. Komgrit Panom-Upatam has held the position of Chief Operating Officer since 1 January 2021.

Mr. Krissanapong Tatirungsunsook

Vice President of Mining Operations (since 10 May 2010)

Age (years): 59

Education / Training:

1. Bachelor of Engineering (Mining Engineering) Chulalongkorn University

Shareholding Percentage (%): 0.25

Family Relationship with other executives: None

Work Experience:

2010 - Present	Vice President of Mining Operations	Chememan PLC
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Mr. Wanus Petchruarn

Vice President of Maintenance (since 1 Aug 2013)

Age (years): 53

Education / Training:

1. MBA (General Management), Ramkhamhaeng University
2. Bachelor of Industrial Technology (Mechanical Engineering), South-East Asia University

Shareholding Percentage (%): 0.16

Family Relationship with other executives: None

Work Experience:

2013 - Present	Vice President of Maintenance	Chememan PLC
1997 - 2013	Central Engineering Service Area Manager	G J Steel PLC

Mr. Pathomphob Jainkiatfu

Vice President of Technology (since 16 Oct 2003)

Age (years): 59

Education / Training:

1. Master of Engineering (Structural Engineering), Chulalongkorn University
2. Bachelor of Engineering (Civil Engineering), Chulalongkorn University

Shareholding Percentage (%): 0.74

Family Relationship with other executives: None

Work Experience:

2003 - Present	Vice President of Technology	Chememan PLC
2019 - Present	Vice President	CalMix Co., Ltd.

Mr. Panom Praiyontip

Vice President of Business Development (since 1 Feb 2014)

Age (years): 58

Education / Training:

1. MBA, Thammasat University
2. Bachelor of Engineering, Chulalongkorn University

Shareholding Percentage (%): 0.02

Family Relationship with other executives: None

Work Experience:

2014 - Present	Vice President of Business Development	Chememan PLC
2015 - Present	Managing Director	Chememan Lao Co., Ltd.
2007 - 2013	Senior Vice President	Italian-Thai Development PLC

Mr. Kamol Sowattanaskul

Vice President of Business Development (since 1 Jun 2004)*

Age (years): 58

Education / Training:

1. MBA, Thammasat University
2. Bachelor of Engineering, Chulalongkorn University
3. Director Certification Program (DCP) 15/2002, Thai Institute of Directors Association

Shareholding Percentage (%): 0.80

Family Relationship with other executives: None

Work Experience:

2004 - Present	Vice President of Business Development	Chememan PLC
2011 - Present	Director	Chememan Australia Pty. Ltd.

* Mr. Kamol Sowattanasakul has held the position of Chief Affiliate Officer since 1 January 2021.

Mr. Kosol Pittayaprasertkul

Vice President of Supply Chain (since 1 Sep 2003)

Age (years): 54

Education / Training:

1. MBA, Chulalongkorn University
2. Bachelor of Accounting, Thammasat University

Shareholding Percentage (%): 1.06

Family Relationship with other executives: None

Work Experience:

2003 - Present	Vice President of Supply Chain	Chememan PLC
2004 - 2020	Director	Tubkwang Co., Ltd.
2012 - Present	Director	Chememan Australia Pty. Ltd.
2016 - Present	Director	Chememan India Private Ltd.

Mr. Boonlert Thungkatikajonkit

Vice President of Commercial Market 2 (since 4 Jan 2016)*

Age (years): 60

Education / Training:

1. MBA, Thammasat University
2. Bachelor of Engineering, Chulalongkorn University
3. BBA, Ramkhamhaeng University

Shareholding Percentage (%): 0.05

Family Relationship with other executives: None

Work Experience:

2016 - Present	Vice President of Commercial Market 2	Chememan PLC
1992 - 2014	Country Customer Delivery Leader	Alcatel-Lucent (Thailand) Co., Ltd.

* Mr. Boonlert Thungkatikajonkit has held the position of Chief Commercial Officer since 1 January 2021.

Ms. Pornphen Wiwattanadecha

Vice President of Finance & Accounting (since 1 Aug 2018)

Age (years): 52

Education / Training:

1. MBA, Thammasat University
2. Bachelor of Accounting, Thammasat University
3. Director Accreditation Program (DAP) 14/2004, Thai Institute of Directors Association

Shareholding Percentage (%): None

Family Relationship with other executives: None

Work Experience:

2018 - Present	Vice President of Finance & Accounting	Chememan PLC
2018	Financial Expert, Business Intelligence Center	True Corporation PLC
2003 - 2018	Assistant Director-Finance	True Corporation PLC

Major General Nattapond Kongsompong (retired)

Vice President of Corporate Affairs (since 2 Oct 2017)

Age (years): 53

Education / Training:

1. MBA (Finance & Marketing), Sasin Graduate Institute of Business Administration of Chulalongkorn University
2. BBA (Information Systems Management), St. Mary's University

Shareholding Percentage (%): 0.02

Family Relationship with other executives: None

Work Experience:

2017 - Present	Vice President of Corporate Affairs	Chememan PLC
1989 - 2017	Government Officer	Ministry of Defence

Ms. Charanya Burapharat

Vice President of Business Development (since 1 Oct 2020)

Age (years): 51

Education / Training:

1. MBA, University of Illinois Urbana-Champaign
2. Bachelor of Engineering, Chulalongkorn University
3. Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute

Shareholding Percentage (%): None

Family Relationship with other executives: None

Work Experience:

2020 - Present	Vice President of Business Development	Chememan PLC
2019 - 2020	Deputy Director	Government Big Data Institute (GBDi)
2003 - 2018	Vice President of Shared Operation	Bangkok Bank Public Company Limited

Industry Overview

Lime and limestone are basic chemical products used as important raw materials in the production process of many industries. Therefore, lime is the upstream industry of various industries



In 2020, demand for high quality lime decrease in both domestic and international market as a result of the impact from COVID-19. However, the trend of future demand for lime in the domestic market has been growing, in line with the growth of major industries in the country that consume lime such as bio-plastics, pulp and paper, sugar, construction, construction materials and steel industries.

Competition in the domestic lime market is among local players. Since lime is heavy and bulky product, transportation cost has therefore been critical factor and considered to be a key barrier for imported products. Presently, major commercial lime producers in Thailand comprise of Chememan Public Company Limited, Suthakan Public Company Limited, Lime Master Company Limited and United Lime Company Limited. In Thailand, the Company with the largest market share of Quicklime and Hydrated lime holds about one-third of the total local market.

Foreign competitors are from Vietnam, Malaysia, Indonesia, Australia and Oman. In 2020, there was strong competition in international markets from the decrease in customers' demand due to COVID-19 situation. However, Overall trend of lime demand is expected to grow in the long-term, in line with growth of various industries that consume lime in each country.

Company Information

1. General Information

Company Name (Thai)	: บริษัท เคมีแมน จำกัด (มหาชน)
Company Name (English)	: Chememan Public Company Limited
Symbol for Trading	: CMAN
Business Characteristics	: Production and distribution of mineral lime and lime derivative chemical products
Company Registration Number	: 0107560000346
Bangkok Office	: 195/11-12 Lake Rajada Office Complex 2, 10th-11th Floor, Rajadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Phone: 0-2661-9734-8 Fax: 0-2260-9176 Website: www.chememan.com
Branch 1 Prabuddhabaht Plant	: 33/1 Moo 11, Nongkontee-Huaysanjao Road, Huaypawai Sub-district, Prabuddhabaht District, Saraburi 18120 Phone: 036-200-340-1 Fax: 036-200-342
Branch 2 TubKwang Quarry	: 71 Moo 10, Tubkwang Sub-district, Kangkoi District, Saraburi 18260
Branch 3 Kangkoi Plant	: 111 Moo 10 Tubkwang Sub-district, Kangkoi District, Saraburi 18260 Fax 036-670-710
Branch 4 Rayong Plant	: 7/371 Moo 6 map Yang Phon Sub-district, Pluak Daeng District, Rayong 21140 Phone 038-913-683 – 4 Fax 038-913-685
Registered Capital	: Baht 1,000,000,000 (Baht one billion), consisting of 1,000 million ordinary shares at Baht one per share
Issued and Paid-Up Capital	: Baht 960,000,000 (Baht nine hundred sixty million), consisting of 960 million ordinary shares at Baht one per share, as of 31 December 2020
Restriction on Transfer of Shares	: Ordinary shares of the Company can be transferred with no restriction unless it results in foreign ownership to exceed 49% of total paid-up ordinary shares.
2. Share Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Phone 0-2009-9999 Fax 0-2009-9991
3. Auditor	: Ms. Sawinee Sawanont (Certified Public Accountant No. 7092) or Ms. Napaporn Sathitthammaporn (Certified Public Accountant No. 7494) or Mr. Pitinan Lilamethwat (Certified Public Accountant No. 11133) PKF Audit (Thailand) Ltd. 98 Sathorn Square Office Tower, 28th Floor, Unit 2812, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Phone 0-2108-1591-6 Fax 0-2108-1599

Business Overview

Chememan Public Company Limited (“Company”) and its subsidiaries (collectively referred to as “Group of Companies”) engage in the production and distribution of Quicklime (Calcium Oxide), Hydrated Lime (Calcium Hydroxide) and Limestone and ground limestone (Calcium Carbonate). The Group of Companies’ total lime production capacity is currently over 1,000,000 tons per year, with customer bases in various industries in Asia, Australia and Africa.

Currently, the Company is the only quicklime and hydrated lime (“lime”) producer in Thailand with lime production plants and a concession for industrial mining of limestone (for the cement industry and lime production) at Tubkwang sub-district, Kangkoi district, Saraburi province. The concession is valid for 25 years and will be expired on 23 June 2040. With a mining concession, the Company has its own source of quality limestone for its lime production process. The Group of Companies has 3 lime production plants in Thailand : 1. Kangkoi Plant located at Kangkoi district, Saraburi, 2. Prabuddhabaht Plant located at Prabuddhabaht District, Saraburi and 3. Rayong Plant located at Pluak Daeng district, Rayong.

In addition to business operation in Thailand, the Company also has a concession for industrial mining of limestone at Hoanh Bo quarry and operated Ha Long QN lime plant, located in Halong city, Quang Ninh province, Vietnam, together with another 2 lime production plants in India; which are 1) Easternbulk Lime Products plant in Tuticorin, which has started its commercial operation in 2019 and 2) Siriman Chemicals plant in Visakhapatnam, which has recently started its commercial operation since January 2021.

With 1,000,000 tons of annual production capacity, together with owned massive limestone quarries, efficient production processes and management as well as personnel professionalism, The Company is therefore continuing to deliver suitable products and excellent services that best match with customers’ requirement and become one of the leading producers of lime and lime derivative chemical products in Thailand and throughout Asia

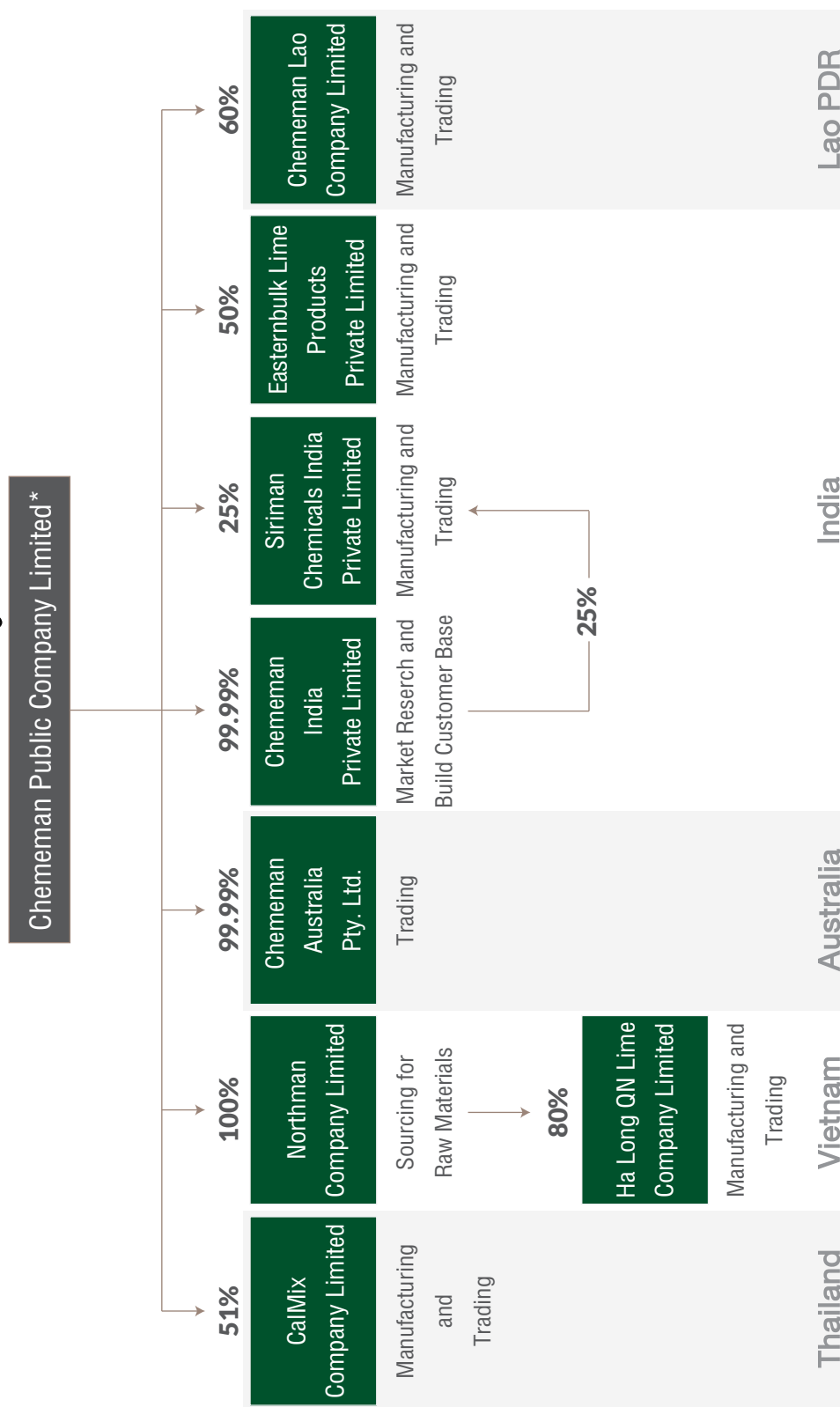
Significant Changes and Developments

Summary of significant changes and developments of the Group of Companies in the past 3 years are as follows:

	Details
2018	<ul style="list-style-type: none"> - Quicklime kiln (KK6) with installed capacity of 109,500 tons per year commenced commercial operations in January 2018. - Granted approval from The Securities and Exchange Commission to issue an Initial Public Offering (IPO) of 240,000,000 shares. - Issued an IPO of 240,000,000 shares from 14 to 16 March 2018, raising the Company's paid-up capital from Baht 720 million to Baht 960 million, consisting of 960 million ordinary shares at Baht 1 per share. - The Company's ordinary shares were listed on the Stock Exchange of Thailand on 21 March 2018. - Financial restructuring with a financial institution in the third quarter of 2018, to replace existing loan and reduce financial costs.
2019	<ul style="list-style-type: none"> - Quicklime kiln (KK4) with installed capacity of 73,000 tons per year commenced commercial operations in January 2019. - Entered into a joint venture with 2 German partners namely BERGMANN KALK HOLDING GmbH and KALKWERKE H. OETELSHOFEN GmbH & Co. KG, to establish CalMix Co., Ltd. in Thailand to develop, manufacture and distribute construction materials in Thailand and to other countries in Southeast Asia. The Company is holding 51% stake in the joint venture. - Easternbulk Lime Products Private Limited, a joint venture in India, had completed the construction of its production plant and had commenced commercial operations in July 2019. - The Board of Directors Meeting No. 8/2019, held on 30 September 2019, had resolved to approve the dissolution of Tubkwang Company Limited, a non-active subsidiary. - Purchasing 80 percent portion of capital contribution in HA LONG QN LIME COMPANY LIMITED – a lime producer in Vietnam with limestone mining concession. The aim of such investment was to expand the production base to appropriate location to support the customer base expansion and to increase the distribution center, enabling effective logistics management.
2020	<ul style="list-style-type: none"> - Tubkwang Co., Ltd, a subsidiary, completed the liquidation process for its dissolution on 14 December 2020. - The Company was awarded the Green Mining Award 2020 under category of "Mineral Dressing" from the Department of Primary Industries and Mines, Ministry of Industry. - The Company was awarded the CSR-DPIM Award 2020 for the Company's operation being in accordance with standard of Department of Primary Industries and Mines (DPIM). - The Company received Certificate of Achievement on Labour Relation and Welfare, 15th consecutive years 2006-2020 (Prabuddhabaht plant) from the Department of Labour Protection and Welfare, Ministry of Labour.

Remarks 1 Installed capacity of KK6 quicklime kiln has been increased to 113,150 tons per year in 2018

Shareholding Structure of the Group of Companies as of 31 December 2020



* Listed on Stock Exchange of Thailand

	Company	Country	Paid-up Capital ¹ (Million Baht)	Percentage Holding	Year Established	Business Characteristics
1	CalMix Company Limited	Thailand	30.60	51.00	2019	Produce and distribute construction materials
2	Northman Company Limited	Vietnam	553.84	100.00	2010	Source raw materials, conduct market research and build customer base in Vietnam, including evaluate quality of products sourced in Vietnam
3	Ha Long QN Lime Company Limited	Vietnam	454.91	80.00	2019 ²	Produce and distribute lime and limestone
4	Chememan Australia Pty. Ltd.	Australia	95.67	99.99	2008	Distribute lime and limestone
5	Chememan India Private Limited	India	85.30	99.99	2016	Conduct market research and build customer base in India
6	Siriman Chemicals India Private Limited	India	61.30	50.00	2016 ²	Produce and distribute lime
7	Easternbulk Lime Products Private Limited	India	137.59	50.00	2017 ²	Produce and distribute lime and limestone
8	Chememan Lao Company Limited	Lao PDR	10.74	60.00	2015 ²	Produce and distribute lime and limestone

Remarks:

1 Paid-up capital portion of Group of Companies

2 Year that Group of Companies entered into Joint Venture Agreement

Business Scope

The main business strategies of the Group of Companies were to (1) diversify market portfolio to various industries in order to lower risk of customer concentration; (2) work closely with customers to develop and deliver products according to customers' requirements which would enable them to increase their productivity, reduce costs and environmental impacts; and (3) expand production bases both in Thailand and overseas to develop larger customer base and customer confidence, especially to provide constant security of supply to major customers. Nevertheless, during 2020, the COVID-19 pandemic has impacted the Company's performance, as certain numbers of customers postponed their orders due to reduction in its lime consumption and production capacity. As a result, the Company reacted to this impact by reducing its production capacity. In addition, the Company took an opportunity in this downtime period to improve efficiency machineries and equipment, manage cost of manufacturing and expenditures, as well as adjusted sales plan to align with current situation. In the second half of 2020, issues about sea transportation has negatively affected the Company's supply chain management. The major issues are significant increase in freight charges, delay and/ or cancellation of vessel schedule, and container shortages. To deal with these issues, in case of existing customers, the Company would coordinate closely with them to review and adjust the delivery plan in the event that the shipment was delayed. In case of new customers, the Company would arrange sale terms where either the customer has the shipping cost responsibility or the Company and the customer share the shipping cost, as mutually agreed. In term of management, the Company has implemented working from home protocols as preventive measure in response to the spread of the COVID-19 situation, taking into account the health safety of employees. Moreover, the Company has studied application of digital technologies to enhance internal communication efficiency, team collaboration and agility within the organization. From all the above factors, the Group of Companies generated sales revenue in 2020 amounting to Baht 2,240 million, decreased by 5.6% when compared with 2019. The decline was mainly caused by lower sales revenue.

Despite the fact that the portion of international sales rose as sales revenue generated by Ha Long QN Lime plant in Vietnam that was fully recognized in 2020, the value of international sales decreased. The reasons being drops in customers' orders, rising freight cost and appreciation of Thai Baht against US Dollars. The value of domestic sales however increased slightly. In 2020, the percentage of revenue from sales of quicklime, hydrated lime, and limestone and ground limestone to total revenue were 67.2%, 16.9% and 14.0% respectively. Other income comprised of sales of by-products, such as crushed rocks and stone waste etc., accounted for 1.88% of total revenue.

Breakdown of the Company's revenue by product type is as follows:

Revenue	2018		2019		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
1) Quicklime	1,821.7	74.5	1,809.1	75.4	1,534.6	67.2
Domestic	646.9	26.5	573.6	23.9	444.3	19.5
International	1,174.8	48.0	1,235.5	51.5	1,090.3	47.8
2) Hydrated Lime	390.7	16.0	263.8	11.0	386.11	16.9
Domestic	113.0	4.6	115.7	4.8	126.25	5.5
International	277.7	11.4	148.1	6.2	259.85	11.4
3) Limestone and Ground Limestone	210.9	8.6	299.4	12.5	318.98	14.0
Domestic	199.1	8.1	272.1	11.3	269.09	11.8
International	11.8	0.5	27.3	1.1	49.89	2.2
4) Total Sale Revenue	2,423.4	99.1	2,372.3	98.9	2,239.68	98.1
5) Other Income	22.1	0.9	25.7	1.1	42.99	1.88
6) Total Revenue	2,445.5	100.0	2,398.0	100.0	2,282.67	100.00



Product Characteristics

The Group of Companies produces and sells Quicklime or Calcium Oxide (CaO), Hydrated Lime or Calcium Hydroxide (Ca(OH)_2) and Limestone and Ground Limestone or Calcium Carbonate (CaCO_3) under the trademark of “CHEMEMAN”

Human Chemical

CHEMEMAN



“CHEMEMAN” Trademark



Quicklime

Quicklime or Calcium Oxide (chemical formula CaO) is made through the thermal decomposition of limestone mined from the quarry. The Group of Companies' quicklime is of high quality with high calcium oxide content and low impurities. Its physical appearance is solid, white and in different sizes according to the customers' requirements from different industries.

Hydrated Lime

Hydrated Lime or Calcium Hydroxide (chemical formula Ca(OH)_2) is obtained by mixing quicklime and water in appropriate proportion through the Hydrator. Its physical appearance is in fine powder form and white in color similar to flour.



Limestone and Ground Limestone

Limestone or Calcium Carbonate (chemical formula CaCO_3) is a product derived from open-cast mining at Tubkwang Quarry and Hoanh Bo Quarry – the sources of limestone with high calcium carbonate content. The ultra-high calcium limestone is of high demand in various industries which require products of high calcium carbonate content at different physical sizes.

The 3 products are essential basic chemical products used as raw materials or ingredients in production process of various industries as follows:

Industry	Products			Application
	Quicklime	Hydrated Lime	Limestone and Ground Limestone	
1. Ferrous and Non-ferrous Metal Mining Industry	✓	✓		<ul style="list-style-type: none"> Adjust the acidity of wastewater and used as chemical in mineral dressing process.
2. Pulp and Paper Industry	✓		✓	<ul style="list-style-type: none"> Separate chemicals in recovery process of pulp making Mineral dressing for paper production Raw material used in production of Precipitated Calcium Carbonate (PCC)
3. Sugar Industry	✓	✓		<ul style="list-style-type: none"> Remove impurities found in raw sugar and white sugar
4. Bioplastics Industry		✓		<ul style="list-style-type: none"> Component in the fermentation of sugar or tapioca which are the basic ingredients in making bioplastic
5. Iron and Steel Industry	✓		✓	<ul style="list-style-type: none"> Remove minerals and impurities during process of metal smelting and production of high quality steel that uses a furnace
6. Chemical and Petrochemical Industry	✓	✓	✓	<ul style="list-style-type: none"> Ingredient in production of basic chemicals such as soda ash and calcium carbide
7. Agricultural Industry	✓	✓	✓	<ul style="list-style-type: none"> Improve soil quality, adjust soil acidity Neutralize acidity of shrimp farms Added to increase calcium in animal feed
8. Flue Gas and Water Treatment Industry	✓	✓	✓	<ul style="list-style-type: none"> Expel sulfur dioxide gas that arises from electric power and waste incineration plants Aid in the flocculation of small particles of sediments and eliminate or lessen hard water to produce clear water
9. Construction and Construction Materials Industry	✓	✓	✓	<ul style="list-style-type: none"> Used as raw materials in the manufacturing of cement, autoclaved aerated concrete and other construction materials Used as ingredient to improve the qualification of plaster/mortar Adjust soil condition before construction work
10. Glass and Bottle Industry			✓	<ul style="list-style-type: none"> Remove minerals or impurities in the production of glass, bottle and mirror
11. Specialty Fiber Glass Industry	✓			<ul style="list-style-type: none"> Ingredient in the production process

Marketing and Competition

Competition Strategies

Producing Products that Meet Customers' Requirements

It is the policy of the Group of Companies to deliver products and services according to customers' requirements through the use of technology from experts with internationally accepted production standards, work closely with customers to fully understand the important characteristics of the products that are appropriate for customers in each industry while having a quality control system throughout the production process, from the quality of raw materials, quality inspection during production process to delivery of products. Along with the product distribution, the Company also provides technical solutions such as designing and constructing silos for lime storage on customer's premises, helping to reduce the customer's cost, increase transportation efficiency, rendering the company as an essential part of the customer's supply chain.

Efficient Production Cost Management

The Group of Companies emphasizes on efficient production cost management. With our own limestone quarries in both Thailand and Vietnam, the Companies have advantages in terms of security of supply, cost and consistent quality control over main raw materials. Furthermore, the Group of Companies has set aside surplus land for the business expansion of production plant. These enable the Group of Companies to continually expand the production capacity for support growing demand, resulting in lower unit cost of production in long term through economies of scale.

Create Satisfaction and Positive New Experiences for Customers

The Group of Companies has determined to maintain building good long-term relationship with customers and assure them in the capability to deliver high quality products to meet their requirements in a timely manner. This is through close coordination between the Group of Companies and customers in planning the delivery process and analyzing customers' ordering behaviors and requirements. The Company also emphasizes on sharing product knowledge to allow efficient usage of products by the customers.

Customer Characteristics and Target Customers

The Group of Companies' customers are manufacturers in various industries with main industries being ferrous and non-ferrous metal mining, sugar and pulp and paper industries. The majority sales revenues are from major customers with long-term contracts, who require stable and reliable product delivery. For domestic market, the Company focuses on developing customer bases in various different major industries with growing potential or receiving government support. For international markets without supply of high quality limestone, the Company shall focus on exporting products from competitive sources or study the possibilities of setting up subsidiary or joint venture to distribute our product in that particular group of customers. For international markets with supply of high quality limestone, the Company shall invest or form a joint venture with local partner to set up production base and distribution of lime products in such market.

Distribution and Distribution Channels

The Group of Companies distributes the products directly to domestic customers and international customers in the countries without presence of the Company's subsidiary or joint venture. The Company sells the products to its subsidiary and joint venture for further distribution to the customers in the countries where the subsidiary and joint venture are located.

For most domestic distribution, the Company delivers products to the customers who are responsible for the transportation cost. As for international distribution, the products are delivered both directly from Thailand and through the subsidiaries and joint ventures that act as overseas distribution centers. The Group of Companies shall wisely plan for the most appropriate transportation in terms of cost and delivery time.

Sales Proportion and Target Market

In 2020, domestic and international sales portion were 55.1% and 44.9% respectively. Sales volume of the products are as follows:

Unit : thousand tons	2018	2019	2020
Domestic - Quicklime	235.8	202.6	168.0
International - Quicklime	329.9	354.5	294.5
Total sales volume - Quicklime	565.7	557.1	462.5
Domestic - Hydrated Lime	35.9	37.4	41.7
International - Hydrated Lime	62.8	27.3	58.1
Total sales volume - Hydrated Lime	98.7	64.7	99.7
Domestic - Limestone and Ground Limestone	470.5	738.4	705.5
International - Limestone and Ground Limestone	20.6	103.2	393.6
Total sales volume - Limestone and Ground Limestone	491.1	841.6	1,099.0

In 2020, the Group of Companies' major export markets of quicklime were Australia, Papua New Guinea, Indonesia, and South Korea, representing 81% of total quicklime export volume. Major export markets of hydrated lime were Philippines, Australia, Laos, Vietnam and India, representing 94% of total hydrated lime export volume. There was no sales transaction to any single customer accounting more than 30% of the annual sales revenue during the year 2018 - 2020.

Competition

Domestic Competition and Future Trends

In 2020, demand for high quality lime decrease in both domestic and international market as a result of the impact from COVID-19 pandemic. However, the trend of future demand for lime in the domestic market has been growing, in line with the growth of major industries in the country that consume lime such as bio-plastics, pulp and paper, sugar, construction and construction materials, and steel industries.

Competition in the domestic lime market is among local producers, as importing lime require higher cost since lime is heavy and bulky, making transportation cost an important factor and also a barrier to competition for foreign producers. Major domestic lime producers are Chememan Public Company Limited, Suthakan Public Company Limited, Lime Master Company Limited and United Lime Company Limited. Chememan Public Company Limited is the lime producer with largest production capacity in Thailand and Asia, with quicklime and hydrated lime production capacity of over 1,000,000 tons per year. While the Company has own limestone quarry, the other domestic lime producers have to purchase limestone from affiliates or other sources with mining concession. The Company had the largest quicklime and hydrated lime market share of around one-third of the total local market.

International Competition and Future Trends

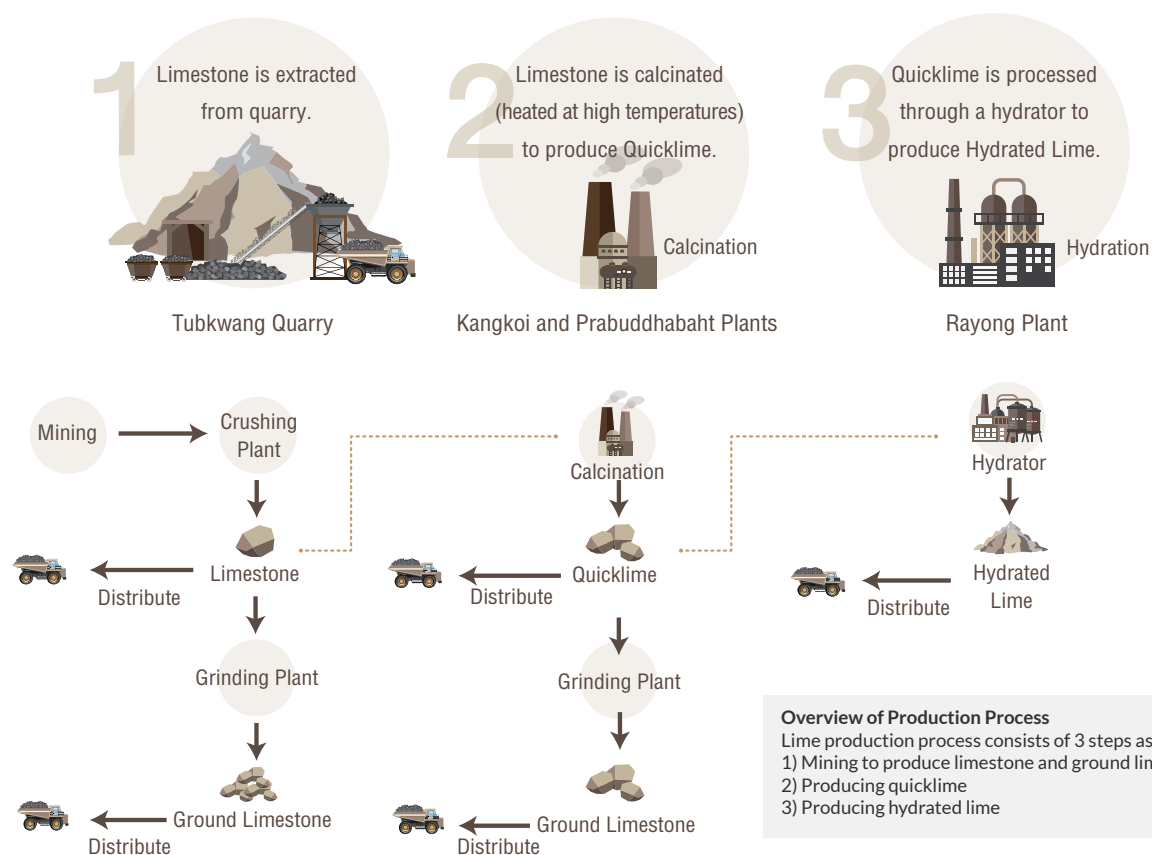
Competitors in international markets include producers from Vietnam, Malaysia, Indonesia, Australia and Oman. In 2020, there was strong competition in lime market at the target countries led by lower demand for lime in the region due to the COVID-19 pandemic, customers' need to reduce cost, and growing lime supply from other lime players in the region. Nonetheless, with the Company's strategies focusing on developing high quality products and services, providing customer satisfaction as well as assuring them of the capabilities in product delivery, notwithstanding the loss of some customers who turned to purchase from domestic producer, the Group of Companies was able to gain new customers from other regions such as Japan, South Korea and Taiwan for substitutions. Long-term trend of lime demand is expected to increase along with the growth in major industries that use lime in the targeted foreign countries.

Standing Potential and Competitiveness

The Group of Companies has strong competitive edge by possessing its own lime production plant and limestone quarry with high quality limestone as raw materials, enabling continuous production of various products with quality suitable to the requirements of the customers. With large production base, the Group of Companies benefits from economies of scale and building customer confidence in the capability to fulfill large orders. The Group of Companies also recognizes the importance of service and cooperation with customers to efficiently support their work which results in customer satisfaction and trust in doing business with the Group of Companies in the long term. The Group of Companies has operated lime production bases in many strategic locations to strengthen its network of supply, provide supply security to customers, which therefore enhanced unique competitive advantages in each specific region.

Product Sourcing

Lime Production Process



Mining to Produce Limestone and Ground Limestone

The mining process begins with drilling exploration to determine the quantity and quality of limestone for further planning of limestone mining and to ensure that the limestone has desired characteristics. Extracted limestone is then transported to the crushing plant to select appropriate sizes needed for quicklime production process. The inappropriate sizes will be crushed, screened and sold. A portion of limestone from the Company's crushing plant is sold to customers and some portions are ground for value added and sold as ground limestone.

Summary of limestone produced from Tubkwang Quarry was as follows:

		2018	2019	2020
Limestone produced from Tubkwang Quarry	(tons)	2,046,712	1,996,243	1,656,190
Limestone used for production of ground limestone and quicklime	(tons)	1,485,673	1,260,605	1,035,171
Limestone sold without passing through processes of ground limestone and quicklime production	(tons)	561,039	735,638	621,019

Summary of limestone produced from Hoanh Bo Quarry was as follows:

		2018	2019	2020
Limestone produced from Hoanh Bo Quarry	(tons)	-	-	588,155
Limestone used for production of ground limestone and quicklime	(tons)	-	-	205,025
Limestone sold without passing through processes of ground limestone and quicklime production	(tons)	-	-	383,130

Production of Quicklime or Calcium Oxide (CaO)

Limestone that has been screened for proper size from the crushing plant will be transported to quicklime plant. Another size screening will be conducted to ensure appropriate size before sending the limestone into quicklime kiln for calcination until it decomposes to quicklime. The production rate is approximately 1 ton of quicklime per 1.8 tons of limestone used. A portion of quicklime produced will be transported to Rayong Plant for production of hydrated lime. The remaining portion will be stored in silos as inventory for sales. In case that customers require different sizes of quicklime, the quicklime will then be crushed and screened to meet required sales order. Quality control and inspection is done throughout the production process starting from the quicklime produced from the kiln, before storing in the silos and before distribution to customers.

The Company has 2 quicklime production plants in Thailand, as follows:

1) Prabuddhabaht Plant, located in Prabuddhabaht district, Saraburi

Prabuddhabaht Plant consists of 2 gas-fired quicklime kilns which use natural gas as fuel. The total installed production capacity of these 2 kilns are approximately 365,000 tons per year. Annual capacity utilization of Prabuddhabaht Plant has been summarized as follows:

		Prabuddhabaht Plant		
		2018	2019	2020
PB 1 Quicklime Kiln				
Installed capacity	(tons)	182,500	182,500	182,500
Actual production	(tons)	134,843	104,169	101,170
Capacity utilization rate	(percentage)	73.9	57.1	55.4
PB 2 Quicklime Kiln				
Installed capacity	(tons)	182,500	182,500	182,500
Actual production	(tons)	26,322	-	-
Capacity utilization rate	(percentage)	14.4	-	-

2) Kangkoi Plant, located in Kangkoi district, Saraburi

Kangkoi Plant consists of 6 coal-fired quicklime kilns which use sub-bituminous coal with low sulphur as fuel. Total installed production capacities of the 6 kilns are approximately 528,500 tons per year. Annual capacity utilization of Kangkoi Plant for the past 3 years has been summarized as follows:

		Kangkoi Plant		
		2018	2019	2020
KK 1 Quicklime Kiln				
Installed capacity	(tons)	54,750	54,750	54,750
Actual production	(tons)	40,814	43,146	28,651
Capacity utilization rate	(percentage)	74.6	78.8	52.3
KK 2 Quicklime Kiln				
Installed capacity	(tons)	109,500	109,500	109,500
Actual production	(tons)	104,189	104,554	59,766
Capacity utilization rate	(percentage)	95.2	95.5	54.6
KK 3 Quicklime Kiln				
Installed capacity	(tons)	73,000	73,000	73,000
Actual production	(tons)	63,722	54,437	55,791
Capacity utilization rate	(percentage)	87.3	74.6	76.4
KK 4 Quicklime Kiln¹				
Installed capacity	(tons)	-	67,200	73,000
Actual production	(tons)	-	58,427	19,360
Capacity utilization rate	(percentage)	-	86.9	26.5
KK 5 Quicklime Kiln				
Installed capacity	(tons)	109,500	109,500	109,500
Actual production	(tons)	111,466	110,853	57,952
Capacity utilization rate	(percentage)	101.8	101.2	52.9
KK 6 Quicklime Kiln²				
Installed capacity	(tons)	105,540 ³	113,150	113,150
Actual production	(tons)	108,104	109,480	101,618
Capacity utilization rate	(percentage)	102.4	96.8	89.8

Remarks

1 KK4 Kiln commenced operations on 30 January 2019 with installed capacity of 73,000 tons per year.

2 KK6 Kiln commenced operations on 20 January 2018.

3 Installed capacity of KK6 Kiln had been adjusted from 109,500 tons per year to 113,150 tons per year since 11 July 2018.

The Company has 2 quicklime production plants overseas, as follows:

1) Ha Long QN Lime Plant, located in Quang Ninh province, Vietnam. Annual capacity utilization has been summarized as follows:

		Ha Long QN Lime Plant		
		2018	2019	2020
Installed capacity	(tons)	-	216,000	216,000
Actual production	(tons)	-	-	85,681
Capacity utilization rate	(percentage)	-	-	39.67

2) Easternbulk Lime Plant, located in an Industrial zone in Tuticorin, India. Annual capacity utilization has been summarized as follows:

		Easternbulk Lime Plant (50% JV)		
		2018	2019	2020
Installed capacity	(tons)	-	54,750	54,750
Actual production	(tons)	-	18,187	50,283
Capacity utilization rate	(percentage)	-	33.22	91.84

Production of Hydrated Lime or Calcium Hydroxide (Ca(OH)₂)

A portion of quicklime produced from Kangkoi Plant will be transported to Rayong Plant where it is stored in silos as raw materials. It shall later be processed in the hydrator by mixing with water in proper chemical proportion to produce hydrated lime with specifications according to the customers' requirements. The production rate is approximately 1 ton of hydrated lime per 0.76 tons of quicklime used. Quality inspection process is done since the product is out from the hydrator and before distribution to customers.

In Thailand, the Company has 1 hydrated lime plant, Rayong Plant, located in Amata City Industrial Estate, Rayong. Annual capacity utilization of Rayong Plant for the past 3 years has been summarized as follows:

		Rayong Plant		
		2018	2019	2020
Installed capacity	(tons)	87,600	87,600	87,600
Actual production	(tons)	83,298	63,637	64,389
Capacity utilization rate	(percentage)	95.1	72.6	73.50

The Company has 1 hydrated lime plant in Vietnam, located in Son Duong Commune, Ha Long City, Quang Ninh province. Annual capacity utilization of Ha Long QN Lime Plant has been summarized as follows:

		Ha Long QN Lime Plant		
		2018	2019	2020
Installed capacity	(tons)	-	172,800	172,800
Actual production	(tons)	-	-	37,781
Capacity utilization rate	(percentage)	-	-	21.86

Raw Materials Sourcing

Limestone

Limestone, main raw material used for production of lime and lime derivative chemical products, has been procured from the Company's 2 owned quarries, Tubkwang quarry, located in Kangkoi district, Saraburi province of Thailand, and Hoanh Bo quarry, located in Ha Long City, Quang Ninh province of Vietnam.

Tubkwang quarry currently has approximately 100 million tons of mineable reserves, which is expected to be sufficient to produce lime for at least 50 years.

Hoanh Bo quarry currently has over 60 million tons of mineable reserves, which is expected to be sufficient for more than 25 years of lime production.

Fuel

The Company uses natural gas and coal as fuel for quicklime kiln firing at Prabuddhabaht Plant and Kangkoi Plant respectively.

1. The natural gas is supplied by PTT Public Company Limited (PTT) under 10-year supply contract which will be expired in 2029. Summary of natural gas consumption at Prabuddhabaht Plant for the past 3 years is as follows:

		Prabuddhabaht Plant		
		2018	2019	2020
Cost of natural gas	(Million Baht)	220.75	137.06	108.60
Natural gas consumed	(Million BTU)	0.73	0.48	0.47
Cost of natural gas per unit	(Baht per BTU)	302	286	231

2. The Company procures coal from 2 reliable suppliers by considering the best commercial terms and conditions to reduce risk in case one of the suppliers cannot deliver coal on the agreed terms and conditions. However, the price of coal in each transportation cycle may vary depending on the quality of coal such as calorific value, moisture and sulphur content. Summary of yearly coal consumption at Kangkoi Plant for the past 3 years is as follows:

		Kangkoi Plant		
		2018	2019	2020
Cost of coal	(Million Baht)	233.94	257.58	156.16
Coal consumed	(Million Tons)	0.07	0.07	0.06
Cost of coal per unit	(Baht per Ton)	3,172	3,597	2,690

Water for Hydrated Lime Production

Water is an important raw material in the production of hydrated lime at Rayong Plant. Rayong Plant is located in Amata City Industrial Estate on the land purchased from Amata City Company Limited ("Amata City Co., Ltd."). Under the land purchase agreement, Amata City Co., Ltd. or its affiliates shall supply tap water to the Company with standard based on Provincial Waterworks Authority.

Environmental Impact

The mining and operations of production plants may have adverse impacts on the environment, such as dust that affects air quality and vibration from mining works at the quarry. The Company has to comply with all conditions relating to the environment set out in the addendum to the mining concession, including complying with all requirements under preventive and corrective measures on environmental impacts as well as environmental impact monitoring measures as stated in the Environmental Impact Assessment Report (EIA Report) and as required by the Office of Natural Resources and Environmental Policy, including any other related laws and regulations. The Company has installed the dust collecting system in the production plant which efficiently helps to lower the amount of dust, preventing air pollution or impacts on the health of the plant workers as well as the people in the surrounding communities.

Risk Factors

Risk management is a process that help the Company in pursuing its business objectives and goals. The Company has identified significant risks that may affect the business operation of the Company and laid down measures to reduce the risks to an appropriate level. Material risks of the Company are as follows:

1. Business Operation-related Risks

1.1 Risk from revocation of mining concession

The Company has been granted a mining concession No. 27328/16133 for limestone mining (for cement industry and lime production) at Tubkwang Quarry, Tubkwang sub-district, Kangkoi district, Saraburi province. The concession period is valid for 25 years, ending on 23 June 2040. The Company may be at risk of having the concession revoked upon its failure to comply with the conditions stated in the addendum to the concession, and may also be at risk of not being able to extend the concession. Such risks may cause the suspension of mining operation, thus leading to shortage of own raw materials. The Company may then have to source raw materials from other suppliers which is subject to cost fluctuation and inconsistent quality.

Nonetheless, the Company managed to obtain the mining concession on the same plot of mining area that the Company used to operate mining. This indicates that the Company is capable of and qualified to operate mining business as well as had strictly complied with all the regulations pertaining to the conditions of the concession.

Moreover, The Company realizes that there may be risks arising from changes in governmental policies, laws and regulations, which may affect the operation of the Company. In this regard, the Company continually study and monitor the changes in governmental policies, laws and related regulations to ensure accurate and timely compliance.

1.2 Raw materials sourcing risk

Limestone is the main raw material for the production of lime products. The resource analysis carried out by GMT Corporation Company Limited as at October 2016 reported an estimation of 115 million tons of mineable limestone reserve at Tubkwang Quarry. This reserve amount is sufficient to support the Company's production plan which requires 45 million tons of limestone over the concession period of 25 years. In the case that the limestone output reaches 45 million tons before the concession expires, the Company is allowed to submit a new mining plan to revise the limestone production volume for the remaining concession period. In addition, the Company reserves the right to apply for a new concession on the same mining area before the expiration of the existing concession. While the Company still holds the concession rights, no other entity can apply for the concession rights on the same mining area indicated on the concession.

Notwithstanding the above, the Company may have a risk of not being able to obtain raw materials on time or with desired quality resulting from the mining operation at Tubkwang Quarry due to certain risks such as the risk of not being able to obtain raw materials with required quality, risk on technical problems of mining machinery leading to operation interruption as well as risk on incorrect estimation of mineable limestone reserve at each extraction location, which may result in higher costs and affect the Company's performance. To prevent these risks, the Company has coordinated closely with the mining contractor to develop monthly limestone production plan and has detailed and precise quality inspection of limestone right at the quarry face. The Company also maintains a sufficient level of qualified limestone as raw materials inventories for approximately one month of production in case of mining operation interruption. In estimating the quantity of limestone and available mining reserve for mining operation plan, the Company regularly hires experts to conduct detailed geological study at the quarry to identify the precise location, type, quantity and quality of limestone. The Company has never encountered problems relating to the untimely delivery or inadequate sourcing of raw materials for production.

In November 2019, Northman Co., Ltd. – a wholly-owned subsidiary of the Company has invested in Ha Long QN Lime Company Limited in Vietnam, a lime producer and distributor with limestone mining concession at Son Duong Commune, Halong City, Quang Ninh Province, Vietnam. The transaction brought the Company another source of high-quality limestone to be used as raw materials in lime production. This investment is in line with the main objective of the Company which is to be the leader in lime industry with the strategy of expanding production bases to appropriate locations both in Thailand and overseas.

1.3 Risk on procuring and price fluctuations of coal and natural gas which are the critical fuel for production

The Company has a yearly coal purchase contract that clearly specifies the agreed price, quality, conditions for price adjustment, delivery time and the delivery guarantee conditions. If the coal is not delivered according to the agreed terms and conditions causing the Company to procure coal from other source at a higher price than the agreed price, the coal supplier shall compensate the price difference to the Company. Moreover, the Company reserves a sufficient level of coal for 2-3 weeks of production to prevent interruption caused by delayed coal delivery or unqualified grade of coal received. The Company also procures coal from several reliable suppliers to mitigate the risk on coal sourcing when any of the suppliers unable to supply the coal to the Company on the agreed quantity, quality and conditions.

The Company has secured a 10-year natural gas supply contract with PTT Public Company Limited ("PTT"), from 2019 through 2029, with specified price, quantity, quality of natural gas and conditions for price adjustment. The contract price of natural gas shall rely on several factors affecting the price such as calorific value of fuel oil, exchange rates and Thailand's Producer Price Index for manufactured products. The Company can predict the magnitude of change in natural gas price by considering the above mentioned factors. The Company has gas pipelines connected from PTT to Prabuddhabaht Plant. In case that PTT could not deliver natural gas to the Company, production at Prabuddhabaht Plant may be interrupted or the Company may incur higher cost of production which adversely affects the performance of the Company. Despite so, the Company has never faced problem of non-delivery from PTT.

1.4 Risk from dependency on only one contractor at Tubkwang Quarry

The Company contracted only one external quarry work contractor with agreement on price and minimum limestone production volume. The contract is valid for 4 years and extendable on a 2-year basis upon mutual agreement. Therefore, the Company is at risk if the contractor could not perform according to the contract which may result in the interruption of operation at Tubkwang Quarry and affect the operating performance of the Company.

The Company realizes the importance of such risk, and has arranged a team of mining engineers and geologists to closely supervise, regulate and monitor the work of the contractor. The Company is also well prepared to look for alternative contractor if the existing contract could not perform their work as agreed. Given the fact that the process complexity of mining is low, replacement of contractor could be done effortlessly.

1.5 Risk from environmental impact and employee safety

The operation of the Company may have impact on the environment, surrounding communities and the safety of its employees. Therefore, the Company recognizes the importance of environmental management by conducting quality inspection of air, noise and industrial waste, adhering to the law and proactively controlling the production process in accordance to health & safety as well as environmental standards. The Company has never been prosecuted or has paid significant legal fines related to environmental pollution. Furthermore, the management and personnel of the Company realize the importance of environmental impact and always follow the environmental rules and regulations. Public relations activities with the surrounding communities are also given priority. The Company constantly organizes activities to provide support towards the development of the communities, as well as listening to and sharing of opinions with the surrounding communities regarding to the business operation, to prevent adverse impact on these communities.

1.6 Risk relating to human resources management

The Company's business of production and distribution of lime and lime derivative chemical products relies on specialists such as mining exploration team, mining engineering team, geologists who supervise the operations at the quarry face, plant engineers who control the lime production process, marketing team with good relationship with customers as well as management and personnel with knowledge, skills and experience in lime industry. Therefore, the Company gives importance to human resources management and development by promoting a culture of team working, organizing a variety of personnel trainings to boost up their potentials and encouraging the middle level managers to get involved in managerial planning of the Company, emphasizing on employees' job satisfaction and enhancing employees' knowledge and work experiences to lower the risk of relying on any individual. The Company also promotes employees' sense of ownership to build up unity which is the key driver for the Company to achieve its goals.

2. Financial Risks

2.1 Foreign exchange risk

The Company is exposed to risk from the foreign exchange rate. This is due to some parts of revenue from the sale of exported products are denominated in foreign currencies. However, some of the Company's expenditures are denominated in foreign currencies such as fuel cost, purchase of machinery, material import and overseas investment, etc. The Company managed the risk by creating a natural hedge by using the revenue denominated in foreign currencies to settle the payment of expenditures denominated in the same foreign currencies. Moreover, the Company has closely monitored the exchange rate movements to assess the situations and continually studied the methods of managing foreign exchange risk by consulting with commercial banks for further decision.

2.2 Interest rate risk

The Company faces an interest rate risk on long-term loans from a financial institution for financing the Company's investment as the rate imposed is a floating rate. Long-term loans in Thai Baht is based on Minimum Loan Rate (MLR) quoted for major prime customers, which fluctuates according to the Policy Rate set by the Bank of Thailand. For long-term loans in US Dollar, it is based on Libor, which is London Interbank Offer Rate. As of 31 December 2020, the balance of interest-bearing debt, which is the loan from financial institutions with floating interest rate, was Baht 2,078 million. The Company has closely monitored movement of interest rate as well as its implications, to mitigate risk of interest rate volatility.

2.3 Risk from overseas investment

The Company has operations in foreign countries through its subsidiary in Australia as a distribution center, a subsidiary in Vietnam as a producer and distributor of lime with limestone mining concession at Son Duong Commune, Halong City, Quang Ninh Province, Vietnam valid until 11 May 2046, and through two 50%-owned joint ventures in India as producers and distributors of lime products. The operations of the subsidiaries and joint ventures may be affected by the external factors such as economic conditions, political situations, industrial competition, laws and regulations, business taxes and any other changes in the invested countries as well as the exchange rate fluctuation that may affect the structure and have an adverse impact on the Company's investment.

However, the Company has carefully studied and reviewed the risks and returns of each overseas investment project before making investment decision. The Company foresees the demand growth in the countries where the Company invested in, and the partners in such countries are knowledgeable, capable and experienced in operating the businesses.

Moreover, The Company realizes that there may be risks arising from changes in governmental policies, laws and regulations of the countries that the Company has investment, which may affect the operation of the Company. In this regard, the Company continually study and monitor the changes in governmental policies, laws and related regulations to ensure accurate and timely compliance.

3. Management Risk

3.1 Risk from having majority shareholders holding more than a 50-percent stake in the Company

As at 2 July 2020, the group of majority shareholders, being Buranachart Company Limited and its affiliated persons, totally held 59.38 percent of the total paid-up shares of the Company. In this regard, investors may be exposed to a risk from the circumstance in which majority shareholders hold more than 50-percent stake in the Company. This is because the group of majority shareholders may take control of the meeting's resolution which require majority votes, such as appointment of directors. Therefore, retail shareholders may not be able to accumulate sufficient votes to check and balance the agenda proposed by the majority shareholders. However, the Board of Directors focuses on operating the business under the principles of good corporate governance. The Company has provided the opportunity for the retail minority shareholders to propose the Annual General Meeting's agenda and nominate candidates to be selected as directors of the Board prior to the Annual General Meeting of Shareholders. Moreover, with regard to the matters related to major shareholders and transactions that may result in a conflict of interest with the Company, such matters are to be processed in accordance with procedures set forth in the "Connected Transaction Regulation" which strictly follows the legal framework.

3.2 Risk on recruiting and developing top management

As the Company is constantly expanding its business locally and internationally. Hence, it may cause a negative impact on the Company's operation if the Company is unable to recruit or retain knowledgeable and high potential top management to support business expansion. On realizing such risk, the Company has set up guidelines for recruiting and developing top management and personnel management as a principle in the Good Corporate Governance Policy. This is to ensure that the Company has an adequate number of knowledgeable and high potential top management to drive the Company towards its goals.

Other Important Information

Important licenses and contracts related to operations at Tubkwang Quarry, Kangkoi Plant, Prabuddhabaht Plant and Rayong Plant are as follows:

Mining Concession

Document	: Concession No. 27328/16133 (mineral category 5)
Validity	: 24 June 2015 - 23 June 2040
Relevant Parties	: Grantor Ministry of Industry Grantee Chememan Public Company Limited
Details	: The Company has been granted mining rights for industrial mining of limestone (for cement industry and lime production), by open-cast mining method at Tubkwang sub-district, Kangkoi district, Saraburi province on the concession certificate area of 230 rai, 1 ngan, 41 square wah, for 25 years period starting from 24 June 2015 onwards.
Conditions	: 1. Industrial mining of limestone for cement industry and lime production, using open-cast mining method. 2. Start mining within one year from the date on which the concession was granted. 3. Follow the mining safety rules and promote the well-being of workers according to the measures set in the mining project. 4. Restore post-mining landscape in accordance to the measures stated in the mining project. 5. Restore land after mining and mineral dressing activities, simultaneously with mining operations in accordance with measures stated in the mining project. 6. Adhere to the preventive and corrective measures for the environmental impacts and other conditions as set forth by the Natural and Environmental Policy and Planning and the mining project measures. 7. Special contributions to the government as per contract dated 19 September 2016 8. Set a mining buffer zone of not less than 50 meters from public roads.
Preventive and Corrective Measures for Environmental Impact	: To comply with preventive and corrective measures on environmental impacts and measures on environmental quality assessment as approved by the Office of Natural Resources and Environmental Policy and Planning and the Department of Primary Industries and Mines. The mined area, subsequent to the closure of the mine, shall be rehabilitated to a natural state and to decrease the steepness of the landscape to ensure safety and reduce erosion. Fast-growing trees or groundcovers are to be planted on terrace landscape. The reclamation process must be completed at least one month before the expiration of the concession or cessation of operation.

License to Purchase, Possess and Utilize Explosives

Document	: License to purchase, possess and utilize explosives
Validity	: 16 April 2020 - 15 April 2021
Relevant Parties	: Licensor Kangkoi District Office Licensee Chememan Public Company Limited
Details	: Permits the Company to purchase, possess and utilize explosives for its mining operations
Storage Location	: Company's warehouse at Moo 10, Tubkwang sub-district, Kangkoi district, Saraburi province

Permit to Transport Explosives

Document	: Permit to transport explosives
Validity	: 16 April 2020 - 15 April 2021
Relevant Parties	: Licensor Kangkoi District Office Licensee Chememan Public Company Limited
Details	: Permits the Company to transport explosives used in its mining process
Storage Location	: Company's warehouse at Moo 10, Tubkwang sub-district, Kangkoi district, Saraburi province

Arms Possession Permit

Document	: 1) Arms Possession Permit for Ammonium Nitrate (Renewed Permit) 2) Arms Possession Permit for Emulsion Explosives (Renewed Permit) 3) Arms Possession Permit for Detonating Cords (Renewed Permit) 4) Arms Possession Permit for Electric Detonators (Renewed Permit) 5) Arms Possession Permit for Ammonium Nitrate 6) Arms Possession Permit for Emulsion Explosives 7) Arms Possession Permit for Detonating Cords 8) Arms Possession Permit for Electric Detonators
Validity	: 14 May 2020 - 17 April 2020 (Renewed Permit) 30 March 2020 - 29 March 2021
Relevant Parties	: Licensor Ministry of Defense Licensee Chememan Public Company Limited
Details	: Permits the Company to possess the aforesaid arms for use in mining process
Storage Location	: Company's warehouse at Moo 10, Tubkwang sub-district, Kangkoi district, Saraburi province

Forest Utilization Permit

Document	: Forest Utilization Permit
Validity	: 20 January 2017 - 19 January 2027
Relevant Parties	: Licensor Royal Forest Department, Ministry of Environment and Natural Resources Licensee Chememan Public Company Limited
Details	: Permits the Company to utilize a specific forest area for the mining operations as permitted under the mining concession

Contract for Limestone Blasting, Sorting, Breaking and Loading

Document	: Contract for Limestone Blasting, Sorting, Breaking and Loading
Contract Parties	: Contractor Changpinit Engineering (2539) Co., Ltd. Employer Chememan Public Company Limited
Contract Period	: 1 January 2021 – 31 December 2024, where the contract parties may agree to extend the contract for successive 2-year period by a written agreement executed not less than 60 days prior to the expiration of the contract.
Details	: Hire the contractor to drill and blast limestone at Tubkwang Quarry, sort sizes of limestone obtained from blasting, break and load the limestone.

Mineral Dressing License – Tubkwang Quarry

Document	: Mineral Dressing License
Validity	: 7 December 2019 – 6 December 2024
Relevant Parties	: Licensor Provincial Industry Office Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in mineral dressing of limestone from industrial mining for chemical industry and for production of lime for tanning and sugar industries.

Mineral Dressing License – Kangkoi Plant

Document	: Mineral Dressing License
Validity	: 18 December 2018 – 17 December 2023
Relevant Parties	: Licensor Provincial Industry Office Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in mineral dressing of limestone from industrial mining for chemical industry and for production of lime for tanning and sugar industries.

Letter of Permission for Land Utilization and Business Operations in Industrial Estate under the Industrial Estate Authority of Thailand B.E. 2522 – Rayong Plant

Document	: Letter of Permission for Land Utilization and Business Operations in Industrial Estate under the Industrial Estate Authority of Thailand B.E. 2522
Validity	: Since 21 December 2020 onwards
Relevant Parties	: Licensor Industrial Estate Authority of Thailand (IEAT) Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in hydrated lime production business.

License for Business Operations that use Natural Gas – Prabuddhabaht Plant

Document	: License for Business Operations that use Natural Gas
Validity	: 22 December 2020 – 31 December 2021
Relevant Parties	: Licensor Department of Energy Business Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in restricted business operation of category 3 under section 17(3) of the Fuel Control Act B.E. 2542

Natural Gas Supply Contract – Prabuddhabaht Plant

Document	: Natural Gas Supply Contract
Validity	: 12 March 2019 – 31 March 2029
Counter Parties	: Supplier PTT Public Company Limited Buyer Chememan Public Company Limited
Objectives	: The supplier agrees to sell natural gas to the buyer, and the buyer agrees to buy natural gas from the supplier, to be used in the lime production process at Prabuddhabaht Plant. The buyer is responsible for the arrangement of natural gas sub-pipeline to connect to the supplier's pipeline.

Investment Promotion Certificate from BOI

The Company was granted promotional privileges in accordance with the Investment Promotion Act B.E. 2520 (including amendments) from the Board of Investments (BOI) under conditions set out in the Investment Promotion Certificate for quicklime and hydrated lime production plant, with general privileges as follows:

- 1) Permission to bring into the Kingdom of Thailand, foreign nationals who are skilled workers or experts, as well as spouses and dependents of such foreign nationals, in such numbers and for such periods as the BOI may deem appropriate.
- 2) Permission for the foreign skilled worker or experts who have been granted permission to stay in the Kingdom as in 1) to receive work permits for specific positions approved by the BOI for the period of permitted stay in the Kingdom.
- 3) Import duties exemption on imported machinery approved by BOI
- 4) Corporate income tax exemption on net profit from the promoted operations, with aggregate exemption of not exceeding 100 percent of the investment cost, excluding cost of land and working capital.

- 5) In case of operation losses during the corporate income tax exemption period, the Company is allowed to carry forward such losses and deduct against the net profits for up to 5 successive years after the expiry of the corporate income tax exemption period, where deduction from net profit can be in any one year or many years.
- 6) Dividends paid out from profits made by the promoted business with corporate income tax exemption shall be excluded from calculation of income tax throughout the period that the business receives exemption from corporate income tax.

The Company received Investment Promotion Certificates for the lime production at Kangkoi Plant and Rayong Plant. Currently, there are 5 certificates that are still valid with full corporate income tax exemption as summarized below:

Plant / Product	Issue Date of Promotional Certificate	Date of First Revenue Generated from the Promoted Business	Period of Full Income Tax Exemption ¹	Period of 50% Income Tax Exemption ²	Conditions / Privileges for Specific Project
Kangkoi Plant (KK3 and KK5 Kilns) / Quicklime	10 April 2015	2 September 2016	6 years ³	5 years ³	- Production capacity of approximately 182,500 tons per year
Kangkoi Plant (KK4 Kiln) / Quicklime	19 August 2015	1 February 2019	3 years	None	- Production capacity of approximately 73,000 tons per year
Kangkoi Plant (KK6 Kiln) / Quicklime	19 August 2016	20 January 2018	3 years	None	- Production capacity of approximately 113,150 tons per year
Kangkoi Plant / Hydrated Lime (Future Project)	6 October 2016	No income yet	3 years	None	- Production capacity of approximately 87,600 tons per year
Rayong Plant / Hydrated Lime	23 December 2011	15 February 2013	8 years	5 years	<ul style="list-style-type: none"> - Production capacity of approximately 87,600 tons per year - Double deduction of cost of transportation, electricity and water supply as expenses for 10 years¹ - 25% deduction of investment in construction of facilities as expenses, in addition to normal depreciation deduction - Exemption of import duty on imported raw materials used in the production of export products, for 5 years from date of first import - Exemption on import duty on imported goods for export, for a period of 5 years from date of first import

Remarks: 1 Starting from the date of first revenue generated from the promoted business.

2 Starting from the expiration date of full income tax exemption.

3 Received additional privileges according to the extra investment incentives (Board of Investment's resolution passed on 23 March 2017)

Important licenses and contracts related to operations at Ha Long QN Lime Co., Ltd., Vietnam are as follows:

Mining Exploitation License

Document	: Mining Exploitation License
Validity	: Until 11 May 2046
Relevant Parties	: Grantor Ministry of Natural Resources and Environment - Vietnam Grantee Ha Long QN Lime Company Limited ("Halong Lime")
Details	: Halong Lime has been granted mining rights to exploit limestone as raw materials for industrial lime production at Son Duong Commune, Halong City, Quang Ninh Province, on the exploitation area of 34.96 hectares.
Conditions	: <ol style="list-style-type: none"> 1. Industrial mining of limestone for lime production, using open-cast mining method. 2. Pay fees for granting mineral exploitation permits under related regulations. 3. Carry out limestone mining activities according to the area, depth and capacity specified in the license. 4. Responsible for environmental protection in mineral exploitation according to regulations. 5. Ensure technical safety and safety of mine works and properly reporting the mineral exploitation, processing and use of minerals to the competent State Agency. 6. Upon mine closure, rehabilitate and restore the environment and land after exploitation. 7. Coordinate with the concerned management agencies in inspecting, supervising and post-inspecting the exploitation of minerals, environmental protection works, treating wastes in the course of mineral exploitation.

Certificate of Land Use Rights – Limestone Quarry

Document	: Certificate of Land Use Rights
Validity	: Until December 2047
Relevant Parties	: Grantor People's Committee of Quang Ninh Province Grantee Ha Long QN Lime Company Limited
Details	: Receiving the land use rights recognized by the State Authority with annual payment of land fees for the purpose of limestone exploitation as raw materials for industrial lime production.

Certificate of Land Use Rights – Lime Production Plant

Document	: Certificate of Land Use Rights
Validity	: Until 9 July 2064
Relevant Parties	: Grantor People's Committee of Quang Ninh Province Grantee Ha Long QN Lime Company Limited
Details	: Receiving the land use rights recognized by the State Authority with annual payment of land fees for the purpose of building a lime production plant.

Investment Registration Certificate – Limestone Quarry

Document	: Investment Registration Certificate of Limestone Quarry
Validity	: Until 11 May 2046
Relevant Parties	: Grantor Planning and Investment department of Quang Ninh province Grantee Ha Long QN Lime Company Limited
Details	: State office agrees to license the project to exploiting limestone to be raw material for industrial lime production

Investment Registration Certificate – Lime Production Plant

Document	: Investment Registration Certificate of Lime Production Plant
Validity	: Until 9 July 2064
Relevant Parties	: Grantor Planning and Investment department of Quang Ninh province Grantee Ha Long QN Lime Company Limited
Details	: State office agrees for the project of a calcification factory to supply products to domestic and foreign markets.

Shareholders' Agreement

Agreement Between Shareholders of Chememan Lao Company Limited ("Chememan Lao")

Agreement date	: 8 September 2015
Counter Parties	: 1. EXIM Company Limited ("EXIM") EXIM was established in 2005 as a company in transportation business. It provides land, water and air transportation services both in Laos PDR and in foreign countries. 2. Chememan Public Company Limited
Details	: The counter parties jointly established Chememan Lao in Lao People's Democratic Republic to operate business of production and distribution of limestone and lime.
Shareholding Proportion	: EXIM 40.00% Chememan Public Company Limited 60.00%

Agreement Between Shareholders of Siriman Chemicals India Private Limited ("Siriman Chemicals")

Agreement Date	: 6 September 2016 (including Supplementary Agreement dated 1 March 2019)
Counter Parties	<p>1. Sanvira Industries Limited Sanvira Industries Limited was established in 2008 in India to produce and distribute petroleum coke derived from oil refinery. It also has an electricity generating plant.</p> <p>2. Sanvira Industrial Services Private Limited Sanvira Industrial Services Private Limited was established in 2011 in India to produce and distribute basic chemical products. Whereby, Parties 1. and 2. are collectively referred to as Sanvira Group ("Sanvira Group")</p> <p>3. Chememan Public Company Limited</p> <p>4. Chememan India Private Limited Whereby, Parties 3. And 4. are collectively referred to as Chememan Group ("Chememan Group")</p>
Details	: The counter parties jointly established a new company named Siriman Chemicals, in India to produce and distribute quicklime and hydrated lime. Siriman Chemicals's production plant is located in Andhra Pradesh, in which its products shall be distributed only within the State of Andhra Pradesh, Telangana, Orissa and Chhattisgarh in India.
Shareholding Proportion	<p>: Sanvira Group 50.00%</p> <p>Chememan Group 50.00%</p>

Agreement Between Shareholders of Easternbulk Lime Products Private Limited ("Easternbulk Lime Products")

Agreement Date	: 17 May 2017
Counter Parties	<p>1. Easternbulk Trading and Shipping Private Limited ("Easternbulk Trading and Shipping") Easternbulk Trading and Shipping was established in 2007 to engage in mineral trading business and fully integrated water transportation business at eastern ports of India.</p> <p>2. Chememan Public Company Limited</p> <p>3. Easternbulk Lime Products</p>
Details	: Easternbulk Trading and Shipping sold its shares in Easternbulk Lime Products to Chememan Public Company Limited at the portion of 50% of Easternbulk Lime Products's paid-up capital. Easternbulk Lime Products shall construct a production plant in the industrial zone of Tuticorin, to produce and distribute quicklime and hydrated lime within the State of Tamilnadu, Karnataka and Kerala in India.
Shareholding Proportion	<p>: Easternbulk Trading and Shipping 50.00%</p> <p>Chememan Public Company Limited 50.00%</p>

Agreement Between Shareholders of CalMix Company Limited ("CalMix")

Agreement Date	: 21 January 2019
Counter Parties	: 1. Chememan Public Company Limited 2. Bergmann Kalk Holding GmbH ("Bergmann") 3. Kalkwerke H. Oetelshofen GmbH & Co. KG ("Oetelshofen")
Details	: The counter parties jointly established CalMix in Thailand to produce and distribute lime mortar in Thailand and to other ASEAN countries, by using the Company's products such as limestone sands and hydrated lime as raw materials.
Shareholding Proportion	: Chememan Public Company Limited 51.00% Bergmann 24.50% Oetelshofen 24.50%

Agreement Between Shareholders of Ha Long QN Lime Company Limited ("Halong Lime")

Agreement Date	: 15 November 2019
Counter Parties	: 1. Mr. Bui Tuan Ngoc 2. Ms. Vu Thi Phuong 3. Northman Company Limited 4. Ha Long QN Lime Company Limited
Details	: Mr. Bui Tuan Ngoc and Ms. Vu Thi Phuong sold 80% portions of their ownership of the capital contribution in Halong Lime to Northman Company Limited. Halong Lime is a company established to produce and distribute quicklime and hydrated lime with a lime manufacturing plant and a limestone quarry located in Quang Ninh province, Vietnam.
Shareholding Proportion	: Mr. Bui Tuan Ngoc 19.98% Ms. Vu Thi Phuong 0.02% Northman Company Limited 80.00%

Dividend Policy

Dividend Policy of the Company

The Company has a dividend policy to pay shareholders dividends of at least 40% of consolidated net profit after deduction of corporate income tax and all reserves required by law or rules and regulations of the Company, taking into consideration the Company's cashflow, operating results, financial structure, investment plans, conditions and obligations of the Company in different contracts, future requirements, and consistency of the dividend payments. Dividend payments must not exceed the Company's retained earnings based on its separate financial statements, and the dividend will not be paid if the Company has a deficit in its separate financial statements.

Dividend payments must be approved by the shareholders' meeting unless it is an interim dividend which the board of directors may approve occasionally when the Company has enough profits. Interim dividend payment must be reported in the next shareholders' meeting.

Dividend Policy of the Subsidiaries

Dividend payments of the subsidiaries are to be approved by the board of directors and shareholders' meeting of each subsidiary. The dividend payment is to be at least 40% of the subsidiary's net profits based on its separate financial statements or consolidated financial statements if the subsidiary has investments in other companies, after corporate income tax and reserves required by law or the rules and regulations of each subsidiary. Dividend payments must not exceed the subsidiary's retained earnings based on its separate financial statements, and the dividend will not be paid if the subsidiary has a deficit based on its separate financial statements. However, such dividend payment may vary according to the subsidiary's cash flow, operating results, financial structure, investment plans, conditions and obligations of the subsidiary in different contracts, and future requirements.

In order that dividend payments of the subsidiary are in accordance with corporate governance, transparent and verifiable, after dividend is paid by each subsidiary, the subsidiary's board of directors shall report such dividend payment in the Board of Directors' meeting of the Company.

Shareholders

Top 10 shareholders of the Company as of 2 July 2020 (latest share register book closing date for the rights to receive interim dividend) were as follows:

Shareholders	As of 2 July 2020	
	Number of Shares	Percentage Holding
1. Mr. Chai Srivikorn	267,805,900	27.90
2. Buranachart Company Limited ¹	252,116,700	26.26
3. B-Senior Citizen Mixed Fund	14,686,900	1.53
4. Mrs. Songsri Sengsakul	12,807,810	1.33
5. Miss Korakot Srivikorn	11,533,800	1.20
6. Bualuang Small-Mid Cap RMF	11,511,700	1.20
7. Mr. Norachet Sangruji	9,999,000	1.04
8. Mr. Sukit Wongdecha	9,790,000	1.02
9. Mr. Jaksawat Vimolmongkolrat	9,312,600	0.97
10. Mr. Chan Srivikorn	9,258,000	0.96
11. Others	351,177,590	36.58
Total	960,000,000	100.00

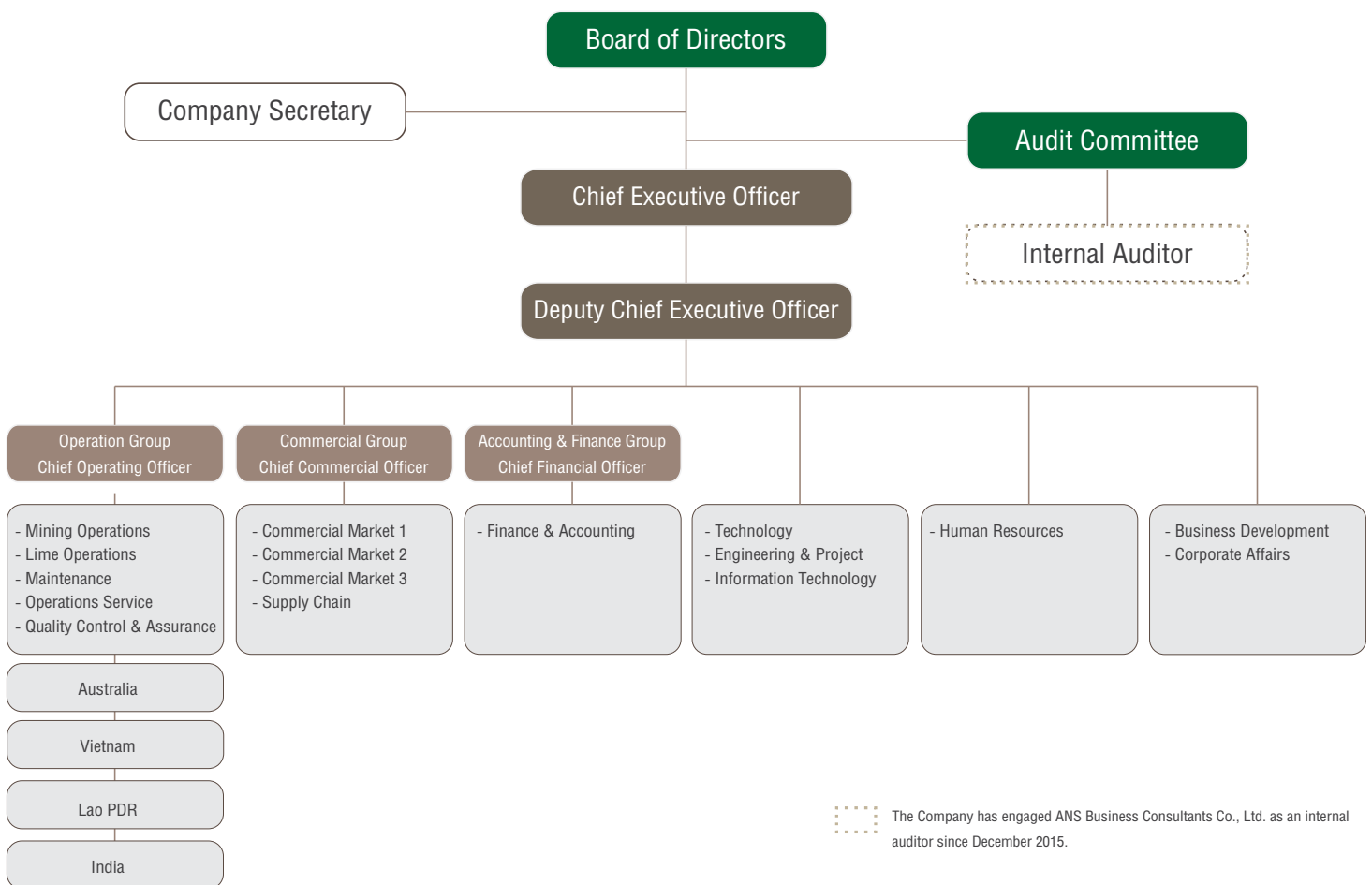
Remarks: ¹ Buranachart Company Limited was established on 5 March 2003. Its main business is to act as holding company with no investment in financial business.

Top 10 shareholders of Buranachart Company Limited as of 31 December 2020 were as follows:

Shareholders	Number of Shares	Percentage Holding
1. Lowjun Family	7,678,376	27.04
1.1 Mr. Adisak Lowjun	7,678,375	27.04
1.2 Mrs. Rajjaneepen Ungpakorn	1	0.00
2. Mr. Charoen Churekanont	4,000,000	14.08
3. Mr. Chai Srivikorn	3,709,160	13.06
4. Mr. Apichat Laochinda	3,691,825	13.00
5. Mr. Suthep Uacherdkul	3,501,686	12.33
6. Mr. Suwat Tunlayadechanont	2,658,953	9.36
7. Mr. Chaichana Pimlikitsak	800,000	2.82
8. Mr. Sukit Wongdecha	640,000	2.25
9. Miss Piengkamol Kraidej	500,000	1.76
10. Mr. Kamol Sowattanaskul	400,000	1.41
Total shares of top 10 shareholders	27,580,000	97.11
11. Other Shareholders	820,000	2.89
Total Shares	28,400,000	100.00

Management Structure

As of 31 December 2020, the Company's management structure comprised of a Board of Directors and an Audit Committee. The Board of Directors did not appoint Nomination and Remuneration Committees. However, the Board of Directors set up guidelines to determine the directors' remuneration in comparison to other companies with similar size (revenue and net profit) and industries. This is to reward work performed and motivate qualified persons with knowledge, abilities, skills and appropriate experience, beneficial to the success of the Company.



The Company has engaged ANS Business Consultants Co., Ltd. as an internal auditor since December 2015.

Board of Directors

As of 31 December 2020, there were 9 directors (excluding director resigned) as follows:

	Director	Position
1.	M.L. Chandchutha Chandratat ¹	Chairman of the Board
2.	Mr. Adisak Lowjun	Director
3.	Mr. Charoen Churekanont	Director
4.	Mr. Suthep Uacherdkul	Director
5.	Mrs. Rajjaneepen Ungpakorn	Director
6.	Mr. Chai Srivikorn	Director
7.	Mr. Pornprom Karnchanachari	Independent Director / Chairman of the Audit Committee
8.	Ms. Amata Issarangura Na Ayudhaya	Independent Director / Member of the Audit Committee
9.	Mr. Yarnsak Manomaiphiboon	Independent Director / Member of the Audit Committee

Remark:

1 M.L. Chandchutha Chandratat had resigned from the position of Independent Director since 22 December 2020

Authorized Directors to Sign and Bind the Company

Directors authorized to sign and bind the Company comprises of Mr. Adisak Lowjun or Mr. Charoen Churekanont or Mrs. Rajjaneepen Ungpakorn jointly sign with Mr. Chai Srivikorn or M.L. Chandchutha Chandratat or Mr. Suthep Uacherdkul, together with Company's seal affixed.

Board of Directors Meeting

The Meeting attendance of the Board of Directors for the year 2020 are as follows:

	Directors	Attendance / Total Meetings Board of Directors
1.	M.L. Chandchutha Chandratat	9/9
2.	Mr. Adisak Lowjun	8/9
3.	Mr. Charoen Churekanont	8/9
4.	Mr. Suthep Uacherdkul	6/9
5.	Mrs. Rajjaneepen Ungpakorn	9/9
6.	Mr. Chai Srivikorn	8/9
7.	Mr. Suwat Tunlayadechanont ¹	7/9
8.	Mr. Pornprom Karnchanachari	9/9
9.	Ms. Amata Issarangura Na Ayudhaya	9/9
10.	Mr. Yarnsak Manomaiphiboon	9/9

Remark:

1 Mr. Suwat Tunlayadechanont had resigned from directorship since 10 November 2020

Audit Committee

As of 31 December 2020, there were 3 members in the Audit Committee as follows:

	Director	Position
1.	Mr. Pornprom Karnchanachari	Chairman of the Audit Committee
2.	Mr. Yarnsak Manomaiphiboon	Member of the Audit Committee
3.	Ms. Amata Issarangura Na Ayudhaya	Member of the Audit Committee

Audit Committee Meeting

The Meeting attendance of the Audit Committee for the year 2020 are as follows:

	Directors	Attendance / Total Meetings Audit Committee
1.	Mr. Pornprom Karnchanachari	5/5
2.	Ms. Amata Issarangura Na Ayudhaya	5/5
3.	Mr. Yarnsak Manomaiphiboon	5/5

Management Team¹

As of 31 December 2020, there were 14 executives in the management team as follows:

	Management	Position
1.	Mr. Adisak Lowjun	Chief Executive Officer Acting Chief Financial Officer Acting Chief Commercial Officer and Acting Vice President of Commercial Market 3
2.	Mr. Suwat Tunlayadechanont ²	Deputy Chief Executive Officer Acting Chief Operating Officer and Acting Vice President of Information Technology
3.	Mr. Krissanapong Tatirungsunsook	Vice President of Mining Operations
4.	Mr. Komgrit Panom-Upatam ³	Vice President of Lime Operations
5.	Mr. Wanus Petchruarn	Vice President of Maintenance
6.	Mr. Pathomphob Jainkiatfu	Vice President of Technology
7.	Mr. Boonlert Thungkatikajonkit ⁴	Vice President of Commercial Market 2
8.	Mr. Kosol Pittayaprasertkul	Vice President of Supply Chain
9.	Ms. Pornphen Wiwattanadecha	Vice President of Finance & Accounting
10.	Mr. Apichat Laochinda ⁵	Vice President of Engineering & Project
11.	Mr. Panom Praiyontip	Vice President of Business Development and Acting Vice President of Commercial Market 1
12.	Mr. Kamol Sowattanasul ⁶	Vice President of Business Development
13.	Major General Nattapond Kongsompong (retired)	Vice President of Corporate Affairs
14.	Ms. Charanya Burapharat	Vice President of Business Development

Remarks:

1 Management refers to manager (CEO), the first four executives succeeding the manager and every person holding the position equivalent to the fourth rank including person holding executive position in Accounting or Finance Department whose rank is not lower than division manager.

2 Mr. Suwat Tunlayadechanont had resigned from the position of Deputy Chief Executive Officer, Acting Chief Operating Officer and Acting Vice President of Information Technology since 1 January 2021 due to retirement.

3 Mr. Komgrit Panom-Upatam had been appointed Chief Operating Officer since 1 January 2021

4 Mr. Boonlert Thungkatikajonkit had been appointed Chief Commercial Officer since 1 January 2021

5 Mr. Apichat Laochinda had been appointed Chief Technology Officer since 1 January 2021

6 Mr. Kamol Sowattanasul had been appointed Chief Affiliate Officer since 1 January 2021

Company Secretary and Chief Accountant

The Board of Directors' Meeting No. 10/2019 held on 13 December 2019 had resolved to appoint Ms. Sinaynidh Karitkiat as the Company Secretary effective on 1 January 2020.

The Chief Accountant of the Company is Ms. Panisara Sakulsumpaopol who had been appointed on 9 July 2020

The information is shown in attachment 1 of Annual Registration Statements for the year 2020 (Form 56-1) – Details of the Board of Directors and Management team

Directors and Management Remuneration

Board of Directors Remuneration

The 2020 Annual General Meeting of Shareholders held on 31 July 2020 had set the 2020 remuneration for the Directors, comprising of monthly compensation and meeting attendance fee, according to the criteria approved by the Extraordinary General Meeting of Shareholders No. 2/2017 held on 8 August 2017 which is still effective as follows:

Position	Monthly Remuneration (Baht)	Meeting Attendance Fee (Baht per Meeting)
Chairman of the Board of Directors	18,000	18,000
Directors	15,000	15,000
Chairman of the Audit Committee	-	14,400
Member of the Audit Committee	-	12,000

In 2020, the Company paid a total of Baht 3,260,000 for the monthly remuneration and meeting attendance fees to the Board of Directors and the Audit Committee (including the director resigned during the year) with details as follows:

	Directors	Director Remuneration (Baht)	Audit Committee Remuneration (Baht)
1.	M.L. Chandchutha Chandratat	378,000	-
2.	Mr. Adisak Lowjun	300,000	-
3.	Mr. Charoen Churekanont	300,000	-
4.	Mr. Suthep Uacherdkul	270,000	-
5.	Mrs. Rajjaneepen Ungpakorn	315,000	-
6.	Mr. Chai Srivikorn	300,000	-
7.	Mr. Suwat Tunlayadechanont ¹	260,000	-
8.	Mr. Pornprom Karnchanachari	315,000	72,000
9.	Ms. Amata Issarangura Na Ayudhaya	315,000	60,000
10.	Mr. Yarnsak Manomaiphiboon	315,000	60,000
	Total monthly and meeting attendance fees	3,068,000	192,000

Remark 1 Mr. Suwat Tunlayadechanont had resigned directorship since 10 November 2020.

Other Remuneration to the Directors

-None-

Management Remuneration

The remuneration for the 17 management executives for the year 2020 (including 3 management executives who resigned and 1 newcomer during the year), comprising of salary, bonus and position allowance, totaling Baht 68.79 million.

Other Management Remuneration

Other management remuneration for the year 2020 comprising of contribution to social security and provident fund totaling Baht 2.2 million.

Employees

Number of Employees

As of 31 December 2020, there were a total of 528 employees (excluding management) as follows:

Functional Group	Number of Employees
Operations	332
Commercial	76
Accounting and Finance	33
Technology	59
Human Resource	15
Business Development and Corporate Affairs	13
Total	528

Employee Remuneration

Employee (excluding management) remuneration for the year 2020, comprising of salary, bonus, living allowance, per diem, position allowance, shift payment, overtime wage, contribution to social security and provident fund, totaling Baht 267.39 million.

Labor Disputes

-None-

Personnel Development Policy

It is the Company's policy to support continual training and development for all employees, starting with new employees orientation to acquaint the new comers with the Company's background, important business policies, code of conduct and guidelines on health and safety issues. While working, the employees will receive coaching and on the job training from their supervisors, as well as attending the training and seminars to gain additional knowledge necessary for work performance.

In addition, the Company also lays appropriate foundation for the employees to learn about the business operation and management in relation with their duties and responsibilities to prepare them for further career advancement.

Corporate Governance

Corporate Governance Policy

The Company realizes the importance of overseeing that the Company's business conduct is in line with its objectives, main goals, strategies, policies, plans and specified budget, with appropriate performance monitoring, evaluation and reporting. This is performed through ethical business practices, respecting the rights and being responsible to the shareholders and stakeholders, with consideration to social benefits, environmental impacts and being adaptable to changing circumstances. To ensure competitiveness and good long-term business performance of the Company, the Board of Directors has laid down the corporate governance policy with following eight principles as guidelines for its employees to follow:

Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board in Creating Sustainable Value to the Organization

The role and responsibilities of the Board are clearly stated in the Charter of the Board of Directors. Major responsibilities of the Board are to set objectives, main business goals, financial policies, risk management and operational strategies, including as well to allocate resources necessary for the Company's personnel to achieve the laid down objectives. The Board shall monitor, evaluate and ensure the appropriate reporting of the Company's performance.

The Board shall oversee that the Company conducts business ethically, respects the rights and being responsible to the shareholders and all stakeholders; contributes to social benefit and concerns the environment; is adaptable to changing circumstances, while maintaining its competitiveness for long-term benefits of the shareholders.

The Board also determines the role and responsibilities of the Chief Executive Officer, and shall oversee that all directors and management are responsible, careful and honest in performing their duties; and that the Company's operations are in accordance with applicable laws, regulations and resolutions of the shareholders' meeting.

Principle 2 : Define Objectives that Promote Sustainable Value Creation

The main goal of the Company set by the Board is to be a leading lime producer. To achieve such goal, the Board determines Company's vision, corporate values, strategies, objectives and annual plans for the employees to perform their duties to drive the Company towards the goal within set timeframe.

Principle 3 : Strengthen Board Effectiveness

The Board is comprised of knowledgeable, capable and experienced directors who are reputable and capable to perform duties for the best interest of the Company. The Board plays an important role in setting the Company's policies. According to the Company's Articles of Association, the Board shall consist of not less than 5 but not more than 12 directors who are executive directors, non-executive directors and independent directors to ensure a proper balance of power. Details of the Board's composition, qualifications, term of office, roles and responsibilities are set out in the Charter of the Board of Directors.

The Company has appointed a company secretary to perform duties related to the Board of Directors' meetings, shareholders' meetings and to support duties of the Board as well as to ensure compliance to the Board's resolutions.

Principle 4 : Ensure Effective CEO and People Management

The Board has laid down the policy on nomination of directors and executives, and the succession plan as the guidelines for selecting qualified and experienced candidates to join the Company for its best interest. Details of which are stated in the policy on nomination of directors and executives, and the succession plan.

The Board shall ensure that remuneration and performance evaluation are appropriate and commensurate with the roles and responsibilities of the Board. The executives shall receive compensation in form of salaries and annual bonuses based on performance of the Company and the individual's abilities.

For continual improvement and development, the Board encourages seminars and trainings on corporate governance to concerned personnel such as directors, members of Audit Committee, executives and company secretary. Such seminars and trainings may be in-house or outsourced.

In case of changes in directors or new directors joining, the management shall provide information and documentation useful for the new directors to perform duties. Orientation to introduce business overview, scopes and characteristics shall also be provided to the new directors.

The Board shall also arrange for job rotation according to the aptitude of the person, with main considerations to the appropriateness of the type and time of work. The Chief Executive Officer shall determine the time schedule and evaluate the work performance for personnel development and succession plan, in order to develop knowledge and skills of the management and employees and enable job rotation.

Principle 5 : Nurture Innovation and Responsible Business

The Board places a great deal of emphasis on innovations for sustainable development. Innovation is nurtured from the use of modern technology in production process with consideration to sustainable usage of natural resources, investment in research laboratory to develop and inspect the product qualifications to meet different requirements of the customers from various industries and the constant production process improvement to increase efficiency.

Principle 6 : Strengthen Effective Risk Management and Internal Control

The Board has appointed an Audit Committee to support the Board's role in overseeing that the Company has effective governing system. The Audit Committee is to provide honest opinions on the financial statements and internal control system, and to allow discussions with the management and auditors on the mitigation of possible risks, as well as to ensure that the financial statements are credible, of good quality and with value added to the organization. The Audit Committee shall consist of at least three independent directors with qualifications as required by the Capital Market Supervisory Board and the Stock Exchange of Thailand, with at least one member possessing the knowledge or experience in accounting and finance, as well as understanding on the factors affecting the change in financial standing. Details of composition, qualifications, term of office and roles and responsibilities of the Audit Committee are stated in the Charter of the Audit Committee.

The Board has set policies as guidelines for appropriate risk management and internal control as follows:

1. Business Code of Conduct
2. Risk Management Policy
3. Insider Trading Policy
4. Policy on Avoidance of Conflict of Interest
5. Policy on Connected Transactions
6. Anti-Corruption Policy
7. Policy on Investment and Governing the Operations of Subsidiaries and Joint Ventures
8. Dividend Payment Policy of The Company and Subsidiaries

In case any stakeholder has any observations on the Company's business operation, the person can ask for details, submit a complaint or sources of illegal acts, mistakes in financial reports, deficiencies of internal control system or unethical conducts of the Company, through the Company's independent directors or the members of Audit Committee. The information on the complaint and sources shall be kept confidential. The independent director or the member of Audit Committee shall order an examination on the information and look for remedies (if any) and report such to the Board of Directors.

Principle 7 : Ensure Disclosure and Financial Integrity

1. The Board recognizes the importance of both financial and non-financial information disclosure which must be done in a correct, complete, adequate, transparent and timely manner, including as well other information that will or may affect the price of Company's share. All such information affect the decisions of the investors and the Company's stakeholders. The Company shall disclose the information in compliance with the regulations of the Office of the Securities Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.
2. The Company has assigned Investor Relations officer to communicate with investors or shareholders. Analyst meetings shall be organized regularly to discuss on the Company's operational results. The Company's general and financial information shall be disseminated to shareholders, analysts, credit rating agencies and related government authorities, via various channels such as reports to the Office of Securities Exchange Commission, the Stock Exchange of Thailand and the Company's website. The Company also emphasizes on regular disclosure of information to the shareholders via Company's website, where the information are up to date. Such information include vision, mission, financial statements, news, annual report, Company's structure and executives, shareholding structure, major shareholders, shareholders meetings invitation, corporate documents and charters.
3. The Company emphasizes on the importance of financial statements and financial information presented in the annual report. The Audit Committee shall review the quality of the financial reports and the internal control system, as well as the adequate disclosure of significant information in the notes to the financial statements, and shall report the observations to the Board of Directors. The Report on the Board of Directors' Responsibilities on the Financial Statements shall be presented together with the Auditor's Report in the Company's annual report.
4. The Company shall disclose information of each director, roles and responsibilities of the Board of Directors and sub-committee, number of meetings and attendance in the previous year, opinion on the duty performed, professional trainings activities, remuneration policies, types and details of the remunerations to the directors and executives of the Company, in the annual report and the annual registration statement.
5. The Company shall disclose audit fees and other service fees paid to the auditor.
6. The Company shall arrange to have the report on corporate governance policy, business code of conduct, risk management policy and corporate social responsibilities policy, with results of such policies implementation accompanied by the reasons for non-compliance cases, which shall be reported through various channels such as annual report and website.

Principle 8 : Ensure Engagement and Communication with Shareholders

1. The Company shall submit the invitations to the shareholders' meetings, together with agenda attachments, to the shareholders at least 7 days prior to the meeting or any required period as prescribed by the relevant laws and regulations. Each agenda item shall include the Board's opinion and adequate supporting information to ensure the shareholders' sufficiency of time and information for studying all details prior to the meeting. The Company shall also disclose such information via the Company's website prior to the meeting.
2. The Company provides opportunities for the shareholders to propose comments, suggestions or questions in advance before the shareholders' meeting, under the criteria disclosed by the Company on the website.
3. For convenience of the shareholders, the shareholders' meeting shall be held at an easy to access location with map of the meeting venue attached to the invitation letter. Date and time of the meeting shall also be appropriately selected with allocation of sufficient meeting time slot.
4. In the event that any shareholders unable to attend the meeting in person, proxy assignment to the independent directors or any other persons are allowed using the proxy form enclosed in the meeting's invitation.
5. In the shareholders' meeting, all shareholders are entitled, with equal rights, to freely express opinions, suggestions or raise questions on the related agenda before voting upon. The directors and concerned executives of the Company shall attend the shareholders' meeting to answer such questions.
6. The Company encourages voting by ballot on every agenda for transparency and verification of the voting results.
7. The Company shall arrange to have an independent person to witness the counting of votes on each agenda.
8. After the meeting, the Company shall disclose the voting results of each agenda item to the shareholders via SET Portal system of the Stock Exchange of Thailand and on the Company's website.
9. The Company shall completely and accurately, in all material respect, record the minutes of meeting and shall include significant questions, comments and suggestions for shareholders' inspection.

Structure of Company Directors

Management structure of the Company comprises of a Board of Directors and an Audit Committee, whereby the roles and responsibilities of the Board of Directors, the Audit Committee and the Chief Executive Officer are shown as follows:

Roles and Responsibilities of the Board of Directors

1. Perform duties in compliance with the law, objectives and Articles of Association of the Company including the resolutions of the shareholders' meetings, with honesty, integrity and in due circumspection and caution for the best interest of the Company.
2. Appoint or change the name of authorized directors who can sign and bind the Company.
3. Appoint and assign roles and responsibilities to the sub-committee as appropriate and necessary to support the duties of the Board of Directors.
4. Set the vision, policies, strategies and business direction of the Company and oversee that the management perform duties accordingly with efficiency and effectiveness.
5. Set business plans, annual budget, monitor and supervise the management, review the quarterly performance compared to the plan and budget and consider future trend for the remaining period of the year.
6. Evaluate the performance of the Chief Executive Officer and provide opinions on the overall performance of the management.
7. Set guideline and policy for determining the salary, salary increase, bonus, compensations and rewards for the Company's employees.
8. Ensure that the management arranges for proper accounting system, financial reports, reliable audit system as well as appropriate and adequate risk management and internal control systems.
9. Consider and approve the acquisition or disposal of assets, investment in new businesses and any business matters in accordance with applicable laws, announcements, and related rules and regulations.
10. Provide opinions on connected transactions or consider the transactions (in the case that the size of transaction does not require approval from the shareholders' meeting) of the Company and its subsidiaries to ensure compliance with the laws, announcements and related rules and regulations.
11. Oversee and ensure avoidance of conflict of interest between the stakeholders and the Company.
12. Ethically govern the Company and conduct review on the corporate governance policy of the Company.
13. Prepare the Report on the Board of Directors' Responsibilities for the Financial Statements to be presented together with the Auditor's Report in the annual report. Such report shall cover important issues in accordance with the Stock Exchange of Thailand Code of Best Practices for Directors of Listed Companies.
14. Assign one or more directors or any other person(s) to perform any duties on behalf of the Board. Such assignment of authority shall not enable the assigned director or person assigned by the director to approve the transactions where he/she has interest in or has any forms of conflict of interest with the Company or subsidiaries.
15. Consider and approve the interim dividend payment to shareholders and report such dividend payment to the shareholders in the next shareholders' meeting.
16. Appoint a company secretary to support the Board and the Company in performing the duties in accordance with applicable laws, rules and regulations.

Roles and Responsibilities of the Audit Committee

1. Review the Company's financial reporting process to ensure accurate and adequate disclosure.
2. Ensure that the Company has suitable and effective internal control system and internal audit process.
Determine the independence of the internal auditor, including approve the appointment, transfer and dismissal of head of internal audit or any other unit that is responsible for the internal audit as proposed by the management.
3. Review to ensure that the Company complies with the securities and exchange law, rules and regulations of the Stock Exchange of Thailand or any laws related to the Company's business.
4. Consider and nominate the independent person(s) to be the Company's external auditor, including to consider and recommend the audit fee.
5. Review connected transactions or any transactions with potential conflict of interest to ensure conformity with the laws and regulations of the Stock Exchange of Thailand, so as to be certain that such transactions are reasonable and serve the best interest of the Company.
6. Have authority to call meetings with the management or the Company's officers to obtain their explanations and opinions as necessary.
7. May consider hiring external consultants or professional specialist to provide advice, opinion or comment as deem appropriate by the Audit Committee.
8. Prepare Audit Committee Report to be disclosed in the annual report. Such report shall be signed by the Chairman of the Audit Committee and shall consist of at least the following information:
 - (1) Opinion on accuracy, completeness and credibility of the Company's financial reports.
 - (2) Opinion on the adequacy of the Company's internal control system.
 - (3) Opinion on the compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to the business of the Company.
 - (4) Opinion on the suitability of the external auditor.
 - (5) Opinion on the transactions with potential conflict of interest.
 - (6) Number of Audit Committee Meetings and the attendance of each committee member.
 - (7) Opinion or observation of the Audit Committee obtained from performing their duties in accordance with the Audit Committee Charter.
 - (8) Other matters which the Audit Committee deem appropriate to be disclosed to the shareholders and investors under the roles and responsibilities assigned by the Board of Directors.
9. Perform other acts as assigned by the Board of Directors.

Roles and Responsibilities of Chief Executive Officer

The principal duty of the Chief Executive Officer is to oversee that the management operates the Company to achieve the objectives of the Company through policies, strategies and plans approved by the Board of Directors. For the Chief Executive Officer to perform such duty, the Board of Directors has set the roles and responsibilities of the Chief Executive Officer as follows:

1. Oversee, manage, operate and perform normal business transactions for the benefit of the Company, in accordance with the Company's policies, vision and mission, objectives, annual plan, related business strategies and annual budget set by the Board of Directors.
2. Oversee finance, marketing, human resources management and other functions in overall to ensure compliance with the policies and operation plans set by the Board of Directors.
3. Has the authority to hire, appoint, transfer, dismiss, fire and set the rate of wages and compensation for all employee levels up to the level of Deputy Chief Executive Officer, within the framework and policy laid down by the Board of Directors. whereby a substitute may be delegated to implement such authority.
4. Set rewards, salary increase, compensation and bonus for all employee levels up to the level of Deputy Chief Executive Officer, within the framework and policy set by the Board of Directors.
5. Enter into any agreements and/or transactions in relation to normal business of the Company, in accordance with the limit of approval specified in the signing authority approved by the Board of Directors.
6. Has the authority to assign other person, as Chief Executive Officer sees appropriate, to manage and act on his behalf any necessary and appropriate matters, at the discretion of the Chief Executive Officer, under the laws and rules and regulations of the Company.
7. Issue internal orders, instructions, announcements, manuals and memos to ensure the operations of the Company are in line with the policies and for the benefits of the Company, as well as to keep discipline in the organization.
8. Perform other duties as assigned by the Board of Directors with authorized power necessary to perform such duties.

The Chief Executive Officer is not allowed to approve any transactions that he or any person delegated by him may have stake in or have potential conflict of interest with the Company and/or its subsidiaries. Such transactions shall be proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) for approval, except for the approval of normal business transactions with general terms and conditions, which has been approved in principle by the Board of Directors.

Regulations on Approval Authorization and Entering into Business Transactions

The Board of Directors are authorized to approve and revise annual budget which comprises of investment budget, expenditure budget and yearly sales plan, while the Chief Executive Officer is authorized to approve the investment, expenses, transfer of budget transactions within the budget approved by the Board of Directors.

Roles and Responsibilities of the Company Secretary

The Company Secretary has important responsibilities as stipulated in the Securities and Exchange Act. The Board of Directors set the roles and responsibilities of the Company Secretary as follows:

1. Prepare and safeguard the following documents:
 - (1) A register of directors
 - (2) Invitations and minutes of the Board of Directors' meetings and Company's annual reports
 - (3) Invitations and Minutes of the shareholders' meetings
2. Safeguard the report on conflicts of interest declared by the directors and executives.
3. Perform other acts as stipulated by the Capital Market Supervisory Board.

The Company Secretary shall perform duties responsibly with caution, honest and in good faith in accordance with applicable law, objectives and articles of association of the Company as well as the resolutions of the Board of Directors and shareholders' meetings.

Nomination and Appointment of Directors and Top Executives

Nomination of Directors

The Board of Directors is responsible for the nomination of qualified persons to be appointed by the Board of Directors and/or shareholders' meeting. The nomination process shall be emphasized on looking for candidates with strong leadership, broad vision, good morals and ethics, clear and unblemished career records and ability to express opinion independently. The qualifications of the required director shall be determined by competency, experience and expertise necessary and/or lack of by the Board of Directors in compliance to the Company's policies and strategies. The candidate should also possess the qualifications of a director or independent director as prescribed under the Public Limited Company Act, B.E. 2535 (including amendments), the Securities and Exchange Act, B.E. 2535 (including amendments), related announcements of the Capital Market Supervisory Board and announcement of the Board of Governors of the Stock Exchange of Thailand.

Nomination of Independent Directors

The qualifications of the Company's independent directors are as follows:

1. Holding less than one percent of the total voting rights in the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, including shareholding of persons related to the independent director.
2. Not currently be or never been the Company's executive director, employee, staff and salaried consultant or controlling person of the Company, parent company, subsidiaries, joint ventures, affiliated company, major shareholder or controlling parties of the Company, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, child and spouse of child of other director, executive, major shareholder, controlling person or person to be nominated as director, executive or controlling person of the Company and its subsidiaries.

4. Not having or having had a business relationship with the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, in a manner that may interfere with the person's independent judgement, as well as not being or having been a significant shareholder or a controlling person of any person having a business relationship with the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
5. Not being or having been an auditor of the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company and not being a significant shareholder, controlling person or partner of the audit firm where the auditor of the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company works for, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
6. Not being or having been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, and not being a significant shareholder, controlling person or partner of such professional service providers, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who relates to major shareholder.
8. Not operating any business of the same nature and in significant competition to the business of the Company or its subsidiaries, or not being a significant partner in a partnership or an executive director, employee, staff and salaried consultant or holds shares exceeding one percent of the total voting rights of any other companies operating business of the same nature and in significant competition to the business of the Company and its subsidiaries.
9. Not having any other characteristics that may cause the inability to express independent opinions with regard to the business of the Company.

Nomination of Top Executives

The Company has a proper and transparent nomination process for recruiting top executives to ensure that all of them are professionals. The Board of Directors shall nominate persons with knowledge and competency suitable for duties and responsibilities required and shall propose to the Board of Directors' meeting for appointment as per the Company's signing authority.

Oversight of Company's Subsidiaries and Joint Ventures

The Board of Directors has set forth the policy on overseeing and monitoring the operations of its subsidiaries and joint ventures, to be used as a guideline in controlling the operations of its subsidiaries as if it is a business unit of the Company and/or to efficiently monitor the operations of its joint ventures. The policy is as follows:

1. The Company shall assign representative(s) as director(s) of its subsidiaries or joint ventures in proportion to the shares held and/or in accordance to the shareholders agreement of the subsidiaries or joint ventures. Such representatives shall be approved by the Company's Board of Directors' meeting, taking into consideration the qualifications and experience suitable to the business of such company.

In case the representative receives any compensation as a director of the subsidiaries or joint ventures, such compensation shall be handed over to the Company.

2. The person appointed as director of the subsidiaries or joint ventures has the duty to operate for the best interest of the subsidiaries or joint ventures, with following important roles and responsibilities:
 - 2.1 Perform duties in accordance with the law, objectives, articles of association and resolutions of the Board of Directors' meeting and Shareholders' meeting, with honesty, integrity, in due circumspection, ethical and in compliance to the corporate governance policy of the Company.
 - 2.2 Prior to voting or making decision on any significant matters in the Board of Directors' meeting of the subsidiaries or joint ventures, approval from the Company's Board of Directors' meeting is required.
 - 2.3 Regularly arrange for reviews and improvement of policies and important business operation plans to ensure that they are up to date and appropriate to the business conditions.
 - 2.4 Continually monitor the business performance and provide recommendations on operations to make certain that the operations of the subsidiaries or joint ventures are in line with the goals, and any obstacles are dealt with promptly and appropriately.
 - 2.5 Monitor and give necessary advice on establishing efficient and effective internal control system, risk management system as well as operation procedures.
 - 2.6 In case the subsidiaries need to enter into connection transactions or transactions with potential conflict of interest, the representative assigned as director of the subsidiary has the responsibility to oversee that the subsidiary strictly complies with the criteria on conducting connected transactions and acquisition and disposal of assets, as prescribed by the related regulatory agencies.
 - 2.7 Oversee to ensure adequate and appropriate disclosure of information.

Internal Information Control

The Company places a great deal of emphasis on protection of insider trading. Directors, executives and employees of the Company are prohibited from disclosing confidential information and/or internal information which has not yet been disclosed to the public or making use of such information for the benefits of their own or for other's, regardless of directly or indirectly or whether they receive return for such action. Trading in the securities of the Company with the use of insider information is also prohibited. The measures to prevent misuse of internal information has been established by the Board of Directors as follows:

1. Provide knowledge to the directors and executives of the Company on the duty to report the holding of the Company's securities by themselves, spouses and minor children to the Office of the Securities and Exchange Commission in pursuant to section 59 and the concerned penalty under section 275 of the Securities and Exchange Act, B.E. 2535 (including amendments), and to report on the acquisition or disposal of such the securities by themselves, spouses and minor children to the Office of Securities and Exchange Commission in pursuant to section 246 and concerned penalty under section 298 of the Securities and Exchange Act, B.E. 2535 (including amendments).
2. Directors and executives, including their spouses and minor children, are required to prepare and disclose the report on securities holding in the Company and report on changes in securities holding in the Company to the Office of the Securities and Exchange Commission, in pursuant to section 59 and concerned penalty under section 275 of the Securities and Exchange Act, B.E. 2535 (including amendments), and submit a copy of the report to the Company on the same day of report submission to the Office of the Securities Exchange and Commission.
3. Directors, executives, staffs and employees of the Company, who have access to the material internal information are refrained from trading in the securities starting from the last day of the quarter until 24 hours after public disclosure of quarterly financial statement and annual financial statement of the Company.

The directors, executives and employees of the Company, who are aware of undisclosed information that may cause an impact on securities price changes, must refrain from trading in the securities from the date of receiving such information until 24 hours after disclosure of the said information to the public. The Company's personnel concerning the said information must not disclose such information to other persons until the information has been disclosed to the Stock Exchange of Thailand. The violation of the aforesaid measures shall be regarded as a disciplinary fault under the Company's work rules and shall be punished as appropriate starting with a verbal warning, written warning, probation up to termination of the employment.

Audit Fee for the Year 2020

For the year ended 31 December 2020, the Company has paid audit fee to PKF Audit (Thailand) Limited, its auditor, at the total amount of Baht 1,950,000, comprising of audit fee of Baht 1,800,000 and non-audit fee of Baht 150,000 for reviewing the report for submission to the Board of Investment.

No person or business related to the auditors and the aforementioned audit firm is considered a related person or business of the Company.

The Implementation of Corporate Governance Code for Listed Companies 2017

The Company is determined to operate the business according to the good corporate governance principles. The Company's corporate governance policy had been established following the guidelines of Corporate Governance Code for Listed Companies 2017 (CG Code), issued by the Office of the Securities and Exchange Commission. The Board of Directors reviews the policy every year to ensure compliance to CG Code and to uses it as governance guidelines for Company's stable and sustainable growth.

Corporate Social Responsibilities

Overall Policy

The Company realizes the importance of conducting business towards sustainable growth with corporate social responsibilities. It focuses on morally and ethically operating the business while contributing to the wellbeing of the stakeholders, economy, society and environment. By conducting business with corporate social responsibilities, the Company hopes to create benefits to the society along with the Company's growth. Therefore, the Company has established the policy of corporate social responsibilities for all employees to adhere to, which can be grouped into seven sections as follows:

1. Fair Business Conduct

The Company strives to operate business with honesty, fairness, good business ethics and aims to compete commercially in accordance to business ethics, laws, fair trade competition principles, as well as against any behaviors that obstruct fair trade competition. With respect to the intellectual property rights of others, the Company requires all personnel to comply with the law or regulations on the rights to intellectual properties. The Company also has campaign projects to cultivate social responsibility among personnel of all levels.

2. Anti-Corruption

The Company manages the business on the basis of being transparent, ethical, adhering to good corporate governance and complying with laws relating to anti-corruption, giving and receiving unlawful bribes to the government or private officials. The Company's organization structure is constructed to clearly separate duties, responsibilities, work process and reporting line in each work function, in order to ensure checks and balances and appropriate cross examination. The Company has laid down an anti-corruption policy as guidance for the directors, executives and employees of the Company and its subsidiaries.

3. Respect for Human Rights

The Company supports and respects human rights by treating concerned parties including employees, community and society with humanity respect, equal rights and freedom, while against violation on basic human rights and discrimination on race, nationality, religion, language, skin color, gender, age, education, physical appearance or social status. The Company also sees to it that its business is not involved in violation of human rights. Moreover, the Company supports monitoring its compliance with human rights regulations by encouraging the stakeholders to express opinions and provide channels for complaints from the victims of human rights abuses caused by the operation of Company's business and offer reasonable remedies.

4. Fair Treatment of Labor

The Company sees importance in human resources development and fair treatment of labor, which is a factor that will help to increase value to the business, strengthen competitive potential and sustainable growth ability of the Company. Thus, the following guidelines has been established:

- 1) Respect the rights of employees by adhering to human rights principles and labor laws.
- 2) Set up fair process of recruitment, employment, terms of employment, remuneration and performance evaluation.
- 3) Promote personnel development by arranging for trainings, seminars and encourage personnel to join in professional trainings in various fields to increase their knowledge and potential, including instill good attitudes, morality, ethics and teamwork in all personnel.
- 4) Provide employee benefits as stipulated by laws such as social security and those not required by laws such as provident fund, health insurance, accident insurance, disability insurance, staff housing, emergency loan, housing loan and other monetary assistance such as death benefit.
- 5) Provide annual physical checkup for employees of all levels, with consideration to individual risk factors such as age, gender and work environment.
- 6) Provide a safe environment with proper hygiene in the workplace by setting measures to prevent accidents and promote safety consciousness, as well as provide trainings, promote employees hygiene and creating healthy and safety workplace.
- 7) Provide opportunities to employees to express opinions or complaints on unfair treatment or wrongdoing in the Company and provide protection to the whistleblower.

5. Customer Accountability

The Company is determined to develop its customer service to achieve customer satisfaction and be responsible and honest in dealing with customers. It oversees that the production process works efficiently to ensure delivery of products at agreed quantity and time. In case of changes in the production plan which may affect the delivery of products, the Company shall discuss with the customer to minimize the impact.

6. Environmental Preservation

The Company places a great emphasis on social responsibility by preserving the environment. The Company strictly adheres to the laws relating to environmental preservation, while supporting environmental activities by continually allocating human resources and funding for such activities and closely coordinates with the surrounding communities.

7. Community and Social Development

The Company realizes its responsibilities towards communities and society. It provides assistance and support community and society development through various channels such as supporting youth education by donating school supplies and awarding scholarships, donating funds to public organizations for public interest such as donations to police stations for improving public service equipment, donations to hospitals for medical equipment improvement and donations to support religious activities.

Corporate Social Responsibility Work and Reporting (CSR in Process)

The Company's Corporate Social Responsibility Policy is used as guideline in determining work process. This is to ensure that all levels of employees recognize and perform their duties efficiently in accordance to such policy, international standard and applicable laws and regulations.

The Company implemented quality management system based on ISO 9001, environmental management system based on ISO 14001 and occupational health and safety management system based on TIS/OHSAS 18001, which are used to determine work regulations for employees and all concerned stakeholders. Social responsibilities are considered starting from production process and work procedures to improvement of plant sites.

By continually conducting business with corporate social responsibilities, the Company has received many awards on environmental management, labor relations, safety, occupational health and working environment, educational support and energy savings from various regulatory agencies such as Ministry of Industry, Ministry of Labour, Ministry of Energy and Ministry of Education.

Social & Environmental Activities (After Process)

The Company regularly organizes activities to support social development in the areas of education, religion, culture and local traditions, environment and community activities as follows:

Education

The Company recognizes the importance of youth education in the communities. Supports on educational activities were provided to raise the educational level in the communities to the same level of the large cities, by concurrently developing the education in 3 dimensions – educational facilities, personnel and students through the following projects:

Educational Facilities Improvement. The Company donated funds to support the students' education, supported Children Day's activities, continually supports the Sufficient Agricultural Project, Health and Welfare Project for Nikhom Tubkwang Songkroh Community School 1, Book for Children Project, as well as suppling crushed rocks for landscape improvements of various schools in Tubkwang district.



Educational Personnel Development. The Company has provided funds to arrange training sessions for teachers at Nikhom Tubkwang Songkroh Community School 1 to improve their knowledge on ICT.



Student Development. The Company regularly awards scholarships to students, allocates funds to assist students in preparing for the O-NET 2020 examination and supports public health activities such as donating to students affected by COVID-19.



Health and Welfare

The Company realizes the importance of health and wellbeing of the people in the communities. Therefore, it provides financial assistance and directly and indirectly supports programs to promote health of the people in the communities, together with improving way of life through various activities such as organizing a chest x-ray program for them and a scheme, called “Chememan Sharing During the Fight Against COVID-19”, to provide basic necessities to local communities affected by the COVID-19 pandemic.



The Company also cooperates with various organizations to help the underprivileged, those affected by natural disasters and the pandemic, by providing funds to Saraburi Hospital designated for purchasing

COVID-19 medical equipment, donating waters, alcohol gels and medical masks to Saraburi local authorities and assisting the Saraburi's Red Cross in donating food.



Moreover, the Company also supports sports activities to promote good health for the youth by sponsoring sports clothing and equipment, organizing landscape improvement activity and installing electricity in sport field for schools in local communities such as Nikhom Tubkwang Songkroh Community School 1 and Nikhom Tubkwang Songkrong school 2 in the Kangkoi District. The Company also sponsors sporting events on various occasions such as the Futsal competition by Tubkwang City District.



Religion, Culture and Local Traditions

It is the Company's policy to carry on religious, cultural and local customs of the communities by supporting religious activities on various occasions such as the group ordination of monks at Nong Pakboong Temple, the Annual Pit Tong(placing of gold leaf) at Pa Pai Temple, the Yok Chor Fah (mounting of highest part of temple) at Baan Pong Temple, the Kathin Samakkee (offerings to monks after lent) at Tham Prabodhisat Temple and Sri Jomthong Temple, as well as donating funds to purchase equipment and appliances for Baan Romyen Ingdoi Christian Church.



As for cultural and local customs activities, the Company has policy to regularly support those activities such as Songkran festival, Loy Kratong festival, Kratin and Pah Pa activities, by donating funds to various organizations such as Tubkwang Municipality, Huay Pa Hwai Municipality, Tubkwang Health Volunteers and the other community groups surrounding the Company's operation in Tubkwang District, Kangkoi District, Huay PaHwai District and Prabuddhabaht District.



Promote Career in Local Communities

As majority of the local people are wage earners, the Company has a policy to promote community careers to increase household income to have enough to cover expenses and savings for each household. The Company organized projects and provided financial support in activities that promote skills or methods to increase personal income, such as proving financial assistance to Thai Yangyuen Project (Thai Sustainability) of the government, supported field study for the community committee, supported OTOP Project (One Tumbon One Product) of Village No. 10, Tubkwang sub-district, Kangkoi district, Saraburi province, supported the products by the Tubkwang Shelter for Homeless and funded the production of face masks for the local communities amid the COVID-19 situation.



Environment and Infrastructure of the Local Communities

The Company supports environmental protection for the communities through many projects that promote cooperation between management, employees and the local people such as Reforestation on various occasions, joining with the communities in improving the landscape, building weir to slow down water, joining activities on World Environmental Day and Car - free day.

The Company also supports the community infrastructure protection by providing dust collecting vehicles to clean the public roads and regularly supplies crush rocks to repair road shoulders and areas of common infrastructures.



Employee Volunteering Culture

In 2018, the Company started a project named Roi Kwam Dee, 15 Pee Chememan (Let's Do Good, 15 years of Chememan), later changed to "CMAN DMAN Plus", to celebrate the 15 years operation anniversary of the Company with the objective to promote volunteer culture in the organization, as well as to promote social responsibilities in employees of all levels.

The Company had carried out five activities under the "CMAN DMAN Plus" scheme as follows:

1. Improving and painting Police box at Tubkwang sub-district
2. Reforestation
3. Painting Basketball field at Nikhom Tubkwang Songkroh Community School 1
4. Improving landscape and cleaning at the Tham Prabodddhisat Temple
5. Arranging almshouses at the Annual Kathina of the Tham Prabodddhisat Temple



In addition, the Company also has a policy to expand volunteer activities to other groups in the future, to develop volunteer network and foster volunteering culture on the local communities.

Annual Fun Run Activity

With cooperation between the Company and Nikhom Tubkwang Songkroh Community School 1, Student Health and Welfare Promotion Fund has been set up with following objectives:

1. To promote age-appropriate health and wellbeing of the students
2. To support activities relating to public health for the students

The Annual Fun Run for charity is an activity set up based on the Company's management intention to involve all sectors being the government, private and community in supporting the Student Health and Welfare Promotion Fund of Nikhom Tubkwang Songkroh Community School 1. In the Fun Run activity, the Company shall donate to such Fund the amount of Baht 300 for every runner crossing the finish line.

Chememan's Fun Run Activity was first held in 2017, in which there were 800 runners participated, raising Baht 500,000 to the Fund. In 2018, around 1,500 runners participated, raising Baht 550,000 to the Fund. In 2019, around 2,500 runners participated, raising Baht 900,000 to the Fund. In this year 2020, the forth Fun Run Activity, named "Im Im Tubkwang V-Run 2021", was held online. In this event, approximately 2,789 runners participated, and an amount of 940,000 Baht was raised.

Until present, the donation raised for the Fund has been used for the followings:

1. Prepare breakfast for the students
2. Purchase toothbrushes and toothpaste for the students, in order to encourage them to brush their teeth after meal to prevent tooth decay and promote oral health
3. Purchase gymnastics mats for the students to exercise



Anti-Corruption Policy

The Company is determined to conduct business honestly, transparently and fair, under good corporate governance principles and be accountable to society. The Company is firm in its value of being against corruption and all forms of bribery, whether directly or indirectly. Therefore, the anti-corruption policy has been set up as guidance for all employees of the Company to adhere to as follows:

- 1) Not be corrupt or be part of any form of corruption, whether directly or indirectly.
- 2) Be cautious when dealing with receiving and giving gifts, entertainment or any other benefits. To ensure that such acts are for business purposes, with appropriate value and shall not influence any business decisions.
- 3) Put in place efficient and appropriate internal control systems and risk assessment on a regular basis to prevent corruption. Review and assess risk arising from operations that may instigate corruption.
- 4) Manage to ensure that financial reporting is transparent, accurate and in accordance with international accounting standards.
- 5) Set up human resources management system, from recruitment to taking care of employees, to reflect the intention of anti-corruption.
- 6) Set up communication channels for employees to provide evidence, suggestions and complaints on corruption issues, whereby the whistleblower shall be fairly protected.
- 7) Operate business in consistence to the laws relating to anti-corruption in all the countries that the Company operates businesses.
- 8) Any employee who violates or does not comply with this anti-corruption policy, whether directly or indirectly, shall be subjected to disciplinary actions according to the Company's regulations or legal penalties.

It is every employee's responsibility to understand and comply with the Company's anti-corruption policy in all work processes. The employee must inform his/her superior immediately if any such act of corruption occurs.

Internal Control and Risk Management

Internal Control

The Company has an Audit Committee whose responsibilities are to ensure that the Company has an efficient governing system, oversee the internal control and internal audit's works and provide recommendations on risk management to make certain that the system is adequate, appropriate and efficient. The Audit Committee had resolved to approve the engagement of ANS Business Consultants Limited ("ANS") as the internal auditor of the Company for the year 2020. During the year, the internal auditor had audited 4 processes being sales, procurement, human resource and inventory and distribution management, in accordance with the audit plan approved by the Audit Committee.

Audit Process

The Company and the internal auditor has laid down working procedures by considering the risk assessment of the business operation processes which comprise of the following main processes:

1. Sales Process
2. Accounting and Financial Management Process
3. Fixed Assets and Equipment Management Process
4. Procurement Process
5. Inventory and Distribution Management Process
6. Product Development Process
7. Human Resources Management Process
8. Production Process
9. Information Technology Management Process

Internal Audit Plan

1. Prepare audit topics on different processes, including the audit of the follow-up on compliance to the previous auditor's recommendations (if any).
2. Discuss with top management on issues that require more emphasis.
3. Prepare annual internal audit plan which has been reviewed by the Company's management.
4. Propose for an approval on the annual internal audit plan from the Audit Committee, and inform the relevant departments about the schedule of the internal audit visit.

Analyze Business Processes and Prepare Audit Guidelines

1. Study and analyze the business processes to be audited.
2. Prepare the audit guidelines for the business processes to be audited.

Auditing and Reporting the Audit Results

1. Evaluate the effectiveness of the internal audit using various appropriate methods such as conducting interviews, observing work procedures and random check on critical issues.
2. Summarize the results of internal audit with the management and the relevant operators.
3. Prepare audit report for the Audit Committee on quarterly basis.

Evaluation of the Adequateness of Internal Audit Process

Opinion of the Board of Directors

In the Board of Directors' Meeting No. 8/2020 held on 11 November 2020, where all three members of the Audit Committee were present, the Board of Directors was informed of the result of the internal control sufficiency assessment done by the management in accordance with the internal control framework of the Securities and Exchange Commission (SEC), which had been reviewed by the Audit Committee. The assessment results were shown with descriptions for five areas as follows:

- 1) Internal Control
- 2) Risk Assessment
- 3) Operational Control
- 4) Information Technology and Data Communication System
- 5) Monitoring System

The Board of Directors' opinion was that the Company's internal control system is adequate and appropriate. The Company provided enough personnel to operate in accordance to the system with efficiency, as well as having internal control system to oversee and monitor the operation of the subsidiaries in order to prevent inappropriate or unauthorized use of Company's assets by the directors or management, including adequacy in monitoring the transactions between the Company and persons that may have conflict of interest. The Board of Directors was also of opinion that the Company had sufficient internal control in other areas.

Opinion of the Audit Committee which is Different from the Opinion of the Board of Directors

-None-

Opinion of the Internal Auditor

The Company operates the business and manages various work processes with secure and effective internal control, and able to manage the risks at appropriate and acceptable levels. There are proper separation of duties, precise operation manuals which can be used as work guidelines, and centralized management policy with systematic supervision process.

Moreover, the relevant management has set up improvement plans and follow-up on such improvement to ensure successful implementation as scheduled. After receiving reviewed results of the internal audit with observations and recommendations for improvements of the internal audit process, it can be concluded that the control processes of the management team are effective and appropriate.

Head of Internal Auditor of the Company

In the Meeting of the Audit Committee No. 4/2019, held on 11 November 2019, the Audit Committee approved the engagement of ANS Business Consultants Limited (“ANS”) which had been engaged since 17 December 2015. Mr. Amornpong Nualwiwat, Director of ANS, was the responsible person in charge of the internal audit of the Company. The Audit Committee considered the qualifications of ANS and Mr. Amornpong Nualwiwat, together with the past work results and of opinion that both were sufficiently independent and qualified for internal auditing of the Company. Mr. Amornpong has over 20 years of experience in internal auditing, undergone training and awarded Certificate of Professional Internal Auditor of Thailand. His qualifications as head of internal audit is shown in attachment 3 of Annual Registration Statements for the year 2020 (Form 56-1) – Details of Head of Internal Audit.



Connected Transactions

Connected Transactions between the Company and parties that may have conflicts of interest

For the year ended 31 December 2019 and 2020, the connected transactions between the Company and the parties that may have conflict of interest were as follows:

(1) Legal Advisory Council Limited ("Legal Advisory Council")

Mr. Pornprom Karnchanachari, who is a director of the Company, is a director and a shareholder of Legal Advisory Council with a shareholding percentage of 25.00% of the paid-up capital of Legal Advisory Council (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Legal advisory service fee	1.15	0.99	As the Company does not have personnel in the legal field, a legal advisor is required for the operations under the stated scope. Furthermore, the Legal Advisory Council is a knowledgeable and experienced legal service provider, who has been the Company's legal advisor for many years, thus is able to understand the nature of the Company very well and can provide the service effectively. Moreover, the fees charged were normal market rates, similar to those charged to other clients. The transaction was a normal business transaction, thus was considered reasonable.

The Company engaged the Legal Advisory Council as its legal advisor with the following scope of work:

- Company's corporate documents preparation
- Due diligence service
- Contracts/agreements preparation
- Litigation lawyer

(2) Rayong Mongkolchai Company Limited ("Rayong Mongkolchai")

Mr. Suthep Uacherdkul, who is a director and shareholder of the Company with direct and indirect shareholding percentage of 3.92% of the Company's paid-up capital (as at 31 December 2020), is also a director and a major shareholder of Rayong Mongkolchai with a percentage of 50.00% shareholding in Rayong Mongkolchai's paid-up capital (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Payment for the purchase of construction materials	0.09	0.07	The Company purchased construction materials, equipment and tools from Rayong Mongkolchai for use in its hydrated lime plant in Rayong. The price and payment terms given by Rayong Mongkolchai were similar to what the Company received from other suppliers. Therefore, the transaction was considered reasonable and beneficial to the Company.
Trade and other payables	0.01	0.003	

(3) Hardware King Company Limited ("Hardware King")

Mr. Suthep Uacherdkul, who is a director and a shareholder of the Company with direct and indirect shareholding percentage of 3.92% of the Company's paid-up capital (as of 31 December 2020), is also a director and a shareholder of Hardware King with shareholding percentage of 40.00% of Hardware King's paid-up capital (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Payment for the purchase of hardware and mechanical tools	0.004	0.12	The Company purchased hardware and mechanical tools from Hardware King for use in its hydrated lime plant in Rayong. The selling price and payment conditions given by Hardware King were similar to what the Company received from other suppliers. Therefore, the transaction is a regular business supporting transaction and is considered reasonable and for the Company's interest.
Trade and other payables	-	0.02	

(4) CalMix Company Limited ("CalMix")

The Company held 51.00% of CalMix's paid-up capital. The Company and CalMix have one common director being Mr. Adisak Lowjun (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Revenue from sales of assets	20.27	1.87	CalMix's machineries, imported from Germany, were prepaid by the Company. The Company, then, sold those machineries together with a few others assets necessary for the installation of those machineries to CalMix. The selling prices imposed by the Company were based on the market value of those assets.
Rental and service income	-	1.38	The Company has rented office and factory spaces, including office equipment to CalMix to be used as its office and factory location. The service fee was estimated from the cost incurred, which is comparable to the market price.
Revenue from sales of products	-	0.12	The Company sold products, such as limestone and ground limestone, to CalMix at the prices similar to those that the Company offers to other customers. The payment terms were better than the others. 51.00% of CalMix's paid-up capital is held by the Company.
Expense from purchase of product Trade and other payables	-	0.06	The Company purchased products from CalMix for use in the business. The trading prices were similar to those that the Company can acquire from other suppliers.
Trade and other payables	0.70	0.18	The transaction was to support the company's business operation and for ease of operation. It is, therefore, considered reasonable.

(5) Siriman Chemicals India Private Limited ("Siriman")

The Company directly and indirectly held 50.00% of Siriman's paid-up capital (as of 31 December 2020). Moreover, the Company and Siriman have one common director being Mr. Adisak Lowjun (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Revenue from sales of products	-	0.34	The Company sold products, such as limestone and ground limestone, to Siriman. The trading prices were similar to those that the Company offers to other customers and the payment terms were better than other customers. The transaction was to support the Company's business operation and for ease of operation. It is, therefore, considered reasonable.
Trade and other payables	-	0.32	

Connected Transaction between the subsidiaries and parties that may have conflicts of interest

(6) Chememan India Private Limited ("Chememan India") and Easternbulk Lime Products Private Limited ("Easternbulk Lime")

Chememan India is a subsidiary of the Company, in which the Company held 99.99% of its paid-up capital. Easternbulk Lime is a joint venture, in which the Company held 50.00% of its paid-up capital.

Chememan India and Easternbulk Lime have two common directors being Mr. Adisak Lowjun and Mr. Srikanth Palakurthi (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Service Income	2.66	2.54	Easternbulk Lime hired Chememan India to manage the construction project as well as accounting and human resources management. The service fees were charged, according to the trade agreement for the period from 1 January 2020 to 31 December 2020, on monthly basis at IND 500,000 rupees per month. Chememan India charged the fees based on its estimation of the actual cost incurred.
Other receivables	-	0.68	The transaction was to support the business operations of Easternbulk Lime as it is necessary for Easternbulk to use the service of plant construction, accounting and human resources management, especially during the start-up period. The service fees were charged based on an estimation of the actual cost incurred, thus the transaction is considered reasonable and beneficial to the Company.

(7) Ha Long QN Lime Company Limited ("HLL") and Mr. Bui Tuan Ngoc ("Mr.Ngoc")

HLL is an indirect subsidiary of the Company, in which the Company indirectly held 80.00% of its paid-up capital. Mr.Ngoc, who is a director and a shareholder of HLL, held 19.98% of HLL's paid-up capital (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Other receivables	-	5.45	Prior to HLL's acquisition by the Group of Companies, HLL has written off a receivable from Mr.Ngoc under the conditions precedent of the Capital Contribution Transfer Agreement. Subsequently, HLL has paid for the related taxation, which is supposed to be accounted by Mr.Ngoc as the beneficiary of the write-off transaction. The refund of such taxation is under negotiation. The write-off transaction occurred prior to the acquisition. However, to minimize the impact of taxation implications from the write-off under Vietnam's taxation law, HLL had already paid the related tax. Nevertheless, the said tax should be the responsibility of the director, who benefit from the write-off. The Company is currently in the process of negotiation for tax refund from Mr.Ngoc. The transaction is, thus, considered reasonable and for HLL's interest.
Other payables	-	56.90	HLL has obtained a loan, without interest, from Mr.Ngoc to be used as its working capital. This event happened prior to the acquisition of the Group of Companies.

(8) Ha Long QN Lime Company Limited (“HLL”) and Huong Hai Group Company Limited (“HHG”)

HLL is an indirect subsidiary of the Company, in which the Company indirectly held 80.00% of its paid-up capital. Mr. Bui Tuan Ngoc, who is a director and a shareholder of HLL, held 19.82% of HLL’s paid-up capital. He is also a director and a major shareholder of HHG, holding 95.85% of the paid-up capital of HHG (as of 31 December 2020).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2019	For year ended 31 December 2020	
Other receivables	-	22.57	HLL has lent HHG a loan, without interest, for use in business operation. This event happened prior to the acquisition by the Group of Companies. It was financial support to HHG for its working capital. The transaction is, thus, considered reasonable.
Trade payables	-	0.13	HHG has prepaid for HLL’s raw material and other production costs. This event happened prior to the acquisition to support its business operation and ease operation. The transaction is, thus, considered reasonable.
Other receivables	-	4.55	HHG has prepaid for HLL’s operating expenses. This event happened prior to the acquisition to support its business operation and ease operation. The transaction is, thus, considered reasonable.

Measures and Procedures for Approving Connected Transactions

Connected transactions between the Company and the parties that may have conflicts of interest shall be reviewed and provided an opinion on the appropriateness of the transaction by the Audit Committee, considering the benefit of the Company at its utmost. In case that the Audit Committee has no expertise to review the connected transaction, the Company will obtain an opinion from independent expert or the Company’s auditor on such transaction as information for consideration and decision of the Audit Committee and/or the Board of Directors and/or the Shareholders, as the case may be. The person that may have conflicts of interest shall have no right to vote for the approval of such connected transactions.

Policy on Connected Transaction

As a guideline for executing any connected transactions of the Company and its subsidiaries transparently with no conflict of interest, and for the best interest of the Company and its shareholders, the Company set the following as guidelines for connected transactions of the Company:

1. Directors and executives of the Company must prepare a written report on one's own or one's related party's conflict of interest, and inform the Company so that it could obtain information needed for further proceedings in relation to connected transactions in accordance with applicable laws and regulations.
2. Avoid connected transactions that may result in conflicts of interest.
3. If it is necessary for the Company or its subsidiaries to enter into a connected transaction, all such transactions must be approved by the Audit Committee, the Board of Directors or the shareholders' meeting (whichever is applicable), except for transactions under trade agreement with general terms and conditions that the received prior approval from the Board of Directors in principle.
4. Comply with the securities and exchange laws, rules and regulations, announcements, and orders of the Capital Market Supervisory Board, and the Stock Exchange of Thailand.
5. Set the pricing and conditions of connected transaction on an arm's length basis which must be fair, reasonable and the Company's best interest. If there is no such price, the Company will make a comparison of product price or service fee of the connected transaction with third parties under the same or similar conditions.
6. Party of the connected transaction that has conflicts of interest cannot approve or vote on such transaction.
7. In consideration of the connected transactions, the Company or its subsidiaries may appoint an independent appraiser to assess and compare prices of major connected transactions to ensure that such connected transaction is reasonable and for the Company's best interest.

Connected Transactions in the Future

The Company foresees that connected transactions with directors, major shareholders and persons that may have conflicts of interest will still occur in the future. Those transactions are normal business supporting transactions which may be done based on the business needs, such as:

1. Hiring of consultants from Legal Advisor Council Limited - This transaction is necessary to support the Company's business. The service fees and payment conditions are at the standard rate charged to other clients. The Company sees that this type of transaction will regularly occur as necessary.
2. Purchasing of construction materials from Hardware King Company Limited and Rayong Mongkolchai Company Limited - This transaction is necessary to support the Company's business. The prices and payment conditions received were similar to those the Company received from other suppliers. The Company sees that this type of transaction will still occur as necessary.

In entering into the above connected transactions, the Company will follow the Securities and Exchange Act B.E. 2535 (including amendments), regulations, announcements, orders or the measures of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, including policies and related announcements of the Company, which include code of conduct, connected transaction policy and guidelines on entering into connected transactions between the Company and directors, management or related parties, which are business transactions with general terms and conditions.

Report on the Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors of the Company is responsible for the financial statements of Chememan Public Company Limited and its subsidiaries, which have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2547. The Board of Directors considers the accounting policies adopted are appropriate with the business, and 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 of the Company and expressed an unqualified opinion in the auditor’s report.

The Board of Directors oversees and reviews the corporate governance as well as establishes and maintains an adequate and appropriate 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 and material operational irregularities. The Board of Directors has appointed an Audit Committee, consisting of independent directors, to review that the financial reports, internal control system and internal audit are appropriate and effective. The Audit Committee’s opinions are reported in the Audit Committee Report included in this annual report.

The Board of Directors is in the opinion that the internal control system and internal audit of the Company provide credibility and reliability to the financial statements of Chememan Public Company Limited and its subsidiaries that the financial position, financial performance and cash flows are presented fairly, in all material respects, in accordance with Thai Financial Reporting Standards.



On behalf of the Board of Directors
M.L. Chandchutha Chandratat
Chairman of the Board of Directors

Audit Committee Report

Year 2020

The Audit Committee of Chememan Public Company Limited is comprised of three qualified independent directors, namely Mr. Pornprom Karnchanachari, Miss Amata Issarangura Na Ayudhaya and Mr. Yarnsak Manomaiphiboon. The Audit Committee was appointed by the Meeting of the Board of Directors to perform duties and responsibilities as stipulated in the Audit Committee Charter. In 2020, the Audit Committee performed duties within the specified scope with summary of work performed as follows:

1. Held five meetings in 2020 to confer with management, internal auditors and external auditors, and proposed quarterly reports to the Board of Directors.

Name	Position	Attendance In 2020*
1. Mr. Pornprom Karnchanachari	Chairman of Audit Committee	5/5
2. Miss Amata Issarangura Na Ayudhaya	Member of Audit Committee	5/5
3. Mr. Yarnsak Manomaiphiboon	Member of Audit Committee	5/5

Remarks * In 2020, the Audit Committee held one private meeting with the external auditor without the management participation.

2. Reviewed the quarterly and annual financial statements of the Company and its subsidiaries which had been reviewed and audited by the external auditor. The related management and the external auditor were invited to join the meeting to clarify and answer questions before providing opinion on the financial reports, accounting adjustment entries which materially affected the financial statements and the adequacy of the information disclosure. The Audit Committee was of the opinion that the financial statements of the Company present the financial position and the financial performance fairly, in all material respects, in accordance with Thai Financial Reporting Standard, and the material information has been sufficiently, completely and reliably disclosed in the notes to the financial statements, as well as the accounting policy used is reasonable.

In addition, the Audit Committee held a private meeting with the external auditor without the presence of the management to discuss on the audit plan, independence in performing duties and expressing auditor's opinion as well as providing comments on various issues.

3. Reviewed the connected transactions of the Company and its subsidiaries with parties that may have a conflict of interest to ensure compliance with the Rules of Entering into Connected Transactions of the Company which is in line with the law and regulation of the Stock Exchange of Thailand. The Audit Committee deemed that the entering into connected transactions of the Company and its subsidiaries with parties that may have a conflict of interest had complied the law and the regulation of the Stock Exchange of Thailand and were fair, reasonable with general terms and conditions, and did not facilitate a transfer of interest. The disclosure of such transactions was complete and sufficient.

4. Reviewed the internal control process to evaluate the adequacy and effectiveness to reasonably assure the Company's performance in achieving its goals. The Audit Committee has reviewed the quarterly internal audit reports which had been directly reported to the Audit Committee by the internal auditor in accordance with the approved audit plan, and of the opinion that the internal control of the operation process and significant work process were adequate and appropriate.

Oversaw internal audit work by approving annual internal audit plan based on risk assessments, acknowledging the quarterly internal audit reports, providing comments to the internal auditor and submitting corrective measures to be taken by the management including continual follow-up on their progress. In this regard, the Audit Committee reviewed the independence and performance of the consultant firm who act as internal auditor, and also reviewed the Internal Audit Charter and deemed that the internal audit function of the Company was performed independently, adequately and effectively. Moreover, the head of the internal audit and his team were knowledgeable, proficient and experienced in internal audit work which commensurate with the professional standards, to assist and support the operations of the Company in achieving its goals.

5. Reviewed operations and oversaw that the Company was strictly in compliance with the Securities and Exchange Act, regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws related to the Company's business. The Audit Committee was of the opinion that the Company operated business correctly and appropriately in relation to normal business conditions. In 2020, there were no cases of violation of relevant laws and regulations by the Company.
6. The Audit Committee has reviewed the Audit Committee Charter to ensure conformity with the objectives of setting up the Audit Committee.
7. Selected and proposed the appointment of external auditor as well as the approval of audit fee for the year 2020. The Audit Committee considered based on independency, reliability, service rendering, advisory on accounting standards, audit work as well as the appropriateness of the audit fee, and had provided opinion to the Board of Directors for further approval by the shareholders to appoint the auditors from PKF Audit (Thailand) Limited as the external auditor for the year 2020. The auditors to be appointed were Miss Sawinee Sawanont (Certified Public Accountant No. 7092) or Miss Napaporn Sathitthammaporn (Certified Public Accountant No. 7494) or Mr. Pitinan Lilamethwat (Certified Public Accountant No. 11133). The audit fee for the year 2020 was 1,950,000 Baht.

In summary, in 2020, the Audit Committee fulfilled its duties and responsibilities as stipulated in the Audit Committee Charter with proficiency, carefulness, prudence and with sufficient independency. The Audit Committee is of the opinion that the financial statements of the Company present information, in all material respects, in accordance with general financial reporting standards with adequate disclosure of connected transactions or transactions that may lead to a conflict of interest; and that the Company has good corporate governance, appropriate risk management system, suitable and effective internal control and internal audit systems and fully complies with all law, rules and regulations related to the operation of the Company.



Mr. Pornprom Karnchanachari
Chairman of the Audit Committee

Management's Discussion and Analysis

Business Overview

Lime and limestone have been used as part of the production process of various consumer products used in daily life. With installed lime production capacity of over 1,000,000 tons per year, the Company has customer bases in various industries located both in Thailand and overseas.

Significant Events in 2020

1. Dissolution of the subsidiary in Thailand

Tubkwang Co.,Ltd, a subsidiary, completed the liquidation process for its dissolution on 14 December 2020

2. Green Mining Award 2020

The Company was awarded the Green Mining Award 2020 under category of "Mineral Dressing" from the Department of Primary Industries and Mines, Ministry of Industry

3. CSR-DPIM Award 2020

The Company was awarded the CSR-DPIM Award 2020 for the Company's operation being in accordance with standard of Department of Primary Industries and Mines (DPIM)

4. Achievement on Labour Relation and Welfare

The Company received Certificate of Achievement on Labour Relation and Welfare, 15th consecutive years 2006-2020 (Prabuddhabaht Plant) from the Department of Labour Protection and Welfare, Ministry of Labour



Summary of Operational Results

Unit : Million Baht	For year ended	
	31 December 2020	31 December 2019 (Restated)
Sales Revenue ⁽¹⁾	2,240	2,372
Domestic	840	961
International	1,400	1,411
Cost of sales (not include depreciation & amortization)	(1,232)	(1,408)
Transportation cost	(441)	(475)
Gross Profit (net transportation cost and depreciation & amortization)	567	490
Gross Profit Margin (net transportation cost and depreciation & amortization) ⁽²⁾ (%)	31.5%	25.8%
Other income	26	21
Selling expenses	(70)	(45)
Administrative expenses	(250)	(184)
Gain (Loss) on exchange rate	(40)	(24)
Non-cash expenses	51	31
EBITDA	283	290
Adjust : (a) Gain (Loss) on exchange rate	40	24
Adjust : (b) Cost incurred by temporary shutdown of kiln for maintenance	46	16
Normalized EBITDA ⁽³⁾	368	329
Normalized EBITDA Margin (%)	16.5%	13.9%
Depreciation & amortization	(320)	(213)
<i>Depreciation & amortization – Cost of sales</i>	(294)	(197)
<i>Depreciation & amortization – Administrative expenses</i>	(26)	(15)
Finance costs	(79)	(52)
Interest received	17	4
Share of gain (loss) from investment in joint ventures	14	(10)
Gain (Loss) on tax	(0)	8
Adjust: Profit(Loss) attributable to non-controlling interests of the subsidiary	17	4
Normalized Net Profit attributable to equity holders of the Company ⁽³⁾	16	71
Normalized Net Profit Margin attributable to equity holders of the Company (%)	0.7%	3.0%
(a) Gain (Loss) on exchange rate	(40)	(24)
(b) Cost incurred by temporary shutdown of kiln for maintenance	(46)	(16)
(c) Non-cash expenses	(51)	(31)
Profit (Loss) attributable to equity holders of the Company	(120)	(0.03)
Profit (Loss) attributable to non-controlling interests of the subsidiary	(17)	(4)
Net Profit (Loss)	(137)	(4)
Net Profit (Loss) Margin ⁽⁴⁾ (%)	(7.6%)	(0.2%)
Earnings (Loss) per share (Baht)	(0.12)	(0.00)

(1) Sales revenue = Revenue from sales of products and transportation cost

(2) Gross Profit Margin (net transportation and depreciation & amortization) = Gross Profit (net transportation and depreciation & amortization) / (Sales revenue – Transportation cost)

(3) After adjustment of unusual transactions

(4) Net Profit Margin = Net Profit / (Sales revenue – Transportation cost)

Operational Results

The Company generated sales revenue of 2,240 MB for the year 2020, dropped by 5.6% from last year. Sales volume increased by 13.5% when compared with 2019, with the sales volume of limestone and ground limestone rose by 30.6% from last year as a result of investment in crushing plant and the 2020 full year recognition of sales from the subsidiary in Vietnam. However, the impact of COVID-19 pandemic has caused economic slowdown and affect majority of businesses in all industries. During the year, a few customers of the Company were affected and therefore postpone their purchase orders.

2020 Gross profit margin (net transportation cost and depreciation & amortization) at 31.5%, increased by 25.8% from last year due to consolidation of cost from the subsidiary in Vietnam with lower cost of production, as well as the measures implemented to manage and control the cost of production. These resulted in lower cost per unit despite the rise in Q4 2020 transportation cost caused by the critical shortage of containers which drove up the shipping cost.

Selling and administrative expenses for the year 2020 amounting to 320 MB, consisting of employees related expenses and general selling and administrative expenses. The expense rose 39.9% from last year, mainly due to (1) consolidation of expenses from the subsidiary in Vietnam which had been acquired since end of 2019 (2) higher staff cost (3) the write-off of accounts receivable under machinery installment sales. Nevertheless, the Company is still taking measures to control expenses in all aspects of operations.

The Company reported 2020 EBITDA at 283 MB with a slight drop from last year by 2.3%, whereas the 2020 EBITDA margin at 12.6% slightly increased from 2019 margin at 12.2%.

Depreciation and amortization expenses for the year 2020 shoot up 50.7% to the record of 320 MB. The expense increase was the result of increase in assets from production capacity expansion and the acquisition of the subsidiary in Vietnam.

In Q4 2020, the Company has considered the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the date of acquisition of the subsidiary in Vietnam, in accordance to the appraisal report from the independent appraiser. From such report, the Company has recognized and adjusted the fair value of the acquired property, plant and equipment, other intangible assets as well as depreciation & amortization of such assets for the year 2020, equivalent to 15 MB. The fair value adjustment added to the increase in 2020 depreciation & amortization expenses.

The Company recognized 14 MB gain from investment in joint ventures for the year 2020, The level increased when compared with loss of 10 MB in 2019, due to the profit contribution from one of the joint ventures in India which has been operated at full capacity.

Finance cost for the year 2020 at 79 MB, increased by 52.7% from last year due to the increase in short-term and long-term borrowings for the purpose of supporting business investment and for working capital used. The adoption of financial instruments standards TFRS 16 Leases, whereby leasing obligations are to be included as finance cost, also contributed to the increase.

From all the above factors, the Company reported net loss of 137 MB based on 2020 consolidated financial statements, with net loss attributable to equity holders of the company recorded at 120 MB, compared to net loss attributable to equity holders of the company for the year 2019 at 0.03 MB.

Remarks: Figures shown in the Management's Discussion and Analysis have been rounded off to whole numbers, resulting in inexact value of some calculations presented.

Financial Position

Unit : Million Baht	As at		% Change
	31 December 2020	31 December 2019 (Restated)	
Cash & cash equivalents	494	215	+129.1%
Trade and other receivables	359	523	-31.2%
Inventories	367	389	-5.8%
Investment in joint ventures	211	196	+7.3%
Property, plant and equipment	3,592	3,596	-0.1%
Ore reserve	175	223	-21.9%
Other assets	906	656	+38.1%
Total Assets	6,103	5,799	+5.2%
Trade and other payables	341	623	-45.3%
Interest-bearing debt	3,402	2,628	+29.4%
Other liabilities	264	303	-12.8%
Total Liabilities	4,007	3,555	+12.7%
Equity attributable to owners of the Company	1,995	2,126	-6.2%
Non-controlling interests of the subsidiary	102	119	-14.2%
Total Shareholders' Equity	2,096	2,245	-6.6%

Total Assets as at 31 December 2020 equal to 6,103 MB, increased 304 MB from the end of year 2019, mainly due to the 494 MB cash and cash equivalents. The net trade and other receivables of 359 MB was reduced by the payments from outstanding receivables, especially from trade receivables of the subsidiary in Vietnam.

Other assets of 906 MB, rose by 38.1% from the end of year 2019, include right-of-use assets from adoption of financial instruments standards TFRS 16 Leases amounting to 128 MB and the advance payments for construction of plant and equipment amounting to 181 MB.

Total Liabilities as at 31 December 2020, equivalent to 4,007 MB, increased 452 MB from the end of year 2019 due to the increase in interest bearing debts (both short-term and long-term borrowings, including finance lease liabilities) used to support investment and working capital requirements.

Total Shareholders' Equity as at 31 December 2020 was reported at 2,096 MB, reduced by 148 MB from net loss of 137 MB for the year 2020 and the payment of year-end 2019 interim dividend amounting to 19 MB.

Liquidity and Cash Flow

Unit : Million Baht	For 12-month period ended		Change
	31 December 2020	31 December 2019	
Cash flows from operating activities	79	87	(8)
Cash flows from investing activities	(485)	(902)	417
Cash flows from financing activities	678	898	(220)
Increase (Decrease) in transaction adjustments	6	6	(0)
Net increase in cash and cash equivalents	278	89	189
Cash and cash equivalents at beginning of period	215	126	89
Cash and cash equivalents at end of period	494	215	278

For 12-month period of 2020, The Company generated an increase in cash flow by 278 MB, representing an increase of 189 MB from the same period last year, resulting in cash and cash equivalents at the end of period equivalent to 494 MB.

Cash flows from operating activities. The Company's net cash inflows from operating activities, after deduction of cash paid for interest expenses and income tax, amounting to 79 MB, reduced 8 MB from the same period last year, mainly from cash from operating activities of the Company and subsidiaries.

Cash flows from investing activities. The Company's net cash outflows from investing activities in the amount of 485 MB, decreased 417 MB from the same period last year, accounted by lower domestic investment after the Company's investment in production capacity expansion and improvement projects for the past 2 years. Despite the impact from COVID-19, the Company still invest in accordance to the investment schedule to keep up with its operational plan.

Cash flows from financing activities. The Company's net cash inflows from financing activities of 678 MB, lowered by 220 MB from the same period last year due to long-term loan repayment according to its schedule.

During the year 2020, there was 1 dividend payment in Q2 2020 at Baht 0.02 per share, in the total amount of Baht 19 million, which was interim dividend payment for year-end period of 2020.

The Company has the dividend payment policy of not less than 40% of consolidated net profit after deduction of income tax and all reserves as required by the law and the company's articles of association. The dividend payment must not exceed the company's retained earnings based on its separated financial statements, taking into consideration the company's cashflow, operating results, financial structure, investment plans, conditions and obligations of the company in various contracts, future requirements and consistency of the dividend payments.

The COVID-19 pandemic has caused vast impact on Thailand and World's economy. The Company has also been inevitably impacted by the pandemic, causing 2020 sales revenue to miss its target. On the other hand, the Company still continuously invested in accordance to its investment plan. These effected the Company's obligation to comply with the financial covenant stipulated in long term loan agreement. However, the Company has managed to obtain waiver consent from the related financial institution. Furthermore, the Company has requested for the financial assistance in accordance to the measures from the Bank of Thailand, by applying for loan payment holidays to the relating financial institutions. This enabled the Company to have sufficient liquidity for uninterrupted operation.

Key Financial Ratios

Financial Ratios	Unit	For 12-month period ended		
		31 December 2020	31 December 2019	31 December 2018
Current Ratio	Times	0.59	0.66	1.41
Account Receivable Turnover Ratio	Times	5.92	5.79	6.95
Average Collection Period	Days	61	62	52
Return on Equity	%	(6.30)	(0.13)	9.36
Return on Equity (Normalized)	%	(2.36)	1.60	10.45
Debt / Equity Ratio	Times	1.91	1.58	0.72
Interest-Bearing Debt / Equity Ratio	Times	1.62	1.17	0.52

Remarks : The calculation of financial ratios is based on formulas in the SET's manual guide.

Chememan Public Company Limited and its subsidiaries

Financial statements for the year ended 31 December 2020
and
Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of Chememan Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Chememan Public Company Limited and its subsidiaries (the "Group") and of Chememan Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How the matter was addressed in the audit
Significant business acquisition During the year ended December 31, 2019, the Group has acquired Ha Long QN Lime Company limited at the amount of Baht 537 million. The Group has updated the fair values of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date based upon the final appraisal reports dated November 19, 2020 from the independent appraiser and other necessary information obtained within one year from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2016) "Business Combination".	Key audit procedures included: <ul style="list-style-type: none"> Understanding the business acquisition process and related internal control procedures. Performing substantive testing as follows: <ul style="list-style-type: none"> -Examining the terms and conditions of Contributed Capital Transfer Agreement for the acquisition of Ha Long QN Lime Company limited, payment documents, share transferred documents and related supporting documents -Examining details of assets and liabilities of Ha Long QN Lime Company limited at the acquisition date which consists of the examination of existence, rights, obligations, valuation of assets and liabilities.

PKF Audit (Thailand) Ltd. • 98 Sathorn Square Office Tower • 28th Fl. Unit 2812 • North Sathorn Road • Silom • Bangrak • Bangkok • 10500 • Tel +66 2 108 1591-6 • Fax +66 2 108 1599 • Email: info@pkfthailand.asia • Website: www.pkfthailand.asia

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The key audit matter	How the matter was addressed in the audit
<p>We have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair values of the assets acquired and liabilities assumed, including recognized goodwill.</p> <p>Accounting policies of the consolidated financial statement preparation basis and details of the business acquisition were disclosed in the Notes 2.4 and 5 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> - Assessing the calculation of the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of assets and liabilities and evaluating the expertise, ability and integrity of the independent valuation specialist. - Determine the accuracy of goodwill recognition based on the differences of the provisional values of net assets acquired and consideration transferred. - Considered the adequacy of disclosure in accordance with TFRS's.
<p>Revenue recognition</p> <p>Revenue from sales of chemical products for industrial use is a significant amount. As at 31 December 2020, sales amounted to Baht 2,240 million and directly affected the Group's profit and loss. In addition, the Group has a large number of customers and a variety of terms and conditions of sales. There are therefore risks with respect to the amount and timing of revenue recognition from sales, especially near the end of the year.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process and related internal control procedures. • Assessing and testing the effectiveness of the IT system and internal controls with respect to the revenue cycle of the Group, especially tests related to the accuracy and timing of revenue recognition in the financial statements of the Group. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents for the revenue from sales of goods occurring during the year and focus on revenue transactions that occur near the end of accounting period. - Requesting for the confirmation of accounts receivable balances at the year-end. - Reviewing credit notes issued after year-end especially the credit notes of revenue in period. - Performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

The key audit matter	How the matter was addressed in the audit
<p>Impairment of investment in subsidiaries and joint ventures, goodwill and other intangible assets</p> <p>The consideration of impairment of investment in subsidiaries and joint ventures, goodwill and other intangible assets is depended on the management judgements and assumptions. Therefore, the key audit matter is whether the valuation and the allowance for impairment in subsidiaries and joint ventures, goodwill and other intangible assets have been recognized in accordance with TFRSs.</p> <p>Accounting policies of investments, goodwill and impairment and detail of investments in subsidiaries and joint ventures, and goodwill were disclosed in the Notes 4.1, 4.10, 11, 12 and 16 to the financial statements, respectively.</p>	<p>Key audit procedures were included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries and joint ventures, goodwill and other intangible assets. - Assessing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment in subsidiaries and joint ventures, goodwill and other intangible assets.

Emphasis of matter

We draw attention to Note 5 to the financial statements that that the Group completed the acquisition of 80% equity interest in Ha Long QN Lime Company limited. The Group has updated the fair values of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date based upon the final appraisal report dated November 19, 2020 from the independent appraiser and other necessary information obtained within one year from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2019) “Business Combination”. As a result, the consolidated statement of financial position as at December 31, 2019, the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders’ equity and cash flows for the year ended December 31, 2019 which are presented as comparative information, have been restated accordingly, to reflect new information obtained about facts and circumstances that existed as of the business acquisition date. My opinion is not modified in respect of this matter.

The consolidated and separate statements of financial position of Chememan Public Company Limited and its subsidiaries, and of Chememan Public Company Limited as at 31 December 2019, which are included as comparative information, expressed a qualified opinion on those statements due to being unable to express an opinion on the consolidated assets and liabilities as at 31 December 2019 of Ha Long QN Lime Company Limited (“HLL”), in which an 80% interest had been acquired by Chememan Public Company Limited and its subsidiaries (“the Group”) during 2019 (see Note 5). This arose because the auditor of HLL was unable to obtain sufficient and appropriate evidence about necessary legal documents or other documentations to support the transfer of a receivable to HLL, and the subsequent write off of that receivable of VND 597 billion, or equivalent to Baht 799 million, prior to the acquisition by the Group, and also in respect of any related taxation implications of the transaction. Subsequent to the approval of the financial statements for the year ended 31 December 2019, the auditor of HLL has obtained sufficient, appropriate evidence to support the transfer of the receivable to HLL and its subsequent write off. I draw attention to notes to the financial statements No. 5, whereby the provisional fair values of the identifiable net assets of HLL acquired, and therefore the consolidated statements of financial position as at 31 December 2019 as presented herein for comparative purpose, have been adjusted, together with other adjustments arising from the final appraisal report dated 19 November 2020 referred to above, for an estimate of the taxation implications for HLL of the write off of the receivable by recognizing an other payable amounting to Baht 77.77 million as at the acquisition date. Hereby, my opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprise the information included in the annual report other than the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

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

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Pitinan Lilamethwat)
Certified Public Accountant
Registration No. 11133

PKF Audit (Thailand) Ltd.
Bangkok
25 February 2021

Chememan Public Company Limited and its subsidiaries

Statements of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2020	2019	2020	2019
			(Restated)		
Assets					
					(Baht)
Current assets					
Cash and cash equivalents	7	493,570,982	215,459,708	372,709,528	73,338,755
Trade and other current receivables	8	359,442,962	517,697,415	369,893,261	392,670,484
Current portion of accounts receivable					
under installment sales	9	-	4,959,111	-	4,959,111
Short-term loan to related party	6	-	-	178,649,400	209,198,500
Current portion of long-term loan to					
related party	6	-	-	-	2,390,840
Inventories	10	366,569,217	389,021,712	243,786,653	279,393,251
Other current assets		31,985,110	21,399,888	13,044,288	16,770,385
Total current assets		1,251,568,271	1,148,537,834	1,178,083,130	978,721,326
Non-current assets					
Restricted bank deposits		40,910,000	42,200,000	-	-
Accounts receivable under installment sales					
- net of current portion	9	-	39,874,509	-	39,874,509
Long-term loan to related party					
- net of current portion	6	-	-	764,660,794	1,494,275
Investments in subsidiaries	11	-	-	735,875,370	737,750,350
Investments in joint ventures	12	210,648,131	196,381,696	205,362,219	199,048,429
Property, plant and equipment	13	3,592,363,067	3,596,335,807	2,558,027,248	2,649,221,586
Right-of-use assets	3, 14	128,113,601	-	111,062,960	-
Ore reserve	15	174,571,700	223,422,851	88,732,245	94,299,936
Advance payments for construction of					
plant and machinery		181,184,133	10,441,897	6,230,055	10,441,897
Goodwill	5	61,873,125	61,873,125	-	-
Intangible assets other than goodwill	16	381,119,618	391,116,437	29,483,383	25,583,690
Deferred tax assets	24	72,450,601	73,409,224	37,616,534	37,445,696
Other non-current assets		8,541,590	16,027,155	5,081,666	5,256,059
Total non-current assets		4,851,775,566	4,651,082,701	4,542,132,474	3,800,416,427
Total assets		6,103,343,837	5,799,620,535	5,720,215,604	4,779,137,753

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

Chememan Public Company Limited and its subsidiaries

Statements of financial position (continued)

Consolidated financial statements				Separate financial statements	
		31 December		31 December	
	Note	2020	2019	2020	2019
			(Restated)		
Liabilities and shareholders' equity		(Baht)			
Current liabilities					
Short-term loans from financial institutions	17	1,098,188,044	648,042,996	1,098,188,044	550,000,000
Trade and other current payables	5, 18	340,828,382	623,121,525	204,953,173	243,252,582
Current portion of lease liabilities	19	36,595,106	20,300,972	32,611,859	19,953,124
Current portion of long-term loan from financial institutions	20	608,914,056	427,397,594	470,827,780	236,398,960
Current provisions for employee benefits		-	957,006	-	-
Other current liabilities		31,707,997	30,029,653	23,580,305	26,066,422
Total current liabilities		2,116,233,585	1,749,849,746	1,830,161,161	1,075,671,088
Non-current liabilities					
Lease Liabilities - net of current portion	19	51,332,500	37,195,981	45,323,011	36,023,103
Long-term loan from financial institutions - net of current portion	20	1,606,817,598	1,495,414,640	1,606,817,598	1,357,157,205
Non-current provisions for employee benefits	21	85,182,857	84,846,156	84,858,402	84,632,028
Deferred tax liabilities	24	71,340,837	74,388,392	-	-
Other non-current liabilities		76,093,188	113,408,401	10,600,961	12,342,768
Total non-current liabilities		1,890,766,980	1,805,253,570	1,747,599,972	1,490,155,104
Total liabilities		4,007,000,565	3,555,103,316	3,577,761,133	2,565,826,192

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

Chememan Public Company Limited and its subsidiaries

Statements of financial position (continued)

Note	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2020	2019 (Restated)	2020	2019
Shareholders' equity				
<i>(Baht)</i>				
Share capital				
Registered				
1,000 million ordinary shares of Baht 1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid-up				
960 million ordinary shares of Baht 1 each	960,000,000	960,000,000	960,000,000	960,000,000
Share premium	736,842,515	736,842,515	736,842,515	736,842,515
Capital surplus on share-based payment	28,996,825	28,996,825	28,996,825	28,996,825
Retained earnings				
Appropriated - statutory reserve	65,140,000	65,140,000	65,140,000	65,140,000
Unappropriated	240,244,167	379,056,137	354,553,991	425,411,081
Other components of shareholders' equity	-36,525,251	(44,051,241)	(3,078,860)	(3,078,860)
Equity attributable to owners of the Company	1,994,698,256	2,125,984,236	2,142,454,471	2,213,311,561
Non-controlling interests of the subsidiary	101,645,016	118,532,983	-	-
Total shareholders' equity	2,096,343,272	2,244,517,219	2,142,454,471	2,213,311,561
Total liabilities and shareholders' equity	6,103,343,837	5,799,620,535	5,720,215,604	4,779,137,753

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

Chememan Public Company Limited and its subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
			(Restated)		
		(Baht)			
Revenues					
Sales		2,239,678,522	2,372,330,673	1,730,852,452	1,999,057,607
Other income		42,990,877	25,690,014	45,247,461	22,393,659
Total revenues		2,282,669,399	2,398,020,687	1,776,099,913	2,021,451,266
Expenses					
Cost of sales		1,526,715,475	1,605,425,118	1,188,045,394	1,350,211,258
Distribution costs		510,910,212	519,879,255	341,392,680	433,103,594
Administrative expenses		276,145,271	199,067,060	218,807,592	158,040,315
Net loss on exchange rate		39,720,402	23,939,526	12,513,008	22,674,436
Total expenses		2,353,491,360	2,348,310,959	1,760,758,674	1,964,029,603
Profit (loss) from operating activities		(70,821,961)	49,709,728	15,341,239	57,421,663
Share of profit (loss) from investments in joint ventures	12	13,597,424	(9,720,792)	-	-
Finance cost		(79,452,389)	(52,043,790)	(66,645,867)	(49,479,609)
Profit (loss) before income tax		(136,676,926)	(12,054,854)	(51,304,628)	7,942,054
Income tax benefits (expenses)	24	(75,136)	8,082,977	(352,462)	8,743,579
Profit (loss) for the year		(136,752,062)	(3,971,877)	(51,657,090)	16,685,633
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of financial statements in foreign currency - net of income tax		7,778,115	(23,112,767)	-	-
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined benefit plans - net of income tax	24	-	(3,078,860)	-	(3,078,860)
Other comprehensive income for the year		7,778,115	(26,191,627)	-	(3,078,860)
Total comprehensive income for the year		(128,973,947)	(30,163,504)	(51,657,090)	13,606,773

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

Chememan Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		(Baht)			
Profit (loss) attributable to:					
Equity holders of the Company		(119,611,970)	(32,351)	(51,657,090)	16,685,633
Non-controlling interests of the subsidiary		(17,140,092)	(3,939,526)		
		(136,752,062)	(3,971,877)		
Total comprehensive income attributable to:					
Equity holders of the Company		(112,085,980)	(25,934,493)	(51,657,090)	13,606,773
Non-controlling interests of the subsidiary		(16,887,967)	(4,229,011)		
		(128,973,947)	(30,163,504)		
Earnings (loss) per share	26				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.1246)	(0.0000)	(0.0538)	0.0174

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

Chememan Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of equity												
Other comprehensive income												
Exchange differences												
on translation of												
financial statements												
in foreign currency												
remeasurements of												
defined benefit plans												
Income tax of												
other comprehensive												
income												
Total equity												
attributable to												
owners of												
the Company												
Equity attributable												
to non-controlling												
interests of												
the subsidiary												
Total												
Year ended 31 December 2019												
Balance as at 1 January 2019												
	960,000,000	736,842,515	28,996,825	64,300,000	447,128,488	(18,149,098)	-	-	-	2,219,118,729	3,872,585	2,222,991,314
Profit for the year - Restated	-	-	-	-	(32,351)	-	-	-	-	(32,351)	(3,939,526)	(3,971,877)
Other comprehensive income for the year	-	-	-	-	-	(22,823,282)	(3,848,575)	(3,848,575)	769,715	(25,902,142)	(289,485)	(26,191,627)
Total comprehensive income for the year	-	-	-	-	(32,351)	(22,823,282)	(3,848,575)	(3,848,575)	769,715	(25,934,493)	(4,229,011)	(30,163,504)
Non-controlling interest from business combination	-	-	-	-	-	-	-	-	-	-	118,889,409	118,889,409
Dividend paid	-	-	-	-	(67,200,000)	-	-	-	-	(67,200,000)	-	(67,200,000)
Transferred unappropriated retained earnings	-	-	-	840,000	(840,000)	-	-	-	-	-	-	-
to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	960,000,000	736,842,515	28,996,825	65,140,000	379,056,137	(40,972,381)	(3,848,575)	(3,848,575)	769,715	2,125,984,236	118,532,983	2,244,517,219
Year ended 31 December 2020												
Balance as at 31 December 2019 - as reported												
Impact on revision to provisional amounts	960,000,000	736,842,515	28,996,825	65,140,000	379,897,498	(40,912,602)	(3,848,575)	(3,848,575)	769,715	2,126,885,376	71,754,487	2,198,639,863
recognized at the acquisition date	-	-	-	-	(841,361)	(59,779)	-	-	-	(901,140)	46,778,496	45,877,356
Balance as at 1 January 2020 - Restated	960,000,000	736,842,515	28,996,825	65,140,000	379,056,137	(40,972,381)	(3,848,575)	(3,848,575)	769,715	2,125,984,236	118,532,983	2,244,517,219
Loss for the year	-	-	-	-	(119,611,970)	-	-	-	-	(119,611,970)	(17,140,092)	(136,752,062)
Other comprehensive income for the year	-	-	-	-	-	7,525,990	-	-	-	7,525,990	252,125	7,778,115
Total comprehensive income for the year	-	-	-	-	(119,611,970)	7,525,990	-	-	-	(112,085,980)	(16,887,967)	(128,973,947)
Dividend paid	-	-	-	-	(19,200,000)	-	-	-	-	(19,200,000)	-	(19,200,000)
Balance as at 31 December 2020	960,000,000	736,842,515	28,996,825	65,140,000	240,244,167	(33,446,391)	(3,848,575)	(3,848,575)	769,715	1,994,698,256	101,645,016	2,096,343,272

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

Chememan Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)



Separate financial statements

	Issued and paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		Losses on remeasurements of defined benefit plans	Total
Note				Appropriated - statutory reserve	Unappropriated		
(Baht)							
Year ended 31 December 2019							
Balance as at 1 January 2019	960,000,000	736,842,515	28,996,825	64,300,000	476,765,448	-	2,266,904,788
Profit for the year	-	-	-	-	16,685,633	-	16,685,633
Other comprehensive income for the year	-	-	-	-	-	(3,078,860)	(3,078,860)
Dividend paid	-	-	-	-	(67,200,000)	-	(67,200,000)
Transferred unappropriated retained earnings to statutory reserve	-	-	-	840,000	(840,000)	-	-
Balance as at 31 December 2019	960,000,000	736,842,515	28,996,825	65,140,000	425,411,081	(3,078,860)	2,213,311,561
Year ended 31 December 2020							
Balance as at 1 January 2020	960,000,000	736,842,515	28,996,825	65,140,000	425,411,081	(3,078,860)	2,213,311,561
Loss for the year	-	-	-	-	(51,657,090)	-	(51,657,090)
Dividend paid	-	-	-	-	(19,200,000)	-	(19,200,000)
Balance as at 31 December 2020	960,000,000	736,842,515	28,996,825	65,140,000	354,553,991	(3,078,860)	2,142,454,471

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

Chememan Public Company Limited and its subsidiaries

Cash flow statement

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(Baht)			
Cash flow from operating activities					
Profit (loss) before tax		(136,676,926)	(12,054,854)	(51,304,628)	7,942,054
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities					
Depreciation and amortisation		320,369,086	212,579,026	225,559,728	198,233,905
Reversal of losses on inventories devaluation		(2,249,146)	427,445	-	-
Loss on write-off accounts receivable under installment sales	9	32,260,799	-	32,766,538	-
Doubtful debts expenses		-	538,542	-	-
(Gain) loss on sales of machinery and vehicles		8,247,513	(911,913)	8,247,513	(911,913)
Write-off vehicles, machinery and equipment		1,168,284	9,658,024	1,168,284	9,592,302
Gain on sales of intangible assets		(2,817)	-	(2,817)	-
Gain on cancellation of lease agreement		(6,304)	-	(6,304)	-
Write-off withholding tax		-	125	-	-
Long-term employee benefits expenses	21	12,322,073	19,386,360	12,215,530	19,383,226
Unrealised (gain) loss on exchange rate		(11,938,282)	1,919,317	5,380,702	(1,480,416)
impairment losses on investments in subsidiary		-	-	-	9,700,000
Loss on forward contract		4,367,886	402,544	4,367,886	402,544
Share of (profit) loss from investments in joint ventures	12.2	(13,597,424)	9,720,792	-	-
Gain from subsidiary's liquidation	11	-	-	(218,596)	-
Interest income		(17,126,586)	(4,205,089)	(28,217,448)	(4,499,540)
Finance cost		85,818,884	52,043,790	66,645,867	49,479,609
Profit from operating activities before changes in operating assets and liabilities		282,957,040	289,504,109	276,602,255	287,841,771
Operating assets (increase) decrease					
Trade and other current receivables		160,402,991	(98,912,244)	27,311,740	34,718,583
Inventories		28,728,095	(44,258,482)	35,606,598	(14,199,009)
Accounts receivable under installment sales		15,854,338	1,206,804	15,854,282	1,206,804
Other current assets		(9,479,094)	(1,694,911)	5,382,876	2,452,787
Other non-current assets		7,664,234	619,719	174,393	-
Operating liabilities increase (decrease)					
Trade and other current payables		(316,634,370)	1,269,412	(23,892,244)	(11,114,640)
Other current liabilities		(7,748,225)	(6,869,645)	(6,950,975)	(4,501,388)
Other non-current liabilities		7,166,272	(1,588,206)	(1,857,173)	(1,743,824)
Cash flow from operating activities		168,911,281	139,276,556	328,231,752	294,661,084
Cash paid for interest expenses		(75,080,209)	(50,950,635)	(64,876,613)	(48,385,724)
Cash paid for long-term employee benefits	21	(11,989,156)	(294,320)	(11,989,156)	(294,320)
Cash paid for income tax		(2,400,147)	(641,086)	(2,180,079)	(641,008)
Net cash flow from operating activities		79,441,769	87,390,515	249,185,904	245,340,032

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

Chememan Public Company Limited and its subsidiaries

Cash flow statement (continued)

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
(Baht)					
Cash flow from investing activities					
Increase in restricted bank deposits		-	(44,505,380)	-	-
Cash paid for short-term loan to related parties	6	-	-	(552,796,750)	(246,410,508)
Cash receipt from short-term loan to related party	6	-	-	25,443,600	36,841,108
Cash paid for long-term loan to related parties	6	-	-	(229,771,643)	-
Cash receipt from long-term loan to related party	6	-	-	3,885,115	-
Cash paid for investments in joint ventures		(6,313,790)	(112,911,081)	(6,313,790)	(82,468,439)
Cash receipt from subsidiary's liquidation	11	-	-	2,093,576	-
Cash paid for investments in subsidiaries		-	(451,569,764)	-	(626,613,603)
Cash paid for acquisition of machinery, equipment and vehicles		(317,102,943)	(294,738,756)	(198,408,234)	(292,168,579)
Cash receipt from disposal of machinery and vehicles		16,749,679	19,643,948	16,749,679	19,643,948
Cash paid for advance payments for construction of plant and machinery		(181,184,133)	(10,441,897)	(6,230,055)	(10,441,897)
Cash paid for acquisition of right-of-use assets		(160,000)	-	(160,000)	-
Cash paid for acquisition of intangible assets		(15,695,500)	(9,410,000)	(15,695,500)	(9,410,000)
Cash receipt from disposal of intangible assets		2,817	-	2,817	-
Interest received		18,316,433	1,936,041	28,893,439	2,193,149
Net cash flow used in investing activities		(485,387,437)	(901,996,889)	(932,307,746)	(1,208,834,821)
Cash flow from financing activities					
Cash paid for liabilities under lease agreements		(42,230,079)	(25,663,083)	(38,043,426)	(25,493,687)
Cash paid for short-term loans from financial institutions		(896,373,614)	(1,382,381,078)	(730,881,645)	(1,366,476,632)
Cash receipt from short-term loans from financial institutions		1,341,863,884	1,761,960,077	1,279,069,689	1,761,960,077
Cash paid for long-term loans from financial institutions	20	(400,559,953)	(176,033,500)	(203,011,000)	(137,536,000)
Cash receipt from long-term loans from financial institutions	20	697,157,797	788,560,000	697,157,797	788,560,000
Cash paid for front-end fee	20	(2,598,800)	(1,355,785)	(2,598,800)	(1,355,785)
Dividend paid	27	(19,200,000)	(67,200,000)	(19,200,000)	(67,200,000)
Net cash flow from financing activities		678,059,235	897,886,631	982,492,615	952,457,973
Effect of exchange rate changes on cash and cash equivalents		5,997,707	6,187,845	-	-
Net increase in cash and cash equivalents		278,111,274	89,468,102	299,370,773	(11,036,816)
Cash and cash equivalents at beginning of year		215,459,708	125,991,606	73,338,755	84,375,571
Cash and cash equivalents at end of year		493,570,982	215,459,708	372,709,528	73,338,755
Supplemental cash flow information					
Non-cash transactions					
Transfer advance payments for construction of plant and machinery to property, plant and equipment		10,441,897	95,956,271	10,441,897	95,956,271
Increased in accounts payable for purchase fixed asset		29,010,076	-	-	-
Assets acquired under finance lease agreements		56,300,331	16,658,327	47,249,401	15,347,540
Transfer Interest expense to assets		-	535,166	-	535,166
Consideration payable		-	83,219,135	-	-
Transfer short-term loans to long-term loans to related parties		552,843,050	-	552,843,050	-

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

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

1 General information

Chememan Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of mineral lime products. The registered address of the Company is at 195/11-12 Lake Rajada Office Complex 2, 10th-11st Floor, Rajadapisek Road, Klongtoey, Bangkok and the Company has four factories located in Saraburi and Rayong.

The Company’s major shareholders during the financial period were Mr. Chai Srivikorn and Buranachart Company Limited.

2 Basis of preparation of the financial statements

2.1 *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by Thailand Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 *Coronavirus disease 2019 pandemic*

The Coronavirus disease 2019 pandemic is currently impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

2.3 *Going concern basis*

As at 31 December 2020, the Group and the Company have current liabilities in excess of the current assets amounting to Baht 864.86 million and Baht 652.08 million respectively (31 December 2019: Baht 601.31 million and Baht 96.95 million respectively) and the Group and the Company incurred a loss after tax of Baht 136.75 million and Baht 51.66 million respectively for the year then ended (2019: Profit (loss) after tax of Baht (3.97) million and Baht 16.69 million respectively). The current liabilities mainly include short-term loans in the term of promissory note for working capital and the current portion of long-term loans. However, the Group has remaining credit facilities from long-term loans amounting to Baht 964 million (31 December 2019: Baht 100 million) and from short-term loans amounting to Baht 623 million (31 December 2019: Baht 1,535 million) which are available to support the need for additional funding (if any). As at 31 December 2020, the Company had failed to meet certain financial ratios required to be maintained under bank loan facilities and the banks, under the loan agreements, have the right to define all debts or any part of the debt and other sums owed as due and to be repaid immediately. However, the Company had received letters of waiver from the banks waiving such rights as detailed in Note 20 to the financial statements. Furthermore, the Company is approved for assistance in accordance with the measures of the Bank of Thailand in requesting a waiver to temporary suspend the debt repayment. The management has a defined business and financial strategy to have adequate liquidity in the Group, and the ability to meet liabilities as they fall due. Therefore, the management believes that the Group will continue its operations at least for the forthcoming 12 months. Accordingly, the Group financial information has been prepared on a going concern basis.

2.4 *Basis of consolidation*

The consolidated financial statements include the financial statements of Chememan Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (together referred to as the "Group") and the Group's interests in joint ventures.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
<i>Subsidiaries</i>				
Tubkwang Co., Ltd.	Dissolved on 2 September 2020	Thailand	-	99.99
Chememan Australia Pty Ltd	Distribution of lime products	Australia	99.99	99.99
Northman Company Limited	Providing sources of lime, market study in Vietnam and lime quality assurance	Vietnam	100.00	100.00
Chememan Lao Company Limited	Manufacturing and distribution of lime products	Laos	60.00	60.00
Chememan India Private Limited	Market study and strengthen customer base in India	India	99.99	99.99
<i>Indirect subsidiaries</i>				
Ha Long QN Lime Company Limited	Manufacturing and distribution of lime products	Vietnam	80.00	80.00
<i>Joint Ventures</i>				
Siriman Chemicals India Private Limited	Manufacturing and distribution of lime products	India	50.00	50.00
Easternbulk Lime Products Private Limited	Manufacturing and distribution of lime products	India	50.00	50.00
CalMix Company Limited	Manufacturing and distribution of construction materials	Thailand	51.00	51.00

Subsidiaries

The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Subsidiaries are fully consolidated, from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of 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.

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.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of joint venture. When the Group's share of losses of a joint venture equals or exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss in the statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in joint venture that are not related to the Group.

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 partially of its holding investment, the deemed cost of the sold investment is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

2.5 *Functional and presentation currency*

The financial statements are 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 thousand unless otherwise stated.

2.6 *Judgments and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(1) *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4.11 and 14	Leases: <ul style="list-style-type: none">- whether an arrangement contains a lease;- whether the Group is reasonably certain to exercise extension options;- whether the Group exercise termination options;
5	Business combination: determining the acquisition date and determining whether the Group has control over the acquiree;
12	Equity-accounted investees: whether the Group has significant influence over an investee; and
11	Consolidation: whether the Group has de facto control over an investee.

(2) *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties as at 31 December 2020 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

4.11 and 19	Determining the incremental borrowing rate to measure lease liabilities;
4.7 and 13	Estimation useful life of assets;
31	Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
4.1	Measurement of investment for impairment losses;
4.10	Impairment test of goodwill and other intangible assets: key assumptions underlying recoverable amounts;
24	Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised;
21	Measurement of defined benefit obligations: key actuarial assumptions;
4.14	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
5	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

3 New financial reporting standards

During the year 2020, the Group have adopted all the revised financial reporting standards and interpretations that are effective for annual periods beginning on or after 1 January 2020.

Financial reporting standards that became effective in the current year

3.1 TFRS - Financial instruments standards

The Group have adopted TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The adoption of TFRS Financial instruments standards do not significantly impact to the Group.

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Notes to the financial statements

For the year ended 31 December 2020

3.2 TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 *Leases* on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use assets.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
	<i>(in thousand Baht)</i>	
<i>At 1 January 2020</i>		
Increase in right-of-use assets	125,636	104,255
Decrease of property, plant and equipment	(84,745)	(83,402)
Decrease of other non-current assets	(7,873)	-
Increase in lease liabilities	(32,512)	(20,347)
Increase in other non-current liabilities	(506)	(506)

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

All the lease commitments, stated above, are included in measurement of lease liabilities as below:

	Consolidated financial statements	Separate financial statements
Measurement of lease liability		
	<i>(in thousand Baht)</i>	
Operating lease commitment as disclosed at 31 December 2019	55,737	28,892
Recognition exemption for short-term leases	(3,670)	(2,909)
Recognition exemption for leases of low-value assets	(4,395)	(4,395)
Future minimum lease payments	47,672	21,588
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	32,512	20,347
Finance lease liabilities recognised as at 31 December 2019	57,497	55,976
Lease liabilities recognised at 1 January 2020	90,009	76,323
Weighted-average incremental borrowing rate (% per annum)	5.31	3

Right-of-use assets and lease liabilities shown above are presented as part of both the segment located in Thailand and segment located overseas.

Financial reporting standards that became effective for fiscal years beginning on or after

1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group have elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

4 Significant accounting policies

Except for the adoption of TFRS Financial Instruments standards and TFRS 16 Leases, as shown in note 3 to the financial statements, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Investments

Investments in subsidiaries and joint ventures

- Investments in subsidiaries and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses.
- Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

4.2 Foreign currencies

Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the end of reporting period.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Gains and losses on exchange are included in determining income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

4.3 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Trade and other current receivables

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.6 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.7 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	3 to 20 years
Buildings and building improvement	5 to 30 years
Machinery and equipment	5 to 30 years
Furniture, fixtures and office equipment	3 to 10 years
Motor vehicles	3 to 10 years

However, depreciation of lime kilns and coal grinder mill is calculated using the Productive Output Method, which estimated units of production at a total of 0.6 to 3.2 million tons.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Ore reserve and depletion

“Ore reserve” consists of cost of the concession and related development costs which are presented at cost less accumulated depletion. Depletion of the ore is calculated from the percentage of units of limestone produced to the estimated total limestone reserves assessed by an independent geologist.

4.10 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 2.4. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licences	3 - 10 years
Concession Rights	26 years 6 months

4.11 Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group/Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

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The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

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

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the 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.

4.12 Impairment of assets

Impairment of financial assets

Accounting policies applicable from 1 January 2020

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and projects in progress whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is contributed to monthly by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

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The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

4.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.16 Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Installment sales

Installment sales are recognised at the date of sales. The sale price, exclusive of interest, is the present value of the consideration, determined by discounting the installment receivable at the imputed rate of interest. The interest element is recognised as revenue as it is earned, using the effective interest method.

4.17 Interest income

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Financial cost

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group operations.

5 Acquisitions of businesses

On 20 November 2019, Northman Company Limited, a subsidiary, acquired 80 percent portion of the capital contribution of Ha Long QN Lime Company Limited, a manufacturer and distributor of lime products, from its former shareholder as per the contributed Capital Transfer Agreement dated 28 July 2019 for a preliminary cash consideration of VND 349,125 million, or equivalent to Baht 454.21 million, and subsequent cash consideration payable of VND 63,965.51 million or equivalent to Baht 83.22 million (this amount was due when the sellers fulfilled all pending conditions as agreed in the Amendment to the Contributed Capital Transfer Agreement dated 12 December 2019). Total purchase price is VND 413,090.51 million or equivalent to Baht 537.43 million.

On 22 September 2020, Northman Company Limited made a payment for subsequent cash consideration payable of VND 63,965.51 million or equivalent to Baht 86.67 million at that date.

During the year 2020, the Group engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the acquisition date. The Group received the purchase price allocation report dated 19 November 2020 from the independent appraiser. The Group has applied Thai Financial Reporting Standard No. 3 (revised 2019) "Business combinations" to recognize the business combination transaction. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business acquisition date:

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	Recognized fair values (in thousand Baht)
Cash and cash equivalents	2,642
Trade and other current receivables	88,644
Inventories	36,681
Property, plant and equipment	930,814
Ore reserve	129,431
Intangible assets other than goodwill	364,567
Deferred tax assets	(46,259)
Other non-current assets	9,719
Trade and other current payables	(327,171)
Short-term loans from financial institutions	(100,958)
Current portion of long-term borrowings from financial institutions	(177,531)
Long-term borrowing from financial institutions - net of current portion	(215,337)
Other non-current liabilities	(100,795)
Total identifiable net assets	594,447
Less Non-controlling interests 20% (using proportionate method)	(118,889)
Total fair value of net assets received	475,558
Goodwill arising from the acquisition	61,873
Total consideration (fair value)	537,431

In November 2020, the Group has considered the fair value of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the account "Goodwill" in the amount of Baht 61.87 million by considering the information from the purchase price allocation report of an independent appraiser dated 19 November 2020 and other relevant factors obtained within one year from the acquisition date. The Group retrospectively adjusted the provisional amounts recognized at the acquisition date to reflect new information obtained about factors and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Therefore, the consolidated statement of financial position as at 31 December 2019 and the consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2019 and the consolidated statement of changes in shareholders' equity and cash flow for the year ended 31 December 2019 have been restated accordingly.

The effects of the restatement on the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 were as follows:

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	Balance as previously reported	Effect of the restatement	Balance as restated
<i>(in thousand Baht)</i>			
Consolidated statement of financial position as at 31 December 2019			
Assets			
Land building Equipment	3,589,614	6,722	3,596,336
Goodwill	249,828	(187,955)	61,873
Other intangible assets	27,699	363,417	391,116
Deferred tax assets	57,854	15,555	73,409
Total assets	5,601,521	197,739	5,799,260
Liabilities and shareholders' equity			
Trade and other current payable	545,288	77,834	623,122
Deferred Tax Liabilities	360	74,028	74,388
Unappropriated retained earnings	379,897	(841)	379,056
Other components of shareholders' equity	(43,991)	(60)	(44,051)
Non-controlling interests	71,755	46,778	118,533
Total liabilities and shareholders' equity	5,601,521	197,739	5,799,260
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019			
Cost of sales of goods and rendering of services	(1,604,110)	(1,315)	(1,605,425)
Income tax benefits	7,820	263	8,083
Loss for the year	(2,920)	(1,052)	(3,972)
Exchange differences on translation of financial statements in foreign currency	(23,053)	(60)	(23,113)
Total comprehensive income for the year	(29,052)	(1,111)	(30,163)
Profit (Loss) attributable to:			
Owners of the Company	809	(841)	(32)
Non-controlling interests	(3,729)	(211)	(3,940)
Comprehensive income attributable to:			
Owners of the Company	(25,033)	(901)	(25,934)
Non-controlling interests	(4,019)	(210)	(4,229)

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Goodwill

The goodwill is attributable mainly due to the fact that the Company wanted to expand its production capacity and double growth within 5 years according to business plan. Investing in Ha Long QN Lime Company Limited, which is specializing in manufacturing quicklime, powdered lime, and hydrated lime in Vietnam, and also has the Lime mining patent and the Lime factory Quang Ninh Province in Vietnam, means that the Group has the best Lime sources to produce Lime which corresponds to the Group's aims to be the leader in Lime business with the strategy of capacity expansion to appropriate locations both in Thailand and overseas. This enables the group to expand the customer base into new markets, bringing along continuous revenue growth. In addition, the production capacity expansion to Vietnam shall help to increase the distribution centers for more efficient logistics management, with target customers located in East Asia, and ASEAN countries, leading to transportation cost savings.

6 Related party transactions

Relationships with subsidiaries and joint ventures are disclosed in Notes 11 and 12. Relationship with key management and other related parties are as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Rayong Mongkolchai Company Limited	Thailand	Related by common director
Legal Advisory Council Company Limited	Thailand	Related by common director
Hardware King Company Limited	Thailand	Related by common director
Buranachart Company Limited	Thailand	Major shareholders
Huong Hai Group Company Limited	Vietnam	Related by common shareholder and director with the indirect subsidiary
Minority shareholders of Ha Long QN Lime Company Limited	Vietnam	Minority shareholder of consolidated subsidiary

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During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

	Consolidated financial statements		Separate financial statements		Pricing Policy
	2020	2019	2020	2019	
	<i>(in million Baht)</i>				
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	207	285	<i>Mutual agreed prices</i>
Services income	-	-	1	1	<i>Contract price</i>
Interest income	-	-	27	2	<i>Contract price</i>
Other income	-	-	2	2	<i>Mutual agreed prices</i>
Services expenses	-	-	3	5	<i>Contract price</i>
Sale of fixed assets	-	-	19	-	<i>Mutual agreed prices</i>
<u>Transactions with joint ventures</u>					
Services income	3	3	-	-	<i>Contract price</i>
Other revenue	2	-	2	-	<i>Contract price</i>
Sale of fixed assets	2	20	2	20	<i>Mutual agreed prices</i>
<u>Transactions with key management</u>					
Sale of fixed assets	1	-	1	-	<i>Mutual agreed prices</i>

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<u>Trade receivables - related parties (Note 8)</u>				
Subsidiary	-	-	160,537	98,155
Joint ventures	316	-	316	-
Total trade receivables - related parties	316	-	160,853	98,155

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	12,610	1,291
Indirect subsidiaries	-	-	14,350	2,590
Joint ventures	861	2,090	183	702
Related companies (related by common director)	51	51	51	51
Related company (related by common shareholder and director with the indirect subsidiary)	22,566	-	-	-
Minority shareholders of the indirect subsidiary	5,451	-	-	-
Total other receivables - related parties	28,929	2,141	27,194	4,634
<u>Trade payables - related parties (Note 18)</u>				
Subsidiaries	-	-	15,587	-
Related company (related by common shareholder and director with the indirect subsidiary)	134	-	-	-
Total trade payables - related parties	134	-	15,587	-
<u>Other payables - related parties (Note 18)</u>				
Subsidiaries	-	-	891	895
Related companies (related by common director)	24	5	24	5
Related company (related by common shareholder and director with the indirect subsidiary)	4,546	54,267	-	-
Minority shareholders of the indirect subsidiary	56,903	48,789	-	-
Key management personnel	3	66	3	66
Directors	32	56	32	56
Total other payable - related parties	61,508	103,183	950	1,022
<u>Consideration payable – related parties (Note 5, 18)</u>				
Minority shareholders of the indirect subsidiary	-	83,219	-	-

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Short-term loan to related party

As at 31 December 2020 and 2019, the balance of loan to related party and the movement of such loan to are as follows:

		Separate financial statements						
Short-term loan to related parties	Relationship	31 December 2019	Increase during the period	Decrease during the period	Transfer to Long term loan	Realised gain on Exchange rate	Unrealised loss from translation of foreign currency	31 December 2020
<i>(in thousand Baht)</i>								
Chememan								
Australia Pty Ltd	Subsidiary	-	25,444	(26,128)	-	684	-	-
Ha Long QN Lime Company Limited	Indirect subsidiary	209,198	527,353	-	(552,843)	-	(5,059)	178,649
Total		209,198	552,797	(26,128)	(552,843)	684	(5,059)	178,649
		Separate financial statements						
Short-term loan to related parties	Relationship	31 December 2018	Increase during the period	Decrease during the period	Realised gain (loss) on exchange rate	Unrealised loss from translation of foreign currency		31 December 2019
<i>(in thousand Baht)</i>								
Northman								
Company Limited	Subsidiary	-	20,692	(20,070)	(622)	-		
Chememan								
Australia Pty Ltd	Subsidiary	-	16,149	(16,304)	155	-		
Ha Long QN Lime Company Limited	Indirect subsidiary	-	209,569	-	-	(371)		209,198
Total		-	246,410	(36,374)	(467)	(371)		209,198

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On 22 November 2019, the Company provides the short-term loan to Ha Long QN Lime Company Limited with the tranche of USD 18 million bearing interest at LIBOR plus fixed rate, the loan is due within 1 year. However, Ha Long QN Lime Company Limited has a need for additional money to be used as working capital and general purpose of the company. Therefore, Ha Long QN Lime Company Limited requested to extend the term of payment from short term to long term to the State Bank of Vietnam (SBV) and to register the extension. The request was approved on 31 December 2020. Then, the short-term loan has been converted into a long-term loan to related parties.

On 20 April 2020, the Company provides the short-term loan to Chememan Australia Pty Ltd of AUD 400,000 bearing interest at fixed rate, the loan was repaid on 8 June 2020.

On 20 August 2020, the Company provides the short-term loan to Ha Long QN Lime Company Limited of USD 3.5 million bearing interest at LIBOR plus fixed rate, the loan is due on 15 July 2021.

On 5 November 2020, the Company provides the short-term loan to Ha Long QN Lime Company Limited of USD 1 million bearing interest at LIBOR plus fixed rate, the loan is due on 15 July 2021.

On 24 November 2020, the Company provides the short-term loan to Ha Long QN Lime Company Limited of USD 1.5 million bearing interest at LIBOR plus fixed rate, the loan is due on 15 July 2021.

On 25 November 2020, the Company provides the short-term loan to Chememan Australia Pty Ltd of AUD 800,000 bearing interest at fixed rate, the loan was repaid on 25 December 2020.

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Long-term loans to related parties

As at 31 December 2020 and 2019, the balance of loans to related party and the movement of such loans to are as follows.

		Separate financial statements						
Long-term loans to related parties	Relationship	31 December 2019	Increase during the period	Decrease during the period	Transfer from Short term loan	Realised loss on exchange rate	Unrealised loss from translation of foreign currency	31 December 2020
<i>(in thousand Baht)</i>								
Northman Company Limited	Subsidiary	3,885	-	(4,354)	-	469	-	-
Chememan Australia Pty Ltd	Subsidiary	-	137,947	-	-	-	(693)	137,254
Ha Long QN Lime Company Limited	Indirect subsidiary	-	91,825	-	552,843	-	(17,261)	627,407
Total		3,885	229,772	(4,354)	552,843	469	(17,954)	
Less portion due within one year								-
Long term loans to related parties-net of current portion								764,661

		Separate financial statements				
Long-term loans to related party	Relationship	31 December 2018	Increase during the period	Decrease during the period	Unrealised loss from translation of foreign currency	31 December 2019
<i>(in thousand Baht)</i>						
Northman Company Limited	Subsidiary	4,185	-	-	(300)	3,885
Total		4,185	-	-	(300)	
Less portion due within one year						(2,391)
Long term loans to related party-net of current portion						1,494

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On 31 December 2020, the State Bank of Vietnam (SBV) approved the request of the change in a term of repayment from short-term loan to long-term loan of USD 18 million. The long-term loan to Ha Long QN Lime Company Limited bears interest at LIBOR plus fixed rate, the loan principal to be repaid every quarter within 30 September 2030.

On 9 December 2020, the Company provides the long-term loan to Ha Long QN Lime Company Limited of USD 2 million, bearing interest at LIBOR plus fixed rate, the loan principal to be repaid every quarter within 9 December 2030.

On 25 December 2020, the Company provides the long-term to Ha Long QN Company Limited of USD 1.07 million, bearing interest at LIBOR plus fixed rate, the loan principal to be repaid every quarter within 9 December 2030.

On 25 December 2020, the Company provides the long-term to Chememan Australia Pty Ltd of USD 4.61 million, bearing interest at LIBOR plus fixed rate, the loan principal to be repaid every quarter from 24 February 2022 within 26 November 2027.

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Short-term employee benefits	84,809	96,978	74,238	87,042
Post-employment benefits	5,448	6,651	4,922	6,181
Total	90,257	103,629	79,160	93,223

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash	446	354	308	205
Bank deposits	493,125	215,106	372,402	73,134
Total	493,571	215,460	372,710	73,339

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As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.01 and 0.30 percent per annum (2019: between 0.04 and 0.50 percent per annum).

8 Trade and other current receivables

		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
		(in thousand Baht)			
<u>Trade receivables - related parties</u>	6				
Aged on the basis of due dates					
Not yet due		316	-	95,598	97,939
Past due					
Up to 3 months		-	-	28,681	-
3 - 6 months		-	-	36,574	216
Total trade receivable - related parties		316	-	160,853	98,155
<u>Trade receivables - unrelated parties</u>					
Aged on the basis of due dates					
Not yet due		271,006	288,571	168,192	220,514
Past due					
Up to 3 months		24,206	143,066	7,434	11,492
3 - 6 months		42	2,097	-	1,762
6 - 12 months		41	799	27	784
More than 12 months		5,125	4,960	-	-
Total trade receivables - unrelated parties		300,420	439,493	175,653	234,552
Less Allowance for doubtful debt expense		(2,358)	(6,544)	-	-
Total trade receivables		298,378	432,949	336,506	332,707
<u>Other receivables</u>					
Prepaid expenses		7,061	10,685	5,663	9,446
Advance and other receivables					
- related parties	6	28,929	2,141	27,194	4,634
Advance and other receivables					
- unrelated parties		25,075	71,923	530	45,883
Total other receivables		61,065	84,749	33,387	59,963
Total trade receivable and other current receivables		359,443	517,698	369,893	392,670

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

In 2019, the Company has advance payments for goods to a company in Vietnam amounting to Baht 39 million that is included in the advance and other receivables-unrelated parties. This company is the accounts receivable under installment sales machine. On 21 December 2020, the Company received repayment of advance payments for goods from a company in Vietnam amounting USD 1.21 million or equivalent to Baht 36 million and recognised loss on exchange rate in the statement of comprehensive income.

9 Accounts receivable under installment sales

In 2019, net receivables of the Company under installment sales machine agreements amounted to Baht 45 million. The terms of the agreements are generally 10 years, started in 2016, and interest is charged at 4.65% per annum. On 21 December 2020, the Company received repayment of accounts receivable under installment sales of USD 0.46 million or equivalent to Baht 12 million and has written off doubtful debts expenses of Baht 33 million.

Consolidated and Separate financial statements								
2020				2019				
Less than 1 year	1 - 5 years	More than 5 years	Total	Less than 1 year	1 - 5 years	More than 5 years	Total	
<i>(in thousand Baht)</i>								
Accounts receivable								
under installment sales	-	-	-	8,368	38,851	5,464	52,683	
Unearned interest								
income	-	-	-	(3,409)	(4,351)	(89)	(7,849)	
Accounts receivable under installment sales - net								
	-	-	-	4,959	34,500	5,375	44,834	

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Notes to the financial statements

For the year ended 31 December 2020

10 Inventories

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
	(in thousand Baht)					
Finished goods	120,656	163,657	-	(2,249)	120,656	161,408
Work in process	-	6,625	-	-	-	6,625
Raw materials	146,330	140,685	-	-	146,330	140,685
Packing materials	12,059	15,305	-	-	12,059	15,305
Spare parts and factory supplies	47,083	44,292	-	-	47,083	44,292
Goods in transit	40,441	20,707	-	-	40,441	20,707
Total	366,569	391,271	-	(2,249)	366,569	389,022

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
	(in thousand Baht)					
Finished goods	93,100	129,601	-	-	93,100	129,601
Raw materials	103,714	98,902	-	-	103,714	98,902
Packing materials	12,059	15,305	-	-	12,059	15,305
Spare parts and factory supplies	34,914	35,585	-	-	34,914	35,585
Total	243,787	279,393	-	-	243,787	279,393

The cost of inventories recorded in the cost of sales account.

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
<i>(in thousand Baht)</i>				
Inventories recognised in 'cost of sales of goods':				
- Cost	1,524,466	1,607,674	1,188,045	1,350,211
- Write-down to net realisable value	-	(2,249)	-	-
- Reversal of write-down	2,249	-	-	-
Net	1,526,715	1,605,425	1,188,045	1,350,211

Chememan Public Company Limited and its subsidiaries

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11 Investments in subsidiaries

Company's name	Currency	Paid-up capital		Shareholding percentage		Cost		Impairment		At cost - net	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(in thousand Baht)											
Tubkwang Co., Ltd.	Thousand										
(Ceases its operation)	Baht	-	1,875	-	99.99	-	1,875	-	-	-	1,875
Chememan Australia Pty Ltd	Thousand AUD	3,220	3,220	99.99	99.99	95,674	95,674	-	-	95,674	95,674
Northman Company Limited	Million VND	423,423	423,423	100.00	100.00	553,858	553,858	-	-	553,858	553,858
Chememan Lao Company Limited	Thousand USD	500	500	60.00	60.00	10,742	10,742	(9,700)	(9,700)	1,042	1,042
Chememan India Private Limited	Thousand INR	113,723	113,723	99.99	99.99	85,302	85,302	-	-	85,302	85,302
Total						745,576	747,451	(9,700)	(9,700)	735,876	737,751

For the year ended 31 December 2020 and 2019, no dividend was received from the subsidiaries.

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotation.

On 2 September 2020, Tubkwang Co., Ltd, a subsidiary, has registered its dissolutions. The Company has profit from the said company liquidation amounting to Baht 0.2 million which was recognized in other income on the statement of comprehensive income of the separate financial statements.

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For the year ended 31 December 2020

Northman Company Limited

During November 2019, the Company made an additional investment in ordinary shares from an increase in share capital of such company, totaling VND 370,240 million or equivalent to Baht 483.63 million.

During December 2019, the Company made an additional investment in ordinary shares from an increase in share capital of such company, totaling VND 50,846 million or equivalent to Baht 66.51 million.

Chememan India Private Limited

During the year 2019, the Company made an additional investment in 10,312,500 ordinary shares from an increase in share capital of such company, at a price of INR 16 per share, totaling INR 165 million or equivalent to Baht 76 million. The Company still had a 99.99% interest in such company.

12 Investments in joint ventures

12.1 Detail of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020	2019	2020	2019	2020	2019
			(%)		(in thousand Baht)			
Siriman Chemicals India Private Limited	Manufacture and distribute lime products	India	50	50	61,303	61,303	61,486	61,470
Easternbulk Lime Products Private Limited	Manufacture and distribute lime products	India	50	50	143,901	137,588	145,078	123,173
CalMix Company Limited	Manufacture and distribute construction materials	Thailand	51	51	30,600	30,600	28,431	30,441
Less Exchange differences on translation adjustments					-	-	(24,347)	(18,702)
Total					235,804	229,491	210,648	196,382

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Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2020	2019	2020	2019
			2020		2020	
			(%)		(in thousand Baht)	
Siriman Chemicals India Private Limited	Manufacture and distribute lime products	India	50 (25% held direct and 25% held through subsidiary)	50 (25% held direct and 25% held through subsidiary)	30,861	30,861
Easternbulk Lime Products Private Limited	Manufacture and distribute lime products	India	50	50	143,901	137,587
CalMix Company Limited	Manufacture and distribute construction materials	Thailand	51	51	30,600	30,600
Total					205,362	199,048

None of the Company's joint ventures are publicly listed and consequently do not have published price quotations.

Siriman Chemicals India Private Limited

During 2019, Chememan India Private Limited, a wholly owned subsidiary incorporated in India and held by the Company 99.99%, made an additional investment in Siriman Chemicals India Private Limited, a joint venture in India, totaling 6.5 million ordinary shares from an increase in share capital of such company, at a price of INR 10 per share, totaling INR 65 million or equivalent to Baht 30 million.

Easternbulk Lime Products Private Limited

During 2020, the Company made an additional investment in 75,000 ordinary shares of Easternbulk Lime Products Private Limited, at a price of INR 200 per share, totaling INR 15 million or equivalent to Baht 6 million. The Company still had a 50% interest in such company.

During 2019, the Company made an additional investment in 574,229 ordinary shares from an increase in share capital of Easternbulk Lime Products Private Limited, at a price of INR 200 per share, totaling INR 115 million or equivalent to Baht 51 million. The Company still had a 50% interest in such company.

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CalMix Company Limited

During 2019, the Company entered into a joint agreement with two German companies, namely Bergman Kalk Holding GmbH and Kalkwerke H. Oetelshofen GmbH & Co. KG, to establish a joint venture company in Thailand to develop, manufacture and sell construction materials. The registered capital of the joint venture is Baht 60 million, with the Company having 51% shareholdings and the two partnerships from Germany have equal shareholdings of 24.5% each. As the Company has joint control as specified in the agreement; therefore, this investment is classified as the investment in joint venture.

The Company incorporated such joint venture company namely CalMix Company Limited. On 13 February 2019, the Company had invested in 306,000 ordinary shares of this company, at par of THB 100 per share, totaling Baht 30.60 million.

12.2 Share of gain (loss)

During the year ended 31 December 2020 and 2019, the Company recognised its share of gain (loss) from investments in the joint ventures in the consolidated financial statements as follows:

Company's name	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Siriman Chemicals India Private Limited	15	87
Easternbulk Lime Products Private Limited	15,592	(9,649)
CalMix Company Limited	(2,010)	(159)
Total	13,597	(9,721)

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12.3 Summarised financial information about joint ventures

Summarised information about financial position as at 31 December 2020 and 2019.

	Siriman Chemicals India Private Limited		Easternbulk Lime Products Private Limited		CalMix Company Limited	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Cash and cash equivalents	5,467	13,636	5,970	7,063	8,709	20,963
Other current assets	34,604	33,392	92,087	62,701	10,621	3,428
Other non-current assets	228,572	158,204	162,590	165,905	36,721	36,290
Trade and other current payable	(10,763)	(15,446)	(7,105)	(18,229)	(258)	(841)
Other current liabilities	(112)	(43)	(344)	(130)	(45)	(152)
Other non-current liabilities	(151,026)	(79,666)	-	-	-	-
Net assets	106,742	110,077	253,198	217,310	55,748	59,688
Group's share of net asset	50%	50%	50%	50%	51%	51%
Net assets of joint ventures based on equity method	53,371	55,039	126,599	108,655	28,431	30,441
Elimination of unrealized profit on downstream sales	-	-	1,400	1,400	-	-
Goodwill	-	-	847	847	-	-
Carrying amounts of joint ventures based on equity method	53,371	55,039	128,846	110,902	28,431	30,441

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Summarised information about profit and loss for the year ended 31 December 2020 and 2019.

	Siriman Chemicals India Private Limited		Easternbulk Lime Products Private Limited		CalMix Company Limited	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Sales	503	-	183,593	47,506	57	-
Other income	85	231	6,769	-	58	258
Cost of sales	(431)	(39)	(110,502)	(35,309)	(884)	-
Distribution costs and administrative expenses	(97)	-	(48,676)	(31,495)	(3,172)	(569)
Tax expense	(29)	(18)	-	-	-	-
Total comprehensive income (100%)	31	174	31,184	(19,298)	(3,941)	(311)
Total comprehensive income of the Group's interest and Group's share	16	87	15,592	(9,649)	(2,010)	(159)

Chememan Public Company Limited and its subsidiaries

Notes to the financial statements

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13 Property, plant and equipment

Consolidated financial statements								
Note	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
(in thousand Baht)								
Cost:								
At 1 January 2019	178,777	105,402	626,833	2,083,742	58,483	253,445	304,592	3,611,274
Additions	-	-	90	25,370	914	21,530	324,171	372,075
Acquisition through business combination								
- Restated	5	-	-	801,639	75,486	39,816	100,920	87,484
Capitalised interest	-	-	-	-	-	-	535	535
Transfers	-	14,574	128,796	409,705	1,931	755	(555,761)	-
Transfers to intangible assets	-	-	-	-	(5,335)	-	(25,353)	(30,688)
Disposals/ write-off	-	-	(173)	(28,640)	(335)	(4,116)	(65)	(33,329)
Translation adjustment	-	(206)	627	(3,856)	(22)	(446)	64	(3,839)
At 31 December 2019	178,777	119,770	1,557,812	2,561,807	95,452	372,088	135,667	5,021,373
Additions	-	-	-	26,728	976	-	350,417	378,121
Transfers	-	5,254	137,151	146,190	2,254	298	(291,147)	-
Transfers to intangible assets	-	-	-	(25)	-	-	-	(25)
Transfers to assets right of use assets	-	-	-	-	-	(133,348)	-	(133,348)
Disposals/ write-off	-	-	(1,221)	(38,451)	(636)	(13,732)	(12,724)	(66,764)
Translation adjustment	-	221	(1,880)	3,857	(54)	143	(1,678)	609
At 31 December 2020	178,777	125,245	1,691,862	2,700,106	97,992	225,449	180,535	5,199,966

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Consolidated financial statements								
Note	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
(in thousand Baht)								
Depreciation:								
At 1 January 2019								
	-	62,026	120,535	694,453	36,355	147,502	-	1,060,871
Depreciation for the year	-	7,232	37,752	122,867	7,447	26,326	-	201,624
Accumulated depreciation through business combination - Restated	5	-	137,673	12,626	5,822	18,410	-	174,531
Depreciation on disposals	-	-	(71)	(2,332)	(322)	(1,593)	-	(4,318)
Accumulated depreciation transferred to intangible assets	-	-	-	-	(4,909)	-	-	(4,909)
Translation adjustment	-	(177)	97	(2,408)	(37)	(237)	-	(2,762)
At 31 December 2019	-	69,081	295,986	825,206	44,356	190,408	-	1,425,037
Depreciation for the year	-	8,778	52,505	171,867	9,172	16,372	-	258,694
Depreciation on disposals	-	-	(187)	(15,308)	(595)	(12,120)	-	(28,210)
Accumulated depreciation transferred to intangible assets	-	-	-	(1)	-	-	-	(1)
Accumulated depreciation transferred to assets right of use assets	-	-	-	(179)	-	(48,242)	-	(48,603)
Translation adjustment	-	214	(868)	1,461	(54)	(67)	-	686
At 31 December 2020	-	78,073	347,436	983,046	52,879	146,169	-	1,607,603

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Consolidated financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total

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	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:					(in thousand Baht)			
At 1 January 2019	178,777	102,711	626,833	2,033,953	57,857	247,174	304,524	3,551,829
Additions	-	-	90	23,527	892	20,242	323,325	368,076
Capitalised interest	-	-	-	-	-	-	535	535
Transfers	-	14,574	128,796	409,705	1,931	755	(555,761)	-
Transfers to intangible asset	-	-	-	-	(5,335)	-	(25,353)	(30,688)
Disposals/write-off	-	-	(173)	(28,640)	(335)	(4,116)	-	(33,264)
At 31 December 2019	178,777	117,285	755,546	2,438,545	55,010	264,055	47,270	3,856,488
Additions	-	-	-	18,631	702	-	194,113	213,446
Transfers	-	5,254	51,349	99,080	2,254	298	(158,235)	-
Transfers to intangible asset	-	-	-	(25)	-	-	-	(25)
Transfers to right-of-use assets	-	-	-	-	-	(131,773)	-	(131,773)
Disposals/write-off	-	-	(1,221)	(37,224)	(636)	(13,732)	(12,724)	(65,537)
At 31 December 2020	178,777	122,539	805,674	2,519,007	57,330	118,848	70,424	3,872,599

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	Separate financial statements						Total
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction
	(in thousand Baht)						
Depreciation:							
At 1 January 2019	-	59,895	120,535	664,328	35,879	144,499	- 1,025,136
Depreciation for the year	-	6,866	33,916	118,444	7,207	24,925	- 191,358
Accumulated depreciation							
transfers to intangible assets	-	-	-	-	(4,909)	-	- (4,909)
Depreciation on disposals	-	-	(71)	(2,332)	(322)	(1,593)	- (4,318)
At 31 December 2019	-	66,761	154,380	780,440	37,855	167,831	- 1,207,267
Depreciation for the year	-	8,653	37,928	123,986	7,080	5,926	- 183,573
Accumulated depreciation							
transfers to intangible assets	-	-	-	(1)	-	-	- (1)
Accumulated depreciation							
transfers to right of use assets	-	-	-	(179)	-	(48,191)	- (48,370)
Depreciation on disposals	-	-	(187)	(14,995)	(595)	(12,120)	- (27,897)
31 December 2020	-	75,414	192,121	889,251	44,340	113,446	- 1,314,572

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	Separate financial statements					Total
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Assets under installation and under construction
	(in thousand Baht)					
Net book value:						
31 December 2019	178,777	50,524	601,166	1,658,105	17,155	47,270
31 December 2020	178,777	47,125	613,553	1,629,756	12,990	70,424
Depreciation for the year						
2019 (Baht 168 million included in cost of sales, and balance in distribution costs and administrative expenses)						191,358
2020 (Baht 139 million included in cost of sales, and balance in distribution costs and administrative expenses)						183,573

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As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 407 million (2019: Baht 358 million) and the Company only: Baht 383 million (2019: Baht 353 million).

As at 31 December 2020, Ha Long QN Lime Company Limited, an indirect subsidiary in Vietnam has mortgaged its machinery, equipment and buildings with net book value of approximately VND 216,109 million or Baht 280.73 million (2019: VND 229,129 million or Baht 298 million) as collateral against credit facilities received from financial institution.

As at 31 December 2020, the Company has mortgaged its land and structures thereon and machinery with net book value of approximately Baht 1,079 million (2019: Baht 1,232 million) as collateral against credit facilities received from financial institution.

During the year ended 31 December 2019, the Company capitalised interest amounting to Baht 0.53 million to the costs of plant, machinery and equipment construction. These borrowing costs arose on loans obtained for general purpose and used in these projects and were determined based on the weighted average interest rates of these loans, at 2.90% to 2.96% per annum.

14 Right-of-use assets

As a lessee

As at 31 December 2020	Consolidated	Separate
	financial statements	financial statements
	<i>(in thousand Baht)</i>	
Right-of-use assets		
Land	15,949	-
Buildings	4,764	4,764
Equipment	25,366	25,366
Vehicles	82,035	80,933
Total	128,114	111,063

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 165.98 million and Baht 144.60 million, respectively.

The Group leases lands and building for 3 - 45 years and leases equipment and vehicles for 3 - 4 years with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

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Year ended 31 December 2020	Consolidated	Separate
	financial statements	financial statements
	<i>(in thousand Baht)</i>	
Fixed payments	42,230	38,043
Total	42,230	38,043

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For the year ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			

Amounts recognised in profit or loss

Depreciation of right-of-use assets:

- Land	4,466	-	-	-
- Buildings	4,083	-	4,083	-
- Equipment	8,273	-	8,273	-
- Vehicles	20,997	-	20,658	-
Interest on lease liabilities	3,777	2,671	3,132	2,630
Expenses relating to short-term leases	38,541	1,265	2,216	968
Expenses relating to leases of low-value assets	12,236	4,790	7,090	3,466

In 2020, total cash outflow for leases of the Group and the Company were Baht 42.23 million and Baht 38.04 million, respectively.

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15 Ore reserve

The balance represents the acquisition cost of the concession to operate business related to the industrial mining of limestone and related development costs. The balance is summarized below:

		Consolidated		Separate financial	
		financial statements		statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Total costs		294,970	165,032	165,032	165,032
Acquisition through business combinations	5	-	129,838	-	-
Improve the value of ore due to a change in the amount to be paid under the contract		(45,003)	-	-	-
Less Accumulated depletion		(78,171)	(71,549)	(76,300)	(70,732)
Translation adjustment		2,776	102	-	-
Net		174,572	223,423	88,732	94,300
Depletion for the year		6,625	6,926	5,568	6,518

Under the conditions of the Company's concession, the mining operations must comply with the approved mining plans, and Thailand environmental protection and rehabilitation regulations, and with the regulations and conditions stipulated in the concession. On 6 August 2014, the Company entered into an agreement to pay special benefits to the Thai government for the concession issuance. The concession period is 25 years, which will expire in 2040.

Under the conditions of Ha Long QN Lime Company Limited's concession which is an indirect subsidiary which acquired from business combination during the year amounting to Baht 130 million required to comply with Vietnam environmental protection and rehabilitation regulations, and with the regulations and conditions stipulated in the concession. On 28 October 2019, the company entered into the license of mineral exploitation. The License period is 30 years, which will expire in 11 May 2046.

In 2020, the tax authority of Vietnam issued a Decision to reduce the annual payment for mining license fee. The change in consideration is effective on 1 April 2020 and results to the reduction in cost of Ore reserve and mining liability amounting to VND 32.3 billion or equivalent to Baht 45 million.

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16 Intangible assets other than goodwill

Consolidated financial statements						
	Note	Software licences	Concession Rights	Assets under construction and installation (in thousand Baht)	Others	Total
Cost						
At 1 January 2019		-	-	-	7,784	7,784
Additions		-	-	163	-	163
Acquisition through business combination - Restated	5	-	364,567	-	-	364,567
Transfers in/(out)		866	-	(866)	-	-
Transfer from property, plant and equipment		5,335	-	25,353	-	30,688
Translation adjustment		-	-	-	(832)	(832)
At 31 December 2019 and 1 January 2020		6,201	364,567	24,650	6,952	402,370
Additions		585	-	6,696	-	7,281
Transfers in/(out)		31,346	-	(31,346)	-	-
Transfer from property, plant and equipment		25	-	-	-	25
Disposals		(30)	-	-	-	(30)
Translation adjustment		-	-	-	(327)	(327)
At 31 December 2020		38,127	364,567	-	6,625	409,319
Amortisation						
At 1 January 2019		-	-	-	2,708	2,708
Amortisation for the year		358	1,150	-	2,540	4,048
Transfers		4,909	-	-	-	4,909
Translation adjustment		-	-	-	(411)	(411)
At 31 December 2019 and 1 January 2020		5,267	1,150	-	4,837	11,254
Amortisation for the year		3,405	13,797	-	-	17,202
Transfers		1	-	-	-	1
Disposals		(29)	-	-	-	(29)
Translation adjustment		-	-	-	(228)	(228)
At 31 December 2020		8,644	14,947	-	4,609	28,200

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For the year ended 31 December 2020

Consolidated financial statements					
Note	Software licences	Concession Rights	Assets under construction and installation (in thousand Baht)	Others	Total
Net book value					
At 31 December 2019	934	363,417	24,650	2,115	391,116
At 31 December 2020	29,483	349,620	-	2,016	381,119

Separate financial statements			
	Software licences	Assets under construction and installation (in thousand Baht)	Total
Cost			
At 1 January 2019	-	-	-
Additions	-	163	163
Transfers in/(out)	866	(866)	-
Transfer from property, plant and equipment	5,335	25,353	30,688
At 31 December 2019 and 1 January 2020	6,201	24,650	30,851
Additions	585	6,696	7,281
Transfers in/(out)	31,346	(31,346)	-
Transfer from property, plant and equipment	25	-	25
Disposals	(30)	-	(30)
At 31 December 2020	38,127	-	38,127

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For the year ended 31 December 2020

	Separate financial statements		
	Software licences	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>		
Amortisation			
At 1 January 2019	-	-	-
Amortisation for the year	358	-	358
Transfers	4,909	-	4,909
At 31 December 2019 and 1 January 2020	5,267	-	5,267
Amortisation for the year	3,405	-	3,405
Transfers	1	-	1
Disposals	(29)	-	(29)
At 31 December 2020	8,644	-	8,644
Net book value			
At 31 December 2019	934	24,650	25,584
At 31 December 2020	29,483	-	29,483

17 Short-term loans from financial institutions

	Interest rate		Consolidated financial statements	
	2020	2019	2020	2019
	<i>(percent per annum)</i>		<i>(in thousand Baht)</i>	
Short-term loans from financial institutions	1.66 - 2.23	2.00 - 8.00	1,098,188	648,043
Total			1,098,188	648,043

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For the year ended 31 December 2020

	Interest rate		Separate financial statements	
	2020	2019	2020	2019
	<i>(percent per annum)</i>		<i>(in thousand Baht)</i>	
Short-term loans from financial institutions	1.66 - 2.23	2.00 - 2.10	1,098,188	550,000
Total			1,098,188	550,000

18 Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019 (Restated)	2020	2019
		<i>(in thousand Baht)</i>			
Trade payables - related parties	6	134	-	15,587	-
Trade payables - unrelated parties		133,798	182,234	90,062	109,165
Other payables - related parties	6	61,508	103,183	950	1,022
Consideration payable - related parties	5, 6	-	83,219	-	-
Other payables - unrelated parties		109,276	183,729	67,173	76,468
Accrued expenses - unrelated parties		33,796	68,838	29,760	54,724
Advance receipt from customers		2,316	1,918	1,421	1,874
Total trade and other current payables		340,828	623,121	204,953	243,253

19 Lease liabilities

	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Liabilities under finance lease agreements	106,003	61,339	82,273	59,660
Less Deferred interest expenses	(18,075)	(3,842)	(4,338)	(3,684)
Total	87,928	57,497	77,935	55,976
Less Portion due within one year	(36,595)	(20,301)	(32,612)	(19,953)
Liabilities under finance lease agreements - net of current portion	51,333	37,196	45,323	36,023

The Group have entered into the lease agreements for lands and building for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 - 45 years.

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The Group have entered into the lease agreements for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 - 4 years.

Future minimum lease payments required under the lease agreements are as follows:

Consolidated financial statements								
	2020				2019			
	Less than	1 - 5	More		Less than	1 - 5	More	
	1 year	years	than	Total	1 year	years	than	Total
			5 years				5 years	
	(in thousand Baht)							
Future minimum								
lease payments	39,393	50,022	16,588	106,003	22,258	39,081	-	61,339
Deferred interest								
expenses	(2,798)	(4,369)	(10,908)	(18,075)	(1,957)	(1,885)	-	(3,842)
Present value of								
future								
minimum lease								
payments	36,595	45,653	5,680	87,928	20,301	37,196	-	57,497
Separate financial statements								
	2020				2019			
	Less than	1 - 5	More		Less than	1 - 5	More	
	1 year	years	than	Total	1 year	years	than	Total
			5 years				5 years	
	(in thousand Baht)							
Future minimum								
lease payments	34,891	47,382	-	82,273	21,845	37,815	-	59,660
Deferred interest								
expenses	(2,279)	(2,059)	-	(4,338)	(1,892)	(1,792)	-	(3,684)
Present value of								
future minimum								
lease payments	32,612	45,323	-	77,935	19,953	36,023	-	55,976

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For the year ended 31 December 2020

20 Long-term loans

Credit facilities	Interest rate per annum	Consolidated	
		financial statements	
		2020	2019
(in thousand Baht)			
1) Baht 1,300 million	MLR - Fixed percentage	1,050,096	1,159,608
2) Baht 248 million	MLR - Fixed percentage	206,668	237,667
3) Baht 400 million	MLR - Fixed percentage	337,500	200,000
4) Baht 20 million	MLR - Fixed percentage	20,000	-
5) USD 11 million	LIBOR + Fixed percentage	211,448	-
6) USD 36.3 million	LIBOR + Fixed percentage	257,171	-
7) VND 284.5 billion	Fixed percentage	920	104,556
8) USD 6.4 million	Fixed percentage	122,111	194,637
9) VND 40 billion	Fixed percentage	15,055	30,063
Less Deferred loan front-end fee		(5,238)	(3,719)
Total		2,215,731	1,922,812
Less Portion due within one year		(608,914)	(427,398)
Long-term loans - net of current portion		1,606,817	1,495,414

Credit facilities	Interest rate per annum	Separate financial statements	
		2020	2019
(in thousand Baht)			
1) Baht 1,300 million	MLR - Fixed percentage	1,050,096	1,159,608
2) Baht 248 million	MLR - Fixed percentage	206,668	237,667
3) Baht 400 million	MLR - Fixed percentage	337,500	200,000
4) Baht 20 million	MLR - Fixed percentage	20,000	-
5) USD 11 million	LIBOR + Fixed percentage	211,448	-
6) USD 36.13 millon	LIBOR + Fixed percentage	257,171	-
Less Deferred loan front-end fee		(5,238)	(3,719)
Total		2,077,645	1,593,556
Less Portion due within one year		(470,828)	(236,399)
Long-term loans - net of current portion		1,606,817	1,357,157

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Movements of the long-term loans account during the year ended 31 December 2020 and 2019 are summarised below.

		Consolidated financial statement		Separate financial statement	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Balance as at 1 January		1,922,812	943,178	1,593,556	943,178
Add Loan during period		697,158	788,560	697,158	788,560
Acquisition through business combinations	5	-	367,811	-	-
Less Repayment of loan as due date		(400,560)	(176,034)	(203,011)	(137,536)
Less Repayment of loan before due date		-	-	-	-
Less Deferred loans front-end fee		(2,599)	(1,356)	(2,599)	(1,356)
Add Amortisation loans front-end fee		1,079	710	1,079	710
Unrealized loss from translation of foreign currency		(8,424)	(429)	(8,538)	-
Translation adjustment		6,265	372	-	-
Balance as at 31 December		2,215,731	1,922,812	2,077,645	1,593,556
Less Portion due within one year		(608,914)	(427,398)	(470,828)	(236,399)
Long-term loans - net of current portion		1,606,817	1,495,414	1,606,817	1,357,157

The long-term loan agreement with the tranche of Baht 1,548 million (loan items 1 and 2 above) requires the loan principal to be repaid in quarterly installments and carries interest at MLR minus fixed percentage. The loan is secured by the mortgage of the Company's land and structures thereon and most of its machinery. The Company is required to maintain debt to equity and debt service coverage ratios in accordance with the agreement. The loan principal to be repaid within the first quarter 2027.

As at 31 December 2020, the Company failed to maintain certain required financial ratios and the bank, under the agreement, has the right to define all debts, or any part of the debt as well as any interest incurred, service charges, fees and other sums owed, as due and must be paid immediately without any demands. However, the Company had received a letter of waiver from the bank waiving such rights on 12 November 2020.

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The long-term loan agreement with the tranche of Baht 400 million (loan item 3 above) requires the loan principal to be repaid in quarterly installments and carries interest at MLR minus fixed percentage without guarantee. The Company is required to comply with some financial conditions as those specified in the Company's loan agreement and to maintain a certain debt to equity ratio. On 30 March 2020, the Company drew down the borrowings under the above loan agreement in the amount of Baht 200 million. The loan principal to be repaid within the first quarter 2024.

As at 31 December 2020, the Company failed to maintain certain required financial ratios and the bank, under the agreement, has the right to define all debts, or any part of the debt as well as any interest incurred, service charges, fees and other sums owed, as due and must be paid immediately without any demands. However, the Company had received a letter of waiver from the bank waiving such rights on 26 October 2020.

The long-term loan agreement soft loans measure to help entrepreneurs directly and indirectly affected by the coronavirus outbreak (COVID-19) with the tranche of Baht 20 million (loan item 4 above) requires the loan principal to be repaid in monthly installments and carries interest at MLR minus fixed rate per annum without guarantee. The Company is required to comply with some financial conditions as those specified in the Company's loan agreement and to maintain a certain debt to equity ratio. On 13 April 2020, the Company drew down borrowings under the above loan agreement in the amount of Baht 20 million. The loan principal to be repaid within the first quarter 2025.

The long-term loan agreement with the tranche of USD 11 million (loan item 5 above) requires the loan principal to be repaid in quarterly installments and interest at the rate LIBOR plus Fixed percentage without guarantee. The Company is required to maintain debt to equity in accordance with the agreement. On 21 May 2020, the Company drew down the first borrowings under the above loan agreement in the amount of USD 2 million. On 20 August 2020, the Company drew down the second borrowings under the above loan agreement in the amount of USD 2 million. On the 5 November 2020, the company drew down the third borrowing under the above loan agreement in the amount USD 1 million. On the 9 December 2020, the Company drew down the fourth borrowing under the above loan agreement in the amount USD 2 million. The all loan principal to be repaid within the second quarter 2030.

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The long-term loan agreement with the tranche of USD 36.13 million (loan item 6 above) requires the loan principal to be repaid in quarterly installments and interest at the rate LIBOR plus Fixed percentage. The Company is required to maintain debt service coverage in accordance with the agreement. On 25 December 2020, the Company drew down the first borrowings under the above loan agreement in the amount of USD 8.51 million. The loan principal to be repaid within the fourth quarter 2027.

As at 31 December 2020, the Company failed to maintain certain required financial ratios and the bank, under the loan agreement, has the right to define all debts or any part of the debt as well as any interest incurred, service charges, fees and other sums owed under the foreign currency limit are due and must be paid immediately without any demands. Therefore, the first draw down amounting to USD 8.51 million was classified as current portion of long-term loan from financial institutions in the statements of financial position as at 31 December 2020. However, the Company has subsequently received a letter of waiver from the bank waiving such rights on 18 February 2021.

The long-term loan agreement with the tranche of VND 284.5 billion (loan item 7 above) and USD 6.4 million (loan item 8 above) of Ha Long QN Lime Company Limited, indirect subsidiary in Vietnam, requires the loan principal to be repaid in quarterly installments. The loan principal to be repaid within 26 August 2021. The loan is secured by the mortgage of machinery, equipment and buildings.

The long-term loan agreement with the tranche of VND 40 billion (loan item 9 above) of Ha Long QN Lime Company Limited, indirect subsidiary in Vietnam, requires the loan principal to be repaid in quarterly installments. The loan principal to be repaid within 25 September 2021. The loan is secured by the mortgage of machinery, equipment and buildings.

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21 Non-current provisions for employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
1 January	84,846	61,922	84,632	61,695
Include in profit or loss:				
Current service cost	10,324	9,965	10,217	9,962
Past service cost	-	7,656	-	7,656
Interest on obligation	1,998	1,765	1,998	1,765
Included in other comprehensive income:				
Actuarial loss	-	3,849	-	3,849
Translation adjustment	4	(16)	-	-
Other				
Benefits paid during the year	(11,989)	(295)	(11,989)	(295)
31 December	85,183	84,846	84,858	84,632

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cost of sales	8,483	13,985	8,483	13,985
Distribution costs and administrative expenses	3,839	5,401	3,732	5,398
Total expenses recognised in profit or loss	12,322	19,386	12,215	19,383

The Company expects to pay Baht 26.35 million of long-term employee benefits during the next year (2019: Baht 9.58 million).

As at 31 December 2020, the weighted average duration of the long-term employee benefit liabilities is 13.2 years (2019: 13.2 years).

Actuarial losses recognised in other comprehensive income arising from:

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	Consolidated and Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Demographic assumptions	-	578
Financial assumptions	-	942
Experience adjustment	-	2,329
Total	-	3,849

Key actuarial assumptions used for the valuation are as follows:

	Consolidated and Separate financial statements	
	2020	2019
	(% per annum)	(% per annum)
Discount rate	2.8	2.8
Salary increase rate	5 - 10	5 - 10

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 is summarised below:

	Consolidated and Separate financial statements			
	2020		2019	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	<i>(in thousand Baht)</i>			
Discount rate	(6,062)	7,015	(5,884)	6,800
Salary increase rate	8,425	(7,403)	7,336	(6,480)

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated, which includes retirement at due date, after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as at 31 December 2019 as well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 7.66 million and Baht 7.66 million, respectively.

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22 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

23 Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in process	32,411	(36,489)	36,501	(39,846)
Raw materials and consumables used	90,155	163,393	111,157	163,393
Salaries and wages and other employee benefits	403,511	384,447	349,603	359,543
Depreciation and amortization	320,369	212,579	225,560	198,234
Transportation expenses	476,716	457,021	325,592	371,699
Fuel charge	418,950	682,101	371,046	682,101
Electric expenses	146,832	170,910	132,854	170,649
Bad debts	32,767	-	32,767	9,700
Others	389,525	290,409	163,166	25,882
Total	2,311,236	2,324,371	1,748,246	1,941,355

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24 Income tax

Expenses (Income) tax benefits for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
	<i>(in thousand Baht)</i>			
Current income tax:				
Current income tax charge	220	-	-	-
Items of adjustment in income tax expense of the previous year	523	-	523	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(668)	(8,083)	(171)	(8,743)
Expense (Income) tax benefits reported in the statement of comprehensive income	75	(8,083)	352	(8,743)

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2020			2019		
	Before tax	Tax benefits	Net of tax	Before tax	Tax benefits	Net of Tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	-	-	-	(3,849)	770	(3,079)
Total	-	-	-	(3,849)	770	(3,079)

	Separate financial statements					
	2020			2019		
	Before Tax	Tax benefits	Net of tax	Before tax	Tax benefits	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	-	-	-	(3,849)	770	(3,079)
Total	-	-	-	(3,849)	770	(3,079)

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The reconciliation between accounting profit and income tax expense is shown below.

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
	<i>(in thousand Baht)</i>			
Accounting profit before tax	(136,676)	(12,055)	(51,305)	7,942
Applicable tax rate	20 – 30%	20 - 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	(26,532)	(2,484)	(10,261)	1,588
Adjustment in respect of income tax of previous year	523	-	523	-
Share of (gain) loss from investments in joint ventures	(2,719)	1,944	-	-
Deferred tax assets which were not recognised during the year	1,003	1,858	-	-
Effects of:				
Promotional privileges (Note 25)	1,925	(12,028)	1,925	(12,028)
Non-deductible expenses	10,077	3,645	7,968	2,580
Additional expense deductions allowed	-	(163)	-	-
Previous tax	(17)	222	(17)	222
Others	15,815	(1,077)	214	(1,105)
Total	27,800	(9,401)	10,090	(10,331)
Expenses (Income) tax benefits reported in the statement of comprehensive income	75	(8,083)	352	(8,743)

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The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Provision for long-term employee benefits	17,087	17,488	16,972	16,926
Loss carry forward	31,728	36,108	18,815	18,940
Fair value adjustment of subsidiaries' assets regarding business combinations	15,555	15,555	-	-
Others	8,081	4,258	2,312	1,940
Total	72,451	73,409	38,099	37,806
Deferred tax liabilities				
Deferred loan front-end fee	482	360	482	360
Fair value adjustment of subsidiaries' assets regarding business combinations	70,859	74,028	-	-
Total	71,341	74,388	482	360
Net	1,110	(979)	37,617	37,446

Movements in deferred tax balances are as follows:

Consolidated financial statements					
<u>(Charged) / Credited to</u>					
Note	At 1 January 2020	Profit or loss	Other comprehen sive income	Effect of movements in exchange rates	At 31 December 2020
	<i>(in thousand Baht)</i>				
Deferred tax assets					
Provision for long-term employee benefits	17,488	(420)	-	19	17,087
Loss carry forward	36,108	(5,429)	-	1,049	31,728
Fair value adjustment of subsidiaries' assets regarding business combinations	5 15,555	-	-	-	15,555
Others	4,258	3,470	-	353	8,081
Total	73,409	(2,379)	-	1,421	72,451

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Consolidated financial statements						
		<u>(Charged) / Credited to</u>				
	Note	At 1 January 2020	Profit or loss	Other comprehen sive income	Effect of movements in exchange rates	At 31 December 2020
(in thousand Baht)						
Deferred tax liabilities						
Deferred loan front-end fee		(360)	(122)	-	-	(482)
Fair value adjustment of subsidiaries' assets regarding business combinations	5	(74,028)	3,169	-	-	(70,859)
Total		(74,388)	3,047	-	-	(71,341)
Net		(979)	668	-	1,421	1,110

Consolidated financial statements						
	At 1 January 2019	Acquired in business combination (Note 5)	(Charged) / Credited to		Effect of movements in exchange rates	At 31 December 2019 (Restated)
			Profit or loss	Other comprehen sive income		
			(in thousand Baht)			
Deferred tax assets						
Provision for long-term employee benefits	12,893	-	3,868	770	(43)	17,488
Loss carry forward	22,378	12,477	1,627	-	(374)	36,108
Fair value adjustment of subsidiaries' assets regarding business combinations	-	15,555	-	-	-	15,555
Others	1,962	-	2,382	-	(86)	4,258
Total	37,233	28,032	7,877	770	(503)	73,409

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Consolidated financial statements						
	At 1 January 2019	Acquired in business combination (Note 5)	(Charged) / Credited to		Effect of movements in exchange rates	At 31 December 2019 (Restated)
			Profit or loss	Other comprehen sive income		
			(in thousand Baht)			
Deferred tax liabilities						
Deferred loan front-end fee	(303)	-	(57)	-	-	(360)
Fair value adjustment of subsidiaries' assets regarding business combinations	-	(74,291)	263	-	-	(74,028)
Total	(303)	(74,291)	206	-	-	(74,388)
Net	36,930	(46,259)	8,083	770	(503)	(979)

Separate financial statements				
(Charged) / Credited to				
At 1 January 2020	Profit or loss	Other comprehensive income	At 31 December 2020	
(in thousand Baht)				
Deferred tax assets				
Provision for long-term employee benefits	16,926	46	-	16,972
Loss carry forward	18,940	(125)	-	18,815
Others	1,940	372	-	2,312
Total	37,806	293	-	38,099
Deferred tax liabilities				
Deferred loan borrowing fees	(360)	(122)	-	(482)
Total	(360)	(122)	-	(482)
Net	37,446	171	-	37,617

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	Separate financial statements			
	(Charged) / Credited to			
At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019	
(in thousand Baht)				
Deferred tax assets				
Provision for long-term employee benefits	12,339	3,817	770	16,926
Loss carry forward	15,897	3,043	-	18,940
Others	-	1,940	-	1,940
Total	28,236	8,800	770	37,806
Deferred tax liabilities				
Deferred loan borrowing fees	(303)	(57)	-	(360)
Total	(303)	(57)	-	(360)
Net	27,933	8,743	770	37,446

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As at 31 December 2020, the subsidiary companies have the unused tax losses amounting to Baht 8.92 million (2019: Baht 12 million) which will expire by 2021 - 2025. The deferred tax have not been recognised as the subsidiary companies believe that future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

The unused tax losses in separate financial statements and consolidated financial statements is Baht 94 million and Baht 175 million respectively which expired from 2020 to 2024.

25 Promotional privileges

The Company has received investment promotional privileges from the Board of Investment (BOI) for the manufacture of chemical for industrial use. Subject to certain conditions, the significant tax privileges received are as follows:

Details of promotion privileges					
1. Certificate No.	2484(2)/ 2554	1498(2)/ 2558	59-1064- 1-00-1-0	59-1065- 1-00-1-0	59-1278- 1-00-1-0
2. The significant privileges are					
2.1 Exemption of corporate income tax for net profit from promoted operation and exemption of income tax on dividends paid from the profit of the promoted operations. In case that there are losses incurred during the corporate income tax exemption period, the Company is allowed to utilise the losses as a deduction against the net earnings of future years after the expiry of the tax exemption period, but with a time limit of five years after that period.	8 years	6 years	3 years	3 years	3 years

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Details of promotion privileges					
2.2 A fifty percent reduction of the normal rate of corporate income tax on net profit from promoted operations for a period of five years after the expiration of the above corporate income tax exemption period.	Granted	Granted	Non-granted	Non-granted	Non-granted
3. Date of first earning operating income	15 February 2013	2 September 2016	20 January 2018	1 February 2019	Not yet operate

The Company's operating revenues for the years divided according to promoted and non-promoted operations are shown below.

	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>						
Sales						
Domestic sales	482,194	612,492	357,445	348,935	839,639	961,427
Export sales	370,040	484,059	521,173	553,572	891,213	1,037,631
Total sales	852,234	1,096,551	878,618	902,507	1,730,852	1,999,058

26 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Earnings (loss) per share				
Profit (loss) for the year (Thousand Baht)	(119,612)	(32)	(51,657)	16,686
Weighted average number of ordinary shares (Thousand shares)	960,000	960,000	960,000	960,000
Profit (loss) attributable to equity holders of the Company (Baht per share)	(0.1246)	(0.0000)	(0.0538)	0.0174

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27 Dividends

	Approved by	Dividends		Dividends payment date
		Amount (in million Baht)	Per share (Baht)	
2020				
The interim dividends payment for the year 2019 from the retained earnings of the operations receiving investment promotional privileges.	Board of Directors' meeting on 14 April 2020.	19.2	0.02	14 May 2020
Total dividend for 2020		<u>19.2</u>	<u>0.02</u>	

	Approved by	Dividends		Dividend payment date
		Amount (in million Baht)	Per share (Baht)	
2019				
The annual dividends for the year 2018 from net profit of the operations receiving investment promotional privileges.	Annual general meeting on 26 April 2019.	48.0	0.05	22 May 2019
The interim dividends payment for the year 2019 from the retained earnings of the operations receiving investment promotional privileges.	Board of Directors' meeting on 13 August 2019.	19.2	0.02	11 September 2019
Total dividend for 2019		<u>67.2</u>	<u>0.07</u>	

28 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group are principally engaged in one operating segment which is the manufacture and distribution of mineral and chemicals.

Major customers information

For the year 2020, the Group have revenue from two major customers in amount of Baht 258 million, arising from domestic sales. (2019: the Group have revenue from one major customer with revenue in the amount of Baht 334 million which are from domestic sales).

Geographic information

The Group's business operations involve 2 geographic segments: (1) the Company which is incorporated in Thailand, manufacture and distribution of mineral and chemicals. (2) the subsidiaries which are incorporated overseas, manufacture and distribution of mineral and chemicals. The major revenue of overseas subsidiaries is from Australia. Therefore, financial information by segment of the Group has been presented by geographic area, as follows:

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	Geographic segment located in Thailand		Geographic segment located overseas		Eliminated transactions	Consolidated financial statements	
	2020	2019	2020	2019	2020	2020	2019 (Restated)
	<i>(in million Baht)</i>						
Revenue from external customers	1,524	1,714	716	658	-	2,240	2,372
Intersegment revenue	207	285	227	17	(434)	-	-
Total revenue	1,731	1,999	943	675	(434)	2,240	2,372
Segment operating profit / (loss)	543	649	183	122	(13)	713	767
Unallocated income and expenses:							
Other income						43	26
Distribution costs						(511)	(520)
Administrative expenses						(276)	(199)
Net loss from exchange rate						(40)	(24)
Share of profit (loss) from investments in joint ventures						14	(10)
Finance cost						(80)	(52)
Income tax benefits (expenses)						-	8
Loss for the period						(137)	(4)

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	Geographic segment located in Thailand		Geographic segment located overseas		Eliminated transactions	Consolidated financial statements	
	2020	2019	2020	2019	2020	2020	2019 (Restated)
<i>(in million Baht)</i>							
Property, plant and equipment	2,558	2,649	1,031	941	3	3,592	3,596
Unallocated assets						2,511	2,203
Total assets						6,103	5,799

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29 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5, 10 and 15 percent of basic salary. The fund, which is managed by an asset management company, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 9.5 million (2019: Baht 10.2 million) were recognised as expenses.

30 Commitments and contingent liabilities

30.1 Capital commitments

- 1) The Group had capital commitments relating to the construction of plant and acquisition of machinery and equipment are as follow:

Currency	Consolidated and Separate financial statements	
	2020	2019
Million Baht	17.1	86.4
Million EUR	0.1	-

- 2) A subsidiary entered into contract of land purchase with third party amounting to AUD 9.65 million. Deposit had been paid in the period amounting to AUD 0.97 million. The subsidiary has the obligation to pay an amount of AUD 8.68 million as specified in the agreement.

30.2 Operating lease and service commitments

- 1) The Group have entered into lease agreements in respect of the lease of office building space, vehicles, office equipment, which have lease terms less than 12 months or leases of low-value assets, and other service agreements. Future minimum rentals and service fees payable under these agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in million Baht)</i>				
Payable:				
Within 1 year	19.0	37.1	11.8	32.6
Over 1 but not over 5 years	21.3	15.7	2.3	11.2

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- 2) The Company has entered into marketing service agreements with Chememan India Private Limited whereby the Company is committed to pay service fee amounting USD 25,000 per quarter in the year 2021. The term of the agreements can be extended with the mutual agreements of the parties.
- 3) A subsidiary entered into agreements with an overseas government agency which granted the subsidiary rights to explore for mineral resources. The subsidiary is committed to pay expenses and contributions to various funds on the bases and at the rates stipulated in the agreements. In addition, the subsidiary must comply with the rules and conditions stipulated in such agreements.
- 4) The Company entered into agreements with the third party to do those mining activities as explosion, sorting, crushing and scooping the stones, the Company has the obligation to pay the yearly service fee amounting Baht 20 million in the year 2021. The term of the agreements can be extended with the mutual agreements of the parties.
- 5) The indirect subsidiary, entered into agreements with a non - related local company to do those mining activities as explosion, sorting, crushing and scooping the stones, the Company has the obligation to pay the yearly service fee amounting VND 243 million or equivalent to Baht 39 million per year as specified in the agreement. The agreements will be expired in 2028.

30.3 Guarantees

- 1) As at 31 December 2020 and 2019, the Group have outstanding bank guarantees in respect of certain performance as required in the normal course of business as follows.

	Currency	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Guarantee tax refund	Million Baht	-	1.0	-	1.0
Guarantee electricity use	Million Baht	12.7	14.9	12.7	13.4
Guarantee performance and others	Million Baht	13.2	21.2	11.2	20.3

As at 31 December 2020, Chememan India Private Limited, a wholly owned subsidiary incorporated in India and held by the Company 99.99%, holds restricted bank deposits to guarantee loan agreement for Siriman Chemicals India Private Limited, a joint venture in India, amounting to INR 100 million or equivalent to Baht 40.91 million.

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30.4 Other commitments

- 1) As at 31 December 2020, the Company had commitment amounting to INR 22.96 million (31 December 2019: INR 5.46 million) in respect of the uncalled portion of investments in subsidiary and joint venture in India.
- 2) The Company has entered into a long-term agreement with a local company for purchase gas at prices and in quantity stipulated in the agreement. The agreement will expire in 2029.
- 3) The Company and the indirect subsidiary are committed to make contributions to the funds on the bases and at the rates stipulated in an appendix to the concession agreements. In addition, the Company and the indirect subsidiary must comply with the rules and conditions stipulated in the concession agreements.

30.5 Lawsuit

On 5 May 2020, the Company is a co - defendant (“1st Defendant”) in a case of the Civil Court, together with the unrelated company (“2nd Defendant”) to pay for transportation and storage charges of chemical lime to plaintiff amounting to Baht 4.08 million. Currently, the case is under the civil court’s consideration and negotiation. Mediation and preliminary hearings are scheduled on 19 March 2021. However, the Company’s management has reviewed the situation and relevant documentation and believes that there will be no significant loss arising from this case. Therefore, the Company has not recognised any provision for loss.

31 Financial instruments

31.1 Financial risk management

The Group’s financial instruments, “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other current receivables, trade and other current payables, short-term loans and long term loan from financial institutions, liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers.

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Trade and Other current receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other current receivables are written-off in accordance with the Group's policy.

Liquidity risk

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

The following table are the remaining contractual maturities of the Group non-derivative financial liabilities at the reporting date. based on contractual undiscounted cash flows:

	Consolidated financial statements				
	Contractual cash flows				
<i>At 31 December 2020</i>	When asked	1 year	1 - 5 years (in million Baht)	More than 5 years	Total
Non-derivative financial liabilities					
Short-term loans from financial institutions	-	1,098	-	-	1,098
Trade and other current payables	-	341	-	-	341
Long-term loans from financial institutions	257	352	1,544	63	2,216
Lease liabilities	-	37	45	6	88
	257	1,828	1,589	69	3,743

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Consolidated financial statements					
Contractual cash flows					
<i>At 31 December 2019</i>	When asked	1 year	1 - 5 years (in million Baht)	More than 5 years	Total
Non-derivative financial liabilities					
Short-term loans from financial institutions	-	648	-	-	648
Trade and other current payables	83	540	-	-	623
Long-term loans from financial institutions	-	427	1,495	-	1,922
Lease liabilities	-	20	37	-	57
	83	1,635	1,532	-	3,250

Separate financial statements					
Contractual cash flows					
<i>At 31 December 2020</i>	When asked	1 year	1-5 years (in million Baht)	More than 5 years	Total
Non-derivative financial liabilities					
Short-term loans from financial institutions	-	1,098	-	-	1,098
Trade and other current payables	-	205	-	-	205
Long-term loans from financial institutions	257	214	1,544	63	2,078
Lease liabilities	-	33	45	-	78
	257	1,550	1,589	63	3,459

Separate financial statements					
Contractual cash flows					
<i>At 31 December 2019</i>	When asked	1 year	1-5 years (in million Baht)	More than 5 years	Total
Non-derivative financial liabilities					
Short-term loans from financial institutions	-	550	-	-	550
Trade and other current payables	-	243	-	-	243
Long-term loans from financial institutions	-	236	1,357	-	1,593
Lease liabilities	-	20	36	-	56
	-	1,049	1,393	-	2,442

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Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, accounts receivable under installment sales, loans to related parties, short-term loan from financial institutions, liabilities under lease agreements and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements						
	As at 31 December 2020						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
	(in million Baht)						
Financial assets							
Cash and cash equivalent	-	-	-	494	-	494	0.01 - 0.30
Trade and other current receivables	-	-	-	-	359	359	-
Total	-	-	-	494	359	853	
Financial liabilities							
Short-term loans from financial institutions	1,098	-	-	-	-	1,098	1.66 - 2.23
Trade and other current payables	-	-	-	-	341	341	-
Liabilities under lease agreement	37	45	6	-	-	88	2.54 - 8.50
Long-term loans	-	-	-	2,216	-	2,216	1.95 - 10.00
Total	1,135	45	6	2,216	341	3,743	

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Consolidated financial statements							
As at 31 December 2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
	<i>(in million Baht)</i>						
Financial assets							
Cash and cash equivalent	-	-	-	215	-	215	0.04 - 0.50
Trade and other current receivables	-	-	-	-	518	518	-
Accounts receivable under installment sales	5	35	5	-	-	45	4.38
Total	5	35	5	215	518	778	
Financial liabilities							
Short-term loans from financial institutions	648	-	-	-	-	648	2.00 - 8.00
Trade and other current payables	-	-	-	-	623	623	-
Liabilities under lease agreement	20	37	-	-	-	57	2.54 - 8.50
Long-term loans	191	138	-	1,593	-	1,922	3.00 - 10.0
Total	859	175	-	1,593	623	3,250	

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Separate financial statements							
As at 31 December 2020							
Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years					
(in million Baht)							
Financial assets							
Cash and cash equivalent	-	-	373	-	373	0.01 - 0.30	
Trade and other current receivables	-	-	-	370	370	-	
Loans to related parties	-	-	944	-	944	3.02 - 6.40	
Total	-	-	1,317	370	1,687		
Financial liabilities							
Short-term loans from financial institutions	1,098	-	-	-	1,098	1.66 - 2.23	
Trade and other current payables	-	-	-	205	205	-	
Liabilities under lease agreement	33	45	-	-	78	2.54 - 5.00	
Long-term loans	-	-	2,078	-	2,078	1.95 - 5.31	
Total	1,131	45	2,078	205	3,459		

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	Separate financial statements						
	As at 31 December 2019						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(in million Baht)						(% per annum)
Financial assets							
Cash and cash equivalent	-	-	-	73	-	73	0.04 - 0.50
Trade and other current receivables	-	-	-	-	393	393	-
Accounts receivable under installment sales	5	35	5	-	-	45	4.38
Loans to related parties	-	-	-	213	-	213	6.25 - 6.40
Total	5	35	5	286	393	724	
Financial liabilities							
Short-term loans from financial institutions	550	-	-	-	-	550	2.00 - 2.10
Trade and other current payables	-	-	-	-	243	243	-
Liabilities under financial lease agreement	20	36	-	-	-	56	2.54 – 5.00
Long-term loans	-	-	-	1,593	-	1,593	3.00 – 3.06
Total	570	36	-	1,593	243	2,442	

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Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(in million)				(in Baht per 1 foreign currency unit)	
USD	15.1	8.5	19.7	6.5	30.0371	30.1540
AUD	-	-	-	-	22.9188	21.0492
JPY	-	5.9	-	-	0.2907	0.2759
EUR	-	-	0.1	-	36.8764	-

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(in million)				(in Baht per 1 foreign currency unit)	
USD	44.4	13.0	16.2	0.1	30.0371	30.1540
AUD	7.6	4.8	-	-	22.9188	21.0492
JPY	-	5.9	-	-	0.2907	0.2759
EUR	0.1	-	0.1	-	36.8764	-

Foreign currency sensitivity analysis

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

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31.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, accounts receivables, accounts payables, loan to and loan from related parties, their carrying amounts in the statements of financial position approximate their fair values.

32 Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.91:1 (2019: 1.58:1) and the Company's was 1.67:1 (2019: 1.16:1).

33 Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 25 February 2021.



Chememan Public Company Limited

195/11-12 Lake Rajada Office Complex 2, 10th - 11th floor,

Rajadapisek Road, Klongtoey, Bangkok 10110

+ 66 2 661-9734-8, + 66 2 260-9176



www.chememan.com