

PART 1

Company's Business

1. Over all of business and corporate policy

The company was first established on May 16, 1969 as Siam City Cement Company Limited with the initial registered capital of 100 million Baht and began cement production after the completion of its cement plant in 1972.

After five years of continuously successful operation, the company proudly became a listed company in the Stock Exchange of Thailand in 1977.

Then, in 1981, the company's Saraburi plant endeavored to replace the imported bunker oil used as fuel in cement production to domestically sourced lignite coal. In order to reduce the consumption of fuel which represented a major cost of cement production, in 1989 the company became the first cement producer in Southeast Asia to introduce a waste heat recovery system which converted heat captured from the cement kiln to produce electricity. Then, in 1993, the company was officially renamed "Siam City Cement Public Company Limited" to reflect the nature of its being a fully listed company in Thailand's stock exchange.

A major development at the company came in 1998 when Holcim Limited of Switzerland became a major shareholder. Then in 1999, debt restructuring and refinancing was completed with the capital increased to 3,000 million Baht. Siam City Cement continued to expand their production capacity and new products in the market while

On December 21, 2012, a change in major shareholding occurred when Thai Roc-Cem Company Limited and HOLDERFIN B.V. sold their holdings in the amount of 21,390,000 shares in the aggregate, representing 9.3 percent of the issued and outstanding capital shares of the company, to Bangkok Broadcasting and Television Limited, a company in the Ratanarak Group. Thus, the proportion of the Ratanarak Group shareholding to increase to 104,360,272 shares or approximately 45.37 percent of the issued and outstanding capital shares.

In 2013, SCCC acquired assets of two light-weight block plants, the 1st plant in Singburi from Superblock Public Company Limited early in the year, and the 2nd plant in Ratchaburi plant from Prosperity Concrete Company Limited towards the end of the year.

1.1 Corporate Vision, Corporate Mission, Core Values and Fundamental Goals

Corporate Vision

To Provide Foundations for Society's Future

Corporate Mission

To increase value to all stakeholders by providing the best cement and concrete solutions, achieving above industry profitability through quality, service and innovation

Core Values

At Siam City Cement, We Deliver

Corporate Fundamental Goals

To be preferred.....

by customers:

To provide the best solutions on cement, aggregates and related products, and to support their success

by community:

To be socially responsible and environmentally conscious within communities and society, and to provide support with sustainable solutions

by business partners:

To collaborate with all stakeholders to grow business opportunities together

by employees:

To develop strong skills, reward high performance, and promote passion for people, customer service and excellence

1.2 Strategy and Major Development

Growth Strategy

In 2013, Siam City Cement Public Company Limited (SCCC) has supported the growth of cement which is its core business in medium to long term by investing 1.45 billion Baht to reactivate mothballed kiln No. 1 at Saraburi Plant to add 1.2 million tons of clinker production capacity. In addition, the company invested more than 300 million Baht in logistic innovations to enhance cement dispatching capacity by more than 60 percent and increase logistics efficiency with new technologies, not only to support the production capacity expansion but also to increase customer services excellence.

In order to secure bulk cement channels and respond to rapid growth of concrete demand, ready-mixed concrete plant network was expanded through own batching plants investment, rental plants and franchising with the strategy to secure material supply by expansion of own aggregate production capacity and acquisition of new material reserves, especially in the Central and the East areas.

With strategy to diversify with synergy into other building materials to increase product portfolio and to response to trend of change in the construction industry, a new SCCC 100 percent owned subsidiary, INSEE Superblock Co., Ltd. was incorporated for an acquisition of light weight blocks manufacturing assets in Singburi Province. The new subsidiary successfully entered the light weight blocks market under the brand “INSEE Superblock” with production capacity of 3.1 million sq.mt. in 2013 and planned to double its production capacity in the next few years. In addition, the company further acquired light weight blocks manufacturing assets in Ratchaburi with additional annual capacity of 1.6 million sq.mt. in late 2013.

CONWOOD, a subsidiary with high growth in premium architectural and decorative building material business, is expanding with three key growth strategies: develop high quality innovative products, increase production capacity, and expand in regional markets, especially in Indonesia and India. Over 1 Billion Baht is invested for local production in Indonesia with plan to start operations in 2014.

SCCC achieved goals in cultivating business partnership in countries bordering Thailand: Cambodia and Myanmar. The alliance with exclusive dealers was the key driving SCCC's products further into the market even more in remote areas.

Meanwhile, the main markets, including Laos, maintained a strong foothold by penetrating a variety of INSEE products, i.e. mortar, Tiles Fix and mixed cement, and by repetitiously promoting SCCC brand awareness and quality among small retails up to large projects. SCCC also produced tailor-made cement to accommodate contractors' needs for large projects in Laos, such as hydroelectric power dams and a coal-fired power plant.

Hemraj Transfer Station

SCCC has been active in waste management services with the use of co-processing technology since 2001. As recognized by the Basel Convention, co-processing is the most environmental friendly method for industrial waste disposal as it enables resource recovery where waste is transformed into alternative fuel and raw materials in cement kiln.

With the dedication to superior environmentally friendly waste disposal via co-processing, the highest standards of operations and total compliance policy, SCCC is trusted by industry leaders in all fields to handle their industrial waste disposal needs. To continue the growth of this business and to capture high potential opportunities from industrial expansion in the Eastern region, Hemraj Transfer Station was established under the Energy and Environmental Services Co., Ltd., as the another SCCC subsidiary.

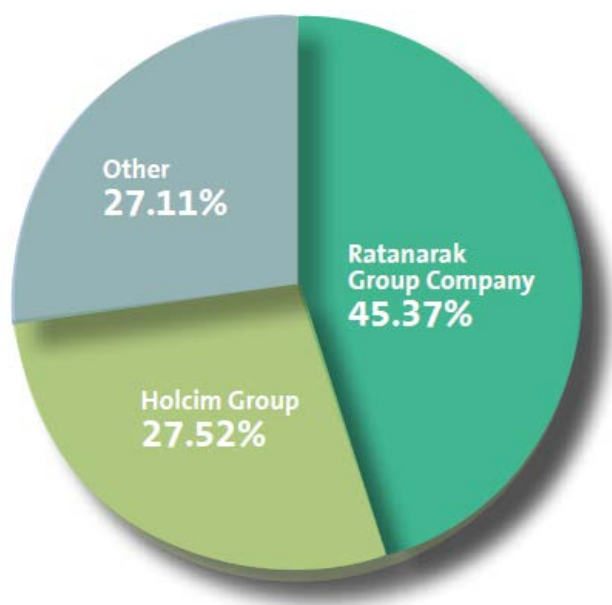
Hemraj Transfer Station aims to produce high-quality Refuse-Derived Fuel (RDF) from a wide range of industrial wastes in an environmentally sound manner for cement producers and power plants. It is strategically located in Hemaraj Industrial Estate Chonburi. The Hemraj Transfer Station will position SCCC closer to the customers where they can use proper and reliable services regardless of their waste property, type, and quantity at reasonable cost. The Company's services across the value chain will be enhanced, relating directly to better service flexibility and competitiveness. This will allow access to a larger slice of the demand pie from increased waste type and increased volume from existing and new customers. The customers are mainly industrial manufacturers in automotive, consumer, petrochemicals, agriculture and electronics sectors, etc.

With international standard procedures, our customers can assure that their waste materials will be treated, pre-processed to high standard RDF, and eventually disposed of through co-processing in full compliance with applicable regulations and environmental requirements. Ultimately, RDF will be the future source of alternative fuel in cement kilns and power plants, reducing reliance and pollution from the use of traditional fuels.

The Change of Shareholding structure in the past 3 years

On December 21, 2012, a change in major shareholding occurred when Thai Roc-Cem Company Limited and HOLDERFIN B.V. sold their holdings in the amount of 21,390,000 shares in the aggregate, representing 9.3 percent of the issued and outstanding capital shares of the company, to Bangkok Broadcasting and Television Limited, a company in the Ratanarak Group. Thus, the proportion of the Ratanarak Group shareholding to increase to 104,360,272 shares or approximately 45.37 percent of the issued and outstanding capital shares.

Shareholding Structure of Siam City cement Public Company as of 31 December 2013



Major Developments and Initiatives of 2013

Health & Safety

- Implemented Safety Leader Program to equip and develop OH&S managerial skills
- Implemented OH&S Competency to be taken into account in OH&S performance assessment and recorded in the Dialogue
- SCCC OH&S awarded by Holcim SESA Region with the OH&S Regional Silver Award for INSEE Road Safety Program

Marketing & Sales

- Implemented Sales Mobile Application aiming at strengthening customer relationship and completing customer database in real time
- Developed INSEE Mobile Catalog Application on smart phones to promote INSEE Brand to end users
- Implemented Salesforce.com to LIP project sales to support teams to turn sales opportunities into closed business
- Improved Gate-in queuing operation service at customer gate-in area in Saraburi to improve efficiency and satisfaction
- Mortar Plant certified ISO 14001:2004, BS OHSAS 18001:2007 and TIS 18001:2011 by MASCI

INSEE Concrete & Aggregates

- Implemented the Employee Exchange Program with Other Holcim operations worldwide
- Implemented the Aggregates Manager Course in conjunction with Holcim and Leicester University in the United Kingdom
- Implemented the Central Dispatching Service training program to develop the procedure and to motivate employees
- Received TIS accreditation to ensure operation and product reliability

CONWOOD

- Awarded Drugs Free Workplace Certificate for successful implementation of measure pertaining to curtailing drug usage
- Awarded the Green Exposition Award for creativity and use of environmental friendly products at the ASA Fair
- Innovated new lines of products such as the 4-inch decorative deck and 12-inch lap siding

Logistics

- Continued and implemented Professional Driver program and the Defensive Driving program to acquire more trained drivers as well as enhancing driving safety among existing drivers
- GPS tracking system became fully installed on all vehicles in the bulk fleet for improved control and safety
- Further increase in both the bulk cement and bag cement fleet capacities

Saraburi Operations

- Implemented a number of solutions to reduce further the clinker factor with no effect on quality and workability

- Increased utilization of low grade fuel at burners in kilns 5 and 6 by replacing old burners with modern multi-channel models during regular kiln shutdowns
- Five more INSEE Cement products awarded the Carbon Label by the Thailand Greenhouse Gas Organization and the Thailand Environment Institute

Finance

- Implemented Sustainable Procurement to enhance the implementation of procurement operation. Also Implemented Procurement Excellence to generate cost savings from procurement activities
- Improved banking interface to increase efficiency, security and accuracy
- Implemented signature scan on receipts to save time for the process and collection officers
- Instituted the supplier financing program to support liquidity of suppliers by securing financing at lower costs from contracted banks
- Implemented wireless standardization at SRBP to provide more efficient wireless service access and coverage, as well as implementing SRBP server virtualization to migrate the system and services from the old system to the new technology virtualization

Employees

- Implemented the Performance Improvement Program and the Enhancing Dialogue Skills to improve individual performance and to drive team to achieve business performance
- Implemented IDP tracking system to intensively monitor and follow up on development progress
- Assessed employees at MML level to identify development gap for career development to the next level
- Received the Outstanding Workplace Award for Excellent Labor Relations and Labor Welfare for the 7th consecutive year

Geocycle

- Commenced possibility study of contract farming of Napier grass for use as alternative co-processing materials and to enhance relationship with the community
- Constructed a transfer station in the Eastern region to enhance waste management capacity
- Awarded Gold Class on co-processing and Alternative Fuel Preparation, Zero Waste to Landfill Achievement, CSR-DIW Supply Chain – by the Department of Industrial Works, Excellent Performance on Occupational Health, Safety & Environment in Workplace, and Zero Accident Campaign.

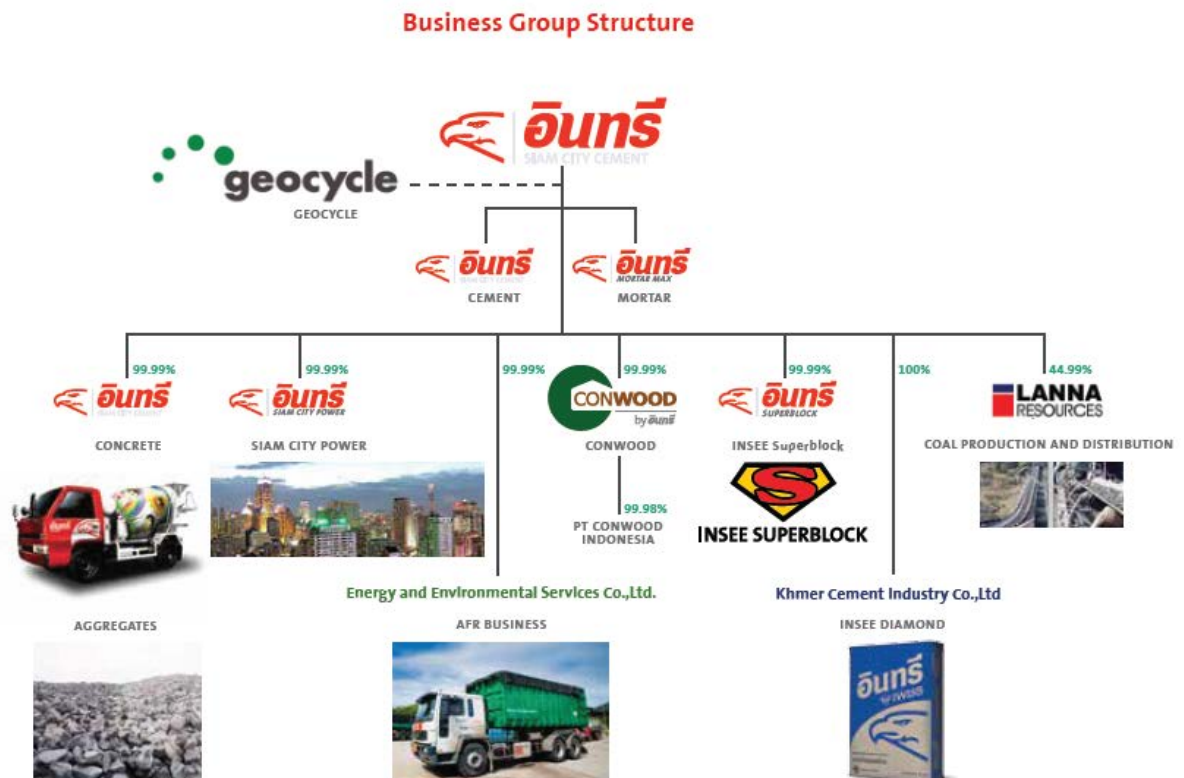
Legal

- Increased and emphasized awareness activities and provided best practices on Competitive Law and Anti-Bribery & Corruption

INSEE Superblock

- Assets acquired of two light-weight block plants, the Singburi operations early in the year and at Ratchaburi towards the end of 2013

1.3 Business Group Structure



2. Business Description

Nature of business of the subsidiaries and related companies

Investment in the subsidiaries and related companies both direct and indirect					
As at 31 December 2013					
Company	Location	Nature of Business	Share capital		% of ownership
			Issued and fully paid up (Million Baht)	Paid-up (Million Share)	
Held by the Company					
1. Siam City Concrete Co., Ltd.	Thailand	Ready-mixed concrete and aggregates	2,500	25	99.99
2. Siam CityPower Co., Ltd.	Thailand	Electricity generation from waste heat	2,000	20	99.99
3. Conwood Co., Ltd.	Thailand	Construction Material	300	3	99.99
4. INSEE Superblock Co., Ltd.	Thailand	Light-weight concrete products	500	5	99.99
6. Energy and Environmental Services Co., Ltd.	Thailand	Industrial waste disposal and alternative fuel and raw material trading	180	1.80	100.00
5. Khmer Cement Industry Co., Ltd.	Cambodia	Cement trading	USD 2.505 million	0.001	100.00
7. Lanna Resources Plc. Ltd.	Thailand	Coal Mining	525	525	44.99
8. Holcim Cement (Bangladesh) Co., Ltd.	Bangladesh	Cement	8.82 million Taka	0.09	10.42
Held by Conwood Co.,Ltd.					
1. PT. Conwood Indonesia	Indonesia	Construction Material	USD 8 million	8	99.99

Revenue Structure

Segment	Percentage of shareholding	2013		2012		2011	
		Million Baht	%	Million Baht	%	Million Baht	%
Net Sales							
- Cement	-	23,360	71	21,718	75	19,744	79
- Concrete and Aggregates	99.99	8,129	25	5,920	20	4,220	17
- Others	99.99	1,536	4	1,374	5	1,047	4
Total net sales		33,025	100	29,012	100	25,011	100
Elimination		(3,075)	(9)	(2,585)	(9)	(1,861)	(7)
Total net sales according to financial statements *		29,950		26,427		23,150	

* Which were eliminated upon consolidation.

2.1 Business Operation of Each Product Line

Since its founding 45 years ago, Siam City Cement Public Company has placed great value on commitment to corporate vision in providing foundation for Thailand's future. Consistent with the past to achieve the vision, SCCC has been supporting Thailand's development by offering innovative solutions in cement and other cement related products. As of today, Siam City Cement has three cement plants with six kilns in Kang Koi District, Saraburi Province.

Siam City Cement through its three subsidiaries, Siam City Concrete Co., Ltd., Conwood Co., Ltd. and INSEE Superblock Co., Ltd., is engaged in cement-based building materials, wood replacement products and light-weight concrete blocks.

Siam City Cement, as one of the leading cement producers, currently offers two major types of cement products; "Mixed cement" and "Portland cement":

- Mixed cement: specially formulated for plastering and bricklaying works where smooth and finishing works are required.
- Portland cement: specially developed for production of high strength reinforced concrete, high quality concrete tiles, and all kind of concrete piles and poles and panels, as well as pre-stressed concrete products.

INSEE Mortar, fulfills customers' need for absolute convenience and quality by providing the ready to use cement; namely, INSEE Mortar Max which can be used instantly by mixing with clean water in the appropriate portion. INSEE Mortar Max has currently offered cement for 4 applications:

- Plastering mortar: For general plastering, Fine plastering, Lightweight block plastering, Fine lightweight block plastering, Concrete plastering and Skim Coat
- Brick laying mortar: For normal brick laying and Lightweight block brick laying
- Floor leveling : For floor screeding and leveling
- Tile adhesive: For general application and High adhesion application

INSEE Concrete, as a result of the diversity of construction projects all over the country and different kinds of concrete applications required, has its plant network covering Greater Bangkok, Eastern Seaboard and major cities in upcountry. Also the expansion of INSEE Concrete Franchise to extend strategic partnership network has increased steadily and covered all areas nationwide in order to service and meet customers' requirements in concrete business.

CONWOOD manufactures architectural, decorative building materials, made from high quality cement and recycled cellulose fibers that help sustain the environment and reduce real wood consumption. CONWOOD offers a wide range of products under four major areas of applications:

- Eaves and Ceiling Applications: CONWOOD Eave, CONWOOD Lath, and CONWOOD Ceiling Border
- Wall Applications: CONWOOD Lap Siding BG, CONWOOD Lap Siding G-Series, and CONWOOD Mold

- Floor Applications: CONWOOD Decorative Deck, CONWOOD Deck
- Decorative Applications: CONWOOD Plank 1” and 2”, CONWOOD Decorative Stairs and Handrail, CONWOOD Fence, and CONWOOD Sunshade

INSEE Superblock, the recent subsidiary of Siam City Cement, operates the production and supply of Autoclaved Aerated Concrete Class 4 (G4), comprising blocks, panels and lintels. INSEE Superblock Co., Ltd. provides building materials that combine light weight with high strength and provide a number of advantages through:

- Highest quality product under Class 4
- Thermal insulation
- Fire resistance

The Company, being aware of the importance of alternative fuels and raw materials in cement production process, is one of the pioneers in AFR development in Thailand with the founding of a business unit to focus on AFR development. Called “**Geocycle**”, the firm specializes in the recovery of materials, which would otherwise be sent to landfills, trash incinerators or illegal dumps, to be co-processed in cement kilns as fuel and raw materials.

Since 2005, Geocycle has been offering a total waste management service to our customers by transforming wastes derived from industrial, community and agricultural sectors, into alternative fuels and raw materials using in cement production process. This business unit has been well developed and equipped with experienced employees working at one of Thailand’s best and biggest alternative fuels preprocessing platforms.

In 2013, **Energy and Environmental Services Co., Ltd.**, a new subsidiary, was incorporated to principally engage in the industrial waste disposal and alternative fuel and raw material trading. Its first project is Transfer Station located in Hemaraj Industrial Estate. The company uses thermodynamic technology that will not generate any problematical pollution. In addition, a Power Plant project was launched to generate electricity from waste heat recovered from cement production process. The electricity thus produced would be able to replace up to 25 percent of its electricity requirement, saving precious natural resources for the Company as well as for the national power grid.

Siam City Power Co., Ltd., a subsidiary, was incorporated in 2011. It engages in the electricity generation business, and has received Board of Investment (BoI) promotional privileges for electricity generation from waste heat arising from cement production. With the strong belief in the value of corporate vision, mission, and goal, Siam City Cement will constantly ensure commitment of business growth and achievement of performance to provide quality of innovative products and services for sustainable perspective.

2.2 Market and Competition

Industry Outlook

Domestic Market

Thanks to strong momentum from the year 2012 and regional urbanization in major provinces especially in the Eastern area as well as a preparation for entering into Asean Economic Community (AEC) in 2015, the construction industry experienced a strong activity. In 2013, as evidenced by the growth in volume of essential construction materials over the previous year, approximately percent in cement, 9 percent in ready mixed concrete and in aggregates, boosted by private sector especially residential sectors.

In 2014, the construction activity is anticipated to expand with a slower pace than 2013, mainly resulted by prolonged political uncertainty, weaker fiscal position, the delay of large scale infrastructure projects, and construction labor shortage in some areas.

However, positive factors to construction industry are the regional urbanization especially on AEC routes, on-going construction projects from 2013, and maintaining interest rate.

Overall, domestic cement consumption in the year ahead is foreseen to grow not beyond 2 percent, compared to last year

Export Markets

As a consequence of increasing domestic cement consumption, overall clinker and cement export volume in 2013 decreased by 33 percent from 2012. However, driven by China's investment in ASEAN, Thailand's cement export to the bordering countries increased by 19 percent in Cambodia, 18 percent in Myanmar and remained unchanged in Laos.

In 2014, there is surplus supply in northern Vietnam, China, and South India together with potential less domestic demand than previous expectation in Thailand. In addition, clinker and cement demand in the region is expected to expand in accordance with the Asian economic growth. Consequently, the export volume is expected to be higher than 2013 with more market competition.

2.3 Procurement of Raw Materials and Services

Production Capacity

The Company has 3 cement production plants, with total clinker production capacity of 12.3 million tones per year or cement production capacity of 14.8 million tones per year.

Raw Materials and Raw Material Suppliers

90% of raw materials are produced in-house. The Company possesses mining concessions, which entitle it to produce major raw materials for cement manufacturing, i.e. limestone, shale and gypsum. The rest of 10% is procured from outside sources, both domestically and overseas.

Services and Supplier

The necessary services were machinery maintenance, security, transport and other services which support to the production and administration for Company's achievement. Most of services provided by the third parties in country. The most importance are quality, safety and the promotion of the profession of the people around plant.

Alternative Fuels and Raw Materials (AFR)

Since 2005, Geocycle has been offering a total waste management service to our customers by transforming those wastes into alternative fuels and raw materials using in cement production process. Wastes will be derived from industrial, community and agricultural sectors. Wastes derived from various industrial sectors are, such as, electronic, food and beverage, paint and garment, power generation, rubber and leather, steel and metal manufacturing, automotive, furniture, petroleum, pharmaceutical. In addition, wastes derived from community and agriculture are, such as, sorted municipal solid waste, rice husk and wood bark.

Environmental Impact

One of the SCCC's Policy is "Concern for Social Responsibility" which includes the environment conservation. Therefore, the business has chosen "Clean Technology" which is up-to-date, efficient, energy saving and environmental friendly technology – in the production process. The business has implemented the Environmental Management Best Practices by using 5Rs (Reduce Reuse Recycle Reinvent and Replace) and eco-efficiency concepts together with Best Available Control Technology which are one of the business' commitment to protect the environment and operate its business on sustainability concept.

Moreover, the business has applied and certified with ISO 14001 Environmental Management Standard, Carbon Reduction label, develop Eco-Friendly Product named Green Heart Label and Green Industry Awards level 4: Green Culture which received the Green Industry Mark granted by the Ministry of Industry. Now we focus on the activities of Green Industry Awards level 5: Green Network.

Environmental Impact from Waste Heat Recovery (WHR) Power Plant Project

This project does not require construction of power plant but will use the thermodynamic technology which will not generate any problematical pollution. So, it has positive impact, such as less dust emission from kiln process due to no any fuel combustion. In addition, the project can potentially help to reduce the Carbon Dioxide emission through the reduction of consuming the fossil fuel based power generation from Electric Generating Authority of Thailand (EGAT). This project has obtained the investment promotion from Thailand's Board of Investment (BOI) for import tax privileges on machinery.

In 2008, the Company revisited its initiative on waste heat recovery that once used with Kiln No.4 as the first kiln in South East Asia that used the waste heat from cooling tower to generate electricity. Each year, Kiln No.4 generates electricity up to 8,000 kilowatt.

The Waste Heat Recovery Power Plants used with Kiln 5 and Kiln 6, are under the operation of by Siam City Power Co., Ltd., which generate electricity of 14.2 megawatt and 11.5 megawatt respectively.

1.4 Work in Progress

None

3. Risk Factor

The company's risk and opportunity assessment, aimed at proactively developing preventive measures, is classified according to the three key dimensions of sustainable development, consisting of economic growth, environmental protection and social responsibility.

Economic Risks

- Energy costs

For the cement industry, fuel and electricity costs represent for over 75 percent of the total production cost. A long-term increasing trend in lignite and coal price is foreseen, mainly driven by the limitations of local lignite resources, increasing difficulties to license local lignite reserves and restrictions (taxes, quotas, qualities) developing on Indonesian coal. Electricity cost is likely to go up in accordance with the cost pass through policy of the Electricity Generating Authority of Thailand (EGAT).

To sustain energy availability and competitiveness in the long term, a long-term energy strategy has been implemented, covering operational optimization and sourcing management with key initiatives as follows:

- Cement separate grinding station that can increase productivity of cement per ton clinker by 20 percent and reduce energy content in cement;
 - The installation of high-momentum burners that allow to maximize the utilization of lower-heat value fuels;
 - Enhancing Waste Heat Recovery (WHR) systems to convert the waste heat of the kilns into power supplying for the plants;
 - Alternative Fuels replacing traditional sources of thermal energy such as coal and lignite, with the ambition to reach a 20 percent substitution rate by 2015
- Fluctuations in foreign exchange rates

The company has a moderate risk exposure to fluctuations in foreign exchange rates, because of the relative balance between the revenues of its export business and its expenditures in foreign currency for the import of raw materials, fuel and parts & supplies

The limited remaining net exposure is mitigated through financial hedging.

- Growing in construction segment (opportunity)

To continue to ensure adequate supply of products and services to its customers in long term, the company set up a working team to assess the company's resources availability in the next 10 years, particularly in-plant facilities, logistics, raw materials supply, as well as energy reserves. This analysis has confirmed the capability of the company and 5 years investment plans for expansion and upgrade of equipment has been developed to support the long term growth.

Environmental Risks

The company aims at minimizing the actual or potential impact of cement production on the environment. Therefore, key performance indicators and objectives related to the environment have been set as follows:

- Zero Waste to Landfill (ZWL): ZWL is the target of SCCC group. SCCC, Geocycle, Aggregates and CONWOOD have achieved and maintained the target since 2011. Ready-Mixed Concrete successfully reduced waste to landfill by 60.5 percent over the past 3 years until 2013 with further aim to achieve zero waste to landfill by 2016.
- CO₂ emissions: the objective is 12 percent reduction from 2007 to 2020 (750 to 660 Kg/t). In 2013, the company further reduced its CO₂ emissions to 678 Kg per ton of cement produced, a 10 percent reduction from the 2007 reference.
- Dust: in 2013, the company performed impressively on dust control. Our cement production process reduced dust emissions to 55 mg/m³, well below Thai emission limits and below the worldwide average of global cement manufacturers.
- NOx and SOx: in 2013, the company effectively reduced NOx releases to 824 grams/ton and Sox emissions to 52 grams/ton, significantly below local regulation limits.
- Water conservation was additional environmental focus in 2013. A number of activities such as policy of zero discharge of water from production, water consumption reduction campaign for 20 percent reduction by 2017 have been implemented across the company. In 2013, the company successfully used recycled and reused water up to 64 percent.

Social Risks

It is understood by all members of the INSEE Family that we are part and parcel of Tabkwang community in Saraburi Province where we live and operate. We are not just transients, and we are not guests of the people who have lived here for generations. Therefore, it has become natural for SCCC employees to behave as if we are a major stakeholders of the Tabkwang community. However, there are still risks that may upset the established warm relationship that we have with the people whom we consider our friends and relatives.

Therefore, our interrelationship with the community has been a creative and interactive one, particularly in 2013. Where education is concerned, as SCCC has redefined our “Green School” project as “Integrated Green School” for 2013 incorporating the teaching of vocational skills to teachers, students, and parents; water conservation and storage; sustainable and self-sufficient food sources; alternative energy supplies and other, we have decided to include a school in the community – Nikhom Tabkwang Anusorn 2 School.

All the facilities as mentioned above have been completed within the year and are now in the process of being assessed for effectiveness and efficiency during use in real life situation. With the enthusiastic cooperation and support of the members of the community who are parents of the students at the school, it clearly evidences that this project can serve as a natural glue to cement the good relationship that we have with the community.

Another noteworthy project completed early in the year was “Ming Mongkol Chalerms Prachon Mapansa 84 Pansa” Park – a name bestowed by Her Royal Highness Princess Maha Chakri Sirindhorn. The picturesque park, also located in Tabkwang Sub-district, and filled with energy-saving features and adorned with trees and plants that are endemic to the locality, has become an oasis for entire families of members of the Tabkwang community who now consider the 20-rai park as their very own ‘backyard’ garden where they come to enjoy morning and evening exercises, to relax in a soothing natural atmosphere.

4. OPERATING ASSETS OF THE COMPANY AND ITS SUBSIDIARIES

4.1 Property, Plant and Equipment

Objective: For business operations of the Company and its subsidiaries as at December 31, 2013

	Type of rights	SCCC	Subsidiaries	Total
Land, mineral reserve and site restoration	Owner	1,144	727	1,871
Building and structures	Owner	2,268	828	3,096
Machinery and equipment	Owner	5,378	2,930	8,308
Furniture, fixtures and office equipment	Owner	355	61	416
Motor vehicles	Owner	502	27	529
Assets under construction and installation	Owner	2,991	1,649	4,640
Total		12,638	6,222	18,860

Remark : Property, Plant and Equipment are not mortgaged.

4.2 The Company and subsidiaries carry on the business of real property

– N/A –

4.3 Intangible assets

(Million Baht)

	Type of rights	SCCC	Subsidiaries	Total
Mining concession	Owner	1,706	151	1,857
Computer software	Owner	5	2	7
Other intangible assets	Owner	109	2	111
Total		1,820	155	1,975

The Company and its subsidiaries have trademarks and concessions for shale and limestone mining (for cement industry) in Kaengkhroi, Saraburi, limestone mining (for construction industry) in Chalermprakait, Saraburi, limestone mining (for construction industry) in Uthong, Suphanburi, and Gypsum mining in Nongbue, Nakornsawan and plant license for aggregates operation in Uthong, Suphanburi and land leasehold in Hemaraj, Supanburi for industrial waste disposal and alternative fuel and raw material trading.

Executive summary of the existing mining concessions

Concession Holder	Area	Type of Granted Mineral Concession	Number of Concession	Land Size (Rai)	Validity of Concession (year)	Concession Expiration (year)
Siam City Cement Public Company Limited	Nakornratchasima	Soil Cement of Cement Industry	1	126-1-99	8	2022
	Nakornratchasima	Soil Cement of Cement Industry	2	409-2-32	23	2037
	Saraburi	Soil Cement of Cement Industry	3	146	8	2022
	Saraburi CEC	Limestone and Shale for Cement Industry	1	300	1	2015

Concession Holder	Area	Type of Granted Mineral Concession	Number of Concession	Land Size (Rai)	Validity of Concession (year)	Concession Expiration (year)
Siam City Cement Public Company Limited	Saraburi	Limestone and Shale for Cement Industry	20	4420-3-02	16	2030
	Saraburi	Limestone and Shale for Cement Industry	1	229-0-72	15	2029
	Saraburi	Limestone and Shale for Cement Industry	11	2261-1-90	5	2019
	Saraburi	Limestone and Shale for Cement Industry	1	285-0-78	1	2018
	Saraburi	Limestone and Shale for Cement Industry	1	285-3-00	3	2017
	Saraburi	Limestone and Shale for Cement Industry	1	290-2-88	1	2016
	Nakornsawan	Gypsum	2	585-0-82	8	2022
	Lampang	Limestone and Shale for Cement Industry	6	1627-2-00	7	2021
	Suphanburi	Limestone for Construction Industry	2	596-0-28	2 Months	2014
	Suphanburi	Limestone for Construction Industry	1	293-1-15	2	2016
	Suphanburi	Limestone for Construction Industry	1	299-2-92	7	2021

4.4 The Policy on investment in Subsidiary and Associated Companies

The Company's business operation policy is to emphasize on its core business, i.e. cement manufacturing and distribution. Formation of any associated company or investment in any subsidiary will be made only when it is in line with this policy. Generally, the Company's equity interest in a subsidiary is 100%, except in the case of a joint venture company which would depend on the agreement with the joint venture partner(s). With respect to the management, the Company would normally have its representatives in the Board of Directors of the subsidiary and associated company.

The Company's equity interest and control in the existing subsidiary and associated companies are as follows:

Company	Relation / % of shareholding	Number of Directors representing the Company/Total of Directors	Participation in policy setting
1. Siam City Concrete Co., Ltd.	Subsidiary / 99.99	4/4	Yes
2. Siam City Power Co., Ltd.	Subsidiary / 99.99	5/5	Yes
3. Conwood Co., Ltd.	Subsidiary / 99.99	6/6	Yes
4. Insee Superblock Co., Ltd.	Subsidiary / 99.99	3/3	Yes
5. Energy and Environmental Services Co.,Ltd.	Subsidiary / 100	3/3	Yes
6. Khmer Cement Industry Company Limited	Subsidiary / 100	2/2	Yes
7. Lanna Resources Public Company Limited	Associated / 44.99	3/14	No
8. Holcim Cement (Bangladesh) Co., Ltd.	Holding/ 10.42	1/7	No
Hold by Conwood Co., Ltd.			
1.PT Conwood Company Limited	Subsidiary / 99.99	3/4	Yes

5. Legal Disputes

- 5.1** Dispute that may adversely affect the Company assets by over 5% of the shareholders' equity as at December 31, 2013

-None.-

- 5.2** Pending dispute that may materially affect the Company's business operation that cannot be assessed in term of monetary value.

-None.-

- 5.3** Pending dispute not arising out of the normal course of business

-None.-

6. **General information and other important information**

6.1 **General Information**

- (1) Company Name, Head Office, Type of Business, Registration No., Telephone No., Fax No., Homepage, Type and amount of issued/paid-up shares.

Company Name: Siam City Cement Public Company Limited
Registration No.: 0107536001346 (Formerly, Bor Mor Jor 208)
Stock Code: SCCC, Listed on the Stock Exchange of Thailand (SET)
Type of business: Cement manufacturing and distribution
Head office: Column Tower, 7th - 12th Floor,
199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
Factory:

- Plant 1 and Plant 3, 99 Moo 9, Mitraparp Road Km. 129, Tabkwang Subdistrict, Kaengkhoi District, Saraburi, 18260, Thailand
- Plant 2, 219 Moo 5 Mitraparp Road Km. 131, Tabkwang Subdistrict, Kaengkhoi District, Saraburi, 18260, Thailand
- AFR Platform, 301 Moo 5, Mitraparp Road Km.133, Tabkwang Subdistrict, Kaengkhoi District, Saraburi 18260, Thailand
- Mortar Plant, 41/2 Moo 5, Mitraparp Road Km. 129, Tabkwang Subdistrict, Kaengkhoi District, Saraburi 18260, Thailand

Telephone: + 66 2 797 7000
Fax: + 66 2 797 7001 to 2
Website: www.siamcitycement.com

The Company's securities

1) Ordinary share

Issued and paid-up shares: 230,000,000 ordinary shares with the par value of 10 Baht per share.

2) Debentures

Issued Amount: 4,000,000,000 Baht, divided into 4,000,000 units with the face value of 1,000 Baht each

Debenture Name: Siam City Cement Public Company Limited Unsubordinated and Unsecured Debentures, Tranche No. 1/2009, with maturity date in 2013

Credit Rating of Debenture: Rated A grade by Fitch Ratings (Thailand)

Tenor: 4 Years from the date of issuance

Issue Date: 16 June 2009

Maturity Date: 16 June 2013

Coupon Rate: 4.50% per annum

- (2) Company Name, Head Office, Type of Business, Telephone No., Fax No. of the companies, hold by the Company over 10% of paid-up shares of that companies, as of 31 December 2013.

Company Name	Location of Head Office	Type of Business / Product	Registered Capital (million Baht)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
Hold by Siam City Cement Public Company Limited					
1 Siam City Concrete Company Limited	Thailand	Industrial Operation / Ready-mix Concrete and Aggregates	2,500	25	99.99
2 Siam City Power Company Limited	Thailand	Energy	2,000	20	99.99
3 Conwood Company Limited	Thailand	Industrial Operation / Construction Material	300	3	99.99
4 Insee Super Block Company Limited	Thailand	Industrial Operation / Light Weight Block	500	5	99.99
5 Energy and Environmental Services Company Limited	Bangkok	AFR Business (Transfer station)	180	1.80	100.00
6 Khmer Cement Industry Company Limited	Phnom Penh Cambodia	Cement Trading	2,505,000 USD	0.001	100.00
7 Lanna Resources Public Company Limited	Thailand	Industrial Operation / Coal Production and Distribution	525	525	44.99
8 Holcim Cement (Bangladesh) Limited	Bangladesh	Cement Trading	8.82 Taka	0.09	10.42
Hold by Conwood Company Limited					
1 PTConwood Company Limited	Indonesia	Construction Material	8 USD	8	99.99

Siam City Concrete Company Limited	Column Tower, 7th - 12th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7555 Fax: + 66 2 797 7005
Siam City Power Company Limited	Column Tower, 7th - 12th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000 Fax: + 66 2 797 7001-2
Conwood Company Limited	Column Tower, 7th - 12th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7444 Fax: + 66 2 797 7004
Insee Super Block Company Limited	Column Tower, 7th - 12th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000 Fax: + 66 2 797 7001-2
Energy and Environmental Services Company Limited	Column Tower, 7th - 12th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000 Fax: + 66 2 797 7001-2
Khmer Cement Industry Company Limited	House No. 21, Street 310, Sangkat Boeng Keng Kang 1, Khan Chamkamorn, Phnom Penh, Kingdom of Cambodia Phone + 855 23 215 328 Fax + 855 23 215 329
Lanna Resources Public Company Limited	Mahathun Plaza Bldg., 9 th Floor, 888/99 Ploenchit Road, Bangkok 10330, Thailand Tel.+66 2 253 8080 Fax.+66 2 253 5014,+66 2 253 6822
Holcim Cement (Bangladesh) Limited	House No.8, Road No.14, Bandhara, Dhaka 1212, Bangladesh Phone + 880 2 988 1002 - 3, + 880 2 881 2485 Fax + 880 2 881 5249
PT Conwood Indonesia Limited	Menara Jamsostek, North Tower, 15 th Floor, Jl. Jenderal Gotot Subroto No. 38 South Jakarta 12930, Indonesia Phone +62 21 5296 2146 Fax +62 21 5296 2147

(3) Other references

Share Registrar:	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. +66 2 229 2800 Fax no.+66 2 359 1259 Call Center. +66 2 229 2888
Debenture Registrar:	Bank of Ayudha Public Company Limited 1222 Rama III Road, Bang Phongphang Yan Nawa, Bangkok 10120, Thailand Tel. +66 2 296 4494 Fax no. +66 2 683 1389
Debenture Representative:	Thai Military Bank Public Company Limited 3000 Phaholyotin Rd., Jormpol, Jatuchak, Bangkok 10900 Tel no. +66 2 230 5449 Fax no+66 2 266 9779
Auditors:	Miss. Kamontip Lertwitworatep, Certified Public Accountant No. 4377. EY Office Limited (former name was Ernst & Young Office Limited) Lake Ratchada Building, 33 rd Floor, 193/136-137 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel.+66 2 264 0773 Fax. +66 2 264 0789-90