

## PART 1

### Company's Business

#### 1. Business Overview and Corporate Policy

Siam City Cement Public Company Limited (“SCCC”), an entity carrying out its core business operations in cement productions was initially incorporated as a limited company with the initial registered capital of 100 million Baht on 16 May 1969 and has started up its productions since 1972.

After continuously successful operation, the Company became a listed Company in the Stock Exchange of Thailand in 1977. In 1981, the Company developed fuel that was used in the cement productions in Saraburi Plant from bunker oil which had to be imported from foreign countries to be the domestically sourced lignite coals, thus, prompting the Company to be considered the first cement manufacturer in Thailand to use lignite coals for the production process.

In 1989, the Company became the first leading company in Southeast Asia to deploy the power production by using waste heat recovery system, which captured exhaust heat from the cement kilns to be reused in the production of electricity for its own production processes. Subsequently in 1993, the Company was officially renamed “Siam City Cement Public Company Limited to reflect new being a fully listed Company in the Stock Exchange of Thailand.

Deriving from the business turnovers which had continuously been growing until 1998, the business was expanded when Thai Roc-Cem Company Limited and HOLDERFIN B. V., the companies in Holcim Group of Switzerland became shareholders and strategic partners. In 1999, after completing debt restructuring and refinancing, the Company increased its capital to 3 billion Baht, from which the proceeds were used to upgrade its production facilities, improve quality and operational efficiency as well as to develop and introduce new products to the market continuously.

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

In 2013 and 2014, SCCC acquired assets of two light-weight block plants, the 1<sup>st</sup> plant in Singburi Province from Superblock Public Company Limited (SUPER), and the 2<sup>nd</sup> plant in Ratchaburi plant from Prosperity Concrete Company Limited.

In 2014, the Company became the first cement manufacturer in Thailand to be awarded the Carbon Footprint for Product (CFP) and Carbon Footprint Reduction labels from the Thailand Greenhouse Gas Organization (TGO). Moreover, the Company also received the Green Industry Level 5 (Green Network) Award for all of its plants, which is the highest award provided by the Ministry of Industry. This makes SCCC the first Company in the Thai cement industry awarded with Green Industry Level 5 certification for all of its cement manufacturing facilities.

On 30 March 2015, Holcim sold 57,270,000 shares or equivalent to 24.9 percent of the total issued shares of SCCC to Jardine Cycle & Carriage Ltd. ("JC & C"), Singapore-listed subsidiary of Jardine Matheson Group.

In September 2015, the inception of the ASEAN Economic Community (AEC) presented us with an opportunity for regional business growth. Thus we have taken steps to expand into more overseas markets. A joint venture was created to build a cement plant in the Kingdom of Cambodia under the name of Chip Mong INSEE Cement Corporation. SCCC held a 40 percent stake in this joint venture, with the remaining 60 percent held by Chip Mong Group Company Limited and three of the family members. Chip Mong INSEE Cement Corporation was officially established in December 2015. This cement plant, which was the most modern plant in the Kingdom of Cambodia, has the dry process cement kiln with an annual production capacity of 1.5 million tons.

At the end of 2015, SCCC was awarded 6 awards in Thailand and ASEAN energy awards in 3 categories, namely Special Submission, Off-Grid-Thermal, and Tropical Building. Such awards are our prides to encourage organizations of both state and private sectors to be aware of the importance on the efficient use of energy as well as to elevate Thai energy standard level to comparatively equal to that of international standard, as well.

In 2016, opportunities arose with many attractive companies becoming available in the acquisition market, including CEMEX (Thailand), CEMEX (Bangladesh) and Holcim (Lanka), which we readily acquired. Meanwhile, SCCC bought some assets in Valence Corporation Limited (Thailand), and specific interests were tabled for the possible acquisition of Holcim (Vietnam). In addition, the Company disposed all of investment in Holcim Cement (Bangladesh) Co., Ltd. at the amount of USD 16.92 million or equivalent to approximately Baht 590.1 million to Holderfin B.V., Netherland in November 2016.

In 2017, the transfer of the acquisition of 65% of the total charter capital of Holcim (Vietnam) Co., Ltd. ("HVL") from LafargeHolcim Limited to the Company was completed on 28 February

2017. On 23 March 2017, the Company established a new subsidiary, Siam City Cement Trading Co., Ltd., to operate trading, import and export business.

In addition, the Company increased its registered capital to 2,980 million baht from the resolution of Annual General Meeting of Shareholders No. 24 on 31 March 2017.

In 2018, the Company continued to develop and expand the products of its subsidiaries to serve the market demand such as expansion of the INSEE Superblock's wall-panel solution business, and in expansion of INSEE Ecocycle's industrial cleaning services and Municipal Solid Waste/Refused Derive Fuel management (MSW/RDF).

Year 2019 was a memorable year of SCCC Group because it is our 50<sup>th</sup> Anniversary with sustained value creation.

Currently, SCCC Group Company's core business is to produce five major types of cement, namely, Portland cement, Hydraulic cement, Mixed cement, Masonry cement, and INSEE Mortar ready-mixed cement. We have three cement plants with six kilns in Kaeng Khoi District, Saraburi Province with an annual production capacity of 13 million tons. Other businesses are concrete and aggregates, as well as other related cement business.

## 1.1 Corporate Vision, Corporate Mission, Commitments, and Strategy

The Board of Directors approved the new corporate vision, mission, and commitments to reinvigorate INSEE employees and created more forward-looking SCCC that holds optimism of success in the future.

**Corporate Vision:** We will continue to build on our long heritage of shared loyalty, creating trusting relationships with our business partners, our people and our community. We want to achieve the best value and a sustainable future for all our stakeholders.

**Corporate Mission:** We provide world-class construction materials and services that are vital to economic growth in Thailand and the wider region.

Combining sustainability and innovation, we strive for operational excellence and to exceed the expectations of all our stakeholders. Our reputation is built on outstanding performance in the quality of our products and customer service, the dedication and skill of our employees, our respect for the communities in which we operate and our ambition to set the standards for the industry of tomorrow.

### Commitments:

- **Working as a team:** One group, one vision, one team united in heart with our business partners for the good of all.

- **Doing what is right:** Staying true to ourselves and each other, maintaining the highest standards of discipline and integrity in everything we say and do.
- **Challenging conventions:** We are determined and always open to new ideas. We approach every business challenge with enthusiasm, optimism and strive to deliver innovative solutions beyond expectations.
- **Caring about our future:** We are committed to create a positive future for generations to come. Caring for our people, our environment, our community, and our nation.

## **Business Growth Strategy and Development Plan**

In 2019, Siam City Cement Public Company Limited faced many challenges that affected operational performances. These challenges included economic and political uncertainties, terrorism threats, intense domestic and international competitions, regional capacity surplus, and challenges in machine efficiency. However, despite these challenges, the Company was still able to capture new business opportunities, resulting good operational performance. These opportunities included the growth in Government infrastructure projects, the commercial construction projects in Thailand and overseas, the Belt and Road Initiatives, as well as the Eastern Economic Corridor. Higher demand for cement and clinker from countries in Asia Pacific and Middle East also positively contributed to the demand.

To enable the Company to become a regional leader in cement business, our Board of Directors approved the establishment of Group Executive Committee to leverage our operational strength across the region. The management highlighted important guidelines to improve and to sustain business growth in four areas, namely:

### **1. Core business**

Emphasis was on establishing new sales channels, premium price positioning, integrated services and market performance. We also emphasized new product development, efficiency improvement of the production process, and high capacity utilization to maintain costs leadership.

### **2. Building materials business and services business**

We have enhanced our value propositions of our Fiber Cement, Light-weight Concrete, Waste Management, and Industrial Service, and international trading to fulfill customers' demand. We have also built regional networks and enhanced business relationship with trade partners.

### **3. Embracing digital technology to improve performance**

Emphasis were on developing new sales channel to reach, learn and to fulfill customer requirements. We also adopted digital technology to improve machine efficiency and reliability in our production processes.

### **4. People Excellence**

The Company considered people the most important resources. People development plans emphasized on increasing leadership efficiency, functional capabilities

experience building via employee exchange program. The focus was also on improving the organizational structure to ensure that people in all positions of the Group Company are qualified and ready to develop themselves along with the growth of the business.

The implementation of the four strategies were carried out by Group Executive Committee with the goal to continue delivering business performance through 50 years and towards the years to come.

## **1.2 Milestone Changes in Business Operations**

In 2019, Siam City Cement Public Company Limited pursued her strategic plans to cope with the business challenges and to capture new opportunities, with the aim to improve operational performance; enhance customers' and trade partners' confidence and satisfactions; and to develop people and organization, and to embrace new technology.

The Group Executive Committee was established in March 2019 to execute strategies and operational plans to achieve growth at a regional level and to sustainably promote unidirectional business development to achieve three areas of business excellence in Thailand and overseas:

### **1. Operational Excellence**

Deploying new technologies and embracing regional cooperation to increase efficiency in the manufacturing and procurement such as energy & product quality development, machine reliability improvement, CAPEX management, as well as volume pooling procurement. A guideline drawn up to gain maximum efficiency in production cost and highest capacity utilization which will assure our regional leadership in cement business.

### **2. Commercial Excellence**

Exploiting new channels and new market penetration are emphasized. Strategies are adjusted to focus on agility to meet varying customer needs.

### **3. People Excellence**

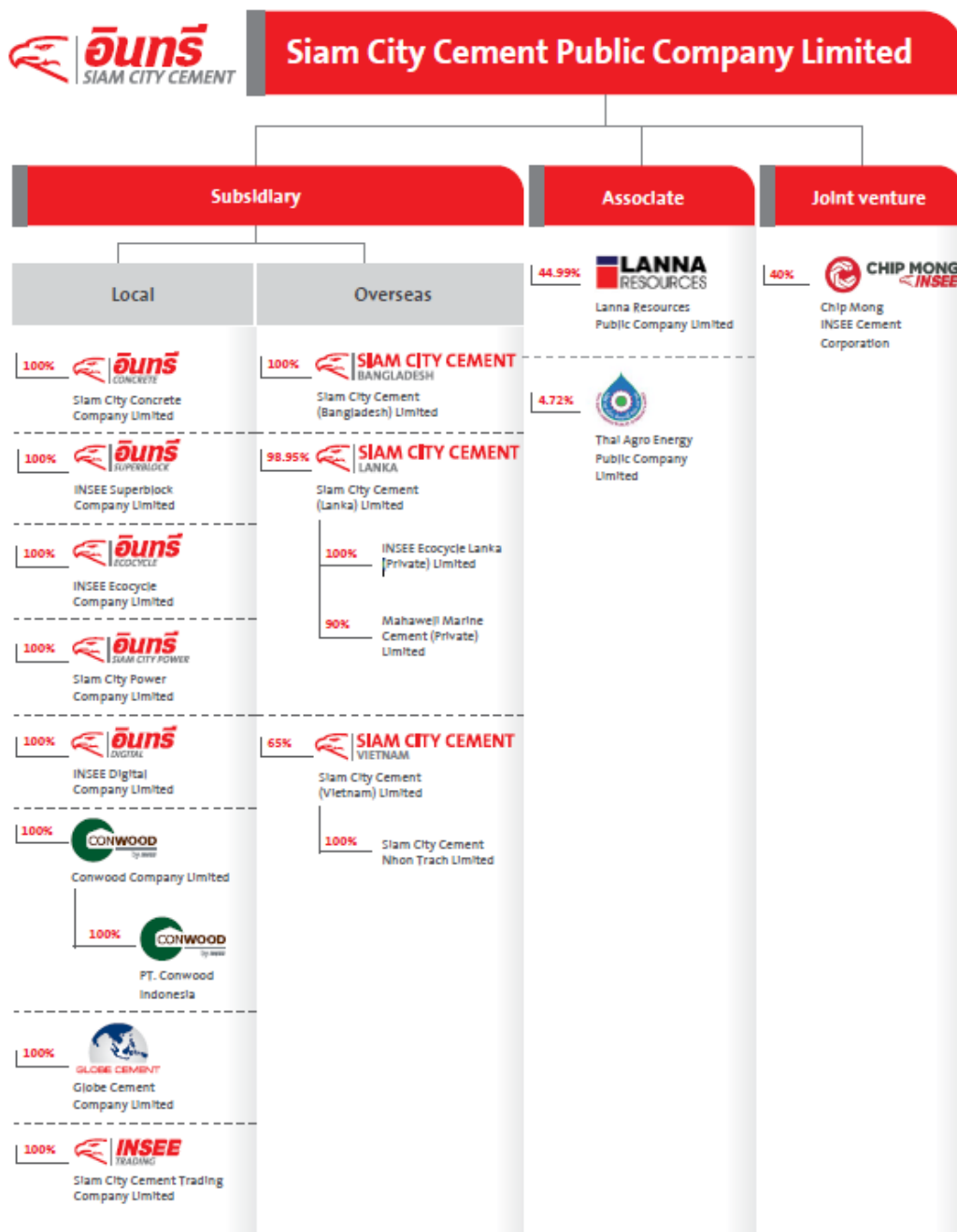
Organization restructuring, realignment and employee capability building are emphasized to assure excellence in all areas, business growth, retaining talent and attracting new-hires.

The Company also aim to achieve excellence in Financial, Occupational Health and Safety and Good Governance. These are achieved through the cooperation within Siam City Cement Group as well as with other stakeholders.

In the past 3 years, there is no significant changes and developments regarding the controlling power and the nature of business of the Company.

### 1.3 Business Group Structure

The Company exclusively hold shares in all of its subsidiaries in Thailand but for its Associated Company, namely Lanna Resources Public Co., Ltd., the associated company can appoint their representatives to be Board Members and participate in the approval of significant decisions or transactions. Whereas, in the case of Associated Company in Cambodia, namely Chip Mong INSEE Cement Corporation, a minority shareholder requires a shareholder agreement. So, the Company has the capacity to make an objection to any conflict of interest in order to secure and maintain the interest of the Company's investments.



## 2. Nature of Business

### Revenue Structure

Segment	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Net Sales						
- Cement	29,614	62	30,419	68	32,971	76
- Concrete and Aggregates	8,477	18	8,045	18	7,933	18
- Trading	6,423	14	3,461	8	-	-
- Others	3,079	6	2,839	6	2,730	6
Total net sales	47,593	100	44,764	100	43,634	100

### Business Operation, Marketing and Competition of Each Product Line or Business Group

Exactly 50 years ago, Siam City Cement Public Company Limited (SCCC) was incorporated as a limited company on May 16, 1969 to produce and sell cement products. The official production of cement commenced in 1972. Later in 1977, the Company listed on the Stock Exchange of Thailand, and in 1993 transformed into a Public Company under the name Siam City Cement Public Company Limited.

Since then, the Company has determined to grow the business portfolio and to expand its revenue base, and thus has expanded its businesses and established local and foreign subsidiary companies, associated companies and foreign joint venture production company. The Company's business ventures have now covered countries throughout Southeast Asia and South Asia.

As SCCC has been producing and marketing high-quality and innovative cement products domestically and in Asia, the subsidiary and associated companies were also hard at work to develop products and services related to the Company's core business encompassing operations involving many types of construction products and fiber-cement decorative materials for architectural works both domestically and abroad. Also, well advanced were peripheral businesses such as waste management and industrial cleaning services, IT and digital applications and international seaborne trade.

The subsidiaries, associated companies and the joint venture within Thailand and the region, are described in detail regarding their respective products and services including the marketing strategies and localized competitiveness, namely:



## **Siam City Cement Group Companies in Thailand**

### **Siam City Cement Public Company Limited**

Siam City Cement Public Company Limited (SCCC) is one of Thailand's leading cement producers. The Company has three cement plants with a total of six kilns, with the clinker capacity of 13 million tons, located in Kang Koi District, Saraburi Province. Currently, five kilns are in operations, with the combined production capacity of 12 million tons.

In terms of cement production, the Company runs 12 cement mills with the maximum capacity of 17 million tons. However, cement capacity relies on clinker capacity, thus limiting cement production to 14 million tons. Thailand's cement production capacity is approximately 60 million tons, with most Thai cement plants running at about 60 percent capacity. With excess capacity, Thailand remains one of the world's largest cement exporters.

### **1. Product and Service**

Throughout the years, SCCC has demonstrated its relentless commitment as one of the leading cement producers, currently offers five major types of cement products;

- **Portland Cement** specifically developed for the reliable production of ready-mixed concrete, high quality concrete tiles, all kinds of concrete piles and poles and panels, and as well as ideal for pre-stressed concrete products.
- **Hydraulic Cement** ideally is not only more durable to Portland cement but also for equivalent application as those of Portland cement, offering an improved workability of the fresh concrete and even environmentally friendly.
- **Mixed Cement** specially formulated for plastering and bricklaying works, where good workability with smooth and finishing works are required.
- **Masonry Cement** designed for fine plastering work, where extremely smooth finishing is essential, as well as maintaining excellent plastering workability to ensure masonry quality.
- **Mortar** also known as "INSEE Mortar," fulfills customers' need for absolute convenience and quality by providing ready-to-use products; namely, INSEE Mortar which can be used instantly by mixing with clean water in the appropriate portion.

### **2. Marketing and Competition**

The Bank of Thailand predicted that Thailand's economy will grow 2.8 percent in 2020. The lower GDP growth rate would be affected by (1) The on-going US-China trade war; (2) Brexit and the EU dispute; (3) Appreciation of the Thai baht; (4) New LTV law; (5) High household debt and NPL; and, (6) Delays and inefficient government budget process. However, the positive factors for Thai economic growth remain: (1) The continuous expansion of public infrastructure projects; (2) Economic stimuli policy (3) Continued tourism growth; and (4) Sustained growth in public and private consumption.



The construction sector has experienced lower growth rate due to internal and external changes, uncertainties and the digital transformation trend. The delays in government projects and budget process also held back growth. The industrial segment was affected by the delay in supporting policies while the residential segment also contracted due to the new LTV law in addition to the high household debt situation and a lower consumer confidence. Some developers have delayed new projects due to contracted demand.

Also, an increase in the domestic and regional cement production capacities has affected the cement market, leading to higher competition. Short-term tactical pricing was implemented by both cement producers and dealers to secure their respective customer bases. However, the long-running competition among cement producers will still focus on delivering superior products with variety and service quality, being one-stop service to improve end-user satisfaction and promoting direct product experience through various marketing and media events which would yield higher brand exposure and acceptance. Superior relationship with the distribution channels, for both dealers and producers, was also one of the key strengths due to the implementation of various customer relationship management platforms and business solutions. SCCC continuously provides business support programs to ensure the competitiveness and to build cooperation which helped to reduced business impact from competitors' marketing activities, thus enhancing relationship with customers and improve distribution efficiencies.

Meanwhile, INSEE Mortar drives its business by focusing on product mix management and expanding its product portfolio to chemical-based products to create long-term competitive advantages in the mortar market. Furthermore, INSEE Mortar is concentrating on value added products to build up profit and create strong relationships with retail channel and end-users.

### 3. Procurement and Production

The Company is Thailand's second biggest cement producer with 28.4 percent market share, operating three plants and five cement production lines and a total clinker production capacity of 12 million tons per year or cement production capacity of 11.6 million tons per year.

#### 3.1 Raw Materials and Fuels

Materials	Procurement	No. of Supplier	No. of Supplier depended over 30% of total purchase amount	Risk	Purchase Ratio	
					Domestic	Overseas
Main Raw Materials						
Limestone	Own resource and production and Yearly purchasing contract.	1	-	None	100%	-
Shale	Own resource and production	-	-	-	-	-
Clay	Long-term purchasing contract, own resource with employ contract to produce and supply	2	1	None	100%	0%
Gypsum	Long-term purchasing contract	1	1	None	100%	0%
Copper Slag	Create 1 year purchased agreement	1	1	None	0%	100%
Kraft Paper	Yearly purchasing contract and occasionally purchase	3	2	None	0%	100%
Jumbo Bag	Yearly purchasing contract and occasionally purchase	2	1	None	100%	0%

Materials	Procurement	No. of Supplier	No. of Supplier depended over 30% of total purchase amount	Risk	Purchase Ratio	
					Domestic	Overseas
WPP Bag	Long-term purchasing contract	2	1	None	30%	70%
<b>Main Fuels</b>						
Coal	Yearly purchasing contract and additional occasionally purchase	6	3	Medium (Good Relation <10)	-	100%
Lignite	Long-term purchasing contract	2	1	Low (Good Relation >10)	100%	-
Petroleum Coke	Occasionally purchase	1	1	None	-	100%
Diesel Oil	2 years contract with discount	1	1	None	100%	0%
Bunker Oil	Occasionally purchase	5	-	None	100%	0%

### 3.2 Environmental Impact from Production Process

As our commitment adheres strictly to the Sustainable Development (SD) roadmap and the environmental policy, the Environment Management System: ISO14001:2015 certification have been implemented continuously to control all environmental aspects relating to quarry operation and cement manufacturing. The zero-waste-to-landfill is also considered our good practice. In this regard, most of the wastes generated were manageable through the co-processing process at INSEE Ecocycle.

In 2019, the environmental audit conducted by the qualified independent third-party indicated that our businesses have followed the environmental regulation and other relevant obligations, while the environmental monitoring at both factory and surrounding communities were also indicated our good environmental performances covering all significant environmental aspects, e.g. stack emission, ambient air quality, noise level, wastewater, and industrial waste. No external environmental grievances from nearby communities and stakeholders were also not found.

To ensure our environmental management system and impact prevention, SCCC decided to join the Global Cement and Concrete Association (GCCA), integrating its international charters and standards into our environmental targets and obligations. At the national level, this year our Company has maintained the Green Industry Level 5 standard, the highest green industrial ranking of the Ministry of Industry, while also participating in various government environmental projects, e.g. Carbon Footprint Product Label, Carbon Footprint Reduction Label, Green Label, Green Meeting, and INSEE Say No to Single-Use Plastic.

#### 4. The jobs that have not been delivered

-None-

#### Globe Cement Company Limited

Globe Cement Company Limited (established 1990) is a subsidiary of SCCC since May 2016. The Company is located at Chalerm Phrakiat District, Saraburi Province. It produces Portland White Cement, Ground Calcium Carbonate and INSEE PowerFill.

## 1. Product and Service

- Portland White Cement, INSEE 91 is designed for heavy construction requiring high compressive strength, special white surface and decoration such as Terrazzo and Skim Coat. INSEE 91 meets TIS133-2556 requirements.
- Ground Calcium Carbonate ( $\text{CaCO}_3$ ), which involves crushing and processing limestone to create a powder-like form graded by size and other properties for the construction industry and cement making, among other different industrial applications.
- INSEE PowerFill is a high-performance additive used as a replacement of cement in concrete to improve cohesion and workability for mixes with a low binder content and a high flow.

## 2. Marketing and competition

In 2019, Globe Cement started diversifying the source of its operating income by launching two new products: Ground Calcium Carbonate and INSEE PowerFill, but Portland White Cement remained as the main economic driver.

The key marketing policy is to continue providing high-quality products at competitive prices with target customers in the medium to high groups. The Company distributes the products through wholesale, retail and professional segments, with the focus to compete in the less competitive high-quality product market. Although the fierce competitive conditions in the cement industry in recent years have affected the pricing mechanism, the Company's key success factors remained product quality and value.

## 3. Procurement and Production

Globe Cement has an annual cement production capacity of 844,000 tons, or 2,200 tons per day. All raw materials are locally sourced, except for white clinker, which is imported. Plant operation rigorously complies with safety and environmental policies. All processes are handled under ISO9001 and ISO50001 certification for an efficient quality and energy management system.

### 3.1 Environmental Impact from Production Process

Globe Cement conducts its business with environmental and social responsibility. The Company complies strict laws and regulations for the environmental protection of water, soil, air and noise control. Globe Cement owns a factory license type 106 to allow the use of industrial waste (ash from coal-fired power plants), as raw material in the production process. In 2019, Globe Cement received the CSR-DPIM Continuous Award from the Department of Primary Industries and Mines.

## 4. The jobs that have not been delivered

-None-

## **Siam City Power Company Limited**

### **1. Sourcing and Service**

Siam City Power Company Limited (SCP), a subsidiary of Siam City Cement Public Company Limited, was founded in 2011. The Company generates electricity from waste heat arising from clinker production and provides electricity cost saving to Siam City Cement. The Company obtained BOI approval to extend 100 percent corporate income tax waiver of K3WHR from three to five years. Also, approved was an additional 50 percent corporate income tax exemption for five years as Promotion Certificate No. 59-1306-1-00-1-0.

In addition, the Company plans to increase its capacity through alternative power generation such as solar energy and waste electrical power plant in the near future.

### **2. Marketing and Competition**

Although the Company's current capacity is sufficient to supply only Siam City Cement Public Company Limited, the Company is looking for future opportunities.

### **3. Procurement and Production**

#### **3.1 Production**

SCP has two plants with three production lines K5 WHR and K6 WHR located at plant No.3 with a maximum 18 megawatts of electricity each and K3 WHR which generates 12 megawatt of electricity.

#### **3.2 Raw Materials**

The main raw material used in generating electricity is the waste hot air from clinker-cooler room and the pre-heater tower at Kilns No.3, No. 5 and No. 6 in Siam City Cement's clinker production process, followed by raw water

#### **3.3 Service Works and Providers**

Service works required consisted of machinery repair and maintenance, security and other services. Most services employed domestic service providers with priority on quality and safety. The Company won Zero-Accident 2019 award - three consecutive years for high performance in safety controls from Ministry of Labor and CSR-DIW award from Department of Industrial works.

#### **3.4 Environmental impacts from Production Process or Waste Disposal**

With the utilization of waste hot air from clinker production processes of Kilns No.3, No.5 and No.6 to produce steam to drive steam turbines to generate electricity, the Company helps to mitigate impact on the environment from the release of hot air into the atmosphere. Also

reduced in the process is carbon dioxide emission, the primary greenhouse gas, thus helping to lessen global warming

#### **4. The jobs that have not been delivered**

-None-

### **Siam City Concrete Company Limited**

Siam City Concrete Company Limited (SCCO) is a leading construction material manufacturer in Thailand consisting of two divisions - INSEE Concrete and INSEE Aggregates. SCCO supplies a comprehensive range of standard, premium and high performance ready-mixed (RMX) concrete and aggregates products with an extensive network across Thailand.

#### **1. Product and Service**

Quality delivery of products and services to meet and exceed our customer's expectations, is fundamental to SCCO's business strategy and success. To further strengthen this position in 2019, fully equipped, purpose built RMX mobile batch plants were added. These plants have the capacity of regular fixed operations and can be fully installed and functional on-site within two days. Primarily, they will be used to strengthen the network capacity and reach throughout the Eastern Seaboard market, servicing major project work.

During the year, SCCO expanded its volume and portfolio of high margin, value-added products and services. The flooring business has shown steady growth and has completed multiple high specification floors. SCCO's ability to offer advanced technical solutions to its clients continued to provide a market differentiation, as well as a strong value proposition.

#### **2. Marketing and Competition**

Government infrastructure projects, particularly in Bangkok, continued to be the primary driver of growth in 2019. Multi-use development complexes also contributed, but both the high-rise condominium and residential segments were slow. The retail segment showed promising signs and has been a focus for SCCO due to the attractive margins.

Increased competition and sluggish growth are expected in 2020, due to growing uncertainty and a weakening of the global and local economic outlook. Private sector investment is critical and will be boosted with firm commitments of major project developments particularly EEC infrastructure.

#### **3. Procurement and Production**

SCCO continued to expand and improve its RMX and franchise network across the nation. The strong RMX product portfolio, along with availability of sand and high-performance aggregates within metropolitan areas offers comprehensive coverage for our customers.

### 3.1 Environmental Impact from Production Process

SCCO is uncompromisingly committed to achieving the highest standards of Safety and Environmental Management. Strict policies are enacted to achieve compliance to legislation, regulations, laws and standards.

Our goal is to operate our business in a manner that strives for “Zero Harm” to our employees, contractors, visitors, customers and the communities in which we operate.

INSEE Aggregates recently received two awards, namely, CSR-DPIM Continuous Award from Ministry of Industry and Gold Level Award in Occupational Safety, Health and Working Environment from Ministry of Labor.

### 4. The jobs that have not been delivered

-None-

## Conwood Company Limited and PT.Conwood Indonesia

### 1. Product and Service

Conwood Company Limited is one of the leading producers and distributors of decorative wood replacement products under registered trademark “CONWOOD”, produced from high-quality Portland Cement and well-delicate cellulose. Conwood is suitable for both interior and exterior applications such as floor decoration, wall decoration, eave and lath decorations and multi-functional decoration. Also, “CONWOOD Color” has been introduced into the market to serve specific applications.

In 2019, CONWOOD has emphasized product development and marketing channel expansion to align with the Company strategy to respond to the various requirements of product use and penetrating homeowner and end-user segments throughout Thailand. On product development, CONWOOD Deck T-Lock 4” 3in1 Color Layer and CONWOOD Decorative Panel S-Series are two new products designed to capture the opportunities and customers’ needs in term of aesthetics and dimensions. **CONWOOD Deck T-Lock 4” 3in1 Color Layer** gives look and feel of natural wood by addition of pigment layer. **CONWOOD Decorative Panel S-Series** delivers the clear line, deep grooving, and different dimension for modern homes.

On marketing channel expansion, CONWOOD started its online store and utilized Company’s social media (Line@: @CONWOODThailand, Facebook fan page: CONWOODThailand, and YouTube: CONWOODThailand) to enhance CONWOOD brand image, to build inspiration and to promote both online and offline marketing channels for more effective reach to the target audiences and other target groups.

**CONWOOD Design Space** is now operating as one-stop service and inspirational design center for architects, contractors, homeowners, and those interested in building decoration. The concept is to offer commercial touchpoints where customers can come in for expect consultation. In addition, technical service team provides product knowledge and installation

techniques to various target groups across Thailand to creating product and brand trust as well as proper product installation.

## **2. Marketing and Competition**

### **2.1 Marketing and Competition in Thailand**

With rapid construction trend and competition in the market, product development, new market searching and online sale to increase revenue and market share were new key focus strategies in 2019;

1. New product development to cope with more varied needs of decorative wood replacement.
2. Market expansion to second-tier provinces and online selling on several platforms to capture sales opportunity in the emerging markets. In addition, more focus on modern trade channel (B2B2C) to meet the consumer buying behavior and to gain the market share in the fast-growing channel.
3. Concentric diversification to transform into the total solution provider. These strategies could enhance CONWOOD brand perception and its awareness among home owners by adjusting the strategies to communicate both online and offline. Besides, CONWOOD has formulated and grouped company trademarks to enhance CONWOOD brand recognition.

### **2.2 Marketing and Competition in Indonesia**

Conwood means nature conservation. Products under the “CONWOOD” brand have become preferred materials for many famous architectural projects. The brand has gained trust from top developers, architects, hotels and international restaurant chains. In Indonesia, Conwood has penetrated market in almost all provinces. We supply products to more than 1,000 traditional retailers and more than 10 modern outlets with premium products. Today, CONWOOD is available online at major applications thus providing convenience for purchasers.

CONWOOD has continuously developed products and application to differentiate from competitors. To further develop housing solutions, CONWOOD launched new products in the decorative products category in eastern Indonesian market to help with national disaster recovery program. The Company has also organized application trainings – workshops to educate local contractors, installers and masons to apply Conwood.

To ensure that CONWOOD capture its business opportunities and continue to strengthen the brand awareness, the Company is focusing and prioritizing the working capital management, such as optimizing the inventory level, reduction in DSO and negotiation of terms of payment with suppliers.

The Company is also working on people development through several trainings for employees, such as, digital training, sales training, and waste management training. HR division had



outlined a strategy to build on the core strengths of the business model. We successfully reorganized sales divisions to focus on the goals to strengthen the businesses, enhance customer coverage, improve market share and drive efficiencies and growth. The HR team worked to create an environment where people can thrive and enabled to deliver sustainable organizational performance. In line with this vision, Conwood Indonesia embarked on digital transformation which not only affects products, processes and services, but also had a profound impact on how we work. With strong focus on human development, in 2019, PT. Conwood Indonesia was awarded as 'The best Company to work for' by HR Asia Award Indonesia.

### **3. Procurement and Production**

#### **3.1 Procurement and Production in Thailand**

Conwood plant in Saraburi province has three production lines with the capacity of 135,000 tons per year. The environmental conservation policy has been applied in the product process of all Conwood products. The Company has received the environmental management standard ISO14001:2015 certification, the quality standard ISO9001:2015 certification, and the occupation health and safety management standard OHSAS18001:2007, while all products have also been endorsed as eco-friendly construction materials by the Singapore Green Label.

#### **3.2 Procurement and Production in Indonesia**

PT Conwood Indonesia was established in 2011 and started operations in 2012 to import and distribute Conwood's wood replacement products in Indonesia. A manufacturing plant, situated on an 8-hectare piece of land in Jababeka Industrial Estate, started operations in June 2014 with one production line and a production capacity of 36,000 tons/year. The plant has been designed for expansion to accommodate five production lines to meet growing domestic demand in Indonesia and the export market.

The production process of Conwood is guided by strict environmental protection policies such as the environmental management standard ISO14001:2015 certification, the quality standard ISO9001:2008 certification, and the occupational health and safety management standard OHSAS18001:2007. In addition, it has been certified by the Singapore Green Label for its eco-friendly construction materials and Green Listing Product by Green Listing Indonesia.

The procurement objective is initially to support Conwood Indonesia construction, operation commissioning, sourcing, assessment and tendering process all mechanical and electrical contractors for construction phase. Sourcing raw materials, spare parts, and all supporting materials for production included supplier assessment and evaluation. Procurement also supported the Company to source alternative materials and suppliers (fiber, cement, additives, etc.) with the aim to save cost. Procurement team in Indonesia are align with SCCC Procurement for regional and global sourcing.

### 3.3 Environmental Impact from Production Process

With Conwood's philosophy to be a green producer, we have committed to recycle and reuse waste heat, waste water, and laminated trimmings as well as to use technology that is non-toxic while other waste and dust are sent to be disposed by the Company in the INSEE Group. Furthermore, we have consistently attempted to reduce energy consumption and optimize the use of natural resources. We believe that mitigating industrial pollution is the best investment we can make for our future.

#### 4. The jobs that have not been delivered

-None-

### INSEE Superblock Company Limited

INSEE Superblock Company Limited manufactures light-weight concrete products (Autoclaved Aerated Concrete: AAC) under "INSEE Superblock" brand. Two of our three factories are located in Singburi Province with one in Ratchaburi Province. All three factories produce high-quality ISO9001:2015 certification AAC products that are suitable for all types of buildings.

#### 1. Product and Service

INSEE Superblock constantly develops AAC products to ensure quality with focus on creating new value-added products and services for our customers. A wide range of high-quality INSEE Superblock products included reinforced wall panels and panels with installation package for construction projects. INSEE Superblock also provide the wall solution service that can serve the customers in design phase and deliver the high-quality wall panel installation with experienced team to ensure that we exceed the customers' expectation. Our team provides support in design for producing standard and custom wall panels. The installation process is reliable and efficiently reducing the construction time, labor and cost. Furthermore, our products significantly reduce the construction waste and are friendly to the environment.

#### 2. Marketing and Competition

Overall domestic real estate and domestic construction markets have shown signs of recovery with improved light-weight concrete block price trend as a result of public sector investment in large construction projects. Our Company has continually reduced budget and costs to be more competitive. More value-added products, geographical focus on profitable area and retention of customer base and cement channels will help to sustain our business. Additionally, we extended product variations and served customers with solution services to avoid price competition and in response to market demands. Increased productivity is helping to reduce the construction time and budget with resultant gain in margin.

The public sector projects and Suvarnabhumi Airport phase II expansion of the passenger terminal continued to utilize our products. This is an opportunity for INSEE Superblock to be considered by other airport expansion projects in the provinces. For the high-rise and low-rise

residential projects, INSEE Superblock has retained customers' trust and they are likely to continue using our products and services as the benefits include reduced labor and less construction waste. On commercial projects, the Bangkhuntian Elderly Hospital, Bang Po Hospital and other officer building projects have used INSEE Superblock reinforced panel products and services.

### **3. Procurement and Production**

**Main raw materials** - cement, sand and lime are sourced domestically, while aluminum powder is imported from Germany and the Czech Republic.

**Production** - INSEE Superblock factories produce high-quality ISO9001:2015 certification AAC products with a total production capacity of 7.2 million square meters/year. The efficiency of the production process of block and panel has increased significantly.

#### **3.1 Environmental Impact from Production Process**

INSEE Superblock mitigates the environmental impact of its production process and from its disposal of unwanted raw materials through both reuse and recycling processes, and the utilization of substitute raw materials which account for more than 40 percent of total raw materials used in the entire production process.

As a result, INSEE Superblock is the only light-weight concrete producer in Thailand to be certified "Green Label", TGL-61-11, from Thailand Environment Institute Foundation. Another initiative is the treatment of water from production process before discharging to public waterways.

### **4. The jobs that have not been delivered**

-None-

#### **INSEE Ecocycle Company Limited**

INSEE Ecocycle, a subsidiary of Siam City Cement Group, offers sustainable solutions to a range of industries in various sectors. We believe in partnering with our customers and stakeholders to develop and deliver "peace-of-mind" waste management and industrial service solutions. Our mission is to earn respect and trust through safeguarding our customers' reputations and improving their environmental footprint. In order to better accomplish our goals, we entered into the assets sale and purchase agreement with industrial cleaning businesses in 2016 and 2018. This allowed us to offer waste management and specialist chemical and mechanical cleaning services across a wide range of sectors. INSEE Ecocycle is now positioned as one of Thailand's leading waste management and industrial service solutions providers.

## 1. Product and Service

INSEE Ecocycle offers its waste management services across Thailand and all industries, particularly oil & gas, petrochemical and power generation sectors, both domestically and internationally.

The Company has two facilities for waste pre-processing located in Saraburi and Chonburi and one facility for industrial cleaning services in Rayong. The Company has been certified with ISO9001:2015 ISO14001:2015 and OHSAS18001:2007 certifications.

### Our services include:

- 1. Waste Management Services:** INSEE Ecocycle provides waste management services and expertise in handling a variety of industrial wastes from different industries including oil & gas, petrochemical, automotive, electronic & electric (E&E), fast-moving consumer goods (FMGC). Our waste management services include consulting, waste analysis, handling, logistics, processing and final treatment in our cement kilns.
- 2. Industrial Services:** Industrial Services: INSEE Ecocycle is a specialist in industrial cleaning and related services for the oil & gas, petrochemical and power generation sectors. Our industrial services team can provide specialized solutions in chemical cleaning, ultra-high-pressure water jetting, decontamination, tank cleaning, catalyst handling and other related services. Waste generated from the cleaning process is handled in a sustainable manner in full compliance with all regulatory requirements.

## 2. Marketing and Competition

For Waste Management Services, INSEE Ecocycle's customers include leading companies in various sectors such as automotive, steel, and FMCG. The companies who are concerned with protecting their reputation engage us to provide safe, environmentally sound and sustainable solutions that meet their internal requirements while adhering to all regulatory requirements. INSEE Ecocycle aims to make a real difference for our customers, stakeholders, the environment and our society with "peace-of-mind" to protect customers' reputation.

For Industrial Services, major customers are in refinery, oil & gas exploration and production, petrochemicals and power generation sectors. These industries require industrial cleaning services for operational assets covering all lifecycle phases starting from pre-commissioning, maintenance until finally decommissioning. INSEE Ecocycle provides expertise in industrial cleaning for a complete range of services with professional cleaning process synergized with expertise in managing waste generated in a sustainable way with full compliance to all regulatory requirements.

### **3. Procurement and Production**

INSEE Ecocycle is committed to continue improving its operation in line with international standards in quality, environment and occupational health and safety. This has been acknowledged with the many awards the Company has received. In 2019, the Saraburi facility received the highest level on the Best Practice Waste Processor Award, the Gold Award Plus while the Chonburi facility received the Gold Award from the Department of Industrial Works.

#### **3.1 Environmental Impact from Production Process**

We manage and conduct our operations in an environmentally sound manner and implement effective controls to reduce or eliminate the release of pollutants to the environment. INSEE Ecocycle has been awarded the Green Industry Level 4, Gold Medal and CSR-DIW Continuous Award for both waste facilities. These awards reflect a strong commitment of INSEE Ecocycle to high standard of safety and operations with continuous improvement in waste management process as well as social responsibility within and beyond the organization throughout the whole supply chain as an integral part of the organization's culture.

The Company is aware that its responsibility is beyond managing our customers' waste. We are responsible for the care and protection of the customers' reputation as well as their other stakeholders. The Company is mindful of the concerns of all stakeholders. We take pride in being the trusted partner for all customers and stakeholders. In 2019, the Company continue our dedication in green industry leadership by applying for the Green Industry Level 5 status which is the highest rating for the Thai Green Industry award.

### **4. The jobs that have not been delivered**

-None-

#### **INSEE Digital Company Limited**

INSEE Digital Company Limited, a subsidiary of Siam City Cement Group, was established in 2013 to offer the complete digital technology and information technology services to SCCC and all its Group companies within Thailand and abroad, including Chip Mong INSEE Cement Corporation in Cambodia, Siam City Cement (Bangladesh) Limited, Siam City Cement (Lanka) Limited and Siam City Cement (Vietnam) Limited.

#### **1. Product and Service**

INSEE Digital is the regional business partner for all SCCC business units, helping them to apply digital and IT technology, including IT infrastructure, IT security, and data analytics. It helps business to optimize cost through automation to ensure compliance in their operations by creating business differentiation and a competitive edge in the cement industry and the construction materials business.

## **2. Marketing and Competition**

INSEE Digital is determined to be a credible and trusted partner who can offer IT technology services to help create smart organization systems and connect our business with customers and business partners in real time. The goal is to enhance the potential and the efficiency of the organization while creating a competitive advantage for the Group and related parties by:

- Offering excellence in IT services to oversee complete IT and digital technology services with exceptional quality.
- Creating a smart insight-driven organization by introducing the systems that will help connect all elements, from the start to the end. To offer the best experience and business intelligence, and analytics to enhance the capacity and capability of users.
- Representing the strength of SCCC by leveraging the intellectual property of SCCC to become a leader in information technology with the best operations to attain sustainable development.
- Being the regional hub in IT Technology Services by transforming, expanding and strengthening our people and organization capabilities.
- Being a technology adviser with thorough understanding of all components of information technology so that it may be applied with maximum effectiveness for all SCCC subsidiaries and related parties to boost their competitiveness and create new business opportunities.

## **3. Procurement and Production**

INSEE Digital Company Limited selected the smart technologies currently available in the market for both software and hardware. All technology solutions implemented at SCCC will be the platform for the future and be able to support future Digital Technologies. All solutions implementations are developed by the Company's employees with support from the business partners. INSEE Digital has hosted all solutions on both private and public cloud.

### **3.1 Environmental Impact from Production Process**

The Services of the Company does not create any environmental issues.

## **4. The jobs that have not been delivered**

-None

## **Siam City Cement Trading Company Limited**

Siam City Cement Trading Company Limited, since its inception in 2017, has become a leading trading organization in its sector in the region. We trade in and deliver a comprehensive range of cementitious and fuel related products within APAC and beyond. Our key focus remains to continue to support SCCC's domestic and international subsidiaries in all its seaborne bulk raw materials, related documentations for export and import while increasing our foothold on trade with third-party suppliers and customers in the region.

### **1. Product and Service**

Trading of all related products and services to meet customer requirements with the primary focus being to optimize the exports of SCCC Thailand unit. We continue to deal with all cementitious commodities, solid fuels and its shipping activities. To strengthen our position in 2019, we have widened our network of suppliers and customers and increased our third-party trade portfolio.

### **2. Marketing and Competition**

Every year brings new changes and along with it challenges and opportunities, the key is to grasp and adapt quickly. While some of our peers in the region are evolving due to organizational changes, our key challenges and opportunities were driven by geopolitical issues such as the US-China trade war, escalating tensions in the Middle East, Forex related uncertainties that added to the volatility within the region and beyond. Adjustments to the business are required as we move along a path strewn with sudden changes and hence our positions were well spread out from the beginning of the year to avoid too much exposure to a certain country or factor.

### **3. Procurement and Production**

Our buying and selling patterns follow regional changes of supply and demand, selecting reliable partners for supplies and customers with robust credibility is a must during times of volatility. Destinations for exports were widened and network of suppliers increased to minimize risk exposure strictly following the Trading Policy adopted by the organization. We have also increased our focus on green products such as GBFS, Fly Ash and other waste materials.

#### **3.1 Environmental Impact from Production Process**

-None-

### **4. The jobs that have not been delivered**

-None-



## **Siam City Cement Group Regional Companies**

### **Siam City Cement (Bangladesh) Limited**

Siam City Cement (Bangladesh) Limited (INSEE Cement Bangladesh) is a subsidiary of Siam City Cement Group since the acquisition from CEMEX Cement (Bangladesh) Limited in May 2016. The Company has a grinding capacity of approximately 0.5 million tons per year.

#### **1. Product and Service**

Portland Composite Cement (PCC) is SCCBD's main product, comprising about 95 percent of its annual sales. PCC cement uses Granulated Blast Furnace Slag, Limestone, and pozzolanic material such as fly ash to increase the long-term strength and reduce clinker factor to improve the carbon footprint and cost. The use of Ordinary Portland Cement (OPC), which contains high clinker percentage (approximately 95 percent), is mostly limited to government projects and infrastructure. Also, SCCBD has started to export PPC to eastern India.

#### **2. Marketing and Competition**

In 2019, SCCBD reached new heights in sales volume and establishing INSEE as a premium brand. While SCCBD's optimum capacity utilization is ensured with higher sales, sales mix was also restructured to improve profitability. SCCBD continued to maintain delivery of superior quality cement in the local market which is vital for building the brand. Innovative and market-specific loyalty programs with channel partners, as well as more focused and tailor-made influencer events have reinforced INSEE as a superior cement brand.

Expansion in late 2018 and 2019 by competitors along with the entrance of a new player, Bengal Cement, increased the competition significantly. This resulted in the reduction in cement prices, squeezing already thin margin. Large cement manufacturers, who are also business conglomerates, continued to pose competitive pressure on multinationals with their scale advantage. Thus, MNCs' market share was reduced to less than 20 percent. Among the top 10 cement market players in Bangladesh, seven are local, and three are multinationals.

Bangladesh Cement industry has a size of approx. 34 MTPA with approx. 10 percent annual growth over the last ten years. Per capita cement consumption is approximately 200 kg, which is still much lower compared to peer countries in South Asia, indicating room for growth in the coming years. The country continues to take great strides in the public infrastructure projects like Padma Bridge, Metro Rail (SCCBD's client), Elevated Express Way (SCCBD's client). The Company plans to be a part of the tremendous growth by enhancing its capacity from 0.5 to 1.3 in 2020.

#### **3. Procurement and Production**

The 13-acre SCCBD plant located in Narayanganj, 34 km south of Dhaka. All raw materials, except fly ash (PFA), are sourced through Siam City Cement Trading Company Limited (SCCTR). PFA is sourced from neighboring India. Finished products are delivered to customers by road and water, at 73 percent and 27 percent, respectively. Considering the increase in clinker and other raw material prices, SCCBD has adopted robust procurement

initiatives to continuously develop new strategic sources together with the expertise of SCCTR to source materials at competitive prices while maintaining the quality levels.

### **3.1 Environmental Impact from Production Process**

SCCBD respects and complies with national laws and the Company policy on environment, health & safety, and committing to zero harm to people and environment and undertaking CSR activities in the community. SCCBD carries out good community relationships through CSR activities such as free medical camps and medicines for the community and facilitating the supply of drinking water.

### **4. The jobs that have not been delivered**

-None-

### **Siam City Cement (Lanka) Limited**

Siam City Cement (Lanka) Limited (SCCLK), Sri Lanka's premier cement manufacturer and producer of Sanstha Cement, chosen to build over a third of houses in the country, holds the largest share of the market at 33 percent. Approximately 75 percent of INSEE Cement Sri Lanka's total revenue is generated from the retail segment. In 2019, the bag segment dropped 1.3 percent YoY mainly due to weak demand because of unexpected heavy rainfall patterns, national emergency and volatile political and economic situations leading to the downturn in the cement consumption. The bulk segment dropped 8.9 percent YoY in 2019 due to the slow progress of infrastructure projects. INSEE Business-to-Business segment continued to perform better than the market with success in gaining incremental sales from customers and key accounts through enhanced product quality and services.

SCCLK's overall cement sales dropped by ~9 percent in 2019 compared to the previous year. Overall, the total Sri Lankan cement market is expected to grow only at 5 percent in 2020, while the Company expects a 10-percent volume growth. SCCLK's operating EBITDA for 2019 improved 14 percent to LKR3.5 Bn compared to 2018.

Ecocycle Business has focused on providing strategized total service solutions including non-kiln based waste management solutions and resource recovery facility activation. Ecocycle partnered with a leading multinational corporate to establish the country's first resource recovery facility to capitalize on circular economy principles.

SCCLK produces 3.5 million tons of cement per annum. The Company recently boosted its operating capacity with new grinding plant in Galle by 0.4 million tons year, and setting up an INSEE Concrete (ready-mixed) plant in Peliyagoda. SCCLK also has a cement import terminal in Colombo with a 800,000 MT per annum capacity.

### **1. Product and Service**

Our effort to minimise environmental impact through process optimization strategies and progressive technology to reduce carbon emission levels from different facets of the manufacturing operation continued to yield good results.

We continued to promote the use of Superior Blended Cement product portfolio, which responded to the changing market conditions and the need to improve sustainability and footprint of our products. We pioneered slag based blended cement variants, which was a culmination of years of research combining local expertise and global technology to engineer green cement products. This new range of blended cements is manufactured from industrial co-products and is designed to promote sustainable development and eco-friendly construction. Slag based cements are made for coastal and harsh environments, roads, foundation and rafts, and large infrastructure and reinforce the longevity and sustainability performance in construction.

## **2. Marketing and Competition**

INSEE successfully lobbied to change the local standards to increase mineral components (MIC) by additional 5 percent in our blended cement resulting in a clinker factor reduction.

In the cement industry, SCCLK and Tokyo Cement Ltd continued to hold about 65 percent market share, while Ultratech, Singha Cement (Penna Cement India) and bag importers sharing the remaining 35 percent resulting in a very competitive environment. Furthermore, low-price, low-quality imported bag products have eaten into the premium segment. SCCLK therefore aims to increase market share from current 33 percent to around 36 percent in 2020.

### **Penetration into Ready-Mixed Business**

Penetration into specialized concrete through our ready-mixed business by providing thermal control concrete mainly for piling and pylons and aggressive canvassing of projects lying in the serviceable perimeter of the plant helped the new plant to achieve ready-mixed YTD Volume of 46,000 M<sup>3</sup>.

## **3. Procurement and Production**

Supply chain and logistics continued to focus on lean and agile supply chain practices. The Company established three more Express Logistics Centers (ELC) in Kadawatha, Piliyandala and Nuwara Eliya, connecting the central hub and highway network in the Western Province. Through ELC's, the focus was to take our cement products closer to the end market and reduce the load cycle time to enable distributors and dealers to improve redistribution.

The fleet was upgraded with more efficient vehicles, while route monitoring software was introduced to ensure efficiency optimization. Further improvements were made to strengthen the ship to-ship operation used to transfer clinker from Trincomalee to Ruhunu Cement Plant to reduce the need for road transport.

As part of this effort, the Galle outer anchorage was commissioned and operated through ship-to-barge operation. It is expected that a combination of these efforts would lead to a significant reduction in SCCLK's overall cost and scope 2 emission levels in future, while reducing road accidents.

### **3.1 Environmental Impact from Production Process**

Given the nature of SCCLK's business and its reliance on natural resources, climate change is likely to have a significant impact on our operations, customers and supply chain, in turn affecting our ability to execute the strategy and ultimately the profitability of our business. Currently SCCLK and INSEE Group (parent company and subsidiaries) are working on a carbon reduction target and protocol that would minimise environmental impact.

INSEE Cement's business operations are invariably reliant on natural resources. Hence, climate change is believed to have a significant impact which would in turn affect overall performance and profitability. Effective measures are put in place by having a professional environment team designated to each manufacturing location, to report and monitor performance against key environmental metrics. Also, additional approval is obtained from authorities such as Marine Environment Protection Authority (MEPA), National Building Research Organization (NBRO) to name a few, prior to the process of every INSEE Cement plant.

### **4. The jobs that have not been delivered**

-None-

### **Siam City Cement (Vietnam) Limited**

Since its establishment in 1994, INSEE Vietnam has become one of the leading cement producers and waste management companies in southern Vietnam. We are proud that our products are used in so many iconic buildings and infrastructure projects, as well as countless housing and commercial developments, across southern Vietnam, contributing to the economy, environment and society development.

The Company has more than 1,100 employees working at five different cement production sites with total grinding capacity of 6.1 million tons, meeting almost 9 percent total demand of the Vietnamese market estimated at 70 million tons per year.

### **1. Product and Service**

#### **Traditional products & services**

- **INSEE Cement**

We provide a wide range of applications base cement product including cement for individual housing, industrial and infrastructure applications. High-quality products and dedicated customer services have given our customer confidence that they have chosen the right partner. For the industrial market, we offer special cementitious solutions such as precast, concrete applications or specific infrastructure with unique requirements.

In 2019, we expanded geographically in bag segment to several markets in the Southeastern region. As part of our strategy to develop greener product, we introduced Lavilla Xtra by introducing the first Composite Cement (CC40).

- **INSEE Ecocycle**

We have been providing for more than 15 years a “peace of mind” solution to our customers who want to have their industrial waste properly handled and respectful to the environment: With our Co-processing solution, waste materials are completely destroyed leaving zero residue and helping in reducing CO2 emission.

- **Drymix**

Drymix was successfully introduced to Vietnam market in 2018. To deliver full package of cementitious finishing products to customers, Drymix Vietnam launched three products in 2019: INSEE Wall Speed and INSEE TileFix Plus in March and INSEE TileGrout NANO in June. New TileGrout product development is also in progress to diversify product portfolio. Drymix market is expanding beyond nine key cities in the East, Mekong, southern Vietnam and HCMC.

## **2. Marketing and Competition**

Vietnam's cement market experienced only a moderate growth of 1 percent in 2019 versus the previous year. This was mainly due to the temporary construction license issuance freeze in HCMC which represented more than 30 percent of the cement consumption. Other markets in southern Vietnam still showed robust growth of 3-4 percent. Vietnam construction industry is driven by large and growing population, strong urbanization trend and significant Foreign direct investment driving demand for industrial zones and infrastructure.

Meanwhile, the general public is increasingly favoring environmentally friendly and durable construction materials since Vietnam is exposed to negative impact from climate change.

## **3. Procurement and Production**

### **Smart Procurement**

In 2019, the Procurement Team had a new organizational structure devoted to Category Management and Procurement Excellence to ensure that there is a strong alignment in strategies (1-5 years) for all spending on materials and services, and that that value is optimized, while costs are continually challenged.

### **Green Manufacturing**

Our approach to Green Manufacturing focuses on minimizing negative environmental impacts and strengthening positive impacts while also improving performance. INSEE Vietnam has always taken environment into account when designing our operating procedures and making the processes environmental friendly. We have invested on Bag filters to reduce dust emissions to approximately 14.5mg/Nm<sup>3</sup>, well below the limit required by Vietnamese law of

100mg/Nm<sup>3</sup>; Vertical Roller Mill (VRM) to reduce energy consumption by about 20 percent; Waste-heat recovery power plant generates 25 percent of the plant's electricity demands, indirectly eliminating approximately 25,000 tons of CO<sub>2</sub> per year; co processing more than 1.2 million tons of waste that otherwise would have been landfilled.

### **3.1 Environmental Impact from Production Process**

Environmental performance is firmly anchored along the entire value chain, from production to end-users to mitigate any environmental impact. With a continuous online environment monitoring system and regular baseline testing from third-party, INSEE aims for highest environmental compliance and performance. The efficient consumption of non-renewable natural resources is made possible through the development of blended cement that have been awarded with green labels.

## **4. The jobs that have not been delivered**

-None-

### **Chip Mong INSEE Cement Corporation**

Chip Mong INSEE Cement Corporation (CMIC) is a joint venture between Chip Mong Group (CMG) Cambodia and Siam City Cement Group (SCCC) Thailand, with CMG holding 60 percent of the equity, and SCCC 40 percent. The joint venture combines the excellent local market expertise and distribution network of CMG with the best in SCCC's cement technology knowhow. The Company's vision is to be the most admired and trusted solution provider in the Cambodian cement industry and beyond. We have a bench strength of just under 400 employees including well diversified professionals from all over the world.

## **1. Product and Service**

With state-of-the-art equipment and systems utilizing the latest technologies, CMIC's Touk Meas Plant produces four types of cement: OPC with "Camel Orange" & INSEE Diamond, masonry cement with "Camel Green" and blended cement with "Camel Strong" - our newly launched product. CMIC is focused on providing innovative product portfolio to answer customer needs and enable our CO<sub>2</sub> reduction ambitions.

An advanced quality management system with the latest analytic equipment ensures top-quality products and services for both the retail and industrial market segments, all manufactured from carefully selected local raw materials. CAMEL Orange, Green and Strong cement brands are for the retail market while "INSEE Diamond" is for the technical and industrial markets. They account for 65 percent and 35 percent of our sales portfolio, respectively.

## **2. Marketing and Competition**

Cambodia is one of the fastest growing economies in the region, with construction being a key driver behind the 7-percent CAGR of GDP in recent years. The country's real estate sector

has been experiencing tremendous growth in all segments from residential to commercial and infrastructure development. Investment from China continued to be strong. Along with a robust annual population growth of approximately 1.5 percent per year, cement demand growth is expected to be solid in the coming years. On the supply side, there are currently four key local cement producers in the country, capable of supplying around 6.6 million tons of cement per year, accounting for an estimated 65 to 70 percent of the local cement demand. End of 2019, a new local cement player called “Thai Boon Roong” will be adding another ~1.3 million tons of cement per year.

Currently, CMIC holds approximately 24-25 percent share in the national cement market and has been investing in building customer and other stakeholder partnerships, steadily developing its own human capital and taking very seriously its social and environmental responsibility through tangible actions.

### **3. Procurement and Production**

The Touk Meas Plant, with an annual production capacity of ~1.7 million tons of cement, so far, the plant has been able to supply up to 80 percent of the sales demand of the Company while the rest was imported from other SCCCTH cement plants in the region.

#### **3.1 Environmental Impact from Production Process**

CMIC was able to generate over 33 percent of its electricity needs from renewable source located at the plant site. This comes from both solar panels and waste heat recovery systems. The solar panels are comprise one of the country’s largest installations producing 10MWp in first quarter of 2019.

CMIC established waste management arm called Chip Mong Ecocycle which is now providing waste disposal services to Cambodian industrial segment as a first sustainable waste management solution for the country. This waste management facility was to be fully operational by end of 2019.

CMIC CSR programs are underway with positive impact and excellent relationship with relevant stakeholders, especially the communities around the new plant.

### **4. The jobs that have not been delivered**

-None



### **3. Risk Factors**

#### **3.1 Business Risk**

Siam City Cement Public Company Limited is committed to increase value for its stakeholders, customers, shareholders, employees and the society, with the key aim of sustainable growth through corporate culture and the emphasis on strengthening and expanding its network and channels to all segments and end-users. Although the traditional cement dealers and direct sales to ready-mixed concrete producers and concrete product manufacturers are still important, the growing trend of modern trade and online sales have become a new focus area to capture and increase brand presence.

SCCC's commitment to improving end-users' experience has strengthened its capability and increase distribution channels that will yield more opportunities and competitive advantage. In addition, SCCC is committed to the society through the development of green innovative products and solutions to fulfill customer requirements and deliver the best values to the end-users. The new business model will also capture emerging trends and support business partners' growth, while also focusing on people's competencies and capabilities.

A number of current and new risks were attributable to the cement business. The Bank of Thailand approved LTV (Loan-to-value) law to solve the rising number of NPL (Non-performing loan). From April 1, 2019, the law mandated 20-30 percent down payment for purchase of second homes compared to 5-10 percent previously. This new policy has significantly affected the artificial demand for low-rise housing as evident in the reduced number of sales and transfers of single detached houses and condominium units since the second quarter of 2019. Other mitigating factors included the appreciation of Thai baht and digital disruption which was brought about by the need for digitalization to leverage competitive advantage and to cater to fast-changing customers' and market's demand.

Recognizing these risks, SCCC refocused to capture real demand in low-rise housing with SCCC solutions in cement, mortar, concrete, light-weight concrete and Conwood, and also capturing the demand in the CPM bulk cement market. In addition, construction opportunities existed in urban development in Cambodia, Myanmar and Laos PDR where cement demand will grow. However, capacity increases in both domestic and regional cement production led to higher supply, and higher competition for SCCC's exports. Therefore, the marketing strategy for the export markets was to enhance brand awareness and reinforce the whole supply chain to forestall competition.

#### **3.2 Environmental and Social Risks**

The risks relating to the environmental and social issues involving quarry operations and cement manufacturing are biodiversity changes, land transformation, air emission, energy consumption, wastewater, noise, industrial waste, and community health and safety. To mitigate the risks, these issues were thoroughly considered and prioritized to cover the product life-cycle and integrated into risk assessment following national standards, namely, Environmental Management System ISO14001:2015 and Corporate Social Responsibility CSR-DIW and CSR-DPIM. Various other strategies and directions applied and implemented to ensure risk control were Green Industry, Carbon Footprint Label, Green Label, Green

Meeting and Creating Shared Value. Our 2019 performance assessment results showed all significant risks were effectively controlled, reduced and monitored with no major impact on the environment and communities.

### 3.3 Operational risk

- **Energy and raw material supply risk**

Although coal, the biggest contributor to production costs in 2019, was expected to show a price decline, short- and long-term plans existed to spread the price and shortage risks consisting of: (i) Procurement of coal from other sources other than Indonesia; (ii) Reduce logistic costs of importing coal and inventory management; and (iii) Study and explore the possibility of long-term contracts with new coal mines.

Although, there were pressure factors on volatile diesel prices due to the trade war, the conflict in the Middle East still prevented oil prices from decreasing. To manage the diesel price risks in 2019, the Company has implemented the following: (i) Arranged a tender for oil sellers to offer a discounted price which can save cost vis-à-vis 2018; (ii) Switching to biodiesel (B20) for more than half of all demand to save costs over sole use of normal diesel.

Also considered was the use of alternative energy to reduce price risks of coal and reduce carbon dioxide emissions. The Company, through INSEE Ecocycle Company Limited, developed and improved the quality of refuse derived fuel (RDF) to increasingly replace coal.

On electric power cost, an investor's 5.22-megawatt solar power generation plant started commercial operation in September 2019, when the Company started buying electricity from the producer at a price lower than that of the Provincial Electricity Authority's. With that success, the Company has considered to proceed with the second phase of the solar power generation project. In addition, the Company is looking to invite investors to establish power plants and sell electricity directly to the Company. Investors are expected to show interest due to our large and consistent electricity consumption demand.

- **Health and Safety Risk**

SCCC is committed to comply with the safety laws and regulations and apply OH&S management system by encouraging safety consultation and involvement for everyone concerned, providing necessary resources and continuously improving safe working procedure to prevent injury and illness from work.

The OH&S Management System was applied to focus on using digital technology combined with the OH&S database and the installation of "Face Scan" used for contractors screening instead of name checking, thus reducing the amount of routine work documents. OH&S Training for hazardous activity were conducted every two years, while "OH&S Training Needs" and training records were used for online tracking and linked to the need for job training and competency planning and

employee's potential development to enhance safety and occupational health at Saraburi Operations.

### 3.4 Financial Risk

- **Exchange Rate Risk:** A major part of our exchange rate risks was hedged by the balance of the import of raw materials, parts and supplies with our export revenue. The remaining net exposure is mitigated through forward booking, leading and lagging of payments/receipts of foreign currency transactions. Also, the Company does not have any foreign currency loans outstanding while closely its overseas subsidiaries to cover their financing need in local currencies. The Company would receive dividend in foreign currencies from its overseas companies and movements of those local currencies would impact such investment return. Foreign currency hedging will be used to mitigate such risks.
- **Interest Rate Risk:** We have maintained an optimal balance between the floating interest rate and the fixed interest rate to mitigate the impact of volatile interest rates. However, since most of the Company and its subsidiaries' financial assets and liabilities bear fixed interest rates or floating interest rates which are close to the market rate, the interest rate risk is expected to be minimal.
- **Credit Risk:** The Company and its subsidiaries were exposed to credit risk with respect to trade receivables, but was managed by adopting appropriate credit control policies and procedures together with varieties of instruments and methods such as bank guarantees, letters of credit and trade credit insurance policy with periodic credit assessment to mitigate the credit risk.
- **Liquidity Risk:** The Company's Treasury Department actively monitored the liquidity position of the Group and maintained an adequate level of cash and credit lines to meet financial obligations and to mitigate the effects of cash flow fluctuations.

## 4. Assets

### 4.1 Property, Plant and Equipment

Objective: For business operations of the Company and its subsidiaries as at  
31 December 2019

	Type of rights	SCCC	Subsidiaries	Total
Land, mineral reserve and site restoration	Owner	1,054	2,171	3,225
Building and structures	Owner	2,526	5,892	8,418
Machinery and equipment	Owner	8,710	10,132	18,842
Furniture, fixtures and office equipment	Owner	281	301	582
Motor vehicles	Owner	428	303	731
Assets under construction and installation	Owner	158	567	725
<b>Total Property, Plant and Equipment</b>		<b>13,157</b>	<b>19,366</b>	<b>32,523</b>

Remark : Property, Plant and Equipment are not mortgaged.

### Intangible assets

	Type of rights	SCCC	Subsidiaries	Total
Mining concession	Owner	2,913	137	3,050
Computer software	Owner	137	1,375	1,512
Customer relationship	Owner	60	11	71
Brands	Owner	-	2,770	2,770
Right of use	Owner	-	2,918	2,918
Other intangible assets	Owner	98	103	201
Intangible assets under development	Owner	205	117	322
<b>Total Intangible Assets</b>		<b>3,413</b>	<b>7,431</b>	<b>10,844</b>

### Trademarks

The Company has adequate protection of its trademarks used in the business. It is the owner of many registered trademarks, both for the trademarks used by the Company and the subsidiaries, 178 of which were registered in Thailand and 148 were registered overseas. Main characteristics of the Company's trademarks are the symbol of eagle head and the word INSEE. Overseas trademarks are in Vietnam, Bangladesh, Sri Lanka, Indonesia and Cambodia. Moreover, the Company registered similar trademarks in some other countries that have imported cement from the Company and/or its subsidiaries, such as, Brunei, China, Hong Kong, India, Lao PDR, Singapore, Malaysia, the Philippines, Myanmar, Arab Emirates.

### Mining Right

The Company has secured sufficient mines for providing raw materials for cement production in the long-term, both in Thailand and overseas subsidiaries. It also has an efficient plan to source alternative raw materials, in alignment with the long-term production plan, such as, concessions for shale and limestone mining (for cement industry) in Kaengkhoi District, Saraburi Province, aggregate quarry in Uthong District, Suphanburi Province, Gypsum mining in Nongbue District, Nakornsawan Province, including crushing plant in Uthong District, Suphanburi Province. It also has leased land for waste management in Hemaraj Industrial Estate, Chonburi Province, including limestone mining right in Sri Lanka and Vietnam.

## **4.2 Policy for Investment in subsidiaries and associated companies**

Investment in subsidiaries and associates shall be considered and approved by the Board of Directors. The Board of Directors shall appoint directors and executives who shall be responsible for management and operations of the assigned subsidiaries. The number of appointed directors and executives shall be aligned with the Company's shareholding.

Details on governing the subsidiaries and associated companies are available under the practice under CG Principle No. 3.6.

## **4.3 Re-evaluation of assets during the fiscal year**

- none -

## **5. Legal Disputes**

- 5.1** Dispute that may adversely affect the Company assets by over 5% of the shareholders' equity as at 31 December 2019.

-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 of the Company or its subsidiaries.

-None.-

**6. General Information and Other Important Information**

- (1) Company Name, Head Office, Type of Business, Registration No. , Telephone No. , Website, Type and Amount of Issued/Paid-up Shares.

Company Name:	Siam City Cement Public Company Limited
Stock Code:	SCCC
Registration No.:	0107536001346 (Formerly, BorMorJor. 208)
Type of Business:	Cement production and distribution
Head Office:	Column Tower, 3 <sup>rd</sup> , 10 <sup>th</sup> - 12 <sup>th</sup> Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
Factory:	Plant 1 and Plant 3, 99 Moo 9, Mitraparp Road, Km. 129, Thap Kwang Sub-district, Kaeng Khoi District, Saraburi Province, 18260, Thailand  Plant 2, 219 Moo 5, Mitraparp Road, Km. 131, Thap Kwang Sub-district, Kaeng Khoi District, Saraburi Province, 18260, Thailand  Mortar Plant, 41/2 Moo 5, Mitraparp Road, Km. 129, Thap Kwang Sub-district, Kaeng Khoi District, Saraburi Province, 18260, Thailand  AFR Platform, 301 Moo 5, Mitraparp Road, Km.133, Thap Kwang Sub-district, Kaeng Khoi District, Saraburi Province, 18260, Thailand
Telephone:	+ 66 2 797 7000
Website:	<a href="http://www.siamcitycement.com">http://www.siamcitycement.com</a>
Company's Ordinary Shares Issued and Paid-up:	298,000,000 ordinary shares with the par value of 10 Baht per share.



- (2) Company Name, Head Office, Type of Business, Telephone No., Fax No. of the Legal Entities held by the Company for Over 10% of Paid-up Shares of Such Entities, as of 31 December 2019

Company Name	Type of Business / Product	Registered Capital (million Baht)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
<b>Held by Siam City Cement Public Company Limited</b>				
<b>Siam City Concrete Company Limited</b> Column Tower, 3 <sup>rd</sup> , 10 <sup>th</sup> - 12 <sup>th</sup> Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7555 Fax: + 66 2 797 7005	Ready-mixed Concrete and Aggregates	2,500	25.00	100.00
<b>INSEE Superblock Company Limited</b> Column Tower, 3 <sup>rd</sup> , 10 <sup>th</sup> - 12 <sup>th</sup> Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Light-weight Concrete product	500	5.00	100.00
<b>Conwood Company Limited</b> Crystal Design Center, L1 Building, Room No.111, 1 <sup>st</sup> Floor, 1448/14 Soi Ladprao 87 (Chantrasuk), Klongchan, Bangkok, Bangkok 10240, Thailand Tel: + 66 2 797 7444 Fax: + 66 2 797 7004	Construction Material	300	3.00	100.00
<b>INSEE Ecocycle Company Limited</b> Column Tower, 3 <sup>rd</sup> , 10 <sup>th</sup> - 12 <sup>th</sup> Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Industrial Waste Disposal and Alternative Fuel and Raw Material Trading and Industrial Cleaning Service Business	400	4.00	100.00
<b>Siam City Power Company Limited</b> Column Tower, 3 <sup>rd</sup> , 10 <sup>th</sup> - 12 <sup>th</sup> Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Electricity Generation from Waste Heat	2,000	20.00	100.00
<b>INSEE Digital Company Limited</b> Shinawatra Tower 3, 32 <sup>nd</sup> Floor, 1010 Viphavadi Road, Chatuchak, Bangkok 10900 Thailand Tel: + 66 2 797 7000	Technical Service and Information Technology Management and Development Services	700	7.00	100.00
<b>Globe Cement Company Limited</b> 48/1 Moo.5 Highway no.21, Tambon Na Phra Lan, Amphoe Chaloem Pra Kiat, Saraburi, 18240 Thailand Tel: + 66 36 218 000 Fax: +66 36 335 015	Cement Manufacturing	701	7.01	100.00

Company Name	Type of Business / Product	Registered Capital (million Baht)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
<b>Siam City Cement Trading Company Limited</b> Column Tower, 3 <sup>rd</sup> , 10 <sup>th</sup> - 12 <sup>th</sup> Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Import and Export Cement and Other Cement-related Products	10	1.00	100.00
<b>Siam City Cement (Bangladesh) Limited</b> Tower 52 (9 <sup>th</sup> Floor), Road-11, Block-C Banani Model Town, Dhaka-1213, Bangladesh Tel: +88 09609 011 200 Fax: + 88 02 9891981	Cement Manufacturing	2,800 million BDT	48.74	100.00
<b>Siam City Cement (Lanka) Limited</b> 413, R.A. De Mel Mawatha Colombo 03 Sri Lanka Phone: +94 11 7 800800 Fax: +94 11 2 555433	Cement Manufacturing	1,663 million LKR	165.80	98.95
<b>Siam City Cement (Vietnam) Limited</b> Etown Central - 11 Doan Van Bo, Ward 12, District 4, Ho Chi Minh City, Vietnam Tel: +84 28 73 017 018 Fax: +84 28 73 036 038	Cement Manufacturing	3,030.4 million VND	Charter Capital	65.00
<b>Lanna Resources Public Company Limited</b> 888/99 Mahathun Plaza Building, 9th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: +66 2 253 8080 Fax: +66 2 253 5014, +66 2 253 6822	Coal Production and Distribution	525	525.00	44.99
<b>Thai Agro Energy Public Company Limited</b> 888/114 Mahatun Plaza Building, 11th Floor, Pleonchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: +66 2 627 3890-94, +66 2 255 4380-84 Fax: +66 2 627 3889	Ethanol Production and Distribution	1,000	1,000.00	4.72
<b>Chip Mong INSEE Cement Corporation Limited</b> ANINA Building, No. 240, Street 271, Sangkat Boeung Tumpun, Khan Mean chey, Phnom Penh, Cambodia Tel: +855 23 216 380 Fax: +855 23 215 497	Cement	150 million USD	0.08	40.00

Company Name	Type of Business / Product	Registered Capital (million Baht)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
<b>Held by Conwood Company Limited</b>				
<b>PT. Conwood Indonesia</b> North Tower, Menara Jamsostek 14 <sup>th</sup> Floor, Jl. Jenderal Gatot Subroto No. 38, Kuningan Barat, Mampang Prapatan South Jakarta 12710 Indonesia Tel: +62 21 5296 2146 Fax: +62 21 5296 2147	Construction Material	78.3 million USD	78.30	100.00
<b>Held by Siam City Cement (Lanka) Company Limited</b>				
<b>INSEE Ecocycle Lanka (private) Limited</b> 413, R.A .De Mel Mawatha Colombo 03 Sri Lanka Tel: + 94 11 7 800800 Fax: +94 11 2 555433	Providing industrial waste management solution	1,460 million LKR	146.01	100.00
<b>Mahaweli Marine Cement (Private) Ltd.</b> 413, R.A .De Mel Mawatha Colombo 03 Sri Lanka Tel: + 94 11 7 800800 Fax: +94 11 2 555433	Cement Trading	48 million LKR	4.80	90.00
<b>Held by Siam City Cement (Vietnam) Limited</b>				
<b>Siam City Cement Nhon Trach Limited</b> Ong Keo Industrial zone, Phuoc Khanh, Nhon Trach, Dong Nai province, Vietnam Tel.: +84 3570 017	Cement Manufacturing	812.1 million VND	812.10	100.00

## (3) Other references:

**Share Registrar:**

Thailand Securities Depository Company Limited  
93 The Stock Exchange of Thailand Building  
Rachadapisek Road, Din Daeng,  
Bangkok 10110, Thailand  
Tel: + 66 2 009 9000  
Fax: + 66 2 009 9991  
Call Center: + 66 2 009 9999

**Debenture Registrar:**

Bank of Ayudhya Public Company Limited  
1222 Rama III Road, Bang Phongphang, Yan Nawa  
Bangkok 10120, Thailand  
Tel: + 66 2 296 4494  
Fax: + 66 2 683 1389

**Debenture Representative:**

TMB Bank Public Company Limited  
3000 Phaholyothin Road, Chom Phon, Chatuchak  
Bangkok 10900, Thailand  
Tel: + 66 2 230 5449  
Fax: + 66 2 266 9779

Bank of Ayudhya Public Company Limited  
1222 Rama III Road, Bang Phongphang, Yan Nawa  
Bangkok 10120, Thailand  
Tel: + 66 2 296 4494  
Fax: + 66 2 683 1389

Bangkok Bank Public Company Limited  
333 Silom Road, Bangrak  
Bangkok 10500, Thailand  
Tel: + 66 2 231 4333  
Fax: + 66 2 231 4742

**Auditors:**

Miss Siriwan Nitdamrong  
Certified Public Accountant No. 5906

Mr. Wichart Lokatekrawee  
Certified Public Accountant No.4451

Mrs. Sarinda Hirunprasurtwutti  
Certified Public Accountant No.4799

EY Office Limited (Certified by SEC)  
Lake Ratchada Building, 33<sup>rd</sup> Floor,  
193/136-137 Rachadapisek Road, Klongtoey,  
Bangkok 10110, Thailand  
Tel: + 66 2 264 9090  
Fax: + 66 2 264 0789-90