



Annual Report 2020

Stronger Regional Footprint

**Solidly Positioned for
Consolidated Growth**

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Company's Business

Our Promise

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.

Mission

SCCC provides 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 imaginative and always open to new ideas. We approach every business challenge with enthusiasm and strive to deliver innovative solutions beyond expectations.

Caring about our future

We are committed to creating a positive future for generations to come. Caring for our people, our environment, our community, our nation.



Board of Directors



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- 1

Mr. Paul Heinz Hugentobler
Chairman
Chairman of Nomination and Compensation Committee
- 2

Mr. Vanchai Tosomboon
Director
- 3

Ms. Nopporn Tirawattanagool
Director

- 4

Mr. Benjamin Herrenden Birks
Director
Member of Nomination and Compensation Committee
- 5

Mr. Stephen Patrick Gore
Director
Chairman of Governance Committee
- 6

Dr. Sunee Sornchaitanasuk
Independent Director
Chairperson of Audit Committee



6



7



8



9



10

- 7 Mr. Charin Satchayan**
Independent Director
Member of Audit Committee
Member of Governance Committee
- 8 Mr. Robbert E.j. Van Der Feltz Van Der Sloot**
Independent Director
Member of Audit Committee
Member of Nomination and Compensation Committee

- 9 Mr. Aidan John Lynam**
Director
Group Chief Executive Officer
- 10 Mr. Siva Mahasandana**
Director
Chief Executive Office of Siam City Cement
Public Company Limited

Message from the Board of Directors



Dear Shareholder,

We began the 2020 year under review with the expectation that it would be a demanding one, so we took an early decision to accelerate the strategic and operational restructuring initiatives which we had already begun in 2019. Unfortunately, we were faced with the unprecedented global COVID-19 pandemic and trading conditions were much worse than anyone anticipated. Across the entire region we operate in, we were hit badly with unavoidable lockdown measures. All of our operations have had to deal with some sort of restrictions which we anticipate will remain until vaccination programs slow down the spread of the virus within communities. We believe the business environment will remain most challenging throughout 2021 and likely beyond.

The compounding effect from an already slowing down economy at the end of 2019 alongside the combined fallout of a pandemic has required massive interventions from our management teams to address the collapsing demand for many of our products and services. We have also experienced growing competitive pressures across the region. The only saving grace was the simultaneous collapse of energy prices, a major cost component in all of our operations, which helped to cushion the price pressures to some extent.

In March, the Group initiated a tight Group-wide Crisis Management Program to decisively deal with the deepening economic conditions and business impacts of the pandemic. This required us to quickly adjust some of our manufacturing capacities, address our entire cost base, and restrict capital spending. We also took actions to standardize governance in business processes and internal controls across the Group.

Fortunately, the second half of the year saw certain markets recover faster than expected, Sri Lanka in particular. Others have now stabilized at muted levels and we are cautiously optimistic that we have passed the lowest expected levels of activity. However, we remain fully prepared to take further restructuring steps should the business conditions in any of our markets deteriorate again.

Despite all of these unprecedented challenges and headwinds, the Group has still managed to improve its financial performance. Realizing a net profit after tax attributable to equity holders of THB 3.6 billion compared to THB 3.2 billion in 2019, a cash flow from operations of THB 8.9 billion from THB 7.6 billion in 2019, all led to a reduction of the gearing ratio to 61 percent at the end of 2020. The Board of Directors will recommend a full year dividend of THB 9 per share, after THB 8 per share in the previous year, to the Shareholders for approval at the AGM.

Our history of success has always been delivered by good people, and it's to their credit we are here today in good health and spirit.

The Board of Directors and Management are on high alert to the ongoing challenges across our businesses, and we remain confident that further improvements in our operational and financial performance will be achieved in the current year. We will continue to operate under the tight management regimes which began in 2019. This will set the basis for a firm groundwork that will prepare the Group well for new growth initiatives and investments.

On behalf of the Board of Directors, I wish to thank all our employees for their dedication and engagement in bringing our Group forward to meet these demanding and unprecedented performance levels, and to our Shareholders for their continued support. We are extremely grateful for the trust of the communities and their leaders across the regions in which we operate. We thank our many business partners for their commitment to working with us in a joint effort to achieve new levels of competitiveness and excellence in everything we do on our journey to become a reputable and successful regional player in the building materials sector.

Resilience is not a word often used to describe a company, yet retrospectively it is a very appropriate description for how the Group has always stepped up to the challenges we faced and succeeded over what is now just over half a century. Our history of success has always been delivered by good people, and it is to their credit we are here today in good health and spirit.



Mr. Paul Heinz Hugentobler

Chairman of the Board of Directors

Group Executive Committee



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- 1

Mr. Aidan John Lynam
Group CEO
- 2

Mr. Siva Mahasandana
Member
Chief Executive Officer, SCCC
- 3

Mr. Philippe Bernard Richart
Member
Chief Executive Officer, SCCVN

- 4

Mr. Mark Anatol Schmidt
Member
Group Chief Financial Officer
- 5

Mr. Benjamin William Pinney
Member
Group Strategy, Transformation and Performance
- 6

Ms. Anuttara Panpothong
Member
Group HR and Talents

As and when markets begin to recover, we intend to retain the substantial margin and cash flow improvements well into the future.

Message from the Group Executive Committee

Dear Shareholder,

2020 has been an unprecedented and tumultuous year, with the global COVID-19 pandemic impacting heavily on economic activity globally, not least in the countries and markets in which the Siam City Cement Group operates. At a consolidated Group level, we experienced an 12 percent drop in revenue in 2020, and deployed a swift and deep-rooted crisis management program, fully protecting the health of all our employees, whilst stabilizing our supply chains and also assuring financial liquidity.

With the pandemic as a catalyst for action, the Group has adapted organization structures and intensified internal efficiency improvements with the clear intent of emerging stronger into what has become the "new normal".

In reacting to the rapidly unfolding economic realities of 2020, we have instigated initiatives and interventions which will sustain the Group's wellbeing going forward. As these improvements gain traction, we are beginning to see clear margin improvements across many of our businesses leading to a net profit gain in 2020 of 17 percent over the previous year, in spite of the aforementioned significant drop in revenue.

However, throughout this turbulent period, we have maintained our determined focus on providing application-oriented solutions to our customers. We have also sustained our committed efforts towards environmental and social responsibility.

In Thailand, the situation at the beginning of the year was already characterized by a slowing economy, even before the pandemic-associated downturn affected local construction activity. By mid-year, this led to a further slowdown in residential building activity, whilst the long-awaited increase in infrastructure investment unfolded at a slower than expected pace. As pricing in the export market deteriorated, the Group made a fast and timely decision to suspend the operation of one of our Saraburi kiln lines to adapt our capacity to fast-changing levels of demand. Simultaneously, we launched initiatives to boost reliability across the rest of our manufacturing facilities at Saraburi and assured the availability of products for sale, both domestically and for overseas exports.

The outcome, buoyed by lower thermal energy costs, as well as cost curve adaptation across our concrete and aggregates business in Thailand, was a clear improvement in operating margins and enhanced profitability compared with the previous year.

Siam City Cement Trading Company Limited optimized its customer networks and trading activities, delivering to as wide afield as China, Taiwan, Bangladesh, and Australia, as well as to our own Group entities overseas.

Our Light Building Materials business in Thailand (and Indonesia) was impacted by the fall in residential construction and the sharp downturn in modern trade retail activity, whilst our Ecocycle subsidiary saw a reduction in industrial services projects across Thailand in the oil and gas and petrochemical spaces.

Beyond Thailand, our international operations also faced significant revenue pressures throughout 2020 as markets contracted and pricing for our products decreased. Siam City Cement (Vietnam) Limited was able to offset this via enhanced plant reliability and manufacturing efficiency, supported by lowered thermal energy costs and a substantial improvement in its waste management division's performance.

Meanwhile our business in Sri Lanka, which had seen severe market impacts during substantial COVID-19 related lockdowns in the second quarter, also improved its overall profitability performance, and substantially increased its net income result over the previous year supported by a drop in raw material and thermal energy costs.

Similarly, our business in Bangladesh succeeded in outperforming the prior year's bottom line by focusing on cost efficiencies, thus also partially offsetting increased government taxes on imported raw materials.

Although prices in the Cambodian market in 2020 were severely affected as the pandemic brought its construction boom to an abrupt halt, our joint venture business there substantially improved its results over the previous year, helped by lower energy prices, and the start-up of its waste management-oriented Ecocycle business.

Looking forward into the coming year, the Group is confident that the swift structural and cost efficiency measures taken in 2020 will be sustained. As and when markets begin to recover, we intend to retain the substantial margin and cash flow improvements well into the future.

Where Environmental, Social, and Governance (ESG) is concerned, we continue to stay focused on the reduction of our CO₂ footprint and water consumption whilst minimizing the biodiversity impact of our quarrying activities. We continue to adhere to the highest international standards of corporate governance, and industry occupational health and safety practices. The Group remains as committed as always in our social responsibility towards our employees and neighboring communities.

We greatly appreciate the constant trust and support from our shareholders, our Board of Directors, our customers, our communities, and our stakeholders. We assure you that we are totally dedicated to meeting - and indeed exceeding - your expectations in the coming year and beyond.



Mr. Aidan John Lynam

Director and Group Chief Executive Officer

Summary of Key Financial Information

Revenue Structure

Siam City Cement Public Company Limited and its subsidiaries are organized into business units based on their products and services and have five reportable segments as follows:



Cement Segment

Produce and sell cement products. This segment includes units handling electricity generation from waste heat



Concrete and Aggregates Segment

Produce and sell ready-mixed concrete and aggregates



Light Building Materials Segment

Produce and sell dry mix mortar and tile adhesive products, fiber cement for wood replacement products, lightweight Autoclaved Aerated Concrete (AAC) blocks and panel



Trading Segment

Operate trading export cement and clinker, import and export mineral components and solid fuels



Others

Provide service of industrial waste disposal, alternative fuel and industrial cleaning service business and provide information technology management and development service business

Segment	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Net sales						
Cement	26,610	63	28,722	60	29,650	66
Concrete and Aggregates	6,632	16	8,477	18	8,045	18
Trading	5,167	12	6,428	13	3,461	8
Light Building Materials	2,391	6	2,630	6	2,403	5
Others	1,200	3	1,336	3	1,205	3
Total net sales	42,000	100	47,593	100	44,764	100

* Which were eliminated upon consolidation

Steady earnings growth in 2020

Net sales

42,000
Million Baht

Net profit

3,680
Million Baht

Earnings per share

12.35 Baht

2018 2019 2020

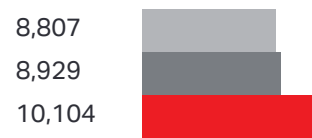
Net sales and service income
Million Baht



Total assets
Million Baht



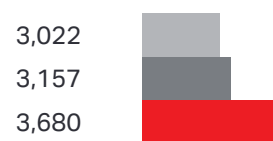
EBITDA
Million Baht



Total shareholders' equity
Million Baht



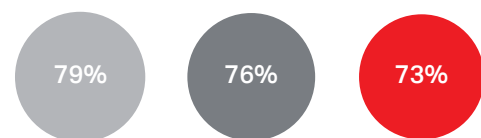
Net profit
Million Baht



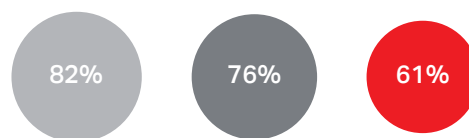
Earnings per share
Baht



Dividend payout ratio on net profit



Gearing



Key Figures

	2020	2019	2018
Production Capacity (Million)			
Clinker (tons)	14.7	14.7	14.5
Cement (tons)	25.2	25.2	25.0
Mortar (tons)	0.8	0.8	0.8
Lamination (tons)	0.2	0.2	0.2
Aggregate (tons)	4.8	4.8	4.6
Million Baht			
Net sales and service income	42,000	47,593	44,764
EBITDA	10,104	8,929	8,807
Net profit	3,680	3,157	3,022
Cash flow from operating activities	8,932	7,586	6,989
Investments in property, plant and equipment - net	705	1,462	2,026
Total assets	77,670	78,206	79,563
Net financial debt	21,017	24,863	28,277
Total shareholders' equity	34,712	32,671	34,541
Margin (%)			
EBITDA	24%	19%	20%
Net profit attributable to equity holders	9%	7%	7%
Cash flow from operating activities	21%	16%	16%
Financial Ratios			
Earnings per share (Baht)	12.35	10.59	10.14
Gross dividend per share (Baht)	9.00 ¹	8.00	8.00
Dividend payout ratio on net profit (%)	73%	76%	79%
Gearing (%)	61%	76%	82%
Total liabilities to total assets (%)	55%	58%	57%
Return on assets (%)	5%	4%	4%
Return on shareholders' equity (%)	11%	9%	9%
Owned Personnel (Persons)			
Group	4,734	5,711	5,700
Cement	3,234	3,895	3,939

¹ Proposed by the Board of Directors meeting on 11 February 2021

INSEE Corporate Story

INSEE – A Responsible Regional Participant Across Asia

As we face challenges that will determine the prosperity of future generations and begin a post-pandemic regional economic recovery, cement, concrete, and construction products will be critical to building the sustainable world of tomorrow. As our climate changes, we continue to be an industry vital to the rebuilding of infrastructure, homes, delivering clean water, vital transport networks, and community resilience.

Our industry across South and Southeast Asia has been challenged to develop new solutions, services, and products to serve the fast pace of development.

Within a context of changing customer needs and habits, our industry across South and Southeast Asia has been challenged to develop new solutions, services, and products to serve the fast pace of development. Industry structures have been changing fast, leading to an increasingly competitive environment being targeted by a widened array of players with both local and regional footprints. This has given Siam City Cement the opportunity to grow its own footprint accordingly. In recent years, we have been consolidating as a well-recognized regional Group, offering a competitive range of construction and building products alongside the trading of cementitious materials and delivering waste management and industrial services.

The journey is both exhilarating and challenging. Our pathway and focus is clear. The markets we are active in in South and Southeast Asia exhibit typically strong population growth and positive GDP growth across economic cycles with increases in demand for cement and infrastructure evident over the coming decade. Concrete, as the world's most used man-made product, is an essential ingredient that addresses these needs, and its inherent properties means it will play a major role in our region's development. Siam City Cement is already a part of this exciting prospect and our team is geared with all the ingenuity and resilience needed to realize this opportunity. We are practical people and we are keen to take on the challenges in the forthcoming chapter of our region's development, responsibly participating in the construction of more sustainably-built environments.



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Indonesia

PT. Conwood Indonesia
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ANINA Building, No. 240, Street 271,
Sangkat Boeung Tumpun,
Khan Mean Chey, Phnom Penh, Cambodia
Phone: + 855 23 216 380







Customer Confidence – Delivering Certainty Every Day

As a company and as individuals, we know we must earn trust and respect through each product we make and each action we take.

We know our customers judge our performance and value every day. To earn their confidence, we focus on every small step to do what is right every time. Achieving this requires confidence in ourselves and a high level of service embedded in our DNA. Our four key strategies are to deliver consistent product quality, service excellence, build and maintain close customer relationships, and care for the environments and communities in which we work. This never-ending process demands ongoing improvement as we continue to grow a leadership position and customer confidence in the INSEE brand.

We build our reputation by enabling others to build theirs. In our business, trust is built on persistent effort and absolute consistency because that is what our industry expects. As a company and as individuals, we know we must earn trust and respect through each product we make and each action we take. As responsible leaders in our industry, we wouldn't have it any other way.

Previous Thao Dien,
Ho Chi Minh City, Vietnam

Right Earning customer
confidence through diligent
quality assurance





Building for Life in the Community

Although we work across a number of diverse cultures, they have a common desire to build a brighter future for themselves.

We work with many different communities across the region. Although we work across a number of diverse cultures, they have a common desire to build a brighter future for themselves. We work alongside local communities, providing vital services to those who wish to build. Growth doesn't happen by chance; many things must work together. We've learned economic growth can happen alongside environmental protection. Our growth comes from enabling others to grow, and the size of their challenge reflects the size of our opportunity. We know that people's lives are affected by the built environment around them and that—in the end—family, community, and increasing the standards of living are important things that we contribute to.

Quality starts from
the collective effort
of individuals.



Siam City Cement — Expanded Opportunities

Celebrating our 50th anniversary in 2019 from our well-established base in Thailand, Siam City Cement is now well-placed in all major and emerging markets across the South and Southeast Asia region. Siam City Cement is now consolidating our regional platform around the recent cement business acquisitions in Bangladesh, Sri Lanka, Vietnam, a joint venture in Cambodia, and a new fiber cement business in Indonesia.

Beyond building materials alone, Siam City Cement is also ambitious in growing new businesses in waste management, industrial services, light building materials, and specialty mortars.

Our Thailand interests serve a mature market which exhibits moderate growth over its inherent cycles, whilst the remaining emerging markets across the region enjoy growth rates in parallel with growing population and rising GDP and capital levels in the medium to long-term. There is a high degree of urbanization across the region, together with increased focus on infrastructural developments at government and private sector levels. Cement demand is therefore robust and Siam City Cement has well-placed assets near high-growth markets and consumption centers.

Beyond building materials alone, Siam City Cement is also ambitious in growing new (adjacent) businesses in waste management, industrial services, light building materials, and specialty mortars. We will continue to research and develop innovative opportunities and solutions. With region-wide reach, innovations can come from any part of the Group and be multiplied across the region at speed. Always placing our customers at the center, we continue to develop and improve solutions and products which address their needs and offer a superior value proposition.

Previous Stringent inspection of manufacturing materials, Saraburi Plant, Thailand

Right INSEE Superblock lightweight building materials





Digital Capabilities

We strive to bring our products and services to our customers with hassle-free immediacy.

Siam City Cement seeks to understand and address our customer pain points and has an array of digitally-enabled tools and platforms that make us easier to do business with. From online ordering systems to digitally-enabled delivery fleets, we strive to bring our products and services to our customers with hassle-free immediacy. Customers today demand speedier, more flexible ways to do business with us. Our new digital apps and solutions connect them directly with our ordering, dispatch, and payment systems. Additionally, we are equipping our manufacturing plants with the latest process control systems and AI-driven applications.

Care for People, Care for Place

Siam City Cement is committed to sustainability with a strong respect for its customers and the communities in which we work. The Group has grown to be appreciated as a local partner, becoming known for responsible behaviors around the region. Our inherent "license to operate" is embedded in how we interact and support the communities around us. We take community stakeholder engagement very seriously, prioritizing and upholding our social responsibility with pride.

We care greatly for our employees. Staff engagement and recognition is fundamental to our success in such times where a resilient management team and workforce are vital in being well-prepared for seizing immediate opportunities. We believe that we are one team, and we endeavor to ensure our functional objectives are extremely clear to everyone on a daily basis. Siam City Cement's groupwide team of approximately 5,000 across the region have truly risen to the occasion during these difficult times.

Our sustainability practices target the continuous improvement of occupational health and safety, reduction of CO₂ and water footprints, and the mitigation of biodiversity impacts. Visible actions on these vital topics underpins the building of the INSEE brand, distinguishing Siam City Cement as a leader in the areas of social and environmental stewardship. These activities are embedded in the way Siam City Cement does business across the region, and has earned it a growing respect for good governance, adhering to regulations and always acting with integrity.

Siam City Cement became the first producer within the regional industry to enter a Memorandum of Understanding with the International Union for Conservation of Nature (IUCN) in 2018. The IUCN is a global organization dedicated to nature conservation with a member base comprised of government, private sector, and civil society organizations. Established in 1948, it is now the world's largest and most diverse environmental network with over 1,300 organizations and supported by 13,000 experts. The IUCN supports Siam City Cement to better manage the long-term biodiversity impact of operations in our quarry sites.





A Commitment to Carbon Reduction

It is incumbent on our industry worldwide to play its part in continuously reducing the carbon intensity of the so-called built environment.

As the reality of climate change becomes more and more of appparent, we are all conscious of the fact that humankind is currently consuming resources at a rate beyond which our planet can sustain long-term. Although cement and concrete are, to date, amongst the lowest carbon intensive building materials per unit of strength and per unit of cost, it is incumbent on our industry worldwide to play its part in continuously reducing the carbon intensity of the so-called built environment.

At Siam City Cement, we understand our need to work with architects as they design full-life-cycle living and working spaces, and to work with civil designers as they use the most effective designs with maximized usage of lower carbon materials. We further acknowledged that the overall cement and clinker intensity in concrete should be minimized for any given strength class or application of concrete, and that, in turn, the carbon intensity of cement, and its associated semi-finished product, clinker, must be reduced continuously over time.

As part of our Environmental, Social and Governance [ESG] planning until 2030, we are underway in addressing a continuous lowering of our CO₂ footprint across the entire Group, as well as stepping up activities on water management and bio-diversity impact mitigation. Siam City Cement's governance and leadership accountability is intact to ensure our commitment to act.



The Way Forward

The COVID-19 pandemic has slowed construction activities in many countries, further aggravating a current oversupply of cement. Siam City Cement has moved quickly, actively realizing opportunities to tap sales in the home renovation space which has risen significantly during the pandemic, raising the demand for cement and other building-related INSEE-branded products. Once countries begin to fully reopen post-pandemic, consumption of cement and concrete is expected to gradually recover driven by economic growth, urbanization, and population growth.

Product demand is mainly driven through rising populations in economies which are exhibiting strong GDP per capita growth. Beyond Thailand, Siam City Cement Group is now well-positioned in some of Asia's most robust growth markets; Indonesia, Cambodia, Sri Lanka, Vietnam, and Bangladesh.

Siam City Cement has successfully weathered the initial stages of the COVID-19 pandemic-induced economic shock. The world, including markets in which we operate, still faces uncertainty caused by the pandemic and associated events. Having managed the initial crisis well, the Group has set its targets clearly and intends to emerge fitter, more agile, and more competitive than ever before by focusing on competitive go-to-market approaches which place the customer at the center whilst pursuing continuous improvement from revised internal efficiencies.

The Group will continue its best practice across the region by building its reputation as a highly-valued participant in the growth of the South and Southeast Asia region. It believes that during these difficult times, entities can only get stronger through a dogged determination to be the best.

Looking forward, Siam City Cement intends to take a prudent and sustainable approach, prioritizing supporting its customers' needs, as well as assuring a strong balance sheet, positioning the Group well for future growth in the Asian markets which undoubtedly will come in the years ahead. The Group, demonstrating a strong esprit de corps, is confident in its future across the South and Southeast Asia region.

The Group has set its targets clearly and intends to emerge fitter, more agile, and more competitive than ever before.



Our History — A credit to our people

First established in 1969, it has been 52 years of steady growth in scale and more importantly capability. There's been many milestones over these years, all of which have added new dimensions to the Group's operating methods, products, and services. The company today is regarded amongst its peers in the top tier of leading global cement companies.

Continuous improvement in businesses of this scale is not an easy objective to deliver on, given the nature of the ebbs and flows of the construction industry. The challenges of modern-day building which the Group has responded to have been heightened by environmental and social issues. Many of the milestones record major turning points in the Group's history as their systems and processes have adapted quickly to new market conditions.

There are many lessons from experience which have defined us as a thoroughly modern company.

The depth of knowledge, experience and construction wisdom has now enabled the Group to expand in the wider South and Southeast Asia region. Resilience is not a word often used to describe a company, yet retrospectively it's a very appropriate description for how the Group has stepped up and succeeded over what is now just over half a century. There are many lessons from experience which have defined us as a thoroughly modern company. Shared by teams across the Group, Siam City Cement acknowledges that without the energy and ingenuity of its people down through the years, it would not be at the forefront of the industry as a major regional player today. Our history of success has always been delivered by good people. It is to their credit we are where we are today.



Milestones

1969



Siam City Cement Company Limited was founded on 16 May 1969, with initial registered capital of THB100 million

1972



Cement production started

1977



Became a listed company on The Stock Exchange of Thailand

1981



SCCC was the first Thai cement producer to substitute imported bunker oil with lignite coal in the production process

1989



SCCC became the first cement producer in Southeast Asia to introduce a Waste Heat Recovery System in the production of electricity for its own production process

1993



Became a fully listed company and renamed "Siam City Cement Public Company Limited"

1999



Company restructuring was completed.
Registered capital of THB 3 billion

2013-2014



The Company acquired Superblock Company Limited, lightweight concrete plant in Singburi Province and Prosperity Concrete Company in Ratchaburi Province

2015



Invested with a 40 percent stake in a joint venture, Chip Mong INSEE Cement Corporation in the Kingdom of Cambodia to build the most modern cement plant in the country

2016



- Business expansion in CEMEX (Thailand) Company Limited and CEMEX (Bangladesh) Limited under the name of Globe Cement Company Limited & Siam City Cement (Bangladesh) Limited
- Business expansion in Holcim Lanka Limited under the name of Siam City Cement (Lanka) Limited
- The Company acquired part of assets of Valence Corporation Limited in industrial cleaning service business

2017-2018



- Business expansion in Holcim Vietnam Limited under the name of Siam City Cement (Vietnam) Limited
- Established a new subsidiary name Siam City Cement Trading Company Limited, to operate trading, import and export business

2019



50th Anniversary of Siam City Cement Public Company Limited

Our Pride Awards & Recognition



Thailand Sustainability Investment Award 2020 (THSI) for 2nd Consecutive Year

Awarded to Siam City Cement Public Company Limited, by The Stock Exchange of Thailand



'Excellent' Recognition Level of Corporate Governance of Thai Listed Companies 5th Consecutive Year

Awarded to Siam City Cement Public Company Limited, by Thai Institute of Directors Association (IOD)



The Thailand's Top Corporate Brand Values 2020 in Construction Material Sector 4th Consecutive Year

Awarded to Siam City Cement Public Company Limited, by the Faculty of Commerce and Accountancy Chulalongkorn University and in collaboration with The Stock Exchange of Thailand



A Certificate of Membership of the Collective Action Coalition Against Corruption (CAC)

Awarded to Siam City Cement Public Company Limited, by Thai Institute of Directors Association (IOD)



Green Industry Award Level 5-Green Network (The First Waste Management Company in Thailand)

Awarded to INSEE Ecocycle Company Limited, by Department of Industrial Works, Ministry of Industry



CSR-DIW Continuous Award 2020

Awarded to Siam City Cement Public Company Limited (For Plant 1, 2, 3, Siam City Power Company Limited and INSEE Mortar), by Department of Industrial Works, Ministry of Industry



Green Mining Standard Award 2020 in the Category of Green Mining Award 2020

Awarded to Siam City Cement Public Company Limited (For Saraburi Operations), by Department of Primary Industries and Mines, Ministry of Industry



HR Asia Best Companies

Awarded to PT. Conwood Indonesia, by Business Media International, HR Asia



Best Trader Award

Awarded to Chip Mong INSEE Cement Corporation, by General Department of Customs and Excise of Cambodia, Ministry of Economy & Finance



SLIM Nielsen People's Housing and Construction Brand of the Year

Awarded to Siam City Cement (Lanka) Limited - Sanstha Cement, by Sri Lanka Institute of Marketing



Top 10 Most Reputable Building Material Companies 2020 in Vietnam

Awarded to Siam City Cement (Vietnam) Limited, by Vietnam Report in Corporation with Vietnamnet



Top 100 Sustainable Businesses in Vietnam in 2019

Awarded to Siam City Cement (Vietnam) Limited, by The Vietnam Business Council for Sustainable Development in collaboration with the Viet Nam Chamber of Commerce and Industry (VCCI)

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Business Description and Portfolio

Business Growth and Development

Weathering the global crisis triggered by COVID-19 dominated INSEE's 2020 management priorities.

We paused some growth investments and selectively suspended operations as necessary given health-driven government shutdowns and slowing demand.

While Group revenues declined year-on-year, we preserved profitability through cost discipline by redirecting efforts to bright-spot markets and staying focused on serving customers. We continued to strengthen capabilities and offerings for large infrastructure projects. Our trading platform enabled us to rapidly shift both sources of materials and destinations for products with market fluctuations. Investments in Group Excellence Platforms have paid off as we better leverage commercial and operational best practices and scale across our markets.

While we have focused on managing through the crisis, near-term actions have been taken with an eye to strengthening foundations for future growth. Looking beyond the crisis, the Group Executive Committee is reasserting regional directives established in 2019, further emphasizing our commitments to sustainability and corporate responsibility:

1. Core Cement Businesses

A resolution towards achieving the lowest delivered cost and strongest customer satisfaction across our markets. We have had notable success in improving manufacturing performance across markets. Go-to-market initiatives—particularly in Sri Lanka, Thailand, and being extended to all markets—have been critical to sustaining sales relationships and volumes.

2. Building Materials and Service Businesses

Adding value to products and offerings to meet more customer needs. Across our fiber cement, lightweight concrete, mortar, waste management, and industrial services offerings, we focused on innovations in; products, building sales, and service models to eliminate customer pain points on job sites and in facility performance. We also took steps to further regionalize these businesses.

3. Group Excellence Platforms

Building stronger foundations for Group scale and competitiveness. The Company has further equipped and empowered functional leaders and professional communities across INSEE as a basis for developing people and knowledge. The four platforms (Commercial, Operations, People, and Finance) established in 2019 now play integral supporting roles working with Operating Company teams.

Progress made in 2020 across these dimensions will support INSEE's near-term resilience and-when markets return to growth-our acceleration.

Group Business Portfolio

Cement Segment

More than 50 years ago, Siam City Cement Group began producing and distributing high-quality cement products in Thailand. The Company has since become the leading producer of cement products, using the latest production technology to fulfil the ever-changing needs of customers.

The Group has continuously developed its business over the years, expanding production bases and distribution to several countries in South and Southeast Asia. The Cement Business Segment currently consists of:

Thailand - Siam City Cement Public Company Limited (SCCC)

Vietnam - Siam City Cement (Vietnam) Limited (SCCVN or INSEE Vietnam)

Sri Lanka - Siam City Cement (Lanka) Limited (SCCLK or INSEE Lanka)

Bangladesh - Siam City Cement (Bangladesh) Limited (SCCBD or INSEE Bangladesh)

Cambodia - Chip Mong INSEE Cement Corporation (CMIC)

The Group remains focused on good corporate governance and sustainable development to create added value for all key stakeholders, business partners, customers, communities, and the environment.



1. Products and Services

The Group currently offers four major types of cement products and mortar under various brands in each market.

■ Portland Cement

Portland Cement specializes in the reliable production of ready-mixed concrete, high-quality concrete tiles, and other concrete products

■ Hydraulic Cement

Hydraulic Cement is Portland Composite Cement that is better for the environment

■ Mixed Cement

Mixed Cement is formulated almost exclusively for plastering and bricklaying works

■ Masonry Cement

Masonry Cement is used for fine plastering work where extremely smooth finishing is essential

The Group continues to work together with customers and key stakeholders to develop new product and service innovations that enable it to better serve the market.

An example of this can be seen in Sri Lanka, where new product development is being driven by the INSEE i2i Collaboration Space under the innovation-to-industry (i2i) model. This collaboration between the local construction industry, research bodies, and universities in the country allows for the development of products that address real challenges such as carbon footprint reduction to fulfill unmet market needs.

The Group continues to work together with customers and key stakeholders to develop new product and service innovations that enable it to better serve the market.

2. Marketing and Competition

Key highlights:

- The Group has adopted four key marketing strategies in Thailand
- Market-specific loyalty programs and influencer events have been launched in Bangladesh
- Several key Public Private Partnerships have been signed in Sri Lanka to nurture key skills such as leadership, research, and innovation within the Group

The Cement Business Segment of Siam City Cement Group remains market leaders in Thailand, Sri Lanka, Vietnam, and Cambodia. Siam City Cement (Lanka) Limited plans to increase its market share to 38 - 40 percent in 2021, while Chip Mong INSEE Cement Corporation in Cambodia has a 25 percent market share. Siam City Cement Public Company Limited remains Thailand's second largest cement producer by market share.

With the COVID-19 pandemic triggering a global economic recession, the construction industry in many countries has been dealing with declining demand and an increasingly competitive environment. In order to successfully navigate current challenges, the Group has applied cost discipline and effectiveness, secured market share, strengthened existing distribution channels, and enhanced channel efficiency.

An example of the Group's marketing innovation can be seen in the INSEE Prompt U franchising model for Concrete Product Manufacturing 'CPM' producers in Thailand. The program has allowed the Company to be more competitive while strengthening sustainable growth among customers and stakeholders. In Bangladesh, innovative loyalty programs with channel partners were rolled out alongside tailor-made influencer events with engineers and masons to continue fostering relationships with customers and stakeholders.

The outlook in each market varies due to local economic factors as well as each country's response to COVID-19 and the emergence of new competitors.

Cement demand in Thailand next year will be dependent upon government stimulus policies that would encourage more private sector investment and improve investor confidence. Meanwhile, the cement industry in Bangladesh is expected to see a full market recovery by Q2 2021 after recording an overall decrease of 2-3 percent in 2020.

According to the Vietnam Cement Association (VNCA), domestic demand for cement in Vietnam decreased by 12 percent in the first half of 2020, despite some producers seeing an increase in demand for exports. For example, the Vietnam National Cement Corporation reported a 16 percent year-over-year rise in cement and clinker exports between January and August 2020. Competition in the country is set to increase further with local player Long Son expected to

complete a new kiln line at its plant that will allow the firm to increase its capacity from 2.5 million tons per year to 7 million tons per year.

In Sri Lanka, market share may be impacted by a new competitor entering the local market with a 2.4 million tons capacity and backed by a USD 75 million investment. Tokyo Cement Limited remains SCCLK's closest competitor.

More competition is also expected in Cambodia with a new cement plant, the country's fifth in total. The new plant means Cambodia is now a self-sufficient cement producer.

3. Procurement and Supply Chain

Key highlights:

- More than USD 5 million in EBITDA savings were realized in Vietnam due to improvements in procurement processes
- Fixed and distribution costs has been reduced by 11 percent in Bangladesh after renegotiations

The Cement Business Group has a combined cement production capacity of 25.2 million tons, and clinker production capacity of 14.7 million tons with the main production in Thailand at 16.8 million tons of cement and 12.3 million tons of clinker, with modern technology, a high-quality management system, and world-class sustainable development that ensures Company products fulfil the needs of customers in all five countries.

The Company has established INSEE Ecocycle business units in Thailand, Vietnam, Sri Lanka, and Cambodia that provide waste management solution services to customers while utilizing the waste as raw materials and alternative fuels in cement production. This helps to reduce carbon dioxide emissions and lowers cement production costs.

Additionally, the Company has established a waste heat recovery plant business to generate electricity from waste heat created during the cement production process. This electricity is then used in the production of clinker. This innovation reduces the need for electricity from the grid and has reduced the amount of greenhouse gases released at cement plants in certain countries.

In Vietnam, Siam City Cement (Vietnam) Limited continues its focus on making operating procedures and processes more environmentally friendly. This included an investment on bag filters that decreased dust emissions to approximately 14.5mg/Nm³ and the installation of a Vertical Roller Mill (VRM) that reduced energy consumption by an estimated 20 percent.

Looking at supply chain, the Group strategically sources major raw materials to increase efficiency in the process. The raw materials of the Company such as limestone, shale, clay, gypsum and others. Most of raw materials was extracted from Company's concessions. For the main fuel, there are many types of fuel mixes such as coal, diesel, fuel oil and etc. They are procured from both domestic and foreign suppliers, with majority from multiple suppliers. Therefore, the Company has no risk associated to procurement of raw material

and fuel. In additional, procurement of the Group is supported is provided in part by Siam City Cement Trading Company Limited who assists in sourcing essential raw materials for cement production, fuels, and the seaborne transportation for exports and imports. This increases both procurement and logistical efficiency for suppliers and customers in the region.

At the local level, the Group continues to look for ways to reduce costs and improve the process. These efforts resulted in INSEE Vietnam realizing more than USD 5 million in EBITDA savings due to procurement process improvements. In Bangladesh, INSEE Bangladesh was able to offset the impact of lower volume and prices to some extent and reduced the fixed and distribution costs for 11 percent. For INSEE Lanka, work continued on the digital transformation of procurement and logistics that will eventually allow for greater efficiencies to be leveraged throughout the supply chain.

The Group practices sustainable development principles throughout its supply chain management. The focus is to consciously utilize resources to maximize efficiency, reducing energy consumption waste and the emission of greenhouse gases in order to protect the environment.

Moreover, the feedback from the community is a vital part of this process as it allows for the creation of closer ties and ultimately supports sustainable development in terms of procurement and supply chain.

Concrete and Aggregates Segment

Siam City Concrete Company Limited

INSEE Concrete and INSEE Aggregates form an integral part of the overall vertically-integrated business model supporting the cement business under Siam City Concrete Company Limited. The ready-mixed concrete (RMX) business provides an essential channel for both its key constituents, cement and aggregates.



INSEE Concrete

INSEE Concrete is a long-term, leading manufacturer and supplier of RMX to the Thailand national market. Utilizing an extensive nationwide fixed, mobile, and franchise network, we offer a range of specialized high-performance RMX products, servicing all sectors from retail, general construction, and infrastructure, to special purpose projects.

In recent years, the business has sought new opportunities for expansion to support the cement channel of the Group's regional network, and in 2019, entered the Sri Lankan RMX market, establishing its first operation in Colombo. Leveraging highly-skilled and qualified local talent, along with its extensive RMX experience, the business has been able to rapidly demonstrate its technical expertise and value to the local construction industry.

1. Products and Services

High-quality, on-time delivery of our products and services remains fundamental to INSEE Concrete's business strategy and success.

Our products and services are designed and continuously developed to serve both general purpose and special applications. The selective use of only the highest-quality raw materials, along with advanced automated production and distribution processes, delivers a high level of confidence to our valued customers.

INSEE Concrete's continued ability to offer professional technical solutions provides strong market differentiation and a compelling value proposition for our customers.

INSEE Concrete remains committed to seeking new solution opportunities and expanding the portfolio of high-margin value-added products and services. The recently added high-performance flooring solutions business has opened new channels of growth and demonstrated INSEE Concrete's extensive technical capabilities.

2. Marketing and Competition

As with many other industries in 2020, the construction sector in both Thailand and Sri Lanka experienced a significant market downturn as the COVID-19 pandemic took hold, limiting investor confidence and demand. Demand in sectors such as residential, retail, and office high rise, along with manufacturing and industrial construction, were all significantly lower. Low-rise residential remained relatively steady, whilst the large infrastructure project sector remained the major economic driver.

Market uncertainty, low investor confidence, and reduced demand all resulted in industry-wide pricing and margin pressure. Many government-sponsored projects have been announced and brought forward to stimulate the economy and revive confidence and activity within the construction industry. INSEE Concrete remains highly competitive and well-placed to benefit from such initiatives.

3. Procurement and Supply Chain

INSEE Concrete continued to aggressively drive cost leadership throughout its operations. Leveraging the Group's strong procurement network and instigating various efficiency initiatives enabled INSEE Concrete to significantly lower costs and maintain its competitive position.

A rapid response to the increasingly competitive environment of 2020, along with the flexible structure of the RMX business model, allowed for a rationalization of the fixed plants, whilst compensating and preserving cement channels via the mobile and franchise business models.

INSEE Concrete is uncompromisingly committed to achieving the highest standard of Safety and Environmental Management. Strict policies are enacted to achieve compliance with 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

1. Products and Services

INSEE Aggregates produces a range of high-performance aggregates (HPA) for the ready-mixed concrete (RMX), concrete product manufacturers (CPM), and road construction industries. Optimal shape and gradation of the aggregates, along with reliable consistency and quality, provides a proven value proposition that allows customers to minimize mix design costs.

2. Marketing and Competition

Whilst the 2020 COVID-19 pandemic led to an industry-wide downturn, INSEE Aggregates experienced minimal disruption due primarily to its strong integrated supply chain and unique high-quality product positioning. Government efforts to stimulate the construction industry saw the announcement of several large infrastructure projects with advanced technical specifications. INSEE Aggregates is uniquely positioned to service these sectors and will continue to expand into these high-value external markets.

3. Procurement and Supply Chain

INSEE Aggregates has extensive quarry reserves throughout Thailand, capable of servicing the key markets of Bangkok and the Eastern Seaboard. Currently, it operates from its two crushing lines at the Suphanburi Limestone Quarry, supplying over 4 million tons per annum of premium, HPA, road base, and Crush Rock Fine (CRF) material. Utilizing



the latest crushing plant technology, Suphanburi Line 2 undertakes a three-stage crushing, shaping, and gradation process, resulting in the production of the highest-quality aggregates.

Further reserve deposits at Saraburi Province and Chonburi Province remain currently undeveloped, but provide significant future expansion capability and opportunities.

Additionally, INSEE Aggregates owns and operates various sand deposits, supplying over 0.5 million tons per annum of premium RMX-grade sand.

INSEE Aggregates takes extensive care to ensure its plants and facilities are designed and operated to minimize environmental and community impact. It remains committed to achieving the highest standard of Safety and Environmental Management. Strict policies are enacted to achieve compliance with legislation, regulations, laws, and standards.

Light Building Materials Segment

The Light Building Materials Segment was established to create value-added products from the cement production process and to develop innovative products and services to satisfy customers' requirements. Products under the Group offer a number of benefits to customers including enhanced convenience in the construction process, less dependency on labor work, cost and time savings, and reduced environmental impact.

The economic crisis in Thailand and the rest of the world caused by the COVID-19 pandemic and increasing household debt had a major impact on business in 2020. The real estate sector was hit particularly hard due to declining consumer purchasing power.

Many real estate developers opted to delay new condominium launches this year, and instead focused on housing projects where real demand exists. The recovery of the Thailand real estate market is expected to take one to two years with fiercer competition in the near term likely.

There are three businesses under the Light Building Materials Segment. Here are the details of each business as well information regarding their Products and Services, Marketing and Competition, and Procurement and Supply Chain.

INSEE Mortar

1. Products and Services

INSEE Mortar, a business unit under Siam City Cement Public Company Limited, focuses on the production and distribution of dry-mixed mortar products. The business has researched and developed a range of high-efficiency products targeting the residential and commercial markets.

In 2020, INSEE Mortar introduced two new products into the market. Grey Skim Plastering for Residences fulfilled the market's need for a more specific wall plastering application, while TileFix for Swimming Pools and Granito Tiles is a Thailand Industrial Standards Institute (TISI) certified adhesive mortar for premium projects.

2. Marketing and Competition

The economic crisis and ongoing COVID-19 pandemic meant INSEE Mortar needed to adjust its business model. A new strategy concentrating on expanding value-added product groups and services, more efficient cost management, widening the customer base, and creating new sales channels was adopted. The business also leveraged its brand awareness as a key player in the market to help raise profits and create a competitive advantage.

3. Procurement and Supply Chain

Dry-mixed mortar products are produced at the INSEE Mortar factory with the main raw materials- limestone and Portland cement-sourced from Siam City Cement Public Company Limited. Additive raw materials are obtained through domestic and international suppliers.

The INSEE Mortar factory currently boasts a production capacity of 750,000 tons per year with three production lines. The manufacturing process conforms to quality standard ISO9001:2015. All INSEE Mortar products pass recognized quality standards.

The factory's environmental management has received quality standard ISO14001:2015 in line with the Company's goal to conduct business that is not detrimental to the environment and the communities we work in. Additionally, the factory uses waste heat from Cement Factory No. 2 as alternative fuel in the rock-heating process at all production lines to lower production costs while also reducing the emission of hot air into the environment. Lastly, the factory has dust reduction control systems that utilize bag filters, with the waste from the production line being sent to INSEE Ecocycle Company Limited to recycle and reuse in the system.



Conwood (Thailand)

1. Products and Services

Conwood Company Limited and PT. Conwood Indonesia produce and distribute wood replacement products made from fiber cement. The brand has been around for more than 15 years and is well-known in the marketplace for its durability and quality. Conwood products are made using Portland cement and meticulously sourced cellulose using Swiss production technology.

New products were introduced in 2020 in anticipation of an increase in demand for color finished and wood-patterned products. CONWOOD Color is a brand of paint products that are specially designed for use with Conwood wood replacement products. Meanwhile, the CONWOOD Beyond brand launched a range of decorative stair and wall panels produced with new digital coating technology that creates a natural color finish quickly.

2. Marketing and Competition

The COVID-19 pandemic caused Conwood to adjust its business strategy by expanding the market through the leveraging of more online platforms, cooperation with leading real estate developers to manufacture products that fulfill the requirements of individual projects, increasing product diversity to cover wider demand, and growing sales in the high value-added product group.

This strategy is exemplified in Conwood's collaboration with dealers in Bangkok and major cities nationwide via the Conwood Online Partners program. The initiative supported Conwood's new online marketing channels, including Facebook, Line Official Account, and other online shopping platforms.

3. Procurement and Supply Chain

Conwood products are defined as "green" due to their low energy usage, environmental friendliness, and health consciousness. The Company has meet environmental friendliness standard ISO14001:2015, quality standard ISO9001:2015, Occupational Health and Safety Assessment Series OHSAS45001:2018, Green Label Singapore certification from the city state of Singapore, and has received the Nation Occupational Health & Safety Award (Silver Level) three years in a row. Our factory is located in Saraburi Province, and has the capacity to produce 135,000 tons per year.

PT. Conwood Indonesia

1. Products and Services

PT Conwood Indonesia, one of the subsidiary of the Company, registered under trademark "CONWOOD" with the Company's products well-known across the country. The business currently has more than 1,000 representatives and 20 dealers in Indonesia.

2. Marketing and Competition

A number of online campaigns such as #stayathome and #conwoodathome helped drive marketing efforts this year. PT. Conwood Indonesia has received several honors during the past few years including the "Most Innovative Material for Housing Construction" award at the Housing Estate Awards, and the "Best Innovation and Technology" award at The Dot Property Indonesia Awards.

3. Procurement and Supply Chain

The PT. Conwood Indonesia production process is strictly controlled using various internationally-certified environmental protection policies similar to Conwood Thailand. The production process in Indonesia has also received the Green Listing Indonesia certification for green construction materials, with the present capacity at 36,000 tons per year.

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 SCCC 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.

INSEE Superblock

1. Products and Services

INSEE Superblock Company Limited produces and distributes lightweight concrete products manufactured with Autoclave System technology. Lightweight blocks, lightweight lintel, lightweight floor and wall panels along with value-added products, and consultation services are just a few of the Company's offerings.

The unique features of INSEE Superblock are its ease of installation, which minimizes the need for labor, and flexible panel designs that come in a wide range of sizes to help clients avoid waste.

2. Marketing and Competition

With the Thai real estate market in decline, INSEE Superblock concentrated on managing costs while growing sales through improvements in product transportation and distribution. These efforts saw INSEE Superblock increase its penetration into the construction material market and wall panel market in 2020. The Company also launched product synergies with INSEE Mortar to promote the use of INSEE Mortar products in conjunction with the steel bar-reinforced lightweight concrete panels from INSEE Superblock.



3. Procurement and Supply Chain

There are two INSEE Superblock factories, one located in Singburi Province and one in Ratchaburi Province. The two facilities have a combined production capacity of 7.2 million square meters per year. Production capacity and efficiency at the Ratchaburi Factory was improved in 2020. The upgrades allowed the facility to improve marketing in the western and southern areas of Thailand while serving as a distribution center for other regions.

INSEE Superblock is Thailand's only lightweight concrete producer to be awarded the "Green Label for Construction Material - Wall" according to specification TGL-61-11 from the Thailand Environment Institute Foundation. Reusing raw materials and utilizing alternative raw materials are key focus areas, with these accounting for at least 40 percent of all raw material usage.

Others Business

Industrial Waste Management & Cleaning Services

INSEE Ecocycle

INSEE Ecocycle 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.

INSEE Ecocycle is a wholly-owned subsidiary of Siam City Cement Group in Thailand. Elsewhere in South and Southeast Asia, we have a subsidiary in Sri Lanka and two business units in Vietnam and Cambodia. INSEE Ecocycle Lanka (Private) Limited is a wholly-owned subsidiary of Siam City Cement (Lanka) Limited. INSEE Ecocycle Vietnam is a business unit of Siam City Cement (Vietnam) Limited, and in Cambodia, Chip Mong Ecocycle is a business unit under the local joint venture company Chip Mong INSEE Cement Corporation.

1. Products and Services

INSEE Ecocycle Company Limited offers its waste management services across Thailand and industrial services—particularly in the oil and gas, petrochemical and power generation sectors—both domestically and internationally. We also

offer specialist chemical and mechanical cleaning services to a wide range of sectors. The Company has two facilities for waste pre-processing located in Saraburi and Chonburi Provinces, and a facility for industrial cleaning services in Rayong Province. The Company has been awarded ISO9001:2015, ISO14001:2015, and OHSAS18001:2007 certifications. INSEE Ecocycle is now positioned as one of Thailand’s leading waste management and industrial service solutions providers.



In Sri Lanka, Vietnam, and Cambodia, waste management services are offered under the same INSEE Ecocycle brand, serving industrial sectors for both hazardous and non-hazardous waste. INSEE Ecocycle Lanka (Private) Limited has partnered with a leading multinational company to establish the country’s first resource recovery facility that leverages circular economy principles. In Vietnam, Ecocycle is providing

waste management services to major leading companies and continues to expand a full range of services inclusive of industrial cleaning, recycling, consulting, and on-site services. In Cambodia, Chip Mong Ecocycle is a pioneer in waste co-processing and is establishing itself as a professional and reputable sustainable waste management service provider.

Our services include:

- **Waste Management Services:** INSEE Ecocycle provides waste management services and expertise in handling a variety of industrial waste from different industries including oil and gas, petrochemical, automotive, electronic and electric (E&E), and fast-moving consumer goods (FMCG). Our waste management services include consulting, waste analysis, handling, logistics, processing, and final treatment in our cement kilns
- **Industrial Services:** INSEE Ecocycle is a specialist in industrial cleaning and related services for the oil and gas, petrochemical, and power generation sectors. Our industrial services team provides 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, our main target markets are in industrial sectors such as automotive, petrochemical, steel, and FMCG. Our key customers are leading companies concerned with protecting their reputation that are seeking environmentally-sound and sustainable solutions that meet their needs whilst adhering to all regulatory requirements. The waste management market is highly competitive with many players focused on the handling of both hazardous and non-hazardous waste. Waste-to-Energy (WtE) plants—new entrants in the waste management services market—are offering energy recycling at lower prices for high-calorific waste, competing with our co-processing solutions. To strengthen our competitiveness, INSEE Ecocycle makes all efforts to keep standards high, achieving full compliance with all relevant regulations, building trust, and continuing to focus on customer satisfaction.

For industrial services, our major customers are in the oil and gas exploration, production, petrochemicals, and power generation sectors. These industries require industrial cleaning services for operational assets that cover all lifecycle phases starting from pre-commissioning, maintenance, through to decommissioning. Overall, the industrial services market is highly competitive with a dominant player in the domestic market. Market demand for industrial services are affected by the global prices of oil, as well as competition for jobs by other contractors in the market. Decisions to delay, postpone, scale down, or cancel projects due to the COVID-19 outbreak impact the pipeline of prospective

projects and limits our capability to grow markets overseas. However, new opportunities for INSEE Ecocycle are emerging with the decommissioning of aging off-shore oil and gas platforms.

3. Procurement and Supply Chain

INSEE Ecocycle is committed to continuously improving its operations in line with international standards in quality, environment, and occupational health and safety. This has been acknowledged in the many awards the Company has received. In 2020, the Department of Industrial Works under the Ministry of Industry selected the Saraburi facility to participate in the Best Practices Waste Processor Program, and we are confident that we will win the Gold Standard Award in Q1 2021.

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 Gold Medal and CSR-DIW Continuous Award for both waste treatment facilities. In addition, we have also won the Green Industry Level 4 Award for the Chonburi facility, and recently received the Green Industry Level 5 (Green Network) Award for the Saraburi facility, the highest award provided by the Ministry of Industry. This makes INSEE Ecocycle the first waste management company in Thailand that has been certified for Green Industry Level 5. These awards reflect the strong commitment of INSEE Ecocycle to the highest standards of safety and operations.

An integral part of the organization's culture is continuous improvement in the waste management process, as well as social responsibility within and beyond the organization throughout the whole supply chain.

The Company is aware that its responsibility goes beyond managing our customers' waste. We are responsible for the care and protection of the customers' reputation as well as their other stakeholders. We take pride in being a trusted partner for all our customers and stakeholders.



Trading Business

Siam City Cement Trading Company Limited

Siam City Cement Trading Company Limited (SCCTR) has grown to become a leading trading organization since its inception in 2017. The Company has increased its product portfolio and regional footprint while continuing to trade in, and deliver, a comprehensive range of cementitious and fuel-related products within APAC and beyond. The Company's key focus remains to serve and support SCCC's domestic and overseas subsidiaries for their raw material needs. In 2019, SCCTR moved 9.04 million tons of various products and handled 366 ships to transport materials to SCCC subsidiaries and third-party customers in the region.

1. Products and Services

With the view to trade in all related products and services to meet customers' requirements, and the primary focus to optimize SCCC Thailand's exports, SCCTR has initiated a strategic tie-up with select key customers for long-term supplies. The Company continues to deal with all other cementitious commodities, solid fuels, and its shipping activities while expanding its network of suppliers including cement manufacturers, miners, and steel plants.

2. Marketing and Competition

2020 has been unprecedented at all levels for everyone including SCCTR due to the impact of the COVID-19 pandemic. Towards the end of Q1 and the beginning of Q2, the intensity and uncertainty surrounding COVID-19-related issues such as lockdowns in countries all around the world became evident. The Company had to take prudent steps to avoid defaults and make shipment diversions as required to avoid major disputes; a necessary strategy to maintain SCCTR's credibility in the market. Post-lockdown recovery in many Asian countries has been better than expected, although longer-term uncertainties remain. In terms of competition, the landscape of trading in the sector has been evolving in the last several years with the entry of independent non-asset based entities willing to take on more risks.

3. Procurement and Supply Chain

The Company's buying and selling involves selecting reliable partners for supplies and customers with credibility within the industry. SCCTR works within the framework of SCCC Group policies and compliance while conducting its activities. The Company currently deals with 34 suppliers in 13 countries, and 27 customers in 11 countries, with the numbers continuing to grow in a sustainable manner.

Information Technology Management

INSEE Digital Company Limited

1. Products and Services

INSEE Digital Company Limited, a subsidiary of Siam City Cement Group, was established in 2013 to offer complete digital and information technology services to the Group within Thailand and abroad.

INSEE Digital is the regional business partner for all SCCC business units, helping them to apply digital and information-systems technology (IT), including IT infrastructure, IT security, and data analytics. It helps business to optimize cost through automation, ensure compliance in their operations, and create differentiation and competitive advantages within the Group.

2. Marketing and Competition

INSEE Digital is determined to be a credible and trusted partner that can offer information-systems technology (IT) services that help create smart organizations and systems to connect our business with customers and business partners in real time. Our 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, overseeing the Group's complete IT and digital technology services with exceptional quality
- Creating smart, insight-driven organizations by introducing systems that help connect all elements of the business process from start to finish, offering business intelligence and analytics to enhance the capacity and capability of users
- Strengthening SCCC by leveraging the IT intellectual property of the Group in improving business operations and ensuring sustainable development
- Being the regional IT Services Hub and transforming, expanding, and strengthening our people and organization's capabilities
- Being a technology adviser with a thorough understanding of all the components of information technology, so that it may be applied with maximum efficacy for the Group, boosting their competitiveness and creating new business opportunities

3. Procurement and Supply Chain

INSEE Digital Company Limited selects smart technologies currently available in the market for both software and hardware. All technology solutions implemented at SCCC Group will become the platforms that will support future IT and digital technologies. All solution implementations are developed by the Company's employees with support from our business partners. INSEE Digital hosts all its solutions on private systems, as well as public cloud-based ecosystems.

Milestone Changes in Business Operations

The main operational changes in 2020 reflected adjustments to succeed in the face of crisis conditions.

The Company have taken steps to address fixed and variable costs at pace with market demand and price fluctuations for our products.

Starting in March 2020 on a bi-weekly basis, we initiated a Crisis Council including all Operating Company CEOs, all members of the Group Executive Committee, and all leaders of Functional Excellence Workstreams. This Group continues to meet on a reduced frequency as we have seen high value from fast-cycle readiness and coordination across the Group.

Complete or partial suspensions of operations occurred in most Operating Companies in late Q1 and/or Q2 as necessitated by government-mandated lockdowns and curfews in the countries in which we operate.

In February 2020, we completed the sale of ready-mixed cement operations in Vietnam to Terra Yamaken.

In April 2020, we ceased separate operations of Globe Cement Company Limited and are in the process of integrating the remaining assets into our Thailand operations.

Over the course of 2020, we reduced our network of ready-mixed concrete plants in Thailand by 12 percent, with some of these shifted to franchisee operators.

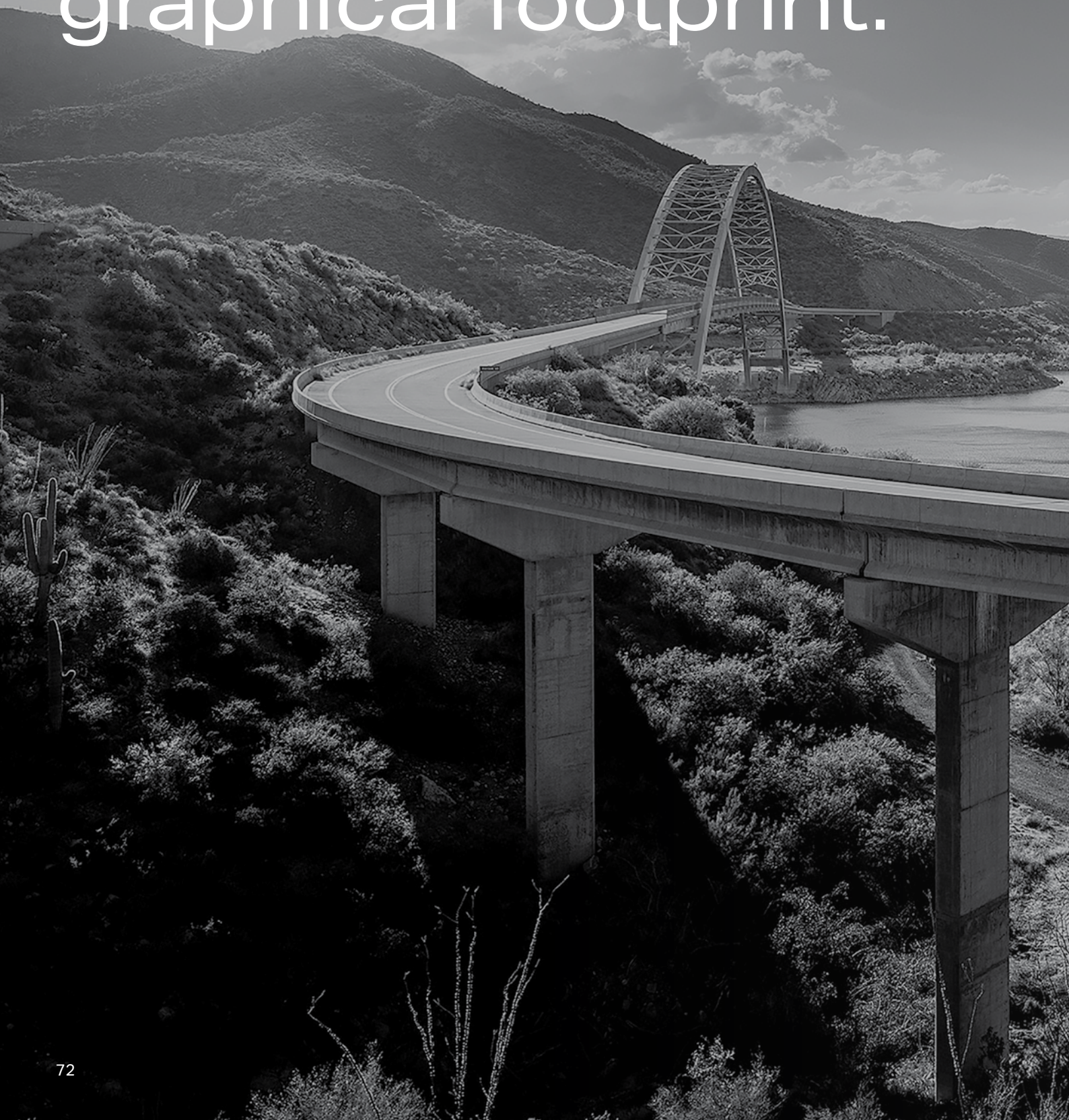


In May 2020, the Company suspended operation of its oldest manufacturing lines in Thailand, Saraburi Plant 1. Plant 1's older, smaller-scale equipment make it less cost competitive than other plants, and it remains uneconomic to run under current market conditions.

In October and November 2020, the Company reconfigured and consolidated administrative offices in the Bangkok Metropolitan Area, reducing occupied floor space by 39 percent.

Over the course of 2020 and finishing at the end of the year, we reduced the business scope of INSEE Digital Company Limited, refocusing the organization on support for internal information and communication systems.

INSEE strategically expands its geographical footprint.





Our Major Development and Initiatives

Cement Segment Siam City Cement Public Company Limited

Saraburi Operations

■ INSEE WAY

INSEE WAY is aimed at creating a culture in which everyone can participate to help reduce waste at work and increase value creation for customers. Its goal is to produce quality products that are competitive in the market and to foster continuous development by building on existing projects such as INSEE Power Team to achieve the Good to Great objectives. INSEE WAY became a pilot program in the bag-making unit in November 2019, and has continued throughout 2020. It has been very successful to date, and has thus been expanded to other areas in the Saraburi Plants.

■ Saraburi Operational Excellence

In order to create a harmonized standard among companies under the Group, benchmarks and best practices are shared with each other. This has enabled production to be more efficient and success to be measured more clearly. Having one recognized standard within the organization through centralized INSEE Operational Excellence and distributed to Saraburi Operations. Saraburi Operational Excellence consists of six main pillars, namely: Energy, Quality, Reliability, CAPEX, Fixed Cost, and INSEE WAY to improve, develop, monitor progress, and support the implementation of new initiatives to drive excellence in manufacturing according to the common goals.



■ SCCC's Testing Laboratory Passes the CCRL Potential Test

With 254 laboratory members around the world, Cement and Concrete Reference Laboratory (CCRL) is the international authority for the testing of fuels, clinker, and cement. SCCC's testing laboratory at Saraburi Operations has passed the CCRL potential test with highly satisfactory test results. This enhances the laboratory's credibility and recognition of its competence and international standards.

■ Sustainable Mining Cooperation Signing Ceremony

Reiterating the Company's commitment to social responsibility and sustainable development in more than 50 years of operation, the Company signed the Memorandum of Understanding (MoU) with Siam Cement (Kaeng Khoi) Company Limited to jointly develop limestone quarries. This will ensure both companies support sustainability in accordance with the Good Governance principles to be friendlier to both the environment and communities in which they work with the support of the Thai Cement Industry Association.

People and Organizational Performance

■ Group Knowledge Management

Group Knowledge Management is the continuing implementation of INSEE Knowledge Management (KM) Culture. SCCC promotes a single Knowledge Management platform for the entire Group, enabling employees to capture, share, and transfer knowledge, expertise, and best practice across the Group for process improvement and knowledge retention. INSEE Knowledge Champions—the representatives of all functions—also assure the quality of knowledge, promote knowledge sharing, and encourage continuous learning to drive the Group to become a sustainable learning organization.

Group Knowledge Management is the continuing implementation of INSEE Knowledge Management (KM) Culture. SCCC promotes a single Knowledge Management platform for the entire Group.

■ Work from Anywhere Guidelines

SCCC has arranged for column-based employees to carry out defined duties from agreed locations during working hours by applying Work from Anywhere (WFA) Guidelines to better accommodate employee needs. WFA delivers; a reduction in commuting times, flexibility in the organization of work, enhanced team collaboration, communication through technology, and sustaining the hiring and retention of a highly qualified workforce by enhancing work-life balance.

■ New Ways of Learning and Development

The Corporate Learning and Development program was redesigned and migrated to digital learning platforms, including virtual learning, e-learning content, and game-based learning via mobile applications. In 2020, the first virtual classroom was launched to develop management across the region by focusing on Strategy and Leadership. To support this, specific e-learning content was designed and game-based learning implemented, namely, the INSEE Competencies Series, Coaching Series, and Cement Production Gamification.

Supply Chain

■ Kaizen Culture and Supply Chain Process Revamp

Supply chain efficiency was further enhanced by adopting the Kaizen concept in all activities, allowing the supply chain to be more responsive to changes and better serve customer expectations. Non-value-added activities have been identified and eliminated, streamlining various processes. For instance, bag-making lead time has been considerably compressed, resulting in reduced need to keep a large inventory of bag packaging, lowering cost, and improving quality. Further examples include utilizing current resources, such as autoloading machines for bag cement dispatching to increase efficiency and productivity, which helps speed up dispatches and shorten waiting time.

Kaizen is ingrained to proactively improve safety, operational performance, and machine reliability. Staff are highly engaged in continuous improvement and growing their capabilities as a part of INSEE.

■ Strategic Roadmap for Logistics Partnerships and E-Auction

The strategic roadmap for sourcing and securing transport partnership opportunities has been developed. This has resulted in mutual benefits, increasing chances for transporters to partner with INSEE, while INSEE has greater opportunities to build a more robust transporter network.

E-Auction has been adopted as a key tool for the bidding process. It promotes competition, visibility in cost management, and shorter lead-sourcing time, allowing for better responsiveness to changing market situations and higher transparency for fleet acquisition.



■ Transformation Through Digitalization and Automation

Robotic Process Automation (RPA) has been implemented in numerous supply chain activities. Currently, around 75 percent of deliveries are automatically planned and scheduled by the system daily. The expansion to automate upstream activities in order-to-cash processes is being developed and piloted. Transport cost verification and reconciliation through an automated workflow is also in progress, which will see a drastic reduction in processing lead time, enhanced productivity, and increased accuracy.

Extending the usage of driver mobile apps which has a sign-on-glass platform could be used as electronic proof-of-delivery in the future. It hastens delivery confirmation lead time, increases accuracy, and reduces the likelihood of lost documents.

Marketing & Sales

■ Cement Products

INSEE Petch Plus, high-quality bag cement for structural works, casting products, and small ready-mixed concrete, was launched under the concept and slogan of “everything is better with INSEE Petch Plus” to emphasize benefits to consumers from superior quality. INSEE Petch Plus is more environmentally-friendly versus conventional structural cement, given the reduced carbon footprint of its production process. INSEE Petch Plus sales have more than doubled in 2020 from the previous year and was able to replace 100 percent of INSEE-branded conventional structural bag cement in the retail market.

“INSEE Petch Plus” to emphasize benefits to consumers from superior quality. INSEE Petch Plus is more environmentally-friendly versus conventional structural cement, given the reduced carbon footprint of its production process.

INSEE Prompt U was started in 2019 to reinforce the Company's image and to innovate and deliver solutions that meet our customers' needs. INSEE Prompt U is a franchising business model that allows construction material entrepreneurs to expand and grow their business into new construction methods and trends. The model focuses on transferring innovation, knowledge, and expertise in concrete product manufacturing and efficient management system to reduce production cost and increase profits. Currently, six franchisees operate under INSEE Prompt U, while there is a plan to acquire more franchisees and achieve a combined production capacity of over 1 million square meters per annum by 2025.

Finance & Controlling

■ Regional Finance Excellence

The Regional Finance community started in 2019 to share information and best practices within the region for important finance initiatives, including net working capital management, budgeting and forecasting, system automation, treasury and tax management, as well as improving internal finance controls. The teams have also developed finance training courses to strengthen staff knowledge and ensure the continuous development of non-finance employees.

■ INSEE Accounting and Reporting Principles

The Finance team has further enhanced the INSEE Accounting and Reporting Principle Manual which is applied throughout the Group. The focus this year was on management accounting,

performance indicators, as well as CAPEX management to allow active benchmarking between Group companies to further improve performance. Training sessions have been held to ensure that these principles are known to finance, as well as non-finance managers and employees.

■ Liquidity Management

Early in the COVID-19 pandemic, SCCC put a strong emphasis on liquidity management and obtained long-term committed credit lines from banks valid until mid-2023 for a total of THB 6.75 billion, which can be drawn in case of cash needs. In addition, all Group companies have focused on tight monitoring and management of accounts receivable, reduction of inventory levels, and extending payment terms with suppliers.

Siam City Cement (Vietnam) Company Limited (SCCVN or INSEE Vietnam)

■ Increasing Our Footprint in New Markets in the East and Phu Quoc Island (Kien Giang Province)

In 2020, the Company continuously expanded our geographical footprint in the bag segment to several markets in the southeastern region including Tay Ninh, Binh Phuoc, Binh Duong, and Binh Thuan. Moreover, in a strategy to increase market reach, we developed INSEE Power Fast, a new product dedicated to large projects.



Siam City Cement (Lanka) Company Limited (SCCLK or INSEE Lanka)

■ Improving Market Reach and Profitability

SCCLK has launched a program designed to sustainably improve its market reach and profitability. Three axes were emphasized:

- 1) Implementing market actions island-wide to better serve customers and increase market share and brand loyalty
- 2) Finding sources of lower-cost raw materials and coal while keeping high-quality standards
- 3) Reducing the fixed cost base by optimizing organizational structure and challenging all spending. With this program in place, SCCLK has already achieved a significant improvement in its operating profit and bottom line in 2020, and hopes to continue growing in the coming years

Chip Mong INSEE Cement Corporation (CMIC)

■ Launch of Masonry Cement “Camel Green”

CMIC launched its newly created Camel Green product in April 2020 with “Choose Only the Best - Camel Plastering Cement” as the tagline. Beyond its innovative new look, Camel Green has been produced to meet customers’ needs in terms of wall plastering, bricklaying, tile laying, and many other applications. CMIC believes the design of the new bag will help build its brand equity in the market.



Concrete and Aggregates Segment

Siam City Concrete Company Limited

■ Technology and Innovation

INSEE Smart Tracking was introduced in 2020 to enhance the INSEE Ready-Mixed Concrete (RMX) ordering and delivery experience. Upon confirmation, an SMS providing a website link is sent to customers enabling access to their specific order details. This includes tracking of order and delivery status and real time truck tracking. Additionally, with INSEE's e-Ticketing system, customers can download and print documentation at their convenience.

INSEE Smart Tracking was introduced in 2020 to enhance the INSEE Ready-Mixed Concrete (RMX) ordering and delivery experience.

Light Building Materials Segment

- Conwood collaborated with its partners to research, produce, and deliver value-added products to the market to respond to customer needs and to enhance financial revenue and brand equity
- Conwood's marketing channel was expanded by the signing of the Memorandum of Understanding (MoU) with dealers to develop Conwood Omni-Channel
- INSEE Mortar was granted the TIS 1776-2560 (Mortar-Plastering) certification for INSEE Mortar No. 11, 12, 15, and TIS 598-2560 (Mortar Brick Laying) certification for INSEE Mortar No. 21. INSEE Mortar is the first mortar cement producer in Thailand to have received these certifications from the Thai Industrial Standards Institute (TISI)

■ Others Business

Industrial Waste Management & Cleaning Services

INSEE Ecocycle Company Limited (Thailand)

■ Expansion of Capability on Industrial Services

Further developing our portfolio of decontamination capabilities, we are working on long-term contracts with major oil and gas companies to decontaminate and decommission offshore oil and gas equipment in Songkhla Province.

INSEE Ecocycle Vietnam

■ The “Together with Farmers Protecting the Environment” Campaign

INSEE Ecocycle is honored to collaborate with the Plant Protection Department, the Southern Plant Protection Center, and 50 other enterprises in implementing the “Together with Farmers Protecting the Environment” campaign to handle empty pesticide packaging in 22 southern cities and the provinces of Vietnam. Since 2017, the project has affected positive change for both agricultural practices and the environment. It has educated thousands of farmers on how to use and discard pesticides safely.

■ Providing the Highest Health, Safety, and Environment Standards in Waste Management

INSEE Ecocycle continues to invest in laboratory equipment in 2020 to ensure peace of mind for all our stakeholders, employees, customers, the communities we operate in, and the authorities.

■ Investing in Environmentally-Sound Waste Management

In 2020, Ecocycle commissioned a new hazardous waste shredder at its Hon Chong plant. This further increases our capacity and capability to treat hazardous wastes that would otherwise end up in the natural environment. This investment also strengthens INSEE Vietnam and INSEE Ecocycle’s commitment to the Sustainable Development Strategy, which focuses on balancing economic growth with social responsibility while constantly working to minimize impact on the environment.

INSEE Ecocycle Sri Lanka

■ Establishing the Resource Recovery Center

Revolutionizing waste management, the newly inaugurated INSEE Ecocycle Resource Recovery Centre will enable end-to-end solutions that facilitate the systematic collection of FMCG and post-consumer waste. This will be achieved through a range of processes from reverse logistics, to the collection of waste from general and modern trade, to segregation, purification, reusing, recycling, and upcycling. The collaboration between a number of recycling

partners will ensure an upcycling solution for all discarded goods. Ecocycle focuses on transforming and improving the FMCG industry, building a future for Integrated Waste Management Solutions (IWMS) in partnership with Unilever and other multinational companies to promote corporate sustainability agendas contributing to UN Sustainability Development Goal (SDG) 12 - Sustainable Production and Consumption.

■ Expanding Sorted Municipal Solid Waste Channels to Valuable Alternative Fuels

Ecocycle has been supporting the national municipal solid waste (MSW) issue since 2011 via public and private partnerships that provide a solution to segregated non-recyclable polythene and plastic waste material treated through co-processing kiln waste management solutions. One of Ecocycle's finest achievements is its contributions to alternative fuels that have supported INSEE in its endeavor to reduce its dependence on fossil fuels. All Ecocycle services for corporations, local councils, urban councils, and municipal councils can be obtained with ease and convenience through its digital platform.

With experience and proven efficiency, Ecocycle has the capacity to manage 10,000-12,000 tons of sorted non-recyclable MSW per year. Going a step further, Ecocycle now promotes recycling and upcycling for recyclable materials from industries and MSW management through the Ecocycle Resource Recovery Centre. Ecocycle continuously works to develop the waste management industry alongside respective stakeholders to move the country towards a circular economy based around integrated waste management solution.



Chip Mong Ecocycle

■ Chip Mong Ecocycle Business Development

Chip Mong Ecocycle has partnered with multinational company Adidas to provide a sustainable industrial waste management solution for their Zero Waste to Landfill project in Cambodia. The project will see Chip Mong Ecocycle provide industrial waste management solutions to 11 Adidas manufacturing partners.

In July 2020, Chip Mong Ecocycle signed an agreement with Cambodia's largest special economic zone known as the Sihanoukville Special Economic Zone (SSEZ) to build a new industrial waste collection facility. This initiative will secure sustainable waste management solutions for all SSEZ factories.





Risk Management

Siam City Cement Public Company Limited and its Group companies manage risk through a quarterly top-down and bottom-up process designed to ensure all levels of the organization are alert to and acting on risks.

This process covers all market, competitive, operational, financial, and people risks that may hinder our performance and growth.

Each quarter, the Group Executive Committee reviews risks identified in the Operating Companies. Risks are characterized by velocity (how quickly they could affect INSEE) and value (estimated impact on our profitability). The Committee further shapes and consolidates identified risks, taking a Group and regional perspective. These consolidated risks are reviewed and amended with inputs from the Group Board of Directors, then flowed back to the Operating Companies to ensure that we have shared visibility, and that actions are in place to address risks.

As a part of this cycle, we also identify where emerging risks to our current businesses can become opportunities. For example, a change in customer behaviors or technical requirements can be advantageous if we move ahead of our competitors to meet new needs.

1. Business and Strategic Risks

Our top risks in 2020 were impacts from the COVID-19 health crisis and subsequent economic crises. These are expected to continue at least through 2021.



In the first and second quarters of 2020, the spread of COVID-19 required urgent action to protect the health of our people. Lockdowns in Sri Lanka, Bangladesh, Vietnam, and curfews in Thailand required immediate adjustments to business operations. While some demand—especially for projects already under construction—bounced back following lockdowns in the second half of the year, declines in demand continued to affect all markets.

These declines have exacerbated pre-crisis trends. We have not been alone in identifying long-term opportunities from the urbanization and integration of Southeast Asian markets. Growth in the regional supply of cement has outpaced demand as competitors from our home markets and new entrants to the region, notably China-based companies, have added capacity.

Our Light Building Materials and Ecocycle business units experienced more abrupt demand impacts from the COVID-19 crisis given their relative dependency on short-cycle retail and industrial activity respectively.

Through 2020, the Group Executive Committee addressed these developments in a Crisis Council made up of all Group CEOs and function leaders. This Council steered and aligned actions to rapidly adjust cost structures. Looking ahead, disciplines built this year will be foundations for driving long-term competitiveness based on cost and market positions.

SCCC Group faces additional business and strategic risks reflecting the nature of the businesses and markets in which we compete:

Through 2020, the Group Executive Committee addressed these developments in a Crisis Council made up of all Group CEOs and function leaders.

■ Customer behaviors and expectations

Increasing market and customer sophistication require that SCCC adapts to new expectations for service levels and for solutions to our customers' business and operating challenges. These expectations go beyond simply delivering products.

We are responding to these shifts by introducing more tailored and segmented approaches to customer relationship management supported by a Group-wide information system and common front-line sales tools.

We are also using customer-back innovation to inform product and service development across our lines of business.

■ Commercial strategies and capabilities

As a corollary of responding to changes in customer and market behaviors, we must also adopt go-to-market strategies and capabilities in our sales forces to new realities.

As a part of SCCC's Commercial Excellence initiative, the Group is building stronger professional networks and education. These programs ensure that our practices are informed by the best of what other industrial companies are doing—globally—and that we adapt and disseminate approaches across all Operating Companies.

■ People engagement and talent readiness

The stresses of external crises and of necessary internal changes have tested individuals and teams. We expect the economic crisis to be prolonged. We do not expect the need for change to lessen. Given these factors, ensuring that we have resilient teams and leaders becomes paramount to our business performance.

SCCC is reinforcing fundamental good practices in engaging teams and supporting development. These practices cover rewards and recognitions

as well as the rigor of our development programs. Part of this is more systematic knowledge capture and transfer so that we are ready for generational turnover.

We also increasingly focus on the diversity of our workforce-not just in terms of ensuring our people are representative of the markets we serve but also in terms of outlooks and thinking.

2. Environmental and Social Risks

The Company strives to be a steward of the environment and of communities wherever we operate. We face real operating risks and risks to our reputation as broad social awareness and government actions increasingly focus on the negative impacts of industrial activity.

In our cement businesses, quarrying operations and cement production affect the immediate environments around our sites and emit carbon dioxide into the atmosphere. All of our businesses consume energy. Our products support longer end-to-end value chains, including construction activity and ultimately extending to the use of buildings and infrastructure.

We manage immediate and long-term risks through a three-fold approach:

- First, we strictly adheres to industry and regulatory standards in all markets. These include Environmental Management System ISO14001:2015, and the Corporate Social Responsibility CSR-DIW and CSR-DPRIM
- Second, we acts continuously according to an ESG strategy that is described more fully in a separate section of this report
- Third, we focus on product and service innovations that reduce the lifecycle impacts of our products. Examples include advocating for national standards that lower the energy requirements to produce cement and creating products that enable builders to reduce pollution on construction sites

In 2020, our monitoring and auditing of our protective and proactive actions found no significant negative events or new unaddressed risks.

3. Operational Risks

Operational risks to the Company come mainly from health and safety risks intrinsic in running our plants and selling our products, the potential for unanticipated equipment issues and lost production, and external impacts from changes in the availability and prices of materials.

■ Employee Health and Safety

Protecting the health and safety of our people is our paramount concern. Every senior management meeting we hold starts with a review of this topic. A separate section of this report covers our performance in 2020 against specific metrics and targets.

In 2020, the global outbreak of COVID-19 presented a major health and safety challenge across the Group. Early in the crisis, we activated

standing crisis management teams in all countries. The executive-level Crisis Council mentioned above actively shared health developments and practices. Specific actions varied with conditions in each market, but we broadly instituted a combination of temperature screening, requiring masks, social distancing, working from home, and mandatory self-quarantining for potentially exposed individuals. All measures continue.

In addition to complying with-and usually significantly exceeding-legally required protections, we follow Occupational Health and Safety Management System ISO45001:2018 for monitoring and improving performance. The Company communicates with and encourages knowledge sharing by employees on the topic. The Company mandates proactive risk monitoring and mitigation, reporting of all incidents, and follow-up root cause analysis for significant events.

■ Production Continuity Risks

Production economics in the Group's main business depend on carefully managing the operating reliability of our equipment. Unanticipated failure of a critical part of a cement kiln can lead to weeks of lost production.

In 2019, unplanned shutdowns materially affected the Group's performance, particularly in the Thailand cement business.

These have been significantly reduced in 2020. Newly created and staffed roles in Group Manufacturing and Group Reliability and Maintenance have introduced stronger standards for preventative maintenance, and for optimized stocking of critical spare parts.



■ Energy and Raw Material Supply Risk

The Company is a large consumer of energy and mineral raw materials. Modest changes in the availability or price of these can significantly affect our economics.

Most of our cement production facilities are supplied by Company-controlled quarries for the most important mineral inputs; limestone, shale, and others. We buy the right to quarry through concessionary leases from governments. Our right to operate these quarries depends on strict compliance with concession terms, visible and proactive stewardship, and long-term planning for renewals.

For other materials and for energy, production teams supported by local and Group Procurement as well as Siam City Cement Trading proactively ensure we have robust supply alternatives and anticipate and mitigate price fluctuations. Our minority shares in Thai coal companies further de-risk our energy supplies.

The Company saw no significant supply risks in 2020. In general, market prices fell with economic slowdowns. We increased spot purchasing and—for some markets—have secured long-term contracts at favorable prices. We have also further improved supply logistics and the flexibility of our material specification.

4. Financial Risks

As a Company operating across multiple markets and relying on a mix of debt and equity to finance operations, the Company faces exchange rate and borrowing-related risks.

■ Exchange Rate Risk

the Company addresses the majority of its exchange rate risks by hedging 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 and receipts of foreign currency transactions.

The Company does not have any outstanding foreign currency loans and closely monitors overseas subsidiaries to cover financing needs in local currencies.

Foreign currency hedging is used to mitigate risks to income in the form of dividends from overseas subsidiaries.

■ Interest Rate Risk

Interest rate risks are minimal. The Company and its subsidiaries balance between floating and fixed interest rates to mitigate potential impacts from volatile interest rates. 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

■ Credit Risk

The Company and its subsidiaries are exposed to credit risks with respect to trade receivables. These are managed by adopting appropriate credit control policies and procedures, together with a variety of instruments and methods such as bank guarantees, letters of credit, and trade credit insurance policies with periodic credit assessments

■ Liquidity Risk

The Company's Treasury Department actively monitors the liquidity position of the Group and maintains an adequate level of cash and credit lines. These are inclusive of committed and uncommitted credit lines, to meet financial obligations and the effects of cash flow fluctuations

The Cement Industry's Outlook 2021

In light of the continuing global economic downturn and health-driven restrictions on activity, we anticipate low growth across our markets in 2021. This limited growth will be relative to the reduced volumes seen in Q2 2020. As a conservative estimate, we expect that we will not see 2019 levels of market demand again until 2022.

Volatility and variation across the countries and segments we serve will likely continue. Positive shocks (a reliable vaccine and gradual economic reopening) as well as negative (new COVID-19 outbreaks and consequent shutdowns) could change this outlook significantly.

Barring such shocks, we expect:

- Government infrastructure projects and a limited recovery in foreign direct investment will provide bright spots. Roadworks, railway infrastructure, and airport projects will see particular support and benefit cement and concrete suppliers
- End-market demand in rural markets will hold relatively steady (particularly for bag cement) and help balance continued downturns in general commercial and industrial construction. The region will see some benefit as multinational companies diversify manufacturing capacity away from China
- Residential markets will diverge. Thailand will need one to two years to work down excess inventory in condominium markets—particularly in Bangkok—but low-rise and landed house markets will be healthier

Smaller renovation and retail demand should recover ahead of longer-cycle new construction



- Consistent with macro-economic forecasts from the International Monetary Fund and others, we expect Vietnam and Cambodia to be our strongest markets. Ho Chi Minh City in particular should see a significant release of pent-up demand following a long freeze on construction permitting. Thailand's relatively low rate of urbanization and high dependency on tourism will constrain growth. Bangladesh and Sri Lanka will fall in the middle

Across the industry, oversupply and intense price competition will define all markets and drive long-term convergence in prices and profitability. Competitors that beat the average will do so based on superior cost structures and better access to materials and markets.

Sustainable Development

Environmental. Social. Governance.

Sustainable Development

Our Contribution to the UN's Sustainable Development Goals



Throughout its business operation, Siam City Cement Public Company Limited has always determined to operate the business on the basis of good corporate governance and with the responsibility towards the community, society, and environment in accordance with the sustainable development principles to create shared value that fulfills the expectations of all stakeholders which the Company believes is the foundation for growth and the Company's sustainable progress well into the future.

The Company's Sustainable Development Policy

The policy was established to promote the sustainable development of the business on the basis of creating value for all stakeholders and good corporate image as well as to manage business risks with the aim to maintain the balance in creating economic, environmental and societal values to fulfill the expectations of stakeholders. The operation on the sustainable development policy is the duty and responsibility of the Board of Directors, executives, officers, and the Company's employees at all levels.

The SCCC Group's sustainable development policy is aimed at the development in three aspects, namely:

Economic Value

- a) Good Corporate Governance shall be the foundation of the SCCC Group's culture
- b) Any form of corruption shall be denied and rejected to protect the SCCC Group's reputation, image and trust including its rights to operate
- c) SCCC Group shall continue to grow its business in a sustainable manner
- d) Value shall be created for all of the SCCC Group's stakeholders

Environmental Value

- a) Preserve and use of natural resources recognizing their values
- b) Use energy efficiently and promote the use of alternate energy sources
- c) Prevent, control and reduce impacts derived from the SCCC Group's operations to the environment
- d) Promote biodiversity and support forest habitation



Social Value

- a) Care and attention shall be paid to our employees. The SCCC Group shall operate with appropriate protection measures for injuries, damages or loss of lives from work
- b) Support to employees for their well-being, development and career advancement
- c) Care and support to the sustainable communities and society development which the SCCC Group operates
- d) Products and services shall be developed to add value and respond to the need of the customers and society

Stakeholders and Ways to Foster Lasting Relationship

The SCCC Group strongly believes that the good support from all key stakeholders is a cornerstone of the operations. Therefore, the Company created communication channels as a tool for exchanging the ideas and experiences to get those valued information, opinions and engagements. This would lead to major benefits as follows:

- Serves as a solid foundation for a strong business operation
- Allows the business to set effective policies and appropriate work plans

- Uses the suggestions and recommendations of stakeholders to support new innovations and solve certain problems
- Promotes good image for the business and supports our license to operate

The SCCC Group has identified all major stakeholders and analyzed their expectations as well as communicated and built relationship to access the stakeholders' opinions and to take that information to apply to strategic planning and business activities regularly.

In summary, the SCCC Group has set the following goals and processes to build the relationship with respective stakeholders:

Stakeholders	Ways to foster lasting relationships
Customers Respond to every need to be a part of the customers' success.	<ul style="list-style-type: none"> ■ Constantly survey customers' opinions ■ Arrange regular small meetings and customers' visits ■ Develop communication channels, promotes on-line transactions for increased speed, convenience and effectiveness ■ Develop more value-added products
Employees Take care of the employees' safety and work environment, promote good livelihood and create opportunities for development and advancement in the work place.	<ul style="list-style-type: none"> ■ Develop leadership capabilities in supervisors to be more attentive to subordinates ■ Promote engagement and two-way communications within the organization ■ Develop environment and safety culture in the workplace ■ Regularly surveys employees' opinions

Stakeholders	Ways to foster lasting relationships
<p>Communities</p> <p>Implement CSR-in-process to prevent or minimize operational impact on the communities, including creating projects to continuously support the communities' sustainable development the so-called CSR-after-process.</p>	<ul style="list-style-type: none"> ■ Regularly carry out surveys of the communities' opinions ■ Develop communication channels, both official and unofficial ■ Arrange factory visits for community leaders and the public ■ Promote the community's engagement and joint management in some important projects ■ Create the Fund for community development and environment, as well as the advisory panel in relations to community relations
<p>Goods & Service Suppliers</p> <p>Promotes good cooperation and mutual support to create business opportunities and mutual growth.</p>	<ul style="list-style-type: none"> ■ Announce and implement the Suppliers Code of Conduct ■ Announce and implement the Sustainable Procurement Policy and Guidelines ■ Arrange meetings to promote good communications and training programs on various topics
<p>Shareholders</p> <p>Carry out business operations with good corporate governance while building sustainable progress for the organization.</p>	<ul style="list-style-type: none"> ■ Organize the Annual Shareholders Meeting ■ Regularly communicate and arrange field visits, and participations in CSR and environmental projects
<p>Government Agencies & Independent Organizations</p> <p>Strictly adhere to the laws and provide good cooperation with the government sector and seek out opportunities for joint activities and projects which are beneficial to the society and nation.</p>	<ul style="list-style-type: none"> ■ Study legal implications and controls all aspects of the business to ensure legal compliance ■ Participate in meetings, seminars and forums with government agencies, as well as support official exhibitions and seminars ■ Support and participate in projects for society and nation as organized by the government sector and organizations such as the Chai Pattana Foundation
<p>Media</p> <p>To promote good understanding of the Company's operations among the media, including policies and major projects so that the media would be able to communicate them more accurately and properly to our stakeholders and the general public.</p>	<ul style="list-style-type: none"> ■ Regularly support the media with information, operational facts and figures, and progress of major projects ■ Regularly arrange opportunities for the media to meet the senior management, visit factory and participate in social and environmental responsibility activities

Customer Relationship Management

The Company is determined in the continual development of customer relationship in line with the Company's vision; to exceed customer expectations in the production of quality products as well as exceptional customer service. Our main activities to strengthen customer relationship are:

Conducting Customer Satisfaction Index (CSI) Survey

SCCC conducts Customer Satisfaction Index (CSI) survey as well as a secondary tool called Net Promotor Score (NPS). While CSI is aimed to measure the level of customer satisfaction, NPS measures the likelihood of the customer willingness to promote INSEE products and services. CSI, NPS, and customer feedback combined allows for the Company to formulate action plans for continuous improvement. These action plans are driven by the Customer Experience Organization Team comprising of individuals from all facets of the business and all countries of operations with the aim to exchange best practices and achieve utmost customer satisfaction.

Visiting SCCC's Business Partner by Top Management

Apart from ordinary visit from Marketing management to present valued business partners with compensatory token of appreciation from continuous support SCCC, SCCC's top management from every business unit have all in turn visited our business partners as well to foster relationships, understand their needs, and consequently address and resolve problems swiftly.

Sharing Care and Supports to Customer During COVID-19 Pandemic

Under the duress of COVID-19 pandemic, several initiatives were put in place to help customers: Hygiene masks were distributed nationwide via 167 outlets. Social distancing campaign (translated) "Just a little distance, conquer COVID" was launched on various digital and social media channels in form of content in providing knowledge of basic preventive measures and living in the "new normal" such as how to correctly wear and dispose hygiene masks, social distancing, tips and tricks under lockdown. As physical customer visits were not possible during lockdown, the Company utilized various digital tools to stay connected and in support of its customers such as virtual visits and online meetings. Once the lockdown was over, the Sales team will resume their physical customer visits while strictly wearing hygiene mask at all times are remained.



Conducting Business with Good Governance

The Company strictly adheres to the good governance principles in its business conduct by paying full attention to the responsibility towards the society and the environment, as well as to do our best to fulfill the needs of our stakeholders. In the past year, the Company's good governance activities are as follows:

"Excellent" Recognition on Corporate Governance Report of the Thai Listed Companies for the 5th Year

In 2020, the Company was recognized by the Thai Institute of Directors (IOD) in its Corporate Governance Report of the Thai Listed Companies with the highest level "Excellent" consecutively for the 5th year.

Certified Member of Private Sector Collective Action Coalition Against Corruption

The Company was recertified member of the Private Sector Collective Action Coalition Against Corruption (CAC) for a period of three years, from 30 June 2020 to 30 June 2023.

The Company continued to reinforce and remind all the employees through communications and trainings on the Company's policy on anti-bribery and corruption with stringent practice in doing business and dealing with all stakeholders with transparency and according to the laws.

Code of Business Conduct and Other Related Policies

Besides the Corporate Governance Policy, the Board of Directors has approved the review of the Code of Business Conduct to ensure that all the Directors, the Management, and the employees of the Group perform their duties with integrity and honesty in order to maintain the reputation and the confidence of the organization as defined in the Company's Corporate Governance Policy.

Apart from the said Corporate Governance Policy and the Code of Business Conduct, the Board of Directors has approved the related policies in order to provide clear framework which lead to the development of the organizational culture that support the good corporate governance.

In order to support our commitment of serving customers and working with our partners with the highest standard of transparency and integrity, the Company has set a "No-Gift Policy" in place. Our employees and Management are strongly suggested to decline the receiving of gifts, souvenirs or any other benefits. In case of receiving the gifts, the employees must report through the receiving disclosure channel for their transparency.

INSEE Speak Up on a Regional Scale

The SCCC Group continued to manage its complaint from employees, vendors and customers and whistle-blowing process called "INSEE Speak Up" in all countries. The channel is provided by an independent outsourced firm. A Screening Committee, independent from the management, has been established to screen the cases, analyze and investigate each complaint. Appropriate actions were taken to improve the SCCC Group's systems, governance and culture.

Compliance

During 2020, the SCCC Group has defined the role, responsibility, and accountability of compliance matter to further strengthen the compliance environment in Thailand and overseas subsidiaries. In addition, the SCCC Group has made a quarterly report on the monitoring of compliance with various laws including the results of the disclosure information on conflict of interest of the management and employees; and the related party transactions to the Audit Committee.

The compliance training program for the management was also continuously established to develop employees' operational knowledge in accordance with the guidelines, policies in order for the management to effectively perform their responsible duties by avoiding the risk of violating the laws. Besides, the SCCC Group has developed communications and learning tool through electronic channels for easy access by the employees.



Thailand Sustainability Investment (THSI) 2020

The Company's business operation is based on the foundation of good corporate governance with the adherence to the sustainable development principle by taking into consideration the fine balance between environment and society, and the growth of the business plus value creation for stakeholders. This has led Siam City Cement Public Company Limited to be chosen by the Stock Exchange of Thailand (SET) to be listed in the Thailand Sustainability Investment (THSI) 2020 for the second consecutive year.

The SET has assessed and measured the results of the Company's operation on sustainable development covering the environmental, societal and economic dimensions as well as good corporate governance (Environment, Social,

Governance: ESG). The assessment process began with policy formulation to goal-setting and to the implementation of the policy with the aim to build a sustainable investment ecosystem.

In addition, the Company was assessed on ESG and was selected to be listed in the ESG 100 for the year 2020 by Thaipat Institute.

Social Responsibility

The SCCC Group has developed the social responsibility policy as a guideline in carrying out the work in this area in seven important aspects:

1. Strict adherence to corporate governance for transparency, respect for human rights, and equal and fair treatment to all stakeholders, namely, employees, shareholders, customers, business partners and the community
2. Care for the employees and respect for equal rights for human in accordance with the international norms on human rights and all related labor laws
3. Pay close attention to building good relationship with customers and suppliers – listening to their recommendations in order to be able to completely fulfill their needs and create good and sustainable relationship with suppliers to build shared value
4. Be mindful of the environment and sustainable development – promoting and giving importance to the protection of the environment, reduce the impact on the environment and the community by strictly adhering to the highest standard in environmental management
5. Be attentive to the community and social development by supporting the sustainable development of the communities in all locations that we operate, as well as the society in general
6. Support controlling and reporting to follow up and report on various activities that are relevant to the operation including those involving the society to allow the general public to be aware of various channels where stakeholders may share suggestions and recommendations to be considered for sustainable development
7. Anti-bribery and corruption – Businesses are conducted in a transparent and ethical fashion as well as to strictly follow all rules and regulations

Protection of Human Rights

Guided by the United Nations Guiding Principles (UNGP) on Human Rights, SCCC Group believes that our business can thrive only when the human rights are respected, advanced and upheld. And that all relevant stakeholders uphold and comply to the same principles.

SCCC Group companies believes that our business can thrive only when the human rights are respected, advanced and upheld.

1. Protection of Employee Rights

Our employee rights and their working conditions comply with labor standards of both domestic and international laws where we operate. This includes embedding in our work culture the respect of rights inherent to all human beings, regardless of physical or mental status, race, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition or any other status as specified by laws of each country.

1.1 Recruitment and Screening

SCCC Group provides the opportunities to all applicants regardless of gender, sexual orientation, disability, education, race, age or religion, with fair and transparent recruitment and screening processes

1.2 Learning and Development

Throughout their employment, all employees is provided with equal learning opportunities for self-development and is encouraged to have always-on conversation with their supervisor about their development journey

1.3 Fair Compensation

The SCCC Group ensures the pay is attractive to key talents in the market and employees are paid fairly and competitively

1.4 Performance Assessment

The SCCC Group is committed to driving employees to engage in a performance-driven culture where fair and transparent evaluation process are followed strictly

1.5 Termination and Separation

The SCCC Group ensures fair and transparent employee termination/separation, with appropriate consideration of organizational needs, transparent process, and legal compliance, in line with the fair treatment and consistency of procedures.

1.6 Culture of Diversity and Inclusion

The Company continuously promotes an inclusive work culture by including transparency, professional manner, and equal opportunities in every activity we do, as well as provides the suitable communication channels in order to cascade the Management's direction, and to continuously receive valuable feedbacks from employees.

2. Compliance and Consequence Management

The Board of Directors, the Management team and all employees, as well as any individual or entity who represents or performs work on behalf of any entity under SCCC Group shall ensure full compliance to the same principles.

Any party who violates the human rights shall be considered disciplinary penalty as defined by the Company and may be subject to legal punishment if the act is against the law.



Occupational Health and Safety Management

At Siam City Cement Group, our overriding safety objective will always be "Zero Harm To Anyone" and we will always ensure that every employee and contractor in our business is treated as a valuable partner whose health and wellbeing is to be protected and cared for.

Through a pro-active safety leadership approach,

We will always ensure that every employee and contractor in our business is treated as a valuable partner whose health and wellbeing is to be protected and cared for.

we strive to prevent all injuries and illnesses by providing a safe workplace, safe systems of work, all necessary safety equipment, training in safe operating procedures and by enforcing strict safety rules.

All Executive Committee members in all countries, Area Owners, Managers and Supervisors are responsible for enforcing and maintaining the Occupational Health and safety standards, rules and regulations in the areas under their control.



Road and transport safety continues to be a major challenge across the South East Asia Region and together with our transport contractor partners we have introduced many initiatives and programs to better educate drivers and improve their skills and the safety standards of their vehicles.

The COVID-19 virus epidemic has presented enormous challenges for our businesses in the region as we have had to improvise and adapt to ensure that we have complied with all directives and medical advice without compromising our stringent internal OH&S procedures so as to ensure the health and welfare of all employees and visitors to our sites and offices. There have been no confirmed clusters of infection at any of our businesses.

Siam City Cement Group Provides Relief Efforts and Launch Measures to Battle COVID-19 Fallout

Following the global outbreak of COVID-19, the Siam City Cement Group has made significant contributions to medical personnel, communities, and governments in Thailand, Vietnam, Sri Lanka, Bangladesh, and Cambodia to address the fallout of the pandemic.

These contributions have come in the forms of cash donations, provisions of protective gowns, face masks, hand sanitizers, food relief packages, and cement supplies.

Details of the contributions for each of the Siam City Cement companies are as follows:

Siam City Cement (Lanka) Limited

- Provided 25 tons of cement and resources towards construction of the COVID-19 management centre in Iranawila, Puttalam, increasing the capacity of major hospitals to treat suspected COVID-19 patients
- Donated over 21,000 face masks and 1,000 face shields to support police officers and frontline healthcare personnel
- Provided more than 4,000 packs of dry rations and food supplies to employees, contractors, masons, and villagers who live close to the Siam City Cement Puttalam Plant

- Offered food supplies to over 140 daily wage-earning families in Galle through fundraising activities initiated by the employees of the Siam City Cement Ruhunu Plant

Siam City Cement Public Company Limited

- Donated THB 500,000 to the Bamrasnaradura Infectious Diseases Institute for the procurement of COVID-19-related medical equipment via our media partner, Channel 7 HD
- Provided face masks, disinfectant gels, personal protective equipment (PPE), suits, and food packages (rice and canned food) to villagers, healthcare centers, and local government organisations in the vicinity of Siam City Cement sites in the provinces of Saraburi, Suphanburi, Singburi, Ratchaburi, and Surat Thani
- Provided 100 tons of cement to the Ministry of Labour to support the vocational training in the field of construction for those affected by the pandemic in 16 provinces
- Supplied 1,000 face masks to teachers and pupils at schools run by the Border Police of Thailand

Siam City Cement (Vietnam) Limited

- Donated VND 250,000,000 to Kien Giang province in its counter COVID-19 efforts



- Provided over bottles of 800 hand sanitizer to Kien Luong authorities and the Kien Giang People's Committee
- Provided 4,000 face masks to Kien Luong authorities

Siam City Cement (Bangladesh) Limited

- Conducted community fumigation twice a week for more than 1,500 families living close to the Plant
- Distributed 1,500 sets of relief packages (rice and food) to workers' families and villagers near the Plant site
- Provided three meals a day for workers who camped in the Siam City Cement Plant due to the lockdown

Chip Mong INSEE Cement Corporation

- Supplied 5,000 face masks and 500 bottles of hand sanitizer to local villagers and authorities in the Touk Meas and Tani communities located near the Plant
- Provided rice to villagers in Pursat Province

Communication and Education

Apart from the aforementioned donations and initiatives, SCCC Group operating sites have promoted COVID-19-related knowledge and awareness among villagers and stakeholders via leaflets, posters, banners, VDO clips, and other media channels.

Corporate Social Responsibility Projects

SCCC Group gives importance to the support of sustainable development both at the national level and at the level of communities around production facilities in all areas and in all countries in which the Company operates. All production units of companies within the Siam City Cement Group must prepare community engagement plans on an annual basis that cover both CSR-in-process and CSR-after-process as well as promoting effective communication with the communities and allow the communities to have a role in the planning and operating community development activities supported by knowhow, expertise and resources of the SCCC Group as important tools in the support of the sustainable development of the communities and the society.



INSEE Green School Project

In order to support the sustainable development in education for the Thai society, Siam City Cement Public Company Limited has been cooperating with the Border Patrol Police Headquarters, Royal Thai Police, to build school buildings for children and youths in remote border areas of the country continuously for the past 11 years. In 2020, a completely new school was built under the name "Border Patrol Police - 50th Year INSEE School" in Amnat Charoen Province. This is considered to be the project's 32nd schools. Throughout the duration of this projects, more than 52,200 children in 20 provinces along the country's remote border areas have benefited from this project with the participation of public and private sectors including the Company's employees who regularly participate in the "INSEE Asa" camps to help build school.

Project to Support Basic Education Development

Siam City Cement Public Company Limited fully realizes the importance of education and has cooperated with educational agencies in local areas to design and plan projects to sustainably develop education models that suit the needs and the context of each school situated in the vicinity of the plants in Kaengkoy District, Saraburi Province. A total of 13 schools with more than 3,500 students have benefited from this project. For 2020, there is a variety of educational development projects to suit the different needs of each school, such as scholarship grants project, school building renovation project, procurement of school supplies project and recruitment of educational personnel project. The budget worth over THB 1 million was derived from the Fund to Develop Community Around Mine Area to develop the educational potential of youths within the communities.

INSEE Green Park (Suan Ming Mongkol)

INSEE Green Park is the public park that Siam City Cement Public Company Limiteds built as a tribute in celebration of His late Majesty King Bhumibol Adulyadej's 84th birthday anniversary. It is a public park aimed at providing more green space for the community whose members can use the park for leisure and sporting activities and as a place to study a variety of exotic plants. The community members can also use the space to sell community-produced items, while architectural students and those interested can access the park to study the environment-friendly design. The target group of the park consists of members of the communities around the INSEE Plants,

students from various educational institutions, travelers on the main highway for use as a rest area and to buy products made by community members.

INSEE Vietnam joins hands to bring a new school to over 700 pupils from poor families

INSEE Vietnam cooperated with the People's Committee of Kien Luong District to organize the ground-breaking ceremony of Kien Binh 2 School in Kien Binh Commune, Kien Luong District, Kien Giang Province. This project is particularly meaningful to the community to help more than 700 pupils from poor families, rural and ethnic minorities to have the opportunity to go to school.

INSEE Vietnam as a sponsor is accompanied by the Kien Luong People's Committee, Quality Assurance and Testing Center 3 (QUATEST 3), BASF Vietnam, and the design consultancy of GREENVIET - Green Building Consultancy, and Vietnam Green Building Council (VGBC). This construction project, which is designed according to the green building criteria, fully uses INSEE cement and was awarded the LOTUS Green Building Certificate at Gold level by the VGBC. The project is expected to be completed by the end of 2021, providing a teaching and learning environment with modern facilities for local teachers and pupils.

Community Wellness Initiatives by INSEE Lanka

The annual medical health camp was held to support the community within a radius of 6 KM from the Plant to uplift their health condition. Around 575 community members obtained the services from 10 consultants including free spectacles and medicine. This was a partnership project held with the Lions Club Int.

Road Safety Education by INSEE Lanka

Traffic Wardens Programme in the Galle District , as a Partnership Project with the Sri Lanka Police Department, Galle, a Programme was held for 500 school students where they were certified as trained traffic Wardens. Approximately 2,000 members were benefited directly.

Enterprise-based Vocational Education Program (EVE) by Chip Mong INSEE Cement Corporation

Since 2017 even before the cement plant was officially open, CMIC has been selecting 12 high school graduates from nearby communities who cannot afford tertiary education and providing them with scholarships to train them as qualified technicians through its Enterprise-based Vocational Education program, that has been adopted from a Swiss curriculum and developed in partnership with the National Polytechnic Institute of Cambodia. Over three years, these students experience both in-class and hands-on practice at the Plant. Upon completion, they

receive a legitimate diploma that also allows them to secure a bachelor degree when they continue for one more year at a relevant college. So far at least one batch has successfully completed the course and 10 of the 12 graduates chose to work for the company and the rest 2 graduates chose to pursue a bachelor degree.



Environmental Care

Environmental Management System

Sustainable business operation is one the major commitments that Siam City Cement Public Company Limited has given to the society and all stakeholders. Therefore, maintaining the balance between production operation and managing and caring for the environment is our important mission statement. Toward that end of creating confidence in our management of the environment, the Company has adopted the ISO14001 Environmental Management Standard as the organization's guideline in the management of the environment.

The Company has been certified ISO14001 continuously for more than 20 years, with the scope of the current standard ISO14001:2015 version covering all major processes of the organization, namely, mining, cement production, receiving and dispensing of cement all the way to inventory management.

Measures to Control and Reduce Impact on the Environment

Climate Change Protection

The Company is fully aware of the climate change problem and therefore is fully committed to reduce carbon dioxide gas emission into the atmosphere and to manage the crucial factors in the bid to reduce carbon dioxide emission, such as, the determination to use more alternative raw materials and fuels, by using discarded materials and industrial waste as alternative raw materials

and fuels; the determination to increase the efficiency in energy consumption, as well as to develop products that are more friendly to the environment by reducing the clinker factor in the cement products while improving the workability characteristics.

Atmospheric Emission Reduction

The Company pays close attention to pollution control in every step of the production process, especially in the production of clinker where we have installed the static electricity dust control system to collect dust and have followed up with the continuous pollution emission monitor system. These include dust particles, sulfur dioxide gas, and nitrogen oxide gas. The control and monitoring system operates 24 hours a day by keeping the dust particles emission below 50 milligrams per cubic meter, and the control of the concentration of sulfur dioxide gas emission to below 30 parts per million (PPM), which are the parameters stipulated by law. This is to ensure that every ton of clinkers that we produce has gone through the best practice in the vigilance and monitoring of pollution emission.

Utilization of Alternative Raw Materials and Fuels

The Company has the policy to try to utilize alternative raw materials and fuels, such as industrial waste, for use in place of the traditional fuels and raw materials in the cement production process. This is done by using alternative fuels for co-processing in cement kilns. This process helps to reduce the amount of carbon dioxide emission that is the root cause of global warming and air pollution.

Water Management

The Company places great importance on the conservation of water resources through the determination to operate the business with the society sustainably in the co-use of water resources with the community for the utmost benefit by resolving to develop the water management system and increase the water usage efficiency per unit of cement production through the 3Rs (Reduce, Reuse, Recycle) concept, followed by the risk management in the case of water resource scarcity. Meanwhile, the Company has evaluated the direct and indirect usage of water throughout the product water footprint (PWF) to systematically analyze the steps with significant water usage and to find ways to further reduce the water used in the production processes in every way possible, especially the use of surface ware and to create awareness among the employees within the organization to help support the water conservation movement through productive use.

Waste Management

The Company is determined to adhere to the waste management policy to create the highest value from the available resources as well as to reduce the amount of waste as much as possible through the 3Rs concept which are Reduce, Reuse and Recycle. We can leverage the waste arising from the cement production process by processing into alternative fuels reused in cement kilns, which is the adherence to the principle of "Zero Waste to Landfill". The Company is fully aware that the problem of waste management is

an issue that everyone in the Company has to buy in. Therefore, we have promoted the participation of the employees as well as to educate them in the process of waste management – from collection, to separation and to recycle, through major projects, such as, the "Green Heart Bank" in Thailand.



Biodiversity Management

The rehabilitation of the forest following the mining activities through the rejuvenation of the ecosystem and increase the biodiversity for both flora and fauna, returning them to the condition closest to pre-mining days. This is another crucial mission of the Company that has been carried out sustainably and continuously upgraded. Among the more important activities are planting trees in depleted mine area (rehabilitation), the creation of the nursery for seedlings and saplings

of indigenous plants and later transplanting them in rehabilitation plots. Also important is the commissioning of outside experts to study and analyze the biodiversity in the area and consult in the drafting of the Biodiversity Management Plan, as well as to promote understanding and acceptance of the community by arranging open-house activities for community members to visit. A project has also been created to give saplings for the youth in the community to look after, thus bringing them closer to nature.

Development of Sustainability Management Towards International Standard

The SCCC Group intends to develop operational standards for sustainability practices covering the environmental, societal and governance management (ESG) continuously according to international standards. The SCCC Group became a member of WBCSD-CSI (World Business Council For Sustainable Development - Cement Sustainability Initiative) since 2015. And when CSI ceased operations in 2018, we became a member of the new "Global Cement and Concrete Association" (GCCA) with its main objective of promoting the development of best practices, and various innovations in sustainability management in the cement and concrete industries, such as reduction of carbon dioxide emission, water

resource management, promotion of biodiversity, safety and occupational health and etc. Also significant is to encourage stakeholders to realize that concrete is a crucial construction material with properties that can support sustainable construction practices.



In addition, the SCCC Group has signed a Memorandum of Understanding (MOU) with the International Union for Conservation of Nature (IUCN), on the cooperation to plan and set out operational process to promote biodiversity in the limestone mountains within the Company's quarrying areas located in Thailand, Vietnam, Sri Lanka and Cambodia.

For detailed information and SD data regarding Economic Performance Index, Social Performance Index and Environmental Performance Index, please directly access to the Company's website at www.siamcitycement.com

Environmental, Social, and Governance

As part of the Company’s Sustainable Development efforts, the Board of Directors has requested the Group Executive Committee to develop a Group ESG framework which is to be finalized during 2021.

Key cornerstones of the framework will include the following:

- We continue to lower our CO₂ footprints and are developing updated targets for sustainable water and biodiversity management

CO₂[↑]
- We continue to prioritize health and safety protection for our employees and also our focused CSR efforts in the communities around our facilities

♥+
- We maintain top management focus on our governance approaches and are recognized for our ESG efforts by the likes of the Stock Exchange of Thailand and Thaipat Institute, and with FTSE4Good

🏆



We continue to lower our CO₂ footprints and are developing updated targets for sustainable water and biodiversity management.

Corporate Governance

Internal Control

Siam City Cement Public Company Limited provides proper and adequate internal control system in order to manage the Company's business operations to be in accordance with the objectives, goals and related laws and regulations. The Company has set up a state-of-the-art Group Internal Audit and Compliance function, covering its operations in Thailand and overseas subsidiaries, responsible for internal control and internal audit activities, risk management system, governance and compliance processes leveraging technology and global best practices. Their main endeavor is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. The internal control systems are designed to sustain efficiency and mitigate operational risks assuring fraud prevention.

In addition, SCCC's Board of Directors (BoD) has assigned Strategic Planning and Transformation team to perform business risk assessment and follow up on the corrective action plan to mitigate risk. This is a continuous activity in the Company to improve business performance and mitigate strategic and operational risks.

The BoD has conducted assessments on the internal control system through the Audit Committee (AC). The AC has approved SCCC's internal control system based on five factors per the internal standard given by the Committee of Sponsoring Organizations of the Treadway Commission or COSO, and the guidelines from the Stock Exchange Commission or SEC.

1. **Internal Control within the organization:**
SCCC has committed to support the internal control within the organization under the internal control framework by shaping the policy landscape, updating working methods and communicating to all SCCC's staff. In 2020, the Company revised and upgraded its Organization Regulations, Manual of Authorities, various charters and implemented INSEE Minimum Controls (IMC) to further enhance the governance and transparency.
 - i. **Reviewing and updating the policies, working steps and methods.** These are continuously updated to serve with the current business plan of the Company, laws and any relevant regulations, and scheduling the regular review. The policies relating to overall governance and compliance are approved by the BoD and operational policies are approved by management. These are widely communicated to all staff for their common understanding through the effective channel.
 - ii. **Building the awareness of staff in the importance of the internal control,** implemented IMC across the Group starting from the understanding of the risk in operation, risk assessment and mitigation which the operating management themselves can perform the internal control to well serve with risks that may occur in their area of work.

iii. **Whistle Blower Policy**, the Company has established a Whistleblowing Policy and a reporting channel called INSEE Speak Up, which is managed by a professional and independent external agency. This external helpline is set up for SCCC and its Group companies' employees and business partners to report and notify any wrongdoings, violation of laws and regulations relating to business operations, as well as violation of the Company's Code of Business Conduct such as corrupt practices, misuse of information and company assets etc. Accordingly, the concerns reported through this channel are properly investigated and reported to the AC.

2. **Operating Control:** The operating control activities happen at two levels, Group Level and Group Company (GC) Level. The Group EXCO (GEXCO) reviews the operating and financial performance every month with each GC CEO. Similarly, the GC CEO reviews the monthly performance with its senior executives (EXCO) before submitting to GEXCO. The performance is measured against the budgets, approved by Board, and its evolution from the previous year(s).

The Finance and Controlling team also closely monitor the capital expenditure projects with regards to the estimated project costs which are regularly reported to the BoD.

The business activities are performed basis the well-established policies, procedures and Manual of authorities. Exceptions, if any, are reported to the BoD.

Besides, the Company has launched the IT solution (SAP) for a better internal control which enables the management and relevant staff to be alarmed of improper transaction and take corrective actions and measures in time.

The access control to core system (SAP) has been rigorously reviewed to ensure proper authorization by considering proper Segregation of Duties (SoD) and restricted use on sensitive transaction throughout the year.

3. **Risk Management System** entails detail assessment of strategic, operational, financial and compliance risks, which are categorized in GC's risk heat map. It provides management and the BoD an overview and assessment on the criticality of the risks in the Group company based on impact and likelihood. The Group CEO (GCEO) oversees the GC's risk management process and holds regular reviews to ensure the mitigation actions are in place. In year 2020, risk management system was further enhanced with quarterly review and updated to the AC and the BoD to address any new risks arising from COVID-19 situation.

4. **IT and Communication:** The Company has invested in the whole information processing and reporting system which can keep all data, process and report the updated data on a real time basis, allow easy access (online and offline) and is fully secured. The system allows to digitize company business processes to eliminate manual work and enhance accuracy and fast decision making. The Company has good processes and controls to address and mitigate the risks from cyber security and enhanced its surveillance in 2020 along with additional measures on IT security for "Work From Anywhere".

In the opinion of the BoD, the Company internal control system is proper and adequate. The Company has provided sufficient personnel to efficiently carry out the controlling of activities in accordance with the system. In addition, the Company establishes internal control system to monitor the conduct of the subsidiaries' business operations. As such, the assets of the Company and its subsidiaries are safeguarded from being used through abusive self-dealing or without the authority of a director or an executive. Besides, the system also includes the review on the transactions of potential conflict of interest with connected persons. There is no deficiency in the internal control system and the risk management is set to promptly handle with an adverse situation.

The Appointment of Head of Group Internal Audit and Compliance

The BoD with the endorsement of the AC has appointed Mr. Ranjan Sachdeva to be the Head of Group Internal Audit and Compliance (Head GIAC) of the Company. Mr. Ranjan Sachdeva

graduated the Master of Business Administration (Corporate and International Finance) and be the Certified Internal Auditor, The Institute of Internal Auditor, Florida, USA. He is experienced in internal audit works in many leading companies as well as well-versed in the business operations of the company and therefore; considered to be suitable to perform such duties. A consideration and an approval for the appointment, removal or transfer of the Head GIAC of the Company must be approved or assented by the AC. The duties and responsibilities of the Head GIAC are as follows:

- To propose the Annual Audit Plan and Budget of the Group to the AC for approval
- To lead and supervise the activities of the Internal Audit and Business Process and Compliance Advisory Departments in accordance with the approved Annual Audit Plan including works specially assigned or requested by AC
- To update the GEXCO and the AC on all Internal audit reports and other activities on a monthly basis
- To maintain professional auditors who have adequate knowledge, skills and experiences and have been recognized as competent to attain the requirements set forth under the Charter of the Internal Audit; and
- To consolidate the group compliance dash board from all group companies and highlight the risk and exposure to GEXCO and the AC on a quarterly basis

Corporate Governance

1. Corporate Governance Policy

Siam City Cement Public Company Limited (SCCC) is aware of the importance of good governance which leads to the sustainable growth of the Company. To elevate the Company's Corporate Governance to higher standards, the Board of Directors enhances the corporate governance in all organizational levels and functions of SCCC Group. We believe that a good governance would have a positive impact on competitiveness and performance with a long-term sustainable growth, ethical and responsible business, good corporate citizen, and more importantly, corporate resilience.

The Board of Directors, Executives and employees perform their duty according to the duty of care and duty of loyalty, also ensuring that the Company has operated in accordance with the laws and regulations, resolution of shareholders and the Corporate Governance Code for Listed Companies 2017 (CG Code).

The Board of Directors has adopted both principles and guidelines on Good Corporate Governance for Listed Companies 2012 and 2017 to the Corporate Governance Policy and use it as guideline for the entire Group. In particular, the Board of Directors delegated to the Governance Committee to review, at least once a year, on the application of CG principles and guidelines of multiple authorities, such as the SEC, Thai Institute of Directors, and Thai Investor Association. The Governance Committee regularly discusses the rationale and impact to continuously improve the practices in governance and report the progress to the Board of Directors.

The framework of policies and practices concerning the Board of Directors, Board Committees, and Executives are the following:

- 1) The Organizational Regulations (OR) is the big picture in managing the following corporate bodies, (1) Board of Directors, (2) Chairman, (3) Vice-Chairman, (4) Subcommittees, (5) Group Chief Executive officer (GCEO), and (6) Group Executive Committee (GEXCO). Key roles and responsibilities specified in the OR include:
 - The Nomination and Compensation Committee has the role in making recommendations on nominations of qualified persons as members of the Board of Directors, Board Committees and GEXCO, and Board of Directors and CEO of subsidiaries and associated companies
 - GCEO is responsible for managing the operations and chairs the Group Executive Committee. He is responsible for the operational and financial targets of the Group and presents the state of business to the Board of Directors every quarter
 - Directors and Executives of all Group companies shall notify their actual or potential conflicts of interest so that the meetings of the Board of Directors or the Executives are transparent and independent

- The OR set the control process over subsidiaries and associated companies. For example, a CEO of a subsidiary reports to the GCEO. A CFO of a subsidiary reports to the subsidiary's CEO and also to the Group CFO. Besides, Directors of subsidiaries and the Company's representatives in the associated companies shall also comply with the OR, Charters and internal regulations
- 2) Charters of the Board Committees and the Group Executive Committee. The Charters identified compositions, qualifications, nomination, terms and responsibilities. Currently, there are 4 Charters of the following committees, i.e., (1) the Audit Committee, (2) the Nomination and Remuneration Committee, (3) the Governance Committee, and (4) the Group Executive Committee.
 - 3) Policies concerning the establishment of governance into the corporate culture. The Board of Directors approved multi policies covering Directors, Executives, Employees and third parties as follows:
 - The Code of Business Conduct. It is fundamental for the Directors, Executives and Employees of all Group companies. They shall perform with integrity and honesty in order to comply with the CG policies of the Company and to promote and maintain the credibility of the for the stakeholders, which include the shareholders, investors. organizations
 - The Corporate Governance Policy. It covers the Practices of equitable treatment of shareholders, promoting rights of shareholders, responsibilities of the Board of Directors, transparent disclosure of information, including the prevention of insider trading and conflict of interest
 - Other than the aforementioned Corporate Governance Policy and the Code of Business Conduct, the Board of Directors also approved other related policies and directives, such as the Whistle Blowing Policy, Sustainable Development Policy, Environmental Policy, Social Responsibility Policy, the Anti-Bribery and Anti-Corruption Policy, and Risk Management Policy. In 2020, the Company is recertified as a member of the Collective Action Coalition Against Corruption (CAC) for the second time, which is another milestone of success
- Supervision and nomination of executives of subsidiaries and associated companies.**
- The Board of Directors is aware of their responsibilities in supervising every Group companies; therefore, they designed a clear governance structure, including internal control which indicated accountability of the leader of subsidiaries.

Group CEO also has governance responsibility for the Subsidiaries. He proposed to the NCC to select at least one member of the Group EXCO, including other senior Management and external experts as Directors of each Subsidiary. The NCC and the Board of Directors ensured that Directors of the Subsubsidiaries are qualified and can perform the function of the supervisory board for the Subsidiaries, as well as, giving proper direction and experience learning from the expert of each field to Management. The CEO of each Subsidiary reports monthly performance to the Group Executive Committee, who spare adequate time to meet on a bi-weekly basis in order to be attentive and close supervisory to the Subsidiaries. The Boards of Directors of the Subsidiaries as nominated by the Board of Directors of SCCC shall conduct a quarterly meeting on the governance agenda, which leads to supervision and check-and-balance of the Subsidiaries' Management. Then, the Group CEO shall report the performance of all Group companies to the Board of Directors of SCCC quarterly.

Group Executive Committee structure was decided by the Board of Directors to support the regional growth of the Group. This structure provides many supervision strengths, such as.

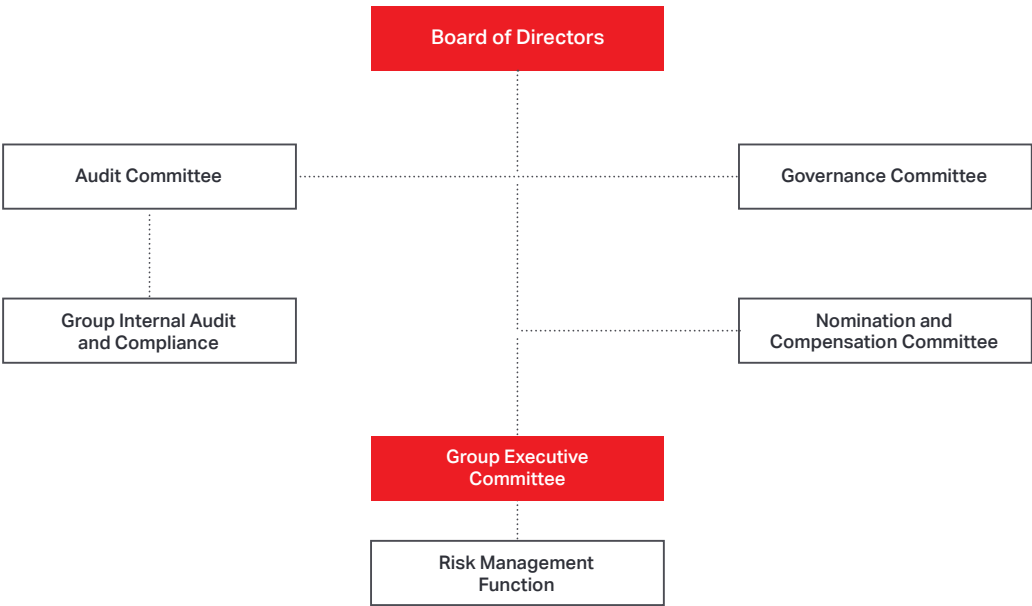
1. Members of the GEXCO include CEOs of countries where the Company has key markets. This is to ensure that once the Board of Directors has given business direction and strategies, GEXCO can implement throughout the region of the Group.
2. GEXCO has established Excellent Platform on expertise sharing across the region, leading the increase of work efficiency in various key functions, such as production, procurement, etc.
3. High collaboration across the Group through experts from the Group on specialities, such as marketing, internal control, technical safety. The collaboration lifted the level of standard of work and people from local to regional.

Full version of related policies and details of practice under the above guidelines appear in Financial Report and Additional Information posted on the Company's website <https://www.siamcitycement.com> hereinafter "Attachment"

Corporate Governance Structure

1. Corporate Governance Structure

Corporate governance structure of Siam City Cement Public Company Limited (SCCC) has a clear separation of roles, duties and responsibilities between the Board of Directors and the Management providing the balance of power, independency, and transparent management which is auditable. Flow chart of the corporate governance structure as of 31 December 2020 is the following:



2. Information about the Board of Directors

2.1 Composition

The Board of Directors (the “Board”) consists of directors with qualifications, competencies, independent and diversity in age, gender, skills and experiences. The Board also has a proper proportion of independent directors, with number of non-executive directors more than half of the total Board members. The Board is of the opinion that its size and composition are suitable with the size, sector and complexity of the Business, as well as aligns with the principle of the good corporate governance.

Clause 11 of the Articles of Association stipulated that members of the Board of Directors must not be less than five and not more than thirteen persons. As of 31 December 2020, there are 10 directors as follow:

- There are seven non-executive directors (already included independent directors). They work in the following board committees
 - The Audit Committee has three non-executive directors and all of them are independent directors
 - The Governance Committee has two non-executive directors and one of them is an independent director
 - The Nomination and Compensation Committee has five non-executive directors and one of them is an independent director
- There are two executive directors who are members of the Group Executive Committee
- Authorized Directors as appeared on the Company Affidavit are Mr. Paul Heinz Hugentobler, Mr. Vanchai Tosomboon, Mr. Aidan John Lynam, and Mr. Siva Mahasandana. Signatures of any two of them with the Company's seal shall bind the Company

2.2 Names of Directors

Non-executive Directors

1. Mr. Paul Heinz Hugentobler
Chairman
2. Mr. Vanchai Tosomboon
Director
3. Ms. Nopporn Tirawattanagool
Director
4. Mr. Benjamin Herrenden Birks
Director
5. Mr. Stephen Patrick Gore
Director
6. Dr. Sunee Sornchaitanasuk
Independent Director
7. Mr. Charin Satchayan
Independent Director
8. Mr. Robbert Egbert Johannes van der Feltz
van der Sloot
Independent Director

Executive Directors

9. Mr. Aidan John Lynam
Director and Group CEO
10. Mr. Siva Mahasandana
Director and CEO SCCC-TH

Company Secretary is Ms. Phatchada Muenthong

2.3. Roles and Responsibilities of the Board of Directors

The Board fully understands their duties and responsibilities. The Organizational Regulations of the Company sets out its specific duties and that of management ensuring the balance of power and transparency. There is a clear separation of roles and responsibilities between the Board and the Management, and between the Chairman of the Board and the Group CEO.

General responsibilities of the Board are to perform their duties under laws and the Articles of Association of the Company, ensure a full compliance with a good corporate governance, take the ultimate responsibility for the direction of the business, and ensure the transparency and business efficiency. The Organizational Regulations also identify specific responsibilities of the Board of Directors and identify that the Chairman has the duties pursuant to the relevant laws and leads the Board, coordinates the tasks within the Board and ensures alignment of the Board Committees with the Board's and the Group's strategy. The Chairman also acts as a representative of the Board to supervise the Group CEO to develop the Group's strategies and organization.

Details of the roles and responsibilities of the Board of Directors, Chairman, and Group Chief Executive Officer are appearing in Attachment.

3. Board Committees

Audit Committee (AC)

1. Dr. Sunee Sornchaitanasuk
Chairperson
2. Mr. Charin Satchayan
Independent Director
3. Mr. Robbert Egbert Johannes van der Feltz van der Sloot
Independent Director

Ms. Chadaporn Thitisawat, Head of Internal Audit, is the Secretary of the AC.

Composition of the Audit Committee comprises of members with knowledge and experience in reviewing the Company's financial statements and in the Company's business. Two of the Audit Committee members who have degree in Accounting are Dr. Sunee Sornchaitanasuk, and Mr. Robbert Egbert Johannes van der Feltz van der Sloot.

Governance Committee (GC)

1. Mr. Stephen Patrick Gore
Chairman
2. Mr. Charin Satchayan
Independent Director
3. Ms. Phatchada Muenthong
Member

Ms. Phatchada Muenthong, Company Secretary, is the Secretary of the GC.

Nomination and Compensation Committee (NCC)

1. Mr. Paul Heinz Hugentobler
Chairman
2. Ms. Nopporn Tirawattanagool
Director
3. Mr. Vanchai Tosomboon
Director
4. Mr. Benjamin Herrenden Birks
Director
5. Mr. Robbert Egbert Johannes van der Feltz
van der Sloot
Independent Director

Ms. Anuttara Panpothong, Member of the Group Executive Committee and Group HR and Talents, is the Secretary of the NCC.

Roles and Responsibilities of the Board Committees

To ensure that the key business issues have been reviewed and considered thoroughly, the Board of Directors established the Board Committees to scrutinize the important agendas and enhance efficiency of the Board. Each Board Committee is governed by its charter which clearly defined its roles, duties, responsibilities, work procedures, and meeting and reporting requirements.

Details of the scope of work, authority, roles and responsibilities of the Board Committees are appearing in Attachment.

4. Executives

4.1 Names of the Executives

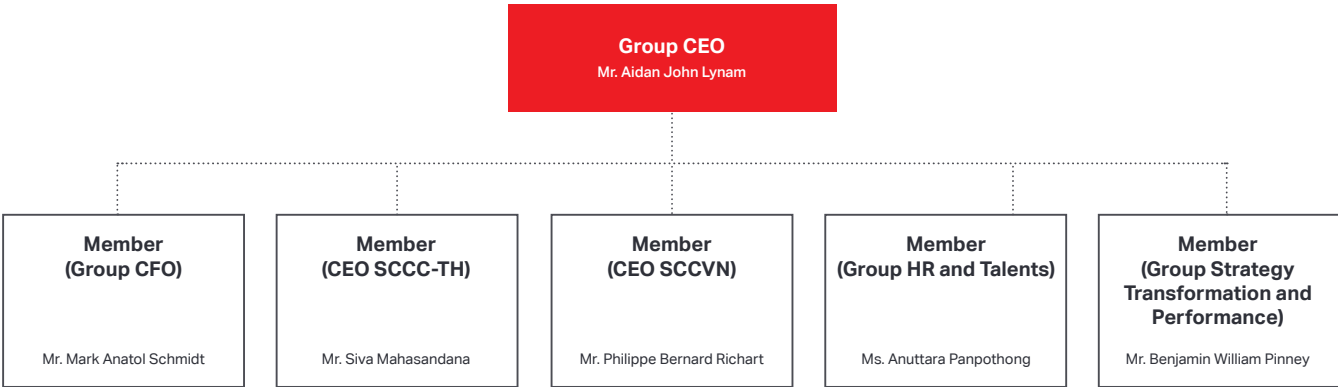
Six Executives who are members of the Group Executive Committee, as of 31 December 2020 are the following:

1. Mr. Aidan John Lynam
Group Chief Executive Officer (or Group CEO)

Members consists of:

2. Mr. Siva Mahasandana
CEO of Siam City Cement PLC
(or CEO SCCC-TH)
3. Mr. Philippe Bernard Richart
CEO of Siam City Cement (Vietnam) Limited
(or CEO SCCVN)
4. Mr. Mark Anatol Schmidt
Group Chief Financial Officer (or Group CFO)
5. Ms. Anuttara Panpothong
Group HR and Talents
6. Mr. Benjamin William Pinney
Group Strategy Transformation and
Performance

Group Executive Committee Structure



The SEC regulations stipulated definition of the Executives as the top management, and the next four top-ranking executives including their peers if any. In this regard, Executives of SCCC Group are six people as shown in the above diagram.

To manage Group business, the Group Executive Committee uses the management strategy that boosts the collaboration among the Group to move towards the same direction, by centralizing some functions and alignment among all entities and functions. They use experience and infrastructure of big Group companies and unique strengths of each Subsidiary and applied across the Group. This strategy created the agility and ability in adapting with the changes and leading to sustainable development of the Group, even during the global crisis such as COVID-19.

The development of INSEE Group Excellence has been done in various dimensions and will be further escalated. In 2020, the Group established following Functional Excellence Workstream, such as INSEE Operational Excellence, INSEE Commercial Excellence, INSEE People Excellence, and INSEE Finance Excellence, with focus on working committee for collaboration across the region, such as Procurement Committee, CAPEX Committee, and etc.

4.2 Policy on Remunerations of Executive Directors and Executives

Remunerations of the Group's Executive Directors and the Executives are competitive among the leading cement manufactures, with both short-term and long-term incentives. For example, its Employee Joint Investment Plan or EJIP, with seven years duration, ending 2022, is a long-term incentive. The Company's contribution was based upon the Return on Invested Capital (ROIC). Details of the silent period throughout the terms were disclosed to the public in January 2016.

A short-term incentive or annual performance bonus was based upon the achievement of KPIs that are objective and aligned with the business performance and leadership competencies.

Compensation policies and programs throughout the Group are under the direction and guideline of the Nomination and Compensation Committee (the NCC), as explicitly delegated by the Board. The NCC reviewed principle and guideline for remuneration of the Executives for the year 2020 as proposed by the Management and opined that they are appropriate.

4.3 Total Remunerations of Executive Directors and Executives received from the Company and the Subsidiaries

For the year 2020, the Executives under the SEC regulations received total remuneration for THB 122,933,511 which represented 2.84 percent of the total remunerations of the Group. The main remunerations mainly included salary and performance bonus of previous year. Other remunerations included the Company's contribution to the provident fund for THB 2,611,500 and company cars. The Executives did not receive remunerations for their roles as directors of the Subsidiaries.

Among these Executives, two of them are the Executive Directors and received separate remuneration for Director in accordance with the resolution of the AGM for THB 2,662,500.

Accrued amount of the remunerations is the performance bonus of the previous year which is payable in the first quarter of the following year after the NCC reviewed and further proposed its opinion to the Board (for the case of Directors Bonus) or reviewed and approved (for the case of Executives Bonus) as applicable. It is estimated for THB 15,801,828

Details of the remuneration of each Director and the attendance history in 2020 are appearing in the Corporate Governance Report.

5. Personnel

At the end of 2020, SCCC Group has 4,734 employees in total, with total remuneration of THB 4,325,606,595. The remunerations include salary, overtime, bonus, contributions to social security and provident fund.

Number of employees under each business segment.

Segment	Number of Employees (persons)
Cement Segment	3,186
Concrete and Aggregates Segment	688
Light Building Materials Segment	632
Trading Segment	15
Others	213
Total	4,734

Provident Fund

The Company's policy is to support the Provident Fund Committee in complying with the Investment Governance Code or "I Code" and to encourage the Committee to select a Fund Manager who manages the Fund with responsibility of Environmental, Social and Governance or "ESG" and uses the I Code as a principle to create long-term benefit for the members who are the Company's employees as the provident fund is a saving fund for retired employees. The Company also provided opportunities on INSEE choice or freedom to choose the investment portfolio based on individual objective.

Policy on People Development

The Board of Directors placed importance on employees of the Group as they are valuable assets and the foundation of our business. We strongly believe that our success and growth depend on the alignment between the employees who represent the core values and competencies that are aligned with the Group's vision and business directions on regional level and our support on employees' career growth. Thus, SCCC aims to develop and improve human resource management and development, so that employees can achieve the global standards in leadership, knowledge, capabilities, operational skills, innovation, and management, and compatible with both current operations and future growth, also leading the organization to be the leader in construction materials in Thailand and South East Asia region.

Management also encouraged the good teamwork and foster good citizenship with ethics and care the communities that they lived in, and concern with the safety and impact on society and environment.

In 2020, the Board of Directors has increased focus on human resource. For example, they approved the amendment of the Charter of the Nomination and Remuneration Committee to cover the monitoring of the performance evaluation framework for top management level and above positions, and progress in succession planning and people development approaches in general.

In addition, the Board of Directors has lifted the policy on human resources management for the Group as important as policies in relation to

governance and policies that have major impact on financial statements which shall be considered by the Board of Directors. The human resources management policy for the Group has international standard as it was prepared under the advice of global human resource consultant. The Board of Directors, under the agreement of the NCC, opined that such policy is appropriate.

Guideline and Approach on People Development

The Company established INSEE Academy under the People and Organizational Performance function as SCCC Group's center for strategic development on people for both short-term and long-term for each business segment, such as, business of ready-mixed and aggregates, business of light building material (architectural decorative materials, concrete block), business of total waste management, and trading business. INSEE Academy focuses on development of technical and leadership competencies through various development programs with the objective that the program structures support capability building in a sustainable way.

Regarding the approach on people development, the Company believes that it should nurture employees on awareness, knowledge and true understanding of knowledge application in order to advance their operations and manage the management under their responsibility more effectively and can achieve the common goal of the organization. Therefore, the Company focuses on advanced learning system with modern learning activities, under the learning principle 70-20-10, in line with the business direction and also appropriate with the employees. For example, 70 percent of the learning activities is through

exchanging of experience which leads to the improvement of effectiveness and efficiency of the organization, 20 percent is through on the job coaching, and 10 percent is from classroom and self-learning.

As its result, the Company encourages continuous learning anywhere and anytime via self-learning and digital learning under the corporate digital learning platform or Learning Management System where employees can search and select various learning courses such as classroom, workshop, customized E-learning, on-the-job training including MOOC (Massive Open Online Course) and virtual classroom for regional leaders through their personal computer or smart phones. In addition, SCCC provides Group Knowledge Management platform for employees to exchange, share and store all critical knowledge within the organization for the utmost utilization. This is the foundation in driving us to become the Learning Organization and also enhances the sustainability of the organization.

As for the people development plan, the Group has prepared learning programs for employees at every level. The learning programs cover technical development programs, ethical and governance programs, leadership development and career advancement from exchanging experience among companies in the Group and functional career development. The Company would like employees to have knowledge and necessary skills, so that they perform their duties correctly, effectively, and with high standard, in making speedy delivery of our quality products and services to internal and external customers or partners, with the aim in striving at highest customer satisfaction.

Management of Succession Plan

The Board of Directors puts a strong focus on building INSEE Leaders ready for the case of change in personnel, especially the change of key positions. In 2020, the Board of Directors delegate the NCC to ensure that Management effectively implement succession plan and report the progress to the Board of Directors on a regular basis. The succession plan starts from the guideline on performance evaluation for talent pools of key functions. Then the Company will make a development plan for each talent so that he/she will be ready when required. The development plan involves variety of approach such as leadership development, executive coaching, exchange program for international experience, leading important project, and etc.

Training & Development Information

In 2020, INSEE Academy organized learning and training for employees in various training categories, such as:

1. Leadership and Transitional Development
2. Technical and Functional Development
3. Induction and On-boarding Training for new joiners
4. OH&S and Sustainable Development
5. English Proficiency Development
6. Digital Learning Programs
7. Environment laws related to cement industry

Training & Development (per employee)	2020	2019	2018
	22.55	25.51	26.84

Cost of Training & Development (per employee)	2020	2019	2018
	6,630.58	6,548.82	8,891.35

Total cost of training and development, excluding lodging and travelling expenses (Million Baht)	30.9	23.9	32.2
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Remark:

1. 2018 and 2019 data included only SCCC and subsidiaries in Thailand while 2020 data included SCCC and subsidiaries in Thailand and overseas.
2. INSEE Academy focused on building "People Developer" or training supervisors/ internal specialists to be an in-house mentor. Therefore, the Company managed to reduce the dependency of external mentors, leading to a gradual decrease in training cost.

Protection of Human Rights at Siam City Cement Group

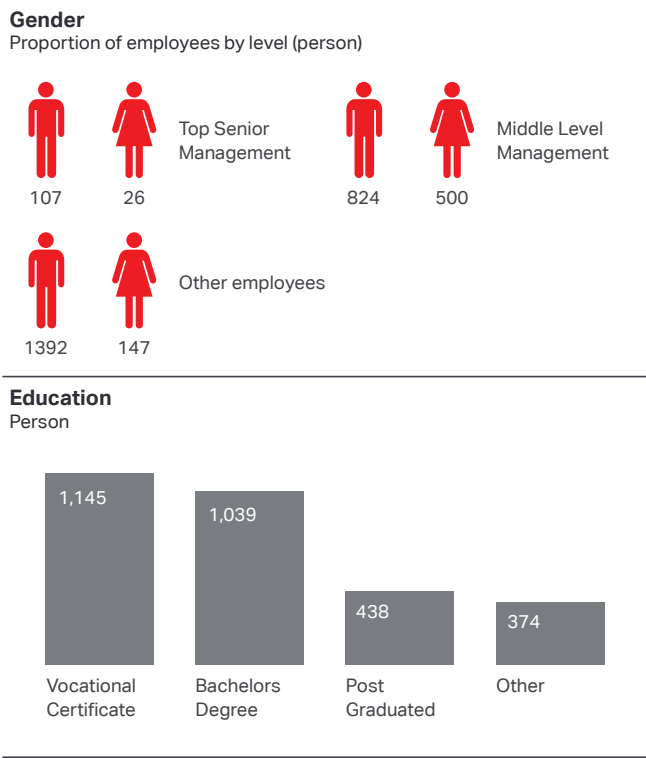
The commitment of Siam City Cement Group is aligned with the United Nations Guiding Principles (UNGPs) on Human Rights. We believe that our business can thrive only when the human rights are respected, advanced and upheld. We have adhered to our core value of 'Doing What is Right'. To ensure that the human rights principles have been truly implemented, we asked all of our business partners to uphold and comply with the human rights principles throughout the value chains on the same basis.

Any party who violates the human rights shall be considered disciplinary penalty as defined by SCCC and may be subject to legal punishment if the act is against the law. The Company provided reporting channel through wrs.expolink.co.uk/inseespeakup.

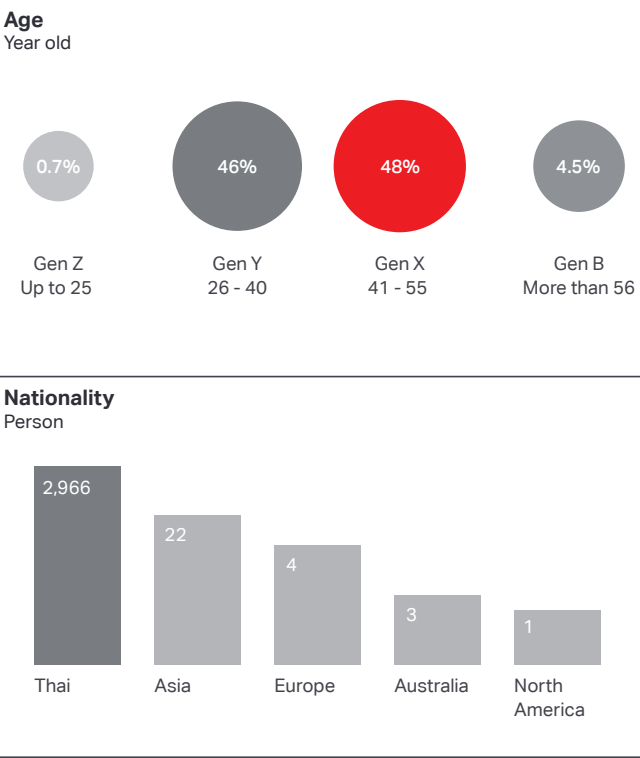
Rights of Employee

The business of SCCC Group is not labor intensive. Therefore, we are not attracted by immigrant labors in each country that we operate. Every Group company gives respect to the right and freedom of employees. We provide working environment that is aligned with labor standards of domestic law where we operate and with the Group's standard, such as:

Recruitment and Screening: SCCC Group provides equal opportunities to all applicants regardless of race, nationality, religion, gender, age, education. The Board of Directors focuses on same treatment in our recruitment and screening process and ensures that the process allows full diversity on physical appearance or way of life and give appropriate opportunity to disables, as governed under the same HR Policy throughout the Group.



Learning Opportunity and Capability Development: Throughout their employments, all employees are provided with equal learning opportunity for their development. The Group encourages open dialogue with supervisors about their career path. The open dialogue is a part of Dialogue System which includes both performance evaluation and personal development goal.



6. Other Important Information

Company Secretary

The Board of Directors appointed Ms. Phatchada Muenthong as the Company Secretary, to perform the duties defined under the Securities and Exchange Act (No. 4) B. E. 2551 with responsibility, deliberation and integrity, and in incompliance with the laws and regulations, the Company's objectives, Articles of Associations, Resolutions of the Board of Directors' Meeting, and the Resolutions of Shareholders' Meeting. She earned her higher education in laws and previously served the Company for legal and company secretary

for more than 10 years, therefore her has duty to provide legal advices in relation to compliance and governance of the Board of Directors. Furthermore, the Company Secretary arranges the Board of Directors' Meeting and the Shareholders' Meeting and coordinates with other departments within the Company to ensure the compliance together with the resolutions of the Board of Directors and the Shareholders, coordinates with the regulatory agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand, and monitors the disclosure and reporting of information to the regulatory agencies and the public. She also arranges for the new directors' orientations and perform other duties as assigned by the Board of Directors.

Details of the qualification of Company Secretary are appear in Attachment.

Responsible Person for Accounts Preparation and Responsible Person for Investor Relations

The Company appointed Mr. Kasem Makrailert, a qualified person, as the responsible person for accounts preparation. He ensured the compliance of the preparation of financial statements for examination by the external auditor and submit the financial reports to relevant agencies and perform other related duties assigned by Group CFO. Mr. Kasem Makrailert was also appointed as the responsible person for activities about Investor Relations.

Details of the contact channel to the responsible person for Investor Relations are appear in Attachment.

Details of qualifications of the responsible person for accounts preparation are appear in attachment.

Head of Group Internal Audit and Compliance

The Board of Directors with the endorsement of the AC has appointed Mr. Ranjan Sachdeva as the Head of Group Internal Audit and Compliance. Mr. Ranjan Sachdeva earned the Master of Business Administration (Corporate and International Finance) and was the Certified Internal Auditor, under the Institute of Internal Audit, Florida, USA. He is experienced in internal audit works in many leading companies as well as well-versed in the business operations of the Company and therefore; considered to be suitable to perform such duties. The consideration and an approval for the appointment, removal or transfer of the Head of Group Internal Audit of the Company must be approved by the AC.

Details of the qualification of Head of Group Internal Audit and Compliance are appear in Attachment.

Auditors

In 2020, the Company has appointed auditors from EY Office Limited, an auditing firm certified by SEC as follows:

1. Ms. Siriwan Nitdamrong
Certified Public Accountant No. 5906
2. Ms. Kamontip Lertwitworatop
Certified Public Accountant No. 4377
3. Mrs. Sarinda Hirunprasurtwutti
Certified Public Accountant No. 4799

Contact details: EY Office Limited, Lake Ratchada Building, 33rd Floor, 193/136-137 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel: + 66 2 264 9090 Fax: + 66 2 264 0789-90

In 2020, EY Office Limited received the audit fee for the Company and its Subsidiaries for THB 12,424,754. It also received non-audit fee for THB 300,000 for the preparation of accounts for a Subsidiary that is under BOI promotion and THB 1,033,739 for other services.

In 2020, KPMG company received the audit fee for the Subsidiary for THB 463,095. It also received non-audit fee for THB 93,214 for Transfer Pricing Consultancy fee.

The Company has no accounts payable for the pending services from EY Office Limited.

None of individual or legal entity related to the auditor or to EY Office Limited received compensation from the Company and its Subsidiaries.

Key Governance Performance

Summary of Governance Performance of the Board in the Previous Year

In 2020, the Board of Directors evolved itself under the adverse impact of the COVID-19 and had key governance performance as follows:

- **Focus on strategy and business plan**, by paying due care on the reduction of gearing ratio, retention of margin and improving cash flow while retaining the competitive advantage of the Group in response to the slow down economy in all regions due to the COVID-19
- **Board Committees are also the critical mechanism** in contributing recommendations to Management, increasing competitiveness and strengthening corporate culture and values. In 2020, the Board of Directors revised the composition of the Governance Committee (replacing the Governance and Risk Committee), adding an independent director in the Nomination and Compensation Committee and roles and responsibilities of the Board Committees, to ensure that the Board Committees evolved their duties according to the changing environment

- **Develop additional Group Policies**, such as the Group HR Policy, the Group IT Policy in response to the Group's expansion under the same standard
- **Support agile management of the Subsidiaries while standardizing compliance and control.** In this regard, the Board of Directors adjusted compositions of the boards of subsidiaries and strengthened internal control and compliance throughout the Group

Details of the performance of the Board of Directors appear in the Message from the Board of Directors, Report of the Audit Committee, Report of the Nomination and Compensation Committee, and Report of the Governance Committee. Other information relevant to corporate governance appears in the Attachment.

Report of the Audit Committee

Dear Shareholder,

The Audit Committee comprises three independent directors with combined skills and expertise in finance, accounting, laws and business. All members possess adequate qualifications as required by the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Mr. Robbert van de Feltz joined as a new member from March 2020 replacing Mr. Pradap Pibulsonggram who retired.

The Audit committee has performed its duties independently and objectively in accordance with its charter, reviewed annually, and in line with current business priorities approved by Board of directors. The Audit Committee advocates a strong culture of governance, integrity, ethics, accountability and transparency for a long-term sustainable business.

In 2020, the Audit Committee convened a total of 11 meetings, with attendance by all members every time

The annual year-end performance self-assessment of the Audit Committee, as an individual and group assessment, was conducted, and the results were satisfactory. The Audit Committee considered post COVID-19 risks in framing its priorities for year 2021.

The Audit Committee's main activities are summarized below:

- (1) **Review of Financial Reports:** The Audit Committee reviewed quarterly and annually the separate and consolidated financial statements for the year 2020 of Siam City Cement Public Company Limited and subsidiaries with the Management and External Auditor. The Audit Committee discussed with the External Auditor on the accuracy and completeness of the financial statements, significant adjustment which affected to the financial statements, adequacy and suitability of account recording methods, evaluation of internal controls, accuracy and adequacy of information disclosure. In addition, the Audit Committee also held one private meeting with the External Auditor in the absence of the Management to discuss the audit scope, approach, the quality of financial reporting and any challenges that they faced during the course of their audit.
- (2) **Review of Connected Transactions:** The Audit Committee regularly reviewed the connected transactions and transactions which potentially conflicted with the Company's interest based on business normality, transparency, adequate disclosure and at arm's length.
- (3) **Review of Risk Management System:** The Audit Committee reviewed the Company's risk management system which was further strengthened in year 2020 due to COVID-19. In particular, the Audit Committee reviewed

the risks arising from a potential economic crisis risks like liquidity, credit and collection management, impairments, etc. The Audit Committee also reviewed the appropriateness and effectiveness of risk management processes and provided recommendations for improvement.

- (4) Review of Internal Control System and oversight of Group Internal Audit and Compliance function:** The Audit Committee reviewed the internal control system together with Group Internal Audit and Compliance Department on a monthly basis, and with Group Chief Executive Officer, Group Chief Finance Officer and External Auditors on a quarterly basis. The internal control system was further strengthened by educating and creating awareness of responsibility and accountability of employees. The Audit Committee reviewed the internal audit charter and rolling 3-year road map to bring in best practices and encouraged the internal audit function to transform to be a trusted business partner. The Audit Committee was satisfied that Management had taken appropriate remedial actions on audit observations and recommendations. Finally, the Audit Committee reviewed and approved Group Internal Audit and Compliance Annual Plan 2021 including the budget to support the plan.

- (5) Review of Compliance:** The Audit Committee reviewed the Company's compliance with the SEC, SET and other relevant laws, regulations and policies related to the Company's business

operations. The Audit Committee reviewed the quarterly compliance dashboard and noted that the Company has carried out initiatives to create a compliance culture via e-learning e.g. Code of Business Conduct, Insider trading, and Conflict of Interest etc. of all employees, management and directors. The Audit Committee also reviewed the Whistle Blower complaints received through the "INSEE Speak Up" hot line and investigations thereon and provided recommendations on process, internal control and good governance.

- (6) Appointment of the External Auditors for 2021:** The Audit Committee recommended the appointment of Ms. Siriwan Nitdamrong and/or Ms. Kamontip Lertwitworatep and/or Ms. Sarinda Hirunprasurtwutti of EY Office Limited as the Company's External Auditors for 2021 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2021.

In summary, the Audit Committee was of the opinion that the financial statements had been prepared in conformity with financial reporting standards, connected party transactions were at arm's length with normal business conditions, the risk management, and internal control and internal audit systems were adequate and effective, and that laws and regulations relating to the business were fully complied.



Dr. Sunee Sornchaitanasuk

Chairperson of the Audit Committee

Report of the Nomination and Compensation Committee

Dear Shareholder,

The Nomination and Compensation Committee (the NCC) comprises five highly experienced directors. Mr. Robbert van der Feltz joined as a new member from March 2020, as a successor of Dr.h.c. Harald Link, who retired from the Board of Directors.

In 2020, the Nomination and Compensation Committee has performed its duties and responsibilities according to the Committee Charter, which was revised to include a more stringent PMS implementation and preparing young talent in each function with structured career path. A total of five meetings were conducted with all members present in all meetings.

The key activities of the NCC in 2020 are summarized below;

1. Group Management Structure and New recruitments

The Group Management Structure implemented in 2019 has stabilized and decision making decentralized to move each business closer to markets and customers. The NCC also acknowledged new appointments in key executive positions at both the Group, and the Group companies level, which included Group Head of Manufacturing, Group Head of Commercial, Chief Executive Officer of Siam City Cement (Lanka) Limited, Chief Executive Officer of INSEE Ecocycle Company Limited, Chief Financial Officer and Manufacturing Director of Chip Mong INSEE Cement Corporation, and Senior Vice President of Saraburi Operations of Siam City Cement Public Company Limited.

2. Compensation (Pay for Performance)

The NCC advised the Management to uniform one single pay for performance scheme across the Group and approved a new performance management system.

3. Group HR Policy

The NCC reviewed and proposed to the Board of Directors for approval of the Group HR Policy which has been developed to provide an overall framework and guiding principles to drive consistency across SCCC Group.

4. Leadership Development

The NCC promoted the development of senior and top executives to lead the Company which has been facing the rising competition and lower demand in recent years and has asked the Management to develop a succession plan starting with a leadership assessment by a competent third party.

The Nomination and Compensation Committee is committed to ensuring the building of an effective organization driven by an entrepreneurial culture through the selection of passionate leaders; to drive our Company's performance in today's highly competitive environment, who will be leading our Group into the future.



Paul Heinz Hugentobler

Chairman of the Nomination
and Compensation Committee

Report of the Governance Committee

Dear Shareholder,

The Governance Committee comprises three members and performed its duties as assigned by the Board of Directors and included in the GC Charter. In summary, it reviewed key governance principles and made recommendations to the Board of Directors and Management aiming at continuous and demonstration of robust corporate governance.

In 2020, the Company received recognition for its corporate governance efforts, including an “Excellent” CG score from the Thai Institute of Directors (IOD) for the fifth consecutive year, a score of 100 for the AGM Checklist 2020 from the Thai Investors Association, SET awards for Thailand Sustainable Investment (THSI SET), and recertified for CAC until 2023.

In 2020, the GC held two meetings, and all tasks outlined in the Governance Committee Charter were fulfilled, including:

- Standardise of the Organizational Regulation
- Standardise of the form and process of the Conflicts of Interest for Directors and Executives
- Review of governance principles and practices of related authorities and made recommendations to the Board of Directors

The committee also conducted a self-evaluation and is satisfied with their performance. For the governance performance of the Group, the Committee opined that the Group has complied with the principles of the Corporate Governance Code for Listed Companies 2017. In addition, the Committee is pleased that the Company has successfully implemented many corporate governance initiatives which shall foster trust from all stakeholders. The Committee firmly believes that good governance, strong corporate culture and values will drive our Company successfully and sustainability.

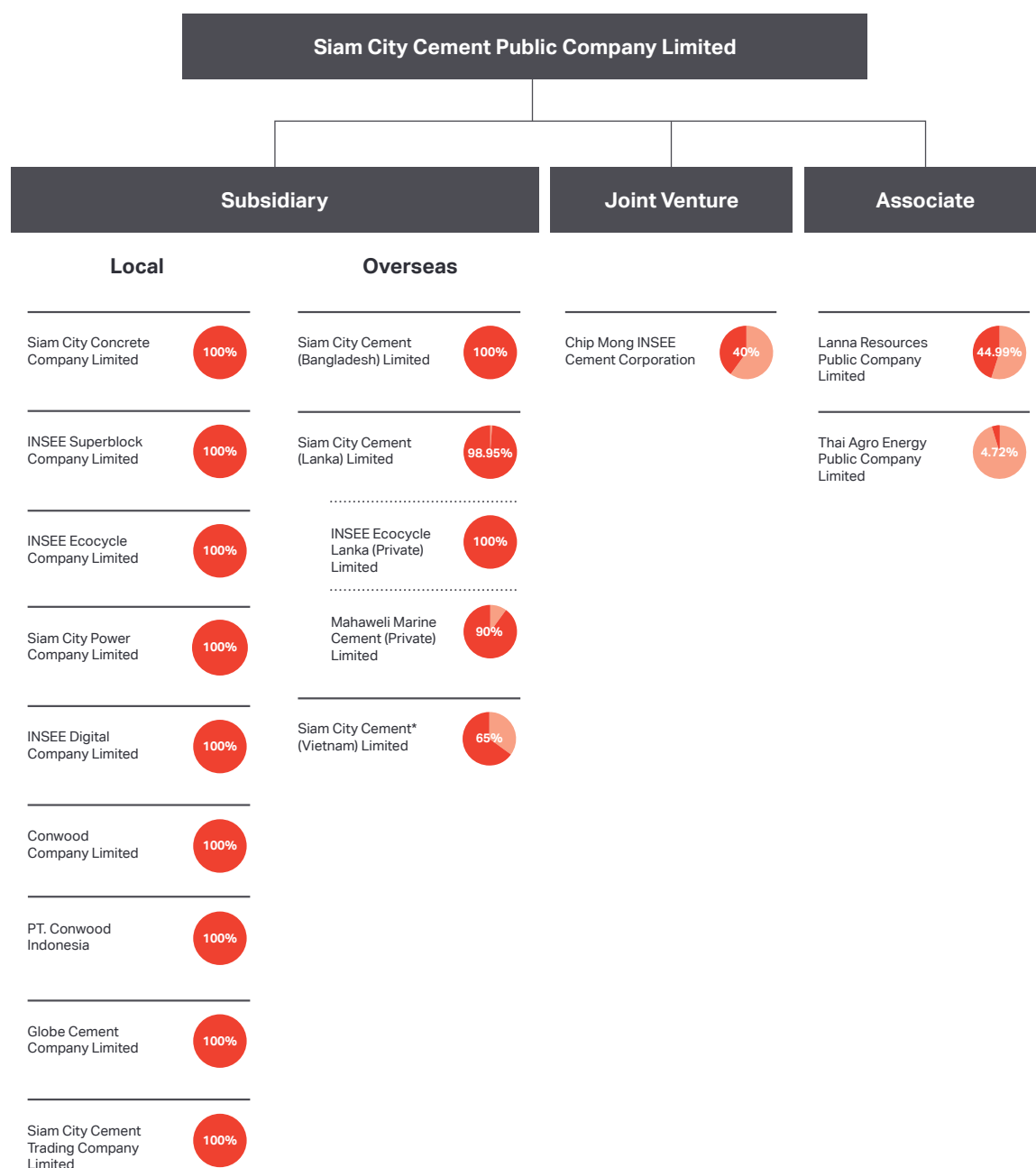


Mr. Stephen Patrick Gore

Chairman of the Governance Committee

General Information and Other Information

Group Structure



*Siam City Cement Nhon Trach Limited has merged into Siam City Cement (Vietnam) Limited since 30 July 2020 and now pending its closing process



General Information

General 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, 3rd, 10th, 12th 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: <http://www.siamcitycement.com>

Company's Ordinary Shares Issued and Paid-up: 298,000,000 ordinary shares with the par value of THB 10 per share.

- 2) Company Name, Head Office, Type of Business, Telephone No. of the Legal Entities held by the Company for Over 10 percent of Paid-up Shares of Such Entities, as of 31 December 2020

Company Name	Type of Business / Product	Registered/ Stated Capital (THB million)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
Held by Siam City Cement Public Company Limited				
Siam City Concrete Company Limited Column Tower, 3 rd , 10 th , 12 th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7555	Ready-mixed Concrete and Aggregates	2,500	25.00	100.00
INSEE Superblock Company Limited Column Tower, 3 rd , 10 th , 12 th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Lightweight Concrete product	500	5.00	100.00
Conwood Company Limited Crystal Design Center, L1 Building, Room No.111, 1 st Floor, 1448/14 Soi Ladprao 87 (Chantrasuk), Klongchan, Bangkok, Bangkok 10240, Thailand Tel: + 66 2 797 7444	Construction Material	300	3.00	100.00
INSEE Ecocycle Company Limited Column Tower, 3 rd , 10 th , 12 th 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
Siam City Power Company Limited Column Tower, 3 rd , 10 th , 12 th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Electricity Generation from Waste Heat	2,000	20.00	100.00
INSEE Digital Company Limited Column Tower, 3 rd , 10 th , 12 th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: + 66 2 797 7000	Technical Service and Information Technology Management and Development Services	700	7.00	100.00
Globe Cement Company Limited 48/1 Moo.5 Highway no.21, Tambon Na Phra Lan, Amphoe Chaloem Pra Kiat, Saraburi, 18240 Thailand Tel: + 66 2 797 7000	Cement Manufacturing	701	7.01	100.00

Company Name	Type of Business / Product	Registered/ Stated Capital (THB million)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
Siam City Cement Trading Company Limited Column Tower, 3 rd , 10 th , 12 th 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
Siam City Cement (Bangladesh) Limited Tower 52 (9 th Floor), Road-11, Block-C Banani Model Town, Dhaka-1213, Bangladesh Tel: + 88 09609 011 200	Cement Manufacturing	2,800 BMT million	48.74	100.00
Siam City Cement (Lanka) Limited Level 25, Access Tower II, No. 278/4, Union Place, Colombo 2, Sri Lanka Phone: +94 11 7 800800	Cement Manufacturing	1,663 LKR million	165.80	98.95
Siam City Cement (Vietnam) Limited Etown Central - 11 Doan Van Bo, Ward 12, District 4, Ho Chi Minh City, Vietnam Tel: + 84 28 73 017 018	Cement Manufacturing	3,030.4 VND million	Charter Capital	65.00
Lanna Resources Public Company Limited 888/99 Mahathun Plaza Building, 9 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: + 66 2 253 8080	Coal Production and Distribution	525	525.00	44.99
Thai Agro Energy Public Company Limited 888/114 Mahatun Plaza Building, 11 th Floor, Pleonchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: + 66 2 627 3890-94,+66 2 255 4380-84	Ethanol Production and Distribution	1,000	1,000.00	4.72
Chip Mong INSEE Cement Corporation ANINA Building, No. 240, Street 271, Sangkat Boeung Tumpun, Khan Mean Chey, Phnom Penh, Cambodia Tel: + 855 23 216 380	Cement	150 USD million	0.075	40.00
Held by Conwood Company Limited				
PT. Conwood Indonesia North Tower, Menara Jamsostek 14 th Floor, Jl. Jenderal Gatot Subroto No. 38, Kuningan Barat, Mampang Prapatan South Jakarta 12710 Indonesia Tel: + 62 21 5296 2146	Construction Material	78.3 USD million	78.30	100.00

Company Name	Type of Business / Product	Registered/ Stated Capital (THB million)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
Held by Siam City Cement (Lanka) Company Limited				
INSEE Ecocycle Lanka (private) Limited 413, R.A. De Mel Mawatha Colombo 03 Sri Lanka Tel: + 94 11 7 800800	Providing industrial waste management solution	1,460 (THB million)	146.01	100.00
Mahaweli Marine Cement (Private) Ltd. 413, R.A. De Mel Mawatha Colombo 03 Sri Lanka Tel: + 94 11 7 800800	Cement Trading	48 LKR million	4.80	90.00

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
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 3582

Debenture Representative: There is no representative for the Company's debenture

Auditors:

Miss Siriwan Nitdamrong
Certified Public Accountant No. 5906

Ms. Kamontip Lertwitworatep
Certified Public Accountant No. 4377

Mrs. Sarinda Hirunprasurtwutti
Certified Public Accountant No.4799

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

4) Legal Dispute

-None-

5) Finance Institution

Bank of Ayudhya Public Company Limited

1222 Rama III Road, Bang Phongphang, Yan Nawa Bangkok 10120,

Thailand

Tel: + 66 2 296 3582

Other important information**1) Registration capital and Shareholders****(1) Company Registration and paid-up capital**

The Company registration capital is THB 2,980 million, with paid-up of THB 2,980 million of 298 million ordinary shares, and with par value of THB 10 per share, be listed in The Stock Exchange of Thailand. There is no other type of share which is different from the ordinary share's right.

-None-

(2) Major Shareholders as of 5 March 2020¹ are the following:

Rank	Major Shareholders	Shares	% Shares ²
1.	Sunrise Equity Company Limited ³	106,612,288	35.78
2.	Jardine Cycle & Carriage Limited ³	76,107,368	25.54
3.	Bangkok Broadcasting and Television Company Limited (BBTV) ³	28,091,034	9.43
4.	Thai NVDR Company Limited ⁴	4,293,363	1.44
5.	Vayupak Mutual Fund 1 By MFC Asset Management Public Company Limited	2,920,399	0.98
6.	Vayupak Mutual Fund 1 By Krungthai Asset Management Public Company Limited	2,920,399	0.98
7.	Mrs. Sasithon Ratanarak	2,734,639	0.92
8.	South East Asia UK (TYPE C) Nominees Limited	2,714,824	0.91
9.	RBC Investor Service Trust	2,567,445	0.86
10.	Nortrust Nominees LTD-CL AC	2,542,945	0.85

Rank	Major Shareholders	Shares	% Shares ²
11.	BBHISL Nominees Limited	2,036,070	0.68
12.	State Street Europe Limited	1,898,730	0.64
13.	The Bank of New York Mellon	1,834,297	0.62
14.	Aberdeen Standard Long-Term Equity Fund	1,730,895	0.58
15.	Aberdeen Growth Fund	1,530,231	0.51
16.	Bua Luang Long-Term Equity Fund	1,502,700	0.50
17.	Ms. Sudthida Ratanarak	1,500,000	0.50

Proportion of Shareholding

No.	Shareholders list	Number of Shares Held	Percentage (%) ²
1.	Ratanarak	138,089,419	46.34
2.	Jardine Group Company	76,107,368	25.54
3.	Others	83,803,213	28.12
	Total	298,000,000	100.00

Remark:

1. The record date was scheduled on 5 March 2020 to identify the Shareholders entitled to attend the shareholder meeting and to receive dividend for 2019, and the Shareholders register closing. During the year, the investors can access the up-to-date information at <https://investor.siamcitycement.com/en/shareholder-info/major-shareholders> under the heading Investor Information.
2. The proportion of the equity interest of each of the Major Shareholders is based on the total issued and paid-up of 298 million shares, THB 10 per share. Foreign Limit is scheduled at 49 percent (at 5 March 2020, foreign shareholders portion is 31.67 percent)
3. The majority of shareholders who are a group whose movement has a marked influence on the establishment of corporate policy and strategy.
4. Thai NVDR Co., Ltd. is the lawful shareholder of authorized shares, holding Non-Voting Depository Receipt (NDVR). Thai NVDR Co., Ltd. is not entitled to vote as the shareholder, except the case where the meeting is called for revoking securities from being the listed company in the stock exchange. The information of investors under Thai NVDR Co., Ltd. is shown on the website: www.set.or.th

2) Securities issued by the Company

(1) Equity Securities:

Authorized shares:

298 million ordinary shares with the par value of THB 10 per share.

Issued shares:

298 million ordinary shares.

Issued and outstanding

298 million ordinary shares.

(2) Debt Securities:

	Set 3	Set 4	Set 6	Set 7	Set 8
Type of security	Senior and Unsecured Debentures	Senior and Unsecured Debentures	Senior and Unsecured Debentures	Senior and Unsecured Debentures	Senior and Unsecured Debentures
Term to maturity	8 years	10 years	7 years	10 years	12 years
Value of debentures	2,000 million THB	2,000 million THB	2,500 million THB	5,000 million THB	4,500 million THB
Number of debentures	2 million units	2 million units	2.5 million units	5 million units	4.5 million units
Par value per unit	1,000 THB	1,000 THB	1,000 THB	1,000 THB	1,000 THB
Offering price per unit	1,000 THB	1,000 THB	1,000 THB	1,000 THB	1,000 THB
Issuing date	29 April 2016	29 April 2016	9 May 2017	9 May 2017	9 May 2017
Maturity date	29 April 2024	29 April 2026	9 May 2024	9 May 2027	9 May 2029
Coupon date	2.46 percent per annum	2.70 percent per annum	3.65 percent per annum	4.08 percent per annum	4.26 percent per annum
Credit rating	A	A	A	A	A

3) Dividend Policy of the Company

"The Company shall allocate dividend payment at least 60 percent of net profit on its consolidated financial statements. In case of negative financial situation, the Board may propose a lower percentage of dividend payment as it considers appropriate under such circumstance."

Explanation:

This Dividend Policy was approved by the 17th Annual General Meeting of Shareholders, on 9 April 2010, as a general principle. However, in proposing dividend for approval of Shareholders, the Company has to comply with the laws, i.e., dividend has to be paid from net profit of the Company's separate financial statements. Therefore, if the Company does not have sufficient net profit, dividend proposal shall be applicable with such situation.

During 2018 - 2020, the Company allocated dividends as follows:

For fiscal year 2020 of 9 Baht per share

- The Board of Directors proposes the Shareholders to approve payment of dividend for the year 2020 on 25 March 2021 for 9 Baht per share.
- Dividend payout THB 2,682 million, 72.9 percent

For fiscal year 2019, total dividend is 8 Baht per share

- The Board of Directors approved payment of interim dividend on 31 July 2019 of 4 Baht per share.
- The Board of Directors proposes the Shareholders to approve payment of dividend for the second half of 2019 on 26 March 2020 for 4 Baht per share.
- Dividend payout THB 2,384 million, 75.5 percent

For fiscal year 2018, total dividend is 8 Baht per share

- The Board of Directors approved payment of interim dividend on 24 July 2018 of 4 Baht per share.
- The Shareholders approved payment of dividend for the second half of 2018 on 26 March 2019 for 4 Baht per share.
- Dividend payout THB 2,384 million, 78.9 percent

4) Dividend Policy of the Company's subsidiaries

All dividend payments by the Company's subsidiaries must be approved by a resolution of the respective shareholders meeting which must be considered on its separate financial statement and must be in compliance with the relevant laws and regulations. The Subsidiaries may from time to time pay shareholders interim dividend if their Board of Directors considers it appropriate given their profitability levels.

In each case, the subsidiary Company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the Company's capital.

Related Party Transactions

Related party transactions (interchangeable word with connected transactions) refer to transactions made by the Company or its Subsidiaries with the connected person. The Board of Directors is aware that sound approval mechanism and procedure for the benefit of the Company is for the equitable treatment of shareholders.

Criteria for entering into related party transactions and the future trend

The Company has identified approval mechanism and procedure in alignment with the related regulations and the principle of good corporate governance, as the following summaries:

1. The Board of Directors approved the approval principles in accordance with Section 89/12 of the SEC Act and delegated the Management to approve the entering into transactions which were made as the Group's normal business or made to support the Group's normal business. Such approval principles are aligned with the Rules on Connected Transactions, under the Notification of the Capital Market Supervisory Board. In the essence, the approvals were based upon the Company's benefit as if the transactions were made with any third party (arm's length basis).
2. The Board of Directors approved the Related Party Transactions Policy for the Group, adopting the procedures of the relevant rules and regulations for entering into the transactions and disclosure of information.

3. The Management identified monitoring and reviewing processes to ensure that the entering into related party transactions were made in accordance with the Policy and presented summary report to the Audit Committee and the Board of Directors on a quarterly basis.
4. The Audit Committee reviewed the transactions to ensure that such transactions were for the benefits of the Company and on the arm's length basis, and to monitor trend of transactions to be suitable with the business of the Company.

The Audit Committee regularly reviewed the related party transactions and transactions which potentially conflicted with the Company's interest, and was of the opinion that the related party transactions were based on business normality, transparency, adequate disclosure and at arm's length, also in accordance with the laws, reasonable and for the best interest of the Company, as summarized in the table below.

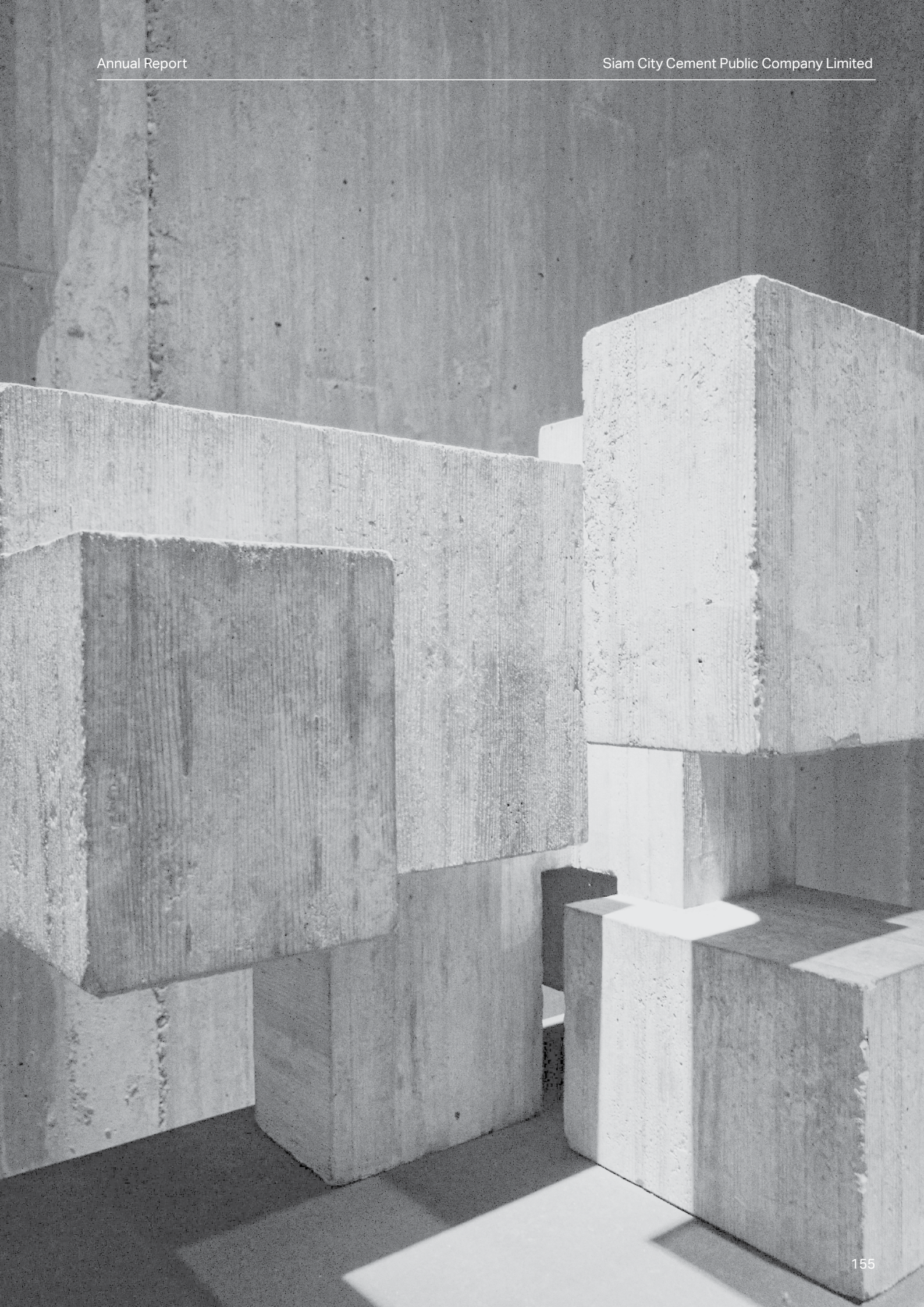
Tendency of entering into the related party transactions in the future

If necessary to enter into the related party transactions in the future, the Board of Directors shall strictly comply with the rules and regulations of the SEC Act and the disclosure requirements, focusing on the best interest of the Company and the arm's length basis. Moreover, when there are transactions involving directors and management, they are not allowed to vote or attend the meeting.

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions			Rational and necessity
		2020	2019	2018	
1. Turangga Resources Pte. Ltd. (Turangga)/ Indirect subsidiary of major shareholder (Jardine Cycle & Carriage Limited)	Normal business transaction/ Purchase of coal for cement production	640.4	512.2	256.2	Coal is major fuel for cement production. Purchase of fuel from various sources was to mitigate risk of supply. A trading subsidiary sourced fuel to provide companies in the Group and/or resold to third parties
2. Bank of Ayudhya Public Company Limited (BAY)/ Subsidiary of major shareholder (Bangkok Broadcasting & T.V. Company Limited) with a co-director, Ms. Nopporn Tirawattanagool	Support normal business transaction/ Interest expense from short term loan to subsidiary	8.5	7.6	9.6	BAY is a commercial bank, providing service of borrowing/depositing cash. Subsidiary selected BAY after comparing with other banks
	Support normal business transaction/ Interest income from short term deposit of Company/ subsidiaries	2.3	2.3	6.1	
	Support normal business transaction/ Purchase krungsri gift card for marketing and sell promotion	17.8	13.6	3.8	
3. HR Professional Consulting and Service Company Limited (HR Pro)/ Indirect subsidiary of major shareholder (Bangkok Broadcasting & T.V. Company Limited)	Support normal business transaction/ Company/subsidiaries used outsourced services	142.1	210.8	160.8	HR Pro provided services for employee transportation, concrete sampling collection, maintenance services. Company/ subsidiaries selected HR Pro through bidding process
4. Lanna Resources Public Company Limited (Lanna)/ Company is a direct shareholder, holding 44.99 percent with co-directors i.e. Mr. Paul Heinz Hugentobler Mr. Vanchai Tosomboon Mr. Siva Mahasandana	Normal business transaction/ Purchase of coal for cement production and trading business	1,107.7	777.4	931.0	Coal is major fuel for cement production. Company purchased fuel from various sources to mitigate risk of supply and to support trading business of subsidiary

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions			Rational and necessity
		2020	2019	2018	
5. Chip Mong INSEE Cement Corporation (CMIC)/ Company is a direct shareholder, holding 40 percent with co-directors i.e. Mr. Vanchai Tosomboon Mr. Aidan John Lynam	Normal business transaction/ Company/subsidiaries sold cement and cementitious products	509.1	1,534.1	1,103.7	CMIC was short of cement supply, therefore it purchased products from Company/subsidiary among other suppliers
	Support normal business transaction/ A subsidiary provided IT services to CMIC	20.2	26.7	37.0	CMIC needed support on data management for cement business from the Group
	Normal business transaction/ Company used marketing services in Cambodia	16.8	12.0	51.8	CMIC provided cement marketing activities such as market research and strategy
	Support normal business transaction/ Sell and Purchase related goods	9.8	2.3	-	The Company support Joint venture on related goods during the shortage.
6. Siam City Cement (Vietnam) Limited (SCCVN)/ Company is a direct shareholder, holding 65 percent with co-directors i.e. Mr. Aidan John Lynam Mr. Siva Mahasandana and following are representatives of the Company in SCCVN i.e. Mr. Mark Anatol Schmidt (Director) and Mr. Philippe Bernard Richart (CEO)	Normal business transaction/ Company/subsidiaries sold cementitious products	848.9	1,017.0	1,060.5	SCCVN purchased products from Company/subsidiary among other suppliers
	Support normal business transaction/ A subsidiary provided IT services to SCCVN	73.6	106.5	107.3	SCCVN needed support on data management for cement business from the Group
7. Siam City Cement Nhon Trach Limited (SCCNT)/ Company is an indirect shareholder, holding 65 percent	Normal business transaction/ Subsidiary sold cementitious products	91.2	218.6	261.1	SCCNT purchased products from subsidiary among other suppliers
8. Mahaweli Marine Cement (Private) Limited (MMC)/ Company is an indirect shareholder, holding 89 percent	Normal business transaction/ Subsidiary sold cement product	119.4	137.5	513.0	MMC purchased products from Company/subsidiary among other suppliers
9. Eastern Star Real Estate Public Company Limited (ESTAR)/ Subsidiary of major shareholder (Bangkok Broadcasting & T.V. Company Limited)	Normal business transaction/ Subsidiary sold wall panel product	1.9	5.0	1.2	Subsidiary sell wall panel to ESTAR at the price based on commercial conditions similar to other customer.

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions			Rational and necessity
		2020	2019	2018	
10. Srivichaivejvivat Public Company Limited/ Co-director, Ms. Nopporn Tirawattanagool	Support normal business transaction/ Company/subsidiaries used outsourced services	5.9	5.9	-	The Company and subsidiaries use health check-up service for employees through procurement bidding process
11. Allianz Ayudhaya General Insurance Public Company Limited (AAGI)/ AAGI is a 99.99 percent held by Allianz Ayudhaya Capital Public Company Limited (AYUD). AYUD and the Company has the same director. Co-director: Ms. Nopporn Tirawattanagool	Support normal business transaction/ Company/subsidiaries used outsourced insurance services	69.9	61.9	48.0	The Company and subsidiaries purchase several insurance policies to manage certain risk from operation
12. Allianz Ayudhaya Assurance Public Company Limited (AZAY)/ AZAY is a 31.97 percent held by Allianz Ayudhaya Capital Public Company Limited (AYUD). AYUD and the Company has the same director. Co-director: Ms. Nopporn Tirawattanagool	Support normal business transaction/ A subsidiaries used outsourced life insurance services	0.3	0.4	0.9	A subsidiary purchased life insurance for employees. The policy was terminated in May 2020 after subsidiary business winding down in 2020
13. CKS Holding Company Limited/ Co-director, Ms. Nopporn Tirawattanagool	Support normal business transaction/ A subsidiary made a land rental agreement for RMX production plant	2.6	2.6	2.6	A subsidiary lease land from related companies for undertaking ready mixed concrete plant via normal procurement process
14. The Thai Tapioca Flour Produce Company Limited/ Co-director, Ms. Nopporn Tirawattanagool	Support normal business transaction/ A subsidiary made a land rental agreement for RMX production plant	1.6	1.6	1.5	A subsidiary lease land from related companies for undertaking ready mixed concrete plant via normal procurement process



Management Discussion and Analysis

Management Discussion and Analysis

The following management discussion and analysis is intended to provide the reader with sufficient business insight to understand the financial position of the Company and should be read in conjunction with our financial statements and the accompanying notes.

Analysis of Financial Performance

Revenues

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Revenues					
Net sales	42,000	47,593	(5,593)	(12%)	44,764
Other income	174	339	(165)	(49%)	276
Total Revenues	42,174	47,932	(5,758)	(12%)	45,040

SCCC Group revenue was adversely impacted by COVID-19 pandemic because of containment measures and lockdowns by countries during first half of the year. When easing some of the restrictions in the latter half of the year, cement demand somewhat recovered at varied pace across markets. At the same time, intensified market competition put pressure on cement price. As a result, the Group revenue declined by -12 percent to THB 42,000 million.

Expenses

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Expenses					
Cost of sales and services	27,981	32,463	(4,482)	(14%)	29,300
Selling and distribution expenses	6,625	8,120	(1,495)	(18%)	8,248
Administrative expenses	1,955	2,071	(116)	(6%)	2,212
Other expenses	120	389	(269)	(69%)	270
Total expenses	36,681	43,043	(6,362)	(15%)	40,030

The Group implemented several cost reduction initiatives including optimizing operations to assure profitability during the much-disrupted economic environment. One cement kiln at the Saraburi plant was mothballed in May to optimize resources and capacities corresponding to demand contraction across the region. Plant reliability with less breakdowns has improved cement output and effectively reduced maintenance cost. The optimized thermal energy consumption, compounding with favorable energy price, brought down energy costs for cement production. Logistic and cartage costs benefited from lowered diesel price along with optimizing procurement initiatives. Selling and administrative expenses were rationalized and effectively reduced commensurate with the prevailing business climate.

Depreciation, Finance cost and Tax

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Depreciation, Finance cost and Tax					
Depreciation and amortization	3,935	3,330	605	18%	3,268
Finance cost	1,374	1,459	(85)	(6%)	1,350
Income tax expenses	756	698	58	8%	569

During the reporting period, the new Thai Financial Reporting Standard (TFRS) No. 16 required the Group to recognize all lease contracts with a term of more than 12 months as asset and liabilities on the balance sheet, unless the underlying asset was of low value. This resulted in lower operating expenses and at the same time higher depreciation and amortization expenses for assets recognized under TFRS 16.

Finance cost reflected interest expenses incurred from the loan from financial institutions and debenture, and fees related to trade financing to support growing international trading activities. The curtailed finance cost reflected lower interest rate level in overseas markets and lower overall level of debt financing in line with the Group's deleveraging plan.

Income tax expenses increased due to the higher net profit before tax for the period.

Analysis of Financial Position

	Unit	2020	2019	2018
Accounts receivable turnover	Times	7.81	8.47	7.77
Days receivable outstanding	Days	47	43	47
Inventory turnover	Times	6.85	6.72	6.43
Days inventory	Days	53	54	57
Accounts payable turnover	Times	5.61	5.74	5.78
Days payable outstanding	Days	65	64	63

Net Working Capital

As a result of the COVID-19 pandemic, customers tended to extend their payments which resulted in slightly higher days receivable outstanding. At the same time, the Group tightened control over credit management and debt collection which resulted in a reduction of outstanding receivables by 11 percent, from THB 5,455 million to THB 4,835 million. Days inventory and days payable outstanding remained at almost the same level as prior year owing to active net working capital management.

Key Assets

Non-current assets held for sales

Non-current assets held for sale comprised of assets of the former ready-mixed concrete business in Vietnam and the premises at Port Trincomalee in Sri Lanka which could not continue operations due to change of local laws. Subsidiaries in these two markets entered into sales arrangement with 6th party to divest these assets.

Non-current assets held for sale are not subject to depreciation and are measured at the lower of carrying amount and fair value less cost to sell.

Property, Plant and Equipment and Intangible Assets (Net)

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Property, plant and equipment	29,998	32,523	(2,525)	(8%)	35,459
Intangible assets	10,128	10,844	(716)	(7%)	10,309
Other non-current assets	283	317	(34)	(11%)	288

Capital expenditures (CAPEX) spending for Property, Plant and Equipment during the period was THB 732 million. Some of the key CAPEX projects during 2020 were as follows;

- Suphanburi aggregate quarry overburden stripping of THB 39 million
- Vietnam Hon Chong second line palletizer system of THB 23 million
- Vietnam clay pit extension of THB 20 million
- Thi Vai cement mill of THB 16 million

Depreciation charges for the year amounted to THB 2,854 million. An additional THB 169 million related to assets disposals, impairment and write-off were recorded during the year.

Since the overseas business units operated under different functional currencies, they were subjected to currency translation into Thai Baht. As a result of the Thai Baht appreciation over the year, losses from translation of property, plant and equipment in overseas subsidiaries into Thai Baht amounted to THB 148 million.

Intangible assets mainly consisted of mining concession, computer software, customer relationship, brands and the right to use of assets. Amortization charges for the year was THB 545 million. Loss from translation of intangible assets in overseas subsidiaries into Thai Baht was THB 203 million.

Funding

As at 31 December 2020, the capital structure of the Group consisted of net financial debt, including lease liabilities, at THB 21,017 million (gross financial debt amount of THB 28,693 million, net of cash and cash equivalents amount of THB 7,676 million) and shareholders' equity of THB 34,712 million. This represented a net financial debt to equity ratio of 0.61 times which was reduced from prior year (2019: 0.76 times).

Short-Term and Long-Term Debt

The gross financial debt included debentures consisting of a series of unsubordinated and unsecured debentures at varying maturity which are prudently spread across the years to avoid concentration risk as outlined below;

Issued date	Amount Million Baht	Due date
29 April 2016	4,000	2024, 2026
9 May 2017	12,000	2024, 2027, 2029

The proceeds of debenture were mainly used to finance the acquisitions of overseas businesses during the past years. In addition, the Group carried long term loans from financial institutions and lease liabilities amounting THB 8,499 million and short-term loan including current portion of long-term loan and lease liabilities of THB 4,219 million.

Shareholder's Equity

As at 31 December 2020, shareholders' equity amounted to THB 34,712 million (2019: THB 32,671 million). This position consists of accumulated reserves, share premium and retained earnings amounting to THB 41,124 million, netted off with a negative currency translation adjustment of THB 7,760 million. Non-controlling interests of the subsidiaries equaled to THB 1,348 million.

Analysis of Cash Flow Statement

The Group reported a cash and cash equivalent balance of THB 7,676 million as at 31 December 2020 which was used to maintain sufficient liquidity during the pandemic. Net cash generated from operating activities was THB 8,932 million (2019: THB 7,586 million) mainly due to higher net profit and improved net working capital.

Net cash from investing activities amounted to THB 17 million, mainly contributed by dividends received from joint venture and associated companies and a decrease in other non-current assets amounting to THB 667 million and THB 51 million, respectively, partially offset by acquisitions of property plant and equipment, net of disposal, of THB 705 million. (2019: net cash used in investing activities was THB 1,434 million).

Net cash outflows from financing activities of THB 6,006 million (2019: THB 3,855 million) was primarily related to the total dividend paid amounting to THB 1,453 million and repayment of bank overdraft and short-term loans from financial institution, debenture and lease liabilities at a net amount of THB 4,300 million during the year.

Financial Statement

Consolidated Statements of Financial Position

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	7,676	10%	4,821	6%	2,647	3%
Trade and other receivables	4,835	6%	5,456	7%	5,433	8%
Derivative assets	4	-	1	-	6	-
Inventories	3,374	4%	4,608	6%	4,872	6%
Advance payments for purchases of goods	360	-	80	-	303	-
Non-current assets held for sale	60	-	65	-	-	-
Other current assets	258	-	394	1%	361	-
TOTAL CURRENT ASSETS	16,567	21%	15,424	20%	13,622	17%
NON-CURRENT ASSETS						
Restricted bank deposits	17	-	17	-	12	-
Investment in joint venture	1,896	2%	1,973	3%	1,985	2%
Investments in associated companies	2,077	3%	2,069	4%	2,041	4%
Investment properties	319	-	315	-	315	-
Property, plant and equipment	29,998	39%	32,523	42%	35,459	45%
Right-of-use assets	1,747	2%	-	-	-	-
Assets not used in operations	61	-	65	-	65	-
Goodwill	13,476	17%	13,594	17%	14,585	19%
Intangible assets	10,128	13%	10,844	14%	10,309	13%
Deferred tax assets	1,101	1%	1,064	1%	882	1%
Other non-current assets	283	-	317	-	288	-
TOTAL NON-CURRENT ASSETS	61,103	79%	62,782	80%	65,941	83%
TOTAL ASSETS	77,670	100%	78,206	100%	79,563	100%

Consolidated Statements of Financial Position (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term loans from related financial institution	120	-	100	-	160	-
Bank overdrafts and short-term loans from other financial institutions	3,356	4%	2,588	3%	3,968	5%
Trade and other payables	4,294	6%	5,684	7%	5,626	7%
Current portion of long-term loans from related financial institution	-	-	-	-	90	-
Current portion of long-term loans from other financial institutions	339	-	539	1%	342	-
Current portion of lease liabilities	404	1%	-	-	-	-
Current portion of liabilities under finance lease contracts	-	-	12	-	10	-
Current portion of debentures	-	-	2,999	4%	-	-
Current portion for long-term liabilities for concession and license fee	114	-	28	-	-	-
Current derivative liabilities	-	-	-	-	16	-
Income tax payable	637	1%	770	1%	613	1%
Deferred revenue	843	1%	901	1%	781	1%
Accrued electricity	288	-	243	-	254	-
Other accrued expenses	1,336	2%	1,330	2%	1,476	2%
Other current liabilities	231	-	219	-	244	-
TOTAL CURRENT LIABILITIES	11,962	15%	15,414	19%	13,580	16%

Consolidated Statements of Financial Position (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Long-term loans from other financial institution - net of current portion	7,239	9%	7,437	10%	7,371	9%
Lease liabilities - net of current portion	1,260	2%	-	-	-	-
Liabilities under finance lease contracts - net of current portion	-	-	37	-	17	-
Debentures - net of current portion	15,975	21%	15,971	20%	18,966	24%
Long-term liabilities for concession and license fee - net of current portion	1,045	1%	1,072	1%	-	-
Non-current derivative liabilities	222	-	-	-	-	-
Provision for long-term employee benefits	2,479	3%	2,810	4%	2,150	3%
Provision for site restoration and decommissioning costs	343	-	160	-	128	-
Deferred tax liabilities	2,320	3%	2,507	3%	2,669	3%
Other non-current liabilities	113	-	127	-	141	-
TOTAL NON-CURRENT LIABILITIES	30,996	39%	30,121	38%	31,442	39%
TOTAL LIABILITIES	42,958	55%	45,535	58%	45,022	56%
SHAREHOLDERS' EQUITY						
Share capital						
Registered						
298,000,000 ordinary shares of Baht 10 each	2,980	-	2,980	-	2,980	-
Issued and fully paid up						
298,000,000 ordinary shares of Baht 10 each	2,980	4%	2,980	4%	2,980	4%
Share premium	26,413	34%	26,413	34%	26,413	33%
Retained earnings	-	-	-	-	-	-
Appropriated - statutory reserve	300	-	300	-	300	-
Unappropriated	11,431	15%	8,973	11%	8,426	11%
Other components of shareholders' equity	(7,760)	(10%)	(7,272)	(9%)	(5,088)	(6%)
Equity attributable to owners of the Company	33,364	43%	31,394	40%	33,031	42%
Non-controlling interests of the subsidiaries	1,348	2%	1,277	2%	1,510	2%
TOTAL SHAREHOLDERS' EQUITY	34,712	45%	32,671	42%	34,541	44%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	77,670	100%	78,206	100%	79,563	100%

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from contract with customers	42,000	100%	47,593	99%	44,764	99%
Other income	174	-	339	1%	276	1%
Total Revenues	42,174	100%	47,932	100%	45,040	100%
Expenses						
Cost of sales	27,337	65%	31,836	67%	28,195	63%
Cost of services	644	1%	627	1%	1,105	2%
Selling and distribution expenses	6,625	16%	8,120	17%	8,248	18%
Administrative expenses	1,955	5%	2,071	4%	2,212	5%
Other expenses	120	-	389	1%	270	1%
Total expenses	36,681	87%	43,043	90%	40,030	89%
Operating profit	5,493	13%	4,889	10%	5,010	11%
Share of profit from investments in joint venture	477	1%	318	1%	73	-
Share of profit from investments in associated companies	109	-	218	-	257	1%
Finance income	76	-	59	-	-	-
Finance cost	(1,374)	(3%)	(1,459)	(3%)	(1,350)	(3%)
Profit before income tax expenses	4,781	11%	4,025	8%	3,990	9%
Income tax expenses	(756)	(1%)	(698)	(1%)	(569)	(1%)
Profit for the year	4,025	10%	3,327	7%	3,421	8%
Profit attributable to:						
Equity holders of the Company	3,680	9%	3,157	7%	3,021	7%
Non-controlling interests of the subsidiaries	345	1%	170	-	400	1%
	4,025	10%	3,327	7%	3,421	8%
Basic earnings per share						
Profit attributable to equity holders of the Company	12.35		10.59		10.14	
Weighted average number of ordinary shares (Million shares)	298		298		298	

Consolidated Income Statements and Consolidated Statements of Comprehensive Income (continued)

(Unit : THB million)

	2020	2019	2018
Profit for the year	4,025	3,327	3,421
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements in foreign currency	(393)	(2,014)	(2,102)
Gain on cash flow hedge - net of tax	18	-	-
Share of other comprehensive income of joint venture and associated company - exchange differences on translation of financial statements in foreign currency	16	(363)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(359)	(2,376)	(2,102)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) - net of tax	(26)	(226)	20
Share of other comprehensive income of associated companies - actuarial gain (loss)	(4)	1	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(30)	(225)	20
Other comprehensive income for the year	(389)	(2,602)	(2,082)
Total comprehensive income for the year	3,636	726	1,339
Total comprehensive income attributable to:			
Equity holders of the Company	3,304	747	951
Non-controlling interests of the subsidiaries	332	(22)	388
	3,636	726	1,339

Consolidated Statements of Cash Flows

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash flows from operating activities						
Profit before tax	4,781	100%	4,025	100%	3,990	100%
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Share of profit from investment in joint venture and associated companies	(586)	(12%)	(536)	(13%)	(330)	(8%)
Depreciation and amortization	3,935	82%	3,330	83%	3,268	82%
Allowance for doubtful accounts	-	-	57	1%	-	-
Reduction of inventory to net realisable value (reversal)	29	1%	66	2%	67	2%
Impairment loss on financial assets	49	1%	-	-	-	-
Loss (gain) on disposal of non-current asset held for sale	23	-	(87)	(2%)	-	-
Allowance for impairment loss of non-current assets held for sale	6	-	8	-	-	-
Increase (decrease) in allowance for impairment loss on non-financial assets	(87)	(2%)	134	3%	2	-
Net Loss on disposals/write-off of property, plant and equipment, assets not used in operation and intangible assets	191	4%	183	5%	258	6%
Provision for long-term employee benefits and other provisions	206	4%	487	12%	218	5%
Amortisation of deferred income from grants related to assets	(9)	-	(9)	-	(6)	-
Net loss (gain) on derivative instruments at fair value through profit or loss	(3)	-	(16)	-	-	-
Unrealised loss (gain) on exchange	3	-	(4)	-	(18)	-
Interest income	(76)	(2%)	(59)	(1%)	(39)	(1%)
Interest expenses	1,282	27%	1,328	33%	1,212	30%
Profit from operating activities before changes in operating assets and liabilities	9,744	203%	8,907	223%	8,623	216%

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Operating assets (increase) decrease :						
Trade and other receivables	574	12%	(79)	(2%)	357	9%
Inventories	1,206	25%	199	5%	(1,002)	(25%)
Advance payments for purchases of goods	(281)	(6%)	223	6%	31	1%
Other current assets	100	2%	(70)	(2%)	(85)	(2%)
Operating liabilities increase (decrease) :						
Trade and other payables	(75)	(2%)	188	5%	1,218	31%
Accrued expenses and other current liabilities	114	2%	(12)	-	(289)	(7%)
Provision for long-term employee benefits	(591)	(12%)	(88)	(2%)	(129)	(3%)
Provision for site restoration	(8)	-	(4)	-	(4)	-
Other non-current liabilities	(7)	-	(5)	-	(2)	-
Cash from operating activities	10,776	224%	9,259	233%	8,717	220%
Interest received	77	2%	58	1%	37	1%
Interest paid	(911)	(19%)	(1,079)	(27%)	(964)	(24%)
Cash paid for income tax	(1,010)	(21%)	(653)	(16%)	(802)	(20%)
Net cash from operating activities	8,932	186%	7,586	191%	6,988	177%

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash flows from investing activities						
Decrease (increase) in restricted bank deposits	-	-	(6)	-	-	-
Proceeds from disposals of non-current asset held for sale	35	1%	99	2%	-	-
Proceeds from disposal of property, plant and equipment and assets not used in operation	40	1%	14	-	62	2%
Cash paid for business acquisition	-	-	-	-	(204)	(5%)
Cash received from land deposit	-	-	-	-	25	1%
Cash received from grants related to assets	-	-	-	-	129	3%
Acquisitions of property, plant and equipment	(745)	(16%)	(1,476)	(37%)	(2,217)	(56%)
Advance payment for acquisition of right-of-use assets	(3)	-	-	-	-	-
Increase in intangible assets	(28)	(1%)	(195)	(5%)	(237)	(6%)
Decrease (increase) in other non-current assets	51	1%	(29)	(1%)	(2)	-
Dividend received	667	14%	158	4%	224	6%
Net cash used in investing activities	17	-	(1,435)	(37%)	(2,220)	(55%)

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash flows from financing activities						
Net increase (decrease) in short-term loans from related financial institution	20	-	(60)	(1%)	20	1%
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(438)	(9%)	(1,181)	(29%)	(756)	(19%)
Repayment of long-term loans from related financial institution	-	-	(90)	(2%)	(180)	(5%)
Increase in long-term loans from other financial institution	3,171	66%	605	15%	398	10%
Repayment of long-term loans from other financial institutions	(3,561)	(74%)	(302)	(8%)	(328)	(8%)
Payment of lease liabilities	(492)	(10%)	-	-	-	-
Cash paid for liabilities under finance lease contracts	-	-	(13)	-	(52)	(1%)
Cash paid for redemption of debentures	(3,000)	(63%)	-	-	-	-
Dividend paid	(1,453)	(30%)	(2,596)	(64%)	(2,737)	(69%)
Payment of liabilities for acquisitions of concession	(6)	-	-	-	-	-
Interest paid	(221)	(5%)	(218)	(5%)	(212)	(5%)
Cash paid for other finance costs	(26)	(1%)	-	-	-	-
Net cash from (used in) financing activities	(6,006)	(126%)	(3,855)	(94%)	(3,847)	(96%)
Increase (decrease) in translation adjustments	(83)	(2%)	(123)	(3%)	18	-
Net increase (decrease) in cash and cash equivalents	2,860	60%	2,173	54%	939	24%
Cash and cash equivalents at beginning of year	4,821	101%	2,647	65%	1,707	42%
Effect of change in foreign exchange rate on cash at banks	(5)	-	1	-	1	-
Cash and cash equivalents at end of year	7,676	161%	4,821	120%	2,647	66%

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Supplemental disclosures of cash flows information :						
Non-cash related transactions from investing activities:	265		336		506	
Payables from acquisitions of property, plant and equipment and intangible assets	26		81		-	
Long-term liabilities for license fee	-		-		37	
Transferred investment properties to non-current asset held for sale						
Transferred property, plant and equipment to non-current assets held for sale	38		73		-	
Transferred property, plant and equipment to intangible assets	-		198		199	
Transferred property, plant and equipment to assets not used in operations	-		26		4	
Transferred intangible assets to property, plant and equipment	-		-		6	
Transferred right-of-use assets to non-current assets held for sale	4		-		-	
Transferred assets not used in operations to non-current assets held for sale	21		-		-	
Transferred assets not used in operations to property, plant and equipment	4		-		-	
Transferred intangible assets to property, plant and equipment	17		-		-	
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	58		28		(8)	
Increase in right-of-use assets from provision for decommissioning costs	3		-		-	

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Non-cash related transactions from financing activities:						
Increase in long-term liabilities from obtaining mining concession	-		990		-	
Acquisitions of right-of-use assets under lease contracts	140		-		-	
Increase (decrease) in assets and liabilities from lease reassessment/modification						
- Right-of-use assets	(51)		-		-	
- Finance lease receivables	-		-		-	
- Lease liabilities	(49)		-		-	
- Provision for decommissioning costs	(7)		-		-	
Acquisitions of equipment under finance lease contracts	-		33		24	

Financial Ratio of Siam City Cement Public Company Limited and its subsidiaries

	Unit	2020	2019	2018
Liquidity ratios				
Current ratio	Times	1.39	1.00	1.00
Quick ratio	Times	1.05	0.67	0.59
Cash flows from operating activities to current liabilities ratio	Times	0.65	0.52	0.33
Accounts receivable turnover	Times	7.81	8.47	7.77
Days receivable outstanding	Days	47	43	47
Finished good turnover	Times	25.28	25.76	25.06
Days Finished good outstanding	Days	14	14	15
Inventory turnover	Times	6.85	6.72	6.43

Financial Ratio of Siam City Cement Public Company Limited and its subsidiaries (continued)

	Unit	2020	2019	2018
Days inventory outstanding	Days	53	54	57
Accounts payable turnover	Times	5.61	5.74	5.78
Days payable outstanding	Days	65	64	63
Cash cycle	Days	36	34	41
Profitability ratios				
Gross profit margin	%	33	32	35
Operating profit margin	%	13	10	12
Other profit margin	%	0.13	-0.10	-0.12
Cash flows from operating activities on net income margin	%	160	155	134
Net income margin	%	9	7	7
Return on shareholders' equity	%	11	9	9
Efficiency ratios				
Return on assets	%	5	4	4
Return on fixed assets	%	21	18	18
Total assets turnover	Times	0.54	0.61	0.56
Financial policy ratios				
Debt - to - equity ratio	Times	1.24	1.39	1.30
Interest coverage ratio	Times	8.93	6.89	7.49
Interest bearing debt to EBITDA ratio	Times	2.84	2.98	3.50
Debt service coverage ratio	Times	2.39	2.77	1.97
Dividend payout ratio on net profit	%	73	76	79



Financial Report 2020

Stronger Regional Footprint

Solidly Positioned for
Consolidated Growth

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Report of the Board of Directors' Responsibilities for Financial Statements

The financial statements of Siam City Cement Public Company Limited and its subsidiaries have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543. The Company has chosen with careful consideration its accounting policies, which are proper to its business operations, and has always strictly adhered to these policies in all material respect. All material information has been sufficiently disclosed in the notes to the financial statements.

The Board of Directors of the Company is held accountable for correctness, completeness and timelines of the aforementioned financial statements, including financial data as shown in the annual report. The Board has also adopted effective internal control system which provides a reasonable basis and assurance that the financial data reported are accurate, complete and adequate to protect assets and prevent possible misappropriation including other operational irregularities in the operations of the Company.

The Audit Committee, consisting of three independent directors performing its duties in compliance with The Stock Exchange of Thailand guidelines under the Best Practice Guidelines for Audit Committees, assists the Board of Directors by overseeing internal and external audit matters on its behalf, and operates under a written charter adopted by the Committee and the Board of Directors. The report of the Audit Committee and the report of the independent auditor appear in this annual report.



Mr. Paul Heinz Hugentobler

Chairman of the Board of Directors



Mr. Aidan John Lynam

Director and Group Chief Executive Officer

Report of the Audit Committee

Dear Shareholder,

The Audit Committee comprises three independent directors with combined skills and expertise in finance, accounting, laws and business. All members possess adequate qualifications as required by the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Mr. Robbert van de Feltz joined as a new member from March 2020 replacing Mr. Pradap Pibulsonggram who retired.

The Audit committee has performed its duties independently and objectively in accordance with its charter, reviewed annually, and in line with current business priorities approved by Board of directors. The Audit Committee advocates a strong culture of governance, integrity, ethics, accountability and transparency for a long-term sustainable business.

In 2020, the Audit Committee convened a total of 11 meetings, with attendance by all members every time

The annual year-end performance self-assessment of the Audit Committee, as an individual and group assessment, was conducted, and the results were satisfactory. The Audit Committee considered post COVID-19 risks in framing its priorities for year 2021.

The Audit Committee's main activities are summarized below:

- (1) **Review of Financial Reports:** The Audit Committee reviewed quarterly and annually the separate and consolidated financial statements for the year 2020 of Siam City Cement Public Company Limited and subsidiaries with the Management and External Auditor. The Audit Committee discussed with the External Auditor on the accuracy and completeness of the financial statements, significant adjustment which affected to the financial statements, adequacy and suitability of account recording methods, evaluation of internal controls, accuracy and adequacy of information disclosure. In addition, the Audit Committee also held one private meeting with the External Auditor in the absence of the Management to discuss the audit scope, approach, the quality of financial reporting and any challenges that they faced during the course of their audit.
- (2) **Review of Connected Transactions:** The Audit Committee regularly reviewed the connected transactions and transactions which potentially conflicted with the Company's interest based on business normality, transparency, adequate disclosure and at arm's length.
- (3) **Review of Risk Management System:** The Audit Committee reviewed the Company's risk management system which was further strengthened in year 2020 due to COVID-19. In particular, the Audit Committee reviewed

the risks arising from a potential economic crisis risks like liquidity, credit and collection management, impairments, etc. The Audit Committee also reviewed the appropriateness and effectiveness of risk management processes and provided recommendations for improvement.

- (4) Review of Internal Control System and oversight of Group Internal Audit and Compliance function:** The Audit Committee reviewed the internal control system together with Group Internal Audit and Compliance Department on a monthly basis, and with Group Chief Executive Officer, Group Chief Finance Officer and External Auditors on a quarterly basis. The internal control system was further strengthened by educating and creating awareness of responsibility and accountability of employees. The Audit Committee reviewed the internal audit charter and rolling 3-year road map to bring in best practices and encouraged the internal audit function to transform to be a trusted business partner. The Audit Committee was satisfied that Management had taken appropriate remedial actions on audit observations and recommendations. Finally, the Audit Committee reviewed and approved Group Internal Audit and Compliance Annual Plan 2021 including the budget to support the plan.

- (5) Review of Compliance:** The Audit Committee reviewed the company's compliance with the SEC, SET and other relevant laws, regulations and policies related to the company's business

operations. The Audit Committee reviewed the quarterly compliance dashboard and noted that the company has carried out initiatives to create a compliance culture via e-learning e.g. Code of Business Conduct, Insider trading, and Conflict of Interest etc. of all employees, management and directors. The Audit Committee also reviewed the Whistle Blower complaints received through the "INSEE Speak Up" hot line and investigations thereon and provided recommendations on process, internal control and good governance.

- (6) Appointment of the External Auditors for 2021:** The Audit Committee recommended the appointment of Ms. Siriwan Nitdamrong and/or Ms. Kamontip Lertwitworatet and/or Ms. Sarinda Hirunprasurtwutti of EY Office Limited as the Company's External Auditors for 2021 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2021.

In summary, the Audit Committee was of the opinion that the financial statements had been prepared in conformity with financial reporting standards, connected party transactions were at arm's length with normal business conditions, the risk management, and internal control and internal audit systems were adequate and effective, and that laws and regulations relating to the business were fully complied.



Dr. Sunee Sornchaitanasuk

Chairperson of the Audit Committee

Independent Auditor's Report

To the Shareholders of Siam City Cement Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Siam City Cement Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Siam City Cement Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam City Cement Public Company Limited and its subsidiaries and of Siam City Cement Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

As discussed in Note 5.1 of the financial statements regarding the accounting policies on revenue recognition from sales of goods, sales of goods represented significant amounts in the financial statements and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made with a large number of customers and there is a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special programme to boost sales. As a result, the Group's recognition of revenue from sales and recording of deferred revenue from sale promotions and discounts are complex. I therefore gave significant attention to the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making inquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end. I tested the data being used in calculating and recording deferred revenue from sales promotions and discounts at the end of reporting period whether it was consistent with the conditions of the relevant agreements or arrangements with the customers. I also performed analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill and brands with indefinite useful lives

I have focused my audit on the consideration of the impairment of goodwill and brands with indefinite useful lives as discussed in Note 18 of the financial statements, because the assessment of impairment of goodwill and brands is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

For the consideration of the impairment of goodwill and brands with indefinite useful lives, I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry and involving internal specialist to assist in the assessment of this information for goodwill and brands from the significant business combinations by comparing it to external sources based on a specialist's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and brands, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Siriwan Nitdamrong

Certified Public Accountant (Thailand) No. 5906

EY Office Limited

Bangkok: 11 February 2021

Statements of financial position

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7, 8	7,675,790,286	4,820,998,156	2,929,774,867	1,449,904,118
Trade and other receivables	7, 9	4,835,210,164	5,455,711,119	2,721,302,005	3,185,244,563
Short-term loans to related parties	7	-	-	2,700,000,000	3,225,000,000
Derivative assets		4,128,829	895,250	261,453	471,402
Inventories	10	3,373,603,358	4,608,212,754	1,413,310,191	2,358,221,387
Advance payments for purchases of goods		360,328,434	79,527,949	17,157,789	17,730,454
Non-current assets held for sale		59,605,329	65,075,000	-	-
Other current assets	7	258,319,918	393,958,247	90,725,827	149,415,182
Total current assets		16,566,986,318	15,424,378,475	9,872,532,132	10,385,987,106
Non-current assets					
Restricted bank deposits	8	16,809,701	17,115,662	-	-
Investments in subsidiary companies	11	-	-	39,900,676,263	39,900,676,263
Investment in joint venture	12	1,896,326,446	1,973,369,404	2,145,610,960	2,145,610,960
Investments in associated companies	13	2,077,289,194	2,068,913,187	577,896,135	577,896,135
Investment properties	14	318,792,077	315,440,506	639,916,558	647,277,127
Property, plant and equipment	15	29,998,399,853	32,522,667,760	12,129,032,221	13,156,906,507
Right-of-use assets	16.1	1,747,382,480	-	291,549,366	-
Assets not used in operations	17	60,710,499	64,705,033	35,702,425	37,813,185
Goodwill	18	13,475,487,103	13,593,959,991	-	-
Intangible assets	19	10,128,377,413	10,844,035,794	3,629,931,381	3,413,301,684
Deferred tax assets	35	1,101,251,173	1,064,125,053	618,593,819	610,954,209
Other non-current assets	7	282,557,274	317,402,125	142,559,847	151,635,125
Total non-current assets		61,103,383,213	62,781,734,515	60,111,468,975	60,642,071,195
Total assets		77,670,369,531	78,206,112,990	69,984,001,107	71,028,058,301

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

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from related financial institution	7	120,000,000	100,000,000	-	-
Bank overdrafts and short-term loans					
from other financial institutions	20	3,356,312,361	2,587,515,972	-	-
Trade and other payables	7, 21	4,294,169,570	5,683,983,374	1,995,036,435	3,143,820,084
Current portion of long-term loans from other financial institutions	22	339,184,455	538,959,690	-	-
Current portion of lease liabilities	7, 16.2	403,549,871	-	97,946,797	-
Current portion of liabilities under finance lease contracts		-	12,219,184	-	-
Current portion of debentures	23	-	2,999,417,570	-	2,999,417,570
Current portion of long-term liabilities for concession				-	
and license fee	24	113,862,125	27,768,797	112,231,659	27,768,797
Current derivative liabilities		40,907	-	-	-
Income tax payable		636,677,228	770,049,250	163,918,674	208,255,330
Deferred revenue		842,522,948	901,399,437	404,888,687	504,270,472
Accrued electricity		287,959,037	243,203,097	277,561,876	231,554,667
Other accrued expenses		1,336,464,404	1,330,217,427	626,868,248	653,165,678
Other current liabilities		230,754,753	218,917,404	52,675,469	57,102,473
Total current liabilities		11,961,497,659	15,413,651,202	3,731,127,845	7,825,355,071
Non-current liabilities					
Long-term loans from other financial institutions					
- net of current portion	22	7,239,180,815	7,437,369,725	6,989,500,000	6,979,000,000
Lease liabilities - net of current portion	7, 16.2	1,259,866,931	-	193,930,090	-
Liabilities under finance lease contracts - net of current portion		-	36,902,918	-	-
Debentures - net of current portion	23	15,975,131,400	15,971,478,911	15,975,131,400	15,971,478,911
Long-term liabilities for concession and license fee		-		-	
- net of current portion	24	1,044,895,824	1,072,109,754	1,035,793,226	1,061,812,416
Non-current derivative liabilities		221,941,204	-	221,941,204	-
Provision for long-term employee benefits	25	2,479,451,151	2,809,783,044	1,678,164,396	1,967,123,237
Provision for site restoration and decommissioning costs	26	343,019,787	160,415,858	135,304,701	54,318,690
Deferred tax liabilities	35	2,319,958,438	2,506,781,283	-	-
Other non-current liabilities	27	112,942,878	126,625,092	-	-
Total non-current liabilities		30,996,388,428	30,121,466,585	26,229,765,017	26,033,733,254
Total liabilities		42,957,886,087	45,535,117,787	29,960,892,862	33,859,088,325

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

Statements of financial position

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
298,000,000 ordinary shares of Baht 10 each		2,980,000,000	2,980,000,000	2,980,000,000	2,980,000,000
Issued and fully paid up					
298,000,000 ordinary shares of Baht 10 each		2,980,000,000	2,980,000,000	2,980,000,000	2,980,000,000
Share premium		26,412,550,914	26,412,550,914	26,412,550,914	26,412,550,914
Retained earnings					
Appropriated - statutory reserve	28	300,000,000	300,000,000	300,000,000	300,000,000
Unappropriated		11,431,755,029	8,973,490,527	10,454,569,495	7,476,419,062
Other components of shareholders' equity		(7,760,145,763)	(7,272,134,150)	(124,012,164)	-
Equity attributable to owners of the Company		33,364,160,180	31,393,907,291	40,023,108,245	37,168,969,976
Non-controlling interests of the subsidiaries		1,348,323,264	1,277,087,912	-	-
Total shareholders' equity		34,712,483,444	32,670,995,203	40,023,108,245	37,168,969,976
Total liabilities and shareholders' equity		77,670,369,531	78,206,112,990	69,984,001,107	71,028,058,301

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

Directors

Siam City Cement Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue from contract with customers	29	42,000,039,821	47,592,899,420	19,558,369,417	22,431,401,935
Dividend income	11, 12, 13	-	-	2,794,028,169	1,703,301,293
Other income	30	173,590,270	339,242,452	62,664,990	87,711,601
Total revenues		42,173,630,091	47,932,141,872	22,415,062,576	24,222,414,829
Expenses					
Cost of sales		27,337,475,000	31,835,817,131	12,354,260,202	14,310,174,261
Cost of services		643,650,390	626,687,416	155,161,355	141,322,517
Selling and distribution expenses		6,624,612,203	8,119,960,793	2,814,421,915	3,662,032,476
Administrative expenses		1,954,932,006	2,071,021,880	1,492,971,408	1,580,642,273
Other expenses	31	119,987,324	389,404,605	61,235,666	143,543,455
Total expenses	32	36,680,656,923	43,042,891,825	16,878,050,546	19,837,714,982
Operating profit		5,492,973,168	4,889,250,047	5,537,012,030	4,384,699,847
Share of profit from investment in joint venture	12	477,469,495	317,761,260	-	-
Share of profit from investments in associated companies	13	108,493,556	218,284,170	-	-
Finance income		76,370,556	58,829,762	81,048,085	92,960,569
Finance cost	33	(1,374,356,094)	(1,459,407,757)	(1,049,475,400)	(1,035,169,670)
Profit before income tax expenses		4,780,950,681	4,024,717,482	4,568,584,715	3,442,490,746
Income tax expenses	35	(755,645,103)	(697,505,245)	(361,218,291)	(343,898,281)
Profit for the year		4,025,305,578	3,327,212,237	4,207,366,424	3,098,592,465
Profit attributable to:					
Equity holders of the Company		3,680,464,332	3,156,985,406	4,207,366,424	3,098,592,465
Non-controlling interests of the subsidiaries		344,841,246	170,226,831	-	-
		4,025,305,578	3,327,212,237		
Basic earnings per share					
Profit attributable to equity holders of the Company	36	12.35	10.59	14.12	10.40
Weighted average number of ordinary shares (shares)		298,000,000	298,000,000	298,000,000	298,000,000

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

Statements of comprehensive income

Siam City Cement Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the year	<u>4,025,305,578</u>	<u>3,327,212,237</u>	<u>4,207,366,424</u>	<u>3,098,592,465</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	(392,580,914)	(2,013,767,631)	-	-
Gain on cash flow hedge - net of tax	17,704,038	-	17,704,038	-
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	<u>16,134,773</u>	<u>(362,724,245)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(358,742,103)</u>	<u>(2,376,491,876)</u>	<u>17,704,038</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss - net of tax	(26,424,529)	(226,170,432)	(37,217,671)	(156,902,154)
Share of other comprehensive income of associated companies - actuarial gain (loss)	<u>(3,776,981)</u>	<u>1,057,256</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(30,201,510)</u>	<u>(225,113,176)</u>	<u>(37,217,671)</u>	<u>(156,902,154)</u>
Other comprehensive income for the year	<u>(388,943,613)</u>	<u>(2,601,605,052)</u>	<u>(19,513,633)</u>	<u>(156,902,154)</u>
Total comprehensive income for the year	<u><u>3,636,361,965</u></u>	<u><u>725,607,185</u></u>	<u><u>4,187,852,791</u></u>	<u><u>2,941,690,311</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	3,303,967,411	747,428,102	<u>4,187,852,791</u>	<u>2,941,690,311</u>
Non-controlling interests of the subsidiaries	<u>332,394,554</u>	<u>(21,820,917)</u>		
	<u><u>3,636,361,965</u></u>	<u><u>725,607,185</u></u>		

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

Siam City Cement Public Company Limited and its subsidiaries**Statements of cash flows****For the year ended 31 December 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	4,780,950,681	4,024,717,482	4,568,584,715	3,442,490,746
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in joint venture and associated companies	(585,963,051)	(536,045,430)	-	-
Dividend income	-	-	(2,794,028,169)	(1,703,301,293)
Depreciation and amortisation	3,934,817,627	3,329,657,260	1,548,413,943	1,451,688,349
Allowance for doubtful accounts	-	56,800,428	-	21,299,680
Impairment loss on financial assets	49,218,278	-	6,113,660	-
Reduction of inventory to net realisable value (reversal)	28,927,939	65,757,705	(5,212,211)	2,489,325
Loss (gain) on disposal of non-current asset held for sale	23,587,067	(87,156,497)	-	-
Allowance for impairment loss of non-current assets held for sale	5,970,021	7,856,327	-	-
Increase (decrease) in allowance for impairment loss on non-financial assets	(87,201,212)	134,030,589	(16,975,463)	14,353,062
Net loss on disposals/write-off of property, plant and equipment, assets not used in operations and intangible assets	191,538,174	183,185,849	49,062,439	131,403,816
Provision for long-term employee benefits and other provisions	205,780,282	487,183,893	76,562,060	311,145,137
Amortisation of deferred income from grants related to assets	(8,607,959)	(8,607,959)	-	-
Net loss (gain) on derivative instruments at fair value through profit or loss	(3,192,672)	(15,556,476)	209,949	(513,918)
Unrealised loss (gain) on exchange	2,580,109	(4,117,407)	3,374,161	(3,353,207)
Finance income	(76,370,556)	(58,829,762)	(81,048,085)	(92,960,569)
Interest expenses	1,281,748,448	1,328,113,876	985,938,772	969,227,032
Profit from operating activities before changes in operating assets and liabilities	9,743,783,176	8,906,989,878	4,340,995,771	4,543,968,160
Operating assets (increase) decrease:				
Trade and other receivables	573,501,868	(79,470,315)	452,681,465	(482,583,066)
Inventories	1,205,681,457	199,129,103	950,123,407	(16,487,895)
Advance payments for purchases of goods	(280,800,485)	223,088,555	572,665	30,192,070
Other current assets	100,000,982	(69,616,869)	67,392,370	(61,097,326)
Operating liabilities increase (decrease):				
Trade and other payables	(74,652,102)	188,281,936	(1,149,096,576)	368,008,661
Accrued expenses and other current liabilities	114,155,008	(12,182,722)	314,612	14,347,385
Other non-current liabilities	(6,914,700)	(4,834,842)	-	-
Provision for long-term employee benefits	(590,705,204)	(87,946,477)	(422,722,064)	(51,859,188)
Provision for site restoration	(8,445,827)	(3,978,873)	(5,599,591)	(3,978,873)
Cash from operating activities	10,775,604,173	9,259,459,374	4,234,662,059	4,340,509,928
Interest received	76,811,657	58,212,175	90,184,855	92,790,608
Interest paid	(910,909,598)	(1,078,961,314)	(666,935,882)	(711,589,520)
Cash paid for income tax	(1,009,836,943)	(652,894,345)	(368,921,410)	(360,759,546)
Net cash from operating activities	8,931,669,289	7,585,815,890	3,288,989,622	3,360,951,470

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

Statements of cash flows

Siam City Cement Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Net decrease (increase) in short-term loans to related parties	-	-	525,000,000	(55,000,000)
Decrease (increase) in restricted bank deposits	284,775	(5,789,453)	-	-
Proceeds from disposals of non-current asset held for sale	34,994,654	99,179,754	-	-
Proceeds from disposals of property, plant and equipment and assets not used in operations	39,591,886	13,917,107	-	363,551
Acquisitions of property, plant and equipment	(744,546,337)	(1,476,109,805)	(192,917,264)	(491,290,853)
Advance payment for acquisition of right-of-use assets	(3,382,395)	-	-	-
Increase in intangible assets	(28,199,515)	(195,106,264)	(348,295,595)	(153,196,653)
Decrease (increase) in other non-current assets	51,450,998	(29,214,707)	24,294,002	(6,625,036)
Dividend received	666,987,794	158,236,567	2,794,028,169	1,703,301,293
Net cash from (used in) investing activities	<u>17,181,860</u>	<u>(1,434,886,801)</u>	<u>2,802,109,312</u>	<u>997,552,302</u>
Cash flows from financing activities				
Net increase (decrease) in short-term loans from related financial institution	20,000,000	(60,000,000)	-	-
Net decrease in bank overdrafts and short-term loans from other financial institutions	(438,170,809)	(1,181,349,990)	-	(1,000,000,000)
Increase in long-term loans from other financial institutions	3,171,950,409	604,997,038	3,000,000,000	-
Repayment of long-term loans from related financial institution	-	(90,000,000)	-	-
Repayment of long-term loans from other financial institutions	(3,561,373,862)	(302,457,078)	(3,000,000,000)	-
Payment of lease liabilities	(492,247,791)	-	(128,590,102)	-
Cash paid for liabilities under finance lease contracts	-	(12,738,082)	-	-
Repayment of debentures	(3,000,000,000)	-	(3,000,000,000)	-
Dividend paid	(1,453,157,522)	(2,595,642,997)	(1,191,998,320)	(2,383,992,240)
Payment of liabilities for acquisitions of concession	(6,048,645)	-	(6,048,645)	-
Interest paid	(221,091,296)	(217,756,494)	(254,036,148)	(214,815,303)
Cash paid for other finance costs	(25,975,836)	-	(25,975,836)	-
Net cash used in financing activities	<u>(6,006,115,352)</u>	<u>(3,854,947,603)</u>	<u>(4,606,649,051)</u>	<u>(3,598,807,543)</u>
Decrease in translation adjustments	<u>(83,364,533)</u>	<u>(122,963,136)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>2,859,371,264</u>	<u>2,173,018,350</u>	<u>1,484,449,883</u>	<u>759,696,229</u>
Cash and cash equivalents at beginning of year	4,820,998,156	2,647,086,510	1,449,904,118	689,314,593
Effect of change in foreign exchange rate on cash at banks	(4,579,134)	893,296	(4,579,134)	893,296
Cash and cash equivalents at end of year (Note 8)	<u>7,675,790,286</u>	<u>4,820,998,156</u>	<u>2,929,774,867</u>	<u>1,449,904,118</u>

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

Siam City Cement Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental disclosures of cash flows information:				
Non-cash related transactions from investing activities:				
Payables from acquisitions of property, plant and equipment and intangible assets	264,967,661	335,531,552	27,187,974	27,095,213
Long-term liabilities for license fee	25,885,355	81,379,223	25,885,355	81,379,223
Transferred property, plant and equipment to investment properties	-	-	-	6,802,046
Transferred property, plant and equipment to non-current assets held for sale	37,930,021	72,931,327	-	-
Transferred property, plant and equipment to intangible assets	-	198,336,498	-	110,934,185
Transferred property, plant and equipment to assets not used in operations	-	25,529,731	-	-
Transferred right-of-use assets to non-current assets held for sale	3,744,941	-	-	-
Transferred assets not used in operations to non-current assets held for sale	21,277,050	-	-	-
Transferred assets not used in operations to property, plant and equipment	4,203,642	-	-	-
Transferred intangible assets to property, plant and equipment	17,198,084	-	10,768,211	-
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	58,413,170	28,177,664	74,404,936	6,161,964
Increase in right-of-use assets from provision for decommissioning costs	2,562,218	-	-	-
Non-cash related transactions from financing activities:				
Increase in long-term liabilities from obtaining mining concession	-	989,557,308	-	979,505,928
Acquisitions of right-of-use assets under lease contracts	139,548,436	-	29,992,282	-
Increase (decrease) in assets and liabilities from lease reassessment/modification				
- Right-of-use assets	(51,242,695)	-	39,831,115	-
- Finance lease receivables	-	-	(24,843,386)	-
- Lease liabilities	(48,956,004)	-	22,131,306	-
- Provision for decommissioning costs	(6,683,194)	-	(3,757,139)	-
Acquisitions of equipment under finance lease contracts	-	32,665,238	-	-

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

Siam City Cement Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the year ended 31 December 2020

Consolidated financial statements												(Unit: Baht)
Equity attributable to owners of the Company												
Other components of shareholders' equity												
Other comprehensive income												
	Retained earnings			Exchange differences on translation of financial statements in foreign currency		Cash flow hedge reserve	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity	
Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	foreign currency	reserve	equity	the Company	the subsidiaries	equity			
2,980,000,000	26,412,550,914	300,000,000	8,425,610,537	(5,087,690,022)	-	(5,087,690,022)	33,030,471,429	1,510,559,586	34,541,031,015			
-	-	-	3,156,985,406	-	-	-	3,156,985,406	170,226,831	3,327,212,237			
-	-	-	(225,113,176)	(2,184,444,128)	-	(2,184,444,128)	(2,409,557,304)	(192,047,748)	(2,601,605,052)			
-	-	-	2,931,872,230	(2,184,444,128)	-	(2,184,444,128)	747,428,102	(21,820,917)	725,607,185			
-	-	-	(2,383,992,240)	-	-	-	(2,383,992,240)	-	(2,383,992,240)			
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries												
-	-	-	-	-	-	-	-	(211,650,757)	(211,650,757)			
2,980,000,000	26,412,550,914	300,000,000	8,973,490,527	(7,272,134,150)	-	(7,272,134,150)	31,393,907,291	1,277,087,912	32,670,995,203			
2,980,000,000	26,412,550,914	300,000,000	8,973,490,527	(7,272,134,150)	-	(7,272,134,150)	31,393,907,291	1,277,087,912	32,670,995,203			
Cumulative effect from change in accounting policies due to adoption of new financial reporting standards (Note 4)												
-	-	-	-	-	(141,716,202)	(141,716,202)	(141,716,202)	-	(141,716,202)			
2,980,000,000	26,412,550,914	300,000,000	8,973,490,527	(7,272,134,150)	(141,716,202)	(7,413,850,352)	31,252,191,089	1,277,087,912	32,529,279,001			
-	-	-	3,680,464,332	-	-	-	3,680,464,332	344,841,246	4,025,305,578			
-	-	-	(30,201,510)	(363,999,449)	17,704,038	(346,295,411)	(376,496,921)	(12,446,692)	(388,943,613)			
-	-	-	3,650,262,822	(363,999,449)	17,704,038	(346,295,411)	3,303,967,411	332,394,554	3,636,361,965			
-	-	-	(1,191,998,320)	-	-	-	(1,191,998,320)	-	(1,191,998,320)			
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries												
-	-	-	-	-	-	-	-	(261,159,202)	(261,159,202)			
2,980,000,000	26,412,550,914	300,000,000	11,431,755,029	(7,636,133,599)	(124,012,164)	(7,760,145,763)	33,364,160,180	1,348,323,264	34,712,483,444			

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

Siam City Cement Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2020

	Separate financial statements						(Unit: Baht)
	Issued and paid up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Cash flow hedge reserve	income - Other comprehensive	
Balance as at 1 January 2019	2,980,000,000	26,412,550,914	300,000,000	6,918,720,991	-	-	36,611,271,905
Profit for the year	-	-	-	3,098,592,465	-	-	3,098,592,465
Other comprehensive income for the year	-	-	-	(156,902,154)	-	-	(156,902,154)
Total comprehensive income for the year	-	-	-	2,941,690,311	-	-	2,941,690,311
Dividend paid (Note 37)	-	-	-	(2,383,992,240)	-	-	(2,383,992,240)
Balance as at 31 December 2019	2,980,000,000	26,412,550,914	300,000,000	7,476,419,062	-	-	37,168,969,976
Balance as at 1 January 2020	2,980,000,000	26,412,550,914	300,000,000	7,476,419,062	-	-	37,168,969,976
Cumulative effect from change in accounting policies due to adoption of new financial reporting standards (Note 4)	-	-	-	-	(141,716,202)	(141,716,202)	(141,716,202)
Balance as at 1 January 2020 - as adjusted	2,980,000,000	26,412,550,914	300,000,000	7,476,419,062	(141,716,202)	(141,716,202)	37,027,253,774
Profit for the year	-	-	-	4,207,366,424	-	-	4,207,366,424
Other comprehensive income for the year	-	-	-	(37,217,671)	17,704,038	17,704,038	(19,513,633)
Total comprehensive income for the year	-	-	-	4,170,148,753	17,704,038	17,704,038	4,187,852,791
Dividend paid (Note 37)	-	-	-	(1,191,998,320)	-	-	(1,191,998,320)
Balance as at 31 December 2020	2,980,000,000	26,412,550,914	300,000,000	10,454,569,495	(124,012,164)	(124,012,164)	40,023,108,245

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

Siam City Cement Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

Siam City Cement Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the change of its status to a public limited company under the Public Limited Companies Act on 5 November 1993. The Company operates in Thailand and its principal activity is the manufacture of cement, with the registered office address at 199, 3rd, 10th, 12th Floor, Column Tower, Ratchadapisek Road, Klongtoey, Bangkok, and its address of Plant 1 and 3 is at 99 Moo 9, Plant 2 is at 219, mortar plant is at 41/2 and AFR Platform is at 301 Moo 5, Mitraparp Road Km. 129-133, Tabkwang, Kaengkhroi, Saraburi.

On 15 April 2020, the Company announced the discontinuation of the production line in Plant 1, starting from 1 May 2020.

1.2 COVID-19 pandemic

The COVID-19 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Siam City Cement Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Country of incorporation	Registered capital		Shareholding percentage		Nature of business
		2020 (Million Baht)	2019 (Million Baht)	2020 (Percent)	2019 (Percent)	
<u>Held by the Company</u>						
Siam City Concrete Co., Ltd.	Thailand	2,500	2,500	100.00	100.00	Ready-mixed concrete and aggregates
Siam City Power Co., Ltd.	Thailand	2,000	2,000	100.00	100.00	Electricity generation from waste heat
Conwood Co., Ltd.	Thailand	300	300	100.00	100.00	Construction material
INSEE Superblock Co., Ltd.	Thailand	500	500	100.00	100.00	Light-weight concrete products
INSEE Ecocycle Co., Ltd.	Thailand	400	400	100.00	100.00	Industrial waste disposal and alternative fuel and raw material trading and industrial cleaning service business
INSEE Digital Co., Ltd.	Thailand	700	700	100.00	100.00	Technical services and information technology management and development services
Globe Cement Co., Ltd.	Thailand	701	701	100.00	100.00	Cement manufacturing
Siam City Cement Trading Co., Ltd.	Thailand	10	10	100.00	100.00	Import and export cement and other cement-related products
Siam City Cement (Bangladesh) Ltd.	Bangladesh	Taka 2,800 million	Taka 2,800 million	100.00	100.00	Cement manufacturing
Siam City Cement (Lanka) Ltd.	Sri Lanka	LKR 1,663 million	LKR 1,663 million	98.95	98.95	Cement manufacturing
Siam City Cement (Vietnam) Ltd.	Vietnam	VND 3,030.4 billion	VND 3,030.4 billion	65.00	65.00	Cement manufacturing
<u>Held by Siam City Cement (Lanka) Ltd.</u>						
INSEE Ecocycle Lanka (Private) Ltd.	Sri Lanka	LKR 1,460 million	LKR 1,460 million	100.00	100.00	Waste disposal and management
Mahaweli Marine Cement (Private) Ltd.	Sri Lanka	LKR 48 million	LKR 48 million	90.00	90.00	Cement trading
<u>Held by Siam City Cement (Vietnam) Ltd.</u>						
Siam City Cement Nhon Trach Ltd.	Vietnam	-	VND 812.1 billion	-	100.00	Cement manufacturing
<u>Held by Conwood Co., Ltd.</u>						
PT. Conwood Indonesia	Indonesia	USD 78.3 million	USD 78.3 million	100.00	100.00	Construction material

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as applied to the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity until disposal of the foreign operations, except to extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified as part of the gain or loss on disposal in the income statement. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss in the income statement.

- f) Material balances and transactions amongst the Group are eliminated in the preparation of the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.
- h) The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The Group measures any non-controlling interests at its proportionate interest in the identifiable net assets of the acquirees.

Transaction costs that the Group incurs in connection with a business combination, such as consulting fees are expenses as incurred.

- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations as follows:

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting Standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows:

- Recognition of derivatives - The Group initially recognises all derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised through profit or loss. However, the Group applies hedge accounting for certain derivatives.
- Hedge accounting - All of the Group's hedging relationships existing before TFRS 9 adoption, that are eligible under TFRS 9 requirements, remain eligible to be treated as hedging relationships. The Group has designated certain derivatives under cash flow hedge. Changes in the fair value of these derivatives are recognised in other comprehensive income. Gains and losses arising on cash flow hedges are eligible to be subsequently reclassified to the income statement or incorporated into the initial carrying amounts of the non-financial assets.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to the retained earnings and/or other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Furthermore, the Group elected to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group's hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate. The relevant details are disclosed in Note 42 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

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

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

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and/or other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements			
		The impacts of		
		Financial reporting standards related		
	31 December 2019	to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Other current assets	393,958	-	(43,855)	350,103
Non-current assets				
Property, plant and equipment	32,522,668	-	(68,370)	32,454,298
Right-of-use assets	-	-	2,197,073	2,197,073
Intangible assets	10,844,036	-	(2,755)	10,841,281
Deferred tax assets	1,064,125	35,429	-	1,099,554
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	461,917	461,917
Current portion of liabilities under finance lease contracts	12,219	-	(12,219)	-
Other accrued expenses	1,330,217	(33,244)	-	1,296,973
Non-current liabilities				
Lease liabilities - net of current portion	-	-	1,554,713	1,554,713
Liabilities under finance lease contracts - net of current portion	36,903	-	(36,903)	-
Derivative liabilities	-	210,389	-	210,389
Provision for site restoration and decommissioning costs	160,416	-	114,585	275,001
Shareholders' equity				
Other components of shareholders' equity	(7,272,134)	(141,716)	-	(7,413,850)

(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
		Financial reporting standards related		
	31 December 2019	to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Other current assets	149,415	-	6,574	155,989
Non-current assets				
Right-of-use assets	-	-	339,915	339,915
Deferred tax assets	610,954	35,429	-	646,383
Other non-current assets	151,635	-	27,201	178,836
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	116,583	116,583
Other accrued expenses	653,166	(33,244)	-	619,922
Non-current liabilities				
Lease liabilities - net of current portion	-	-	244,170	244,170
Derivative liabilities	-	210,389	-	210,389
Provision for site restoration and decommissioning costs	54,319	-	12,937	67,256
Shareholders' equity				
Other components of shareholders' equity	-	(141,716)	-	(141,716)

4.1 Financial instruments

Classification and measurement

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	4,820,998	-	-	4,820,998	4,820,998
Trade and other receivables	5,455,711	-	-	5,455,711	5,455,711
Derivative assets	895	895	-	-	895
Restricted bank deposits	17,116	-	-	17,116	17,116
Total financial assets	10,294,720	895	-	10,293,825	10,294,720

(Unit: Thousand Baht)

Separated financial statements					
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	1,449,904	-	-	1,449,904	1,449,904
Trade and other receivables	3,185,245	-	-	3,185,245	3,185,245
Short-term loans to related parties	3,225,000	-	-	3,225,000	3,225,000
Derivative assets	471	471	-	-	471
Total financial assets	7,860,620	471	-	7,860,149	7,860,620

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except for derivative liabilities of which fair value is Baht 210 million.

Hedge accounting

As at 1 January 2020, the Group designated an interest rate swap of the Company as a cash flow hedge instrument and recognised fair value of such derivative of Baht 177.1 million and related deferred tax assets of Baht 35.4 million as a cash flow hedge reserve in other components of shareholders' equity in the statements of financial position.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	1,558,066	267,839
Less: Short-term leases and leases of low-value assets	(50,231)	(8,888)
Add: Option to extend lease term	799,118	108,987
Add: Service contracts contain a lease	151,627	-
Less: Contracts reassessed as service contracts	(29,624)	-
Add: Others	14,440	7,895
Less: Deferred interest expenses	(475,888)	(15,080)
Increase in lease liabilities due to adoption of TFRS 16	1,967,508	360,753
Liabilities under finance lease contracts as at 31 December 2019	49,122	-
Lease liabilities as at 1 January 2020	2,016,630	360,753
Weighted average incremental borrowing rate (percent per annum)	4.64	2.32
Comprise of:		
Current lease liabilities	461,917	116,583
Non-current lease liabilities	1,554,713	244,170
	2,016,630	360,753

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	Consolidated financial statements	Separate financial statements
Land	939,695	-
Building and structures	334,333	138,991
Machinery and equipment	156,673	43,702
Furniture, fixtures and office equipment	255,124	411
Motor vehicles	511,248	156,811
Total right-of-use assets	2,197,073	339,915

5. Significant accounting policies

5.1 Revenue and expense recognition

a) Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts, allowances and price promotions to customers.

The Group has a loyalty programme which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a deferred revenue until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

b) Rendering of services

Revenue from industrial cleaning service and wall panel solution service is recognised over time when services have been rendered taking into account the stage of completion, measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Other service revenues are recognised in the amount to which the Group has a right to invoice as it corresponds directly with the value to the customer of the Group's performance completed to date or are recognised at a point in time upon completion of the service.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled revenues” included as part of trade and other receivables in the statement of financial position. The amounts recognised as unbilled revenues are reclassified to trade receivables when the Group’s right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Company and its subsidiaries have received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance received from customers” included as part of other current liabilities in the statement of financial position, which are recognised as revenue when the Group performs under the contract.

c) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

d) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

e) Dividend income

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

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

5.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the average method) and net realisable value and include all cost of raw materials, labour and factory overhead.

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

Allowance for diminution in value of inventories and obsolete inventories is made for obsolete or deteriorated inventories.

5.4 Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use which are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill (if any), and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in the income statement.

Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

5.5 Investments in subsidiaries, joint venture and associates

- a) Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint venture and associates are accounted for in the separate financial statements using the cost method.

5.6 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 10 - 35 years.

Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the year when the asset is derecognised.

5.7 Property, plant and equipment and depreciation

Land is stated at cost less allowance for loss on impairment (if any). Mineral reserves and site restoration cost are stated at cost less accumulated depreciation, which are depreciated based on the physical unit-of-production method over their estimated commercial lives, and allowance for loss on impairment (if any).

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

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

	<u>Useful lives</u>
Building and structures	1 - 40 years
Machinery and equipment	1 - 35 years
Furniture, fixtures and office equipment	2 - 31 years
Motor vehicles	1 - 30 years

Depreciation is included in determining income.

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

When the use of a property changes from owner-occupied and/or a property not used in operations to investment properties, such property is reclassified as investment properties at its carrying amounts.

Subsequent costs, which are costs of replacing a part of an item of property, plant and equipment, are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

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

5.8 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

5.8.1 The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	1 - 99 years
Building and structures	1 - 7 years
Machinery and equipment	1 - 27 years
Furniture, fixtures and office equipment	2 - 31 years
Motor vehicles	1 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

5.8.2 The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.9 Borrowing costs

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

5.10 Intangible assets and amortisation

Intangible assets acquired through business combinations are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives are as follows:

	<u>Useful lives</u>
Mining concession and license fees	Term of agreements
Computer software	2 - 10 years
Customer relationships	5 - 10 years
Customer list	15 years
Right of use	48 years
Other intangible assets	3 - 35 years

Mining concession, plant license of aggregate business and mining deposit right of an overseas subsidiary are amortised based on the physical unit-of-production method over their estimated commercial lives.

Intangible assets with indefinite useful lives, which are brands, are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

No amortisation is provided on intangible assets under development.

5.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combinations over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the consolidated income statement.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in business combinations is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combinations. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

5.12 Grants related to assets

Grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. Grants related to assets are presented as deferred income and are recognised in the income statement over the useful lives of the assets as a reduced depreciation expense.

5.13 Related party transactions

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

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

5.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, including goodwill and fair value adjustments arising from acquisitions of overseas entities are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.15 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

In the assessment of asset impairment (except for goodwill) if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

5.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group and their employees have jointly established a contributory, unfunded provident fund. The fund is monthly contributed by the employees and the Group.

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plans, namely resignation plan and long service awards.

The obligation under the defined benefit plans and other long-term employee benefit plans is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in the income statement.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

5.17 Provision for site restoration and decommissioning costs

The Group recognises a provision for site restoration and decommissioning costs when an obligation exists. The estimated amount of the eventual costs relating to the restoration of the site and the decommissioning is discounted to its present value. The site restoration and decommissioning costs are included in property, plant and equipment or right-of-use assets and depreciated based on the physical unit-of-production method over their estimated commercial lives and on a straight-line basis over the expected period of the decommissioning, respectively. The recognised provision for site restoration and decommissioning costs is based on the estimated restoration and decommissioning costs which involves various assumptions, such as restoration and decommissioning period, future inflation rate and the discount rate.

Long-term provisions are determined by discounting the expected cash flows at a pre-tax rate. The unwinding of the discount is recognised as finance costs.

5.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Income tax

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

Current tax

The Company and its subsidiaries in Thailand provide income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation. Corporate income tax is calculated at 20 percent for non-promoted operations and is exempted for promoted operations.

The overseas subsidiaries calculate corporate income tax on their taxable profits in accordance with tax rates regulated in tax law of those countries.

Deferred tax

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

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

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

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

5.20 Financial instruments**Accounting policies adopted since 1 January 2020**

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVOCI (debt instruments)

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

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the income statement.

Financial assets at FVTPL

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

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

Dividends on listed equity investments are recognised as other income in the income statement.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.21 Derivatives and hedge accounting

Accounting policies adopted since 1 January 2020

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes is recognised in the income statement unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below.

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the income statement.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through the income statement over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the income statement.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in the other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to the income statement as a reclassification adjustment in the same period which the hedged cash flows affect the income statement.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to the income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

Accounting policies adopted before 1 January 2020

The Group's foreign exchange forward contracts are initially recognised at fair value on the date a derivative contract is entered into and such derivatives are subsequently remeasured at their fair value. For other derivatives, the Group discloses fair value of such derivatives at end of the reporting period.

5.22 Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- | | |
|---------|---|
| Level 1 | Use of quoted market prices in an observable active market for such assets or liabilities |
| Level 2 | Use of other observable inputs for such assets or liabilities, whether directly or indirectly |
| Level 3 | Use of unobservable inputs such as estimates of future cash flows |

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements and estimates are as follows:

Allowance for impairment of goodwill and intangible assets with indefinite useful lives

In determining allowance for impairment of goodwill and intangible assets with indefinite useful lives, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the future budget of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are disclosed and further explained in Note 18 to the financial statements.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The post-employment benefits and other long-term employee benefit liabilities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and staff turnover rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Leases**Determining the lease term with extension and termination options - The Group as a lessee**

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess the results of the litigation and believes that the provision made would be sufficient. However, actual results could differ from the estimates.

All other estimates mentioned above are further detailed in the corresponding disclosures.

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	4,876	6,308	Market price
Dividend income	-	-	2,127	1,545	At the declared rate
Interest income	-	-	61	74	Market interest rate
Other income	-	-	195	201	Cost plus margin
Purchases of goods	-	-	137	3,343	Market price
Purchases of asset	-	-	371	-	Contractual agreed price
Purchase of utility	-	-	1,077	1,379	Market price
Service fee expenses	-	-	406	411	Contractual agreed price
<u>Transactions with joint venture</u>					
Sales and service income	529	1,561	61	721	Market price
Dividend income	-	-	551	-	At the declared rate
Purchases of goods	-	2	-	2	Market price
Service fee expenses	17	12	17	12	Contractual agreed price
Other income	10	-	10	-	Cost plus margin
<u>Transactions with associated companies</u>					
Dividend income	-	-	116	158	At the declared rate
Purchases of goods	1,108	777	1,108	-	Market price
<u>Transactions with related companies</u>					
Sales and service income	2	5	-	-	Market price
Interest income	2	2	1	1	Market interest rate
Purchases of goods	640	512	-	-	Market price
Service fee expenses	142	211	54	78	Contractual agreed price
Other expenses	98	86	85	72	Contractual agreed price
Interest expenses	9	8	6	1	Market interest rate

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deposits and short-term investments at related financial institution (Note 8)				
Related financial institution (related by common directors)	1,438,315	322,977	965,895	86,063
Total deposits and short-term investments at related financial institution	<u>1,438,315</u>	<u>322,977</u>	<u>965,895</u>	<u>86,063</u>
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	1,198,954	1,677,474
Joint venture	33,774	137,644	3,751	92,093
Total trade and other receivables - related parties	<u>33,774</u>	<u>137,644</u>	<u>1,202,705</u>	<u>1,769,567</u>
Short-term loans to related parties				
<u>Subsidiaries</u>				
Conwood Company Limited	-	-	1,520,000	1,470,000
INSEE Digital Company Limited	-	-	345,000	615,000
INSEE Superblock Company Limited	-	-	605,000	660,000
Globe Cement Company Limited	-	-	180,000	480,000
INSEE Ecocycle Company Limited	-	-	50,000	-
Total short-term loans to related parties	<u>-</u>	<u>-</u>	<u>2,700,000</u>	<u>3,225,000</u>

Movements of short-term loans to related parties for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	-	3,225,000
Add: Increase during the year	-	821,000
Less: Repayment during the year	-	(1,346,000)
Balance as at 31 December 2020	<u>-</u>	<u>2,700,000</u>

As at 31 December 2020, the Company had short-term loans to related parties of Baht 2,700 million (2019: Baht 3,225 million), which carry interest at the rate of 1.37 - 1.49 percent per annum (2019: 2.18 - 2.36 percent per annum) and are due for repayment within one year from drawing dates.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Other current assets - related parties				
Current portion of finance lease receivables				
- subsidiaries	-	-	288	-
Prepaid expenses - related party (related by common director)	31,477	35,694	30,150	32,291
Total other current assets - related parties	<u>31,477</u>	<u>35,694</u>	<u>30,438</u>	<u>32,291</u>
Other non-current assets - related parties				
Finance lease receivables - net of current portion - subsidiaries	-	-	570	-
Total other non-current assets - related parties	<u>-</u>	<u>-</u>	<u>570</u>	<u>-</u>
Short-term loans from related financial institution				
Related financial institution (related by common directors)	120,000	100,000	-	-
Total short-term loans from related financial institution	<u>120,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>

Movements of short-term loans from related financial institution for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	100,000	-
Add: Increase during the year	1,785,000	1,400,000
Less: Repayment during the year	(1,765,000)	(1,400,000)
Balance as at 31 December 2020	<u>120,000</u>	<u>-</u>

As at 31 December 2020, the Group had short-term loans from related financial institution of Baht 120 million (2019: Baht 100 million) which carry interest at the rate of 1.49 percent per annum (2019: 1.95 percent per annum).

As at 31 December 2020, the Group had unused facilities of bank overdrafts and short-term loans from related financial institution of Baht 3,564 million (2019: Baht 65 million) (the Company only: Baht 3,519 million (2019: Nil)).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade and other payables - related parties (Note 21)				
Subsidiaries	-	-	349,250	1,661,532
Associated company	94,021	184,592	94,021	-
Joint venture	34,148	4,968	34,140	4,968
Related companies (related by common shareholders and/or common directors)	56,275	126,990	7,219	37,607
Total trade and other payables - related parties	<u>184,444</u>	<u>316,550</u>	<u>484,630</u>	<u>1,704,107</u>
Lease liabilities - related party (Note 16.2)				
Related company (related by common shareholders and/or common directors)	14,682	-	14,682	-
Less: Portion due within one year	<u>(7,931)</u>	<u>-</u>	<u>(7,931)</u>	<u>-</u>
Total lease liabilities - related party - net of current portion	<u>6,751</u>	<u>-</u>	<u>6,751</u>	<u>-</u>

Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	153	134	153	134
Post-employment benefits and other long-term employee benefits	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u>156</u>	<u>137</u>	<u>156</u>	<u>137</u>

Employee Joint Investment Program (EJIP Program)

On 22 October 2015, the meeting of the Company's Board of Directors passed a resolution approving an additional Employee Joint Investment Program for the Company. The program runs for a period of 4 years (only the period of the Company's contribution) or 7 years (included silent period) starting from 1 January 2016. The details and conditions in relation to such program depend on the decision of the Company's Board of Directors. The Company obtained approval from the Securities and Exchange Commission of Thailand on 16 December 2015.

8. Cash and cash equivalents/Restricted bank deposits

As at 31 December 2020 and 2019, cash and cash equivalents consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash and bank deposits	3,617,715	1,614,199	1,902,775	179,904
Short-term investments in fixed deposits	4,074,885	3,223,915	1,027,000	1,270,000
Total	7,692,600	4,838,114	2,929,775	1,449,904
Less: Restricted bank deposits	(16,810)	(17,116)	-	-
Total cash and cash equivalents	<u>7,675,790</u>	<u>4,820,998</u>	<u>2,929,775</u>	<u>1,449,904</u>
Of which at related financial institution	1,438,315	322,977	965,895	86,063

As at 31 December 2020, bank deposits in savings accounts and fixed deposits carried interest between 0.01 and 7.00 percent per annum (2019: between 0.01 and 7.00 percent per annum).

As at 31 December 2020, the subsidiaries had placed their deposits of Taka 47 million totaling Baht 16.8 million (2019: Taka 47 million and Baht 0.4 million, totaling Baht 17.1 million) with banks to secure bank guarantees issued by banks on behalf of the subsidiaries.

9. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates:				
Current to 30 days	29,788	90,003	1,011,755	1,540,336
Over 30 days to 60 days	-	-	-	9,401
Over 60 days to 90 days	-	-	-	8,699
Over 90 days	43	-	43	3,152
Total trade receivables - related parties	29,831	90,003	1,011,798	1,561,588
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates:				
Current to 30 days	3,772,913	4,021,748	1,474,875	1,366,695
Over 30 days to 60 days	115,204	149,058	1,476	2,101
Over 60 days to 90 days	51,381	105,537	-	3,931
Over 90 days	366,991	397,023	51,325	57,462
Total trade receivable - unrelated parties	4,306,489	4,673,366	1,527,676	1,430,189
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(240,491)	(194,163)	(41,308)	(35,067)
Total trade receivables - unrelated parties - net	4,065,998	4,479,203	1,486,368	1,395,122
Total trade receivables - net	4,095,829	4,569,206	2,498,166	2,956,710
<u>Other receivables</u>				
Other receivables - related parties	3,943	47,641	190,907	207,979
Other receivables - unrelated parties	78,957	54,777	33,125	21,579
Receivables from the Revenue Department	479,580	665,191	-	-
Unbilled revenues	190,153	129,257	-	-
Total other receivables - unrelated parties	748,690	849,225	33,125	21,579
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(13,252)	(10,361)	(896)	(1,023)
Total other receivables - unrelated parties - net	735,438	838,864	32,229	20,556
Total other receivables - net	739,381	886,505	223,136	228,535
Total trade and other receivables - net	4,835,210	5,455,711	2,721,302	3,185,245

Movements of allowance for expected credit losses of trade receivables for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2020	204,524	36,090
Provision for expected credit losses	56,793	7,470
Amount written off	(7,574)	(1,356)
As at 31 December 2020	253,743	42,204

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	1,043,345	1,291,569	(121,152)	(51,228)	922,193	1,240,341
Work in process	122,452	120,551	-	-	122,452	120,551
Raw materials	733,334	887,404	(347)	(4,509)	732,987	882,895
Store supplies	1,657,698	2,406,094	(221,998)	(258,832)	1,435,700	2,147,262
Goods in transit	160,271	217,164	-	-	160,271	217,164
Total	3,717,100	4,922,782	(343,497)	(314,569)	3,373,603	4,608,213

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	426,108	592,360	-	-	426,108	592,360
Work in process	35,112	39,857	-	-	35,112	39,857
Raw materials	63,705	120,904	-	(4,239)	63,705	116,665
Store supplies	870,574	1,561,849	(36,579)	(37,552)	833,995	1,524,297
Goods in transit	54,390	85,042	-	-	54,390	85,042
Total	1,449,889	2,400,012	(36,579)	(41,791)	1,413,310	2,358,221

During the current year, the Group reduced cost of inventories by Baht 28.9 million (2019: Baht 62.0 million) to reflect the net realisable value, which was included in cost of sales (Separate financial statements: reversed the write-down of cost of inventories by Baht 5.2 million (2019: Baht 1.2 million), and reduced the amount of inventories recognised as expenses during the year).

11. Investments in subsidiary companies

Details of investments in subsidiary companies as presented in the separate financial statements are as follows:

Company's name	Type of relation	Shareholding		Cost		Dividends received	
		percentage				during the years	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Local subsidiaries							
Siam City Concrete Co., Ltd.	Direct holding	100.00	100.00	2,500,000	2,500,000	375,000	115,000
Siam City Power Co., Ltd.	Direct holding	100.00	100.00	2,000,000	2,000,000	377,000	556,000
Conwood Co., Ltd.	Direct holding	100.00	100.00	300,000	300,000	-	-
INSEE Superblock Co., Ltd.	Direct holding	100.00	100.00	499,999	499,999	-	-
INSEE Ecocycle Co., Ltd.	Direct holding	100.00	100.00	400,000	400,000	140,000	50,000
INSEE Digital Co., Ltd.	Direct holding	100.00	100.00	700,000	700,000	-	-
Globe Cement Co., Ltd.	Direct holding	100.00	100.00	63,802	63,802	-	-
Siam City Cement Trading Co., Ltd.	Direct holding	100.00	100.00	10,000	10,000	181,999	430,999
Overseas subsidiaries							
Siam City Cement (Bangladesh) Ltd.	Direct holding	100.00	100.00	2,124,391	2,124,391	-	-
Siam City Cement (Lanka) Ltd.	Direct holding	98.95	98.95	13,191,469	13,191,469	579,450	-
Siam City Cement (Vietnam) Ltd.	Direct holding	65.00	65.00	<u>18,111,015</u>	<u>18,111,015</u>	<u>473,591</u>	<u>393,066</u>
Total				39,900,676	39,900,676	2,127,040	1,545,065

Siam City Cement (Bangladesh) Limited

On 8 September 2019, the Extraordinary General Meeting of the Shareholders of Siam City Cement (Bangladesh) Limited ("the subsidiary) passed a resolution to amend the registered share capital in the memorandum of association from "The authorised share capital of Taka 2,800 million divided into 60,000,000 ordinary shares of Taka 46.0 each and 869,566 preference shares of Taka 46.0 each" to be "The authorised share capital of Taka 2,800 million divided into 55,769,566 ordinary shares of Taka 46.0 each and 5,100,000 preference shares of Taka 46.0 each".

Siam City Cement (Vietnam) Limited

On 25 July 2019, the meeting of the Board of Directors of Siam City Cement (Vietnam) Limited approved to merge the business with Siam City Cement Nhon Trach Limited, which is a subsidiary of Siam City Cement (Vietnam) Limited. Siam City Cement Nhon Trach Limited was officially recorded as having been merged into Siam City Cement (Vietnam) Limited by the Department of Planning and Investment of Ho Chi Minh City on 30 July 2020. However, the merger does not affect to the consolidated financial statements of the Group.

12. Investment in joint venture

12.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

Joint venture	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amount		Carrying amount	
					based on equity method		based on cost method	
					2020	2019	2020	2019
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Chip Mong INSEE Cement Corporation	Cement Manufacturing	Cambodia	40	40	1,896,326	1,973,369	2,145,611	2,145,611
Total					1,896,326	1,973,369	2,145,611	2,145,611

The Company pledged the share certificate of the joint venture to secure the credit facilities agreement of the joint venture with a financial institution. The credit facilities agreement contains covenants with which the Company must comply, pertaining to maintaining of shareholding percentage. Subsequently on 27 January 2021, the joint venture made amendment to the credit facilities agreement to release the pledge of the Company's share certificate. The Company received the share certificate from the bank on 2 February 2021.

12.2 Share of profit and other comprehensive income and dividend income

During the years, the Company recognised its share of profit and other comprehensive income from investment in joint venture in the consolidated financial statement and dividend income in the separate financial statements as follows:

Joint venture	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit from investment in joint venture during the years		Share of other comprehensive income from investment in joint venture during the years		Dividend received during the years	
	2020	2019	2020	2019	2020	2019
Chip Mong INSEE Cement Corporation	477,469	317,761	(3,486)	(329,173)	551,026	-
Total	477,469	317,761	(3,486)	(329,173)	551,026	-

12.3 Summarised financial information about joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Chip Mong INSEE Cement Corporation		
Cash and cash equivalents	170	298
Other current assets	768	981
Non-current assets	5,857	6,081
Current portion of lease liabilities	(31)	-
Current portion of long-term loans	(206)	(237)
Other current liabilities	(661)	(691)
Lease liabilities - net of current portion	(36)	-
Long-term loans - net of current portion	(1,023)	(1,415)
Other non-current liabilities	(97)	(82)
Net assets	<u>4,741</u>	<u>4,935</u>
Carrying amounts of joint venture based on equity method	<u>1,896</u>	<u>1,973</u>

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Chip Mong INSEE Cement Corporation		
Revenues from contract with customers	4,595	5,483
Interest income	9	3
Depreciation and amortisation	(414)	(377)
Interest expenses	(132)	(128)
Income tax expenses	(16)	(12)
Profit	1,194	794
Other comprehensive income	-	-
Total comprehensive income	1,194	794

13. Investments in associated companies

13.1 Details of associated companies

Company's name	Nature of business	Country of incorporation	Type of relation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
						Carrying amount based on equity method		Carrying amount based on cost method	
				2020 (%)	2019 (%)	2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (Thousand Baht)	2019 (Thousand Baht)
Lanna Resources Public Co., Ltd.	Coal mining	Thailand	Direct holding	44.99	44.99	2,046,818	2,032,091	483,427	483,427
Thai Agro Energy Public Co., Ltd.	Ethanol production and distribution	Thailand	Direct holding	4.72	4.72	30,471	36,822	94,469	94,469
Total						2,077,289	2,068,913	577,896	577,896

13.2 Share of profit and other comprehensive income and dividend received

During the years, the Company recognised its share of profit and other comprehensive income from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	Consolidated financial statements				(Unit: Thousand Baht)	
	Share of profit from investments in associated companies during the years		Share of other comprehensive income from investments in associated companies during the years		Dividend received during the years	
	2020	2019	2020	2019	2020	2019
Lanna Resources Public Co., Ltd.	105,162	194,470	15,844	(32,494)	106,279	70,852
Thai Agro Energy Public Co., Ltd.	3,332	23,814	-	-	9,683	87,385
Total	108,494	218,284	15,844	(32,494)	115,962	158,237

13.3 Fair value of investments in listed associated companies

Fair values as at 31 December 2020 and 2019 of investments in associated companies that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

	(Unit: Million Baht)	
	2020	2019
Lanna Resources Public Co., Ltd.	1,819	1,819
Thai Agro Energy Public Co., Ltd.	111	155
Total	1,930	1,974

13.4 Summarised financial information about material associated company

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Lanna Resources Public Company Limited		
Current assets	3,755	4,477
Non-current assets	5,507	5,456
Current liabilities	(2,155)	(2,866)
Non-current liabilities	(1,087)	(1,084)
Net assets	6,020	5,983
Less: Non-controlling interests of the subsidiaries	(1,627)	(1,617)
Net assets - after non-controlling interests of the subsidiaries	4,393	4,366
Carrying amounts of associate based on equity method	2,047	2,032

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Lanna Resources Public Company Limited		
Revenue	9,585	9,367
Profit	234	432
Other comprehensive income	35	(72)
Total comprehensive income	269	360

14. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements		
			Office building and factory		
	Land	Total	Land		Total
As at 31 December 2020:					
Cost	322,305	322,305	391,381	370,828	762,209
Less: Accumulated depreciation	-	-	-	(118,779)	(118,779)
Less: Allowance for impairment	(3,513)	(3,513)	(3,513)	-	(3,513)
Net book value	<u>318,792</u>	<u>318,792</u>	<u>387,868</u>	<u>252,049</u>	<u>639,917</u>

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements		
			Office building and factory		
	Land	Total	Land		Total
As at 31 December 2019:					
Cost	322,305	322,305	391,381	370,828	762,209
Less: Accumulated depreciation	-	-	-	(108,068)	(108,068)
Less: Allowance for impairment	(6,864)	(6,864)	(6,864)	-	(6,864)
Net book value	<u>315,441</u>	<u>315,441</u>	<u>384,517</u>	<u>262,760</u>	<u>647,277</u>

A reconciliation of the net book value of investment properties for the years ended 31 December 2020 and 2019 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	315,441	315,441	647,277	651,200
Transfer in	-	-	-	6,802
Depreciation for the year	-	-	(10,711)	(10,725)
Decrease in allowance for impairment during the year	3,351	-	3,351	-
Net book value at end of year	<u>318,792</u>	<u>315,441</u>	<u>639,917</u>	<u>647,277</u>

As at 31 December 2020 and 2019, the fair values of the investment properties, which were determined based on valuation performed by an independent valuer, were Baht 1,303 million and Baht 1,280 million, respectively (Separate financial statements: Baht 1,702 million and Baht 1,659 million, respectively).

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land, mineral reserve and site restoration	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
1 January 2019	3,522,720	18,145,076	48,364,910	2,681,434	2,377,163	2,938,022	78,029,325
Additions	26,563	19,711	96,942	26,232	95	1,200,856	1,370,399
Disposals and write-off	-	(51,459)	(504,753)	(23,644)	(67,279)	-	(647,135)
Transfer in (out)	510,170	404,958	1,903,066	69,680	47,243	(3,369,688)	(434,571)
Translation adjustment	(64,214)	(531,483)	(934,721)	(35,674)	(40,700)	(43,340)	(1,650,132)
31 December 2019	3,995,239	17,986,803	48,925,444	2,718,028	2,316,522	725,850	76,667,886
Adjustments from adoption of TFRS 16 (Note 4)	-	-	(39,430)	-	(37,800)	-	(77,230)
1 January 2020 - as adjusted	3,995,239	17,986,803	48,886,014	2,718,028	2,278,722	725,850	76,590,656
Additions	71,607	9,260	7,720	21,135	255	622,427	732,404
Disposals and write-off	(61)	(55,441)	(1,081,398)	(254,869)	(27,767)	-	(1,419,536)
Transfer in (out)	111,545	33,253	664,427	20,679	(105,017)	(742,742)	(17,855)
Translation adjustment	(10,463)	(71,821)	(166,152)	(5,609)	(9,848)	(2,314)	(266,207)
31 December 2020	4,167,867	17,902,054	48,310,611	2,499,364	2,136,345	603,221	75,619,462
Accumulated depreciation:							
1 January 2019	554,639	9,167,046	29,037,857	2,013,322	1,505,130	-	42,277,994
Depreciation for the year	33,839	601,879	1,851,541	162,025	195,637	-	2,844,921
Disposals and write-off	-	(22,364)	(355,706)	(19,405)	(64,641)	-	(462,116)
Transfer in (out)	-	(26,267)	(83,345)	(2,371)	(26,543)	-	(138,526)
Translation adjustment	(16,865)	(205,691)	(490,003)	(26,274)	(23,858)	-	(762,691)
31 December 2019	571,613	9,514,603	29,960,344	2,127,297	1,585,725	-	43,759,582
Adjustments from adoption of TFRS 16 (Note 4)	-	-	(436)	-	(8,424)	-	(8,860)
1 January 2020 - as adjusted	571,613	9,514,603	29,959,908	2,127,297	1,577,301	-	43,750,722
Depreciation for the year	48,147	650,475	1,838,957	148,332	168,770	-	2,854,681
Disposals and write-off	-	(35,181)	(895,661)	(253,053)	(23,824)	-	(1,207,719)
Transfer in (out)	-	1,839	102,746	1,786	(107,698)	-	(1,327)
Translation adjustment	(973)	(21,665)	(80,850)	(6,860)	(7,238)	-	(117,586)
31 December 2020	618,787	10,110,071	30,925,100	2,017,502	1,607,311	-	45,278,771
Allowance for impairment:							
1 January 2019	193,501	32,611	59,248	6,996	-	-	292,356
Increase during the year	5,379	21,837	63,964	2,009	80	463	93,732
Transfer out	-	-	(1,204)	-	-	-	(1,204)
Translation adjustment	-	-	752	-	-	-	752
31 December 2019	198,880	54,448	122,760	9,005	80	463	385,636
Increase (decrease) during the year	31,083	(4,506)	(67,272)	(1,421)	(609)	-	(42,725)
Transfer in (out)	-	-	-	(5,467)	5,467	-	-
Translation adjustment	(64)	-	(556)	-	-	-	(620)
31 December 2020	229,899	49,942	54,932	2,117	4,938	463	342,291
Net book value:							
31 December 2019	3,224,746	8,417,752	18,842,340	581,726	730,717	725,387	32,522,668
31 December 2020	3,319,181	7,742,041	17,330,579	479,745	524,096	602,758	29,998,400

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land, mineral reserve and site restoration	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	
Cost:							
1 January 2019	1,172,434	7,704,422	26,873,735	1,651,343	1,628,275	1,592,454	40,622,663
Additions	6,163	13,712	26,298	8,404	95	386,257	440,929
Disposals and write-off	-	(2,045)	(361,850)	(2,427)	(28,699)	-	(395,021)
Transfer in (out)	(6,182)	156,686	1,471,067	22,766	58,794	(1,820,867)	(117,736)
31 December 2019	1,172,415	7,872,775	28,009,250	1,680,086	1,658,465	157,844	40,550,835
Additions	91,774	7,286	2,730	10,616	155	154,853	267,414
Disposals and write-off	-	(3,108)	(305,471)	(222,821)	(21,346)	-	(552,746)
Transfer in (out)	20,593	(19,811)	317,679	(4,858)	(108,538)	(194,297)	10,768
31 December 2020	1,284,782	7,857,142	28,024,188	1,463,023	1,528,736	118,400	40,276,271
Accumulated depreciation:							
1 January 2019	75,586	5,132,851	18,624,851	1,328,830	1,128,674	-	26,290,792
Depreciation for the year	6,487	215,409	873,886	72,261	130,370	-	1,298,413
Disposals and write-off	-	(2,045)	(230,622)	(1,975)	(28,611)	-	(263,253)
31 December 2019	82,073	5,346,215	19,268,115	1,399,116	1,230,433	-	27,325,952
Depreciation for the year	12,790	212,265	871,726	59,484	114,044	-	1,270,309
Disposals and write-off	-	(2,270)	(259,977)	(222,569)	(18,868)	-	(503,684)
Transfer in (out)	-	-	107,697	-	(107,697)	-	-
31 December 2020	94,863	5,556,210	19,987,561	1,236,031	1,217,912	-	28,092,577
Allowance for impairment:							
1 January 2019	36,256	-	15,054	438	-	-	51,748
Increase during the year	-	187	16,041	-	-	-	16,228
31 December 2019	36,256	187	31,095	438	-	-	67,976
Decrease during the year	(884)	(187)	(12,243)	-	-	-	(13,314)
31 December 2020	35,372	-	18,852	438	-	-	54,662
Net book value:							
31 December 2019	1,054,086	2,526,373	8,710,040	280,532	428,032	157,844	13,156,907
31 December 2020	1,154,547	2,300,932	8,017,775	226,554	310,824	118,400	12,129,032

As at 31 December 2020 and 2019, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 16,208 million and Baht 15,945 million, respectively (Separate financial statements: Baht 10,908 million and Baht 10,830 million, respectively).

As at 31 December 2019, the subsidiaries had motor vehicles and equipment with net book value of Baht 61.6 million which were acquired under finance lease contracts.

16. Leases

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 99 years which include option to extend lease terms.

16.1 Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	
At 1 January 2020 (Note 4)	939,695	334,333	156,673	255,124	511,248	2,197,073
Additions	21,822	63,233	14,450	-	45,988	145,493
Transfer out	(3,745)	-	-	-	-	(3,745)
Adjustment from lease reassessment and modification	(22,147)	(17,296)	25,961	-	(37,761)	(51,243)
Depreciation for the year	(175,745)	(105,396)	(42,207)	(46,940)	(162,831)	(533,119)
Translation adjustment	(5,641)	(828)	(836)	-	228	(7,077)
At 31 December 2020	<u>754,239</u>	<u>274,046</u>	<u>154,041</u>	<u>208,184</u>	<u>356,872</u>	<u>1,747,382</u>

(Unit: Thousand Baht)

	Separate financial statements				Total
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	
At 1 January 2020 (Note 4)	138,991	43,702	411	156,811	339,915
Additions	15,056	-	-	14,936	29,992
Adjustment from lease reassessment and modification	36,487	9,024	-	(5,680)	39,831
Depreciation for the year	(39,176)	(19,730)	(236)	(59,047)	(118,189)
At 31 December 2020	<u>151,358</u>	<u>32,996</u>	<u>175</u>	<u>107,020</u>	<u>291,549</u>

16.2 Lease liabilities

Lease liabilities as at 31 December 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease payments	2,234,294	307,950
Less: Deferred interest expenses	(570,877)	(16,073)
Total	<u>1,663,417</u>	<u>291,877</u>
Of which of related party	14,682	14,682
Comprise of:		
Current lease liabilities	403,550	97,947
Non-current lease liabilities	<u>1,259,867</u>	<u>193,930</u>
	<u>1,663,417</u>	<u>291,877</u>

A maturity analysis of lease payments is disclosed in Note 42.2 to the financial statements under the liquidity risk.

Movements of lease liabilities for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020 (Note 4)	2,016,630	360,753
Additions during the year	139,548	29,992
Accretion of interest	85,006	7,591
Payments during the year	(48,956)	(128,590)
Adjustment from lease reassessment/modification	(492,248)	22,131
Translation adjustment	<u>(36,563)</u>	<u>-</u>
Balance as at 31 December 2020	<u>1,663,417</u>	<u>291,877</u>

16.3 Expenses relating to leases that are recognised in the income statements

The following are the amounts relating to lease contracts recognised in the income statements for the year ended 31 December 2020:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Depreciation expenses of right-of-use assets	533,119	118,190
Interest expenses on lease liabilities	85,006	7,590
Expense relating to short-term leases	57,483	23,495
Expenses relating to leases of low-value assets	25,785	1,681
Variable lease payments	281,882	13,346

The Group has significant contracts which contain variable lease payment as summarised below.

- Agreement for purchase of solar power used for production process with 15-year duration whereby variable lease payment is based on actual power used and the rate as stipulated in the agreement.
- Several agreements regarding concrete distribution service with average 5-year duration whereby variable lease payment is based on actual distance rendered services and the rate as stipulated in the agreements.
- Lease contracts for truck loader including drivers with 3-year duration whereby variable lease payment is based on actual hours spent and the rate as stipulated in the contracts.

16.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 857.4 million (the Company only: Baht 167.1 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

17. Assets not used in operations

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Total
Cost:					
1 January 2019	26,894	562,491	1,164,663	7,343	1,761,391
Transfer in (out)	-	41,978	(1,508)	336	40,806
31 December 2019	26,894	604,469	1,163,155	7,679	1,802,197
Transfer out	-	(41,898)	(3,571)	(335)	(45,804)
Translation adjustment	-	(80)	(7)	-	(87)
31 December 2020	26,894	562,491	1,159,577	7,344	1,756,306
Accumulated depreciation:					
1 January 2019	-	447,948	1,000,853	6,007	1,454,808
Depreciation for the year	-	2,098	323	-	2,421
Transfer in (out)	-	18,335	(2,643)	336	16,028
31 December 2019	-	468,381	998,533	6,343	1,473,257
Depreciation for the year	-	2,097	324	-	2,421
Transfer out	-	(18,301)	(1,687)	(335)	(20,323)
Translation adjustment	-	(35)	(3)	-	(38)
31 December 2020	-	452,142	997,167	6,008	1,455,317
Allowance for impairment:					
1 January 2019	572	83,142	156,855	1,336	241,905
Increase (decrease) during the year	(572)	21,766	1,888	-	23,082
Transfer out	-	-	(752)	-	(752)
31 December 2019	-	104,908	157,991	1,336	264,235
Increase (decrease) during the year	1,884	(23,908)	(1,884)	-	(23,908)
Translation adjustment	-	(44)	(4)	-	(48)
31 December 2020	1,884	80,956	156,103	1,336	240,279
Net book value:					
31 December 2019	26,894	31,180	6,631	-	64,705
31 December 2020	25,010	29,393	6,307	-	60,710

(Unit: Thousand Baht)

	Separate financial statements			
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Total
Cost:				
1 January 2019	133,316	328,650	7,343	469,309
31 December 2019	133,316	328,650	7,343	469,309
31 December 2020	133,316	328,650	7,343	469,309
Accumulated depreciation:				
1 January 2019	97,484	295,094	6,007	398,585
Depreciation for the year	2,098	323	-	2,421
31 December 2019	99,582	295,417	6,007	401,006
Depreciation for the year	2,098	323	-	2,421
31 December 2020	101,680	295,740	6,007	403,427
Allowance for impairment:				
1 January 2019	4,430	26,600	1,336	32,366
Decrease during the year	(1,876)	-	-	(1,876)
31 December 2019	2,554	26,600	1,336	30,490
Decrease during the year	(310)	-	-	(310)
31 December 2020	2,244	26,600	1,336	30,180
Net book value:				
31 December 2019	31,180	6,633	-	37,813
31 December 2020	29,392	6,310	-	35,702

During the year 2020, the Company reversed allowance for impairment of assets not used in operations of Baht 0.3 million (2019: Baht 1.9 million).

The management has assessed the allowance for impairment of assets not used in operations and believes it to be adequate and that such assets are saleable in the future at prices not less than their carrying value.

18. Goodwill

Goodwill comprises the value of expected synergies and cost saving arising from the acquisitions and other benefits from combining the acquirer's and acquiree's business.

Movements of goodwill in the consolidated financial statements for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

Book value as at 1 January 2019	14,584,518
Less: Translation adjustment	(990,558)
Book value as at 31 December 2019	13,593,960
Less: Translation adjustment	(118,473)
Book value as at 31 December 2020	13,475,487

The Group allocated goodwill acquired through business combinations and brands with indefinite useful lives to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

	31 December 2020				
	Siam City Cement (Bangladesh) Limited	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited	Industrial cleaning service business	Total
Goodwill	374,604	2,438,425	10,567,861	94,597	13,475,487
Brands	-	2,663,386	-	-	2,663,386

(Unit: Thousand Baht)

	31 December 2019				
	Siam City Cement (Bangladesh) Limited	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited	Industrial cleaning service business	Total
Goodwill	375,080	2,536,084	10,588,199	94,597	13,593,960
Brands	-	2,770,055	-	-	2,770,055

The recoverable amount of the CGUs has been determined based on fair value less costs of disposal using the income approach, which is measured using cash flow projections based on financial budgets approved by management, covering 4 - 8 years. The fair value measurement is categorised within Level 3 of the fair value hierarchy.

Key assumptions used in fair value measurement of goodwill and brands with indefinite useful lives as at 31 December 2020 and 2019 are summarised below.

(Unit: Percent per annum)

	31 December 2020			
	Siam City Cement (Bangladesh) Limited	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited	Industrial cleaning service business
Long-term growth rates	6.0	6.0	4.0	2.5
Pre-tax discount rates	12.0	13.0	11.5	9.0

(Unit: Percent per annum)

	31 December 2019			
	Siam City Cement (Bangladesh) Limited	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited	Industrial cleaning service business
Long-term growth rates	6.0	6.0	4.0	2.5
Pre-tax discount rates	12.0	13.0	11.5	10.1

The management determined growth rates based on expected market growth and pre-tax discount rates that reflect the risks specific to each CGU.

The changes in key assumptions that affect their recoverable amounts to close with their carrying values as at 31 December 2020 are summarised below.

(Unit: Percent per annum)

	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited
Decrease in long-term growth rates	0.18	0.90
Increase in pre-tax discount rates	0.15	0.55

The management believes that there is no impairment loss for goodwill and brands with indefinite useful lives.

19. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements							
	Mining concession and license fees	Computer software	Customer relationships	Brands	Right of use	Other intangible assets	Intangible assets under development	Total
Cost								
1 January 2019	2,272,618	2,228,218	125,961	2,965,889	3,612,872	519,225	417,192	12,141,975
Additions	11,195	35,682	-	-	-	159	1,258,620	1,305,656
Write-off	-	(25,623)	-	-	-	-	-	(25,623)
Transfer in (out)	1,326,896	206,797	-	-	-	18,716	(1,353,753)	198,656
Translation adjustment	-	(43,079)	(6,176)	(195,834)	(240,281)	(17,878)	(570)	(503,818)
31 December 2019	3,610,709	2,401,995	119,785	2,770,055	3,372,591	520,222	321,489	13,116,846
Adjustments from adoption of TFRS 16 (Note 4)	-	-	-	-	-	(3,334)	-	(3,334)
1 January 2020 - as adjusted	3,610,709	2,401,995	119,785	2,770,055	3,372,591	516,888	321,489	13,113,512
Additions	25,885	10,990	-	-	-	-	17,209	54,084
Write-off	(1,954)	(7,787)	-	-	-	(17,201)	(19,313)	(46,255)
Transfer in (out)	26,149	81,668	-	-	1,234	(23,863)	(104,172)	(18,984)
Translation adjustment	-	(12,745)	(85)	(106,666)	(114,494)	(4,525)	(151)	(238,666)
31 December 2020	3,660,789	2,474,121	119,700	2,663,389	3,259,331	471,299	215,062	12,863,691
Accumulated amortisation								
1 January 2019	466,743	661,032	36,242	-	366,436	302,567	-	1,833,020
Amortisation during the year	93,980	240,702	14,252	-	106,353	27,028	-	482,315
Write-off	-	(13,539)	-	-	-	-	-	(13,539)
Transfer in	-	320	-	-	-	-	-	320
Translation adjustment	-	(15,292)	(2,133)	-	(18,482)	(10,616)	-	(46,523)
31 December 2019	560,723	873,223	48,361	-	454,307	318,979	-	2,255,593
Adjustments from adoption of TFRS 16 (Note 4)	-	-	-	-	-	(579)	-	(579)
1 January 2020 - as adjusted	560,723	873,223	48,361	-	454,307	318,400	-	2,255,014
Amortisation during the year	105,875	301,741	14,240	-	109,531	13,209	-	544,596
Write-off	(1,954)	(7,787)	-	-	-	(17,201)	-	(26,942)
Transfer in (out)	-	11,729	-	-	-	(13,515)	-	(1,786)
Translation adjustment	-	(9,723)	(41)	-	(26,098)	294	-	(35,568)
31 December 2020	664,644	1,169,183	62,560	-	537,740	301,187	-	2,735,314
Allowance for impairment								
1 January 2019	-	-	-	-	-	-	-	-
Increase during the year	-	17,217	-	-	-	-	-	17,217
31 December 2019	-	17,217	-	-	-	-	-	17,217
Increase during the year	-	(17,217)	-	-	-	-	-	(17,217)
31 December 2020	-	-	-	-	-	-	-	-
Net book value								
31 December 2019	3,049,986	1,511,555	71,424	2,770,055	2,918,284	201,243	321,489	10,844,036
31 December 2020	2,996,145	1,304,938	57,140	2,663,389	2,721,591	170,112	215,062	10,128,377

(Unit: Thousand Baht)

	Separate financial statements					Total
	Mining concession and license fees	Computer software	Customer lists	Other intangible assets	Intangible assets under development	
Cost						
1 January 2019	2,108,446	89,173	70,000	263,583	325,240	2,856,442
Additions	-	215	-	-	1,213,867	1,214,082
Transfer in (out)	1,326,896	104,802	-	12,913	(1,333,677)	110,934
31 December 2019	3,435,342	194,190	70,000	276,496	205,430	4,181,458
Additions	52,035	2,521	-	-	319,625	374,181
Write-off	(1,954)	(1,768)	-	(17,201)	-	(20,923)
Transfer in (out)	-	41,339	-	(22,538)	(29,569)	(10,768)
31 December 2020	3,485,423	236,282	70,000	236,757	495,486	4,523,948
Accumulated amortisation						
1 January 2019	434,766	30,703	5,063	157,495	-	628,027
Amortisation during the year	88,148	26,560	4,666	20,755	-	140,129
31 December 2019	522,914	57,263	9,729	178,250	-	768,156
Amortisation during the year	99,371	33,940	4,666	8,807	-	146,784
Write-off	(1,954)	(1,768)	-	(17,201)	-	(20,923)
Transfer in (out)	-	10,489	-	(10,489)	-	-
31 December 2020	620,331	99,924	14,395	159,367	-	894,017
Net book value						
31 December 2019	2,912,428	136,927	60,271	98,246	205,430	3,413,302
31 December 2020	2,865,092	136,358	55,605	77,390	495,486	3,629,931

The management has assessed the allowance for impairment of intangible assets with indefinite useful lives, which are brands, as discussed in Note 18 to the financial statements and believes that there is no impairment loss for such intangible assets.

20. Bank overdrafts and short-term loans from other financial institutions

Movements of bank overdrafts and short-term loans from other financial institutions for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	2,587,516	-
Add: Increase during the year	12,293,281	3,100,000
Less: Repayment during the year	(11,486,634)	(3,100,000)
Translation adjustment	(37,851)	-
Balance as at 31 December 2020	3,356,312	-

As at 31 December 2020, the Group had bank overdrafts and short-term loans from commercial banks of Baht 3,356 million (2019: Baht 2,588 million) which carry interest at the rate of 0.86 - 13.50 percent per annum (2019: 4.53 - 10.79 percent per annum).

As at 31 December 2020, a portion of bank overdrafts of an overseas subsidiary of Indonesian Rupiah 49,123 million or approximately Baht 104.9 million (2019: Indonesian Rupiah 44,551 million or approximately Baht 96.8 million) is secured by the credit utilisation agreements entered into by a subsidiary in Thailand with a financial institution, obtaining standby letter of credit facilities. The credit utilisation agreements contain covenants with which the subsidiary has to comply, pertaining to matters such as maintaining of certain financial ratios, maintaining of percentage of shares held by the major shareholder and negative pledge.

As at 31 December 2020 and 2019, the Group had unused facilities of bank overdrafts and short-term loans of Baht 14,011 million and Baht 14,280 million, respectively (the Company only: Baht 10,335 million and Baht 10,053 million, respectively). In addition, during the fiscal year 2020, the Company entered into three committed credit facility agreements for a term of three years with the related financial institution and two other financial institutions obtaining loan facilities with a total of Baht 6,750 million. The credit facilities carry interest at BIBOR or THBFIX reference rate plus margin. However, as at 31 December 2020, the loan facilities had not yet been drawn down.

The credit facility agreements contain covenants with which the Company has to comply, pertaining to matters such as maintaining of certain financial ratios.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties	138,458	207,854	126,700	1,274,455
Trade payables - unrelated parties	3,810,709	5,056,937	1,430,211	1,369,563
Other payables - related parties	45,986	108,696	357,930	429,652
Other payables - unrelated parties	183,188	245,083	40,034	52,798
Retention payable	16,545	13,841	2,680	2,397
VAT payable	99,284	51,572	37,481	14,955
Total trade and other payables	<u>4,294,170</u>	<u>5,683,983</u>	<u>1,995,036</u>	<u>3,143,820</u>

22. Long-term loans from other financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Long-term loans from other financial institutions	7,578,365	7,976,330	6,989,500	6,979,000
Less: Portion due within one year	(339,184)	(538,960)	-	-
Long-term loans from other financial institutions - net of current portion	<u>7,239,181</u>	<u>7,437,370</u>	<u>6,989,500</u>	<u>6,979,000</u>

Movements of long-term loans from other financial institutions for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2019	7,976,330	6,979,000
Add: Increase during the year	3,171,950	3,000,000
Amortisation of transaction costs during the year	10,500	10,500
Less: Repayment during the year	(3,561,374)	(3,000,000)
Translation adjustment	(19,041)	-
Balance as at 31 December 2020	<u>7,578,365</u>	<u>6,989,500</u>

On 16 December 2016, the Company entered into a loan agreement with a financial institution obtaining loan facilities of Baht 7,000 million. The loan carries interest at THBFIX 6 months reference rate plus a margin and is repayable in full amount at the end of the fifth year from drawing date. The loan facilities of Baht 7,000 million had been drawn by the Company on 17 January 2017.

The loan agreements contain covenants with which the Company has to comply, pertaining to matters such as maintaining of certain financial ratios, maintaining of percentage of shares held by the major shareholders and negative pledge.

On 12 June 2020, the Company entered into another loan agreement with a financial institution obtaining loan facilities of Baht 3,000 million. The loan carries interest at fixed rate of 2.75 percent per annum throughout the loan period and is repayable in full amount within three years from drawing date. The loan facilities of Baht 3,000 million had been drawn by the Company on 30 June 2020. However, on 30 December 2020, the Company made prepayment in full amount.

As at 31 December 2020, the overseas subsidiaries had long-term loans from other financial institutions of LKR 1,217 million and VND 303,650 million or equivalent to Baht 588.9 million (2019: LKR 2,816 million and VND 406,660 million or equivalent to Baht 997.3 million) which carry interest at the rate of 3.20 - 6.84 percent per annum (2019: 3.00 - 11.31 percent per annum) and are repayable within 2023.

As at 31 December 2020, the Group had unused facilities of long-term loans of VND 57,778 million or equivalent to Baht 75 million (2019: USD 10.9 million and VND 270,149 million or equivalent to Baht 683 million).

23. Debentures

As at 31 December 2020 and 2019, the details of debentures account in the consolidated financial statements and the separate financial statements are made up as follows:

	Number of units	Price per unit (Baht)	Period (Years)	Maturity date	Interest rate (percent per annum)	Fair values per unit		Carrying values	
						2020 (Baht)	2019 (Baht)	2020 (Thousand Baht)	2019 (Thousand Baht)
Debenture Series									
No. 2/2013	2,000,000	1,000	7	14 June 2020	4.30	-	1,013	-	2,000,000
Debenture Series									
No. 1/2016	2,000,000	1,000	8	29 April 2024	2.46	1,025	1,017	2,000,000	2,000,000
Debenture Series									
No. 2/2016	2,000,000	1,000	10	29 April 2026	2.70	1,029	1,029	2,000,000	2,000,000
Debenture Series									
No. 1/2017	1,000,000	1,000	3	9 May 2020	2.49	-	1,004	-	1,000,000
Debenture Series									
No. 2/2017	2,500,000	1,000	7	9 May 2024	3.65	1,061	1,065	2,500,000	2,500,000
Debenture Series									
No. 3/2017	5,000,000	1,000	10	9 May 2027	4.08	1,101	1,120	5,000,000	5,000,000
Debenture Series									
No. 4/2017	4,500,000	1,000	12	9 May 2029	4.26	1,104	1,136	4,500,000	4,500,000
Total								16,000,000	19,000,000
Less: Deferred transaction costs								(24,869)	(29,104)
Total debentures								15,975,131	18,970,896
Less: Portion due within one year								-	(2,999,417)
Debentures - net of current portion								15,975,131	15,971,479

Movements of debentures for the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	18,970,896	18,970,896
Add: Amortisation of transaction costs during the year	4,235	4,235
Less: Redemption during the year	(3,000,000)	(3,000,000)
Balance as at 31 December 2020	15,975,131	15,975,131

The above debentures are unsubordinated, unsecured and no discount with a name-registered debenture certificates. Debenture agreements contain a covenant with which the Company must comply, pertaining to maintaining financial ratio.

24. Long-term liabilities for concession and license fee

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Long-term liabilities for concession and license fee	1,158,758	1,099,879	1,148,025	1,089,581
Less: Portion due within one year	<u>(113,862)</u>	<u>(27,769)</u>	<u>(112,232)</u>	<u>(27,769)</u>
Long-term liabilities for concession and license fee - net of current portion	<u>1,044,896</u>	<u>1,072,110</u>	<u>1,035,793</u>	<u>1,061,812</u>

Movements of long-term liabilities for concession and license fee for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2019	1,099,879	1,089,581
Add: Increase during the year	25,885	25,885
Recognition of interest expenses during the year	39,042	38,607
Less: Payment during the year	<u>(6,048)</u>	<u>(6,048)</u>
Balance as at 31 December 2020	<u>1,158,758</u>	<u>1,148,025</u>

The Group entered into various agreements to pay for renewal or obtaining of mining concession which are payable in 7 - 11 equal, annual installments and carrying interest at the rate of 2.5 - 4.2 percent per annum, to the Department of Primary Industries and Mines and received the permit for utilisation of certain concessions in forest reserve areas that the Group is committed to pay a fee to the Royal Forest Department in 5 equal, annual installments.

25. Provision for long-term employee benefits

25.1 Defined contribution plans

The Company, the local subsidiaries and their permanent employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. Such fund is monthly contributed by both the employees and the Group at rates of 5 - 10 percent of the employees' basic salaries. The fund is managed by Krungsri Asset Management Company Limited. In addition, the subsidiaries in Sri Lanka and Bangladesh and their employees have jointly registered a provident fund on which the subsidiaries contribute at the rate of 12 percent to the provident fund as well as the subsidiaries in Sri Lanka and their employees have jointly registered a trust fund on which the subsidiaries contribute at the rate of 3 percent to the trust fund.

During the year 2020, the Group recognised the contributions of Baht 183 million (2019: Baht 182 million) and the Company recognised the contributions of Baht 92 million (2019: Baht 100 million) as expenses.

25.2 Defined benefit plans

25.2.1 Provident fund

The Group and their permanent employees have jointly established a contributory, unfunded provident fund. Employees who have completed at least 5 years of service are entitled to full benefits, while employees leaving before completing 5 years of service do not receive the contributions made by the Group. Under the regulations of the fund, members are required to pay, and the Group accrues, monthly contributions to the fund at 5 percent of the members' basic salaries.

25.2.2 Employee retirement benefit under labor law

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

25.2.3 Other long-term employee benefits

The Group has provided other long-term employee benefit plans, namely resignation plan and a long service award for employees.

The defined benefit liabilities are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond. A professionally qualified independent actuary values the defined benefit obligations on a regular basis.

Movements of provision for long-term employee benefits are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Balance as at 1 January 2019	1,071,251	1,021,483	57,710	2,150,444
Included in income statement:				
Current service cost	20,814	124,530	8,984	154,328
Interest cost	31,704	44,264	1,579	77,547
Past service cost	-	249,404	-	249,404
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumptions changes	-	123	-	123
Financial assumptions changes	113,557	164,311	2,795	280,663
Experience adjustments	-	(365)	-	(365)
Employee contributions	20,428	-	-	20,428
Benefits paid during the year	(19,519)	(77,559)	(11,298)	(108,376)
Translation adjustment	-	(14,413)	-	(14,413)
Balance as at 31 December 2019	<u>1,238,235</u>	<u>1,511,778</u>	<u>59,770</u>	<u>2,809,783</u>

(Unit: Thousand Baht)

	Consolidated financial statements			
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Balance as at 1 January 2020	1,238,235	1,511,778	59,770	2,809,783
Included in income statement:				
Current service cost	27,896	129,848	52,290	210,034
Interest cost	12,459	38,250	1,834	52,543
Gain or loss on settlements	(45,957)	35,256	(6,779)	(17,480)
Actuarial (gain) loss arising from:				
Demographic assumptions changes	-	-	(371)	(371)
Financial assumptions changes	-	-	(3,812)	(3,812)
Experience adjustments	-	-	(5,126)	(5,126)
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumptions changes	(11,836)	(27,864)	8,396	(31,304)
Financial assumptions changes	(8,477)	(270,208)	(6,545)	(285,230)
Experience adjustments	340,330	2,503	3,463	346,296
Employee contributions	15,424	-	-	15,424
Benefits paid during the year	(254,379)	(339,220)	(12,530)	(606,129)
Translation adjustment	-	(5,177)	-	(5,177)
Balance as at 31 December 2020	<u>1,313,695</u>	<u>1,075,166</u>	<u>90,590</u>	<u>2,479,451</u>

(Unit: Thousand Baht)

	Separate financial statements			
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Balance as at 1 January 2019	883,649	582,928	43,962	1,510,539
Included in income statement:				
Current service cost	16,379	53,706	5,978	76,063
Interest cost	26,122	22,794	1,214	50,130
Past service cost	-	186,124	-	186,124
Included in statement of comprehensive income:				
Actuarial loss arising from:				
Financial assumptions changes	90,554	103,718	1,855	196,127
Employee contributions	16,127	-	-	16,127
Benefits paid during the year	(17,595)	(42,738)	(7,654)	(67,987)
Balance as at 31 December 2019	<u>1,015,236</u>	<u>906,532</u>	<u>45,355</u>	<u>1,967,123</u>

(Unit: Thousand Baht)

	Separate financial statements			
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Balance as at 1 January 2020	1,015,236	906,532	45,355	1,967,123
Included in income statement:				
Current service cost	21,436	60,925	5,325	87,686
Interest cost	9,838	16,185	788	26,811
Gain or loss on settlements	(36,909)	19,792	(5,092)	(22,209)
Actuarial (gain) loss arising from:				
Demographic assumptions changes	-	-	(355)	(355)
Financial assumptions changes	-	-	118	118
Experience adjustments	-	-	(4,810)	(4,810)
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumptions changes	(8,103)	(21,168)	5,723	(23,548)
Financial assumptions changes	(4,744)	(198,013)	(4,516)	(207,273)
Experience adjustments	258,907	16,954	1,482	277,343
Employee contributions	11,995	-	-	11,995
Transfer from subsidiaries	20,130	6,141	247	26,518
Benefits paid during the year	(236,483)	(219,226)	(5,526)	(461,235)
Balance as at 31 December 2020	<u>1,051,303</u>	<u>588,122</u>	<u>38,739</u>	<u>1,678,164</u>

On 5 April 2019, The Labour Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 249.4 million (The Company only: Baht 186.1 million). The Group reflected the effect of the change by recognising past services costs as expenses in the income statements for the year ended 31 December 2019.

The Group expects to pay Baht 91 million of long-term employee benefits during the next year (Separate financial statements: Baht 56 million) (2019: Baht 66 million, separate financial statements: Baht 45 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits is 10 years for the Company and local subsidiaries and 6 - 23 years for the overseas subsidiaries (Separate financial statements: 10 years) (2019: 16 years for the Company and local subsidiaries and 10 - 16 years for the overseas subsidiaries (Separate financial statements: 16 years)).

Significant actuarial assumptions are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.6, 2.0, 7.7	1.9, 8.0, 10.0, 10.4, 11.0	1.6	1.9
Salary increase rate	3.0 - 8.0	6.0 - 8.0	3.0	6.0

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

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(208.2)	236.8	(140.0)	158.8
Salary increase rate	133.8	(118.2)	76.5	(67.8)

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(259.5)	300.1	(184.0)	211.5
Salary increase rate	170.2	(148.7)	108.3	(95.1)

26. Provision for site restoration and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for	Provision for	Total
	site restoration	decommissioning costs	
Balance as at 1 January 2019	122,040	5,846	127,886
Increase during the year	20,401	-	20,401
Unwinding of discount	12,801	110	12,911
Utilised during the year	(3,978)	-	(3,978)
Change in discount rate	6,162	1,615	7,777
Translation adjustment	(4,581)	-	(4,581)
Balance as at 31 December 2019	152,845	7,571	160,416
Adjustments from adoption of TFRS 16 (Note 4)	-	114,585	114,585
Balance as at 1 January 2020 - as adjusted	152,845	122,156	275,001
Increase (decrease) during the year	71,865	(4,115)	67,750
Unwinding of discount	19,477	2,829	22,306
Utilised during the year	(5,600)	(2,846)	(8,446)
Change in discount rate	(13,451)	-	(13,451)
Translation adjustment	(140)	-	(140)
Balance as at 31 December 2020	224,996	118,024	343,020

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for	Provision for	Total
	site restoration	decommissioning costs	
Balance as at 1 January 2019	50,235	-	50,235
Unwinding of discount	1,900	-	1,900
Utilised during the year	(3,978)	-	(3,978)
Change in the discount rate	6,162	-	6,162
Balance as at 31 December 2019	54,319	-	54,319
Adjustments from adoption of TFRS 16 (Note 4)	-	12,937	12,937
Balance as at 1 January 2020 - as adjusted	54,319	12,937	67,256
Increase (decrease) during the year	71,865	(3,757)	68,108
Unwinding of discount	2,699	302	3,001
Utilised during the year	(5,600)	-	(5,600)
Change in the discount rate	2,540	-	2,540
Balance as at 31 December 2020	125,823	9,482	135,305

Provision for site restoration

Provision for site restoration is recognised by areas of operating mining concession at the rate determined by the quarry engineer of the Group. The rate is based on the estimated cost for site restoration through to the end of the site. Provision for site restoration is discounted to its present value. The Group reviews and revises the rate to reflect the actual expenses incurred on a regular basis.

Provision for decommissioning costs

The Group recognises a provision for decommissioning costs associated with machinery and equipment owned by the Group. The Group is committed to decommissioning the machinery and equipment which have been used in the operation after expiry date of land rental agreement.

27. Grants related to assets

On 18 May 2018, a subsidiary received the subsidy of JPY 457.1 million (or equivalent to Baht 129.1 million) from Global Environment Centre Foundation (“GEC”) for Power Generation System by Waste Heat Recovery, which reduces carbon dioxide (CO₂) emission. The subsidiary has to comply the conditions as required by Joint Crediting Mechanism (JCM) Financing Programme.

As at 31 December 2020, deferred income on the grants related to assets of Baht 106.2 million (2019: Baht 114.8 million), which was included in other non-current liabilities in the consolidated statement of financial position.

28. Statutory reserve

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

29. Revenue from contracts with customers

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or services:				
Sales of cement and cement-related products	34,063,727	37,795,765	19,392,804	22,272,415
Sales of concrete and aggregates	6,377,344	8,149,653	-	-
Revenues from industrial waste disposal and industrial cleaning services	1,177,474	1,296,075	-	-
Others	381,495	351,406	165,565	158,987
Total revenue from contracts with customers	<u>42,000,040</u>	<u>47,592,899</u>	<u>19,558,369</u>	<u>22,431,402</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	41,415,158	47,071,574	19,558,369	22,431,402
Revenue recognised over time	584,882	521,325	-	-
Total revenue from contracts with customers	<u>42,000,040</u>	<u>47,592,899</u>	<u>19,558,369</u>	<u>22,431,402</u>

30. Other income

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net gain on derivatives	3,193	15,556	-	514
Net foreign exchange gain	12,097	125,597	-	16,121
Others	158,300	198,089	62,665	71,077
Total other income	<u>173,590</u>	<u>339,242</u>	<u>62,665</u>	<u>87,712</u>

31. Other expenses

			(Unit: Thousand Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net loss on derivatives	-	-	210	-
Net foreign exchange loss	-	-	28,939	-
Net loss on impairment and disposals/ write-off of non-financial assets	104,337	317,216	32,087	143,543
Others	15,650	72,189	-	-
Total other expenses	<u>119,987</u>	<u>389,405</u>	<u>61,236</u>	<u>143,543</u>

32. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Raw materials and supplies used	8,005,767	17,672,630	7,714,177	9,182,816
Changes in inventories of finished goods and work in process	246,323	(20,574)	170,997	(191,848)
Other production expenses	13,628,953	8,261,470	2,744,788	3,288,950
Salaries, wages and other employee benefits	4,455,485	5,668,066	2,153,791	2,829,549
Transportation expenses	3,891,483	4,912,956	1,588,079	2,120,401
Depreciation and amortisation (Note 34)	3,934,817	3,329,657	1,548,414	1,451,688
Other expenses	<u>2,517,829</u>	<u>3,218,687</u>	<u>957,805</u>	<u>1,156,159</u>
Total expenses	<u>36,680,657</u>	<u>43,042,892</u>	<u>16,878,051</u>	<u>19,837,715</u>

33. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expense on borrowings	997,552	1,260,604	799,636	918,190
Interest expense on lease liabilities	85,006	2,275	7,591	-
Interest expense from derivatives designated as hedging instrument in cash flow hedge	115,816	-	115,816	-
Others	<u>175,982</u>	<u>196,529</u>	<u>126,432</u>	<u>116,980</u>
Total finance cost	<u>1,374,356</u>	<u>1,459,408</u>	<u>1,049,475</u>	<u>1,035,170</u>

34. Summary of depreciation and amortisation

(Unit: Thousand Baht)

Consolidated financial statements						
	2020			2019		
	Selling and distribution expenses and administrative expenses			Selling and distribution expenses and administrative expenses		
	Cost of sales and services	administrative expenses	Total	Cost of sales and services	administrative expenses	Total
Property, plant and equipment	2,530,315	324,366	2,854,681	2,649,186	195,735	2,844,921
Right-of-use assets	299,513	233,606	533,119	-	-	-
Assets not used in operations	-	2,421	2,421	-	2,421	2,421
Intangible assets	466,741	77,855	544,596	412,230	70,085	482,315
Total depreciation and amortisation	3,296,569	638,248	3,934,817	3,061,416	268,241	3,329,657

(Unit: Thousand Baht)

Separate financial statements						
	2020			2019		
	Selling and distribution expenses and administrative expenses			Selling and distribution expenses and administrative expenses		
	Cost of sales and services	administrative expenses	Total	Cost of sales and services	administrative expenses	Total
Investment properties	-	10,711	10,711	-	10,725	10,725
Property, plant and equipment	1,028,326	241,983	1,270,309	1,193,176	105,237	1,298,413
Right-of-use assets	41,909	76,280	118,189	-	-	-
Assets not used in operations	-	2,421	2,421	-	2,421	2,421
Intangible assets	127,461	19,323	146,784	123,555	16,574	140,129
Total depreciation and amortisation	1,197,696	350,718	1,548,414	1,316,731	134,957	1,451,688

35. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	801,704	787,217	277,691	437,973
Income tax of overseas subsidiary paid for tax on importation of materials during the year	25,279	41,708	-	-
Adjustment in respect of income tax of previous year	(8,526)	(21,901)	(4,169)	(3,092)
Withholding tax deducted at source recognised as expense during the year	58,008	2,509	55,029	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(117,893)	(112,028)	32,667	(90,983)
Effect of the change in tax rate	(2,927)	-	-	-
Income tax expenses reported in the income statements	<u>755,645</u>	<u>697,505</u>	<u>361,218</u>	<u>343,898</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to gain on cash flow hedge	4,426	-	4,426	-
Deferred tax relating to actuarial loss	(3,337)	(54,149)	(9,304)	(39,226)

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Accounting profit before tax	4,780,951	4,024,717	4,568,585	3,442,491
Applicable tax rates	10%, 15%, 20%, 22%, 28%, 32.5%	10%, 15%, 20%, 25%, 28%, 35%	20%	20%
Accounting profit before tax multiplied by				
income tax rates	715,635	684,046	913,717	688,498
Adjustment in respect of income tax				
of previous year	(8,526)	(21,901)	(4,169)	(3,092)
Income tax of overseas subsidiary paid for tax on				
importation of materials during the year	25,279	41,708	-	-
Withholding tax deducted at source recognised as				
expenses during the year	58,008	2,509	55,029	-
Effect of the change in tax rate	(2,927)	-	-	-
Effects of:				
Promotional privileges (Note 43)	(30,706)	(84,004)	-	-
Profit not subject to tax under International				
Trading Center (ITC) tax privilege scheme	-	(14,453)	-	-
Utilisation of tax loss carried forward	32,634	-	-	-
Non-deductible expenses	106,304	139,390	3,062	4,173
Income not subject to tax	-	-	(558,806)	(340,660)
Additional expense deductions allowed	(111,173)	(94,130)	(4,980)	(5,021)
Unrecognised tax losses as deferred tax assets	16,888	45,454	-	-
Recognition of deferred tax assets of				
previous years	(31,628)	(29,529)	(31,628)	-
Taxable withholding tax deducted at source				
expenses	(11,454)	(502)	(11,006)	-
Others	(2,689)	(4,237)	-	-
Total	(31,824)	(42,011)	(603,358)	(341,508)
Write-off of deferred tax assets	-	33,154	-	-
Income tax expenses reported in				
the income statements	755,645	697,505	361,219	343,898
Effective income tax rate	15.8%	17.3%	7.9%	10.0%

On 25 July 2017, Siam City Cement Trading Company Limited obtained an approval from the Revenue Department to be International Trading Center (ITC), which has received tax privileges for exemption of income tax for international trading of goods under the conditions as required by the Revenue Department for 15 accounting periods from 19 July 2017 to 31 December 2031. However, on 1 November 2018, Royal Decree No. 687 was published in the Royal Gazette which stipulated cessation of the tax privileges on qualifying incomes of International Trading Center (ITC), effective from 1 June 2019.

A reconciliation of the book value of deferred tax assets and deferred tax liabilities for the years ended 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				As at 31 December 2019
	As at 1 January 2019	Recognised in the income statement	Recognised in other comprehensive income	Translation adjustment	
Deferred tax assets					
Provision for long-term employee benefits	384,027	76,733	54,149	(3,165)	511,744
Property, plant and equipment and assets not used in operations	163,806	27,424	-	448	191,678
Deferred revenue	178,050	5,239	-	(3,034)	180,255
Unused tax losses	177,881	(49,552)	-	(6,024)	122,305
Others	127,039	69,497	-	2,890	199,426
Total	1,030,803	129,341	54,149	(8,885)	1,205,408
Deferred tax liabilities					
Property, plant and equipment	1,184,600	712	-	(79,300)	1,106,012
Intangible assets	1,633,719	(28,558)	-	(108,268)	1,496,893
Others	-	45,159	-	-	45,159
Total	2,818,319	17,313	-	(187,568)	2,648,064
Deferred tax assets (liabilities) - net	(1,787,516)	112,028	54,149	178,683	(1,442,656)
Statements of financial position:					
Deferred tax assets	881,603				1,064,125
Deferred tax liabilities	(2,669,119)				(2,506,781)
Deferred tax assets (liabilities) - net	(1,787,516)				(1,442,656)

(Unit: Thousand Baht)

Consolidated financial statements

	As at 1 January 2020	Adjustment from adoption of new standards	As at 1 January 2020 - as adjusted	Recognised in the income statement	Recognised in other comprehensive income	Translation adjustment	As at 31 December 2020
Deferred tax assets							
Provision for long-term employee benefits	511,744	-	511,744	(67,850)	3,337	(1,773)	445,458
Property, plant and equipment and assets not used in operations	191,678	-	191,678	48,813	-	(933)	239,558
Derivative liabilities	-	42,078	42,078	6,736	(4,426)	-	44,388
Deferred revenue	180,255	-	180,255	(26,760)	-	361	153,856
Unused tax losses	122,305	-	122,305	(67,088)	-	(1,232)	53,985
Leases	-	-	-	14,452	-	(106)	14,346
Others	199,426	-	199,426	27,244	-	6,049	232,719
Total	<u>1,205,408</u>	<u>42,078</u>	<u>1,247,486</u>	<u>(64,453)</u>	<u>(1,089)</u>	<u>2,366</u>	<u>1,184,310</u>
Deferred tax liabilities							
Property, plant and equipment	1,106,012	-	1,106,012	(67,831)	-	(14,491)	1,023,690
Intangible assets	1,496,893	-	1,496,893	(90,850)	-	(51,571)	1,354,472
Leases	-	-	-	7,265	-	(356)	6,909
Interest payable	-	6,649	6,649	6,736	-	-	13,385
Others	45,159	-	45,159	(40,593)	-	(5)	4,561
Total	<u>2,648,064</u>	<u>6,649</u>	<u>2,654,713</u>	<u>(185,273)</u>	<u>-</u>	<u>(66,423)</u>	<u>2,403,017</u>
Deferred tax assets (liabilities) - net	<u>(1,442,656)</u>	<u>35,429</u>	<u>(1,407,227)</u>	<u>120,820</u>	<u>(1,089)</u>	<u>68,789</u>	<u>(1,218,707)</u>
Statements of financial position:							
Deferred tax assets	1,064,125		1,099,554				1,101,251
Deferred tax liabilities	<u>(2,506,781)</u>		<u>(2,506,781)</u>				<u>(2,319,958)</u>
Deferred tax assets (liabilities) - net	<u>(1,442,656)</u>		<u>(1,407,227)</u>				<u>(1,218,707)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	As at 1 January 2019	Recognised in the income statement	Recognised in other comprehensive income	As at 31 December 2019
Deferred tax assets				
Provision for long-term employee benefits	269,047	48,868	39,226	357,141
Property, plant and equipment and assets not used in operations	68,280	17,313	-	85,593
Deferred revenue	102,555	9,813	-	112,368
Others	40,863	14,989	-	55,852
Total	480,745	90,983	39,226	610,954

(Unit: Thousand Baht)

	Separate financial statements					
	As at 1 January 2020	Adjustment from adoption of new standards	As at 1 January 2020 - as adjusted	Recognised in the income statement	Recognised in other comprehensive income	As at 31 December 2020
Deferred tax assets						
Provision for long-term employee benefits	357,141	-	357,141	(67,460)	9,304	298,985
Property, plant and equipment and assets not used in operations	85,593	-	85,593	25,112	-	110,705
Deferred revenue	112,368	-	112,368	(14,793)	-	97,575
Derivative liabilities	-	42,078	42,078	6,736	(4,426)	44,388
Leases	-	-	-	1,790	-	1,790
Others	55,852	-	55,852	22,684	-	78,536
Total	610,954	42,078	653,032	(25,931)	4,878	631,979
Deferred tax liabilities						
Interest payable	-	6,649	6,649	6,736	-	13,385
Total	-	6,649	6,649	6,736	-	13,385
Deferred tax assets - net	610,954	35,429	646,383	(32,667)	4,878	618,594

As at 31 December 2020, the subsidiaries had unused tax losses of Rupiah Indonesia 249,200 million and Baht 364 million, totaling Baht 897 million (2019: Rupiah Indonesia 405,381 million, Baht 451 million and Taka 47.1 million, totaling Baht 1,344 million) that were not recognised deferred tax assets.

Details of expiry date of unused tax losses of the subsidiaries are summarised below.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
31 December 2020	-	492
31 December 2021	266	269
31 December 2022	222	219
31 December 2023	187	199
31 December 2024	146	148
31 December 2025	76	17
	<u>897</u>	<u>1,344</u>

36. Earnings per share

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

37. Dividends

On 26 March 2019, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2018 of Baht 4.0 per share, totaling Baht 1,192 million. Thus, including the interim dividend of Baht 4.0 per share, the total dividend payment for 2018 amounted to Baht 8.0 per share. The dividend was paid on 25 April 2019.

On 31 July 2019, the meeting of the Company's Board of Directors approved the payment of an interim dividend from the Company's profit for the six-month period ended 30 June 2019 of Baht 4.0 per share, totaling Baht 1,192 million. The Company paid such dividend on 27 August 2019.

On 26 March 2020, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2019 of Baht 4.0 per share, totaling Baht 1,192 million. Thus, including the interim dividend of Baht 4.0 per share, the total dividend payment for 2019 amounted to Baht 8.0 per share. The dividend was paid on 3 April 2020.

38. Segment information

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

For management purposes, the Group is organised into business units based on their products and services and have three reportable segments as follows:

1. The cement segment, which produces and sells cement.
2. The concrete and aggregate segment, which produces and sells ready-mixed concrete and aggregate.
3. The trading segment, which import and export cement and cement-related products.
4. The light building materials segment, which produces and sells dry mix mortar and tile adhesive products, fiber cement for wood replacement products, light weight Autoclaved Aerated Concrete (AAC) block and panel.

The Group has no operating segments have been aggregated to form the above reportable operating segments.

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

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

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2020 and 2019.

	For the years ended 31 December														(Unit: million Baht)								
	Cement			Concrete and aggregates			Trading			Light building materials			Others			Total segments			Adjustments and eliminations			Consolidated	
	2020	2019		2020	2019		2020	2019		2020	2019		2020	2019		2020	2019		2020	2019		2020	2019
Revenue from external customers	26,610	28,722		6,632	8,477		5,167	6,428		2,391	2,630		1,200	1,336		42,000	47,593		-	-		42,000	47,593
Inter-segment revenue	5,880	7,521		347	401		3,162	6,646		17	26		1,032	1,364		10,438	15,958		(10,438)	(15,958)		-	-
Interest income	70	49		5	7		-	1		-	1		1	1		76	59		-	-		76	59
Finance cost	1,319	1,401		27	19		3	17		15	19		10	3		1,374	1,459		-	-		1,374	1,459
Depreciation and amortisation	2,812	2,564		509	289		4	1		259	255		413	254		3,997	3,363		(62)	(34)		3,935	3,329
Share of profit from investments in joint venture and associated companies accounted for by the equity method	586	536		-	-		-	-		-	-		-	-		586	536		-	-		586	536
Income tax expenses (revenues)	686	465		31	46		59	80		(13)	22		28	53		791	666		(35)	32		756	698
Material non-cash items other than depreciation and amortisation:																							
Increase in impairment loss and loss on write-off of non-financial assets	84	281		7	21		-	-		5	2		8	13		104	317		-	-		104	317
Impairment loss on the remeasurement to fair value less costs to sell of non-current assets held for sale	6	-		-	8		-	-		-	-		-	-		6	8		-	-		6	8
Segment profit	10,781	11,244		1,341	1,739		1,421	1,651		697	747		423	573		14,663	15,954		(644)	(824)		14,019	15,130

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	22,768	25,139
Vietnam	6,203	7,465
Sri Lanka	5,702	5,464
Bangladesh	1,330	2,187
China	1,306	1,180
Australia	1,727	1,138
Cambodia	765	1,799
Others	2,199	3,221
Total	<u>42,000</u>	<u>47,593</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	28,576	29,419
Vietnam	18,469	18,602
Sri Lanka	11,134	11,726
Indonesia	932	1,013
Bangladesh	891	958
Total	<u>60,002</u>	<u>61,718</u>

Major customers

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

39. Contingent liabilities

39.1 Bank guarantees

39.1.1 As at 31 December 2020, there were outstanding bank guarantees of Baht 875 million, LKR 744 million, Taka 47 million and VND 18,292 million (2019: Baht 585 million, LKR 805 million, Taka 47 million and VND 17,884 million) (Separate financial statements: Baht 69 million (2019: Baht 63 million)) issued by banks on behalf of the Group in respect of electricity usage, obtaining mining concessions and other guarantees as required in the normal course of its business.

39.1.2 As at 31 December 2020, the associated companies and joint venture had outstanding bank guarantees of Baht 5.9 million, Indonesian Rupiah 19,990 million and USD 0.2 million (2019: Baht 5.9 million, Indonesian Rupiah 9,500 million and USD 0.2 million) issued by banks on behalf of the associated companies and joint venture as required in the normal course of their businesses.

39.2 Litigation of overseas subsidiaries and joint venture

39.2.1 A subsidiary in Sri Lanka has a dispute which was filed against the Arbitrator dated 14 June 2017 regarding obligation to retrospectively pay the allowance of LKR 10,000 being paid to certain employees of a company. Currently, the case is in the arbitration process. However, the management of the subsidiary could not currently assess the impact of this dispute but believes that possibility of the unfavourable result of the dispute to the subsidiary is remote and provision has not therefore been recorded.

39.2.2 A subsidiary in Sri Lanka was alleged by the Customs Department of Sri Lanka for failure to pay customs levies and tax on certain payments such as demurrage, calorific value and moisture adjustment, war risk premium, loading-unloading and stevedoring charges. On 7 February 2019, the Customs Department of Sri Lanka ordered the subsidiary to pay customs levies and tax totaling LKR 545 million (approximately Baht 87 million). However, the subsidiary appealed the order since the subsidiary believes that there have been no irregularities in payment of levies/duties and there is no basis of such allegation. Based on the currently available information as at the reporting date and legal counsel opinion, the management of the subsidiary believes that possibility of the unfavourable result of the case to the subsidiary is remote and provision has not therefore been recorded.

In addition, the Customs Department of Sri Lanka investigated on importation of cement and other related products of another subsidiary in Sri Lanka. The management of the subsidiary could not currently assess the impact of this investigation because the Customs Department has not submitted claim amount from the tax assessment to the subsidiary. However, the management of the subsidiary believes that the subsidiary has declared the correct transaction value in term of "Schedule E" of the Customs Ordinance thereby defrauding government revenue by way of evading payment of due customs duty and other levies and, based on the currently available information as at the reporting date and legal counsel opinion, the management of the subsidiary believes that possibility of the unfavourable result of the case to the subsidiary is remote and provision has not therefore been recorded.

39.2.3 A subsidiary in Sri Lanka has disputes relating to income tax assessments for the years 2004 - 2006 totaling LKR 119.4 million (approximately Baht 19 million) for the deductibility of interest and royalty claims. However, the subsidiary appealed against the decision of the Department of Inland Revenue of Sri Lanka. Based on the currently available information as at the reporting date and legal counsel opinion, the management of the subsidiary believes that possibility of the unfavourable result of the case to the subsidiary is remote and provision has not therefore been recorded.

In addition, the subsidiaries in Sri Lanka have other proceedings/assessments for general and tax related pending against the subsidiaries. Based on the currently available information as at the reporting date and opinion of legal counsel and tax consultants of the subsidiaries, the management of the subsidiaries believes that possibility of the unfavourable result of the cases to the subsidiaries is remote and provision has not therefore been recorded.

39.2.4 A subsidiary in Bangladesh has disputes and litigations with relevant authorities relating to VAT and income tax with the claims/assessments totaling Taka 206 million (approximately Baht 74 million). However, as at 31 December 2020, the management of the subsidiary had reviewed the merits of those to assess possible outcomes as well as consideration of the historical assessment result of tax disputes and litigations in favor of the subsidiary and recorded a provision for the disputes and litigations of Taka 33 million (approximately Baht 12 million).

39.2.5 In December 2020, the joint venture was alleged by the General Department of Taxation of Cambodia for underpayment of withholding tax for 2018 - 2020. The management of the joint venture assessed the maximum exposure on this tax assessment of USD 0.8 million (approximately Baht 23.9 million). As at 31 December 2020, the joint venture recorded a provision for tax assessment in full amount.

39.3 Litigation of the Company

During the year, certain former employees filed a claim of Baht 34.9 million against the Company, seeking additional compensation in excess of both the Company's policy and in excess of the Labour Law. Currently, the disputes are under hearing of the Labour Court. However, as at 31 December 2020, the management of the Company had reviewed the merits of those to assess possible outcomes and recorded a provision for the disputes of Baht 8 million reflecting the Company's policy.

40. Commitments

40.1 As at 31 December 2020, the Group had the following significant outstanding commitments:

- 40.1.1 The Group had outstanding capital expenditure and construction commitments of Baht 305 million (Separate financial statements: Baht 127 million) (2019: Baht 335 million (Separate financial statements: Baht 142 million)).
- 40.1.2 The Group entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 31 December 2020, the future lease and service fees payable by the Group under these lease and service contracts of Baht 313 million (Separate financial statements: Baht 281 million).
- 40.1.3 A subsidiary entered into an agreement with a company in respect of technology information system and other related services for a period of 5 years, commencing on 1 February 2020 to 31 January 2025. The subsidiary is committed to pay a fee on the basis and at the rate as stipulated in the agreement.
- 40.1.4 A subsidiary entered into several agreements in respect of technology information system such as accounting system, logistic management system as well as the related maintenance agreements. The subsidiary is committed to pay a fee on the basis and at the rates as stipulated in the agreements.
- 40.1.5 The Company entered into the service agreements with a subsidiary in respect of the Company's computer system. The Company is committed to pay the fees on the basis and at the rate as stipulated in the agreements.
- 40.1.6 The Group entered into long-term service agreements regarding temporary employment services. The Group is committed to pay the service fees at the rate as stipulated in the agreements.
- 40.1.7 The Group has commitments in respect of raw materials and fuel purchases, logistic services and sales contracts as required in the normal course of its business.
- 40.1.8 The Company has commitment regarding the contribution to the funds in accordance with the requirements and legally applicable rate specified by Department of Primary Industries and Mine.

- 40.1.9 A subsidiary entered into a technology license agreement with an overseas company for a period of 10 years, commencing on 6 March 2002 to 5 March 2012, with an automatic renewal for every 1 year period. The subsidiary is committed to pay licensing fee on the basis and at the rate as stipulated in the agreement.
- 40.1.10 A subsidiary entered into several agreements in respect of computer software license. The subsidiary is committed to pay a license fee on the basis and at the rates as stipulated in the agreements.
- 40.1.11 A subsidiary has commitment regarding the contribution to the Power Development Fund in accordance with the regulation required by the Energy Regulatory Commission. The contribution is calculated based on the sale quantities and legally applicable rate.
- 40.1.12 A subsidiary entered into several agreements regarding sand operation used for concrete production process for periods between 5 and 8 years. The subsidiary is committed to pay a fee based on actual production output and the rate as stipulated in the agreements.
- 40.2 The associated companies and joint venture entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 31 December 2020, the future lease and service fees payable by the associated companies and joint venture under these lease and service contracts of Baht 49.7 million.
- 40.3 The joint venture entered into an equipment lease contract with a company to lease the solar generation equipment for self-generate electricity used for cement production process with 25-year duration. The joint venture is committed to variable lease payment based on actual power generated and used.
- 40.4 The associated companies and joint venture had outstanding capital expenditure and construction commitments of USD 1.5 million and Baht 22.0 million, totaling approximately Baht 65.7 million (2019: USD 2.6 million and Baht 61.5 million, totaling approximately Baht 139.2 million).

41. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or disclosed fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2020				
	Consolidated			Separate	
	financial statements			financial statements	
	Level 1	Level 2	Level 3	Level 1	Level 2
Assets measured at fair value					
Derivatives					
Foreign exchange forward contracts	-	4.1	-	-	0.3
Non-current assets held for sale	-	-	59.6	-	-
Liabilities measured at fair value					
Derivatives					
Interest rate swap	-	221.9	-	-	221.9
Assets for which fair value is disclosed					
Investments in associated companies	1,930.0	-	-	1,930.0	-
Investment properties	-	1,302.6	-	-	1,701.8
Liabilities for which fair value is disclosed					
Debentures	-	17,234.7	-	-	17,234.7

(Unit: Million Baht)

	As at 31 December 2019				
	Consolidated			Separate	
	financial statements			financial statements	
	Level 1	Level 2	Level 3	Level 1	Level 2
Assets measured at fair value					
Derivatives					
Foreign exchange forward contracts	-	0.9	-	-	0.5
Non-current assets held for sale	-	-	65.1	-	-
Assets for which fair value is disclosed					
Investments in associated companies	1,973.5	-	-	1,973.5	-
Investment properties	-	1,279.8	-	-	1,658.5
Liabilities for which fair value is disclosed					
Derivatives					
Foreign exchange forward contracts	-	210.4	-	-	210.4
Debentures	-	20,498.7	-	-	20,498.7

42. Financial instruments

42.1 Derivatives and hedge accounting

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2020	2019
		2020	2019
Derivative assets			
Derivative assets not designated as hedging instruments			
Foreign exchange forward contracts		4,129	895
Total derivative assets		4,129	895
Derivative liabilities			
Derivatives liabilities not designated as hedging instruments			
Foreign exchange forward contracts		41	-
Derivatives liabilities designated as hedging instruments			
Interest rate swap		221,941	-
Total derivative liabilities		221,982	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 12 months.

Derivatives designated as hedging instruments

Cash flow hedges

Interest rate risk

As at 31 December 2020, the Company had an interest rate swap agreement in place with a notional amount of Baht 7,000 million (2019: Baht 7,000 million) whereby the Company receives interest at a variable rate equal to THBFIX 6 months plus a margin on the notional amount and pay a fixed rate of interest of 3 percent per annum. The swap is being used to hedge cash flow on the floating rate loan and is mature within January 2022.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the floating rate loan (i.e. notional amount, maturity, payment and reset dates). The Company has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in the timing of cash flows of the hedged item and hedging instrument
- Differences in how the counterparty's credit risk impacts the fair value movements of the hedging instrument and hedged item

The impact of hedged items on the statement of financial position as at 31 December 2020 is as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Interest expenses of long-term loans	93,686	155,015	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2020 and the effect of the cash flow hedge in the statements of income and other comprehensive income for the year ended 31 December 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements							
				Changes in fair		Ineffectiveness	Amount of	
	Notional	Carrying	Line item in the	value used	Effectiveness	recognised in	cash flow hedge	
	amounts	amount	statements of	for measuring	recognised in	the income	reserve reclassified	Line item in
			financial position	ineffectiveness	equity	statements	to the income	income
							statements	statements
Interest rate swap -			Non-current					
hedge on interest			derivative					
rate risk	7,000,000	221,941	liabilities	93,686	155,015	-	(115,816)	Finance cost
Total	7,000,000	221,941		93,686	155,015	-	(115,816)	

Impact of hedging on equity

Set out below is the reconciliation of each component relating to hedging in equity in the consolidated and separate statements of financial position and the analysis of other comprehensive income.

(Unit: Thousand Baht)

	Cash flow hedge reserve
As at 1 January 2020 (Note 4)	(141,716)
Changes in fair value arising from derivatives designated as hedging instruments	(93,686)
Amount reclassified to the income statements	115,816
Tax effect	(4,426)
As at 31 December 2020	(124,012)

Managing interest rate benchmark reform and associated risks

The Group has exposures to benchmark InterBank Offered Rates (IBORs) on its financial instruments that will be replaced or reformed. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group elects to early adopt the amendments to TFRS 9 and TFRS 7 to those hedging relationships directly affected by IBOR reform.

The Group hold interest rate swap which is designated in cash flow hedging relationships. The interest rate swap has floating legs that are indexed to THBFIX which is calculated based on LIBOR.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participant's expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group is monitoring and managing the Group's transition to alternative benchmark rates whether such contract will need to be amend as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

42.2 Financial risk management objectives and policies

The Group is exposed to a variety of financial risks, including credit risk, market risk (including foreign exchange and interest rate risk) and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative instruments to hedge certain exposures.

Credit risk

Credit risk is the risk of financial losses if a customer or the counterparty in a financial instrument fails to meet its obligations. The risk consists mainly of trade and other receivable, deposits with banks and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position. The Group's maximum exposure relating to financial derivative instruments is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored, and certain shipments are covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and coverage by letters of credit and other forms of credit insurance. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's treasury policy. Investments are made only in fixed deposit with approved counterparty banks with credit-ratings at investment grade assigned by international credit agencies or one of the top two local banks, and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed and updated throughout the year. The limits are set to minimise concentration risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The Group manages its foreign currency risk with natural hedge concept where a major part of the exchange rate risks is hedged by the balance of the import of raw materials, parts and supplies with export revenue. The remaining net exposure is mitigated through forward booking and timing of payments/receipts of foreign currency transactions. In addition, short-term and long-term financing of the Group is primarily in local currency.

When a derivative is entered for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure.

At 31 December 2020, the Group hedged its net exposure of foreign currency sales and purchases by using foreign currency forward contracts. Those hedged positions were highly probable at the reporting date.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Consolidated financial statements		Separate financial statements	
	Change in foreign	Increase (decrease)	Change in foreign	Increase (decrease)
	currency rate	in profit before tax	currency rate	in profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
USD	+5	911	+5	22,624
	-5	(911)	-5	(22,624)

This above information is not a forecast or prediction of future market conditions.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing bank deposits and its financial liabilities at floating rates which may cause variations in the Group's financial results.

The Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. The Group's policy is to match between sources and uses of fund while a majority of our financial liability is based on fixed rates.

As at 31 December 2020 and 2019, significant interest-bearing financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	4,075	-	-	1,851	1,750	7,676	0.01 - 7.00
Restricted bank deposits	17	-	-	-	-	17	1.50
	<u>4,092</u>	<u>-</u>	<u>-</u>	<u>1,851</u>	<u>1,750</u>	<u>7,693</u>	
Financial liabilities							
Short-term loans from related financial institution	120	-	-	-	-	120	1.49
Bank overdrafts and short-term loans from other financial institutions	3,356	-	-	-	-	3,356	0.86 - 13.50
Lease liabilities	404	813	446	-	-	1,663	2.16 - 11.30
Long-term loans from other financial institutions	-	-	-	7,578	-	7,578	0.92 - 6.84
Debentures	-	4,495	11,480	-	-	15,975	2.46 - 4.26
Long-term liabilities for concession and license fee	78	366	603	-	112	1,159	3.39 - 4.15
	<u>3,958</u>	<u>5,674</u>	<u>12,529</u>	<u>7,578</u>	<u>112</u>	<u>29,851</u>	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	3,660	-	-	561	600	4,821	0.01 - 7.00
Restricted bank deposits	17	-	-	-	-	17	1.50
	<u>3,677</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>600</u>	<u>4,838</u>	
Financial liabilities							
Short-term loans from related financial institution	100	-	-	-	-	100	1.95
Bank overdrafts and short-term loans from other financial institutions	2,588	-	-	-	-	2,588	4.53 - 10.79
Liabilities under finance lease contracts	12	13	24	-	-	49	2.11 - 7.45
Long-term loans from other financial institutions	-	-	-	7,976	-	7,976	1.97 - 11.31
Debentures	2,999	4,493	11,479	-	-	18,971	2.46 - 4.30
Long-term liabilities for concession and license fee	6	460	550	-	84	1,100	3.39 - 4.15
	<u>5,705</u>	<u>4,966</u>	<u>12,053</u>	<u>7,976</u>	<u>84</u>	<u>30,784</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1,027	-	-	1,025	878	2,930	0.01 - 0.60
Short-term loans to related parties	2,700	-	-	-	-	2,700	1.37 - 1.49
	3,727	-	-	1,025	878	5,630	
Financial liabilities							
Lease liabilities	98	167	27	-	-	292	2.32
Long-term loans from other financial institution	-	-	-	6,990	-	6,990	0.92
Debentures	-	4,495	11,480	-	-	15,975	2.46 - 4.26
Long-term liabilities for concession and license fee	78	355	603	-	112	1,148	3.39
	176	5,017	12,110	6,990	112	24,405	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1,270	-	-	90	90	1,450	0.01 - 1.00
Short-term loans to related parties	3,225	-	-	-	-	3,225	2.18 - 2.36
	4,495	-	-	90	90	4,675	
Financial liabilities							
Long-term loans from other financial institution	-	-	-	6,979	-	6,979	1.97
Debentures	2,999	4,493	11,479	-	-	18,971	2.46 - 4.30
Long-term liabilities for concession and license fee	6	453	547	-	84	1,090	3.39
	3,005	4,946	12,026	6,979	84	27,040	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of floating rate borrowings affected as at 31 December 2020.

	Increase/ decrease/ (% p.a.)	Consolidated financial statements		Separate financial statements	
		Increase (decrease) in	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in
		profit before tax (Thousand Baht)	equity (Thousand Baht)	profit before tax (Thousand Baht)	equity (Thousand Baht)
Loans from in Baht	+0.5	-	35,093	-	35,093
	-0.5	-	(35,461)	-	(35,461)
Loans from in USD	+0.5	(129)	-	-	-
	-0.5	129	-	-	-
Loans from in VND	+0.5	(1,972)	-	-	-
	-0.5	1,972	-	-	-
Loans from in LKR	+0.5	(10,056)	-	-	-
	-0.5	10,056	-	-	-

The interest rate sensitivity of floating rate borrowings in Baht includes effect from application of interest rate swap for cash flow hedge.

The above analysis has been prepared assuming that the amounts of the floating rate borrowings and all other variables remain constant over one year. Moreover, the floating legs of these borrowings are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions.

Liquidity risk

The Company and its subsidiaries need liquidity to meet their obligations. Individual companies are responsible for their own cash balances and the raising of internal and external credit lines to cover the liquidity needs, subject to guidance by the Group.

The Group monitors the risk of a shortage of liquidity position by a recurring liquidity planning and maintains an adequate level of cash, fixed deposits and unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)				
Consolidated financial statements				
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from related financial institution	120	-	-	120
Bank overdrafts and short-term loans from other financial institutions	3,356	-	-	3,356
Trade and other payables	4,294	-	-	4,294
Accrued expenses	1,624	-	-	1,624
Lease liabilities	472	944	818	2,234
Long-term loans from other financial institutions	339	7,249	-	7,588
Debentures	-	4,500	11,500	16,000
Long-term liabilities for concession and license fee	147	547	654	1,348
Total non-derivatives	10,352	13,240	12,972	36,564
Derivatives				
Derivatives liabilities: net settled	215	7	-	222
(Unit: Million Baht)				
Separate financial statements				
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Trade and other payables	1,995	-	-	1,995
Accrued expenses	904	-	-	904
Lease liabilities	104	176	28	308
Long-term loans from other financial institutions	-	7,000	-	7,000
Debentures	-	4,500	11,500	16,000
Long-term liabilities for concession and license fee	147	536	654	1,337
Total non-derivatives	3,150	12,212	12,182	27,544
Derivatives				
Derivatives liabilities: net settled	215	7	-	222

42.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except for the fair value of fixed rate debentures as disclosed in Note 41 to the financial statements.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, short-term loans, accounts payable and bank overdrafts and short-term borrowings, the carrying amounts in the statements of financial position approximate their fair value.
- b) The fair value of fixed rate debentures and long-term liabilities is estimated by discounting expected future cash flow by the current market interest rate of financial instruments with similar terms and conditions.
- c) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximate their fair value.
- d) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

43. Promotional privileges

The subsidiaries have received promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Subject to the imposed conditions, the significant privileges are as follows:

Descriptions	Privileged details		
	Siam City Power Co., Ltd.	Siam City Power Co., Ltd.	INSEE Digital Co., Ltd.
1. Certificate No.	2331(2)/Aor./2554	59-1306-1-00-1-0	59-1354-1-00-2-0
2. Certificate date	10 November 2011	6 October 2016	19 October 2016
3. Promotional privileges for	Electric power generator from waste heat of cement production	Electric power generator from waste heat of cement production	Development of enterprise software and/or digital content
4. The significant privileges are:			
4.1 Exemption from corporate income tax on income from the promoted operation, but not over 100 percent of investment excluding land and working capital.	8 years (expired on 10 August 2019)	5 years	7 years
4.2 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the corporate income tax exemption period as mentioned in 4.1.	Not granted	Granted	Granted
4.3 Exemption from income tax on dividends paid from the promoted operation on which the corporate income tax is exempted throughout the corporate income tax exemption period.	8 years	5 years	7 years
4.4 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted
4.5 Permission to bring in foreign technician or expertise including his/her spouse and person under his/her patronage to work in the kingdom only position and within the number and period as approved by the board.	Not granted	Not granted	Granted

On 23 August 2017, INSEE Digital Co., Ltd. obtained an approval from Board of Investment to extend the exemption period of corporate income tax privileges of certificate no. 59-1354-1-00-2-0 from 5 years to 7 years.

On 30 October 2018, Siam City Power Co., Ltd. obtained an approval from Board of Investment to extend the exemption period of corporate income tax privileges of certificate no. 59-1306-1-00-1-0 from 3 years to 5 years.

During the years ended 31 December 2020 and 2019, the subsidiaries had revenue from manufacturing and sales of electric power and provision of technical services, management and development of data system derived from the promoted operations of Baht 408 million and Baht 1,425 million, respectively, which were wholly sold and serviced to the related parties.

44. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.24:1 (2019: 1.39:1) and the Company's was 0.75:1 (2019: 0.91:1).

45. Events after the reporting period

45.1 Dividend income from subsidiary companies

On 29 January 2021, the Meeting of Members' Council of Siam City Cement (Vietnam) Limited ("the subsidiary") approved the payment of a final dividend for 2020 of VND 407,079 million. The Company will record the dividend income from the subsidiary of VND 264,601 million or approximately Baht 341.9 million in the first quarter of 2021.

On 1 February 2021, the meeting of Board of Directors of INSEE Ecocycle Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2020 of Baht 8.0 per share, totaling Baht 200 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2021.

On 1 February 2021, the meeting of Board of Directors of Siam City Concrete Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2020 of Baht 7.5 per share, totaling Baht 30 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2021.

On 2 February 2021, the meeting of Board of Directors of Siam City Cement Trading Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2020 of Baht 85.0 per share, totaling Baht 85 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2021.

On 3 February 2021, the meeting of Board of Directors of Siam City Power Co., Ltd. (“a subsidiary”) passed a resolution to approve additional dividend for 2020 of Baht 8.1 per share, totaling Baht 162 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2021.

45.2 Proposed dividends of the Company

On 11 February 2021, the meeting of the Company’s Board of Directors approved to pay a final dividend for 2020 of Baht 9.0 per share, totaling Baht 2,682 million. The final dividend of Baht 2,682 million will be paid in April 2021. However, such dividend payment is subject to the approval of the Annual General Meeting of the Company’s shareholders to be held on 25 March 2021.

46. Approval of financial statements

These financial statements were authorised for issue by the Company’s Board of Directors on 11 February 2021.

Management Discussion and Analysis

The following management discussion and analysis is intended to provide the reader with sufficient business insight to understand the financial position of the Company and should be read in conjunction with our financial statements and the accompanying notes.

Analysis of Financial Performance

Revenues

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Revenues					
Net sales	42,000	47,593	(5,593)	(12%)	44,764
Other income	174	339	(165)	(49%)	276
Total Revenues	42,174	47,932	(5,758)	(12%)	45,040

SCCC Group revenue was adversely impacted by COVID-19 pandemic because of containment measures and lockdowns by countries during first half of the year. When easing some of the restrictions in the latter half of the year, cement demand somewhat recovered at varied pace across markets. At the same time, intensified market competition put pressure on cement price. As a result, the Group revenue declined by -12 percent to THB 42,000 million.

Expenses

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Expenses					
Cost of sales and services	27,981	32,463	(4,482)	(14%)	29,300
Selling and distribution expenses	6,625	8,120	(1,495)	(18%)	8,248
Administrative expenses	1,955	2,071	(116)	(6%)	2,212
Other expenses	120	389	(269)	(69%)	270
Total expenses	36,681	43,043	(6,362)	(15%)	40,030

The Group implemented several cost reduction initiatives including optimizing operations to assure profitability during the much-disrupted economic environment. One cement kiln at the Saraburi plant was mothballed in May to optimize resources and capacities corresponding to demand contraction across the region. Plant reliability with less breakdowns has improved cement output and effectively reduced maintenance cost. The optimized thermal energy consumption, compounding with favorable energy price, brought down energy costs for cement production. Logistic and cartage costs benefited from lowered diesel price along with optimizing procurement initiatives. Selling and administrative expenses were rationalized and effectively reduced commensurate with the prevailing business climate.

Depreciation, Finance cost and Tax

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Depreciation, Finance cost and Tax					
Depreciation and amortization	3,935	3,330	605	18%	3,268
Finance cost	1,374	1,459	(85)	(6%)	1,350
Income tax expenses	756	698	58	8%	569

During the reporting period, the new Thai Financial Reporting Standard (TFRS) No. 16 required the Group to recognize all lease contracts with a term of more than 12 months as asset and liabilities on the balance sheet, unless the underlying asset was of low value. This resulted in lower operating expenses and at the same time higher depreciation and amortization expenses for assets recognized under TFRS 16.

Finance cost reflected interest expenses incurred from the loan from financial institutions and debenture, and fees related to trade financing to support growing international trading activities. The curtailed finance cost reflected lower interest rate level in overseas markets and lower overall level of debt financing in line with the Group's deleveraging plan.

Income tax expenses increased due to the higher net profit before tax for the period.

Analysis of Financial Position

	Unit	2020	2019	2018
Accounts receivable turnover	Times	7.81	8.47	7.77
Days receivable outstanding	Days	47	43	47
Inventory turnover	Times	6.85	6.72	6.43
Days inventory	Days	53	54	57
Accounts payable turnover	Times	5.61	5.74	5.78
Days payable outstanding	Days	65	64	63

Net Working Capital

As a result of the COVID-19 pandemic, customers tended to extend their payments which resulted in slightly higher days receivable outstanding. At the same time, the Group tightened control over credit management and debt collection which resulted in a reduction of outstanding receivables by 11 percent, from THB 5,455 million to THB 4,835 million. Days inventory and days payable outstanding remained at almost the same level as prior year owing to active net working capital management.

Key Assets

Non-current assets held for sales

Non-current assets held for sale comprised of assets of the former ready-mixed concrete business in Vietnam and the premises at Port Trincomalee in Sri Lanka which could not continue operations due to change of local laws. Subsidiaries in these two markets entered into sales arrangement with 6th party to divest these assets.

Non-current assets held for sale are not subject to depreciation and are measured at the lower of carrying amount and fair value less cost to sell.

Property, Plant and Equipment and Intangible Assets (Net)

(Unit : THB million)

	For the year ended December 31				
	2020	2019	+/-	+/- (%)	2018
Property, plant and equipment	29,998	32,523	(2,525)	(8%)	35,459
Intangible assets	10,128	10,844	(716)	(7%)	10,309
Other non-current assets	283	317	(34)	(11%)	288

Capital expenditures (CAPEX) spending for Property, Plant and Equipment during the period was THB 732 million. Some of the key CAPEX projects during 2020 were as follows;

- Suphanburi aggregate quarry overburden stripping of THB 39 million
- Vietnam Hon Chong second line palletizer system of THB 23 million
- Vietnam clay pit extension of THB 20 million
- Thi Vai cement mill of THB 16 million

Depreciation charges for the year amounted to THB 2,854 million. An additional THB 169 million related to assets disposals, impairment and write-off were recorded during the year.

Since the overseas business units operated under different functional currencies, they were subjected to currency translation into Thai Baht. As a result of the Thai Baht appreciation over the year, losses from translation of property, plant and equipment in overseas subsidiaries into Thai Baht amounted to THB 148 million.

Intangible assets mainly consisted of mining concession, computer software, customer relationship, brands and the right to use of assets. Amortization charges for the year was THB 545 million. Loss from translation of intangible assets in overseas subsidiaries into Thai Baht was THB 203 million.

Funding

As at 31 December 2020, the capital structure of the Group consisted of net financial debt, including lease liabilities, at THB 21,017 million (gross financial debt amount of THB 28,693 million, net of cash and cash equivalents amount of THB 7,676 million) and shareholders' equity of THB 34,712 million. This represented a net financial debt to equity ratio of 0.61 times which was reduced from prior year (2019: 0.76 times).

Short-Term and Long-Term Debt

The gross financial debt included debentures consisting of a series of unsubordinated and unsecured debentures at varying maturity which are prudently spread across the years to avoid concentration risk as outlined below;

Issued date	Amount Million Baht	Due date
29 April 2016	4,000	2024, 2026
9 May 2017	12,000	2024, 2027, 2029

The proceeds of debenture were mainly used to finance the acquisitions of overseas businesses during the past years. In addition, the Group carried long term loans from financial institutions and lease liabilities amounting THB 8,499 million and short-term loan including current portion of long-term loan and lease liabilities of THB 4,219 million.

Shareholder's Equity

As at 31 December 2020, shareholders' equity amounted to THB 34,712 million (2019: THB 32,671 million). This position consists of accumulated reserves, share premium and retained earnings amounting to THB 41,124 million, netted off with a negative currency translation adjustment of THB 7,760 million. Non-controlling interests of the subsidiaries equaled to THB 1,348 million.

Analysis of Cash Flow Statement

The Group reported a cash and cash equivalent balance of THB 7,676 million as at 31 December 2020 which was used to maintain sufficient liquidity during the pandemic. Net cash generated from operating activities was THB 8,932 million (2019: THB 7,586 million) mainly due to higher net profit and improved net working capital.

Net cash from investing activities amounted to THB 17 million, mainly contributed by dividends received from joint venture and associated companies and a decrease in other non-current assets amounting to THB 667 million and THB 51 million, respectively, partially offset by acquisitions of property plant and equipment, net of disposal, of THB 705 million. (2019: net cash used in investing activities was THB 1,434 million).

Net cash outflows from financing activities of THB 6,006 million (2019: THB 3,855 million) was primarily related to the total dividend paid amounting to THB 1,453 million and repayment of bank overdraft and short-term loans from financial institution, debenture and lease liabilities at a net amount of THB 4,300 million during the year.

Financial Statement

Consolidated Statements of Financial Position

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	7,676	10%	4,821	6%	2,647	3%
Trade and other receivables	4,835	6%	5,456	7%	5,433	8%
Derivative assets	4	-	1	-	6	-
Inventories	3,374	4%	4,608	6%	4,872	6%
Advance payments for purchases of goods	360	-	80	-	303	-
Non-current assets held for sale	60	-	65	-	-	-
Other current assets	258	-	394	1%	361	-
TOTAL CURRENT ASSETS	16,567	21%	15,424	20%	13,622	17%
NON-CURRENT ASSETS						
Restricted bank deposits	17	-	17	-	12	-
Investment in joint venture	1,896	2%	1,973	3%	1,985	2%
Investments in associated companies	2,077	3%	2,069	4%	2,041	4%
Investment properties	319	-	315	-	315	-
Property, plant and equipment	29,998	39%	32,523	42%	35,459	45%
Right-of-use assets	1,747	2%	-	-	-	-
Assets not used in operations	61	-	65	-	65	-
Goodwill	13,476	17%	13,594	17%	14,585	19%
Intangible assets	10,128	13%	10,844	14%	10,309	13%
Deferred tax assets	1,101	1%	1,064	1%	882	1%
Other non-current assets	283	-	317	-	288	-
TOTAL NON-CURRENT ASSETS	61,103	79%	62,782	80%	65,941	83%
TOTAL ASSETS	77,670	100%	78,206	100%	79,563	100%

Consolidated Statements of Financial Position (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term loans from related financial institution	120	-	100	-	160	-
Bank overdrafts and short-term loans from other financial institutions	3,356	4%	2,588	3%	3,968	5%
Trade and other payables	4,294	6%	5,684	7%	5,626	7%
Current portion of long-term loans from related financial institution	-	-	-	-	90	-
Current portion of long-term loans from other financial institutions	339	-	539	1%	342	-
Current portion of lease liabilities	404	1%	-	-	-	-
Current portion of liabilities under finance lease contracts	-	-	12	-	10	-
Current portion of debentures	-	-	2,999	4%	-	-
Current portion for long-term liabilities for concession and license fee	114	-	28	-	-	-
Current derivative liabilities	-	-	-	-	16	-
Income tax payable	637	1%	770	1%	613	1%
Deferred revenue	843	1%	901	1%	781	1%
Accrued electricity	288	-	243	-	254	-
Other accrued expenses	1,336	2%	1,330	2%	1,476	2%
Other current liabilities	231	-	219	-	244	-
TOTAL CURRENT LIABILITIES	11,962	15%	15,414	19%	13,580	16%

Consolidated Statements of Financial Position (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Long-term loans from other financial institution - net of current portion	7,239	9%	7,437	10%	7,371	9%
Lease liabilities - net of current portion	1,260	2%	-	-	-	-
Liabilities under finance lease contracts - net of current portion	-	-	37	-	17	-
Debentures - net of current portion	15,975	21%	15,971	20%	18,966	24%
Long-term liabilities for concession and license fee - net of current portion	1,045	1%	1,072	1%	-	-
Non-current derivative liabilities	222	-	-	-	-	-
Provision for long-term employee benefits	2,479	3%	2,810	4%	2,150	3%
Provision for site restoration and decommissioning costs	343	-	160	-	128	-
Deferred tax liabilities	2,320	3%	2,507	3%	2,669	3%
Other non-current liabilities	113	-	127	-	141	-
TOTAL NON-CURRENT LIABILITIES	30,996	39%	30,121	38%	31,442	39%
TOTAL LIABILITIES	42,958	55%	45,535	58%	45,022	56%
SHAREHOLDERS' EQUITY						
Share capital						
Registered						
298,000,000 ordinary shares of Baht 10 each	2,980	-	2,980	-	2,980	-
Issued and fully paid up						
298,000,000 ordinary shares of Baht 10 each	2,980	4%	2,980	4%	2,980	4%
Share premium	26,413	34%	26,413	34%	26,413	33%
Retained earnings	-	-	-	-	-	-
Appropriated - statutory reserve	300	-	300	-	300	-
Unappropriated	11,431	15%	8,973	11%	8,426	11%
Other components of shareholders' equity	(7,760)	(10%)	(7,272)	(9%)	(5,088)	(6%)
Equity attributable to owners of the Company	33,364	43%	31,394	40%	33,031	42%
Non-controlling interests of the subsidiaries	1,348	2%	1,277	2%	1,510	2%
TOTAL SHAREHOLDERS' EQUITY	34,712	45%	32,671	42%	34,541	44%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	77,670	100%	78,206	100%	79,563	100%

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from contract with customers	42,000	100%	47,593	99%	44,764	99%
Other income	174	-	339	1%	276	1%
Total Revenues	42,174	100%	47,932	100%	45,040	100%
Expenses						
Cost of sales	27,337	65%	31,836	67%	28,195	63%
Cost of services	644	1%	627	1%	1,105	2%
Selling and distribution expenses	6,625	16%	8,120	17%	8,248	18%
Administrative expenses	1,955	5%	2,071	4%	2,212	5%
Other expenses	120	-	389	1%	270	1%
Total expenses	36,681	87%	43,043	90%	40,030	89%
Operating profit	5,493	13%	4,889	10%	5,010	11%
Share of profit from investments in joint venture	477	1%	318	1%	73	-
Share of profit from investments in associated companies	109	-	218	-	257	1%
Finance income	76	-	59	-	-	-
Finance cost	(1,374)	(3%)	(1,459)	(3%)	(1,350)	(3%)
Profit before income tax expenses	4,781	11%	4,025	8%	3,990	9%
Income tax expenses	(756)	(1%)	(698)	(1%)	(569)	(1%)
Profit for the year	4,025	10%	3,327	7%	3,421	8%
Profit attributable to:						
Equity holders of the Company	3,680	9%	3,157	7%	3,021	7%
Non-controlling interests of the subsidiaries	345	1%	170	-	400	1%
	4,025	10%	3,327	7%	3,421	8%
Basic earnings per share						
Profit attributable to equity holders of the Company	12.35		10.59		10.14	
Weighted average number of ordinary shares (Million shares)	298		298		298	

Consolidated Income Statements and Consolidated Statements of Comprehensive Income (continued)

(Unit : THB million)

	2020	2019	2018
Profit for the year	4,025	3,327	3,421
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements in foreign currency	(393)	(2,014)	(2,102)
Gain on cash flow hedge - net of tax	18	-	-
Share of other comprehensive income of joint venture and associated company - exchange differences on translation of financial statements in foreign currency	16	(363)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(359)	(2,376)	(2,102)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) - net of tax	(26)	(226)	20
Share of other comprehensive income of associated companies - actuarial gain (loss)	(4)	1	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(30)	(225)	20
Other comprehensive income for the year	(389)	(2,602)	(2,082)
Total comprehensive income for the year	3,636	726	1,339
Total comprehensive income attributable to:			
Equity holders of the Company	3,304	747	951
Non-controlling interests of the subsidiaries	332	(22)	388
	3,636	726	1,339

Consolidated Statements of Cash Flows

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash flows from operating activities						
Profit before tax	4,781	100%	4,025	100%	3,990	100%
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Share of profit from investment in joint venture and associated companies	(586)	(12%)	(536)	(13%)	(330)	(8%)
Depreciation and amortization	3,935	82%	3,330	83%	3,268	82%
Allowance for doubtful accounts	-	-	57	1%	-	-
Reduction of inventory to net realisable value (reversal)	29	1%	66	2%	67	2%
Impairment loss on financial assets	49	1%	-	-	-	-
Loss (gain) on disposal of non-current asset held for sale	23	-	(87)	(2%)	-	-
Allowance for impairment loss of non-current assets held for sale	6	-	8	-	-	-
Increase (decrease) in allowance for impairment loss on non-financial assets	(87)	(2%)	134	3%	2	-
Net Loss on disposals/write-off of property, plant and equipment, assets not used in operation and intangible assets	191	4%	183	5%	258	6%
Provision for long-term employee benefits and other provisions	206	4%	487	12%	218	5%
Amortisation of deferred income from grants related to assets	(9)	-	(9)	-	(6)	-
Net loss (gain) on derivative instruments at fair value through profit or loss	(3)	-	(16)	-	-	-
Unrealised loss (gain) on exchange	3	-	(4)	-	(18)	-
Interest income	(76)	(2%)	(59)	(1%)	(39)	(1%)
Interest expenses	1,282	27%	1,328	33%	1,212	30%
Profit from operating activities before changes in operating assets and liabilities	9,744	203%	8,907	223%	8,623	216%

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Operating assets (increase) decrease :						
Trade and other receivables	574	12%	(79)	(2%)	357	9%
Inventories	1,206	25%	199	5%	(1,002)	(25%)
Advance payments for purchases of goods	(281)	(6%)	223	6%	31	1%
Other current assets	100	2%	(70)	(2%)	(85)	(2%)
Operating liabilities increase (decrease) :						
Trade and other payables	(75)	(2%)	188	5%	1,218	31%
Accrued expenses and other current liabilities	114	2%	(12)	-	(289)	(7%)
Provision for long-term employee benefits	(591)	(12%)	(88)	(2%)	(129)	(3%)
Provision for site restoration	(8)	-	(4)	-	(4)	-
Other non-current liabilities	(7)	-	(5)	-	(2)	-
Cash from operating activities	10,776	224%	9,259	233%	8,717	220%
Interest received	77	2%	58	1%	37	1%
Interest paid	(911)	(19%)	(1,079)	(27%)	(964)	(24%)
Cash paid for income tax	(1,010)	(21%)	(653)	(16%)	(802)	(20%)
Net cash from operating activities	8,932	186%	7,586	191%	6,988	177%

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash flows from investing activities						
Decrease (increase) in restricted bank deposits	-	-	(6)	-	-	-
Proceeds from disposals of non-current asset held for sale	35	1%	99	2%	-	-
Proceeds from disposal of property, plant and equipment and assets not used in operation	40	1%	14	-	62	2%
Cash paid for business acquisition	-	-	-	-	(204)	(5%)
Cash received from land deposit	-	-	-	-	25	1%
Cash received from grants related to assets	-	-	-	-	129	3%
Acquisitions of property, plant and equipment	(745)	(16%)	(1,476)	(37%)	(2,217)	(56%)
Advance payment for acquisition of right-of-use assets	(3)	-	-	-	-	-
Increase in intangible assets	(28)	(1%)	(195)	(5%)	(237)	(6%)
Decrease (increase) in other non-current assets	51	1%	(29)	(1%)	(2)	-
Dividend received	667	14%	158	4%	224	6%
Net cash used in investing activities	17	-	(1,435)	(37%)	(2,220)	(55%)

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash flows from financing activities						
Net increase (decrease) in short-term loans from related financial institution	20	-	(60)	(1%)	20	1%
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(438)	(9%)	(1,181)	(29%)	(756)	(19%)
Repayment of long-term loans from related financial institution	-	-	(90)	(2%)	(180)	(5%)
Increase in long-term loans from other financial institution	3,171	66%	605	15%	398	10%
Repayment of long-term loans from other financial institutions	(3,561)	(74%)	(302)	(8%)	(328)	(8%)
Payment of lease liabilities	(492)	(10%)	-	-	-	-
Cash paid for liabilities under finance lease contracts	-	-	(13)	-	(52)	(1%)
Cash paid for redemption of debentures	(3,000)	(63%)	-	-	-	-
Dividend paid	(1,453)	(30%)	(2,596)	(64%)	(2,737)	(69%)
Payment of liabilities for acquisitions of concession	(6)	-	-	-	-	-
Interest paid	(221)	(5%)	(218)	(5%)	(212)	(5%)
Cash paid for other finance costs	(26)	(1%)	-	-	-	-
Net cash from (used in) financing activities	(6,006)	(126%)	(3,855)	(94%)	(3,847)	(96%)
Increase (decrease) in translation adjustments	(83)	(2%)	(123)	(3%)	18	-
Net increase (decrease) in cash and cash equivalents	2,860	60%	2,173	54%	939	24%
Cash and cash equivalents at beginning of year	4,821	101%	2,647	65%	1,707	42%
Effect of change in foreign exchange rate on cash at banks	(5)	-	1	-	1	-
Cash and cash equivalents at end of year	7,676	161%	4,821	120%	2,647	66%

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Supplemental disclosures of cash flows information :						
Non-cash related transactions from investing activities:	265		336		506	
Payables from acquisitions of property, plant and equipment and intangible assets	26		81		-	
Long-term liabilities for license fee	-		-		37	
Transferred investment properties to non-current asset held for sale						
Transferred property, plant and equipment to non-current assets held for sale	38		73		-	
Transferred property, plant and equipment to intangible assets	-		198		199	
Transferred property, plant and equipment to assets not used in operations	-		26		4	
Transferred intangible assets to property, plant and equipment	-		-		6	
Transferred right-of-use assets to non-current assets held for sale	4		-		-	
Transferred assets not used in operations to non-current assets held for sale	21		-		-	
Transferred assets not used in operations to property, plant and equipment	4		-		-	
Transferred intangible assets to property, plant and equipment	17		-		-	
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	58		28		(8)	
Increase in right-of-use assets from provision for decommissioning costs	3		-		-	

Consolidated Statements of Cash Flows (continued)

(Unit : THB million)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Non-cash related transactions from financing activities:						
Increase in long-term liabilities from obtaining mining concession	-		990		-	
Acquisitions of right-of-use assets under lease contracts	140		-		-	
Increase (decrease) in assets and liabilities from lease reassessment/modification						
- Right-of-use assets	(51)		-		-	
- Finance lease receivables	-		-		-	
- Lease liabilities	(49)		-		-	
- Provision for decommissioning costs	(7)		-		-	
Acquisitions of equipment under finance lease contracts	-		33		24	

Financial Ratio of Siam City Cement Public Company Limited and its subsidiaries

	Unit	2020	2019	2018
Liquidity ratios				
Current ratio	Times	1.39	1.00	1.00
Quick ratio	Times	1.05	0.67	0.59
Cash flows from operating activities to current liabilities ratio	Times	0.65	0.52	0.33
Accounts receivable turnover	Times	7.81	8.47	7.77
Days receivable outstanding	Days	47	43	47
Finished good turnover	Times	25.28	25.76	25.06
Days Finished good outstanding	Days	14	14	15
Inventory turnover	Times	6.85	6.72	6.43

Financial Ratio of Siam City Cement Public Company Limited and its subsidiaries (continued)

	Unit	2020	2019	2018
Days inventory outstanding	Days	53	54	57
Accounts payable turnover	Times	5.61	5.74	5.78
Days payable outstanding	Days	65	64	63
Cash cycle	Days	36	34	41
Profitability ratios				
Gross profit margin	%	33	32	35
Operating profit margin	%	13	10	12
Other profit margin	%	0.13	-0.10	-0.12
Cash flows from operating activities on net income margin	%	160	155	134
Net income margin	%	9	7	7
Return on shareholders' equity	%	11	9	9
Efficiency ratios				
Return on assets	%	5	4	4
Return on fixed assets	%	21	18	18
Total assets turnover	Times	0.54	0.61	0.56
Financial policy ratios				
Debt - to - equity ratio	Times	1.24	1.39	1.30
Interest coverage ratio	Times	8.93	6.89	7.49
Interest bearing debt to EBITDA ratio	Times	2.84	2.98	3.50
Debt service coverage ratio	Times	2.39	2.77	1.97
Dividend payout ratio on net profit	%	73	76	79



**Additional Information 2020
(Attachment)**

Stronger Regional Footprint

**Solidly Positioned for
Consolidated Growth**

Contents

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Attachment 4	Details of Key Operation Assets
Attachment 5	Policies and details concerning the corporate governance, Code of Business Conduct and Chaters (Full Version)

Information of the Board of Directors, Executives, Group Chief Financial Officer,
Chief Accountant, and Company Secretary

Director and Executive Information

Name	Mr. Paul Heinz Hugentobler								
Age	71 years								
Position	Chairman of the Board of Directors								
Appointed since	13 August 1998								
Company's shareholding ratio (%) as of 31 Dec 2020	0%								
Family relationship among executives	NIL								
Education	<p>Certificate:</p> <ul style="list-style-type: none"> - International Senior Management Program, Harvard Business School, U.S. <p>Master Degree:</p> <ul style="list-style-type: none"> - Lic.oec.HSG, Graduated School, St. Gallen, Switzerland <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - B.S.C. in Civil Engineering, Swiss Federal Institute of Technology, Zurich, Switzerland 								
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table> <tr> <td>Mar 2017 – Present</td><td>Chairman of the Board of Directors</td></tr> <tr> <td>Jul 2014 – Present</td><td>Chairman of Nomination and Compensation Committee</td></tr> <tr> <td>Jul 2014 – May 2017</td><td>Member of Governance and Risk Committee</td></tr> <tr> <td>2001 – Mar 2017</td><td>Vice Chairman</td></tr> </table> <p>Lanna Resources Public Company Limited/ Coal Mining</p>	Mar 2017 – Present	Chairman of the Board of Directors	Jul 2014 – Present	Chairman of Nomination and Compensation Committee	Jul 2014 – May 2017	Member of Governance and Risk Committee	2001 – Mar 2017	Vice Chairman
Mar 2017 – Present	Chairman of the Board of Directors								
Jul 2014 – Present	Chairman of Nomination and Compensation Committee								
Jul 2014 – May 2017	Member of Governance and Risk Committee								
2001 – Mar 2017	Vice Chairman								

“Attachment 1”

2000 – Present Director

Holcim Company Limited/ Cement Producer

2002 – Feb 2014 Member of the Executive Committee

Other Company

Siam City Concrete Company Limited (Subsidiary)/ Ready-mixed Concrete and Aggregates

Jul 2017 – May 2019 Chairman

Siam City Cement (Vietnam) Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)

Apr 2017 – May 2019 Chairman

Siam City Cement Trading Company Limited (Subsidiary)/ Cement and Raw Material Trading

Mar 2017 – May 2019 Chairman

Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement Manufacturing (Registered in Bangladesh)

Mar 2016 – May 2019 Chairman

Siam City Cement (Lanka) Limited (Subsidiary)/ Cement Manufacturing (Registered in Sri Lanka)

Aug 2016 – May 2019 Chairman

Chip Mong INSEE Cement Corporation/ Cement Producer (Registered in Cambodia)

Dec 2015 – May 2019 Director

Training Experience

INSEAD, Fontainebleau, France:

2015 Leading from the Chair

“Attachment 1”

Name	Mr. Vanchai Tosomboon														
Age	71														
Position	Director														
Appointed since	14 June 2004														
Company's shareholding ratio (%) as of 31 Dec 2020	0.0330% direct holding of 98,456 shares, no indirect or Nominee holding														
Family relationship among executives	NIL														
Education	Master Degree: <ul style="list-style-type: none"> - MBA, Asian Institute of Management, Philippines Bachelor Degree: <ul style="list-style-type: none"> - Bachelor of Laws, Thammasat University 														
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table> <tr> <td>Jul 2014 – Present</td><td>Member of Nomination and Compensation Committee</td></tr> <tr> <td>Jan 2012 – Present</td><td>Advisor</td></tr> <tr> <td>Jun 2004 – Present</td><td>Director</td></tr> <tr> <td>Jul 2014 – Mar 2020</td><td>Member of Governance and Risk Committee</td></tr> </table> <p>Lanna Resources Public Company Limited/ Coal Mining</p> <table> <tr> <td>Jan 1999 – Present</td><td>Director</td></tr> </table> <p>Other Company</p> <p>Chip Mong INSEE Cement Corporation/ Cement Producer (Registered in Cambodia)</p> <table> <tr> <td>Dec 2015 – Present</td><td>Director</td></tr> </table> <p>Krungsri Securities Public Company Limited/ Securities Business</p> <table> <tr> <td>Aug 2014 – Present</td><td>Independent Director and Member of Audit Committee</td></tr> </table>	Jul 2014 – Present	Member of Nomination and Compensation Committee	Jan 2012 – Present	Advisor	Jun 2004 – Present	Director	Jul 2014 – Mar 2020	Member of Governance and Risk Committee	Jan 1999 – Present	Director	Dec 2015 – Present	Director	Aug 2014 – Present	Independent Director and Member of Audit Committee
Jul 2014 – Present	Member of Nomination and Compensation Committee														
Jan 2012 – Present	Advisor														
Jun 2004 – Present	Director														
Jul 2014 – Mar 2020	Member of Governance and Risk Committee														
Jan 1999 – Present	Director														
Dec 2015 – Present	Director														
Aug 2014 – Present	Independent Director and Member of Audit Committee														

Siam City Cement (Vietnam) Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)

Apr 2017 – May 2019 Director

Siam City Cement (Lanka) Limited (Subsidiary)/ Cement Manufacturing (Registered in Sri Lanka)

Aug 2016 – May 2019 Director

Conwood Company Limited (Subsidiary)/ Construction Material

Feb 2002 – Mar 2016 Director

Training Experience

Thai Institute of Directors (IOD)

2020 Board Nomination and Compensation Program
(BNCP) Class 9/2020

2015 Corporate Governance for Capital Market
Intermediaries Class 10/2015 (CGI)
Advanced Audit Committee Program Class 19/2015
(AACP)

2004 Director Accreditation Program Class 7/2004 (DAP)

2001 Director Certificate Program Class 7/2001 (DCP)

**International Institute of Management Development (IMD),
Switzerland**

2006 Senior Management Program

2002 Breakthrough Program for Senior Executives

2000 Managing Corporate Resources

“Attachment 1”

Name	Ms. Nopporn Tirawattanagool														
Age	66 years														
Position	Director														
Appointed since	23 April 2012														
Company's shareholding ratio (%) as of 31 Dec 2020	0%														
Family relationship among executives	NIL														
Education	Master Degree: <ul style="list-style-type: none"> - Master of Accounting, Thammasat University Bachelor Degree: <ul style="list-style-type: none"> - Bachelor of Business Administration (in Accounting), Thammasat University 														
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <table> <tr> <td>Jul 2014 – Present</td><td>Member of Nomination and Compensation Committee</td></tr> <tr> <td>Apr 2012 – Present</td><td>Director</td></tr> <tr> <td>Jul 2014 – Mar 2020</td><td>Member of Governance and Risk Committee</td></tr> </table> Bank of Ayudhya Public Company Limited/ Commercial Bank <table> <tr> <td>Jan 2015 – Present</td><td>Member of Risk and Compliance Committee</td></tr> <tr> <td>Jan 2014 – Present</td><td>Director (Authorized Signatory)</td></tr> <tr> <td>Apr 2010 – Present</td><td>Member of Nomination and Remuneration Committee</td></tr> <tr> <td>Apr 2010 – Present</td><td>Director</td></tr> </table>	Jul 2014 – Present	Member of Nomination and Compensation Committee	Apr 2012 – Present	Director	Jul 2014 – Mar 2020	Member of Governance and Risk Committee	Jan 2015 – Present	Member of Risk and Compliance Committee	Jan 2014 – Present	Director (Authorized Signatory)	Apr 2010 – Present	Member of Nomination and Remuneration Committee	Apr 2010 – Present	Director
Jul 2014 – Present	Member of Nomination and Compensation Committee														
Apr 2012 – Present	Director														
Jul 2014 – Mar 2020	Member of Governance and Risk Committee														
Jan 2015 – Present	Member of Risk and Compliance Committee														
Jan 2014 – Present	Director (Authorized Signatory)														
Apr 2010 – Present	Member of Nomination and Remuneration Committee														
Apr 2010 – Present	Director														

“Attachment 1”

Grand Canal Land Public Company Limited/ Real Estate

Apr 2016 – Present Director

May 2015 – Apr 2016 Director (Authorized Signatory)

Srivichaivejvivat Public Company Limited/ Hospital

Oct 2014 – Present Director

Allianz Ayudhya Capital Public Company Limited (formerly Sri Ayudhya Capital Public Company Limited)/ General Insurance

May 2013 – Present Member of Nomination and
Remuneration Committee

Apr 2013 – Present Director

Other Company

BBTV Asset Management Limited/ Advertisement and Holdings

Apr 2017 – Present Director (Authorized Signatory)

CKS Holding Company Limited/ Holding

May 2015 – Present Director (Authorized Signatory)

Super Assets Company Limited/ Real Estate

May 2015 – Present Director (Authorized Signatory)

C.K.R Company Limited/ Holding

May 2015 – Present Director (Authorized Signatory)

The Bangkok Lighters Company Limited/ Asset Management

May 2015 – Present Director (Authorized Signatory)

The Thai Tapioca Flour Produce Company Limited/ Real Estate

May 2015 – Present Director (Authorized Signatory)

Cyber Venture Company Limited/ Holding

May 2015 – Present Director (Authorized Signatory)

Khao Kheow Country Club Company Limited/ Golf Course

Apr 2015 – Present Director (Authorized Signatory)

Siam Purimongkol Company Limited/ Real Estate

“Attachment 1”

Apr 2015 – Present Director (Authorized Signatory)

Grand Fortune Company Limited/ Real Estate

Dec 2014 – Present Director (Authorized Signatory)

**Bangkok Broadcasting & TV Company Limited/ Television
Broadcasting**

Apr 2014 – Present Director

BBTV Satelvision Company Limited/ Advertisement

Apr 2014 – Present Director (Authorized Signatory)

GL Asset Company Limited/ Advertisement

Apr 2014 – Present Director (Authorized Signatory)

Mahakij Holding Company Limited/ Advertisement and Holding

Apr 2014 – Present Director (Authorized Signatory)

BBTV Production Company Limited/ Advertisement

Apr 2014 – Present Director (Authorized Signatory)

BBTV Alliance Company Limited/ Holding Company

Jan 2014 – Present Director (Authorized Signatory)

**BBTV Bond Street Building Company Limited/ Real Estate
Investment**

Jan 2014 – Present Director (Authorized Signatory)

ITBC Business Consultant Group Company Limited/ IT Consultant

Aug 2012 – Present Director (Authorized Signatory)

**Exclusive Senior Care International Company Limited/
Development of Facilities for Elderly Health Rehabilitation**

Apr 2011 – Present Director (Authorized Signatory)

BBTV International Holdings Company Limited/ Holding

Sep 2010 – Present Director (Authorized Signatory)

Sunrise Equity Company Limited/ Holding

Sep 2010 – Present Director (Authorized Signatory)

BBTV Equity Company Limited/ Office Building Rental

Sep 2010 – Present Director (Authorized Signatory)

Training Experience

Thai Institute of Directors (IOD)

- 2018 National Director Conference “Rising Above Disruptions: A Call for Action”
- 2017 National Director Conference “Steering Governance in a Changing World”
- 2015 Risk Management Program for Corporate Leaders, Class 1/2015 (RCL)
- 2013 Anti-Corruption for Executive Program, Class 7/2013 (ACEP)
- 2011 Financial Institutions Governance Program, Class 2/2011(FGP)
- 2010 Audit Committee Program, Class 31/2010 (ACP)
Director Certification Program, Class 135/2010 (DCP)
- 2009 Role of the Compensation Committee, Class 8/2009 (RCC)
- 2003 Director Accreditation Program, Class 5/2003 (DAP)

PriceWaterHouseCoopers (PwC)

- 2016 Training on International Financial Reporting Standard 9 (IFRS9)

The Stock Exchange of Thailand (SET)

- 2016 CG Forum 2/2016 “Honest, Cautious, Protective for the Director”

By ACIS Professional Center Co., Ltd

- 2017 Strategic IT Governance (for Non-IT)

“Attachment 1”

2016 Seminar on “Cyber Security Awareness Training
for Senior Executive”

Bank of Thailand

2020 Cyber Resilience Leadership: “Tone from the Top”

Others

2020 ESG and Sustainable Banking Development,
including response to the Covid-19 situation

2019 Agile Leadership for Board of Directors
Bangkok Sustainable Banking Forum “An Industry
Wake-up call”

IT Governance & Cyber Resilience
2018 IT Security Trend Update
Future Customer Experience in Financial and
Banking Services

“Attachment 1”

Name	Benjamin Herrenden Birks														
Age	47 years														
Position	Director														
Appointed since	1 October 2019														
Company's shareholding ratio (%) as of 31 Dec 2020	0%														
Family relationship among executives	NIL														
Education	Master Degree: <ul style="list-style-type: none"> - Master of Art with Honors, University of St Andrews, Scotland Certificate: <ul style="list-style-type: none"> - General Management Program, Harvard Business School, USA 														
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table> <tr> <td>Oct 2019 – Present</td><td>Director</td></tr> <tr> <td>Oct 2019 – Present</td><td>Member of Nomination and Compensation</td></tr> </table> <p>Other Company</p> <p>Jardine Cycle and Carriage Limited/ Investment Holding Company (Registered in Singapore)</p> <table> <tr> <td>Oct 2019 – Present</td><td>Group Managing Director</td></tr> </table> <p>Jardine International Motors/ Automotive (Registered in Hong Kong)</p> <table> <tr> <td>Jan – Sep 2019</td><td>CEO</td></tr> </table> <p>Zung Fu Group/ Automotive (Registered in Hong Kong)</p> <table> <tr> <td>2016 – 2018</td><td>CEO</td></tr> </table> <p>Jardine Pacific/ Services Provider (Registered in Hong Kong)</p> <table> <tr> <td>2012 – 2016</td><td>CEO</td></tr> </table> <p>IKEA/ Furniture (Registered in Hong Kong)</p> <table> <tr> <td>2008 – 2012</td><td>CEO</td></tr> </table>	Oct 2019 – Present	Director	Oct 2019 – Present	Member of Nomination and Compensation	Oct 2019 – Present	Group Managing Director	Jan – Sep 2019	CEO	2016 – 2018	CEO	2012 – 2016	CEO	2008 – 2012	CEO
Oct 2019 – Present	Director														
Oct 2019 – Present	Member of Nomination and Compensation														
Oct 2019 – Present	Group Managing Director														
Jan – Sep 2019	CEO														
2016 – 2018	CEO														
2012 – 2016	CEO														
2008 – 2012	CEO														

“Attachment 1”

Name	Dr. Sunee Sornchaitanasuk
Age	58 years
Position	Independent Director and Chairperson of Audit Committee
Appointed since	10 June 2015
Company's shareholding ratio (%) as of 31 Dec 2020	0%
Family relationship among executives	NIL
Education	<p>PhD:</p> <ul style="list-style-type: none"> - Doctor of Management Communication Management Program, Suan Dusit Rajabhat University <p>Master Degree:</p> <ul style="list-style-type: none"> - Master of Industrial Business, King Mongkut's University of Technology North Bangkok <p>Certificate:</p> <ul style="list-style-type: none"> - CPA, Institute of Certified Accounting & Audit of Thailand Certified Public Accountant No. 3733 <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - Bachelor of Accounting, Thammasat University
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <p>Jun 2015 – Present Chairperson of Audit Committee and Independent Director</p> <p>B.Grimm Power Public Company Limited/ Resources, Energy, and Utility</p> <p>Apr 2018 – Present Member of Audit Committee Independent Director</p>

“Attachment 1”

**Namyong Terminal Public Company Limited/ Terminal Service,
Storage Services and Other Services**

2016 – Present Chairperson of Audit Committee and
Independent Director

Other Company

CPA Associate Thailand Company Limited/ Accounting and Audit

2015 – Present Director

**AMC Medical Center (Thailand) Company Limited/ Medical
Equipment**

Mar 2013 – Present CEO

Training Experience

Thai Institute of Directors (IOD)

2020	Strategic Board Master 8/2020 (SBM)
2019	Ethical Leadership Program Class 16/2019 (ELP)
2017	Strategic Board Master Class 1/2017 (SBM)
2013	Successful Formulation and Execution of Strategy Class 17/2013 (SFE)
2008	Role of the Chairman Program Class 18/2008 (RCP) Monitoring the Internal Audit Function Class 2/2008 (MIA) Monitoring the System of Internal Control and Risk Management Class 3/2008 (MIR) Chartered Director Class 3/2008 (CDC)
2007	Quality of Financial Reporting Class 5/2007 (QFR)
2005	Director Diploma Examination 18/2005 (Fellow Member) Audit Committee Program Class 5/2005 (ACP) Director Certification Program Class 53/2005 (DCP)
2004	Director Accreditation Program Class 28/2004 (DAP)

“Attachment 1”

Name	Mr. Robbert Egbert Johannes van der Feltz van der Slood													
Age	59 years													
Position	Independent Director and Member of Audit Committee													
Appointed since	26 March 2020													
Company's shareholding ratio (%) as of 31 Dec 2020	0%													
Family relationship among executives	NIL													
Education	Master Degree: - Economics (Finance and Cost Accounting), Free University, Amsterdam Netherlands													
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <table><tr><td>Mar 2020 – Present</td><td>Member of the Nomination and Compensation</td></tr><tr><td>Mar 2020 – Present</td><td>Member of the Audit Committee and Independent Director</td></tr><tr><td>Mar 2020 – Present</td><td>Director</td></tr></table> Other Company Hilti AG/ Engineering Service (Registered in Lichtenstein) <table><tr><td>2019-2020</td><td>Key Account Manager, Member of the Strategic Management Team, Schaan, Liechtenstein</td></tr><tr><td>2013 – 2019</td><td>President Hilti Asia Pacific, Member of the Executive Management Team, Hongkong</td></tr><tr><td>2010 – 2013</td><td>Region Head CEE, Middle East & Africa, Member of the Executive</td></tr></table>		Mar 2020 – Present	Member of the Nomination and Compensation	Mar 2020 – Present	Member of the Audit Committee and Independent Director	Mar 2020 – Present	Director	2019-2020	Key Account Manager, Member of the Strategic Management Team, Schaan, Liechtenstein	2013 – 2019	President Hilti Asia Pacific, Member of the Executive Management Team, Hongkong	2010 – 2013	Region Head CEE, Middle East & Africa, Member of the Executive
Mar 2020 – Present	Member of the Nomination and Compensation													
Mar 2020 – Present	Member of the Audit Committee and Independent Director													
Mar 2020 – Present	Director													
2019-2020	Key Account Manager, Member of the Strategic Management Team, Schaan, Liechtenstein													
2013 – 2019	President Hilti Asia Pacific, Member of the Executive Management Team, Hongkong													
2010 – 2013	Region Head CEE, Middle East & Africa, Member of the Executive													

“Attachment 1”

2004 – 2009

Management Team, Schaan,
Liechtenstein

Region Head Europe 1, Member of the
Executive Management Team,
Schaan, Liechtenstein

“Attachment 1”

Name	Mr. Charin Satchayan							
Age	54 years							
Position	Independent Director and Member of Audit Committee							
Appointed since	7 April 2016							
Company’s shareholding ratio (%) as of 31 Dec 2020	0%							
Family relationship among executives	NIL							
Education	<p>Master Degree:</p> <ul style="list-style-type: none">- Executive Master of Business Administration, Sasin Graduate Institute of Business, Administration of Chulalongkorn University- Master of Law (LL.M.), (Under patronage of Fulbright Scholarship), Cornell University, U.S.A. <p>Certificate:</p> <ul style="list-style-type: none">- Post Graduate Diploma in Business Law, Thammasat University <p>Bachelor Degree:</p> <ul style="list-style-type: none">- Bachelor of Law (Honours), Ramkhamhaeng University							
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table><tr><td>Apr 2020 – Present</td><td>Member of the Governance Committee</td></tr><tr><td>Apr 2016 – Present</td><td>Member of the Audit Committee and Independent Director</td></tr><tr><td>May 2017 – May 2018</td><td>Member of the Governance and Risk Committee</td></tr></table>		Apr 2020 – Present	Member of the Governance Committee	Apr 2016 – Present	Member of the Audit Committee and Independent Director	May 2017 – May 2018	Member of the Governance and Risk Committee
Apr 2020 – Present	Member of the Governance Committee							
Apr 2016 – Present	Member of the Audit Committee and Independent Director							
May 2017 – May 2018	Member of the Governance and Risk Committee							

Other Company

Tee Hang Nee Co., Ltd./ Property

2020 – Present Managing Director

Craftbrandship Co., Ltd./ Branding

2020 – Present Managing Director

Charin & Associates Limited/ Legal Consult

2011 – Present Managing Partner

Training Experience

Thai Institute of Directors (IOD)

2017 Strategic Board Master 1/2017 (SBM)

2016 Board that Make a Difference Class 2/2016 (BMD)
 Family Business Governance for Sustainability Class
 5/2016 (FBG)

2014 Director Certification Program Class 196/2014 (DCP)

“Attachment 1”

Name	Mr. Stephen Patrick Gore												
Age	48 years												
Position	Director												
Appointed since	1 April 2019												
Company's shareholding ratio (%) as of 31 Dec 2020	0%												
Family relationship among executives	NIL												
Education	Bachelor Degree: <ul style="list-style-type: none"> - B.A. Hons in Politics, Philosophy and Economics, University of Oxford, UK 												
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table> <tr> <td>Apr 2020 – Present</td><td>Chairman of the Governance Committee</td></tr> <tr> <td>Mar 2019 – Present</td><td>Director</td></tr> <tr> <td>Mar 2019 – Mar 2020</td><td>Member of the Governance and Risk Committee</td></tr> </table> <p>Other Company</p> <p>Jardine Cycle and Carriage Limited/ Investment Holding Company (Registered in Singapore)</p> <table> <tr> <td>2019 - Present</td><td>Director and Group Finance Director</td></tr> </table> <p>Jardine Pacific and Jardine Motors/ Automobile (Registered in Hong Kong)</p> <table> <tr> <td>2017 – 2019</td><td>CFO</td></tr> </table> <p>Bank of America Merrill Lynch/ Banking (Registered in United States)</p> <table> <tr> <td>2012 – 2017</td><td>Managing Director</td></tr> </table>	Apr 2020 – Present	Chairman of the Governance Committee	Mar 2019 – Present	Director	Mar 2019 – Mar 2020	Member of the Governance and Risk Committee	2019 - Present	Director and Group Finance Director	2017 – 2019	CFO	2012 – 2017	Managing Director
Apr 2020 – Present	Chairman of the Governance Committee												
Mar 2019 – Present	Director												
Mar 2019 – Mar 2020	Member of the Governance and Risk Committee												
2019 - Present	Director and Group Finance Director												
2017 – 2019	CFO												
2012 – 2017	Managing Director												

	UBS AG/ Banking (Registered in Switzerland)
	1993 – 2012 Managing Director
<hr/>	
Training Experience	Singapore Institute of Director (SID)
	2020 Listed Entity Director Essentials (LED 1)
	Board Dynamics (LED 2)
	Board Performance (LED 3)
	Stakeholder Engagement (LED 4)
	Audit Committee Essentials (LED 5)
	Board Risk Committee Essentials (LED 6)
<hr/>	

Name	Mr. Aidan John Lynam										
Age	60 years										
Position	Director and Group of Chief Executive Officer										
Appointed since	26 March 2019										
Company's shareholding ratio (%) as of 31 Dec 2020	0%										
Family relationship among executives	NIL										
Education	<p>Master Degree:</p> <ul style="list-style-type: none"> - Executive MBA from IMD in Lausanne, Switzerland <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - Honors Degree in Mechanical Engineering from University College Dublin, Ireland 										
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/Cement Producer and Construction Materials</p> <table> <tr> <td>Mar 2019 - Present</td><td>Group CEO</td></tr> <tr> <td>Mar 2019 - Present</td><td>Director</td></tr> </table> <p>Other Company</p> <p>Siam City Concrete Company Limited (Subsidiary)/ Ready-mixed Concrete and Aggregates</p> <table> <tr> <td>May 2019 – Present</td><td>Chairman</td></tr> </table> <p>Siam City Cement Trading Company Limited (Subsidiary)/ Cement and Raw Material Trading</p> <table> <tr> <td>May 2019 – Present</td><td>Chairman</td></tr> </table> <p>Siam City Cement (Lanka) Limited (Subsidiary)/ Cement Manufacturing (Registered in Sri Lanka)</p> <table> <tr> <td>May 2019 – Present</td><td>Director</td></tr> </table>	Mar 2019 - Present	Group CEO	Mar 2019 - Present	Director	May 2019 – Present	Chairman	May 2019 – Present	Chairman	May 2019 – Present	Director
Mar 2019 - Present	Group CEO										
Mar 2019 - Present	Director										
May 2019 – Present	Chairman										
May 2019 – Present	Chairman										
May 2019 – Present	Director										

“Attachment 1”

	Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)
	May 2019 – Present Chairman
	Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement Manufacturing (Registered in Bangladesh)
	May 2019 – Present Chairman
	Chip Mong INSEE Cement Corporation/ Cement Producer (Registered in Cambodia)
	May 2019 – Present Director
	2015 – May 2019 CEO
	INSEE Digital Company Limited (Subsidiary)/ Technical Services and Information Technology Management and Development Services
	2017 – Nov 2019 Chairman
	Holcim Ltd. (currently LafargeHolcim Ltd.)/ Cement Production and Construction Materials (Registered in Switzerland)
	2010 – 2015 Area Manager and member of the senior management
	Holcim Vietnam/ Cement Production and Construction Materials (Registered in Vietnam)
	2010 – 2016 CEO
Training Experience	Thai Institute of Directors (IOD)
	2019 Director Accreditation Program Class 166/2019 (DAP)

“Attachment 1”

Name	Mr. Siva Mahasandana											
Age	57 years											
Position	Director and Chief Executive Officer Siam City Cement Public Company Limited											
Appointed since	7 April 2016											
Company's shareholding ratio (%) as of 31 Dec 2020	0.0728% direct holding of 216,926 shares, no indirect or nominee holding											
Family relationship among executives	NIL											
Education	Master Degree: <ul style="list-style-type: none">- MBA, Finance and Investment (Beta Gamma Sigma), The George Washington University, USA Certificate: <ul style="list-style-type: none">- Advanced Management Program, Harvard Business School, USA Bachelor Degree: <ul style="list-style-type: none">- Mechanical Engineering, Chulalongkorn University											
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <table><tr><td>Mar 2019 – Present</td><td>Member of Group Executive Committee</td></tr><tr><td>Apr 2016 – Present</td><td>Director and Chief Executive Officer</td></tr><tr><td>Feb 2015 – Apr 2016</td><td>Deputy Chief Executive Officer</td></tr><tr><td>Feb 2015 – Feb 2016</td><td>Senior Vice President (Marketing & sales)</td></tr><tr><td>Jan 2012 – Jan 2015</td><td>Senior Vice President (Saraburi Operations)</td></tr></table>		Mar 2019 – Present	Member of Group Executive Committee	Apr 2016 – Present	Director and Chief Executive Officer	Feb 2015 – Apr 2016	Deputy Chief Executive Officer	Feb 2015 – Feb 2016	Senior Vice President (Marketing & sales)	Jan 2012 – Jan 2015	Senior Vice President (Saraburi Operations)
Mar 2019 – Present	Member of Group Executive Committee											
Apr 2016 – Present	Director and Chief Executive Officer											
Feb 2015 – Apr 2016	Deputy Chief Executive Officer											
Feb 2015 – Feb 2016	Senior Vice President (Marketing & sales)											
Jan 2012 – Jan 2015	Senior Vice President (Saraburi Operations)											

“Attachment 1”

Lanna Resources Public Company Limited/ Coal Mining

2016 – Present Director

Other Company

Siam City Power Company Limited (Subsidiary)/ Electricity Generation from Waste Heat

May 2019 – Present Chairman and CEO

Mar 2016 – Mar 2017 Chairman

Globe Cement Company Limited (Subsidiary)/ Cement Manufacturing

Sep 2019 - Present CEO

May 2019 - Present Chairman

Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)

Apr 2017 – Present Director

Siam City Cement Trading Company Limited (Subsidiary)/ Cement and Raw Material Trading

Mar 2017 – Present Director

Siam City Concrete Company Limited (Subsidiary)/ Ready-mixed Concrete and Aggregates

Jul 2017 – Present Director

Feb 2015 – Jul 2017 Chairman

2004 – Jan 2012 CEO

INSEE Digital Company Limited (Subsidiary)/ Technical Services and Information Technology Management and Development Services

Mar 2016 – Present Director

Thai Cement Manufacturer Association

Feb 2015 – Feb 2020 Chairman

INSEE Superblock Company Limited (Subsidiary)/ Light-Weight Concrete Products

Mar 2016 – Apr 2020 Chairman

Conwood Company Limited (Subsidiary)/ Construction Material

“Attachment 1”

Feb 2015 – Apr 2020 Chairman
PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural
and Decorative Building Materials Producer (Registered in Indonesia)
Apr 2015 – Apr 2020 President Commissioner
Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement
Manufacturing (Registered in Bangladesh)
May 2016 – May 2019 Director
INSEE Ecocycle Company Limited (Subsidiary)/ Industrial Waste
Disposal and Alternative Fuel and Raw Material Trading and Industrial
Cleaning Service Business
Mar 2016 – May 2019 Chairman
Siam City Cement (Lanka) Limited (Subsidiary)/ Cement
Manufacturing (Registered in Sri Lanka)
Aug 2016 – May 2019 Director

Training Experience

Thai Institute of Directors (IOD)
2018 Role of the Chairman Program (RCP)
2015 Corporate Governance for Executive Class
SCCC/2015 (CGE)
2015 Director Certification Program Class 206/2015 (DCP)

Thailand Energy Academy
2013 Senior Management Program of Energy Literacy (Vor
Por Nor 7)

International Institute of Management Development (IMD), Switzerland
2007 Senior Leadership Program
2005 Senior Management Program

“Attachment 1”

Name	Mr. Mark Anatol Schmidt	
Age	50 years	
Position	Group Chief Financial Officer	
Appointed since	1 April 2019	
Company's shareholding ratio (%) as of 31 Dec 2020	0%	
Family relationship among executives	NIL	
Education	Master Degree: <ul style="list-style-type: none"> - MBA, Finance, Fribourg University, Switzerland Certificate: <ul style="list-style-type: none"> - Swiss Certified Accountant, Expert Suisse, Zurich, Switzerland - Advanced Management Program, Harvard Business School, Cambridge, USA 	
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <div style="display: flex; justify-content: space-between;"> April 2019 - Present Member of Group Executive Committee – Group Chief Financial Officer (Group CFO) </div> Other Company INSEE Digital Company Limited (Subsidiary)/ Technical Services and Information Technology Management and Development Services <div style="display: flex; justify-content: space-between;"> Nov 2019 – Present Chairman </div> PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural and Decorative Building Materials Producer (Registered in Indonesia) <div style="display: flex; justify-content: space-between;"> Jun 2019 – Present Commissioner </div> Conwood Company Limited (Subsidiary)/ Construction Material <div style="display: flex; justify-content: space-between;"> May 2019 – Present Director </div>	

“Attachment 1”

	Siam City Cement (Lanka) Limited (Subsidiary)/ Cement Manufacturing (Registered in Sri Lanka)
	May 2019 – Present Director
	Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)
	May 2019 – Present Director
	Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement Manufacturing (Registered in Bangladesh)
	May 2019 – Present Director
	Holcim Indonesia, Jakarta (Indonesia)/ Cement Manufacturing (Registered in Indonesia)
	2015 - Feb 2019 CFO Indonesia
	Holcim Brazil, Sao Paulo (Brazil)/ Cement Manufacturing (Registered in Brazil)
	2014 – 2015 CFO Brazil
	Holcim Group Services, Zurich (Switzerland)/ Cement Manufacturing (Registered in Switzerland)
	2010 - 2014 Head Corporate Holding
Training Experience	The Stock Exchange of Thailand (SET)
	2019 e-Learning CFO's Orientation Program
	Thai Institute of Directors (IOD)
	2019 Director Accreditation Program Class 166/2019 (DAP)
	IOSH
	2016 Managing Safely Course
	IMD, Lausanne, Switzerland
	2015 Holcim Future Leadership Course

LEAN Institute, Brazil

2014 LEAN management

State Accountancy Board, Wilmington, USA

Certified Public Accountant Examination

“Attachment 1”

Name	Mr. Philippe Bernard Richart	
Age	54 years	
Position	Chief Executive Officer Siam City Cement (Vietnam) Limited	
Appointed since	1 March 2019	
Company's shareholding ratio (%) as of 31 Dec 2020	0%	
Family relationship among executives	NIL	
Education	Master Degree: <ul style="list-style-type: none"> - MBA in International Business, George Washington University, Washington D.C., USA Bachelor Degree: <ul style="list-style-type: none"> - Civil Engineer, Ecole des Hautes Etudes Industrielles, Lille, France 	
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <p>2019 – Present Member of Group Executive Committee- CEO of Siam City Cement (Vietnam) Limited (CEO SCCVN)</p> <p>Other Company</p> <p>INSEE Ecocycle Company Limited (Subsidiary)/ Industrial Waste Disposal and Alternative Fuel and Raw Material Trading and Industrial Cleaning Service Business</p> <p>May 2019 – Present Chairman</p> <p>Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement Manufacturing (Registered in Bangladesh)</p> <p>May 2019 – Present Director</p>	

“Attachment 1”

Siam City Cement (Vietnam) Limited (Subsidiary)/ Cement
Manufacturing (Registered in Vietnam)

2017 – Present CEO

Siam City Cement (Lanka) Limited (Subsidiary)/ Cement
Manufacturing (Registered in Sri Lanka)

2016 – Dec 2016 CEO and Director

Lafarge Holcim (formerly called Holcim)/ Cement Manufacturing
(Registered in Sri Lanka)

2013 – June 2015 CEO and Managing Director

Holcim, Vietnam/ Cement Manufacturing (Registered in Vietnam)

2007 – 2012 RMX Director

“Attachment 1”

Name	Ms. Anuttara Panpothong											
Age	48 years											
Position	Group HR & Talents and SVP P&OP											
Appointed since	1 November 2017											
Company's shareholding ratio (%) as of 31 Dec 2020	0.0001% (direct holding of 261 shares, no indirect or nominee holding)											
Family relationship among executives	NIL											
Education	Master Degree: <ul style="list-style-type: none">- MBA, Finance and Investment, The George Washington University, Washington D.C., USA Bachelor Degree: <ul style="list-style-type: none">- BBA, Finance and Banking (First Class Honors), Thammasat University											
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/Cement Producer and Construction Materials <table><tr><td>Mar 2019 – Present</td><td>Member of Group Executive Committee - Group HR and Talents</td></tr><tr><td>Nov 2017 – Present</td><td>Senior Vice President (People and Organizational Performance)</td></tr></table> TATA steel (Thailand) Public Company Limited/Steel Producer and Distributor <table><tr><td>Mar 2018 – Present</td><td>Independent Director</td></tr><tr><td>Mar 2018 – Present</td><td>Member of the Audit Committee</td></tr><tr><td>Mar 2018 – Present</td><td>Member of the Corporate Governance, Nomination and Remuneration Committee</td></tr></table>		Mar 2019 – Present	Member of Group Executive Committee - Group HR and Talents	Nov 2017 – Present	Senior Vice President (People and Organizational Performance)	Mar 2018 – Present	Independent Director	Mar 2018 – Present	Member of the Audit Committee	Mar 2018 – Present	Member of the Corporate Governance, Nomination and Remuneration Committee
Mar 2019 – Present	Member of Group Executive Committee - Group HR and Talents											
Nov 2017 – Present	Senior Vice President (People and Organizational Performance)											
Mar 2018 – Present	Independent Director											
Mar 2018 – Present	Member of the Audit Committee											
Mar 2018 – Present	Member of the Corporate Governance, Nomination and Remuneration Committee											

“Attachment 1”

Unilever Thailand/Consumer Good Producer

Sep 2015 – Oct 2017 Vice President (Human Resources)

Bank of Ayudhya Public Company Limited/Commercial Bank

Jul 2010 – Aug 2015 First Executive Vice President, Group
Head of Human Resources and
Internal Communication

Ayudhya Allianz CP, Thailand/Insurance

Jan 2009 – Jun 2010 Chief Officer Human Resources
Department

Other Company

Siam City Cement (Lanka) Limited (Subsidiary)/Cement Manufacturing (Registered in Sri Lanka)

May 2019 – Nov 2020 Director

Siam City Concrete Company Limited (Subsidiary)/Ready-mixed Concrete and Aggregates

Mar 2018 – Apr 2020 Director

Conwood Company Limited (Subsidiary)/Architectural and Decorative Building Materials Producer

Dec 2017 – May 2019 Director

Training Experience

Thai Institute of Directors (IOD)

2019 Strategic Board Master Class 6/2019 (SBM)

2018 Director Certificate Program Class 265 (DCP)

“Attachment 1”

Name	Mr. Benjamin William Pinney
Age	56 years
Position	Group Strategy Transformation and Performance
Appointed since	1 February 2020
Company's shareholding ratio (%) as of 31 Dec 2020	0%
Family relationship among executives	NIL
Education	<p>PhD:</p> <ul style="list-style-type: none"> - History and Sociology of Science and Technology, Massachusetts Institute of Technology, USA <p>Master Degree:</p> <ul style="list-style-type: none"> - Architecture, Princeton University, USA <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - Political Economy, Williams College, USA
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <p>Feb 2020 – Present Member of Group Executive Committee – Group Strategy Transformation and Performance</p> <p>Other Company</p> <p>Johnson Controls/ Mechanical or Industrial Engineering (Registered in China)</p> <p>2014 – 2019 Vice President, Strategy and Transformation, Asia Pacific</p> <p>Steppes Consulting/ Consultant</p> <p>2012 – 2014 Founder and Vice President</p> <p>Boston Consulting Group/ Consultant</p> <p>2001 – 2012 Principal</p>

Details of Company Secretary and the Person Supervising Accounting

Name	Ms. Phatchada Muenthong										
Age	54 years										
Position	Company Secretary										
Appointed since	24 July 2018										
Company's shareholding ratio (%) as of 31 Dec 2020	0.000012% (direct holding of 36 shares, no indirect or nominee holding)										
Family relationship among executives	NIL										
Education	Master Degree: <ul style="list-style-type: none"> - Master of Laws, University of Michigan, USA - Master of Laws, Chulalongkorn University Bachelor Degree: <ul style="list-style-type: none"> - Bachelor of Laws, Chulalongkorn University (2nd Class Honors) 										
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table> <tr> <td>Apr 2020 – Present</td><td>Governance Committee and Secretary of the Governance Committee</td></tr> <tr> <td>July 2018 – Present</td><td>Company Secretary</td></tr> </table> <p>Other Company</p> <p>Company Secretary Company Limited/ Company Secretary service provider</p> <table> <tr> <td>2017 – Present</td><td>Managing Director/ Advisor</td></tr> </table> <p>Able & Primpton Company Limited / Legal service provider</p> <table> <tr> <td>2017 – Present</td><td>Legal Advisor</td></tr> </table> <p>Big C Supercenter Public Company Limited/ Retailer</p> <table> <tr> <td>2012 – 2016</td><td>GRC Director</td></tr> </table>	Apr 2020 – Present	Governance Committee and Secretary of the Governance Committee	July 2018 – Present	Company Secretary	2017 – Present	Managing Director/ Advisor	2017 – Present	Legal Advisor	2012 – 2016	GRC Director
Apr 2020 – Present	Governance Committee and Secretary of the Governance Committee										
July 2018 – Present	Company Secretary										
2017 – Present	Managing Director/ Advisor										
2017 – Present	Legal Advisor										
2012 – 2016	GRC Director										

Training Experience	Thai Institute of Directors (IOD)
	2020 Seminar GRC Series EP.3: ESG Driven Boardroom from "Purpose" to "Performance" Seminar IOD House for Company Secretary
	2015 Director Accreditation Program Big C
	2012 Anti-Corruption: The Practical Guide
	Chulalongkorn University
	Law and practice for company secretary
	Holcim, Switzerland
	2007 Management Seminar September 2007, Zurich, Switzerland via Siam City Cement Public Company Limited
	Others
	2019 SEC Capital Market Symposium 2019 Capital Market Enhancement Project for Good Governance Honor on an Auspicious Occasion Coronation Ceremony

“Attachment 1”

Name	Mr. Kasem Makrailert	
Age	47 years	
Position	Head of Group Accounting, IR and Shared Services	
Appointed since	1 July 2018	
Company's shareholding ratio (%) as of 31 Dec 2020	0.0006% (direct holding of 1,876 shares, no indirect or nominee holding)	
Family relationship among executives	NIL	
Education	Master Degree: <ul style="list-style-type: none"> - Master of Science in Finance (International Program), Chulalongkorn Bachelor Degree: <ul style="list-style-type: none"> - Business Administration in Accounting, Assumption University 	
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <div style="display: flex; justify-content: space-between;"> <div>Feb 2018 - Present</div> <div>Head of Group Accounting, IR and Shared Services</div> </div> <div style="display: flex; justify-content: space-between;"> <div>2013 - 2013</div> <div>Corporate Finance Department Manager</div> </div> <div style="display: flex; justify-content: space-between;"> <div>2011 - 2012</div> <div>Business Analysis and Process Improvement, Department Manager</div> </div> Other Company Italthai Engineering Co., Ltd./ Engineering <div style="display: flex; justify-content: space-between;"> <div>2013 - 2017</div> <div>Chief Financial Officer</div> </div> Italthai Engineering Myanmar Co., Ltd./ Engineering <div style="display: flex; justify-content: space-between;"> <div>2017</div> <div>Managing Director</div> </div> Diageo Moet Hennessy (Thailand) Co., Ltd./ Importer and distributor of premium wines and spirits <div style="display: flex; justify-content: space-between;"> <div>Oct 2013 - Jan 2017</div> <div>Commercial Finance Manager</div> </div>	

Training Experience	Thai Institute of Directors (IOD)
	2016 Director Certificate Program Class 228 (DCP)

“Attachment 1”

The Management of the Company who are Members of the Board of Directors of the Subsidiary and Affiliated Companies, as of 31 December 2020

Remarks: “/” = Director “//” = Executive Director “X” = Chairman of the Board

Name of Management	SCCC	Subsidiaries														Associated Company	Joint Venture
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	A	B
Mr. Paul Heinz Hugentobler	X															/	
Mr. Vanchai Tosomboon	/															/	/
Mr. Aidan John Lynam	//	X								X	/	X	X				/
Mr. Siva Mahasandana	//	/			//, X			/	//, X			/	/			/	
Mr. Mark Anatol Schmidt			/	/				X		/	/	/					
Mr. Philippe Bernard Richart							X			/							
Mr. Benjamin William Pinney			X	X		X											

SCCC = Siam City Cement Public Company Limited

Subsidiaries: 1 = Siam City Concrete Company Limited

2 = Conwood Company Limited

3 = PT. Conwood Indonesia

4 = Siam City Power Company Limited

5 = INSEE Superblock Company Limited

6 = INSEE Ecocycle Company Limited

7 = INSEE Digital Company Limited

8 = Globe Cement Company Limited

9 = Siam City Cement (Bangladesh) Limited

10 = Siam City Cement (Lanka) Limited

11 = Siam City Cement (Vietnam) Limited

12 = Siam City Cement Trading Limited

13 = INSEE Ecocycle Lanka (private) Limited

14 = Mahaweli Marine Cement (Private) Ltd.

Associated: A = Lanna Resources Public Company Limited

B = Chip Mong INSEE Cement Corporation

“Attachment 2”

Information of the Directors of Significant Subsidiaries

Directors of Subsidiary Company as of 31 December 2020 (the subsidiaries that generates over 10% of the Company's consolidated revenue, as of 31 December 2020)

Subsidiaries Directors	1	2	3
Mr. Aidan John Lynam	X	X	X
Mr. Siva Mahasandana	/	/	/
Mr. Mark Anatol Schmidt			/
Mr. Somchai Laohverapanich	/		
Mr. Craig Bickley Stewart	//		
Mr. Kerry James Chia Beng Lee		//	
Mr. Phillipe Richart			///
Mr. Tinnawat Mahatharadol			/
Mr. Alain Cany			/
Mr. Beat Hans Wafler			/

Remarks

X = Chairman / = Director // = Executive Director /// = Executive

1 = Siam City Concrete Company Limited

2 = Siam City Cement Trading Company Limited

3 = Siam City Cement (Vietnam) Limited (Registered in Vietnam)

Information of Head of Group Internal Audit and Compliance

Name	Mr. Ranjan Sachdeva
Age	52 years
Position	Head of Group Internal Audit and Compliance
Appointed since	October 2017
Company's shareholding ratio (%) as of 31 Dec 2020	0%
Family relationship among executives	NIL
Education	<p>Certificate:</p> <ul style="list-style-type: none"> - Certificate Internal Auditor, The Institute of Internal Auditor - IIA, Florida, USA <p>Master Degree:</p> <ul style="list-style-type: none"> - MBA (Corporate and International Finance) University of Leicester, UK <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - Bachelor of Engineering (Mechanical), Thapar Institute of Engineering and Technology University, India
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/Cement Producer and Construction Materials</p> <p>Oct 2017 - Present Head of Group Internal Audit and Compliance</p> <p>Vedanta Public Company Limited, INDIA/ Metal, Mining, Oil and Gas</p> <p>Sep 2015 - Sep 2017 Group Commercial Director</p> <p>Other Company</p> <p>Holcim in India/ Cement and Ready – Mixed Producer</p> <p>2013 - Aug 2015 Chief Procurement Officer</p>

“Attachment 3”

	2011 - Apr 2013	Regional Internal Audit Director (Holcim) South Asia, Training Experience: Singapore and Malaysia
	ACC Limited (Holcim in India) – Ready Mixed Producer	
	Apr 2007 - 2010	Head of Internal Audit - ACC Limited (Holcim in India)
Training Experience	<hr/> BY THAI INSTITUTE OF DIRECTORS (IOD) 2020 Director Accreditation Program Class 173/2020 BY HOLCIM, ZURICH, SWITZERLAND 2012 Holcim Compliance Framework BY HOLCIM, ENGELBERG, SWITZERLAND 2011 Holcim Internal Audit BY INTERNATIONAL INSTITUTE FOR MANAGEMENTDEVELOPMENT (IMD), LAUSANNE, SWITZERLAND 2010 Senior Management Program BY NESTLE, RIVE REINE, SWITZERLAND 2000 Controlling at Nestle <hr/>	

Details of Key Operation Assets

Assets

Property, Plant and Equipment

Objective: For business operations of the Company and its subsidiaries as at 31 December 2020

	Type of rights	SCCC	Subsidiaries	Total
Land, mineral reserve and site restoration	Owner	1,154	2,165	3,319
Building and structures	Owner	2,301	5,441	7,742
Machinery and equipment	Owner	8,018	9,312	17,330
Furniture, fixtures and office equipment	Owner	227	253	480
Motor vehicles	Owner	311	213	524
Assets under construction and installation	Owner	118	485	603
Total Property, Plant and Equipment		12,129	17,869	29,998

Remark : Property, Plant and Equipment are not mortgaged.

Intangible assets

	Type of rights	SCCC	Subsidiaries	Total
Mining concession	Owner	2,865	131	2,996
Computer software	Owner	136	1,169	1,305
Customer relationship	Owner	56	1	57
Brands	Owner	-	2,663	2,663
Right of use	Owner	-	2,722	2,722
Other intangible assets	Owner	77	93	170
Intangible assets under development	Owner	496	-281	215
Total Intangible Assets		3,630	6,498	10,128

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, 177 of which were registered in Thailand and 152 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 Kaengkhohi 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.

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 attachment 5

“Attachment 4”

Re-evaluation of assets during the fisca

I year

- None –

Detail of Asset Appraisal

- None -

Policies and Practices concerning the Corporate Governance, Code of Business Conduct, and Charters (Full Version)

Overview of Corporate Governance of the Company in 2020

As a result of continuing and consistent compliance with good corporate governance policies, the Company remains its competitiveness, good performance, resilience and good citizen for the society with continuing target to minimize environmental impact. In 2020, the Company was recognized for its corporate governance performance as follows:

- CGR at excellent level for 5th consecutive year;
- Recertified member of the Private Sector Collective Action Coalition Against Corruption (CAC) until 30 June 2023;
- Chosen for 2nd consecutive year as a company in SET THSI Index, which is an option for responsible investment;
- Chosen as a security in the ESG 100 list as assessed by Thaipat Institute, which is an option for investment in a listed company with outstanding ESG performance.

Changes of Directors, Board Committees and Executives in 2020 are as follows:

- 1) Directors who retired by rotation and did not stand for re-election, or retired according to the Company's Policy are Mr. Pongpinit Tejagupta, Dr. h. c. Harald Link, and Mr. Pradap Pibulsonggram.
- 2) New director appointed by the Annual General Meeting No.27 on 26 March 2020 is Mr. Robbert Egbert Johannes van der Feltz van der Sloot. The Board of Directors appointed him as a member of the Audit Committee and the Nomination and Compensation Committee, effective on 27 March 2020.
- 3) New member of the Group Executive Committee appointed by the Board of Directors is Mr. Benjamin William Pinney. He holds the position of Group Strategy, Transformation and Performance, effective on 1 February 2020.

Alignment with the Principles of the Corporate Governance Code for Listed Companies 2017 (CG Code 2017)

The Governance Committee was assigned to annually review key policies concerning corporate governance and good practices of the corporate governance principles from related authorities, such as, the principles of the CG Code - SEC, CGR - IOD, AGM Checklist – TIA and make recommendation to the Board of Directors.

In 2020, the Board of Directors agreed that a minor no- alignment area has no impact on the governance of the Company, i.e., the case that the Chairman is not an independent director. However, the Board of Directors agreed that as the Chairman and the Group CEO are different

people, and each has clear and separate roles and responsibilities. The Chairman made decision independently under the best interest of the Company and not under influence of the management. Therefore, there is no impact on good corporate governance of the Company. Details of roles and responsibilities of the Chairman and the Group CEO are in the appendix.

The significant Company's performance on the corporate governance principles under the CG Code 2017 is the following:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

Conduct the business under the Code of Business Conduct to enforce honest organization and follow Company values

Code of Business Conduct

According to the Company's Value to do business with staying true and doing what is right, the Company's Board of Directors has set the written of Code of Business Conduct to set the international standards to ensure that the Directors, Management, and employees of the SCCC Group perform their duties with integrity and honesty. The Code of Business Conduct is available under the Company's website and disclosed in the annual report.

The Company has provided training of Code of Business Conduct to ensure that all persons in the organization have awareness, starting from new employee orientation to yearly refresh training for all employees, to create the basement of the Company's culture, leading to sustainable development of the Group.

To ensure all employees have good understanding and working in compliance with the Code of Business Conduct properly. The employees have to do the test regarding the compliance with the Code of Business Conduct in annually. This is the way for monitoring and developing the understanding and communication in according to the Code of Business Conduct. The employees who didn't pass the test were forced to get more learning and do the test until pass with full score.

Board of Directors with Leadership Role

The Board of Directors determine their specific roles and responsibilities in the Organizational Regulations. They hold a standing meeting to discuss the business direction, strategy and resource allocation in December. They scheduled the meetings and set key agenda well in advanced, to ensure that all Directors can allocate their time without an issue and can effectively follow-up with Management.

Mechanism to support the Board of Directors and Management to comply with the laws, with due care and without conflict of interest

The Board of Directors established policies and practices as mechanism to help them perform the due care, to comply with the laws, and not to have a conflict of interest. For example, Insider Trading Policy, Conflict of Interest Policy, Related Party Transactions Policy, report of securities holding, report of directorship, report of the conflict of interest and the related person, and preclusion from discussion and voting in the agenda that he/she has a conflict of interest, etc.

Group of gatekeepers include the Group Internal Control and Compliance and Company Secretary. They provide useful information to the Directors to discharge the responsibilities and perform according to the law, the Articles of Association, and the resolutions of the shareholders.

As part of due care of the Board of Directors, they approved the Manual of Authority to ensure that important decisions are reviewed and approved according to the thresholds, such as decisions require review by operation teams or Group EXCOM or Board of Directors.

Principle 2: Define Objectives that Promote Sustainable Value Creation

The Board of Directors has defined the business objectives in compatibility with the value creation of the business, customers, stakeholders and the society.

The Board of Directors has defined the Vision, Mission and Values as follows:

Vision:

We will continue to build our long heritage of shared loyalty, creating trust and long lasting relationships with our business partners, our people and our community. We will work hard to achieve the best business attitude, values and sustainable future for all our stakeholders.

Mission:

SCCC provides 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.

Values:

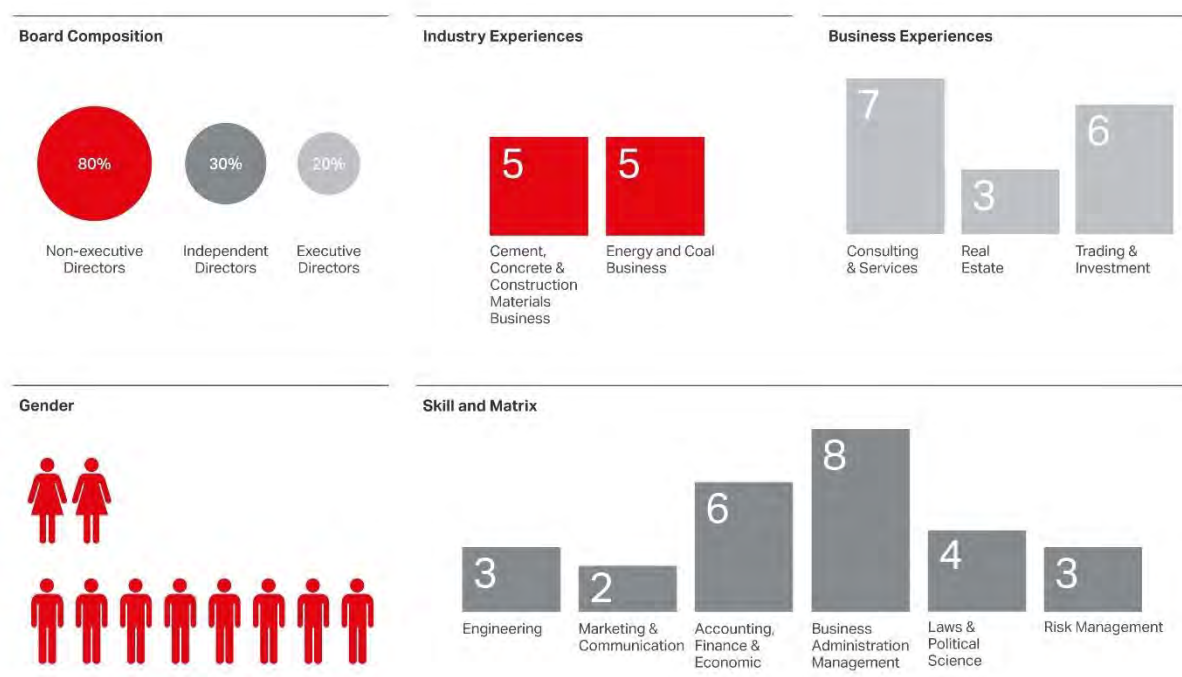
Working as a team. Doing what is right. Challenging conventions. Caring about our future.

The Board of Directors has ensured the annual review/preparation of strategy and business plan that are aligned with the business objectives and goal by taking into account the current business environmental factors, opportunity, and expected risk. Furthermore, the Board of Directors has supported to set out and review the mid-term objectives and strategies of 3-5 years and ensured that the analyses on environmental conditions, factors and risks which may contingently affect stakeholders and value chains including other factors which may adversely affect the business objective attainment are conducted.

Principle 3: Strengthen Board Effectiveness

Board Composition is evolved and suitable

Composition, skill and experience of the current Board of Directors is presented in the following info-graphic.



The Board of Directors assigned the Nomination and Compensation Committee to review and make recommendations regarding board structure, size and composition, and the proportion of Independent Directors as suitable for its determination and review. Upon having considered, the Board of Directors is of the opinion that its current size, composition, skill and experience are suitable with the Company’s business strategy.

Director Nomination leads to effective Board of Directors

The Board of Directors assigned the Nomination and Compensation Committee to consider the nomination requirement and candidate selection criteria for the qualified person with useful skill and experience for the Company's business including business acumen. The Company hired a recruitment advisory company for the search of qualified candidates from both local and international resource who meet requirements of the Nomination and Compensation Committee. In this regard, the Nomination and Compensation Committee had carefully considered the candidates, to ensure that the candidate has knowledge and experience can support the Company's business and also qualified under the relevant laws. Then the Nomination and Compensation Committee shall consider and make recommendation to the Board of Directors to further recommend to the Shareholders for approval with sufficient information.

Each director appointment requires affirmative votes from majority of shares. In addition, the Company provided opportunity to the shareholders to propose qualified candidate for consideration of the General Meeting of Shareholders.

Qualifications of Independent Directors

The Independent Directors has independency from the Management and major Shareholders of the Company. The Company's qualifications of independent director are more stringent than requirements of the law on the maximum shareholding in the Company, with following details:

1. Holding not over zero point five per cent (0.5%) of the voting shares of the Company or the Company's parent Company, subsidiary, associated Company, major shareholder or controlling person. The shares hold by the Independent Director's related person are counted as if they are held by the independent Director;
2. Neither being nor a previous Management, a major shareholder, an Executive Director, employee, staff, paid advisor, or controlling person of the Company or the Company's parent Company, subsidiary, associated Company, same-level subsidiary of common parent, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the Office. Such prohibited characteristics shall not apply in the case where the independent Director holds or being used to hold such position as representative of a government unit which is a major shareholder or controlling person of the Company;
3. Not being, whether by consanguinity or affinity, parent, spouse, sister, brother, child, the child's spouse, of any Executive, major shareholder, controlling person, or person to be nominated as an Executive or a controlling person of the Company or the Company's subsidiary;
4. Neither having nor being used to have a business relationship with the Company, its parent Company, subsidiary, associated Company, major shareholder or controlling person, in a manner which may interfere with his independent judgment, and neither being nor used to be

the Management, a major shareholder, a significant shareholder or controlling person of any person having a business relationship with the Company, the Company's parent Company, subsidiary, associated Company, major shareholder or controlling person, unless the foregoing relationship has already ended for a period of not less than two years prior to the date of filing an application with the Office.

The term 'business relationship' in the first paragraph includes any normal business transaction, rental or lease of immovable property, transaction related to assets or services or granting or receiving financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other transaction of similar nature, which results in that the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board and the governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness includes indebtedness occurring during the period of one year prior to the date on which the business relationship with the person is commenced;

5. Neither being nor a previous auditor of the Company, the Company's parent Company, subsidiary, associated Company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs the auditors of the Company, the Company's parent Company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended for a period of not less than two years prior to the date of filing an application with the Office;
6. Neither being nor a previous provider of any professional services, including legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, the Company's parent Company, subsidiary, associated Company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended for a period of not less than two years prior to the date of filing an application with the Office;
7. Not being a Director appointed as representative of Directors of the Company, major shareholder or shareholder who is related to a major shareholder;
8. Not doing business of the same nature and in competition with that of the Company or the Company's subsidiary, or not being a significant partner in a partnership or being an Executive Director, employee, staff, paid advisor or holding shares over one percentage of the total voting shares of other Company which undertakes business of the same nature and in competition with that of the Company or the Company's subsidiary;
9. Not having bad or characteristics which would impair the ability to express independent opinions with regard to the Company's business operations.

Qualifications of Directors

The Board of Directors is composed of fully qualified members and does not possess any prohibited characteristics under the Public Limited Companies Act B.E. 2535, including its amendments and supplements thereto, Securities and Exchange Act B.E. 2535, including amendments and supplements thereto, as well as relevant rules and notifications determined by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the other governing bodies. The Board of Directors possess diversified skills, professional skills, specialized expertise, useful experience and understanding of the corporate business nature. Consideration is also taken on other attributes to achieve diversification across the entire Board, such as educational background, age, sex, diversified professional skills, specialized knowledge, including among other things like the cement industry, laws, accounting and finance, etc. And in the exercise of Board functions, there shall be at least 1 non-executive Director that has related experienced in doing company business. (Currently, the Board of Directors has 2 non-executive directors out of 10 directors who are experienced in cement industry.)

Process of Director Appointment

Directors are appointed by the meeting of shareholders in accordance with Article 12 of the Articles of Association. In summary, each share has one vote and the Company proposed the shareholders to appoint directors on an individual basis. A shareholder cannot split votes for each director appointment.

Appointment of director by the Board of Directors shall comply with the requirement of Article 14 of the Articles of Association. In summary, the Board of Directors can only appoint a director to fulfil director vacancy other than by rotation, unless the remaining term is less than two months. In such case, the appointment shall be passed by the resolution of three/forth of the remaining directors. The replacing director shall serve only the remaining term of the replaced director.

Effectiveness and Evaluation of the Board of Directors

Balance of Power between the Chairman and the Group CEO

The Organizational Regulations is the critical framework for organization of the Board of Directors. It clearly separates the responsibilities between the Chairman and the Group CEO to balance the power and create transparency under the principle of the corporate governance. Details appear in the section of Charters.

Meetings of the Board of Directors and Board Committees

All directors perform their duty with care. They allocated adequate time for their performance. The Chairman and the Group CEO specify the meeting agenda of the Board of Directors. The Company Secretary helps review legal compliance of the agenda in accordance with the laws, the Articles of Association and the Manual of Authority.

Number of meetings of the Board of Directors is suitable with their roles and responsibilities and the Company's business. In 2020, there were 9 meetings and Management communicated the update of performance and implementation plan as assigned by the Board of Directors on a monthly basis.

The Board of Directors supports the Group CEO to invite relevant management personnel to participate at the meeting during the concerned agenda in order to introduce them to the Board of Directors.

The Board of Directors sets a policy to limit number of directorships at 5 Thai listed companies in the Corporate Governance Policy to ensure the effectiveness of the Board of Directors. Currently, none of director exceeds this limit. For the executive, the Company does not have a policy to allow an executive to serve as a director more than 2 companies, except subsidiaries, associated and joint venture companies as the Company has to assign an executive for monitoring purpose. Taking directorship in other company requires consent from the Board of Directors. The Board of Directors requires a report of directorship in other companies to the Board of Directors and disclosure in the Annual Report.

The Chairman leads the meeting among the non-executive directors without participation from the management (NED Meeting), to freely discuss and make comments / recommendations to the management. The Chairman will convey such comments / recommendation to the Group CEO.

In 2020, meeting attendance of every director represent 99 percent of all meetings of the Board of Directors. Details of meeting participation by each director are the following.

Director	Position	Total Attendances/ Total Meetings						
		Annual General Meeting (exclude EGM)	Board Meeting	Audit Committee Meeting	Governance and Risk Committee Meeting (end at 31 Mar)	Governance Committee Meeting (since 1 April 2020)	Nomination and Compensation Committee Meeting	Non-executive Director Meeting
Non-executive Directors								
Mr. Paul Heinz Hugentobler	Chairman	*	9/9	-	-	-	5/5	2/2
Mr. Vanchai Tosomboon	Director	*	9/9	-	1/1	-	5/5	2/2
Ms. Nopporn Tirawattanagool	Director	1/1	9/9	-	-	-	5/5	2/2
Mr. Benjamin Herrenden Birks	Director	*	9/9	-	-	-	5/5	2/2
Mr. Stephen Patrick Gore	Director	*	9/9	-	1/1	2/2	-	2/2
Dr. Sunee Sornchaitanasuk	Chairperson of Audit Committee	1/1	9/9	11/11	-	-	-	2/2
Mr. Charin Satchayan	Member of Audit Committee	1/1	8/9	11/11	-	2/2	-	2/2
Mr. Robbert Egbert Johannes van der Feltz van der Sloot	Member of Audit Committee	-	5/5	8/8	-	-	2/2	1/1
Executive Directors								
Mr. Aidan John Lynam	Group CEO	1/1	9/9	-	-	-	-	
Mr. Siva Mahasandana	CEO	1/1	9/9	-	-	-	-	

* AGM was held during the pandemic of COVID-19. Directors who reside overseas or in high risk situation had to refrain from the meeting

Director Training and Development

The Board of Directors encourages people who involve with the governance to receive continuing training, such as, Directors, members of Board Committees, Executives and Management, Company Secretary, etc., so that continuing development can be maintained. Governance training included IOD courses in Thailand or overseas or other courses.

When a new director is appointed, Company Secretary shall provide important information or information useful for performing as a director, such as, Board Manual, Organizational Regulations, Code of Business Conduct. In addition, Management shall provide orientation in order to introduce the new director to the business and compliance of the Company.

Directors received training information in relation to directorship and the Company's business which will help the Directors to understand roles and responsibilities of directors. All Directors devoted themselves to the Company's business and would like to perform their duties with care, honesty, and for the Company's benefit.

To date, more than 80% of the Directors have passed director training from IOD (or similar institute).

No.	Directors	Training Courses until end of 2020
1.	Mr. Paul Heinz Hugentobler	- Leading from the Chair (INSEAD) 2015
2.	Mr. Vanchai Tosomboon	- DAP 7/04, DCP 7/01, AACP 19/15, CGI 10/15, BNCP 9/20*
3.	Ms. Nopporn Tirawattanagool	- DAP 5/03, RCC 8/09, DCP 135/10, ACP 31/10, FGP 2/11, ACEP 7/13, RCL 1/15, IOD National Director Conference 2018
4.	Mr. Stephen Patrick Gore	- Listed Entity Director Essentials (LED 1), Board Dynamics (LED 2), Board Performance (LED 3), Stakeholder Engagement (LED 4), Audit Committee Essentials (LED 5) and Board Risk Committee Essentials (LED 6) (held by Institute of Director in Singapore)
5.	Dr. Sunee Sornchaitanasuk	- DAP 28/04, ACP 5/05, DCP 53/05, MIA 2/08, MIR 3/08, QFR 5/07, RCP 18/08, SBM 1/17, ELP 16/19, SBM 8/2020*
6.	Mr. Charin Satchayan	- DCP 196/14, BMD 2/16, FBG 5/16, SBM 1/2017
7.	Mr. Aidan John Lynam	- DAP 166/2020
8.	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18

* Attended in 2020.

Director Remuneration is Related to the Related Responsibilities

The Board of Director assigned the Nomination and Compensation Committee to consider the directors' remuneration on transparency process and propose to the shareholders for approval yearly. The process shall include criteria of remuneration for each position of the Director. Composition of remuneration has to be appropriate and adequate to encourage the Board of Directors to lead the organization to the goal, both short and long term, but the remuneration shall not be excessive.

Criteria of Director Remuneration

The Nomination and Compensation Committee shall consider remuneration of the Board of Directors and the Board Committees based upon the appropriateness and alignment with responsibilities of the Board of Directors and Board Committees including other criteria such as business performance of the Company, business environment, while encouraging the Board of Directors to lead the Company to meet the short and long-term goal, and comparable with the same industry, then propose to the Board of Directors who further propose to the shareholders for approval.

Payment of director remuneration is transparent and made according to the principle approved by the Shareholders Meeting. Latest shareholders approval was from the AGM No.27 on 26 March 2020, as follows:

Remunerations of directors consist of monthly director fees and/or meeting fees, and bonuses. Payments of remunerations of directors shall be made in accordance with the following principle from the day the resolution is passed by a vote of the Shareholders onwards and until the Shareholders’ Meeting determines otherwise.

Directors’ Remuneration: The Board members shall receive monthly director fees and/or meeting fees (as the case may be), at the aggregated amount of not more than the annual budget of Baht 30 million. The Board of Directors shall allocate accordingly.

Directors’ Bonuses: The Board members shall receive the annual bonuses in the aggregated amount of not exceeding Baht 7 million. The Board of Directors shall allocate accordingly.

Other Benefits for Directors: None

The provisions of the foregoing paragraphs shall not affect the right of any officers or employees of the Company who are elected as directors to receive their remunerations and benefits as officers or employees of the Company.

Monthly director fees and/or meeting fees proposed for 2020 is under the same annual budget of the previous year, not more than Baht 30 million.

<u>Position</u>	<u>Baht/person/month</u>	<u>Baht/person/meeting</u>
Board of Directors - Chairman - Director	200,000 100,000	(None)
Audit Committee - Chairman - Director	150,000 100,000	(None)
Nomination and Compensation Committee - Chairman - Director	80,000 60,000	(None)
Governance and Risk Committee (Jan-Mar) - Chairman - Director	80,000 60,000	(None)
Governance Committee (April onwards) - Chairman - Director	(None)	80,000 60,000

Budget for Directors’ Bonuses proposed for Shareholders approval in 2020 is same as that the Shareholders approved in 2020, which is not more than Baht 7 million.

Details of Remuneration received in 2020 by each Director are as follow:

List of Directors		Total of Director Fee Paid in 2020 (THB)				Bonus Paid in 2020 (THB)	Total Amount Paid in 2020 (THB)	
		Board of Directors	Audit Committee	Governance Committee (Apr 2020 onward)	Governance and Risk Committee (Jan to Mar 2020)			Nomination & Compensation Committee
Non-Executive Directors								
1	Mr. Paul Heinz Hugentobler	2,400,000	-	-	-	960,000	420,000	3,780,000
2	Mr. Vanchai Tosomboon	1,200,000	-	-	180,000	720,000	330,000	2,430,000
3	Ms. Nopporn Tirawattanagool	1,200,000	-	-	180,000	720,000	330,000	2,430,000
4	Mr. Pongpinit Tejagupta*	300,000	-	-	240,000	-	270,000	810,000
5	Mr. Benjamin Herrenden Birks	1,200,000	-	-	-	720,000	60,000	1,980,000
6	Mr. Stephen Patrick Gore	1,200,000	-	160,000	180,000	-	180,000	1,720,000
Independent Directors								
7	Dr.h.c. Harald Link*	300,000	-	-	-	180,000	240,000	720,000
8	Dr. Sunee Sornchaitanasuk	1,200,000	1,800,000	-	-	-	375,000	3,375,000
9	Mr. Pradap Pibulsonggram*	300,000	300,000	-	-	-	300,000	900,000
10	Mr. Charin Satchayan	1,200,000	1,200,000	120,000	-	-	300,000	2,820,000
11	Mr. Robbert Egbert Johannes van der Feltz van der Sloot**	916,667	916,667	-	-	550,000	-	2,383,333
Executive Directors								
12	Mr. Aidan John Lynam	1,200,000	-	-	-	-	112,500	1,312,500
13	Mr. Siva Mahasandana	1,200,000	-	-	-	-	150,000	1,350,000
	Total						3,067,500	30,105,250

Remark

* Retired at the AGM No.27 on 26 March 2020.

** Appointed as a new Director, effective on 27 March 2020.

Accrued amount of director remuneration payable in 2021 is the bonus of the year 2020 for THB 2,867,917, allocated by the Board of Directors as approved by the Shareholders Meeting.

Corporate Governance for Subsidiaries and Associated Company

Director Nomination for Subsidiaries and Associated Company

The Nomination and Compensation Committee was assigned to consider the qualified person and propose to the Board of Directors for consideration and approval and further recommend to the respective Subsidiaries and Associated Company. The director nominations were considered from the related Executives, whereby the number of nominations is responding with the percentage of shareholding by the Company.

The Company's representatives who are nominated by the Board of Directors shall be responsible to ensure that the operations of the Subsidiaries and/or Associated Company are aligned with the policies and direction of the Company. As a parent company, the Board of Directors shall clearly determine responsibilities of the nominated directors and review the responsibilities from time to time as appropriate, and also ensure that nominated directors comply with the laws.

Decision making for important matters of the Group was designed to follow procedure and approval process which are set according to the project value or transaction and certain matters require review by the Board Committees. The procedure and approval process are designed to ensure the agile and transparency management, at the same time easy to communicate. The Board of Directors shall consider and approve such procedure and approval process (Manual of Authority).

Direction on ordinary operations was communicated through annual budget planning and quarterly business performance report at the meeting of the Board of Directors of Subsidiaries, participated by the Company's representatives. In parallel the Board of Directors of the Company set a routine agenda on acknowledgment of the business performance of Subsidiaries. Hence, the Board of Directors is confident that the Company has adequate supervision and internal control for its Subsidiaries. In addition, the related party transaction between the Subsidiaries and connected persons, the acquisition and disposal of the assets, or important transactions of the Subsidiaries shall require resolution from the Board of Directors or the Shareholders of the Company (as applicable).

Furthermore, the Company has set reporting standard to ensure that important reports from Subsidiaries are on the like-for-like basis, for easy internal control. And also, the Board of Directors designed the Organization Structure of the Company and the Subsidiaries in a way that it requires dotted reporting line to the Group or requires crossed-functional decision from the designed management of the Group. The internal control system of the Subsidiaries is the same or aligned with the Company's system. CEO and management of the Subsidiaries shall work on both proactive and collaborative with the Executives and management of the Company who help to ensure a complete disclosure of the Subsidiaries on business and financial performance, related party transaction, acquisition and disposal of important assets, capital increase and reduction, and other important transactions.

Overseeing Subsidiaries and Associated Companies

The Board of Directors has set a mechanism for overseeing the management and operations of its subsidiaries and associated companies, to protect its investment. Local subsidiaries are wholly owned by the Company; therefore, no shareholders agreement is required. The Company had a long-term investment in Lanna Resources Public Co., Ltd (“Lanna”), an associated company. However, we never entered into a shareholders agreement with Lanna, but proposed nominate some representatives for appointment as directors of Lanna, in order to join the important decisions. The shareholders agreement for joint venture company in Cambodia (Chip Mong INSEE Cement Corporation) allows the Company to protect its minority interest in important matters, and carefully safeguarding its investment. The Board of Directors considers matters of subsidiaries and associated companies, in order to monitor internal and risk controls effectively.

Performance Evaluation of the Board of Directors

The Board of Directors and Board Committees conduct a self-evaluation at least once a year to jointly consider their mutual achievements, issues and corrective measures, and conducted according to standardized evaluation criteria. There is a process to analyse input from the evaluation for improvement of the efficiency of the Board of Directors.

Forms of evaluation of the Board of Directors and Board Committees are prepared according to guideline of the Stock Exchange Market of Thailand, covering their roles and responsibilities under the relevant Charters. The self-evaluation was made both on the committee (Board of Directors and Board Committees) and individual basis. Evaluation criteria was calculated on percentage basis (ranking scale from 0 = need to improvement to 4 = excellent). From the 2020 evaluation, average percentage was in the range of 85-90 percent and the Board of Directors took input from directors to consider and improve their work performance by revising the related Charters accordingly.

Collaboration between the Board of Directors and the Company Secretary

The Board has ensured that the meetings will be held and that meeting agendas be provided in advance in order to enable the Directors to manage their times for participations in the meetings. Number of the meeting was planned according to necessity and business operation. In 2020, the Board of Directors held 9 meetings, via electronic means, to continuously and timely monitor the management’s operation under the COVID-19 situation.

The Board of Directors set a mechanism that each Director, each Committee including the Group Executive Committee and the Management can independently propose useful matters for consideration of the Board of Directors. In the Board meeting, Group CEO is encouraged to invite key management personnel to participate in the meetings to present the additional details in

related agendas in order to open the opportunity to the Board to get acquainted with the key executives.

The Board of Directors is allowed access to additional necessary information from the Group Chief Executive Officer, Company Secretary, or other delegated Executives within the established policy scope and, where it is necessary, and independent opinions from third party consultants or professionals.

The Board of Directors has appointed a Company Secretary to perform duties in providing advice on regulatory and related requirements for the knowledge of the Board of Directors, supervising the preparation of meeting documents and other important documentation, also facilitating the activities of the Board of Directors and coordinate with the Management for the implementation of the resolutions of the Board of Directors. The

as well as overseeing the Board's activities and to make coordination to ensure that the Board's resolutions are complied with. The Board shall enhance the Company Secretary to receive continuing and regular trainings and knowledge development on the aspect of law, accountancy and Company Secretary's duty performances, including various certified programs to which the Company Secretary is required to attend, as well. Qualifications and experiences of the Company Secretary shall be disclosed in Attachment 1.

Principle 4: Nomination of Executives and People Development

Nomination Group CEO and Key Management

The Board of Directors has delegated the Nomination and Compensation Committee to consider criteria and search for nomination of the qualified persons for the position of the Group CEO who is on the position of Top Management of the Company.

The Nomination and Compensation Committee reviews qualifications of the candidates and conduct an interview the short-listed candidates, to make further recommendation to the Board of Directors for approval.

The Nomination and Compensation Committee was delegated to review and approve executives of Subsidiaries as recommended by the Group CEO. Then, the Nomination and Compensation Committee shall report to the Board of Directors for acknowledgement.

In addition, the Board of Directors requires that the qualifications of Group CEO shall require appropriate qualifications and experiences, including the required training, as specified by the SET Announcement. The CFO of the Company had passed the training CFO's Orientation Course. The Group CFO passed CFO's Orientation Course in 2020.

Succession Plan for Executives

The Board of Directors assigned the Nomination and Compensation Committee to supervise and provide recommendations to the Management in preparation of succession plan for key positions of the Group, to ensure continuity of the business. The Group CEO was assigned to report the implementation update of the succession plan to the Board of Directors twice a year.

Training and Development of Executives

The Nomination and Compensation Committee was assigned by the Board of Directors in promoting the development of leadership of senior and top executives and has asked the Management to implement a leadership assessment by a competent third party.

In 2020, the Board of Directors approved the Group HR Policy as reviewed and recommended by the Nomination and Compensation Committee. The Group HR Policy is established to provide an overall framework and guiding principles to drive consistency across the Group.

In addition, the Board of Directors promotes and supports the Executives for the training of corporate governance courses, as shown in the following details.

No.	Executives	Training Courses until end of 2020
1	Mr. Aidan John Lynam	- DAP 166/2020
2	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18
3	Mr. Mark Anatol Schmidt	- DAP 166/2020
4	Ms. Anuttara Panpothong	- DCP 265/2018, SBM 6/2020

Appropriate Remuneration Structure and Performance Evaluation

The Board of Directors, at the recommendation of the Nomination and Compensation Committee, has defined the remuneration structure which motivates Management in all levels to perform their duties in alignment with the objectives of the organization and the business in the long term.

The Board of Directors, at the recommendation of the Nomination and Compensation Committee, has approved the appropriate combination of salary and other short-term remuneration such as bonus and the long-term remuneration which will create engagement between employees and the Company, such as Employee Joint Investment Program (EJIP), a 7-year program starting from year 2016 – year 2022, on an appropriate proportion as a result of the operational plan. In defining the compensation policy, level of the remuneration higher than or equal to that of the industrial level and the Company’s operational result is taken into account. In this respect, the Board of

Directors has ensured that the requirements and communications on the policy relating to the performance evaluations of the whole organization are clearly defined.

The Board of Directors and the Nomination and Compensation Committee jointly consider and evaluate performance of the Group CEO, which, in this connection, the evaluation is proposed to the Board of Directors by the Nomination and Compensation Committee, with consideration taken on current year performance with various factors as follows:

1. Results of the Company’s performance;
2. Personal performance under the criteria and targets agreed in advance, such as:
 - 2.1) KPIs
 - 2.2) Critical tasks
 - 2.3) Leadership competency

In addition, the Nomination and Compensation Committee takes into consideration the adherence to the Corporate Governance Policy and Company’s Code of Business Conduct.

Principle 5: Nurture Innovation and Responsible Business

Nurturing Innovation at Siam City Cement

The Company is well aware of the fact that importance should be placed on the innovation because of the changing world and technology that give rise to the expectations of the customers, business partners and key stakeholders desiring to see the change in a manner likely to be beneficial to or a mutual value creation for the business, customers, business partners as well as the society and environment, provided however, that such change shall be based on the Code of Business Conduct on business operations.

With the support of the Board and the Group Executive Committee, the Company places the importance on the activities that support and enhance the rising of the vital sustainability of the organizational culture as follows:

Enhancing Employees’ Participations, Innovative Organizational Culture Creation, and New Innovation and Business

To enhance the innovative culture in the organization, the Company is aware of the importance of the innovation resulting from changes in technology and market environment. The Company encouraged the employees to participate in the innovation-building activities such as innovation talks and workshops, main innovation programs, and the initiative programs in order to find new business models that can generate profit to the Company, and to build the mechanism to serve the demands in the global market. In 2020, the Company has established new business models to add value to the Company.

Direction and Support in Becoming Sustainable Corporate Innovation Infrastructure

The Company is well aware of the creation and support that give rise to sustainable innovation within the organization, which, in this regard, Group CEO assumes the duty to be directly responsible in mapping out the policy, management and operations of all innovative promotional activities which includes providing support and facilitations of employees initiatives in carrying out operations on various innovation projects, in an expeditious and efficient manner, as well as providing support on the budget for education or researches to acquire additional information that is beneficial to the developments of creative projects that give rise to a Business Model.

The Company holds the significance of the innovation in the creation of mutual corporate value for the benefit of the business, customers, business partners and stakeholders as well as the society and environment. In this respect, emphasis on the creation of corporate culture, and support to various activities as well as working in collaboration with related external organizations in order to promote for the acquisition of new innovation is a continuing goal.

Business Operations with Corporate Social and Environmental Responsibilities

Responsible for Stakeholders and Remediation

The Company takes into account and put importance on the continuing creations of value for all stakeholders. It is the Company's practice that our stakeholders must be taken care of by the Company in accordance with their legitimate rights as provided by law or agreements entered with the Company. There must be a process to encourage mutual cooperation and trust between the Company and all groups of stakeholders at all times, no matter what it is the aspect of its employees, communities around the business establishments, shareholders or investors, customers, suppliers, creditors, societies, state sector including competitors and independent auditors. More importantly, there must not be any performance of an act in a manner likely to infringe the rights of the stakeholders and that compensation measures in the case where a stakeholder has sustained a damage derived from the infringement of the right shall be implemented.

The Board has monitored controls to ensure that there is available mechanism to assure that the Company has carried out its business ethically and with corporate social and environmental responsibilities; refrain from violating the stakeholders' rights by implementing the guidelines in treating the stakeholders in the following manner:

1) Responsibilities to Employees

The Company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the Company. All employees shall be treated fairly and equally regardless of the job title or level as prescribed by the laws, relevant standards and its Code of

Business Conduct. Employees and staff are treated fairly and respected to their human rights in terms of equitably fixing the remunerations, exercising the policies concerning illegal labor, child labor and pregnant women labor, ensuring that the benefits and welfares are not less than or more than that required by law as appropriate. The Company looks after their safety and occupational health; supports them to have the development and progress by providing trainings; and giving opportunity to enhance other work skills.

The Board has overseen to ensure that clear and concrete policies and operating procedures on the staff's and employees' remunerations, welfares, health and safety in working areas are provided and that relevant treatments are disclosed and publicly known to all staff and employees as part of human resource management.

Human Resource Management Policy

All personnel of Siam City Cement Public Company Limited are considered as important resources in driving and pushing the Company towards its objectives, thus, they are deemed to be relevant contributing factors to the corporate success in the creation of competitiveness to the Company. Their duty performances are required to be in alignment with the corporate commitment and culture, and with the expectations that not only with their working achievements but also in matters of ethical manners and adhered to the corporate commitment of working as a team, doing what is right, challenging conventions, and caring about our future.

Provided, however, that the remuneration administration scheme has been defined on the principle and base on the impartiality and equity. Factors used in the staff and employees' remuneration administration and consideration is consisting of the accountabilities of each position, labour market rates and Company payment's ability by relying on work analysis technique, work appraisal, labour market surveys and corporate compensation structure as the tool to help in the determination of such considerations as to the employee's annual performance result. Such is considered as one of the factors that is used in the determination of the incentive remunerations in compatibility with the performance result in order to support and boost the morale and enthusiasms of the staff and employees having performance result higher than the Company's defined standards. At any rate, bonus and payments package to all staff and employees are dependent on the Company's annual as the basis for remuneration of their full dedications and efforts in performing duties throughout the passing year.

Apart from the salaries and bonuses, other welfares are provided to all staff and employees to help in mitigating their expenses burden in maintaining the cost of living standards that is reasonable with the economic situation such as provident fund contributions, cost of living subsidies, employees transport buses, emergency loans, life insurances, health insurances, children educational aid fund, etc.

Provided, however, that the Company has periodically reviewed and altered its welfare scheme to be in alignment with the economic and social situation and the leading of life to be more compatible with the current period of time such as opening options to staff and employees to be able to choose their health insurances of the category in the case of the out-patient that the number of treatments per year or the coverage per year with indefinite number of treatments is defined, etc.

Furthermore, continuing trainings are regularly organized to educate the Company's staff and employees to be able to understand the financial management and the provident fund including the establishment of the Employee's Joint Investment Program (EJIP), as well.

2) Responsibilities to Customers

The Company is aware and put importance of the safety management upon the customers under the supervision of the Board of Directors to ensure compliance with relevant laws and standards. In addition, health, safety and equity, customer privacy, after sales service throughout the product lifetime and services, and follow-ups on customer satisfaction for development of product and service as well as advertising and sales conduct must be carried out responsibly. Information and transactions must not be misleading, or exploit the customer's misunderstanding and incompatible with the vision on the occupational health and safety. The Company's core mission is a firm commitment to see that all employees, contractors and customers must be knowledgeable and understand the occupational safety and comply with Working Regulations and Steps for their own safety and safety of the other people. All activities must be undertaken under the effective occupational health and safety management system. It is an integral factor to sustain success in accordance with the Company's intention is the creation of a safety culture, the creation of good attitude on the aspect of the safety which is to be firmly instilled in the group of the organization's people and must be transferred to the customers group in order to enable them to collaborate in complying with various progress on the aspect of the occupational health and safety as well as controlling risk within the acceptable level.

The Company therefore place an emphasis on the communications, information sharing, transfers of knowledge, e. g. in connection with Working Regulations and Steps, Risk Assessment of the condition which is hazardous in the business establishment, how much maintenance can be made in order to create safety for customers regularly and consistently. This is to include launching of campaigns on safety driving for franchised customer groups twice a year, in the service of delivering goods to meet the international standard level. In addition, the Company criteria for transporters which have to prepare personal safety equipment, safety symbols and marks in order to provide efficient safety management in the areas of the Company's franchised customers.

3) Responsibilities to Suppliers

The Board of Directors has monitored controls to ensure that there are fair procurement process and contracting, including fair contract or agreement conditions, assistances in passing knowledge, developing their potentials and raising their abilities on the productions and service providing to meet the standing, giving explanations and ensuring the business partners to respect human rights and fairly treat their labours, to be responsible for the society and environment including keeping follow-ups and checks on and making the assessments on the business partners for the purpose of the sustainable inter-business operation development.

In order to make the selections of business partners with the vision and carrying out business in similar direction as that of the Company, the rules and guidelines on the selection of a supplier as one of the stakeholders, the basic qualification of the supplier shall be based on the following:

- 1) Expertise and Experience;
- 2) Rational in terms of the Price and Quality;
- 3) Policy in Providing Services;
- 4) Working Safety Management;
- 5) Execution in compliance with the Law on Labor Enforcement;
- 6) Anti-bribery and Anti-Corruption;
- 7) Environmental-friendly Procurement;
- 8) Anti-Human Right Violation policy, etc.

In addition, the Company prescribes the strategic procurement procedures and guidelines on establishing relationship with the suppliers. Selections of our suppliers must be potentially made in order to illustrate our administrations with responsibility in the supply chain. If any supplier should not pass the prescribed qualifications, the Company would map out an execution plan for such supplier to successfully correct such restrictions and that pertinent follow-ups and assessment on the progress shall be made including assistances provided to the supplier in order to lead such supplier to the better ability development and working improvement and to cause the rising of sustainable development of the Company which has expanded to such supplier.

In 2012, the Company made the SCCC Supplier Code of Conduct in order to set the conditions on the business associations which, in this respect, the suppliers must subscribe their signatures to confirm their acceptances to comply with such SCCC Supplier Code of Conduct as the inter-commitment before proceeding on with business engagements with the Company.

The Company put importance on our suppliers who are our vital stakeholders in dealing businesses with one another. In 2015, the Executive Committee rendered a resolution approving the reviews of Procurement Policy for use as the framework on the procurements of goods or

services which created the worthiest value. This is to ensure that the procurement process is carried out in a systematic, equitable and transparent manner in all steps no matter what it is in regard to the bid, evaluations on and selections of suppliers and to encourage suppliers to carry out their businesses with ethics and framed with social and environmental responsibilities.

4) Responsibilities to Communities

The Board has monitored controls to ensure that business knowledge and an experience are adopted for use in the concrete developments of the programs/projects for the community and ensures that the relevant progress and success in the long-term are followed-up.

The Company is firmly committed to create shared value and good ties with the communities around the plant in Kaeng Khoi and Muak Lek Districts, Saraburi Province, by providing supports on sustainable community developments to all communities around the plant including the overall general public on three aspects such as educational promotions, sustainable community developments and basic public utilities support that continuously by setting out the policy and disclosing the performance on a regular basis.

5) Responsibilities to the Environment

The Board of Directors has monitored controls to ensure that prevention, reduction and management measure is implemented and further ensure that the Company has not created nor caused any negative impacts on the environment which extend to thoroughly cover the use of raw materials, energy (in the productions, transports and office), water, renewable resources, care and rehabilitation of biological diversity having been negatively affected from business operations, discharges and disposals of wastes originated from business operations and greenhouse gas emissions, etc.

The Company adopts Work Quality Control, Safety and Occupational Health System for use in carrying out the work in correlation with the Company's concrete business operations. The Company adopts environmental management system (ISO: 14001) for use in order to initiate the creation of the environmental development in correlation with the developments as well as to cause the reductions in the cost, expenses relating to raw materials and energies, pollutant treatments, and enhance image of the organization.

6) Fair Competition

The Board of Directors has governed to ensure that the Company operates its business in a transparent and does not create any unfair competitiveness. The Company encourages and supports fair and transparent competition and shall not perform any act that violates any

competition laws or may cause damages to the reputation of its competitors as part of the Code of Business Conduct.

7) Anti-Bribery and Anti-Corruption

The Board of Directors has governed to ensure that the Company has carried out its business in compliance with the applicable law and related standards and encouraged its subsidiaries and business partners to announce the Anti-Bribery and Corruption Policy. The Company has set the No-gift Policy for the Management and the employees to refuse the acceptance of gifts, souvenirs or other benefits in all cases, including provided regular training to educate its employees on the Anti-Bribery and Corruption Policy and its guidelines.

The Company became a certified member of the Private Sector Collective Action Coalition Against Corruption (CAC) in 2017 and was recertified its member for a period of 3 years from 30 June 2020 to 30 June 2023.

Resource Allocation and Management

The Board promotes the efficient use of resources both the financial one and the one used in the production process, intellectual properties, human resources, natural resources including social and relation aspect by defining it as a policy and announcing the implementations thereof to make it known to the public.

The Board of Directors has promoted the use of resources in a conservable manner with efficiency; maintaining of non-renewable sources of resources and recycling of the secondary materials.

The Board of Directors has monitored controls over the Company's business operations to ensure that they have been carried out with responsibility, adherent to corporate social responsibility activities relating to the business operation process by taking into account the necessity and impact in bringing resources for use and the impact on one another in using each category of the resources including the resource impact and development through value chain by being aware of the fact that the different business model would cause the impact on the resources differently, as well. Therefore, in choosing the business model, the Company must take into account the impact and worthiness to occur to the resources on the basis of having the ethics, responsibilities and create sustainable value to the business.

The Board of Directors has monitored controls to ensure that in attaining the business objectives, the Management has reviewed, developed, and supervised the matter on the efficient and effective use of the resources by always taking into account the internal and external factor changes.

The Board of Directors promote and encourage the acquisitions of knowledge and trainings of the staff and employees on the aspect of the environment by defining this matter as a policy and disclosing the implementations thereof to make it known to the public.

Corporate Level Information Technology Management

The Board has established a framework for governance of enterprise IT in alignment with the Company's business needs by ensuring that it carries on the operations in compliance with the relevant laws, regulatory requirements and standards relating to the use of technology by assigning INSEE Digital Co., Ltd., a subsidiary engaged in the business as a service provider on techniques, management and development of data system to Siam City Cement Group of Companies, to oversee and manage IT of companies in the Group.

Provided, however, that the Board has established a policy on the allocation and management of IT resources such as the appropriate utilizations of IT property that comprehensively covers the allocations of the resources adequate to the business operations and defining guidelines for backing up in the case of being unable to adequately allocate the resources as prescribed. Respective to this matter, the criteria and factors on the precedence of IT Work Plan such as the suitability and compatibility with the strategic plan, business operational impact, utilization urgency, budget and IT human resources as well as the compatibility with the business model have been defined. In this respect, INSEE Digital Co., Ltd. provides the services comprehensively covering from the stage of mapping out the strategic plan on the aspect of technology, information and digital to be in alignment with and able to promote business strategies of Siam City Cement Group of Companies to the stage of overseeing and developing the existing systems that can be operated with optimal efficiency and respond to the needs of users both in and out of the organization in accordance with the set objectives.

The Board, on the corporate risk management, has overseen to ensure that the corporate risk management thoroughly covers IT management risk, as well, such as business continuity management, incident management and asset management, etc.

In 2020, the Board of Directors approved the Group IT Policy and measure on IT system security which have been excellently undertaken by INSEE Digital to the extent of being awarded with ISO/IEC 270001:2013 Certificate under the category of the Outstanding Information Security Management Awards from Bureau Veritas Certification (Thailand) Ltd., which comprehensively covers the information security system on the confidentiality, integrity, availability of information including the protection against any illegal use of the information or the alteration of the information without any permission.

Principle 6: Strengthen Effective Risk Management and Internal Control

Risk Management System and Internal Control

The Board of Directors has monitored controls to ensure that the Company has the information security system including setting out of the policy and practical procedures on safeguarding the confidentiality to prevent the information from leaking, the integrity and availability of the information including the information management which may affect the market sensitive information. In addition, the Board has overseen to ensure that Directors, key executives, staff and employees as well as related third persons such as legal advisors, financial advisors, comply with the information security system, as well.

Risk management was highlighted as an important aspect for business management and corporate governance. The Board of Directors approved the Risk Management Policy that is aligned with the objective, goal, strategy and tolerant risk of the Group. The policy is a framework for risk management process of the Group, prioritize the impact of risk assessment and manage the risk accordingly.

The Board of Directors has monitored controls to be assured that the Company has risk management and internal control system to enable it to effectively achieve the objectives, the corporate business operations being practiced in compliance with the relevant laws and standards of both the domestic and international level, thus, an appropriate and adequate internal control is defined in order that the Company's business operations can be carried on in accordance with the objectives and in alignment with the relevant laws, rules, regulations and requirements relating to the businesses and the operations, reduce the operational risk and build up confidence in that there is a reasonable anti-corruption measure.

The Board of Directors has entrusted the Audit Committee and Governance Committee to scrutinize and consider the approval of the acceptable risk, specifically, strategic risk, operational risk, financial risk and compliance risk, in which both the organizational internal and external factors may impair the Company to attain the prescribed objectives. , Also to approve risk management policy in alignment with the objectives, principal goal, strategies and acceptable risk of the enterprise as a framework on duty performances in the risk management process of everyone in the organization to be in the same direction which the impact and opportunity on the risk occurring probability having already been identified is assessed in order to arrange the risk precedence and avail an appropriate risk management method.

The Board of Directors put importance on making follow-ups and effectiveness evaluation on the risk management consistently and on the early warning signals and keeps tab to ensure that the risk management policy is regularly reviewed, at least, once a year.

Appointment of the Audit Committee

The Board of Directors formed the Audit Committee that can efficiently and independently perform their duties. All Committee members are independent Directors who are fully qualified in accordance with the criteria prescribed by the Stock Exchange of Thailand (SET) and Office of Securities and Exchange Commission (SEC), with 2 members holding accounting degrees.

The Board has defined the role and duties of the Audit Committee in the Charter of Audit Committee, (the details of which are appearing in Principle 3 - Strengthen Board Effectiveness, Roles and Responsibilities of Company Board and Committees), which comprehensively covers duties as specified under the Corporate Governance Code for Listed Companies 2017.

The Board of Directors has made available the mechanism or tools which will enable the Audit Committee to access information that is necessary for their assigned duty performances such as facilitating them to be able to call related persons to give relevant information, participate in the discussion making in conjunction with the auditors, find comments independently from the influence of any other professional advisors to support their considerations. Providing persons or internal audit organization having independence in performing their duties to be responsible in the development and verification of the efficiency of the risk management system and internal control together with the submission of relevant report to the Audit Committee for consideration and comment on the adequacy of the risk management system and internal control. Such verification report shall as well be disclosed in the annual report.

Details of the internal control and risk management are appearing in Internal Control and Risk Management.

Manage the Conflicts of Interest

The Board of Directors has monitored controls and follow-ups and was able to manage conflict of interest that might occur between the Company and the Management, Directors or shareholders including the prevention of the inappropriate use of corporate assets, information, and opportunities and the inappropriate transactions with related parties.

Information Security and Monitoring the Use of Insider Information

The Board of Directors has monitored controls to ensure that the information security operation system is implemented. This shall include the mapping out of policy and procedures on safeguarding confidentiality, integrity, and availability of business information as well as the management of the market-sensitive information. In addition, the Board has monitored the implementation of the information security policies and procedures and the adherence to confidentiality requirements by Directors, key executives, staff and employees as well as related outsourced advisors to also comply with the information security system.

In order to comply with the Corporate Governance Code on the matter of preventive measures in the case where a Director, an Executive or an employee has used insider information to exploit benefits through abusive self-dealings for their own self or for another person, the Directors and the Executives have placed the importance on the compliance with the Company's Code of Business Conduct. In this respect, the Board of Directors has implemented the Blackout Period Policy which the Directors, Executives and employees as well as the persons perceiving the insider information are prohibited from trading the Company's shares during the period of 30 days before the dissemination of the information and not less than 24 hours after the dissemination of the information on financial statements and significant financial information to assure that there are no exploitations of benefits from the information undisclosed publicly that would lead to the taking advantage of outsiders. Directors and Executives must produce and submit a report on the holding of assets in accordance with the requirements of the Office of the Security and Exchange Commission (SEC) under Section 59 of the Security and Exchange Act, B.E. 2535 within 3 days from the date of the change. The Company Secretary shall be notified accordingly in order that a summary on the number of the securities of the Directors and Executives individually can be made for submission to the Board of Directors in their meetings every time and that the information on the holding of such securities shall be disclosed in the annual report with a notification on the penalty in the case of violation or non-compliance with the Policy and such requirements, as well.

The above policies are also part of the compliance with the Code of Business Conduct on the use of Company assets and information.

The Code of Business Conduct sets out that “Use of insider information or non-public information in supporting the investors' decision whether to buy, sell or hold stocks or securities is considered unethical and illegal, and this may result in disciplinary and criminal charges.”

For any questions regarding use of insider information, please consult the Legal Department. The Company shall review names of insiders for the suitability of the current situation, map out the guidelines in safeguarding insider information and notify all personnel within the organization on the aforementioned policies and guidelines to comply with and make follow-ups on the compliance with such policies and guidelines regularly.

The Board has monitored controls to ensure that names of the insider information users who has knowledge and possess the non-public important information are reviewed to reasonably in accordance with the current situation and shall notify all parties within the organization irrespective of whether they are Directors, the Management, all staff and employees on the abovementioned policy and practical guidelines for them to comply with and to be aware of the subsequent penalties in case of a violation or non-compliance with the above described policy and requirements, as well, which in this connection, result of the executions in the compliance shall be regularly monitored.

In 2020, the Board of Directors reviewed the Insider Trading Policy and the Management implemented awareness activities for the director, executives and employees via e-learning, to prevent the misuse of sensitive information.

Summary of shares hold by Directors and Executives in 2020 is follows:

List of Directors/ Executives	1January 2020			31 December 2020			Total Number of Shares Increase/ (decrease) during the year (share)
	Number of Shares (Share)		Percen tage of Shares Held	Number of Shares (Share)		Percent age of Shares Held	
	Directors/ Executives	Spouse and child(ren) under age		Directors/ Executives	Spouse and child(ren) under age		
Non-Executive Directors							
1. Mr. Paul Heinz Hugentobler	-	-	-	-	-	-	-
2. Mr. Vanchai Tosomboon	98,456	-	0.0330	98,456	-	0.0330	0
3. Ms. Nopporn Tirawattanagool	-	-	-	-	-	-	-
4. Mr. Benjamin Herrenden Birks	-	-	-	-	-	-	-
5. Mr. Stephen Patrick Gore	-	-	-	-	-	-	-
6. Dr. Sunee Sornchaitanasuk	-	-	-	-	-	-	-
7. Mr. Charin Satchayan	-	-	-	-	-	-	-
8. Mr. Robbert van der Feltz van der Sloom	-	-	-	-	-	-	-
Executive Director							
9. Mr. Aidan John Lynam	-	-	-	-	-	-	-
10.Mr. Siva Mahasandana	216,926	-	0.0728	216,926	-	0.0728	0
Executives							
11. Mr. Mark Anatol Schmidt	-	-	-	-	-	-	-
12.Mr. Philippe Richart	-	-	-	-	-	-	-
13.Miss Anuttara Panpothong	261	-	0.0001	261	-	0.0001	0
14.Mr. Benjamin Pinney	-	-	-	-	-	-	-

Note: The percentage of shares held calculated from the registered capital 2,980 million baht.

Protection of the Conflict of Interest Transactions

The Board of Directors approved the Conflict of Interest Policy which sets standard and practical guideline including process for approval of the potential conflict of interest transactions which are in normal business operations. Entering into a sizable transaction which may lead to conflict of interest shall require approval from the Board of Directors. Management shall report the related party transactions to the Audit Committee for review and to the Board of Directors for acknowledgement quarterly.

The Company's Board of Directors has established the Conflict of Interest Policy, the guidelines as well as approval procedures for related party transactions under category of normal business transactions. In addition, the Management is required to seek the Board of Directors' approval for any entry of transactions with potential conflict of interest which are of significant in size or important nature to the business operation of the Company. Management shall present related party transactions report to the Board for their acknowledgement on a regular basis.

Other than monitoring controls over the internal information use, monitoring controls over the possible conflict of interest transaction with the Company is extremely important. The Board of Directors therefore oversees to reassure that the possible conflict of interest transaction be managed and monitored including the availability of the practical guidelines and procedures in order that such transaction can be undertaken in accordance with the steps of the operations and information disclosure provided by law and for the overall benefits of the Company and shareholders as a significant matter which, in this respect, no stakeholders shall participate in the decision making.

The Code of Business Conduct sets out that “Conflict of interest can be defined as “the situation where our personal, financial or other interests interfere, or may be perceived as interfering with our ability to act in the best interest of the Company Group”. Employees shall avoid conflict of interest whenever possible. In the situation where employees think that the conflicts may arise and it might impair or even appear to impair, they must immediately inform their supervisor to resolve the situation in a fair and transparent manner.”

In this regard, the Company establishes the guidelines on conflict of interest for personnel who may be involved in approving a process or procuring a product or service to declare the information of themselves or their relatives regarding the transactions with the Company and/or the subsidiaries during the period of the last 12 months. This activity is done online on an annual basis. The declaration of conflict of interest activity has continuously been active for many years and the Company found that the employees has become more aware of transparency and avoid the activity that may be connected with the conflict of interest of the Company.

Report Preparation on Conflict of Interest

The Board of Directors has determined the guidelines that Directors must report of his/her interest prior to the consideration of its meeting agenda and such interests must be documented in the Minutes of Meeting every time. In addition, the Board of Directors also ensures that the Directors having significant interest in the nature that such Directors may not be able to independently give opinion, must not participate in the meeting of such agenda. Moreover, Directors and Executives shall report their own interests and of related persons when there is a change therein and forward the pertinent report to the Company Secretary for the preparations of the conclusion report to advise the Board of Directors in every Company's Board of Directors' Meeting.

Policy and Practical Procedures of Anti-Bribery and Anti-Corruption

SCCC has announced the Anti-Bribery and Corruption Policy since 2012 and has embedded the corporate culture in accordance with the commitment that bribery and corruption shall strictly be prohibited. In 2015, the Collection Action Coalition (CAC) declaration of Thai private sector on anti-bribery and anti-corruption was jointly signed and the relevant membership status certificate from CAC subsequently given on 18 August 2017 for three years. SCCC was recertified its member for another three years from 30 June 2020 to 30 June 2023.

The Board of Directors has approved The Anti-Bribery and Corruption policy and established its guideline as follows:

1. Tone at the top
 - 1) Board of Directors, management and employees have the duty to comply with local anti-corruption laws and regulations and must not involve in any form of corruption even though it is the benefit of the business, family, friends, or others and must adhere to the ethics strictly.
 - 2) The company has a policy regarding political neutrality which states that it will not assist in supporting political parties, political groups, as well as political individuals whether directly or indirectly, by prohibiting any person to support and make a donation, as well as make transactions that result in political support. The authorized person who has the authority to approve the transaction based on the regularity and rules of the Company cannot approve any transaction that involves political support in all forms.
 - 3) Human Resources process must reflect the anti-corruption policy.
 - 4) Procurement must comply strictly with Procurement Policy and Procedures for the sake of transparency and audit at every step.
2. Bribe, Facilitation Payments, Kickbacks, Donation

- 1) Prohibited to offer, promise or give a bribe or to request, agree to receive or accept a bribe.
- 2) All shall not make or arrange any form of facilitation payments or “kickbacks”. If employee get asked to make a payment on our behalf or have any suspicious, concerns or queries regarding a payment, the employee should raise these directly with your line manager, compliance officer or legal counsel.
- 3) No donation shall be offered or made on behalf of the Group without prior approval of the authorized person under the applicable Manual of Authority (MoA). Only donations that are legal and ethical under laws and practices shall be made which are to be in accordance with the community program and/or Corporate Social Responsibility Program of the companies within the Group. Moreover, those organizations must be a legal and authorized entity to ensure that the donation is not used for bribery.

3. Monitoring

- 1) Provide a transparent mechanism for proper financial accounting and reporting.
- 2) Provide a proper and regular internal control and risk assessment system to prevent the corruption situation, as well as reviewing and evaluating operational corruption risks at least once a year.

4. Training and Communication

- 1) Provide communication channels and ongoing training to company personnel to achieve a real understanding and knowledge about the measures taken against corruption, including the ability to report suggestions and complaints about corruption thoroughly with protection measures that identify the whistle-blower clearly.
- 2) The anti-bribery and corruption policy and program must be publicly disclosed and communicated to all employees, business partners, customers and public through internal and external communication channels of the Company.

5. Protection

- 1) Employees who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoings, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken.
- 2) We are committed to ensuring no one suffers any “detrimental treatment” as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal,

disciplinary action, threats or other unfavourable treatment connected with raising a concern.

- 3) Any employee who believes that you have suffered any such detrimental treatment, he/she can inform the line manager, compliance officer or legal counsel immediately, who will investigate the matter in order to find a remedy.

In addition to the monitoring, training and communication mentioned above, the implementations include the requirement of the Directors and all employees to strictly comply with the policy. There are guidelines for financial records including strictly reviewing the documents and its evidences which require the reason of payment to the third parties. The Internal Audit is required to audit the Company's internal control system regularly on the information that may lead to corruption.

In 2020, to promote the core value in conducting the business under the governance and compliance with the laws and Company's regulation, the Company implemented awareness training programs via e-learning, such as, conflict of interest policy, insider trading policy, procurement policy, etc. This awareness can help the fighting of corruption, and emphasise the Company's intention to be a good citizen.

The details of the Anti-Bribery and Corruption Policy can be found on the Company's website under Investor Relations > Corporate Governance section: <http://www.siamcitycement.com>)

Mechanism for Handling Complaints and Actions in case of Whistle Blowing

The Board of Directors has overseen to ensure the mechanism and the process for handling the reports be in place to record, track, resolve the feedback from the stakeholders and further ensure the availability and the accessibility of the several whistleblowing channels including disclosing its details at the Company's website and the Annual Report.

The Board of Directors has governed to ensure that there is the setup of clear guidelines for handling the reports and the process for fact-finding then reporting to the Board of Directors as well as overseeing to ensure that the appropriate protection measures are in place when the whistle-blower made the report in good faith.

The Board of Directors has supported to establish the Whistleblowing Policy to enable the stakeholders to make their reports on any misconduct, violation to the laws, regulations, and the Code of Business Conduct of the employees in the Group through the whistleblowing channel called INSEE Speak up. The service provides by the professional third party. The report shall be verified in accordance with the Whistleblowing Policy and the result of the investigation shall be reported to the Audit Committee and the Board of Directors respectively. The examples of the offenses include fraud, financial fraud, bribery and corruption, asset misappropriation, misbehaviour, misuse of company information, violation to the Conflict of Interest Policy etc.

The whistle-blowers shall be protected from retaliation, especially for cases which have been raised in relation to suspicious misconduct and reported with good faith but proven false later. A whistle-blower may ask for special custody or protection should he/she feel threatened in any possible manner.

The INSEE Speak Up consists of 4 channels covering 5 countries as follows:

1. Hotline:

Thailand:	001 800 441 0657	(press 72235)
Vietnam:	120 324 19	(press 72235)
Bangladesh:	000 800 091 031	(press 72235)
Sri Lanka:	011 242 2173	(press 72235)
Indonesia :	001 803 441 476	(press 72235)

2. Email: inseespeakup@expolink.co.uk

3. Website: wrs.expolink.co.uk/inseespeakup

4. Application: “SpeakingUp” access code: InseeSpeakup

This is the channel for all stakeholders to report about the infringement or damage to the Company. The service provides by the professional third party. A fact-finding procedure has been developed for each of the reports and a clear policy or guideline to protect employees or the whistleblower who makes the report. Furthermore, the stakeholders are able to make the report to the Board of Directors at email: companysecretary@siamcitycement.com as well.

The Company is committed to maintaining its high standard of good corporate governance following the commitment that SCCC shall be honest, ethical and transparent organization. As such, a reporting on an inappropriate incident or violation of the Code of Business Conduct could help to ensure that the personnel of the Company are protected under a suitable working environment.

Principle 7: Ensure Disclosure and Financial Integrity

Financial Report Preparation and Significant Information Disclosure

The Board of Directors is responsible for overseeing to ensure that the financial preparation and significant information disclosure systems are properly and adequately handled in a timely manner and in accordance with the relevant rules, standards and practical guidelines.

SCCC discloses the relevant and significant information on the basis of transparency, completeness and a timely manner both on the aspect of financial and non-financial information such as the Company’s operational result of the Board and Committees in the previous year,

CG Policy, CSR Policy and Environmental and Social Policy and compliance with various policies through accessible channels with equality and reliability according to the standards and regulations set by SEC and SET. In this respect, the Board has ensured that people related to the preparation and disclosure possess appropriate knowledge, skills, experiences and number for their accountabilities. Mentioned people are mainly the accounting and financial line key executives, bookkeepers, internal audits, Company Secretary and investor relations.

The Board has made available the quality financial report preparation process and ensured that the information stated in the financial report is accurate and in accordance with the generally acceptable accounting standard and that it has audited by the independent auditors certified by the SEC. There must also be the Board's responsibility to the financial report all along with the independent auditor report in the annual report by giving approval on such financial information disclosure. The Board has already taken considerations on the factors, the matter of the adequacy evaluation of the internal control system including the observations of the auditors through other communication channels, comments of Audit Committee and in alignment with the objectives, main goals, strategies and Company's policies.

The Board has monitored controls over the information disclosures which include financial statements, annual report, Form 56-1 that adequately reflect the Company's financial status and operational result including the encouragement of the Company to conduct the management discussion and analysis or MD&A to support the financial statement disclosure every quarter, so as to enable the investors to know the information and understand the changes that is occurring to the Company's financial statements and operational result. Other than solely the numeric figure information in the financial statements and in the case of any information disclosure which is related to any Director, such Director in particular must oversee to ensure that the disclosure on his/her part is completely and accurately undertaken.

Financial Liquidity and Solvency

The Board has monitored controls to ensure that the Management keeps tab on the follow-ups and assessment of the corporate financial status and the continuing and regular submission of the relevant report to the Board. In this connection, the Board shall jointly collaborate with the Management to find remedial solutions to correct the discrepancies in a timely manner should there be any indicative signal of problems about the financial liquidity and solvency.

Remedial Actions to Solve Financial Problem

In approving any transactions or presenting any comments to a shareholders meeting, the Board must be assured that such transactions will not affect the continuity of the business operations on financial liquidity or solvency.

The Board must monitor controls to ensure that the company has the implementation plan or other mechanism that can solve financial problems and keep such plan or mechanism closely monitored and oversee to ensure that the corporate businesses are carried on with due care and in compliance with the requirements in relation to the information disclosure by taking into account the impartiality towards the stakeholders including creditors as well as monitoring the follow-ups to solve the problems which, in this respect, the Management shall be the party to regularly report the relevant situation. The Board must be assured that any decision making in solving the corporate financial problems irrespective of any method must be in a reasonable manner.

Sustainability Report

The Board has considered the appropriate disclosure of information in compliance with the laws, the ethical code, anti-corruption policy, treatments of employees and stakeholders which include fair treatments and respect to human rights, social and environmental responsibilities and by taking into account the report framework acceptable at domestic or international level which has been defined as the policy. Such information shall be disclosed in the annual report.

The Board has ensured that the disclosed information is a significant matter that reflects the practical implementation towards the creation of sustainable corporate values regularly.

The Board of Directors has monitored controls to ensure that the Management has established a unit or provided a person to functions as the investor relations who shall perform duties in communicating it with the shareholders and other stakeholders, (such as an investor, an analyst) appropriately, equally and in a timely manner.

The Board of Directors put importance on the discharging of duties of the Company's "Spokesperson" who must be suitable to perform such duties, understands the corporate business including the objectives, main goals, values and well communicate with the capital market. Because the person appointed to perform such duties has to perform his/her duties with due care, CEO is therefore designated to be responsible for giving information to the third persons.

The Board of Directors also set out the Disclosure Policy, and the Communication Policy. Respectively, the tasks related to Investor Relations (IR) is assigned to specific person in order to communicate it with the third parties, including investors, institutional investors, general investors, analysts, and associated state agencies with equality and fairness. The Company provides the opportunity as well to such parties to visit our Executives as appropriate. The information provided is an information for public disclosure, accurate, not misleading and informative to aid the investors in their investment decisions. The Board must ensure that the communication and information are disclosed to the public in an appropriate, equal, timely manner, and is used with the proper channel. The secrets and information impacting the securities price must be protected.

Besides, the communication must be in the same direction throughout the entire organization in compliance with such policy.

The Company attached importance to equitable and transparent treatment to all shareholders with which they will be provided with important, complete, and updated information and convenience in understanding the Company's information. Importantly, at the shareholders' meeting, there will be no agendas or changes in any significant information should be added without giving notice to the shareholders in advance.

In fostering relationships with investors and interested parties, persons responsible for investor relations; persons responsible for social responsibility; and persons responsible for sustainable development are always delegated to organize suitable activities, such as site visits and social and environment activities (See details in section “Social Responsibility” of the annual report).

Person responsible for Investor Relations

Mr. Kasem Makrailert is in charge of Investors Relations activities of the Company. In 2020, the Company met approximately 50 individual investors, institutional investors, securities analysts, and provided information through quarterly press release. Investors can direct their Company enquiries to the following channels:

Address:	Finance and Controlling Siam City Cement Public Company Limited 199 Column Tower, 11th Fl., Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, 10110
Telephone:	+66 2 797 7165
Email:	kasem.makrailert@siamcitycement.com

The Board has monitored controls to ensure that the management had prescribed directions and provide supports in the investor relations functions such as the standard operating procedures (SOP) in giving information, policy or SOP on information management which definitely affects securities prices; this to includes the clearly defined accountabilities of the investor relations in order that the information communications and disclosures can be efficiently and constantly made (such as analysis meeting on the Company's performance, news release, etc.).

Application of IT Technology for Use in Information Disseminations

Apart from the information disseminations in accordance with the established criteria and through the capital market channel, Annual Registration Statement (Form 56-1) and annual report, the

Board has defined that the information both in Thai and English be disclosed through the Company's website at www.siamcitycement.com where the information in which has regularly been updated and fully accounted for according to Corporate Governance Code for Listed Companies.

Principle 8: Ensure Engagement and Communication with Shareholders

Participating in Decision Making

SCCC is firmly committed to protect the rights and benefits of our shareholders. The Company's Board of Directors is aware of and put importance on the rights of our shareholders (including the institutional shareholders) equitably and that under no circumstances shall the Company perform any acts in a manner likely to violate or derogate the rights of our shareholders. The Company adopts the policy in encouraging, supporting and providing facilitations to our shareholders to exercise their fundamental rights in accordance with the law by participating in the shareholders' meetings, casting ballots either in person or by proxy, appointing or removing Directors, fixing Directors' remunerations in all forms and appointing the auditor as well as matters that would pose an impact on the Company such as allocation of dividends, stipulations or revisions of Articles of Association and Memorandum of Association, capital decrement or increment, and special transaction approvals, etc.

The Board of Directors ensures that the shareholders shall take part in making important decisions, issues specified by laws, and issues that may impact the direction of the business operation are listed in the meeting agenda and pass the consideration and/or the shareholders' approval.

The Company's Board of Directors supports the shareholders' participation by prescribing criteria to allow the minority shareholders to propose a meeting agenda prior to the shareholders' meeting. In this connection, the Board will consider including such proposed agenda. If the Board of Directors shall deny the proposed agenda; explanation must be given at the shareholders' meeting. Additionally, the Board of Directors must provide a process that allows the minority shareholders to participate in the nominations and appointments of Directors however, qualifications of the shareholders who will be entitled to nominate names of persons for elections as a Director to be a one shareholder or by an individual case who holds the share and is entitled to cast the ballots summed up in total of not less than 14,900,000 shares (or zero point zero three four percentage (5%) of the Company's total number of the eligible voting shares) which is the very low number of the shares must be prescribed. This practice is a part of the process to ensure that the minority shareholders can elect independent Directors to look after their benefits on their behalf. The Board will ensure that the disclosure of such criteria will be made to shareholders in advance of 3 to 4 months before the date of the shareholders' annual general meeting, as well as opening the opportunity to shareholders to submit questions before the meeting by specifying the

criteria for question submission in advance and disseminating such criteria on the Company's website.

For Annual General Meeting 2020, the Board gives opportunity to shareholders to submit to propose the agenda item, director candidate and relevant questions prior to the Annual General Meeting between 1 October 2020 - 15 January 2020 by establishing clear criteria for advance submission and disseminating such criteria on the Company's website <https://www.siamcitycement.com/en/investor/annual> However, no question was submitted.

The Company's Board of Directors shall ensure that the Notices of Shareholders' Meeting contain correct, complete and adequate information for shareholders' use of rights. In addition, meeting agendas are clearly specified and forwarded to the shareholders along with related document. The Notices of Shareholders' Meeting, agendas, and opinion of the Board of Directors were disseminated through the Company's website before the date of the meeting. Such Notices of Shareholders' meeting and relevant documents shall be made entirely in English and disseminated altogether along with the Thai versions every time.

Actions on Shareholders Meeting Date

The Company's Board of Directors ensures that information, date, time, and place of the meeting as well as the meeting agendas are provided with supporting explanations and reasons on each agenda that is specified in the Notices of Shareholders' Meeting. The Board's Notices of Shareholders' Meeting must consist of:

1. Shareholders' meeting date, time and place.
2. Meeting agendas which have been specified as either for acknowledgement or approval including specific matter in relation to the Directors, matters of the Director elections and approval, and on Directors' remunerations in a separate agenda
3. Objectives a, rationale and the Board's comments in each proposed agenda which include:
 - 1) Agenda on dividend payment approval – dividend payment policy, proposed dividend payment rate together with supporting rationales and information. In the case of a stay on the dividend payment, relevant rationales and information should as well be given.
 - 2) Agenda on Directors' appointments – Specify the names, ages, educational and working backgrounds, number of listed companies and general companies having term of office as a Director, nomination rules and procedures, type of Director nominated and in the case of a nomination for reappointment of a previous Director for term of office once again, specify the information on meeting attendances in the previous year and date of appointment to be the Company's Director.

- 3) Agenda on Directors’ remuneration approval – Policy and rules on defining directors’ remuneration of each position and all forms of Directors’ remunerations both tangible money and other benefits.
 - 4) Agenda on the appointment of auditors – Name of auditors, the Company they belong to, working experiences, auditors’ independency, auditing fees and other service charges.
4. Proxy Letter in accordance with the form prescribed by Ministry of Commerce.
 5. Other meeting supporting information such as vote casting steps, vote counting and vote counting result notification, right of each category of share on vote casting, information of independent Directors whom Company has proposed as the proxies from shareholders, documents which shareholders must produce prior to attending the meeting, proxy supporting documents and map of the meeting place, etc.

The Board has monitored controls to ensure that actions on the shareholders’ meeting date are carried on in an orderly manner with transparency, efficiency and facilitation to shareholders ability to exercise their rights.

In setting the meeting, the date, time and place must be considered at the shareholders convenience. The time interval must have been discussed in order to facilitate travels and attendance of the shareholders.

The Board of Directors shall ensure that there are no actions that would limit the opportunity of attending the meeting or cause undue burden on the shareholders and shall send Proxy Letters along with the Notices of Meeting, as well as timely publication at the Company’s website (www.siamcitycement.com), for the shareholders’ options and facilitations in case that they cannot attend a meeting in person. In addition, the Board does not specify any requirements for the shareholder’s proxy in cases of documents and or evidences of identification that exceed applicable legal and regulatory requirements. However, duty stamps are also prepared for the appointment of proxies.

At the same manner, the Company’s Board of Directors provide opportunity for shareholders who are unable to attend the meeting to appoint any of the independent Directors or other persons as their proxies to participate and cast their votes in the meeting and encourages the shareholders to use Form B Proxy Letter and nominate the independent Directors of more than 1 person as their options in delegating their proxies.

The Board of Directors has a policy to support and facilitate all groups of shareholders, including institutional shareholders to attend the meetings. Hence, the coordination has been made between SCCC and institutional shareholders and/or custodians who are the depository and

curator of securities for foreign investors in verifying the names, number of shares and documents supporting the delegation of proxy before a meeting in order to reduce the time of document verification on the meeting date.

The Board of Directors promote the use of technology for the shareholders' meeting by adopting the computer and barcode systems for registration, vote counting and result display. This is to expedite the meeting process with accuracy and to facilitate the shareholders in exercising their rights fully in participating and casting their votes in the meeting

The Chairman of the Board is the Chairman of the shareholders' meeting having the responsibility to comply with applicable legal requirements and the Company's Articles of Association; to allocate sufficient time for consideration and debate of agendas, and to provide opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.

To enable the shareholders to participate in making crucial decision, Directors who are shareholders participating the meeting should not allow the addition of meeting agendas that have not been duly notified in advance, particularly the important matters that the shareholders should use an ample time to study on its information before making decision.

All Directors, relevant Executives and Directors of committees should attend the meeting to answer questions from shareholders on Company-related matters.

The Company conducts the meetings in a transparent manner with examination mechanisms available. The Chairman of the Board of Directors shall, before the meeting is about to convene, assigns the Company Secretary to give explanations to the meeting on number of attendance, proportion of shareholders who personally attended the meeting and or by proxies, steps and methods in displaying result of the ballots, including opportunity to the shareholders to set the issues and make inquiries as well as ensuring that inquiries and answers, ballot result on each agenda as to how the agreement, disagreement or abstention on ballot casting of the shareholders are, including names of Directors attending the meeting and taking leave of absence from attending the meeting, are recorded in the Minutes of Shareholders' Meeting.

Before casting the votes on each agenda, the Chairman of the Board of Directors opens the opportunity to the shareholders to express their opinions, give their recommendations or even make inquiries. The Chairman and related Executive Committee Members shall be the parties to answer the questions, make considerations on the opinions and recommendations from the shareholders for further actions as appropriate.

In the Company shareholders' meeting, rendering of resolution on each matter would be arranged in the case where such particular agenda contains several matters such as an appointment of Directors, etc. Casting the ballots is strictly undertaken in compliance with the law. The

shareholders are independent in giving, denying their approvals or abstaining from casting the votes in each matter of the agenda. In a normal case, the pertinent resolution shall be determined by the majority of votes of the shareholders in attendance and casting the ballots. One share is equal to one vote. In the case of a tie vote, the Chairman of the Meeting shall have a right to cast an additional vote which is the casting vote.

The Board of Directors are encouraged to provide ballot papers for voting in cases of important matters and to provide independent persons to count the vote or verifications in the meeting and announce the vote results that giving, denying their approvals or abstaining from casting in each agenda as well as recording in the Minutes of Shareholders' Meeting.

The Board shall ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the Minutes of the Shareholders' Meeting. On the same day after the conclusion of the meeting, the Company shall inform the Stock Exchange of Thailand, in the form of a newsletter and Company's website, the resolution of each agenda of the Shareholders' meeting by indicating the votes as “approved”, “disapproved” or “abstained from voting”.

Explanations on the steps of casting the ballots and methods of displaying result of the votes to the meeting before the meeting is convened including the opportunity opened to the shareholders to set the issues or make inquiries as well as ensuring that inquiries and answers and ballot result on each agenda as to how the agreement, disagreement or abstention on ballot casting of the shareholders are, including names of Directors attending the meeting and absent from attending the meeting, are recorded in the Minutes of Shareholders' Meeting.

The Board ensures that copies of the shareholders' minutes of meeting are forwarded to the Stock Exchange of Thailand within Fourteen (14) days from the shareholders' meeting date by overseeing to ensure that the Minutes of Shareholders' Meeting is recorded with the following information:

- (1) Names of Directors and Executives in attendance and proportion of attending and non-attending Directors.
- (2) Method of vote casting and counting, meeting resolutions and vote casting result (“approved”, “disapproved” and “abstained from voting”) on each agenda.
- (3) Important Issues of inquiries and replies in the meeting.

Equitable treatment of Shareholders

SCCC is firmly committed to protect the rights and benefits of our shareholders. The Company's Board of Directors is aware of and put importance on the rights of all types of shareholders. All shareholders, including major shareholders, minority shareholders and institute shareholders

should be treated fairly and equally. This principle be stated as a part of the Corporate Governance policy of the Company.

Rights of Shareholders

The Company's Board of Directors has set the policy in encouraging, supporting and providing facilitations to our shareholders to exercise their fundamental rights in accordance with the law by participating in the shareholders' meetings ,casting ballots either in person or by proxy, appointing or removing Directors, fixing Directors' remunerations in all forms and appointing the auditor as well as matters that would pose an impact on the Company such as allocation of dividends, stipulations or revisions of Articles of Association and Memorandum of Association, capital decrement or increment, and special transaction approvals, etc.

The Company's Board of Directors supports the shareholders' participation by prescribing criteria to allow the minority shareholders to propose a meeting agenda prior to the shareholders' meeting and allow the minority shareholders to participate in the nominations and appointments of directors.

Protection of the Insider Information

The Board of Directors has established the Insider Trading Policy in order to prevent the insiders from abusive self-dealing-benefit or other persons - an act to take an advantage over others such as the trade of securities by using the insider information, together with the blackout period for not less than 30 days prior to the financial report disclosure and not less 24 hours after disclosure the financial report.

Compliance with Corporate Governance Principles on other Matters

Compliance with corporate governance principles on other matters such as shareholders' right protections, equal treatments of all groups of shareholders, roles of stakeholders, information disclosures and transparency and Board's responsibilities are as follows:

1. Shareholding structure of the Group does not have cross nor pyramid holding type in the group of Company and there shall be no portfolio structure type having inter-transactions in a manner likely to cause the conflict of interests.
2. The Company has free float in excess of fifteen percent (15%) of the shares having already been issued.
3. Shareholdings of Directors and the management are disclosed, directly and indirectly, in the annual report and that the Company Directors' total shareholdings are not in excess of twenty-five percent (25%) of the shares having already been issued.

4. The Board has monitored controls to ensure that the Company discloses the shareholding structure of shareholders with transparency by providing details on the controlling interests of major shareholders and proportion of minority shareholders which clearly reveals the fact on the beneficial owner of the Company as well as disclosing the Directors' and the Executive's shareholdings, directly and indirectly, in the annual report every year.
5. In the case of a Company's share buy-back, the Company will not neglect the shareholders' equal treatments.
6. The Company will not hinder nor create any obstacles in opening the opportunity to the shareholders to be able to have communications with one another.
7. The Company will not neglect to disclose the shareholder's agreement having implicitly significant impact on the Company or other shareholders. (If any)
8. Currently the Company has one and single type of share which is the ordinary share. In a shareholders meeting, a shareholder has one vote per share.
9. Over in the past year, there was no transaction on financial assistance to non-subsidiary Company.
10. Directors and executives of the Company do not have penalty record in relation to the securities laws.
11. Over in the past year, there was no apparent case in which the Company had violated or non-complied with the rules on inter-transactions or the rules on asset trades.
12. The Company has prepared CSR report as an integral part of the annual report with the disclosure of GRI Index.
13. Procedural guidelines on the treatments for the stakeholders on various aspects are as follows:
 - 1) The Board of Directors give importance to good health and safe working place, it has established the policy and guidelines on the occupational health and safety and disclosed the statistics of accident occurrence or rates of absence and work-related injury on a regular basis. In 2020, Lost Time Injury Frequency Rate (LTIFR) for employee and contractor is accounted 0.38 per one million worked-hours. And the Company lost 3 external parties.
 - 2) Stipulations of Procedures and Practical Guidelines on Non-Violation of Creditors The Company's Board of Directors places the importance on the obligations having with all groups of our creditors. SCCC is firmly committed with the ideal adherence in carrying out business operations to build up reliability and equitability upon the creditors by having the policy and practical guidelines as follows:

- (1) To strictly and fully comply with the commitments and conditions on debt payments as agreed upon both on the aspect of the back payments of the loans and relevant interests within the prescribed period of time; looking after the collaterals and encumbered charges and liabilities which may contingently occur;
- (2) To manage capital for suitable structure in order to build up confidence in our creditors on our financial status and good solvency; and
- (3) Should there be a case in which we cannot comply with any Clause of the conditions or as agreed upon, SCCC would notify the creditors accordingly in advance without covering up any facts in order that a joint consideration to find a solution in solving the problem can be made.

3) Intellectual Property Rights

The Company also emphasizes on respecting intellectual property rights of the third parties. It is the Company's policy that Directors, Executives and employees and other persons acting on behalf of the Company shall avoid infringement of intellectual property rights of the third parties. At the same time, the Directors, Executives and employees and other persons acting on behalf of the Company shall protect and inspect the Company's intellectual property for the interest of the Company as prescribed in the Code of Business Conduct and related policies, for instance, Appropriate Use of Company IT Asset Policy, Information Classification and Handling Policy, etc.

14. Non-financial Performance Indicators

In order to create confidence in our customers and optimally satisfy them for our services, the Company has established INSEE Service Center to give recommendations relating to the products and services including the advice in relation to the method in solving the problems, after sales services including receipts of complaints when problems arises as well as providing the management process in order to establish good relationship with our customers which is the Net Promoter Score (NPS) for use in working and service providing improvements in order to elevate the level of satisfactions of our customers and their overall feelings as to whether they will continue to provide supports to the Company or not and whichever the level of our customers would support the Company. Therefore, we can assure that our after-sales service, our close look after the product quality would make the Company's products remained in the hearts of our customers to the extent that they are loyal to our product brand from being the Net Promoter Score (NPS) of 2020 to keep the good score continuously.

Detail of SD Performance Indicators are available in the Company's website.

The Company enclosed full version of the following information as an additional information:

List of documents

Policies concerning corporate governance

- Corporate Governance Policy
- Risk Management Policy
- Insider Trading Policy
- Related Party Transaction Policy
- Conflict of Interest Policy
- Anti-Bribery and Corruption Policy
- Whistle-blowing Policy

Code of Business Conduct

Charters

- Roles and Responsibilities of the Chairman of the Board of Directors and the Group Chief Executive Officer
- Charter of the Audit Committee
- Charter of the Governance Committee
- Charter of the Nomination and Compensation Committee

Policies Concerning the Corporate Governance

Corporate Governance Policy

Group

Framework

The Corporate Governance Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

1. Objective

At Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”), good corporate governance is emphasized and encouraged at every level in the organization from the Board of Directors, the Group Executive Committee to all operational levels. Accordingly, the Board of Directors has established this Corporate Governance Policy (“Policy”) as the key principle for the Group.

This Policy is based on the principles of Good Corporate Governance as stipulated by the Stock Exchange of Thailand and also by the guidelines recommended by the Organization for Economic Cooperation and Development (OECD) to provide a foundation for the development and sustainability of the Company.

2. Scope

This Policy applies to all employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group.

3. Definitions

Gatekeepers are people who have responsibilities to oversee the application of this Policy in each area, including but not limited to, Company Secretary, Secretaries to Board Committees, GIAC, P&OP, etc.

4. Responsibilities

The Boards of Directors of the Company and Group Companies are ultimately responsible for ensuring the implementation of effective corporate governance programs and that they are consistently monitored and maintained across the Group.

The Group Executive Committee (GEXCO) shall be responsible to establish, execute and support the necessary organization culture, structure and competencies across all levels of the Group to ensure the effective implementation programs in relation to corporate governance, risk management, compliance and internal control.

5. Policy Directives

5.1 Rights of Shareholders

The Company recognizes and respects the shareholders' rights and shall ensure the following rights of the shareholders:

- a) To buy, sell, or transfer shares.
- b) To share in the profit of the Company via receiving dividends.
- c) To obtain relevant and adequate information on the Company in a timely manner and on a regular basis, as well as proposing for agenda items and questions in the shareholders meeting.
- d) To attend or assign proxies to attend on their behalf and vote in shareholders meetings to elect or remove members of the board, director remuneration, appoint the external auditor, and make decisions on any significant transactions and corporate changes.

The Board of Directors shall ensure that minutes of the shareholders' meetings are prepared and disclosed via the corporate website within 14 days from the meeting date.

5.2 Equitable Treatment of Shareholders

The Company shall treat all shareholders on equal basis covering but not limited to the following:

- a) The Company shall ensure that the shareholder's rights are protected and that they all are treated fairly.
- b) The Company shall encourage the minority shareholders to propose a nomination of director(s) positions and propose additional items for the meeting agenda.
- c) The Company shall establish protection measures to prevent the use of inside information for abusive self-dealing such as insider trading.
- d) Directors and executives shall disclose to the Board whether they and their related parties have an interest in any transaction or matter directly affecting the Company. Directors and executives who have such interests shall not participate in the decision-making process on such issues.

5.3 Role of Stakeholders

All of the Company's stakeholders, (customers, community, business partners, employees, society, shareholders or investors, creditors, competitors, the government and other stakeholders), shall be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Directors shall provide a mechanism to promote cooperation and appropriate participation between the Company and its stakeholders, in order to improve the Company's performance.

To achieve the above, the Company shall set a Whistleblowing Policy for the stakeholders to communicate any concerns to the Board about illegal or unethical practices, incorrect financial reporting or insufficient internal control. The rights of any person who communicates such concerns shall be protected.

5.4 Disclosure and Transparency

The Company gives its priority to the disclosure of the company's important information on both financially and non-financially. The information should be disclosed accurately and transparently on a timely basis and through easy-to-access channels that are trustworthy to the outsiders including the investor, shareholder, and the general public equally and fairly. Therefore, the Board of Directors has set the following guidelines.

a) Disclosure

The Company shall ensure that all important information relevant to the Company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy.

Conflict of Interest

Directors and Executives have the duty to report their interests according to the rules and procedure prescribed by the Board of Directors.

b) Communication

The Board of Directors has assigned the function responsible for investor relations to communicate and provide the information to the investor, shareholder, and the analysts equally and accurately via the Company's website. The disclosure of information shall be available both in Thai and English and all disclosed information should be up-to-date.

5.5 Responsibilities of the Board

The Board of Directors shall perform their fiduciary duty with responsibilities, due care and loyalty, and shall comply with all laws, the objectives, the articles of association of the Company, the resolution of directors and shareholders including Code of Business Conduct and Organizational Regulations and shall conduct annual review of the governance principles and practices of related authorities. The Board of Directors shall nominate/recruit director candidates who have leadership, vision and independence in making decisions for the best interest of the Company and shareholders, with its roles and responsibilities clearly separated from those of management.

The Company has set up the following committees to study and screen special tasks on behalf of the Board, with a clear scope of work, roles and responsibilities:

- a) Audit Committee
- b) Governance Committee
- c) Nomination and Compensation Committee

Each Director shall hold the position of the director not more than 5 Thai listed companies. Also, the Board of Directors self-assessment shall be conducted at least once a year, and performance of the board members shall be assessed individually and as a committee.

The Board of Directors shall support development and training programs for all internal parties, especially, those related to the good corporate governance and ensure the appropriate succession plan for critical management positions in the Company be established and implemented.

6. Compliance and Consequence for Non-Compliance

If a breach of this Policy in the relevant context is found, Gatekeepers shall report to the next level-up supervisor, for notification, suspension or making disciplinary sanction for such breach, with the objective to prevent the reoccurrence of the noncompliance in the future.

7. Policy Measurement Metrics

Not defined

8. Policy Exceptions

This Policy shall be subject to a review and amendment in accordance with any changes in law and regulation issued by relevant authority on the subject.

Variations to this Policy shall be reviewed by the Document Manager and proposed to the Document Owner prior to submitting to the Board of Directors for approval.

9. Reference

We refer to the Code of Business Conduct which emphasized ethical business practices and included many policies related to the governance, such as, safeguarding confidential and non-public information, Insider Trading, without repeating the contents herein.

- End of document -

Annex 1: Document Approval and Version History

Document Approval

Approval Date	05 November 2019
Effective Date	01 January 2020
Next evaluation Date	01 January 2024
Document Manager	Phatchada Muenthong – Company Secretary
Document Owner	Aidan Lynam – Group CEO
Approver	Board of Directors of Siam City Cement Public Company Limited
Document Location	INSEE Portal/Internal Compliance/Governance Documents

Version History as the Group

The following table records all the revisions made to this document:

Version	Date	Description	Approver
1.0	15 Oct 19	Endorsed - Transfer to new template and replace the CG Policy dated February 3, 2015	Aidan L.
	17 Oct 19	Endorsed	GRC
	05 Nov 19	Approved	BoD
	01 Jan 20	Effective	
	02 Feb 21	Reviewed	Phatchada M., Aidan L.
2.0	10 Feb 21	Endorsed	GC
	11 Feb 21	Approved	BoD

Annex 2: Common Terms

BoD	Board of Directors of Siam City Cement Public Company Limited
AC	Audit Committee of Siam City Cement Public Company Limited
GC	Governance Committee of Siam City Cement Public Company Limited
NCC	Nomination and Compensation Committee of Siam City Cement Public Company Limited
Group	Siam City Cement Public Company Limited and its Subsidiaries
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GEXCO	Group Executive Committee
GC	Group Company which is a legal entity under the Group
GC-CEO	Group Company Chief Executive Officer
GC-CFO	Group Company Chief Financial Officer
GC-EXCO	Group Company Executive Committee
SCCC	Siam City Cement Public Company Limited
SCCO	Siam City Concrete Company Limited
CWT	Conwood Company Limited
CWI	PT Conwood Indonesia
SCP	Siam City Power Company Limited
ISUB	INSEE Superblock Company Limited
IECO	INSEE Ecocycle Company Limited
INDG	INSEE Digital Company Limited
Globe	Globe Cement Company Limited
SCCTR	Siam City Cement Trading Limited
SCCLK	Siam City Cement (Lanka) Limited
SCCBD	Siam City Cement (Bangladesh) Limited
SCCVN	Siam City Cement (Vietnam) Limited

Risk Management Policy

Group

Framework

The Risk Management Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

1. Objective

Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”) emphasize the importance of risk management to be an integral part of both sound management practice and good corporate governance. Risk Management, that is culturally embedded, is an active component to improve governance, strategy and planning, policies, processes, values, and cultures throughout the organization and places confidence in having an effective risk management systems and processes which will provide reasonable assurance to the shareholders on the conduct of the company’s affairs and allows the company to manage the risk appropriately to maximize potential opportunity and minimize the adverse effects of risk.

The policy is to formalize and communicate to the approach to risk management within SCCC. The policy provides guidance in relation to a transparent and consistent on risk management to assist in the creation and protection of value to the achievement of the company’s goals and objectives. Risk Management encompasses:

1. Aligning risk appetite and strategy
2. Enhancing risk response decisions
3. Reducing Operational surprises and losses
4. Identifying and managing multiple and cross enterprise risks
5. Seizing opportunities
6. Improving deployment of capital
7. Crisis management

2. Scope

This Policy applies to all employees, officers, management, directors as well as any person who represents or performs work on behalf of any entity under the Group.

3. Definitions

Enterprise Risk Management (ERM)	<p>is a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events including any crisis that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives which set into 4 categories:</p> <ul style="list-style-type: none">- Strategic Risk – high level goals, aligned with supporting its mission- Operational and Business Risk – effective and efficient use of its resources- Compliance Risk – compliance with applicable laws and regulations- Financial Risk – various types of risk associated with financing, including financial transactions
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4. Responsibilities

Board of Directors (BoD) shall be ultimately responsible for ensuring that adequate and effective governance risk management and environment including crisis management is established and maintained in SCCC and its Group Companies.

Audit Committee (AC) shall be responsible to review the risk management systems including business processes to ensure that they are suitable and efficient.

Group Internal Audit and Compliance (GIAC) should provide independently assurance over the adequacy of risk management systems to the Audit Committee that operational controls are designed to manage risks and are operating in efficient, effects and ethical manner.

Group Chief Executive Officer (GCEO) shall be accountable for establishing and supporting the necessary organization culture, structure and competence across all levels of personnel and organization in SCCC and its Group Companies for effective implementation of risk management and crisis management.

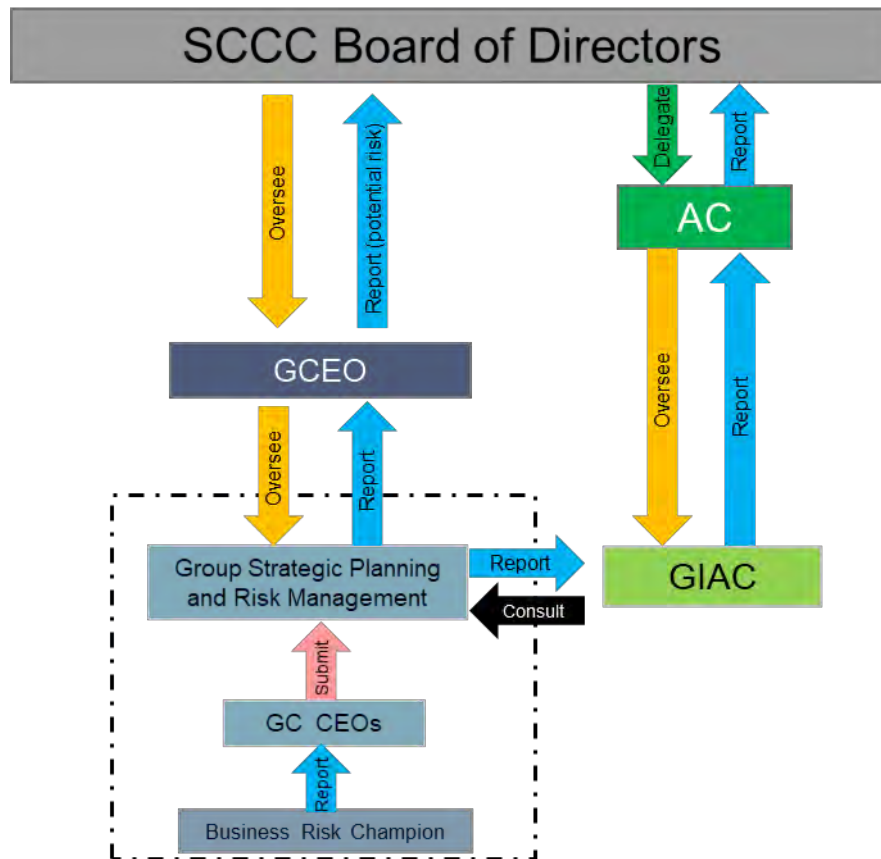
Group Company Chief Executive Officer (GC-CEO) shall be responsible for supporting risk management systems and processes to be operated actively and effectively according to the policy including business processes and crisis management which identify measures, monitor, reporting and manage risks by risk owners. The risk awareness shall be encouraged to each individual in the organization to create company culture.

All Managers and Employees must perform, monitor and communicate material business risk to relevant party according with risk management structure. Visible actions are required

to identify, assess and mitigate risks that could negatively affect the strategy or business goal of SCCC and its Group Companies.

5. Policy Directives

5.1 Risks Governance Structure



- 5.2 Risks including any crisis which have potential impact to group strategies or group objectives must be reported transparently to the standing meeting cycles of BoD, AC, and GCEO on quarterly basis. The Group Companies would ensure proper control on residual risks by having accurate and consistent monitoring, review and reporting.
- 5.3 All managers and employees have been established to act both as risk owner and independent review mechanism for risks and opportunities escalated by countries, functions and projects. All risks, including emerging local risks and macro risks, must be promptly evaluated and registered by identifying root causes, mitigation plans and opportunities to understand and enable SCCC and its Group Companies to achieve its common goals.
- 5.4 For effective risk management, a reliable management information system is required for risk monitoring of the critical activities and processes of each organization. The system should be supported by effective channels of communication to ensure that all employees entirely understand and adhere to the policies and standard operating procedures affecting their duties and responsibilities. Any deficiencies, which get identified should be immediately escalated and reported to the appropriate level of Management and GCEO for corrective actions and monitoring as well as to the AC / BoD for their acknowledgement and direction.

- 5.5 Overall effectiveness of the SCCC and its Group Companies' risk management should be responsible by each individual to proactively understand and promote risk awareness. Risk Management shall be recognized that risk is imbedded in considered as part of company culture.

6. Compliance and Consequence for Non-Compliance

All entities and their employees, officers, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected to assure that appropriate resources are available and reviews are regularly undertaken on a regular basis to ensure that the implementation and application of this Policy remain robust at all times.

Anyone who breaches the Policy shall be subject to disciplinary action, which could result in dismissal or termination for any misconduct.

7. Policy Measurement Metrics

A Quality review will be conducted to assess the efficiency and sustainability of internal control of the Group.

8. Policy Exceptions

No exceptions are permitted.

Variations to this Policy shall be reviewed by the Document Manager and proposed to the Document Owner prior to submitting to the Board of Directors for approval.

9. Reference

- 9.1 Charter of the Audit Committee

- End of document -

Annex 1: Document Approval and Version History

Document Approval

Approval Date	27 July 2020
Effective Date	27 July 2020
Expiry Date	01 January 2022
Document Manager	Panitra Silanon - Head of Group Business Planning, Transformation and Performance
Document Owner	Aidan Lynam – Group CEO
Approver	Board of Directors of Siam City Cement Public Company Limited
Document Location	INSEE Portal/Internal Compliance/Governance Documents

Version History as the Group

The following table records all the revisions made to this document:

Version	Date	Description	By
1.0	15 Oct 19	Acknowledged - Transfer to new template and cancel PL-CEOO-BRM-001	Aidan L.
	17 Oct 19	Endorsed	GRC
	05 Nov 19	Approved	BoD
	01 Jan 20	Effective	

Annex 2: Common Terms

BoD	Board of Directors of Siam City Cement Public Company Limited
AC	Audit Committee of Siam City Cement Public Company Limited
NCC	Nomination and Compensation Committee of Siam City Cement Public Company Limited
Group	Siam City Cement Public Company Limited and its Subsidiaries
GCEO	Group Chief Executive Officer of the Group
GCFO	Group Chief Financial Officer of the Group
GEXCO	Group Executive Committee of the Group
GC	Group Company which is a legal entity under the Group
GC-CEO	Group Company Chief Executive Officer
GC-CFO	Group Company Chief Financial Officer
GC-EXCO	Group Company Executive Committee
SCCC	Siam City Cement Public Company Limited
SCCO	Siam City Concrete Company Limited
CWT	Conwood Company Limited
CWI	PT Conwood Indonesia
SCP	Siam City Power Company Limited
ISUB	INSEE Superblock Company Limited
IECO	INSEE Ecocycle Company Limited
INDG	INSEE Digital Company Limited
SCCTR	Siam City Cement Trading Limited
SCCLK	Siam City Cement (Lanka) Limited
SCCBD	Siam City Cement (Bangladesh) Limited
SCCVN	Siam City Cement (Vietnam) Limited

Insider Trading Policy

Group

Framework

The Insider Trading Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

1. Objective

This Insider Trading Policy is established to ensure that Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”) are in compliance with statutory and regulatory requirements when dealing with the securities of SCCC. It also aims to communicate the same to Relevant Person(s) who may know or obtain any knowledge in relation with any non-public information which may be sensitive to SCCC securities and business.

2. Scope

This Policy applies to all employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group.

3. Definitions

Securities	Include common share, preferred share, warrant, transferable subscription right, convertible debentures, derivatives warrant, NVDR (Non-Voting Depository Receipts) or other types issued by SCCC, in accordance with the Thai Securities and Exchange Act.
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Material Information	is information that has a substantial likelihood that a reasonable investor would consider it important in making an investment decision, or if it is reasonably certain to have an effect on the price, whether it is positive or negative, of SCCC's Securities.
Non-public Information	is information that has not been made publicly available to investors in general. This includes information received from sources or in circumstances indicating that the information has not been publicly circulated.
Insider Person	is generally referred to a person who possesses material information and non-public information about the Group and who has a duty to the Group to keep such information confidential.
Relevant Person(s)	is referred to all employees, management and directors of the Group, as well as any person who represents SCCC or performs work on behalf of SCCC and/or its Subsidiaries who are subject to this Policy.
Insider Trading	is generally referred to the use of material information and non-public information to trade securities or the communication of material information and non-public information to others who may trade on the basis of such information.
Blackout Period	is duration of time when the Group employees, officers, management and directors who are privy to inside information (material information and non-public information) are restricted from buying or selling securities of SCCC.

4. Responsibilities

The Company Secretary shall notify the Blackout Period for each quarter to the Relevant Persons based on the schedule of SCCC's Board of Directors Meeting.

All Relevant Persons shall be responsible for strictly complying with this Policy. Thus, they shall be ethically and legally obligated to maintain the confidentiality of information of the Group and not to trade SCCC securities, while in possession of material and non-public information.

The Relevant Persons who receive the notification of the Blackout Period shall extend such notification to other Relevant Person(s) who is/are not included in the distribution list of the Blackout Period.

5. Policy Directives

In general, employees, management, directors or the Relevant Persons of the Group are entitled to subscribe, purchase and sell SCCC securities.

- a) Employees, management, directors and other Relevant Persons of the Group shall not trade SCCC securities, unless they are certain that they do not possess material and non-public information.
- b) Employees, management, directors and other Relevant Persons of the Group shall not trade SCCC securities, directly or indirectly through the family members or other members in a person's household and entities controlled by them, unless they are certain that he or she does not possess material and non-public information.
- c) Employees, management, directors and other Relevant Persons of the Group shall not disclose material and non-public information to their family members or other members in a person's household and entities controlled by them.

The above restriction in dealing with SCCC securities shall be applicable, when the Relevant Person as mentioned above is involved with non-public information such as financial statement preparation, confidential project preparation which is not yet disclosed publicly. SCCC and/or the Relevant Persons shall fully comply with the securities law and the SCCC Code of Business Conduct.

As a preventive measure, the Company Secretary shall determine the Blackout Period for a group of personnel who are involved in the preparation of financial statements or in handling financial data prior to public disclosure. This includes but not limited to members of the Board of Directors of Siam City Cement Public Company Limited and its Subsidiaries, the Executive Committee members, Senior Management (SML) and his/her subordinates. They shall be prohibited from subscribing, purchasing and selling SCCC securities for a minimum period of 30 days before the disclosure or announcement of the financial statements and 24 hours after the disclosure or announcement of the financial statements.

6. Compliance and Consequence for Non-Compliance

All entities and their employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected to assure that appropriate resources are available. Reviews are always regularly undertaken to ensure that the implementation and application of this Policy remain robust.

Anyone who breach this Policy shall be subject to disciplinary action and penalty under the Section 241 of the Securities and Exchange Act B.E. 2535 that prohibiting insider trading (Penalty is imprisonment up to 2 years, or fine up to 2 times of benefit received but not less than THB 500,000 or both fine and imprisonment).

7. Policy Measurement Metrics

Not defined

8. Policy Exceptions

No exceptions are permitted.

However, this Policy shall be subject to a review and amendment in accordance with any changes in law and regulation issued by The Authority on the subject.

Variations to this Policy shall be reviewed by the Document Manager and proposed to the Document Owner prior to submitting to the Board of Directors for approval.

Buying SCCC securities under the Employee Joint Investment Program (EJIP) scheme whereby securities can be scheduled to be bought on a fixed day in advance on a monthly basis is not restricted during this "Blackout Period".

9. Reference

- 9.1 Code of Business Conduct
- 9.2 Securities and Exchange Act B.E. 2535

- End of document -

Annex 1: Document Approval and Version History**Document Approval**

Approval Date	05 November 2019
Effective Date	01 January 2020
Re-evaluation Date	01 January 2022
Document Manager	Phatchada Muenthong – Company Secretary
Document Owner	Aidan Lynam - Group CEO
Approver	Board of Directors of Siam City Cement Public Company Limited
Document Location	INSEE Portal/Internal Compliance/Governance Documents

Version History as the Group

The following table records all the revisions made to this document:

Version	Date	Description	By
1.0	15 Oct 19	Endorsed - Transfer to new template and cancel PL-CEOO-LEGC-001	Aidan L.
	17 Oct 19	Endorsed	GRC
	05 Nov 19	Approved	BoD
	01 Jan 20	Effective	

Annex 2: Common Terms

BoD	Board of Directors of Siam City Cement Public Company Limited
AC	Audit Committee of Siam City Cement Public Company Limited
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NCC	Nomination and Compensation Committee of Siam City Cement Public Company Limited
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SCCVN	Siam City Cement (Vietnam) Limited

Related Party Transactions Policy

Group

Framework

The Related Party Transactions Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

Annex 3: Summary Flowchart for Related Party Transaction Implementation

Annex 4: Type of Related Party Transactions and Thresholds

1. Objective

Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”). This Policy has following intentions:

- a) To promote transparent and fair treatment to all shareholders;
- b) To ensure that all Related Party Transactions (RPT) are approved through a transparent process by the directors and executives performing their duties with responsibility, caution, and honesty without beneficiaries involved in the decision process;
- c) To ensure that all RPT are done for the sake of the Company’s benefits, similarly to any transactions done with the third party;
- d) To establish monitoring system for RPT, to ensure that they were done through the right process.

2. Scope

This Policy applies to all employees, officers, management, directors, as well as any person who represents or performs work on behalf of any entity under the Group.

3. Definitions

The following words or statements shown in this Policy shall have the meaning as defined in the table below.

Related Party Transactions (RPT)	<p>means a transaction between:</p> <ul style="list-style-type: none"> - The Company or a Group Company; and - A Related Party of the Company
Related Party	<p>means a person who may have led to the conflict of interests of the company's directors or executives, causing a conflicting situation to make a decision based on personal or corporate benefits. This includes:</p> <ol style="list-style-type: none"> 1) Directors, Executives, Major Shareholders or Controlling Person of the Company, including their nominated person as Director, Executive or Controlling Person, as well as their Related Person and close relatives. 2) Any juristic person, of which its major shareholders or controlling persons are people under (1). 3) Any person representing or under the influence of (1) and (2). 4) A director of a juristic person with controlling power. 5) Spouse, minor child/adopted child of director under (4). 6) A juristic person under the controlling power of the person in (4) or (5). 7) Any person wanting to enter into a transaction with the Company in order to bring the financial benefit to the person in (1) to (6).
Major Shareholder	<p>means a direct and indirect shareholder holding the voting shares more than 10%, including the shares held by its Related Person.</p>
Related Person	<p>Means the following persons of the Related Party:</p> <ol style="list-style-type: none"> 1) Spouse; 2) Minor Child; 3) Ordinary Partnership or Limited Partnership, in which the Related Party (including its spouse or minor child) are partner or limited partner (as applicable) more than 30% stake; 4) Limited company or public company, in which the Related Party (including its spouse or minor child or (3)) collectively hold shares more than 30% stake; 5) Limited company or public company, in which the Related Party, including (1) – (5) collectively hold shares more than 30% stake.
Controlling Person*	<p>means the person with the controlling power over the Company, by holding more than 50% of the voting shares, or having control either directly or indirectly over majority votes at the shareholders meeting, or over the appointment or removal of more than half of the directors.</p> <p>(*Currently, the Company does not have Controlling Person.)</p>

RPT exempted from the RPT Rules	<ol style="list-style-type: none"> 1) Transaction that the Company conducts with its Subsidiary, in which the Company holds shares more than 90% of such Subsidiary. 2) Transaction which both parties are Subsidiaries, in which the Company holds shares more than 90% of such Subsidiaries. 3) The transaction proven to be fair and did not lead to the benefit transfer and comply with this Policy. 4) Transactions under other exemptions of the related regulations.
General commercial conditions	<p>means commercial conditions under fair pricing and conditions which do not lead to undue benefit transfer, with following benchmarks:</p> <ol style="list-style-type: none"> a) Pricing and conditions which the Company or Subsidiaries have received or offered to another person. b) Pricing and conditions which the Related Party have offered to another person. c) Pricing and conditions which the Company can prove that similar business operators have offered to another person. For example, bidding or price comparison from at least 3 offers. <p>In the case that there no price benchmark is available, the Company may use the evaluated price from the Appraisal under SEC endorsement, to present the fair value for such assets.</p>
Approved Principles	<p>means the principles approved by the Board of Directors of the Company which delegated the authority to the Management, provided that the resolution of the Board of Directors was made in accordance with Section 89/12 of the SEC Act. In this regard, the Board of Directors may add other requirements as they deem fit.</p>

4. Responsibilities

This Policy related to many functions in the Company, therefore, the Board of Directors has defined the roles and responsibilities of related functions as follows:

Board of Directors (BoD)

- a) The BoD shall consider all RPTs which required BoD or Shareholders' approval. The BoD may delegate normal business transaction or supporting business transaction to the Management.
- b) For RPT other than the above, the BoD shall consider and approve or endorse (for a large size transaction requiring approval from shareholders) the RPT of the Company and its Subsidiaries, in accordance with the rules and guideline of the regulatory authorities.

Audit Committee (AC)

- a) For RPT requiring approval from the Board of Directors and/or Shareholders, the AC shall review the RPT, also to oversee Management's compliance with the rules and guideline of the regulatory authorities on a quarterly basis, in order to ensure that such transactions are reasonable and for the best benefit of the Company.
- b) For RPT approved by management, under the Approved Principles, the Group Chief Accountant needs to collect and report all such transactions to the AC on a quarterly basis. The AC shall review management's information on necessity and reasonableness of the RPT. If the AC does not agree, the AC shall raise such different opinion.

Group CEO (GCEO) shall ensure that the Company and its subsidiaries strictly comply with this Policy and the related Manuals of Authority.

Group Company CEO (GC-CEO) shall ensure that its responsible Subsidiary strictly comply with this Policy and the related Manual of Authority.

Group Chief Accountant (GCA)

- a) The GCA shall collect and prepare a quarterly report to the AC on the information of RPT in accordance with rules of the regulatory authorities and of accounting standards, including the information in relation to necessity and reasonableness of the RPT and most beneficial to the Company, as well as the information on appraisal of assets.
- b) The GCA shall prepare a quarterly report to the AC on the minoring of NTA value (from the consolidated Financial Statements) and the accumulated amount of the RPT for the period of 6 months, except RPT which received approval from the Shareholders, in order to observe the trend of RPT and prevent the circumvention of the Policy compliance.

Company Secretary

- a) To provide advice on requirements for conducting RPT for the Company and its Subsidiaries, in accordance with this Policy and the rules of regulatory authorities.
- b) To coordinate with the BoD and the Executives in arrangement of the meeting of the BoD and the Shareholders (if required) for obtaining approval for entering into the RPT in accordance with the rules of regulatory authorities.
- c) To collect the Conflict of Interest Reports from the BoD and the Executives and submit to the GCA.

5. Policy Directives

5.1 General Principle

- 5.1.1 All RPT of the Company and its Subsidiaries shall comply with the SEC Act, the Notification of the Capital Market Supervisory Board, the Notification of the Stock Exchange of Thailand and/or any Notification of regulatory authorities.

- 5.1.2 RPTs exempted from the RPT Rules shall be conducted on an arm's length basis, for the benefit of the Company.
- 5.1.3 GCEO or CEO of each Group Company (as applicable) shall ensure that the RPT, which is a Normal Business Transaction with general commercial conditions or a Supporting Normal Business Transaction with general commercial conditions is conducted in accordance with the Approved Principles and the related Manuals of Authority.
- 5.1.4 Directors, Executives or Management who has the conflict of interest on the RPT shall not consider and/or approve such RPT.
- 5.1.5 If a related function has doubt that the transaction would be an RPT, the related function of the Company or Subsidiaries shall consult with the Company Secretary on requirements of RPT Rules before entering into such transaction.

5.2 RPT Information Collection

The GCA shall collect information on RPT and prepare disclosure report by type and value of RPT, then report to the AC for review on a quarterly basis.

5.3 Approval Requirements

- 5.3.1 If the RPT requires approval from the BoD, the responsible function shall present sufficient information to the GCEO for review. And prior to proposing to the BoD or the Shareholders for approval (as applicable), the responsible function shall seek opinion from the AC on whether such transaction is reasonable and most beneficial to the Company.
- 5.3.2 The BoD shall consider and make decision based upon the ground that such RPT is reasonable and most beneficial to the Company.
- 5.3.3 If the RPT requires approval from the Shareholders, the BoD shall convene a Shareholders Meeting and appoint the Independent Financial Advisor to provide opinion on reasonableness and fairness of pricing and conditions of such RPT, and its recommendation to the Shareholders on whether the Shareholders should approve such transaction.

5.4 Disclosure

- 5.4.1 Directors and Executives shall report their conflict of interest to the Company, so that the Company has information for consideration of any transaction with potential conflict of interest or transaction that falls into requirements of RPT rules for the Group. Company Secretary shall submit this report to the GCA.
- 5.4.2 Disclosure of RPT shall be in accordance with relevant laws and regulations of the regulatory authorities.

6. Compliance and Consequence for Non-Compliance

All entities and their employees, officers, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected to assure that appropriate resources are

available and reviews are regularly undertaken on a regular basis to ensure that the implementation and application of this Policy remain robust at all times.

Anyone who breaches the Policy shall be subject to disciplinary action, which could result in dismissal or termination for any misconduct.

7. Policy Measurement Metrics

This Policy shall be measured its effectiveness and awareness through:

- 1) Completion and accuracy of the information disclosure in accordance with the regulatory authorities.
- 2) Completion and accuracy of information disclosure in accordance with accounting standards.
- 3) Continuing Policy compliance by people who have approval authority on the RPT.

8. Policy Exceptions

No exceptions are permitted.

However, this Policy shall be subject to a review and amendment in accordance with any changes in law and regulation issued by The Authority on the subject.

Variations to this Policy shall be reviewed by the Document Manager and proposed to the Document Owner prior to submitting to the Board of Directors for approval.

9. Reference

- 9.1 The Securities and Exchange Act or SEC Act, Section 89/12, Section 56;
- 9.2 The Notification of the Capital Market Supervisory Board No. Tor.Chor. 21/2551 (A.D 2008) Re: Rules on Related Party Transactions;
- 9.3 The Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Required Actions for Listed Companies Concerning Related Party Transactions (A.D. 2003)
- 9.4 Manual of Authority

- End of document -

Annex 1: Document Approval and Version History

Document Approval

Approval Date	05 November 2019
Effective Date	01 January 2020
Re-evaluation Date	01 January 2022
Document Manager	Kasem Makrailert – Group Chief Accountant
Document Owner	Mark Schmidt – Group CFO
Approver	Board of Directors of Siam City Cement Public Company Limited
Document Location	INSEE Portal/Internal Compliance/Governance Documents

Version History as the Group

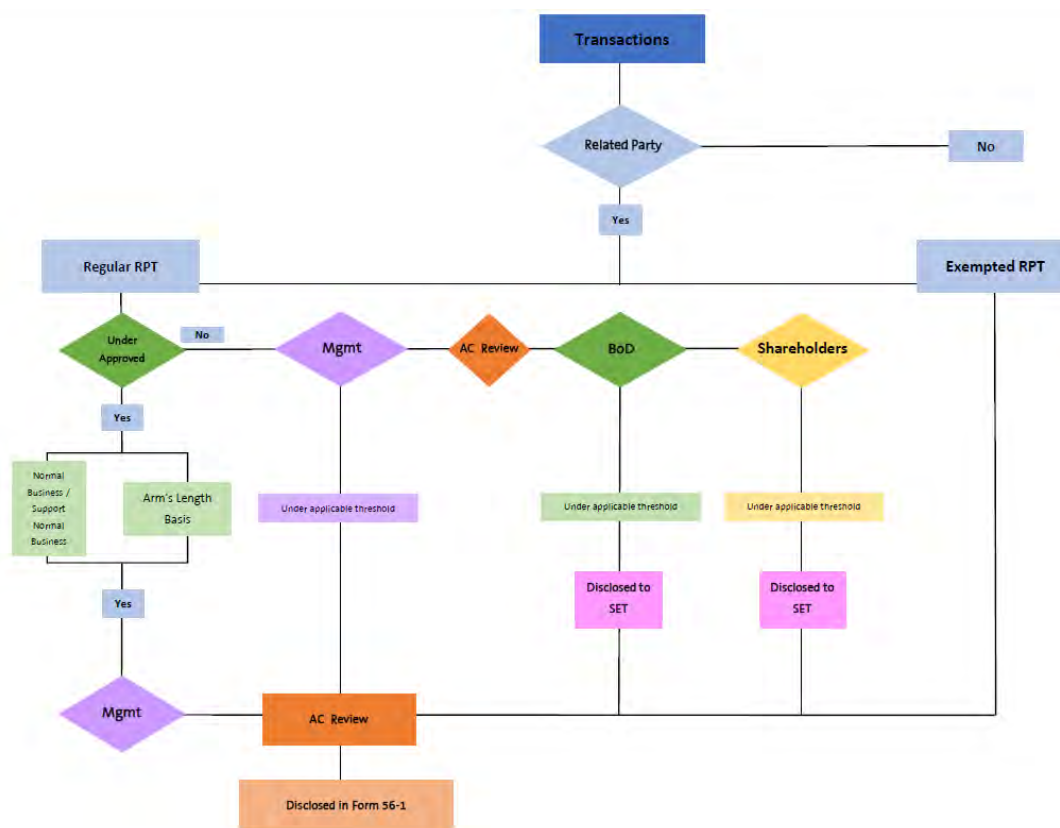
The following table records all the revisions made to this document:

Version	Date	Description	By
1.0	15 Oct 19	Endorsed	Aidan L.
	28 Oct 19	Endorsed	AC
	05 Nov 19	Approved	BoD
	01 Jan 20	Effective	

Annex 2: Common Terms

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SCCVN	Siam City Cement (Vietnam) Limited

Annex 3: Summary Flowchart for RPT Implementation



Annex 4: Type of RPT and Thresholds

Type of transaction	Authority		
	Small	Medium	Large
1. Normal business transactions/ 2. Normal business-support transactions - General commercial conditions	The company's board of directors approve in principal and lay down the framework for the management to proceed		
- No general commercial conditions	The Management	Board of directors + Information disclosure to SET	Shareholders
3. Rental or rented real estate for not longer than 3-year period, and under no general commercial conditions	The Management	The Management + Information disclosure to SET	Board of directors + Information disclosure to SET
4. Transactions relating to products or services	The Management	Board of directors + Information disclosure to SET	Shareholders
5. Transactions on offering or receiving financial assistance			
- Providing financial assistance to connected person or the company where the connected persons hold more shares than the listed company	Board of directors (Less than 100 million Baht or 3%NTA, whichever lower)	-	Shareholders (Over 100 million Baht or 3%NTA, whichever lower)
- Providing financial assistance to a company where the listed company hold more shares than the connected persons	The Management	Board of directors + Information disclosure to SET	Shareholders
- Receiving financial assistance	The Management	Board of directors + Information disclosure to SET	Shareholders

Source: www.set.or.th

Conflict of Interest Policy

Group

Framework

The Conflict of Interest Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

Annex 3: Approval and Disclosure

Annex 4: Examples of typical conflict of interest

Annex 5: Conflict of Interest Declaration for New Hire

Annex 6: Annual Conflict of Interest Declaration and/or when there is change

1. Objective

Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”) promotes integrity and transparency in conducting its business, as these are fundamental in meeting its stakeholders’ expectation and building trusts with customers, business partners and the public.

This Policy is established to provide standard of conduct to ensure that all Personnel act in the best interest of the Company and the Group.

2. Scope

This Policy applies to all employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group (herein after “Personnel”).

All Personnel are obligated to act at all times solely in the best interests of the Company and the Group.

3. Definitions

Conflict of Interest	is the situation where financial or other interests of the Personnel interfere or may be perceived as interfering with the ability to act in the best interest of the Company or the Group.
Advantage	Any economic or non-economic advantage of any kind that is directly or indirectly offered or provided to third parties or offered by or received from third parties in relation to actual or potential business activities or decisions of the Group. Non-economic benefits include but are not limited to gifts, meals, entertainment, travel, lodging, grants, donations, undue discount, etc.
Gifts	means something that is given or received to/from another person including but not limited to cash, vouchers or any item (e.g. pens, hampers, concert tickets) having any cost or financial value, including food or beverages (e.g. supplier or sub-contractor sponsored meals, entertainments, and hospitality) as well as any items of value.
Entertainment and Hospitality	refers to the spending for business courtesies with externals such as spending on food, beverage, recreation (e.g. tickets, and/or passes to events, services, training, seminar, transportation).
Business Courtesies	refers to cash or cash equivalent, gifts, entertainment hospitality, favors and other benefits given to or received from those with whom an organization does business.
Sponsorship	form of giving in money, objects or property to an activity or a project must specify name of SCCC or its Group Companies. The sponsorship must have the purpose to promote the Company and the Group' good reputation and must be transparent and obtain the approval according to company's process.
Charitable Donation	Donations to any organization for the purpose of contribution to society. The organization which received funds must be reliable and must provide a donation certificate. The donation must be transparent and pass the Company's approval process. The requestor must ensure that funds do not use for other purpose.
Political Contributions	Giving or offering anything of value e.g. money, goods, or any other benefits to politician, political parties or individuals as well as political activities directly or indirectly.

Close relationships	means the family members with close relationships to the Personnel either related by blood, including parents, grandparents, children, siblings, or relationship from registration under laws, including spouse, stepchildren, foster-parents, or individuals whom you have close relationships with, including partner (not married but in a relationship), mothers-, fathers-, brothers-, and sisters-in-law, someone who is financially dependent on you or you are financially dependent on them, any juristic person having its family member as a major shareholder or a controlling person through the shareholding not less than 30 percent of equity interest.
Employees	All employees in the Group including temporary workers, contract workers and any other person who required completing work for and on behalf of the Group.

4. Responsibilities

Directors, Management and Employees of the Group shall disclose or report any conflict of interest occurred or become to his/her knowledge at any times for transparency and integrity of the individual.

It is also the responsibility of individual to avoid or prevent any situation or action that may create or appear to create or lead to a situation that could be perceived as conflict of interest.

Audit Committee shall give recommendation on solution to the conflict of interest in relation to the Charter of the Audit Committee.

Head of Group Internal Audit and Compliance shall be responsible for undertaking regular reviews, in order to ensure that the implementation and application of the policy remain robust at all times, as well as receiving reports from the person in charge of compliance matter in each Group Company in order to report the result and the opinion to the Group CEO and the Audit Committee respectively.

Company Secretary of each Group Company shall be responsible for obtaining the annual declaration of the conflict of interest from the Board members and report to the Audit Committee and the Chairman of the Board of Directors via Head of Group Internal Audit and Compliance.

CEO of each Group Company shall be responsible for the overall management of the conflict of interest program within his/her company in order to ensure the appropriate declaration of conflict of interest be reported and the conflict resolution be identified and implemented properly and timely. The CEO shall also be accountable to assure that full awareness on the topic of Conflicts of Interest is established across the Company, as well as to establish a clear "Tone from the Top" on compliance.

Senior Management and above shall manage conflict of interest in their respective functions based on the best interest of the Company and the Group and in cases where the subordinates have conflict of interest, the conflict must be immediately resolved and reported to the person in charge of compliance matter in each Group Company.

Human Resources Function of each Group Company shall be responsible to ensure that the new joiner has disclosed the actual or potential conflict of interest (see Annex 5) prior to the commencement of employment. They are also responsible to distribute the Annual Conflict of Interest Declaration to all employees, then, report the result of the annual declaration and raise potential conflict of interest to the CEO and the person in charge of compliance matter in each Group Company.

Human Resources function also has the responsibility to maintain the employees' disclosure data and documentations.

Supervisor shall be responsible to report the person in charge of compliance matter when his/her subordinate report/disclose about his/her actual or potential conflict.

Compliance Function of each Group Company (or the person in charge where there is no Compliance Function) shall be vigilant in promoting the conflict of interest compliance policy and investigating potential violations of such policy including support the timely identification and analysis of potential conflict of interest. The Head of Compliance Function or the appointed person ("the person in charge of compliance matter") in each Group Company will report any noticeable issue on conflict of interest and the result of the annual conflict of interest declaration to the Head of Group Internal Audit and Compliance.

In addition, the Compliance function and the person in charge of compliance matter must review and analyze the receiving reported items from externals to see the trends that are likely to cause issues or concerns and determine the solutions and preventions.

5. Policy Directives

A conflict of interest arises when the Personnel has personal relationship or financial or other interest that could interfere with his/her obligation, or when they use their position with the Company for personal gain. The Company requires the Personnel disclose all potential conflicts of interest and that they promptly take actions to eliminate the conflict.

5.1 Guiding Principles

- a) As general rules, Personnel must not use their position for personal, financial or other benefit (means direct or indirect benefits such as honors or positions), apart from being remunerated by the Company or the Group for their activity, nor may they use such position for the financial or other benefit of family members or other related persons. No Personnel may take part in any business activities where they may be influenced by any said interests that are perceived, or may be perceived, as a hindrance to objective decision-making in the Company's or the Group's interest.
- b) Employees must not engage in activities outside of work that create a possible conflict with the Company's best interest.
- c) Personnel must avoid situations that may cause a conflict of interest. However, when a conflict of interest occurs, Personnel should take steps to ensure that the situation is treated fairly to the opposite party e.g. customers, suppliers etc. and the Company by disclosing information (see Annex 6) or refusing to take any other action or as appropriate.

- d) Employees must be cautious when giving gifts or entertainment to anyone whom the Company do business with and be also respect and adhere to customer or supplier policies that may not permit the acceptance of gifts or entertainment. Employees must only participate in business entertainment when it is an integral part of business building activities.
- e) Receiving gifts, entertainment or other gratuities from people with whom we do business is generally not acceptable because doing so could imply an obligation on the part of the Company and potentially pose a conflict of interest.
- f) In the event that employees have direct or indirect interests that are in conflict or may conflict with the interests of the Company or the Group, employees must notify supervisors and Compliance function or the person in charge. Such employees should not be involved in decisions related to that benefit to ensure that the Company makes fair decisions.
- g) If an employee is unsure about whether a contemplated activity might constitute a potential conflict of interest, the employee should talk to his/her direct supervisor or contact the Compliance function or the person in charge for guidance.

5.2 Guidelines on Offering and/or Receiving

The offering and/or receiving of business courtesies should meet the following guidelines:

- a) **Cost, amount and frequency:** Business courtesies and charitable donations should be reasonable, of modest value and occasional (see Clause 5.9).
- b) **Appropriateness:** Business courtesies and charitable donations are appropriate if it is for legitimate business purposes, customary and it does not damage the Company and the Group or its employee's reputation should it be disclosed publicly. The Group do not have a policy to support a political party or group directly or indirectly and prohibit anyone to approve transaction that supports political party or group.
- c) **Conflict of Interest:** Business courtesies and charitable donations must not influence or appear to influence the business decision making and create a potential conflict of interest.

5.3 Disclosure and Reporting

- a) All new hire employees shall be requested to disclose all actual or potential conflict of interest at or before commencement of employment in the Conflict of Interest Declaration for New Hire (see Annex 5).
- b) Employees in the Middle Management Level (MML) to Top Management Level (TML) of each Group Company shall annually disclose and promptly update any disclosures in Annual Conflict of Interest Declaration (see Annex 6).
- c) All employees are obliged to disclose information about actual conflict and potential conflict when there are changes to the latest disclosure at the provided channel in each Group Company in order to avoid situations that may cause consequences from not disclosing information about conflict of interest between themselves and the Company.
- d) Any additional disclosure, as well as approval requirements for specific types of transactions, shall be determined and communicated by local management in accordance with applicable laws and regulations.

- e) Potential conflict of interest shall be first disclosed by employees to his or her direct supervisor or at the provided channel in each Group Company, as soon as the matter/issue arisen and/or become apparent to his/her knowledge. The supervisor shall be responsible to raise such information to Compliance function or the person in charge for further appropriate actions.
- f) Any employee who notices a case of active or passive conflict of interest, bribery or self-dealing is expected to report the circumstances with any known evidence immediately to his/her supervisor or use INSEE Speak Up for reporting purpose.

5.4 Conflict of Interest Review

- a) For each conflict of interest disclosed with potential concerns/impacts to several functions, the CEO of that Group Company will appoint the competent panel consisting of at least three members from several functions e.g. Human Resources, Compliance function or the person in charge, and the supervisor of the person with conflict to conduct a careful review of such declared conflict of interest.
- b) Any involvement in an external activity or position, such as taking up a directorship, advisor, agency, speaker or employment outside the Company, employees must make sure it would not interfere with the work for the Company and must comply with the Company's Code of Business Conduct, rules and regulations.

Prior involvement of the above-mentioned activities, employees must obtain approval from the CEO of their own Group Company. For the CEO of each Group Company and the GEXCO members, the approval must be obtained from the Nomination and Compensation Committee (NCC).

5.5 Records and Maintain the disclosure of Employees

- a) Any approvals, denials or firewalls resulting from conflict of interest disclosure must be documented in writing and stored in the particular personnel's file of such personnel at Human Resources function.
- b) The Human Resources function shall maintain such disclosure documentation for the time period prescribed for legal documents under the Document Retention Policy.

5.6 Prohibited Business Courtesies

The following are examples of business courtesies which one must not give/accept/offer:

- a) Cash or cash equivalent such as gift certificates, gift cards not in a ceremony or on occasions in accordance with custom and tradition.
- b) Gifts and entertainment prohibited by law.
- c) Bribes, payoffs, kickbacks.
- d) Services or non-cash benefit such as promise of employment.
- e) Product or service discounts not available to all employees or does not form part of a normal sales promotion.
- f) Gifts to/from family members of a supplier, customer or business partner (except traditional or customary norms, e.g. wedding, funeral, ordination etc.).
- g) Tickets and/or passes for an event but not attended by the host.

- h) Travel and/or transportation and/or lodging of the 3rd party cost.
- i) Lavish or extravagant in the context of the business occasions and customs.
- j) Gifts/entertainment where the intention is to carry favor or influence, or appear to influence, a specific business decision/outcome.
- k) Entry to adult entertainment clubs or adult inappropriate events.
- l) Gifts/entertainment that violate the company's Code of Business Conduct.
- m) All forms of political help and support.

5.7 No Gift Policy

The Group are fully committed to conducting business with integrity. In line with this commitment, the Group adopt a "No Gift Policy" whereby our employees are not allowed to receive anything of value from current or potential customers, vendors, agents or business partners. This policy supports our Personnel to conduct their work in a fair, objective and independent manner and to prevent any conflicts of interest, or appearance of such in our business dealings.

If an employee has any doubts or is seeking clarification of this No Gift Policy, the employee should check with his/her superior. If the superior is uncertain, the Compliance function or the person in charge should be referred to ensure consistent treatment across the Group.

5.8 Guidelines on Offering and Receiving

Offering	Receiving
a) The offering of gift, entertainment and hospitality must be reasonable of modest value and occasional. The approval shall first be obtained prior to a decision about whether to offer as indicated in Clause 5.9 and Annex 3.	a) Employees at all level are prohibited at all times from accepting gifts from externals and are strongly suggested to decline the receiving of gifts, entertainment, hospitality, or any other benefits in all cases no matter on or off the work premises.
b) The offering must be appropriate for legitimate business purposes, customary, and enhance the Company and the Group's image such as the Company's products, e.g. pens, notebooks, calendars, diaries etc.	b) Employees are required to professionally inform the externals of the Group's No Gift Policy. Employees will request that vendors respect our Group policy and not purchase and deliver any gift for individual, a department, an employee's residence, at any time, for any reason.
c) Business courtesies must not influence or appear to influence the business decision-making and create a potential conflict of interest.	c) No gifts of any kind that are offered by externals, no matter the value, will be accepted by any employee or their family members, at any time, on or off the work premises.
d) Employees are not allowed to offer gifts, souvenirs, assets or any other benefits to spouses, children or related persons of government officials, customers, business partners because such offering may consider as offering indirectly.	d) Gifts of food that may arrive during the holidays, and at other times of the year when gift giving is traditional, belong to the entire staff even if addressed to a

<p>e) Respect and adhere to customer, supplier, and other stakeholder's policies that may not permit the acceptance of gifts or entertainment.</p> <p>d) The following activities shall NOT apply and cover under the Conflict of Interest Policy, but refer to:</p> <ul style="list-style-type: none"> - Sales and marketing promotions - Customer Relationship Management (CRM) activities - Business courtesies, which are reasonable and of modest value, which are offered to major strategic partner 	<p>single employee. Under no circumstances may an employee take a food gifts home; food gifts must be shared with and distributed to all staff, with email notice, during work hours, in a central, worksite location.</p> <p>e) Employees must only participate in business entertainment when it is an integral part of business building activities.</p> <p>f) Employees are not allowed to demand for gifts, entertainment, hospitality, donation, incentives or any other benefits from any individual or entity engaging in any business with the company, either as company representatives or as private persons.</p>
<p>Tips on managing offering gifts:</p> <ul style="list-style-type: none"> - Never give cash or cash equivalents, such as gift cards. - Do not give gifts frequently to the same individual or group. - Build business relationships through recreational activities instead of private meals or functions. - Present gifts openly and in front of a group of people. - Give gifts for official, rather than personal use. - Give gifts that are perishable, such as plants, or consumables. - Give gifts that an entire office can share instead of just one individual. - Give gifts with a corporate logo that promote the Company but do not have retail value. - Provide sample products (of nominal value) from the Company. - Give something proverbially useless, like a calendar. 	<p>Tips on managing receiving gifts:</p> <ul style="list-style-type: none"> - Employees must report the receiving of gifts from externals of the value from THB 1,000 (equivalent to USD 30) up at the provided Reporting Platform (see Annex 3). CEO of each group company shall provide the guidance to manage the gifts transparently. - Exemptions from this No Gift Policy and do not require to report are gifts value less than THB 1,000 (equivalent to USD 30) such as t-shirts, pens, goodies bags including cards, thank you notes, certificates or other forms of thank you and recognition that employees obtain as members of the public at events such as seminars, conferences, training events etc. that is offered equally to all participants of the event. - In case the value is not easily established, an employee should have SML or Compliance function to assist in verifying the estimated retail value. Deliberately undervaluing a gift or business courtesy or avoiding reporting, it may be official misconduct. - Acceptance of proposal for meeting, training course, seminar, work visit under business partner's budget is

<ul style="list-style-type: none"> - Give gifts of nominal value and anything above that value must obtain approval (see Annex 3). - Make sure that any gift would comply with both local law and the internal policies at the official's company. - In case of unsure, check with Compliance function or the person in charge in advance of giving. 	<p>permissible if it is indicated in the contract, but it must not have a purpose for leisure or any personal gain.</p> <p>If the arrangement is under business partner's budget, the employees must obtain an approval from the Group Company CEO before accepting the offer. Employee can only accept one (1) meal per the entire trip from the host. The Company will cover the rest of the expenses from air ticket to accommodation and other meals.</p> <ul style="list-style-type: none"> - In case of inappropriate to decline or necessary for maintaining business relationships with the giver, the recipient shall report such acceptance at the provided Reporting Platform (see Annex 3) within 15 business days after receiving the gift or gratuity.
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5.9 Determining Values and Approval

Offering	Receiving
<p>a) Permissible values of offering gift, entertainment and hospitality shall be the value less than or equal to THB 3,000 per (equivalent to USD 100) per person per occasion.</p> <p>b) The expenses should demonstrate a valid business purpose and reasonable with provable evidence.</p> <p>c) Always obtain approval from SML or above when offering according to the normal practice.</p> <p>d) The offering value over than specified above and/or exceed the annual budget/plans or request for deviation or exception beyond the guideline under this Policy must be approved by any two EXCO members.</p> <p>e) The offering business courtesies for the following activities must be approved by the Group Company CEO or assigned CEO (refer to MOA).</p>	<p>a) Permissible values of receiving gift, entertainment and hospitality and do not require to report shall be the value less than or equal to THB 1,000 (equivalent to USD 30) per person per occasion.</p> <p>b) The receiving of the gifts, entertainment, and hospitality value above the specified shall report at the provided Reporting Platform (see Annex 3) in each Group Company within 15 business days after the receiving the gift or gratuity.</p>

<ul style="list-style-type: none">- Activities related to corporate social responsibilities- Sponsorships- Donations made for the religious and not-for-profit purposes- Activities related to government relation affairs	
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6. Compliance and Consequence for Non-Compliance

All entities and their employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected to assure that appropriate resources are available. Reviews are always regularly undertaken to ensure that the implementation and application of this Policy remain robust.

Anyone who breaches the Policy shall be subject to disciplinary action, which could result in dismissal or termination for any misconduct.

7. Policy Measurement Metrics

The Conflict of Interest Declaration Form shall be implemented at least on an annual basis throughout the Group. Process to review any conflict as declared or reported shall be conducted and resolved timely.

Violations and business courtesies received or given which do not meet the determining value in this Policy must be recorded and reviewed regularly, in order to assess effectiveness of this Policy and determine measures for improved enforcement.

Regularly communicate the No Gift Policy to all stakeholders such as employees, management, directors including customers and business partners through internal and external media for example employee annual meeting, announcement on bulletin board, company's intranet, website and annual report etc.

8. Policy Exceptions

No exceptions are permitted.

Variations to this Policy shall be reviewed by the Document Owner, Document Manager and proposed to the Group CEO for approval

9. Reference

- a) Code of Business Conduct
- b) Travel and Entertainment Policy
- c) Anti-Bribery and Corruption Policy
- d) Whistleblowing Policy
- e) Manual of Authority

f) Document Retention Policy

- End of document -

Annex 1: Document Approval and Version History

Document Approval

Approval Date	27 May 2020
Effective Date	01 June 2020
Expiry Date	01 January 2022
Document Manager	Ranjan Sachdeva – Head of Group Internal Audit and Compliance
Document Owner	Aidan Lynam - Group CEO
Approver	Aidan Lynam - Group CEO
Document Location	INSEE Portal/Internal Compliance/Governance Documents

Version History as the Group

The following table records all the revisions made to this document:

Version	Date	Description	By
1.0	27 May 20	Approved - Transfer to new template and cancel PL-CEOO-GIAC-001, DI-CEOO-GIAC-001	Aidan L.
	01 Jun 20	Effective	

Annex 2: Common Terms

BoD	Board of Directors of Siam City Cement Public Company Limited
AC	Audit Committee of Siam City Cement Public Company Limited
GC	Governance Committee of Siam City Cement Public Company Limited
NCC	Nomination and Compensation Committee of Siam City Cement Public Company Limited
Group	Siam City Cement Public Company Limited and its Subsidiaries
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GEXCO	Group Executive Committee
GC	Group Company which is a legal entity under the Group
GC-CEO	Group Company Chief Executive Officer
GC-CFO	Group Company Chief Financial Officer
GC-EXCO	Group Company Executive Committee
SCCC	Siam City Cement Public Company Limited
SCCO	Siam City Concrete Company Limited
CWT	Conwood Company Limited
CWI	PT Conwood Indonesia
SCP	Siam City Power Company Limited
ISUB	INSEE Superblock Company Limited
IECO	INSEE Ecocycle Company Limited
INDG	INSEE Digital Company Limited
Globe	Globe Cement Company Limited
SCCTR	Siam City Cement Trading Limited
SCCLK	Siam City Cement (Lanka) Limited
SCCBD	Siam City Cement (Bangladesh) Limited
SCCVN	Siam City Cement (Vietnam) Limited

Annex 3: Approval and Disclosure

Conflict of Interest						
	NCC	GCEO	Supervisor	Compliance	HR	Reporting Platform*
GEXCO or GCEO would like to join Directorship, Advisor, Agency outside the Company or the Group	✓					✓
Employee at any level after GCEO would like to join Directorship, Advisor, Agency, or be a speaker outside the Company or the Group		✓				✓
To whom the employees shall report and/or disclose actual or potential conflict of interest			✓	✓		✓

Offering and/or Receiving						
	NCC	GCEO	SML	Compliance	HR	Reporting Channel*
Offering gifts, entertainment, and hospitality to externals			✓			
Offering value more than THB 3,000 per (equivalent to USD 100) per person per occasion and exceed the annual budget/plans or request for deviation or exception		2 EXCO Members				
Offering business courtesies for the following activities: - Activity related to corporate social responsibilities - Sponsorship - Donation made for the religious and not-for-profit purposes - Activity related to government relation affairs		✓ (Following MoA)				
Acceptance of proposal for meeting, training course, seminar, work visit under business partner's budget		✓				✓
Disclosing the receiving of gift >THB 1,000 (equivalent to USD 30)			✓	✓		✓

* Reporting Platform or channel in each Group Company

SCCTH	SCCVN	SCCLK	SCCBD	CWI
INSEE Portal > Internal Compliance > Conflict of Interest Declaration when there is change				

Annex 4: Examples of typical conflict of interest

These are number of situations where conflict of interest is likely to arise. They are intended to enhance the awareness of employees and, in addition, to serve as basis to avoid, disclosure and/or approval according to this policy. It is not a comprehensive list.

- Reporting to a supervisor who is a relative or close friend and has control over job responsibilities, salary, and promotions.
- Having a personal or close relationship with a supervisor, subordinate, or colleague who may be perceived as a conflict of interest.
- Hiring relative or close friend to provide services without comparing with other vendors.
- Having a business relationship or giving advisory role with a supplier, distributor, service provider, customer or competitor of the Company or the Group that falls outside the scope of usual employment duties.
- Accepting fees and providing advice to customer or supplier for personal gain.
- Starting a business that provides similar services and products to the Company or the Group.
- Working full time or part time for a company that competes with the Company or the Group.
- Accepting free trips and gifts from a vendor and then selects, recommends, or influences the purchase of the products or service.
- Accepting a favor or a gift from externals above THB 1,000 (equivalent to USD 30) and does not report.
- Owning part of a business that sells goods or services to the Company or the Group.
- Taking advantage of confidential/non-public information learned on the job for your own benefit.
- Employee or employee's family member received personal discounts or other benefits advantages that are not available to all employees from suppliers, distributors, or customers of the Company.

Annex 5: Conflict of Interest Declaration for New Hire

Siam City Cement Public Company Limited (the “Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”) place some restrictions with which you must comply regarding business interests to determine that you are in compliance with these provisions, you are required to complete the following information when you are first employed by the Company. The Company will include this document into your personnel file.

1. Do you have relatives or individuals with close relationships working in the Company?

Close relationships means the family members with close relationships to you either related by blood, including parents, grandparents, children, siblings, or relationship from registration under laws, including spouse, stepchildren, foster-parents, or individuals whom you have close relationships with, including partner (not married but in a relationship), mothers-, fathers-, brothers-, and sisters-in-law, someone who is financially dependent on you or you are financially dependent on them, any juristic person having its family member as a major shareholder or a controlling person through the shareholding not less than 30 percent of equity interest.

- ☐ No
☐ Yes

If “Yes”, please provide the details and confirm whether you are in the position to consider or approve the transaction.

Name(s)	Relationship	Position / Division
<hr/>		

2. Do you have spouse and any of your legitimate children work for/with or have any business transaction with any company that carries out business in the same nature or in competition with the business of the Company or any company in the Group (“Competing Company”)

- ☐ No
☐ Yes

If “Yes”, please provide the details.

Name(s)	Relationship	Position / Division
<hr/>		

3. Have you received tangible/intangible benefits from your family members, relatives, or friends who have business relationships with the Company?

- ☐ No
☐ Yes

If “Yes”, please provide the details and identify the type of relationship*.

Name(s)	Position	Company	Type of Relationship*
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4. Are you a shareholder, director or executive management of other businesses which have had business deals with the Company in the past 5 years?

- ☐ No
☐ Yes

If "Yes", please provide the details.

5. If you have any other potential conflict of interest, please list them below describing the nature of the conflict and the parties involved. If none exist, please indicate "No conflict" below.

- ☐ No conflict
☐ Conflict

If "Yes", please provide the details and identify the type of relationship*.

Name(s)	Position	Company	Type of Relationship*
<hr/>			
<hr/>			

I confirm that I have read and understand the Group Conflict of Interest Policy and that the information I have provided is correct and complete in the best of my information and knowledge at the time of the report.

I also understand that if there are any changes to the above information, I am responsible for reporting to my supervisor.

Place: _____

Date: _____

Signature: _____

Type of relationship includes:

1. Supplier
2. Distributor
3. Service Provider
4. Consultant
5. Customer
6. as employee/director/partner/consultant/owner or held more than 30% equity interest in other or competitor company
7. as director, trustee, officer, consultant in charitable/sports/volunteer/civic organization which has a business with the Company or that is financially supported by the Company
8. Political, judicial or administrative function or governmental position as a result for permits and regulatory approvals are required by company

Annex 6: Annual Conflict of Interest Declaration and/or when there is change

To support the operation with honesty and transparency, employees are obliged to disclose information about actual conflicts and potential conflicts when there are changes to the recent disclosure in order to avoid situations that may cause consequences from not disclosing information about conflicts of interest between themselves and the company.

1. Do you have relatives or individuals with close relationships working in the Company?

Close relationships means the family members with close relationships to you either related by blood, including parents, grandparents, children, siblings, or relationship from registration under laws, including spouse, stepchildren, foster-parents, or individuals whom you have close relationships with, including partner (not married but in a relationship), mothers-, fathers-, brothers-, and sisters-in-law, someone who is financially dependent on you or you are financially dependent on them, any juristic person having its family member as a major shareholder or a controlling person through the shareholding not less than 30 percent of equity interest.

- ☐ No
☐ Yes

If “Yes”, please provide the details and confirm whether you are in the position to consider or approve the transaction.

Name(s)	Relationship	Position / Division
<hr/>		
<hr/>		

2. Do you have spouse and any of your legitimate children work for/with or have any business transaction with any company that carries out business in the same nature or in competition with the business of the Company or any company in the Group (“Competing Company”).

- ☐ No
☐ Yes

If “Yes”, please provide the details.

Name(s)	Relationship	Position / Division
<hr/>		
<hr/>		

3. Are you an employee of another company? Do you own, work full time, part time for a company that competes or sell goods or services to the Company or the Group?

Any involvement in an external activity or position, such as taking up a directorship, advisor, agency, speaker or employment outside the Company, employees must declare under this part as well. For the employees who used to disclose or received approval, please declare it again until the status is terminated.

- ☐ No
☐ Yes

If “Yes”, please provide the details.

4. In the past 12 months, have you received tangible/intangible benefits from your family members, relatives, or friends who have business relationships with the Company?

- ☐ No
☐ Yes

If "Yes", please provide the details and identify the type of relationship*.

Name(s)	Position	Company	Type of Relationship*
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5. According to the Group Conflict of Interest Policy which states that you are required to report to the Company in the event of receiving a gift or other benefits valued above THB 1,000 (equivalent to USD 30).

During the past 12 months, have you received any gift and other benefit which you have not yet reported to the company?

Consider such items as gifts, loans, donations, education, sporting event, show tickets favors, invitation to a conference, seminar, work visit or travelling abroad, fares and travel expenses, car rental expense, hotel room expense or receive various services from suppliers, customers, outside auditors or attorneys at favorable rates or any airfare and other transportation costs (including rental cars) and lodging, whether in connection with conferences or events organized by the third party, or otherwise.

- ☐ Not yet reported.
☐ Already reported.

If "Not yet reported", I would like to report as follows:

6. If you have any other potential conflict of interest, please list them below describing the nature of the conflict and the parties involved. If none exist, please indicate "No conflict" below.

- ☐ No conflict
☐ Conflict

If "Yes", please provide the details and identify the type of relationship*.

Name(s)	Position	Company	Type of Relationship*
---------	----------	---------	-----------------------

I confirm that I have read and understand the Group Conflict of Interest Policy and that the information I have provided is correct and complete in the best of my information and knowledge at the time of the report.

I also understand that if there are any changes to the above information, I am responsible for reporting to my supervisor.

Place: _____

Date: _____

Signature: _____

Supervisor's Signature: _____

Date: _____

Type of relationship includes:

1. Supplier
2. Distributor
3. Service Provider
4. Consultant
5. Customer
6. as employee/director/partner/consultant/owner or held more than ~~40%~~ 30% equity interest in other or competitor company
7. as director, trustee, officer, consultant in charitable/sports/volunteer/civic organization which has a business with the Company or that is financially supported by the Company
8. Political, judicial or administrative function or governmental position as a result for permits and regulatory approvals are required by company

Anti-Bribery and Corruption Policy

Group

Framework

The Anti-Bribery and Corruption Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

1. Objective

Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”) commit to be a good corporate citizen and shall comply with all applicable laws and regulations. This Anti-Bribery and Corruption Policy is established to set up a guidance on how to recognize and deal with the bribery and corruption for the Group.

2. Scope

This Policy applies to all employees, officers, management, directors as well as any person who represents or performs work on behalf of any entity under the Group.

3. Definitions

Fraud	Wrongful or criminal deception intended to result in personal gain of Director, Management and employee of the Group, customers, suppliers or contractors including falsifying financial documents and disbursement, asset misappropriation, corruption.
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Bribe	An inducement or reward offered, promised or provided in order to gain or retain any commercial, contractual, regulatory or personal advantage. It includes any financial or other advantage in any form including any gifts or services, cash or in-kind given or requested for the improper performance of a public function or business activity.
Corruption	Abuse of entrusted power for personal gain. The use of practices in order to gain or secure unfair business advantage.
Facilitation Payment	Form of payment or giving money to government officials for the purpose of performing or supporting the implementation to be faster than the normal procedure, or to obtain a business or advantage.
Kickback	Form of a bribe where a portion of the undue advantage is 'kicked back' to the person who gave the undue advantage.
Political Contributions	Giving or offering anything of value e.g. money, goods, or any other benefits to politician, political parties or individuals as well as political activities directly or indirectly.
Donation	Activities that involve spending money without tangible rewards, including spending money for projects, activities, religion and education for the benefit of the community, society and population groups.

4. Responsibilities

Board of Directors (BoD) shall be responsible and accountable to set up an anti-corruption policy, to provide tools to be used against corruption and to ensure that employees of the Group are aware of the importance of anti-corruption and implement to be the corporate culture continuously.

Audit Committee (AC) shall be responsible to assist the BoD in fulfilling its responsibility to the shareholders and the regulatory authorities relating to the financial reporting practices, the internal control and internal audit systems which cover the control of anti-bribery and corruption, to ensure that the company has adequate systems in regulating and opposing against corruption and oblige under the law and ethical requirements, and to make recommendations to the BoD with respect to such policies and procedures to protect the reputation and interests of the Group.

Group CEO (GCEO) shall be responsible to ensure this Policy in the Group is compiled and strictly follow by all related parties. Resources, trainings and tools must be promptly available and communicate to respective parties.

Group Company CEO (GC-CEO) have the overall responsibilities for ensuring that this Policy is complied with local laws and ethical obligations and that all related activities under the Group's control are in compliance with this Policy through the pre-approval process. Resources and tools must be promptly available for monitoring and reporting.

All employees shall comply with this Policy and shall be responsible for reporting any suspected doing and wrongdoing related to bribery and corruption. They should first notify their line manager, compliance officer, legal counsel, or use the INSEE Speak Up channel as soon as it is believed or suspected that a breach of this Policy or wrongdoing has occurred or may occur in the future.

5. Policy Directives

Personnel at all levels of the Group must comply with this Policy and its documents as follows.

5.1 Tone at the top

- a) Board of Directors, management and employees have the duty to comply with local anti-corruption laws and regulations and must not involve in any form of corruption even though it is the benefit of the business, family, friends, or others and must adhere to the ethics strictly.
- b) The company has a policy regarding political neutrality which states that it will not assist in supporting political parties, political groups, as well as political individuals whether directly or indirectly, by prohibiting any person to support and make a donation, as well as make transactions that result in political support. The authorized person who has the authority to approve the transaction based on the regularity and rules of the Company cannot approve any transaction that involves political support in all forms.
- c) Human Resources process must reflect the anti-corruption policy.
- d) Procurement must comply strictly with Procurement Policy and Procedures for the sake of transparency and audit at every step.

5.2 Bribe, Facilitation Payments, Kickbacks, Donation

- a) Prohibited to offer, promise or give a bribe or to request, agree to receive or accept a bribe.
- b) All shall not make or arrange any form of facilitation payments or "kickbacks". If employee get asked to make a payment on our behalf or have any suspicious, concerns or queries regarding a payment, the employee should raise these directly with your line manager, compliance officer or legal counsel.
- c) No donation shall be offered or made on behalf of the Group without prior approval of the authorized person under the applicable Manual of Authority (MoA). Only donations that are legal and ethical under laws and practices shall be made which are to be in accordance with the community program and/or Corporate Social Responsibility Program of the companies within the Group. Moreover, those organizations must be a legal and authorized entity to ensure that the donation is not used for bribery.

5.3 Monitoring

- a) Provide a transparent mechanism for proper financial accounting and reporting.
- b) Provide a proper and regular internal control and risk assessment system to prevent the corruption situation, as well as reviewing and evaluating operational corruption risks at least once a year.

5.4 Training and Communication

- a) Provide communication channels and ongoing training to company personnel to achieve a real understanding and knowledge about the measures taken against corruption, including the ability to report suggestions and complaints about corruption thoroughly with protection measures that identify the whistleblower clearly.
- b) The anti-bribery and corruption policy and program must be publicly disclosed and communicated to all employees, business partners, customers and public through internal and external communication channels of the Company.

5.5 Protection

- a) Employees who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoings, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken.
- b) We are committed to ensuring no one suffers any “detrimental treatment” as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.
- c) If you believe that you have suffered any such detrimental treatment, you should inform your line manager, your compliance officer or legal counsel immediately, who will investigate the matter in order to find a remedy.

6. Compliance and Consequence for Non-Compliance

All entities and their employees, officers, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected not to get involved in corruption whether directly or indirectly including they have to assure that appropriate resources are available and reviews are regularly undertaken on a regular basis to ensure that the implementation and application of this Policy remain robust at all times.

Anyone who breaches the Policy shall be subject to disciplinary action, which could result in dismissal or termination for any misconduct.

7. Policy Exceptions

No exceptions are permitted.

However, this Policy shall be subject to a review and amendment in accordance with any changes in law and regulation issued by The Authority on the subject.

Variations to this Policy shall be reviewed by the Document Manager and proposed to the Document Owner prior to submitting to the Board of Directors for approval.

8. Reference

- 8.1 Code of Business Conduct
- 8.2 Manual of Authority (MoA)
- 8.3 Gifts, Entertainment and Hospitality Policy
- 8.4 Corporate Social Responsibility Policy
- 8.5 Whistleblowing Policy

- End of document -

Annex 1: Document Approval and Version History

Document Approval

Approval Date	05 November 2019
Effective Date	01 January 2020
Re-evaluation Date	01 January 2022
Document Manager	Ranjan Sachdeva – Group Internal Audit and Compliance
Document Owner	Aidan Lynam - Group CEO
Approver	Board of Directors of Siam City Cement Public Company Limited
Document Location	INSEE Portal/Internal Compliance/Governance Documents

Version History as the Group

The following table records all the revisions made to this document:

Version	Date	Description	By
1.0	15 Oct 19	Endorsed - Transfer to new template and cancel PL-CEOO-GIAC-002	Aidan L.
	28 Oct 19	Endorsed	AC
	05 Nov 19	Approved	BoD
	01 Jan 20	Effective	

Annex 2: Common Terms

BoD	Board of Directors of Siam City Cement Public Company Limited
AC	Audit Committee of Siam City Cement Public Company Limited
GRC	Governance and Risk Committee of Siam City Cement Public Company Limited
NCC	Nomination and Compensation Committee of Siam City Cement Public Company Limited
Group	Siam City Cement Public Company Limited and its Subsidiaries
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GEXCO	Group Executive Committee
GC	Group Company which is a legal entity under the Group
GC-CEO	Group Company Chief Executive Officer
GC-CFO	Group Company Chief Financial Officer
GC-EXCO	Group Company Executive Committee
SCCC	Siam City Cement Public Company Limited
SCCO	Siam City Concrete Company Limited
CWT	Conwood Company Limited
CWI	PT Conwood Indonesia
SCP	Siam City Power Company Limited
ISUB	INSEE Superblock Company Limited
IECO	INSEE Ecocycle Company Limited
INDG	INSEE Digital Company Limited
Globe	Globe Cement Company Limited
SCCTR	Siam City Cement Trading Limited
SCCLK	Siam City Cement (Lanka) Limited
SCCBD	Siam City Cement (Bangladesh) Limited
SCCVN	Siam City Cement (Vietnam) Limited

Whistleblowing Policy

Group

Framework

The Whistleblowing Policy comprises of:

1. Objective
2. Scope
3. Definitions
4. Responsibilities
5. Policy Directives
6. Compliance and Consequence for Non-Compliance
7. Policy Measurement Metrics
8. Policy Exceptions
9. Reference

Annex 1: Document Approval and Version History

Annex 2: Common Terms

Annex 3: Whistleblowing Workflow

1. Objective

This Whistleblowing Policy is established to provide a mechanism to voice or report concerns of wrongdoing related to the business, operations, transactions or activities of Siam City Cement Public Company Limited (“the Company” or “SCCC”) and its Subsidiaries directly and indirectly held (collectively called the “Group”).

The Policy sets out the principles, procedures for reporting, channels for reporting and investigations protocols for incidents reported via the reporting channel.

2. Scope

This Policy applies to all employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group.

The whistleblower can report wrongdoing or concerns about potential violations of the law, Code of Business Conduct or Company policy. We encourage the early reporting of matters of serious concern which may affect the professional and compliant operation of its businesses and reputation. These are examples of the type of matters that should be reported include but are not limited to the following:

- a) a criminal offence; for example, fraud, bribery, conflict of interest;
- b) a failure to comply with any legal, regulatory obligations, and the Code of Business Conduct;
- c) health and safety breaches;

- d) risk or actual damage to the environment;
- e) harassment e.g. verbal, sexual harassment or any form of discrimination based on race, belief etc.;
- f) concealment of any of the above;
- g) retaliation actions to any staff member arising from investigations or other whistleblowing processes.

Any complaints related to products and services of the Group shall not be accepted in the whistleblower system but shall be raised to other appropriate channels or directly with the concerned business unit.

3. Definitions

Employee	Every employee including the management
Whistleblower	An employee or any other person who reports wrongdoings or incidents that he/she has observed to the reporting channel
Wrongdoing	Illegal or dishonest behavior or activity
Incident	Concern of misconduct, violation of laws and regulations or Company policies, unethical behaviors or activities
Reporting Channel	The channel to report a concern, misconduct or unethical activity
Screening Committee	The Screening Committee is appointed by the Head of Group Internal Audit and Compliance and acknowledged by SCCC's Audit Committee and has the responsibility to screen cases raised through the reporting channel
Investigation Team	The Investigation Team consists of a pool of members appointed by the Group CEO of the company where the incident takes place
Subject	The person whom the whistleblower has reported his/her wrongdoing

4. Responsibilities

Reporting channel, an independent third-party hotline provider, will report every incident to the Screening Committee after the incident is reported. If the concern or misconduct is against a member of the Screening Committee, the report will not be sent to that member.

Screening Committee shall preliminary screen the incident raised through the reporting channel whether the incident is valid (credible) or groundless and provide the recommendation to the Group CEO of the company where the incident takes place. The Screening Committee also has a responsibility to communicate with the reporting channel on the progress of the incident. Incidents which are groundless will be supported by a rationale.

Credible incidents will go for fact-finding or go through the investigation process depending on the complexity and severity of the incident.

Head of Group Internal Audit and Compliance will act as the Head of the Screening Committee and shall propose qualified members to the Screening Committee.

Chief Executive Officer (CEO) of the company where the incident takes place shall determine, impartially, the creditability of the case and communicate or discuss with the Screening Committee and ensure an appropriate set up and flow of fact-finding or investigation. The CEO shall ensure that all concerns raised are dealt with fairly, thoroughly and in accordance with the policy.

Fact-finding and Investigation Team shall perform the following:

- a) Fact-finding and investigate the incident;
- b) Set out the steps for fact-finding and investigation;
- c) Conclude the fact-finding and investigation;
- d) Recommend the corrective and disciplinary actions; and
- e) Report to the Screening Committee

The Team shall engage and/or consult with other appropriate departments to investigate the incident.

All the incidents shall be reported or regular updates to the Screening Committee, until the incident is resolved. The need for an extension shall be granted by the Screening Committee.

All actions must be taken in accordance with the timeframe stated in the Whistleblowing Workflow (see Annex 4).

All Managers are responsible for ensuring that staff are aware of the policy and its application, and for creating an environment in which staff are able to express concerns freely without fear of retaliation.

Employee has a responsibility to raise concerns providing he/she has a reasonable belief that malpractice and/or wrongdoing has occurred.

Whistleblower: The Whistleblower shall report any incident in good faith to the reporting channel, try to disclose as much factual information of the incident and disclose his/her identity such that the investigation can take place quickly.

5. Policy Directives

5.1 Confidentiality: Confidentiality of the incident and details of the whistleblower shall be strictly maintained. Sharing of information shall be subject to the approval of the Screening Committee.

- 5.2 Anonymity:** The whistleblower can report actual or suspected violations anonymously, where allowed by applicable law. If he/she makes a report anonymously, it is important to provide detailed information to facilitate a thorough investigation.
- 5.3 Good faith reporting:** Whistleblowers shall raise incidents in good faith, with no intention to hurt the subject.
- 5.4 No retaliation:** Whistleblowers shall be protected from retaliation, especially for cases which have been raised in relation to suspicious misconduct and reported with good faith but proven false later. A Whistleblower may ask for special custody or protection should he/she feel threatened in any possible manner. Should the subject mistreat or harm the Whistleblower for disclosing the incident he/she shall be penalized as it is an illegal offence.

6. Compliance and Consequence for Non-Compliance

All entities and their employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected to assure that appropriate resources are available. Reviews are always regularly undertaken to ensure that the implementation and application of this Policy remain robust.

Employees shall not abuse the reporting channels or make false reports to cause intentional harm to their colleagues. Should there be an investigation; the employee shall fully cooperate with the Investigation Team. The employee will be subject to disciplinary action should there be any form of retaliation, abuse of the reporting channel, falsifying of reports or lack of cooperation during an investigation.

In the event of proven bad faith and/or falsifying reports raised by whistleblowers who are not the Group's employees, the CEO of the Group Company where the incident takes place shall consider an appropriate action to be taken further, including but not limited to a legal action, in order to protect the Group's business and reputation.

7. Policy Measurement Metrics

The Head of the Screening Committee shall report the summary of all cases reported and the result of the investigation together with the Management's actions to the Group EXCO and the Audit Committee.

8. Policy Exceptions

No exceptions are permitted.

Variations to this Policy shall be reviewed by the Document Owner, Document Manager and proposed to the Group CEO for approval, with an update of policy changes being given to the Audit Committee.

9. Reference

- a) Code of Business Conduct
- b) Charter of the Screening Committee

- End of document -

Annex 1: Document Approval and Version History

Document Approval

Approval Date	27 May 2020
Effective Date	01 June 2020
Expiry Date	01 January 2022
Document Manager	Isiwat Kangwantanawat – Head of Business Process and Compliance Advisory
Document Owner	Ranjan Sachdeva – Group Internal Audit and Compliance
Approver	Aidan Lynam – Group CEO
Document Location	INSEE Portal/Internal Compliance/Governance Documents

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The following table records all the revisions made to this document:

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1.0	27 May 20	Approved - Transfer to new template and cancel PL-CEOO-GIAC-003	Aidan L.
	01 Jun 20	Effective	

Annex 2: Common Terms

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INDG	INSEE Digital Company Limited
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SCCTR	Siam City Cement Trading Limited
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SCCBD	Siam City Cement (Bangladesh) Limited
SCCVN	Siam City Cement (Vietnam) Limited

Annex 3: Whistleblowing Workflow

Whistleblower

- Report the incident through the reporting channel, INSEE Speak Up.
- The service provides by an independent third party.
- It is available 24 hours a day, 7 days a week.

Website:	wrs.expolink.co.uk/inseespeakup		
E-mail:	inseespeakup@expolink.co.uk		
Application:	SpeakingUp	Access code	InseeSpeakup
Phone:	Thailand	001 800 441 0657	Access code 72235
	Vietnam	120 324 19	Access code 72235
	Bangladesh	000 800 091 031	Access code 72235
	Sri Lanka	011 242 2173	Access code 72235
	Indonesia	001 803 441 476	Access code 72235



1 Business Day



6 Business Day

Screening Committee

- Screen the incident and classify the concerns and evidences to a) Misconduct – related to behavior b) Wrongdoing, suspicious of fraud or business process improvement.
- Advise the Group Company's CEO of the case related countries on the recommendations and the next steps.
- Monitor and follow-up on the progress of the case and communicate to the whistleblower through the 3rd party.



7 Business Day

Group Company CEO

- Determine the creditability of the case and communicate or discuss with the Screening Committee.
- Appoint the Investigation Team.



5 Business Day



30 Business Day
(exclude the external forensic investigation)

Investigation Team

- Do fact-finding and/or investigate the incident.
- Regular updates to the Screening Committee, until the incident is resolved. The need for an extension shall be granted by the Screening Committee.
- Conclude the fact-finding and investigation including to recommend corrective and disciplinary actions.
- Align the consequence management and the disciplinary actions with the support of HR and Legal.
- Submit Examination Report to the Group CEO and the Screening Committee.

2

Code of Business Conduct

Working with Integrity

Code of Business Conduct



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MESSAGE FROM THE CHAIRMAN

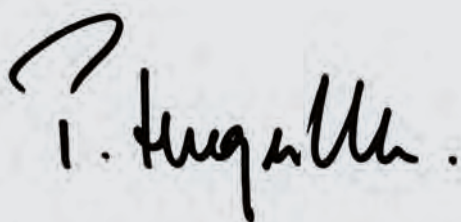
Dear Colleagues,

The reputation of INSEE Group as a business depends on how we are viewed by the people we interact with. Our customers, suppliers, government authorities and the communities in which we operate, all judge us by how we behave.

To build their trust in our Group, we must maintain ethical business practices at all times, be truthful, follow the law, be reliable and transparent and walk our talk. In short, each one of us, must reflect integrity in every step we take and maintain highest ethical conduct as ambassadors of INSEE Group.

Working with integrity goes much further and deeper than just following the rules. It is a personal commitment to support your colleagues by doing the right thing in every situation. Integrity at workplace, in business and society is critical to fulfilling our role as a good corporate citizen in the communities we operate. While driving the Group towards integrity through active practice of honesty, fairness and transparency, we will continue to build the reputation of our Group as a company where everyone can feel proud to work.

I encourage you all to read this Code carefully, and to commit to following the rules, standards and behaviors outlined as same as I do and with this inner strength underpinning our business, let's make this the foundation to a sustainable future for INSEE Group.

A handwritten signature in black ink, reading "P. Hugentobler.", with a large, stylized initial "P" and a period at the end.

Paul Hugentobler
Chairman

INTRODUCTION

This Code of Business Conduct is a guide for all employees, management and any person who represents or performs work on behalf of Siam City Cement Public Company Limited and its Group companies (INSEE Group). It outlines how you are expected to act when working for and on behalf of INSEE Group. This Code is a reference document which will help you to understand how to behave when confronted with challenging situations at work.

Our Code of Business Conduct (“Code”) shall be implemented in line with local laws and regulations. When there is a difference between local legal requirements and this Code, we will always apply the higher standard.

Why do we need this ‘Code’?

We have developed this Code to build a secure and sustainable future for INSEE Group, its employees and all its stakeholders.

First, it ensures that all the legal and regulatory requirements the Group operates under are known by our employees. It details INSEE Group policies and the behavior required to comply with the laws and regulations in each country in which we operate.

Second, it highlights the personal responsibility that everyone must take to ensure the Code is followed, and the importance of personal integrity at work, in business practice and in society as a whole. The Code is a tool to ensure INSEE Group observes all laws and regulations. However, the crucial importance of an employee’s personal commitment to **‘Doing what is right’** is the ultimate key to success.

How will we make it work?

Management shall ensure that employees under their supervision understand their responsibilities towards the Code and INSEE Group’s policies and directives. They will also be expected to lead by example and provide an environment where employees feel comfortable to ask questions.

The Code provides real life examples which can take place at work places along with the actions expected to be taken by the employees on such situations to help employees to understand the right course of action by making ethical and practical decisions.



Violation of the Code of Business Conduct

All employees are expected to understand and follow the Code, INSEE Group's policies and directives, and the relevant local and international laws at all times.

When in doubt or unclear about the right course of action in any situation, employees should seek guidance from their immediate supervisor. Alternatively, they could also ask advice from the Human Resources Department, Legal Department or Compliance Department.

We encourage all our employees to speak up if they suspect a potential violation, or if there is an opportunity for us to improve how we conduct ourselves. INSEE Group does not tolerate any violations of laws and regulations or any unethical conduct.

Thus, we must all adhere to our Code. Violations of our Code, our policies, directives, or the law can have serious consequences, including disciplinary action up to and including termination of employment.



So, if you are unsure of how to respond to a situation, ask yourself:

- Will my action damage my reputation or INSEE Group's image?
- Will my action hurt my colleagues or other stakeholders of INSEE Group?
- Will my action be viewed as illegal, unethical, dishonest and unlawful?
- Will my action result in a breach of INSEE Group's Code of Business Conduct?

If the answer is YES or even MAYBE to any of these questions, then **DO NOT DO IT**. This could be a potential violation of the Code of Business Conduct.



1 INTEGRITY AT WORK



1 INTEGRITY AT WORK

1.1 Diversity and respect

As a growing international organization, INSEE Group encourages an inclusive and fair workplace. This means we welcome a diverse mix of backgrounds, skills and experiences when hiring new employees.

We encourage new ideas, products and services from employees that could directly contribute to our success and ability to achieve our goals. Managers responsible for hiring are encouraged to see diversity as a means to help build a better and more vibrant workplace.

Treating each other with dignity and respect, is another fundamental building block of integrity at work. Staff are encouraged to create a strong team environment based upon mutual courtesy and trust.



Example

You hear your colleague referring to another colleague of certain faith by an abusive term which is informally used to identify people of that particular faith at a company event. What should you do?

Advice

At INSEE Group, we treat all workers with dignity and respect and do not tolerate any disrespectful behavior towards another being either through words or actions. If any employee makes a disrespectful statement regarding another employee based on his religion, caste, race or other discriminatory ground, you should speak to your colleague and point out that it was wrong and disrespectful of him to make such comment. If he doesn't stop making such remarks, you should raise the matter with your supervisor or Human Resources.

Harassment

Harassment is a form of discrimination that consists of unwelcome behavior and has the purpose or effect of creating an intimidating, hostile or offensive work environment. It can come in many forms, both verbal and physical actions, written remarks or pictures. Sexual harassment can involve demeaning and unpleasant behavior such as unwanted sexual advances, and requests for sexual favors, and other verbal or physical conduct of a sexual nature that tends to create a hostile or offensive work.

INSEE Group expressly prohibits any form of harassment by employees or others in its business.



Relevant INSEE Group policy:
Human Resource Policy



1.2 Fair employment practices

All employees will be treated fairly and equally regardless of job title or level. Promotion, training, hiring, compensation, and termination are based on an individual's abilities and performance.

In addition, we do not tolerate discrimination against individuals on the basis of personal attributes. Job vacancies will clearly state the required attributes to match the job requirements and discrimination will not be tolerated.



Example

A Plant Manager is looking to fill the vacancy of a "Preventive and Shutdown Management Division Manager" which requires working night shifts and handling heavy equipment. The Plant Manager believes that the job responsibility will not be suitable for females. Hence, the Plant Manager is considering only a male applicant. Is this the right thing to do?

Advice

You are not permitted to search only for male applicants nor may you reject the applications of women simply on the basis of gender; this will be discrimination based on gender. Your search must be focused on the qualifications, skills and experience of the candidates and how they meet the essential functions of the position.

Discrimination

Discrimination is the unjust or prejudicial treatment of different categories of people especially on the grounds of race, age, sex, ethnic background, culture, religion, disability, medical condition, political view and affiliation to unions among other discriminatory grounds.

As a Group that comprises of different cultures, we respect each other and observe all employment laws in the countries in which we operate. We do not tolerate discrimination against anyone in our business operations including but not limited to all employment decisions, recruitment, training, evaluation, promotion and remuneration.



Relevant INSEE Group policy:
Human Resource Policy,
Corporate Social Responsibility Policy



1.3 Protection of company assets

All employees are responsible for protecting our company assets, using good judgement to ensure that no physical, intellectual property or financial assets are misused, stolen or wasted.

Company assets

INSEE Group has a large amount of equipment, materials and facilities to enable it to conduct its business. These are known as physical assets. Employees have a responsibility to treat INSEE Group's physical assets at all times with care for appropriate business purposes and to avoid loss, waste, theft, damage, and misuse.

Usage of physical assets

Physical assets of INSEE Group shall not be used for one's personal benefit or for the benefit of anyone other than the Company. Limited personal use is allowed if it is not in conflict with the interests of INSEE Group. Usage of certain company assets outside work requires prior written approval from the Department Manager and should be verifiable.

Examples of physical assets:

- Company money e.g. petty cash, credit card
- Company products
- Employees' times at work and work products
- Computer systems and software
- Telephones
- Wireless communication devices
- Photocopiers
- Company vehicles



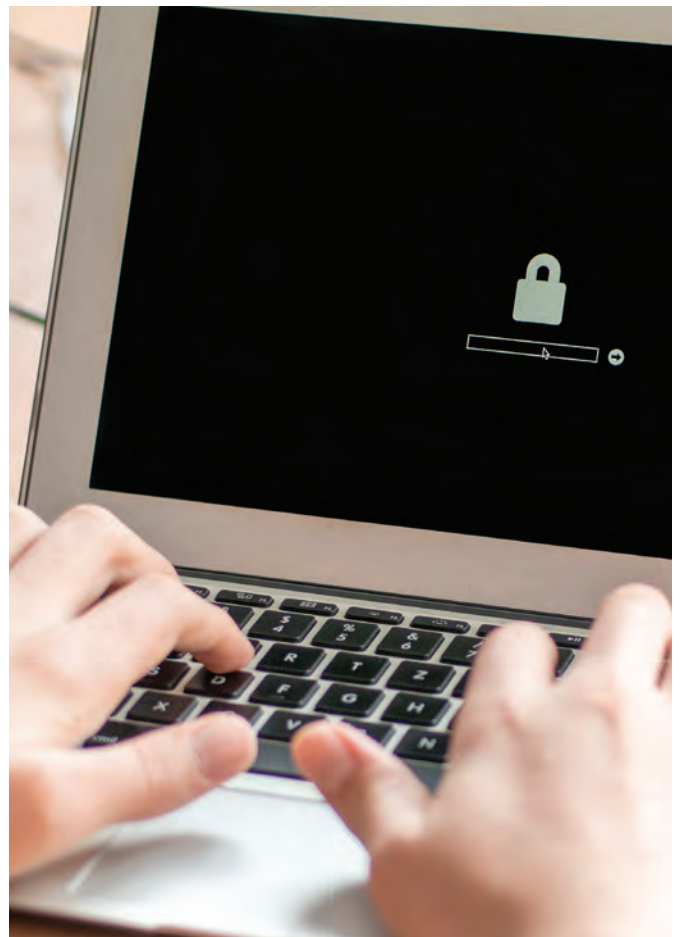
Example

It was noted that an employee was unnecessarily using company laptop to watch movies on YouTube, downloading songs and surfing the internet during office hours. Is the employee allowed to do this?

Advice

Employees should limit personal usage of the internet while working. Company assets shall be used for business purposes. Employees are not permitted to download illegal or offensive material from the internet.

Group IT Department can check the information you surf upon receiving approval from appropriate authorities. We respect one's privacy but we also have the right to check on you and report to the appropriate authorities if you misappropriate company assets.



Relevant INSEE Group policy:
Appropriate Use of Company IT Asset Policy,
Information Security Policy



1.4 Safeguarding confidential and non-public information

It is our responsibility to act legally and in the interests of our stakeholders by ensuring valuable intellectual property and commercially sensitive information is never improperly disclosed.

A key asset of INSEE Group is confidential information. This information of the Group must not be disclosed to anyone outside or within the Group, unless strictly for business purposes and the appropriate approval has been obtained to do so. Improper disclosure of non-public information is prohibited.

All employees shall protect the Company's information not just at work but also outside the workplace. This applies outside working hours and also after an employee leaves the Group. There should not be any discussion of confidential information in public places where you can be overheard, e.g. restaurants, elevators, and restrooms, etc.

Mobile phones, tablets, computers and printed documents which contain confidential information must not be left unattended or at insecure locations either within or outside the office.

Confidential information from customers, suppliers or business partners must also be treated as carefully as our own information.

Examples of confidential and non-public information include:

- Financial information
- Employee information
- Management changes
- Price and customer lists
- Product costs
- Business contracts
- Business, sales and marketing plans



Relevant INSEE Group policy:
Appropriate Use of Company IT Asset Policy,
Information Classification and Handling Policy,
Information Security Policy



Example

During a trip down the elevator, you overhear a group of other employees of the Group talking about SCCC's audited accounts for the year and how it will impact well on the share price. Is this a problem?

Advice

Yes, this is a problem. Employees should not discuss confidential, non-public company information in public places such as lifts, coffee shops, trains, and public conferences. Should there be a necessity to discuss non-public information in a public place, you should be mindful of the surroundings and the risk of someone overhearing you.





Example

A Financial Planning Department Manager holds on to confidential and non-public information for business purpose. To avoid losing this information, the Financial Planning Department Manager saves all this information on iCloud. Is this method of saving such information correct?

Advice

Employees are not allowed to save confidential and non-public information in public cloud storage such as iCloud. Please contact IT Helpdesk or IT Support if you need support in saving and protecting your information or if you want to transfer large files.



Example

You have a friend who works with one of the competitors and you are requested to share some Company's marketing information with him/her. Can you share those information with your friend?

Advice

Employees are not allowed to share such information if it has not been made public. All employees should avoid direct or indirect exchange of sensitive or proprietary information with others. In this scenario, your friend works to a competitor, you are not permitted to share the information he/she requested.



1.5 Protecting intellectual property rights

Other assets of INSEE Group include the ideas which have been incorporated into our business to make it successful.

Intellectual Property (IP) covers a range of activities. These include:

- Inventions
- Designs
- Patents
- Trademarks
- Copyrights
- Trade secrets
- Software
- Other intangible property

Intellectual property must always be considered sensitive information. These ideas help us develop our competitive edge and secure our future. It is critical that all employees understand the need for confidentiality and the importance of protecting the Group's intellectual property, in all its forms.

All intellectual property rights and other intangible commercial rights belonging to others must also be treated with respect and confidentiality when we conduct business activities. This includes creation of any internal or external communications, marketing materials and software licenses.

Moreover, employees must not obtain confidential information of other parties through improper means or disclose it without authorization.



Example

An employee shares details about a new product in the Company or in INSEE Group which has not been launched yet with close family and friends. Did the employee violate the Code of Business Conduct?

Advice

Yes, the employee did. The employee has improperly disclosed information relating to INSEE Group's intellectual property by sharing it with people outside of the Group before it is announced by the Group itself. Such sensitive information should not be disclosed or shared under any circumstances to anyone outside of the Group, even if they are close friends or family.



Relevant INSEE Group policy:
Appropriate Use of Company IT Asset Policy,
Information Classification and Handling Policy



1.6 Using technology professionally and safely

Information systems at the work place are there to enable us to work efficiently and professionally. Internet access and usage of company emails shall be used for business purposes only, and personal use of the internet shall be limited.

Downloading or forwarding inappropriate and offensive material through the company's information systems will not be tolerated. All business communication must be done using INSEE Group's approved electronic communications and email accounts.

Employees are not allowed to install unauthorized or unlicensed software in INSEE Group's information system or use it for private purposes.

The use of social media by employees must be carefully considered. Any comment which reflects adversely on the reputation of the Group can be passed on quickly and extensively through social media channels. Employees should always consider that any comment they make may be misinterpreted, and must think carefully before posting any information in social media channels.



Example

An employee purchased unauthorized software from unauthorized sources and installed it on the company laptop for work purpose. Is the employee allowed to do this?

Advice

Unauthorized downloading of software can lead to damage to the company's computer systems and records. The employee is not allowed to do this and may be subject to a penalty and disciplinary action. All employees should always consult local IT Department before installing any software and it is their responsibility to install work related software for any employee. The software which is installed should be authorized software and purchased from authorized sources.



Relevant INSEE Group policy:
Appropriate Use of Company IT Asset Policy



1.7 Insider trading

INSEE Group supports open, transparent and fair securities markets as a key means by which the company can build trust and investor confidence in its performance.

Trading in stocks or securities on the basis of inside information (known as “insider trading”) is illegal, and this may result in disciplinary and criminal charges. If a person, including members of your immediate family, household, co-worker or friend, makes an investment decision based on inside information revealed by you, you may be liable for “Tipping”. Tipping is against the law and carries severe penalties.

Inside information:

Inside information is a material, non-public information or information that has not been published and could reasonably affect investors’ decision when deciding whether to buy, sell or hold company’s stocks or securities.

Examples:

- Advance notice of changes in senior management
- Unannounced mergers or acquisitions
- Pending or threatened litigation
- Non-public financial results
- Development of a significant new product
- An unannounced stock split



Example

A Financial Planning Department Manager became aware of certain important non-public information relating to the announcement of a new product which could lead to a possible increase in the share price. The Financial Planning Department Manager is unable to trade based on this inside information, but plans to inform a friend so that the friend can benefit from this increase in the share price. Is the Financial Planning Department Manager allowed to share such information?

Advice

No, the Financial Planning Department Manager is not allowed to share important non-public information with anyone which could result in a friend benefitting from an increase in the share price. The Financial Planning Department Manager will be liable for “tipping” which is against the law and carries severe penalties.



Relevant INSEE Group policy:

Insider Trading Policy



1.8 Occupational health and safety

In all our operations, we are committed to establish the highest standard of healthy and safe environment for all relevant stakeholders including our employees, contractors and customers by adopting world's best practice.

INSEE Group aims to provide a safe and healthy work environment and also works with third parties to encourage a culture of high standards of safety at the workplace. In order to achieve such high standards while conducting business on behalf of INSEE Group, employees and third parties must be free from the influence of any substance that could impair their job performance.

Alcohol, illegal drugs, controlled substance and misused prescription, or use of any substance that could affect our ability to work safely and effectively, are prohibited when conducting business on behalf of INSEE Group.

INSEE Group's Cardinal Rules: 5 Do's and 2 Don'ts aim to prevent the most critical incidents in our operation and ensure high standards of workplace safety, "Zero Harm to People". All employees and contractors must strictly follow the cardinal rules.

5 Do's are as follows:

- **Fitness for Work:** All personnel are responsible for ensuring that they are fit for work.
- **Vehicle and Traffic Safety:** All drivers and passengers must always operate a vehicle safely, by ensuring it is in a safe condition and following the traffic rules.
- **Personal Protective Equipment:** Follow Personal Protective Equipment (PPE) rules applicable to a given task at all times.
- **Isolation and Lock Out:** Always follow Isolation and Lock Out Procedures.
- **Reporting Culture:** Report all injuries and incidents.

2 Don'ts are as follows:

- **Safety Provisions:** Do not override or interfere with any safety provision or allow anyone else to override or interfere with them.
- **No Alcohol nor Drugs:** Do not work if under the influence of alcohol or drugs.



Relevant INSEE Group policy:
Occupational Health & Safety Policy



Example

An external company has been hired by INSEE Group to carry raw materials to the plant. An INSEE Group employee noticed that the external company employees are not wearing the proper personal protective equipment as mentioned in the agreement. What should he do?

Advice

He should report and notify this matter to the supervisor of the external company and ask him to advise his employees to wear the PPEs. In addition, the employee should inform the Head of OH&S of the Company to ensure that he is kept informed of the violation of the Cardinal Rules.



2 INTEGRITY IN BUSINESS



2 INTEGRITY IN BUSINESS

2.1 Anti-bribery and anti-corruption practice

Bribery and corruption are not only illegal and bad business practice, they are unsustainable and ethically unacceptable.

As a Group, we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

INSEE Group prohibits any form of bribery or corruption. Employees shall be aware that giving, offering or receiving anything of value to or from a government official or non-government official, in order to influence their behavior to obtain an improper benefit or advantage, is considered to be a bribe.



The term 'government officials' includes:

- Political party officials
- Employees of a government or government-controlled entity, etc.

The term 'third-parties' includes:

- Consultants
- Brokers
- Companies providing visa services, work permits
- Sales Agents, etc.

The term 'anything of value' means literally anything which has a value and there is no threshold, such as:

- Cash or cash equivalents
- Gifts
- Meals
- Entertainment
- Company product, etc.



Example

An employee wanted to pay an additional fee to a government official to obtain a permit as the employee was unable to meet the permit requirements. The employee's supervisor noted the actions and advised against it. Was the supervisor's advice acceptable?

Advice

Yes, that is the correct advice to give to a colleague who is considering paying bribes to a government official to influence their behavior and obtain a benefit. Regardless of the amount, bribing results in disciplinary actions and criminal charges. It also affects INSEE Group's reputation.



Relevant INSEE Group policy:
Anti-Bribery and Corruption Policy



2.2 Gifts, entertainment and hospitality

Building trust and goodwill is fundamental to establishing long term business relationships. As we grow with our customers and business partners, it is sometimes appropriate to offer gifts and hospitality, but this must always be no more than a modest reflection of mutual respect.

Accepting or offering gifts, entertainment and hospitality must always be moderate as it may otherwise appear to influence our ability to make objective business decisions in the best interest of INSEE Group.

Employees can only accept or offer ordinary business meals, gifts of symbolic value such as trophies or customary gifts under appropriate circumstances. Employees shall use common knowledge to ascertain whether to accept a gift, meal or anything of value given by a third party.

Employees are discouraged from receiving gifts, entertainment and hospitalities as per the anti-bribery and corruption guidelines of INSEE Group. If an employee considers the returning of gift as impolite or impractical, the employee should notify the receipt of such gifts to his/her immediate supervisor.

In circumstances, whereby an employee is unsure of accepting or offering a gift or hospitality, he/she should refer to the applicable policy for more details, or consult local Compliance Officer or in the absence of the Compliance Officer, the Head of Legal.



Before you accept/give the gift, entertainment or hospitality, think and ask yourself:

- Is this in line with INSEE Group's or the other party's gift, entertainment and hospitality policy?
- By accepting or giving this gift, have I put myself, INSEE Group or the other party in a questionable situation?

If the answer is YES or even MAYBE to any of these questions, then **DO NOT DO IT**. This could be a potential violation of the Code of Business Conduct.



Relevant INSEE Group policy:
Gifts, Entertainment and Hospitality Policy,
Anti-Bribery and Corruption Policy





Example

An employee was invited to a meal at a restaurant by a supplier so that they can finalize a deal. Should the employee accept the invitation from the supplier?

Advice

The contract finalization must be followed through the procurement process and no individual should be authorized to finalize a contract with a supplier in his personal capacity irrespective of the fact that such negotiation benefits to the company. Hence, the employee shall not seek the opportunity to bring the benefit to the company without following company policies and procedures. However, this doesn't extend towards any casual business meals with a supplier to build up the business relationship.



Example

An employee receives a token of appreciation from a customer for providing exceptional customer service. Should the employee accept this token from the customer?

Advice

INSEE Group discourages acceptance of gifts from a third party by an employee. However, the employee can accept this token from the customer as long as it is within the limits mentioned in the Gifts, Entertainment and Hospitality Policy and inform his/her supervisor for the sake of honesty and transparency.





2.3 Conflicts of interest

As employees of INSEE Group, we must always make business decisions based on the best interests of the Group, not based on personal interests or gain.

Potential conflicts of interest

Conflict of interest can be defined as “the situation where our personal, financial or other interests interfere, or may be perceived as interfering with our ability to act in the best interest of INSEE Group.”

Employees shall avoid conflicts of interest whenever possible. In situations where employees think conflicts may arise and might impair, or even appear to impair, it is their duty to act in the best interest of INSEE Group. They must immediately inform their supervisor. The local Compliance Officer or Head of Legal to resolve the situation in a fair and transparent manner.



Relevant INSEE Group policy:
Conflicts of Interest Policy

Examples of situations where possible conflict of interests could arise:

- Your family member or close relative is an employee, supplier, customer or competitor of INSEE Group.
- You, your family member or close relative has significant financial interest, investment or other interest in a company or that competes with, does business with, or is seeking to do business with INSEE Group. This could affect your decision making on behalf of INSEE Group.
- You are in a personal relationship with an INSEE Group's supplier or customer and this could directly or indirectly affect your decision making on behalf of INSEE Group.
- You take personal advantage of any business or investment opportunity presented to INSEE Group.





Should you be faced with a situation where you are unsure if it is a conflict of interest, think and ask yourself:

- Are my personal interests interfering, or appear to interfere with INSEE Group?
- Does it appear to others within or outside INSEE Group that there is a conflict of interest on my part?

If the answer is YES or even MAYBE to any of these questions, then **DO NOT DO IT**. This could be a potential violation of the Code of Business Conduct.

The term family member and close relative refer to:

- Spouse
- Parent, foster-parents, children
- Sibling
- In-laws
- Partner (not married but in a relationship)
- Someone who is financially dependent on you or you are financially dependent on them, etc.



Example

The Company is considering proposals from several suppliers for machine installations in the factory. A supplier sends you an invitation, asking you to join them on a trip to Germany to learn about the machine and the process. You are directly responsible for selecting the most suitable supplier. Should you accept the invitation? What can you do to avoid violating the Code of Business Conduct?

Advice

This can be considered as a controversial situation because going on a trip to Germany under the supplier's expense is not acceptable since it may potentially influence the employee's selection of a supplier. If the company wishes to respond to the supplier's invitation, all cost related to the trip shall be paid by the company.

The employee should discuss with the manager and his/her direct supervisor in order to find the best solution. If the employee still has a doubt on what to do, the employee should seek advice from the local Compliance Officer or Head of Legal in the absence of Compliance Officer. This is for the sake of transparency which will help dispel doubts regarding your conflict situation.



2.4 Fair competition

We like to compete fairly and transparently because this is the best way to ensure our customers obtain the best products and services on the most favorable terms.

We want our success to be based on the qualities of our products and our people. Our actions must comply with competition laws, as one of our core objectives is to preserve a free economy and to promote competitive markets.

Employees are encouraged to collect, share and use information of our competitors in a legal and ethical manner, and must always respect non-public information of competitors. Employees in regular contact with competitors shall ensure they are familiar with all applicable antitrust laws.

There are numerous forms of conduct that may be subject to antitrust laws. Employees must abide by these laws and seek guidance from their local Compliance Officer or Head of Legal if you have any questions or concerns on any form of conduct which they doubt to be an act of unfair competition. It is better to be cautious and ask questions rather than assume an action will be acceptable - poor judgement is no excuse.



Example

An employee has received some information regarding a competitor which will be useful for a proposal to a customer. The employee is not entirely sure if this information is accurate and if he is lawfully allowed to use this information. What should the employee do in this situation?

Advice

The employee should seek advice from the local Compliance Officer or in his absence, Head of Legal and inform them of the origin of the information to see if it can be lawfully used for a proposal to a customer. If the information can be used, the employee shall ensure that the usage of this information shall strictly comply with the applicable laws and regulations.



Relevant INSEE Group policy:

Procurement Policy, Supplier Code of Conduct, Fair Competition Policy





2.5 Records and accounting

Our stakeholders rely upon us to maintain accurate, truthful, complete and timely records. It is our responsibility to ensure all business and financial records do not breach this trust.

INSEE Group's business and financial records will be maintained with accuracy, integrity, completeness and timeliness so that our stakeholders can rely on them for business and investment decisions. In addition, all business and financial documents shall comply, and be in accordance with INSEE Group's accounting principles, financial standards and statutory requirements. This is the responsibility of all employees, and not just the role of the accounting and finance personnel.

Improper or fraudulent documentation or recording is prohibited and may result in disciplinary and criminal charges. INSEE Group will not tolerate any intentional delay in the recording of transactions or events, nor any incorrect, incomplete or misleading recording of transactions or events.

It is important that we take special care in retaining all business and financial records according to applicable laws and INSEE Group's policies and guidelines. Any business and financial records relating to any ongoing or possible internal or external investigation and litigation must also be retained in accordance with the Document Retention Directive.



Relevant INSEE Group policy:

Document Retention Policy,
Accounting & Reporting Policy,
Accounting Payable and Payment Policy



Example

An employee increases the revenue figures to ensure the Company meets its quarterly target as the employee has received further information that some of the deals will be confirmed at the start of the next quarter. Could the employee do this?

Advice

Falsifying records and inflating the revenue figures is not in line with INSEE Group's policies and guidelines. It could also be a breach of the Securities Commission and Stock Exchange regulations of the respective country, and may be subject to criminal proceedings. Such action is considered as falsifying financial records of the Company. The financial records should be supported with accurate and timely information.



Example

To utilize the remaining approved budget of his department before the year end closing, an employee made a claim from the Finance Department using a falsified document. Could the employee do this?

Advice

Even though the budget has already been approved by the management, the employee is not allowed to make a claim using a falsified document. Payments should be made only to the person or firm that actually provides the goods or services. In addition, the true nature of any transaction shall not be distorted.



2.6 Trade controls and restrictions

As INSEE Group now operates across a range of countries, we are subject to a range of laws and regulations from different legal systems.

Every country has different laws, regulations and restrictions. Engaging in certain business activities may be prohibited in some countries but not others. For these reasons, INSEE Group will ensure that our export and import of goods are in compliance with applicable laws including trade sanctions, embargoes and other laws, regulations and restrictions imposed by other countries.

Violation of trade control laws and regulations can be severe for both the Company and individuals involved, and may result in the loss of export privileges as well as possible civil and criminal penalties.



Relevant INSEE Group policy:

Procurement Policy,
Supplier Code of Conduct,
Fair Competition Policy



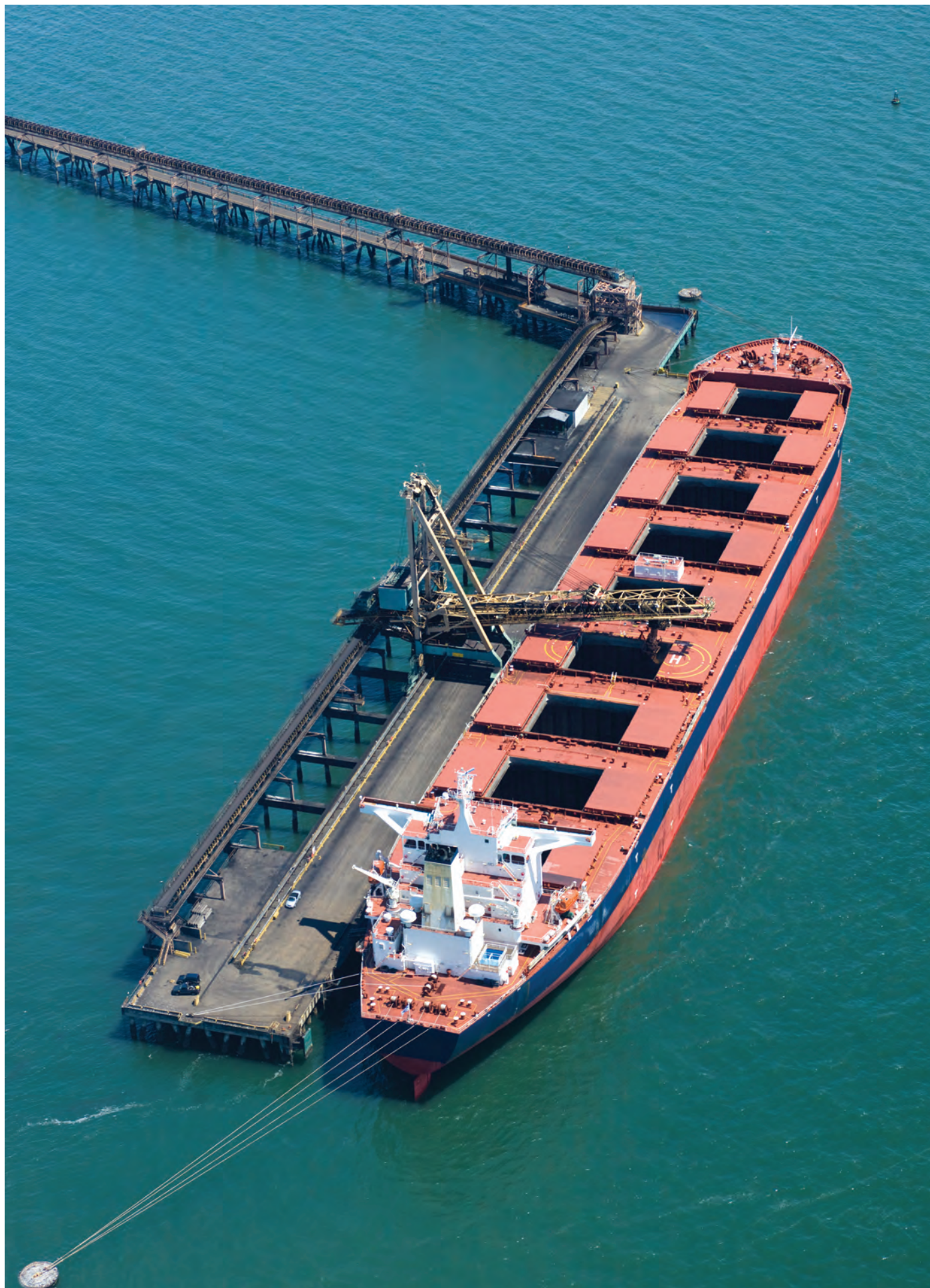
Example

An employee was informed by a new customer to deliver products to a country which is subject to sanctions imposed by the government of the respective country and/or United Nations. Should the employee accommodate to the customer's request?

Advice

The employee should consult with the Legal or Compliance Department for a solution whether to accommodate to the customer's request. Shipping to a country which is subject to sanctions imposed by the government of the respective country and/or United Nations depends on the product being delivered, the use of the product and who will be using the product.





3 INTEGRITY IN SOCIETY



3 INTEGRITY IN SOCIETY

3.1 Civic and social contributions

INSEE Group will always act as a responsible corporate citizen and continue to make contributions to the communities in which we operate. We remain politically neutral and do not engage in contributions to political parties, politicians or candidates for office.

Contributing to community is embedded in our principles and fundamental to all aspects of INSEE Group.

INSEE Group encourages individual employees to make active civic and social contributions, such as charitable donations and support of worthy initiatives.

However, political contributions must not be made, or even appear to be made in the name of INSEE Group or with INSEE Group's fund or be reimbursed by INSEE Group's fund. Similarly, INSEE Group premises or assets, both directly and indirectly under the name of INSEE Group, or subsidiaries must not be used for political purposes.



Example

A friend asks you to volunteer your services and make a donation to a political party for an upcoming political rally. Will these actions be accepted by INSEE Group?

Advice

INSEE Group does not give political donations at any circumstances. Employees are not restricted for volunteer services with an appropriate approval of the Management.



Relevant INSEE Group policy:

Corporate Social Responsibility Policy,
Anti-Bribery and Corruption Policy



3.2 Environmental protection

As a responsible business, INSEE Group is aware of its continuing obligations to the environment and the need to protect and enhance natural resources. We are committed to minimizing the negative impact from our business operations and doing all we can to have a positive impact on the environment.

All INSEE Group employees are responsible for complying with environmental laws and regulations in the locations where INSEE Group operate. We also encourage our employees to support sustainable uses of natural resources to protect the environment, such as water and energy conservation, recycling and reuse of wastes in the production process, proper disposal of waste, use of sustainable raw materials and practices. INSEE Group's daily activities shall comply with all aspects of government requirement and environmental laws.



Example

There was an improper disposal of production waste at one of the sites. What action should be taken?

Advice

This incident should immediately be reported to the relevant Head of Department for necessary action to resolve this violation of environmental laws and regulations. In addition, precautions should be taken in the future to ensure the factory disposes production waste properly.



Relevant INSEE Group policy:
Environmental Policy



3.3 Human rights

Respecting and protecting human rights is fundamental to our philosophy of business and the fair and equal treatment of all. Our business is made up of people who all deserve the same treatment regardless of their race, origin, gender, religion, sexual orientation and status in society.

We prohibit the following practices and will not knowingly do business with any individual or company that allows or participates in:

- Child labour, slave labour or exploitation of children
- Human trafficking
- Physical punishment
- Violence towards employees based on gender, origin, religion or sexual orientation
- Forced/Compulsory labor

- Unlawful discrimination in hiring and employment practices
- Provision of unsafe working conditions for employees
- Salary payments or deduction of payments which leaves employees below the minimum wage
- Illegal overtime regulations

If you have any questions or suspicions about a group company or supplier failing to abide by laws protecting human rights, you must seek advice from your local Compliance Officer or Head of Legal.



Relevant INSEE Group policy:
Corporate Social Responsibility Policy



4 REPORTING



4 REPORTING

At any time during your work with INSEE Group, you may be faced with possible ethical dilemmas - being asked to do something, seeing or hearing practices or actions which you genuinely believe to violate the Code of Business Conduct, the Company's policy, or laws.

On such occasion, we encourage you to speak up and bring forward your concerns at your earliest convenience. If this should happen to you, we urge you to consult with your immediate supervisor. You may also seek assistance from the Human Resources Department, Legal Department, or Compliance Department.

However, should you feel uncomfortable raising your concern with any of the people and departments mentioned above, you may contact "INSEE Speak Up Line". The helpline is managed by an external and independent professional firm.

You will be protected for raising your concerns. If your report results in an investigation; you must fully cooperate with the investigation team.

INSEE Group does not tolerate any form of retaliation against any employee who reports concerns in good faith about illegal or unethical conduct.

It is important to remember that any employee who abuses the reporting channels or makes false reports to cause intentional harm to their colleagues will also be subject to disciplinary action. This also applies if there is any form of retaliation, abuse of the reporting channel, falsifying of reports or lack of cooperation during an investigation. If you know of this type of abuse you must also report it. Failure to report this is also a breach of our Code.



Relevant INSEE Group policy:
Whistleblowing Policy





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3

Charters

Responsibilities of the Board of Directors, Chairman, and Group Chief Executive Officer

Responsibilities of the Board of Directors

The Board of Directors has, in accordance with the provisions of the applicable law and the Articles of Association of the Company, ultimate responsibility for the direction of the business and the supervision and control of the persons entrusted with the management of the Group, which duties the Board cannot delegate. The Board of Directors passes resolutions on all matters which the law, the Articles of Association or the present Regulations do not reserve for or delegate to the General Meeting or another corporate body of the Company. The Board of Directors shall comply with the provisions of law, the Articles of Association and shall observe principles of good corporate governance.

Specifically, the Board of Directors has the following duties:

- a. to exercise ultimate responsibility for the direction of the business of the Company and the Group and to issue the necessary directives;
- b. to approve the corporate concept and corporate strategy of the Company and the Group;
- c. to define the organization of the Company and the Group, in particular, to issue and amend the present Regulations and any charters based thereon;
- d. to define the accounting procedures of the Company and the Group and to establish the principles of financial controlling and financial planning to be applied by any Group Company;
- e. to approve the business plans and budgets of the Company and the Group;
- f. to appoint or replace the Chairman, the Vice Chairman and the members of the Board Committees;
- g. to appoint or replace the Group CEO upon recommendation by the Nomination and Compensation Committee ("NCC");
- h. to appoint or replace the other members of the Group EXCO upon proposal by the Group CEO and recommendation by the NCC;
- i. to define and grant authority to sign on behalf of the Company;

- j. to review the performance of the persons entrusted with the management of the Group in respect to compliance with the applicable laws, the applicable Articles of Association, these Regulations and charters based on these Regulations, and any directives of any of the Boards of Directors;
- k. to review the annual report, the annual financial statements and the consolidated financial statements of the Company and to receive the reports of the Auditors and to approve them for presentation to the General Meeting of the Shareholders;
- l. to direct the preparation of the General Meetings of the Company and implement resolutions passed by the latter;
- m. to examine the professional qualifications of the Auditors in accordance with the requirements of the law;
- n. to perform the duties imposed by the law on the Board of Directors in the event of a capital increase;
- o. to approve the proposal for nomination, or replace the Executive Directors, subject to applicable law, and/or Authorized Directors and to define, grant and/or delegate specific duties, powers and responsibilities of the Executive Directors and/or Authorized Directors;
- p. to approve, subject to applicable law, the composition of the board of directors of the Subsidiaries and the nomination of the directors thereon, as well as the nominations of the Company's representatives to the board of directors of the Associated Companies upon proposal by the Group CEO and recommendation by the NCC;
- q. to appoint, subject to applicable law, or replace the chief executive officers of the Group Company (other than the Group CEO) and the Subsidiaries upon proposal by the Group CEO and recommendation by the NCC;
- r. to approve the compensation framework of the Company and the Group; and
- s. to approve the proposal for the compensation of the Board and Board Committees upon recommendation by the NCC, subject to the approval by the General Meeting.

Responsibilities of the Chairman

The Chairman has the duties pursuant to the relevant laws and as the leader of the Board of Directors for the following operations:

The duties and powers of the Chairman shall be as prescribed by the applicable law. The Board of Directors may delegate to the Chairman other duties and powers as it deems appropriate. In particular, the Chairman has the following powers and duties:

- a. Call Board meetings and sets the agenda.
- b. Presides over the General Meeting of Shareholders.
- c. Entitled to attend meetings of the Board Committees of which he is not a member and meetings of the board of directors of any Subsidiary.
- d. Ensuring effective communication with shareholders, while the Group CEO is the primary representative of the Company in any communication with the media.
- e. Receives the agenda, documents and minutes of the meetings of the Group EXCO and may examine or request any reports pertaining to the business of the Company and the Group.
- f. Encourage and facilitate the meeting of the non-executive directors without the presence of Executive Directors and Management, at least once a year.

Although the Chairman is not an independent Director, but he exercises his responsibility independently from the Management, based upon the best interests of the Company under the Corporate Governance Code. Hence, the Company believes that the Chairman is a well-deserved person and trusted by the Board of Directors for the position.

Responsibilities of Group Chief Executive Officer

The NCC considers nominations for candidates for the position of the Group CEO and recommends for further consideration and appointment by the Board of Directors.

The Group CEO has the overall responsibility and accountability for the management and performance of the Group. Subject to the matters for approval by the Board of Directors pursuant to Article 17 of the Regulations, his responsibilities and duties are as follows:

- a. to coordinate and supervise the activities of the Group EXCO regarding the organization, management and supervision of the business operations of the Group so as to achieve the targets of the business plans and the annual budgets;
- b. to issue instructions on the reporting by the other members of the Group EXCO and all Group Company CEO;
- c. to initiate, develop and manage the strategic and financial planning process within the Group as approved by the Board of Directors;
- d. to monitor and control the implementation of the approved business plans and budgets of the Group and to ensure that all business transactions and items are in accordance with the Manual of Authority;
- e. to prepare, convene and chair the meetings of the Group EXCO;
- f. the Group CEO is the primary representative of the company in any communication with the media;
- g. to supervise the other members of the Group EXCO and Group company CEOs and to review their performance and propose compensation to NCC;
- h. to propose the appointment or replacement of the members of the Group EXCO, except the Group CEO, and the group company CEOs and CFOs to NCC;
- i. to propose the composition of the Board of Directors of the subsidiaries and the nomination of the Company's representatives to the Board of Directors of the Associated Companies to NCC;
- j. to present the succession plans for the members of the Group EXCO (other than the Group CEO) and the Group company CEOs on an annual basis to NCC;

- k. to approve the appointment or replacement of Exco members of Group Companies (except for group company CFO) upon proposal by the Group Company CEO;
- l. to implement the resolutions of the Board of Directors and shareholders, which the Group CEO may assign to other members of the Group EXCO (in which case the Group CEO shall monitor the implementation of the resolutions of the Board of Directors);
- m. to propose to the Board of Directors the matters subject to the approval of the Board of Directors pursuant to Article 17 of the Regulations for consideration and approval; and
- n. to ensure a timely and organized flow of information between the Group EXCO and the Board of Directors.

Charter of the Audit Committee

1. Purpose

The Audit Committee ("AC") is established by and among the Board of Directors ("Board") of Siam City Cement Public Company Limited ("Company") in accordance with the rules of The Stock Exchange of Thailand ("SET") and the Organizational Regulations of the Company for the purpose of assisting the Board in fulfilling its responsibility to the shareholders and the regulatory authorities relating to the (1) financial reporting processes to ensure the quality and integrity of the financial statements and reports of the Company, its subsidiaries, directly and indirectly held, and its associated companies ("Group"), (2) the internal control and internal audit systems and (3) review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.

2. Committee Members

a. Composition and Qualification

The AC shall be comprised of at least 3 (three) directors as determined by the Board, each of whom shall be an "Independent Director" for the purpose of his/her AC membership in accordance with the SET rules. No director should serve as a member of the AC if such director serves on the AC of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the AC, and such determination is disclosed in the Company's disclosure statement.

All members of the AC shall, in the judgment of the Board, be financially literate, which at a minimum means possessing a working familiarity with basic finance and accounting practices, and at least one member of the AC shall, in the judgment of the Board, have accounting or adequate financial management expertise.

b. Selection and Appointment Process

Candidates for the AC membership shall be recommended by members of the Board and submitted to the Chairman of the Board for further consideration and appointment by the Board. The Board shall nominate the Chairman of the AC.

c. Secretary

The Board shall appoint a person who is not an AC member to be the Secretary of the AC.

3. Terms

a. Office Term

Members of the Audit Committee shall have the term of office for 3 (three) years, but not exceeding the term of his/her directorship.

b. Re-election

Upon the completion of an Office Term, any retiring AC member shall be eligible for re-appointment disregarding the number of preceding re-appointments.

c. Resignation during Office Term

If any member of the AC vacates the office prior to the expiry of his/her Office Term, that individual must provide at least a one-month advance notice of his/her intention to resign. This notice must be made in writing, must state the reasons for resignation, and must be served to the Chairman of the Board with a copy to the SET and the Securities and Exchange Commission ("SEC") without delay.

4. Responsibilities and Duties

The AC has the following responsibilities and duties:

- a) To review the Company and the entities of the Group's financial reporting processes to ensure their accuracy and adequacy, and coordinating with the external auditors and members of the Group Executive Committee responsible for preparing the quarterly and yearly financial reports. The AC may suggest issues to be reviewed or audited by the external auditors during their audit of the Company and the entities of the Group.
- b) To review the internal control and risk management systems as well as internal audit system including business processes and the IT framework to ensure that they are suitable and efficient.
- c) To decide on the organization and the qualification of the individuals of the Group Internal Audit and Compliance ("GIAC") of the Company and to determine the GIAC's degree of independence from the Management, as well as to approve the appointment, transfer and dismissal of the individuals of the GIAC or of any other unit in charge of internal audit activities.
- d) To review compliance with the Securities and Exchange Act, including the rules, notifications, and regulations thereof and the rules and regulations of the SET, the SEC and any other relevant laws as related to the Group's business.
- e) To consider and recommend the selection, nomination, remuneration as well as change of the Company's external auditors. To ensure the independence of the external auditor, the AC shall consider factors such as non-audit services that may conflict with the auditor's independence, efficiency and professionalism. To freely discuss significant issues, the AC shall meet privately with the external auditor at least once a year, without management representatives being present.
- f) To review the related party transactions or transactions that may lead to conflicts of interest, including the accuracy and completeness of the Company's disclosure of such information, to ensure that they are in compliance with the laws and the SET regulations, and are reasonable and for the highest benefit for the Company.
- g) To prepare a report on the activities of the AC for the Company's annual report. The Chairman of the AC shall sign this report, which shall consist of at least the following information:
 - an opinion on the accuracy, completeness, and credibility of Company's financial report and the disclosure of its financial information.
 - an opinion on the adequacy of the Company's internal control and risk management systems.
 - an opinion on the suitability of the Company's external auditor and its re-appointment.
 - an opinion on compliance with the law on Securities and Exchange, the Exchange's regulations, or the laws relating to the Group's business.
 - an opinion on the transactions that may lead to conflicts of interests.
 - the number of the AC meetings, and the attendance of such meetings by each committee member.
 - an opinion or overview comment received by the AC from its performance of duties in accordance with the charter.
 - other transactions which, according to the AC's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
- h) Review the Company's compliance with private sector's anti-corruption and certification programs, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.
- i) Conduct the AC's performance assessment as a whole and as self-assessment on an annual basis.

- j) To perform any other acts as assigned by the Company's board of directors, with the approval of the AC.

5. Access to Information and External Advice

a. Access to Information

The AC shall have appropriate access to the information of the Group with support from the Management in order to ensure that the AC obtains information and inputs sufficient and relevant for the AC to fulfill its responsibilities and duties.

b. Appointment of External Expert(s)

The AC may require the Company to engage external expert(s) in order to support its activities, reviews and investigations and to support the Internal Audit function in its obligation to discharge its responsibilities and duties.

6. Meetings

- a) The AC shall hold a meeting at least once every 3 (three) months. Any member of the AC may call a special meeting as circumstances require. The method for calling and the procedures for conducting meetings shall be agreed upon by the members of the AC.
- b) A quorum for a meeting of the AC members shall be a majority of its members.
- c) The AC may invite the Group Chief Executive Officer of the Company to attend the AC Meeting but he/she shall be required to leave the meeting when discussing matters relating to his/her interest or in case the AC wishes to conduct a private meeting.
- d) The Secretary of the AC shall keep minutes of the AC meetings as directed by the AC.

7. Reporting to the Board and Disclosures

- a) The AC shall regularly report to the Board about the performance of their duties and responsibilities as specified in Clause 4. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the AC shall report it to the Board for rectification within the period of time that the AC thinks fit:
 - a transaction which causes a conflict of interest;
 - any fraud, corruption, irregularity, or material defect in the internal control system; or
 - an infringement of the law on securities and exchange, the SET's regulations, or any law relating to the Group's business.

If the Company's Board or management fails to make a rectification within the period of time under the first paragraph, any AC member may report on the transaction or act under the first paragraph to the Office of the SEC or the SET.

- b) The AC shall also ensure that the Company complies with all relevant disclosure requirements as per applicable laws and regulations.

8. Final Provision

This Charter was approved by the Board on 15 May 2019.

-Signature-
Dr. Sunee Sornchaitanasuk
Chairperson of the Audit Committee

15 May 2019
Date

Charter of the Governance Committee

1. Purpose

The Governance Committee ("GC") is established by the Board of Directors ("Board") of Siam City Cement Public Company Limited ("Company") in accordance with the virtue of Article 13 of the Organizational Regulations ("Regulations") of the Company for the purpose of overseeing the Company's policies and frameworks related to corporate governance for the Company, its subsidiaries (the "Subsidiaries" and together with the Company, the "Group" and each a "Group Company") and to make recommendations to the Board with respect to such policies and frameworks to protect the reputation and interests of the Group.

2. Committee Members

a. Composition and Qualification

The GC shall be comprised of at least 3 (three) members as appointed by the Board of Directors. The Board of Directors may appoint member(s) who are not director(s) as members, provided that majority of the members shall be directors.

The members of the GC shall have a thorough understanding of the Group's business and operations, a sound understanding of the principles and the implementation of good corporate governance.

b. Selection and Appointment Process

Candidates for the GC members and secretary shall be recommended by the Nomination and Compensation Committee and submitted to the Board of Directors for approval.

3. Terms

a. Office Term

Members who are directors shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

Members who are not directors shall have term of office as designed by the Board of Directors. If the Board of Directors does not identify the term, such members shall hold the office until the Board of Directors determines otherwise.

b. Re-election

Upon the completion of an Office Term, any retiring GC member shall be eligible for re-appointment disregarding the number of preceding re-appointments.

c. Resignation during Office Term

If any member of the GC vacates the office prior to the expiry of his/her Office Term, that individual must provide at least a one-month notice of his/her intention to resign. This notice must be made in writing, must state the reasons for resignation, and must be served to the Chairman of the Board of Directors.

4. Responsibilities and Duties

The GC has the following responsibilities and duties:

- (1) Review the following documents in relation to the corporate governance practices for the Group for the approval by the Board of Directors:
 - Organizational Regulations
 - Code of Business Conduct
 - CG Policy
- (2) Review the implementation of the corporate governance practices of the Group, in relation to the compliance with the CG Principles of the SEC, CGR and AGM Checklist;
- (3) Review the change of related rules and regulations for listed companies in the Stock Exchange of Thailand, in relation to listing rules;
- (4) To carry out such other duties as may be delegated to it by the Board of Directors.

5. Access to Information and External Advice

a. Access to Information

The GC shall have appropriate access to the information of the Group with support from the Management in order to ensure that the GC obtains information and inputs sufficient and relevant for the GC to fulfill its responsibilities and duties.

b. Appointment of External Expert(s)

The GC may require the Company to engage any external expert(s) in order to support its activities, reviews and investigations in order to discharge its responsibilities and duties, as agreed upon by the Board of Directors.

6. Meetings

- a) The GC shall hold a meeting at least 2 (two) times a year. Any member of the GC may call a special meeting as circumstances require. The method for calling and the procedures for conducting meetings shall be agreed upon by the members of the GC.
- b) A quorum for a meeting of the GC members shall be a majority of its members.
- c) The Group Chief Executive Officer of the Company ("Group CEO") or his assigned representative and Head of Group Internal Audit and Compliance may be invited to the GC Meetings to provide update on important matters.

- d) The Secretary of the GC shall keep minutes of the GC meetings as directed by the GC.

7. Reporting to the Board and Disclosures

The Secretary of the GC will prepare a report on the progress and status of the implementation of Good Corporate Governance Practices across the Group.

The GC will report to the Board on matters covered at the GC meeting and make recommendation to the Board concerning such matters.

8. Final Provisions

- a) This Charter shall be reviewed on annual basis, updated as appropriate, and submitted for the approval of the Board.
- b) This Charter was approved by the Board of Directors Meeting No. 171 on 7 May 2020.

-Signature-

Mr. Stephen Patrick Gore
Chairman of the Governance Committee

Charter of the Nomination and Compensation Committee

1. Purpose

The Nomination and Compensation Committee (“NCC”) is established by and among the Board of Directors (“Board”) of Siam City Cement Public Company Limited (“Company”) in accordance with the virtue of Article 13 of the Organizational Regulations (“Regulations”) of the Company for matters concerning the policies and procedures related to the recruitment, nomination and compensation for members of the Board and the executive management of the Company in particular, and the overall compensation policies and programs as relevant and applicable for the Company, its subsidiaries, directly and indirectly held, and its associated companies (“Group”), and to make recommendations to the Board with respect to such policies and program in order to promote the Group’s aspiration to become the Employer of Choice in all its businesses.

2. Committee Members

a. Composition and Qualification

The NCC shall be comprised of at least 3 (three) directors of whom at least 1 (one) shall be in “Independent Director” as determined by the Board.

The members of the NCC must possess relevant knowledge and work experience as well as a thorough understanding of the Group’s businesses and operations.

b. Selection and Appointment Process

Candidates for the NCC membership shall be recommended by members of the Board and submitted to the Chairman of the Board for further consideration and appointment by the Board. The Board shall nominate and appoint the Chairman of the NCC.

c. Secretary

The Board shall appoint a person who is not the NCC member to be the Secretary of the NCC.

3. Terms

a. Office Term

Members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

b. Re-election

Upon the completion of an Office Term, any retiring NCC member shall be eligible for re-appointment disregarding the number of preceding re-appointments.

c. Resignation during Office Term

If any member of the NCC vacates the office prior to the expiry of his/her Office Term, that individual must provide at least one-month advance notice of his/her intention to resign. This notice must be made in writing, must state the reasons for resignation, and must be served to the Chairman of the Board.

4. Responsibilities and Duties

The NCC has the following responsibilities and duties:

a. Nomination, Composition & Structure

- i) To annually review the composition of the Board including the structures of all subsidiaries' and/or associate's Boards and Board Committees applicable throughout the Group and submit for the Board's consideration.
- ii) To consider, appraise/evaluate and recommend selection for the Board membership, candidates for nomination and/or re-appointment as forwarded by shareholder(s), Board member(s) and/or executives for the Board's review and recommendation before passing on to the final shareholders' selection at the AGM or at least 30 (thirty) days prior to the upcoming Board's meeting in case of the interim vacancy for the replacement by the Board's decision.
- iii) To identify, assess and recommend potential candidates for key positions in the Group such as
 - Group Chief Executive Officer
 - Group Executive Committee Members
 - Chief Executive Officers of each Group Company
 - Directors of Subsidiary Companies
 - Company Representatives on the Board of Associated Companies
- iv) To review the Group Chief Executive Officer's ("Group CEO") proposals of potential candidates for the Group Executive Committee of the Company ("Group EXCO") and the Chief Executive Officer of each Group Company, and to independently assess these candidates with regard to their respective expertise, skills, experience, performance as well as personal and professional qualifications. Suitable candidates shall be recommended by the Committee to the Board for approval.
- v) To carry out such other duties as may be delegated to it by the Board.

b. Management Development and Succession Planning

- i) To ensure that transparent and comprehensive Performance Appraisal Frameworks and Processes are in place for all Top Management Level (“TML”) job holders and candidates for such positions.
- ii) To oversee the talent pipeline, the development process and the individual developmental plans for all TML job holders and candidates for such positions.
- iii) To ensure that pools of young talents are in place for each function with structured career paths in to respective succession pools originating from group-wide workforce planning.
- iv) To half-yearly review with the Group CEO the succession plans for all TML positions as well as the functional talent pools.
- v) To annually review the succession plans for the Board and its committee members.
- vi) To annually review the succession plans for Board members of Subsidiaries Companies and the Company’s representatives on Boards of associated companies.
- vii) To carry out such other duties as may be delegated to it by the Board.

c. Remuneration

- i) To provide that the compensation policies and programs throughout the Group are designed to enable the Group and its individual companies to recruit, retain and align all employees to its overall aspiration and commitments of the Group, and at the same time creating a pay-for-performance linkage.
- ii) To approve and propose to the Board the compensation of each member of the Board, its Committees and Chairman thereof.
- iii) To approve the performance and compensation of the Group CEO, the Group EXCO members and CEOs of each Group Company, as well as bonus and merit increase for SCCC and subsidiaries in Thailand.
- v) To review the annual compensation and salary increase budget as well as annual bonus scheme for subsidiaries outside Thailand as submitted by the Secretary of the NCC.
- vi) To carry out such other duties as may be delegated to it by the Board

5. Access to Information and External Advice

a. Access to Information

The NCC shall have appropriate access to the information of the Group with support from the Management in order to ensure the NCC obtains information and inputs sufficient and relevant for the NCC to fulfill its responsibilities and duties.

b. Appointment of External Expert(s)

The NCC may require the Company to engage any external expert(s) in order to support its activities, reviews in order to discharge its responsibilities and duties.

6. Meetings

- a. The NCC shall hold a meeting at least once every 3 (three) months. Any member of the NCC may call a special meeting as circumstances require. The method for calling and the procedures for conducting meetings shall be agreed upon by the members of the NCC.
- b. A quorum for a meeting of the NCC members shall be a majority of its members.
- c. The Group Chief Executive Officer of the Company ("Group CEO") shall be a permanent invitee to the NCC Meeting but he/she shall be required to leave the meeting when discussing matters relating to his/her interest or in case the NCC wishes to conduct a private meeting.
- d. The Secretary of the NCC shall keep minutes of the NCC meetings as directed by the NCC.

7. Reporting to the Board and Disclosures

The Secretary of the NCC will prepare a quarterly report on the status of the Nomination, Management Development and Succession Planning and Remuneration Practices across the Group.

The NCC will report to the Board on matters covered at the NCC meeting and make recommendation to the Board concerning such matters.

8. Final Provisions

This Charter shall be reviewed on annual basis, updated as appropriate, and submitted for the approval of the Board.

This Charter of the Nomination and Compensation Committee was approved by the Board of Directors Meeting No. 175 on 11 December 2020.

By: _____

Mr. Paul Heinz Hugentobler
Chairman of the Board of Directors



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