



Annual Report 2021

**Staying resilient
in challenging times**

56-1 One Report

Annual Registration Statement/
Annual Report

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Financial Report and Attachments*

Financial Report and Attachments are available on www.set.or.th and the Company's website www.siamcitycement.com

This Annual Report (56-1 One Report) referred to the information disclosed on the Company's website, which is an integral part of the 56-1 One Report. The Board of Directors certifies the correctness and completeness of such referred information.

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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. Stephen Patrick Gore
Director
Member of Nomination and Compensation Committee
- 5

Mr. Subhak Siwaraksa
Director
Member of Governance Committee
- 6

Dr. Sunee Sornchaitanasuk
Independent Director
Chairperson of Audit Committee



6



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7 Mr. Charin Satchayan
Independent Director
Member of Audit Committee
Chairman 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 Officer of SCCC-TH

Message from the Board of Directors



Dear Shareholder,

The year under review began as the previous year ended, with the COVID-19 pandemic still raging across the region, and all our countries of operations enforcing travel restrictions and quarantine measures to contain the virus. Vaccination programs did take off only slowly in all countries, but not before large outbreaks happened in Thailand, Vietnam and Bangladesh and forced Governments to massively lock down social and business activities. As a consequence, the business environment remained extremely challenging throughout the entire year 2021.

This already dire situation was compounded by rapidly increasing costs for coal and international sea freight—both factors being critical cost components with impacts on our competitiveness. Again, and as in the previous year, Group Management had to initiate major interventions addressing our cost base, our manufacturing capacities as well as our organizational structures. Despite all adversities, we are confident that our Group will weather all headwinds successfully as we can count on thousands of employees dedicated to advancing the Group with new strengths and new capabilities required to successfully compete in the future. The focus of our initiatives will cover renewed efforts in our go-to-market strategies, in sharpening our products and building solutions to reduce their

carbon intensity, in advancing digital applications across all functions, and most importantly, in driving our Sustainable Development Ambition 2030 together with our ESG Agenda.

As we ended the year 2021, we started to see some light at the end of the tunnel. Strong demand surges in Sri Lanka and Vietnam and stabilizing volumes and business activities in Thailand and Cambodia point to a brighter 2022. Nevertheless, we remain extremely cautious in our outlook as we are still faced with extremely high energy and freight costs which will now be compounded with higher inflation and currency devaluation risks. Thus, the Board of Directors and Group Management are fully aligned and prepared to take all necessary steps to maintain both our operational competitiveness as well as our financial performance.

The Board of Directors is pleased to report a net profit after tax attributable to equity holders of THB 4.2 billion, including a one-time tax credit in Sri Lanka of THB 0.7 billion, or THB 3.5 billion on a comparable basis with THB 3.7 billion in 2020. We succeeded in reducing our gearing ratio to 47 percent at the end of 2021 compared to 61 percent at the end of 2020. Net Financial Debt to EBITDA reached just 1.95 at the end of 2021. The Board of Directors will recommend a full year dividend of THB 9 per share to the Shareholders for approval at the AGM.

Our good and dedicated people have continued our history of success in good and bad times. It is to their credit that we are here today in good health and spirit looking forward to brighter days to keep us growing as an organization and as individuals.

As we said in our last year's message, resilience is a rare quality in an organization, but we are proud to say that our Group has stepped up again to unprecedented challenges in 2021, and our good and dedicated people have continued our history of success in good and bad times. It is to their credit that we are here today in good health and spirit looking forward to brighter days to keep us growing as an organization and as individuals.

On behalf of the Board of Directors, I wish to thank everybody in our Group and our extended range of stakeholders for their commitments and their cooperation to sustain and grow in harmony and for our mutual benefits.



Mr. Paul Heinz Hugentobler

Chairman of the Board of Directors

Group Executive Committee



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Mr. Aidan John Lynam
Group Chief Executive Officer
- 2

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

Mr. Eamon John Ginley
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

We are staying sternly focused all this year on driving costs efficiencies and assuring healthy cash flows as well as strong financial liquidity.

Message from the Group Executive Committee

Dear Shareholder,

In another unprecedented and tumultuous year, the COVID-19 pandemic continued to heavily impact economic activity globally, and across Siam City Cement's market footprints. As contagious variants spread in 2021, construction activities were interrupted, particularly in Thailand and Vietnam during the second and third quarters. Meanwhile, worldwide supply chain disruptions provoked significant increases in seaborne freight and thermal energy costs. Unit cost inflation has been ratcheting up on all raw materials and fuels across most of the cost-curve.

At a consolidated Group level, revenues saw a drop of just under 1 percent in 2021, with margins becoming pressurized by input inflation and challenges to pass these through onto market prices because of continuous competitive jostling.

Despite these headwinds, we have been assuring maximized protection of the health and safety of everyone at our facilities, whilst staying sternly focused all this year on driving costs efficiencies and assuring healthy cash flows as well as strong financial liquidity.

We have adapted well to various pandemic-related conditions known as the "new normal" with our sales teams accommodating to customers' delivery needs. Overall, our entire staff has stayed strong, resilient, and positively engaged in the face of unexpected pressures and challenges rarely faced before.

While revenues and margins have indeed been pressed, successful mitigation measures have led to a net profit gain (including a one-off tax rebate in Sri Lanka) in 2021 of just over 15 percent compared with the previous year.

In Thailand, the long-awaited increase in infrastructure investment unfolded at a slower than expected pace amidst an ongoing downturn in residential building activity. The mid-year arrival of the Delta variant of the coronavirus led to construction worker camp shutdowns and severe curtailment of building activities that extended for weeks. Previously launched initiatives strongly boosted reliability in manufacturing facilities at our Saraburi plant and assured a healthy availability of products for sale, both domestically and for overseas exports.

Our cement, concrete, and aggregates businesses in Thailand saw operating margins become squeezed, due to strong thermal energy cost inflation and transport cost escalations. Transformational programs and cost efficiency improvement drives were activated to offset these external cost pressures, as far as possible.

Siam City Cement Trading Company Limited adapted its customer networks and trading activities in Vietnam, China, Japan, Taiwan, Bangladesh, Australia, and beyond, as well as to our own Group entities overseas amidst severely disrupted shipping supply chains.

Our Light Building Materials business in Thailand and Indonesia was impacted by the fall in residential construction, whilst our Ecocycle subsidiary saw ongoing reductions in industrial services projects across Thailand in the oil and gas and petrochemical spaces.

At the regional level, our international operations faced continued revenue pressures throughout 2021, particularly in Vietnam where COVID-19 related hard lockdowns brought a substantial reduction in sales during the third quarter. However, Siam City Cement (Lanka) Limited saw a strong rebound in market demand and was able to gain market share with prices strengthening considerably in the final quarter of the year.

Our joint venture business in Cambodia maintained strong performance due to strident cost efficiency initiatives and accelerated ramp-up of its waste management-oriented Ecocycle business. In Bangladesh, business was adversely affected in the face of continued high government tax on imported raw materials and general import costs inflation.

As we look forward to the coming year, the Group is confident about gaining from its in-built structural and cost-curve related strengths. Amidst poor visibility regarding the effects of new COVID-19 variants, we do sense a determination of governments and health authorities to “live with the virus”. Thus, we remain cautiously optimistic about some revenue improvements in 2022.

We remain committed to deliver on our Environmental, Social, and Governance (ESG) agenda, setting ambitious sustainability targets for the years ahead, whilst maintaining our determined focus on providing application-oriented solutions to customers. We approved two major capital investments in Thailand and Sri Lanka last year to accelerate a lowering of our Group's CO₂ footprint. We have also renewed a three-year MoU with the International Union for Conservation of Nature (IUCN) for continuation of biodiversity impact minimization in our quarrying activities and we carry on with efforts to lower ground water consumption at our facilities. Simultaneously, we continue to adhere to the highest international standards of corporate governance, industry occupational health, and safety practices. The Group also remains focused on our social responsibility towards both our employees and neighboring communities.

We deeply appreciate the constant trust and support from our shareholders, our Board of Directors, our customers, our communities, our employees, and our stakeholders.

We are dedicated to deliver on 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



Trading Segment

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



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



Others

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

Segment	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Net sales						
Cement	27,406	66	26,610	63	28,722	60
Concrete and Aggregates	5,388	13	6,632	16	8,477	18
Trading	5,389	13	5,167	12	6,428	13
Light Building Materials	2,382	6	2,391	6	2,630	6
Others	1,113	2	1,200	3	1,336	3
Total net sales	41,678	100	42,000	100	47,593	100

* Which were eliminated upon consolidation.

Steady earnings growth in 2021

Net sales

41,678
Million Baht

Net profit

4,248
Million Baht

Earnings per share

14.25 Baht

2019 2020 2021

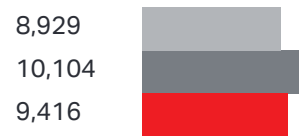
Net sales and service income
Million Baht



Total assets
Million Baht



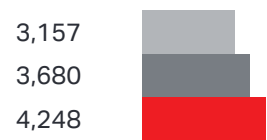
EBITDA
Million Baht



Total shareholders' equity
Million Baht



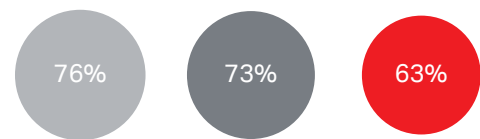
Net profit
Million Baht



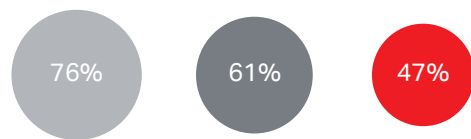
Earnings per share
Baht



Dividend payout ratio on net profit



Gearing



Key Figures

	2021	2020	2019
Production Capacity (Million)			
Clinker (tons)	14.6	14.7	14.7
Cement (tons)	24.4	25.2	25.2
Mortar (tons)	0.8	0.8	0.8
Lamination (tons)	0.2	0.2	0.2
Aggregates (tons)	4.8	4.8	4.8
Million Baht			
Net sales and service income	41,678	42,000	47,593
EBITDA	9,416	10,104	8,929
Net profit	4,248	3,680	3,157
Cash flow from operating activities	6,948	8,932	7,586
Investments in property, plant and equipment - net	1,266	705	1,462
Total assets	82,012	77,670	78,206
Total liabilities	42,785	42,958	45,535
Total shareholders' equity	39,227	34,712	32,671
Margin (%)			
EBITDA	23%	24%	19%
Net profit attributable to equity holders	10%	9%	7%
Cash flow from operating activities	17%	21%	16%
Financial Ratios			
Earnings per share (Baht)	14.25	12.35	10.59
Gross dividend per share (Baht)	9.00 ¹	9.00	8.00
Dividend payout ratio on net profit (%)	63%	73%	76%
Gearing (%)	47%	61%	76%
Total liabilities to total assets (%)	52%	55%	58%
Return on assets (%)	5%	5%	4%
Return on shareholders' equity (%)	11%	11%	9%
Owned Personnel (Persons)			
Group	4,678	4,734	5,711
Cement	3,148	3,188	3,874

¹ Proposed by the Board of Directors meeting on 11 February 2022

Milestones

1969



Siam City Cement Company Limited was founded on 16 May 1969, with initial registered capital of THB 100 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

2016-2018



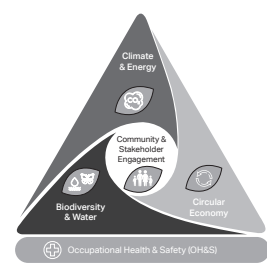
Cement Business Expansion in Bangladesh, Sri Lanka, Vietnam, asset acquisition in the industrial cleaning service business, and forming the trading business

2019



50th Anniversary of Siam City Cement Public Company Limited

2021



Established "INSEE Sustainability Ambition 2030" and identified roadmaps to deliver our promises

Our Pride

Awards and Recognition



Thailand Sustainability Investment Award 2021 (THSI) for the 3rd 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 for the 6th Consecutive Year

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



ESG 100 - List of Excellent Performance in Sustainable Development for the 2nd Consecutive Year

Awarded to Siam City Cement Public Company Limited,
by Thaipat Institute



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 Label and Carbon Reduction Label Award

Awarded to Siam City Cement Public Company Limited,
by Thailand Environment Institute (TEI)



Zero Waste to Landfill Standard (ZWL-DIW:2021)

Certified to Siam City Cement Public Company Limited,
by Department of Industrial Works, Ministry of Industry



CSR-DIW Continuous Awards

Awarded to Siam City Cement Group (Saraburi Operations Plant 2, 3, INSEE Mortar Plant, INSEE Ecocycle Saraburi and Chonburi Platforms),
by Department of Industrial Works, Ministry of Industry



The Nation Occupational Health & Safety Award (Silver Level)

Awarded to Conwood Company Limited,
by Institute for Occupational Safety, Health and Environment Promotion
(Public Organization)



Gold Standard Waste Processor - Alternative Solid Fuel From Non-Hazardous Waste

Awarded to INSEE Ecocycle Company Limited (Saraburi Platform),
by The Ministry of Industry



Top 10 Most Reputable Building Material Companies 2021 in Vietnam

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



Environmental Declaration Certification (The International EPD®)

Awarded to Siam City Cement (Vietnam) Limited,
by The International EPD System



SLIM Nielson People's Housing and Construction Brand of the Year Award

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

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Business Description and Portfolio

Business Growth and Development

The direct and indirect consequences of the global COVID-19 crisis dominated SCCC Group's 2021 management priorities. As the Delta variant spread across Southeast Asia in the second and third quarters, government-mandated construction shutdowns and uneven demand required disciplined employee health and production management. With regional supply chain and energy cost disruptions worsening, we continued to limit investment while standing ready for markets to eventually return to growth.

Recognizing that strong customer partnerships and operating platforms have defined our ability to weather the crisis and shape future success, we continued a strong focus on developing functional platforms even as revenues and margins declined somewhat year-on-year. The Group Executive Committee has been resolute in continuing the development of commercial and manufacturing capabilities and advancing our commitments to sustainability and corporate responsibility. In summary, 2021 has been a year of maintaining SCCC Group's long-term course in the face of turbulent economic seas.

1. Core cement businesses: Controlling for input costs and lockdown periods, SCCC Group's productivity improved during 2021. Initiatives focused on demand, inventory and downtime management across our supply chains and these have paid off by improving operating fundamentals. The momentum of sales and marketing initiatives started in 2020 has continued, helping strongly to mitigate revenue headwinds. In addition to this, the Company looks closely at business innovation as well as the transformations, trends and technologies

that enable business development. We explore cutting-edge strategies that drive digital innovation; retail integration; virtualization of services; integrated digital solutions to improve customers and user experiences; industrial IOT and process improvement; and supply chain digitalization.

- 2. Building materials and service businesses:** Maturing markets and an increasing need for sustainable solutions drive development of our fiber cement, lightweight concrete, mortar, waste management and industrial services offerings. We are laying the groundwork to further scale and regionalize these growth platforms and to maximize synergies with our core businesses.
- 3. Functional performance platforms:** While cement is a local market business, we must compete based on a regional scale. Commercial, Operations, People and Finance platforms established in 2019 are increasingly embedded across SCCC Group's operating companies.

Economic conditions have obscured the value of our development efforts in 2021. We enter 2022 confident that payoffs from these investments will accelerate moving forward.

Group Business Portfolio

Cement Business Segment

Siam City Cement Group began producing and distributing cement products in Thailand more than 50 years ago. Today, the Company is a leading producer of high-quality cement products with its focus on innovation and sustainability helping fulfill the everchanging needs of the market.

From its origins in Thailand, the Group has expanded into Southeast and South Asia, becoming recognized as a regional leader in the process.

From its origins in Thailand, the Group has expanded into Southeast and South Asia, becoming recognized as a regional leader in the process. Siam City Cement Group now boasts production bases and distribution in five countries. The Cement Business Segment currently consists of:

Thailand - Siam City Cement Public Company Limited (SCCC)

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

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

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 stakeholders, business partners, customers, communities, society and the environment.

1. Characteristics of Products or Services and Business Innovation

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

Portland Cement

Portland Cement is specifically developed for 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.

Innovation is a notable goal for the Group as it looks to develop, create and sustain products and services that better serve the region as a whole. These efforts are carried out in conjunction with customers and stakeholders.

This innovation can be seen in Bangladesh where Siam City Cement (Bangladesh) Limited began exporting cement to the eastern part of India last year in line with evolving demand trends.

In Sri Lanka, the INSEE i2i Collaboration Space provides valuable support in supplying major projects in the country, including the Colombo Port City Project and Moragolla Hydropower Dam Project.



2. Marketing and Competition

Key highlights:

- Innovation, quality and service remain marketing strengths across the region
- INSEE Prompt-U & INSEE Concrete Products franchising models find success in Thailand
- Customer support programs during the pandemic boost loyalty and recovery
- Loyalty programs in Cambodia create lasting relationships with the local market
- Competition expected to increase in several markets

The cement business group of Siam City Cement Group is a market leader in Thailand, Sri Lanka, Vietnam, Bangladesh and Cambodia with marketing efforts centered around the brand's innovation, quality and service.

The cement business group of Siam City Cement Group is a market leader in Thailand, Sri Lanka, Vietnam, Bangladesh and Cambodia with marketing efforts centered around the brand's innovation, quality and service. This is important in the face of increasing competition and the lingering impact of the COVID-19 pandemic across the region.

In Thailand, Vietnam, Sri Lanka, and Cambodia, Group Company is the top two market leader. In Bangladesh, the Group is expanding its market share.

Innovation is guiding the cement business group as it looks to overcome growing competition and an uncertain economic recovery. New initiatives are designed to both further establish the Group as a leading producer of high-quality cement products and help it avoid price wars by establishing and maintaining relationships while cultivating brand loyalty.

In Thailand, the inventive INSEE Prompt-U and INSEE Concrete Products franchising models are promoting profitability and sustainability for business partners. Meanwhile, SCCBD continues to foster long-term relationships with channel partners in Bangladesh through its "INSEE Family" efforts which emphasizes customer needs and successes. It is a similar story in Cambodia where loyalty programs have helped establish lasting relationships throughout the local market and continue to drive sales.

This is increasingly important given the various challenges facing the global economy. Thailand saw minimal GDP growth in 2021 and projections are set at 3.9 percent in 2022. Slow growth is affecting cement demand which weakened year-on-year in 2021 and is likely to shrink again in 2022. There is uncertainty surrounding a potential recovery in the country due to question marks regarding tourism, vaccine distribution, political instability and household debt. The situation is similar in Cambodia where cement demand is expected to contract by as much as 4 percent in 2021.

The outlook in Vietnam is more optimistic since the country will benefit from the US-China trade war and supply chain diversification. Analysts believe GDP growth could be as robust as 6 percent in 2022.

Competition continues to rise throughout the region. Overcapacity in Bangladesh is causing major competitors to aggressively price their products. Competition in Thailand's cement industry will likely be more aggressive in 2022 as well.

Two new firms established operational bases in Sri Lanka in 2021 which will create additional domestic competition. In Cambodia, Conch KT Cement announced plans to build a new plant in the Kampong Speu province that will have a two-million-tonne-a-year capacity.

Marketing channel of cement consists of both distributors and projects. Additionally, SCCC has authorized distributors for both Thailand and overseas. In addition, we keep studying new technologies in responses of the changing expectations of customers, to develop distribution opportunities through emerging channels.

The Business Group provided support to its customers and their communities throughout the COVID-19 pandemic. This included the provision of equipment to medical facilities in Vietnam and Sri Lanka, and assistance with customer vaccinations in Thailand. As online replaced face-to-face meetings, digital resources were used to support customers and maximize interactions. Educational webinars were run throughout the region to provide health & safety information to customers and to provide business coaching to improve their response and recovery.

3. Procurement of Products or Services

Key highlights:

- USD 1 million in EBITDA savings were realized in Vietnam due to more efficient procurement
- Touk Meas Plant in Cambodia now capable of producing all local market needs

The Cement Business Group has a combined cement production capacity of 25.2 million tons with modern production technology, a high-quality management system and world-class sustainable development ensuring Company products fulfill the needs of customers in all five countries.



SCCC cement production capacity in Thailand reached 13 million tons annually. Meanwhile, CMIC's Touk Meas plant now boasts a capacity of more than 2 million tons which means it is capable of supplying all of the Company needs for the local market.

The Company has established INSEE Ecocycle business units in Thailand, Vietnam and Cambodia that provide waste management solution services to customers while utilizing the waste as raw materials and alternative fuels in cement production.

Additionally, the Company has established a waste heat recovery plant business to generate electricity from waste heat created during the cement production process that is used in the production of clinker.

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 that is used in the production of clinker. The innovation lessens the need for electricity from the grid and has reduced the amount of greenhouse gases released at cement plants in certain countries.

For example, despite only being in its second year of operation, fossil fuel substitution in Cambodia was expected to reach more than 15.2 percent in 2021.

Looking at procurement, the Group strategically sources major raw materials to increase efficiency during the entire process. Support is provided in part by Siam City Cement Trading Company Limited (SCCTR) who assists in sourcing essential raw materials for cement production, fuels and the seaborne transportation for exports and imports. These increases both procurement and logistical efficiency for suppliers and customers in the region.

"Smart Procurement" is driving "Smart Budgeting" and "Smart Spending" in Vietnam. These efforts generated USD 1 million EBITDA in savings, although it was against a backdrop of USD 6.25 million in adverse pricing movement.

SCCC continues its strategy of sourcing important raw materials, namely limestone, shale, clay, gypsum, cropper slag, kraft paper, jumbo bags and WPP plastic bags. A total of 61.43 percent of raw materials are purchased domestically with the rest being acquired from overseas. The Group does not rely on any particular supplier; therefore, the Group does not have risk on supplier concentration for raw material and fuel.

SCCBD imports all raw materials required for cement production in Bangladesh. All material, except for PFA, are sourced through SCCTR which aligns strategically to liquidate surplus clinker held by the parent organization.

In Sri Lanka, SCCLK minimized the impact from unprecedented ocean freight increases related to COVID-19 by freight hedging for 12 shipments in 2021. Additionally, several improvements were made across the local supply chain with a primary focus on road safety.

Imports from SCCC's Saraburi plant are no longer required for CMIC in Cambodia. Further development of local industry and services has reduced the Company's reliance on other imports from abroad.

When it comes to both procurement and production, the Group takes sustainable development principles into consideration. The focus is on ways to consciously utilize resources for the utmost benefit with an importance placed on reducing energy consumption waste, reducing the emission of greenhouse gases and protecting the environment.

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 production.

The focus is on ways to consciously utilize resources for the utmost benefit with an importance placed on reducing energy consumption waste, reducing the emission of greenhouse gases and protecting the environment.

4. Under-Construction Projects

There is no under-construction projects.

Concrete and Aggregates Segment

Siam City Concrete Company Limited

INSEE Concrete and INSEE Aggregates are top-of-mind in their respective fields and trusted across all customer sectors throughout Thailand. Both are key pillars of the cement business under Siam City Concrete Company Limited (SCCO) and align within the organization's vertically-integrated business model.



INSEE Concrete and INSEE Aggregates are top-of-mind in their respective fields and trusted across all customer sectors throughout Thailand.

INSEE Concrete

INSEE Concrete is one of Thailand's leading ready-mixed concrete manufacturers. We are constantly striving to develop products and services that provide maximum value to our customers.

SCCO's ability to offer advanced technical solutions to clients while also providing market differentiation is a strong value proposition.

By utilizing high-quality raw materials along with extensive research and development capabilities, INSEE is able to offer a comprehensive range of products that meets exacting project

specifications and various application performance requirements. Furthermore, INSEE backs up its product quality with extensive service support to clients with reliable on-time delivery and product/placement advice.

1. Characteristics of Products or Services and Business Innovation

Due to a diversity of construction projects, different applications of concrete are required. INSEE Concrete has research and developed various types of concrete to meet our customer's requirements, starting from basic construction works to more advance product ranges, including special concrete and concrete solutions for construction projects.

For infrastructural development, advancement in manufacturing technology, and requirement for reduced construction time and cost-effective products drive the growth of the global concrete market.

The Concrete Production Manufacturing (CPM) sector continues to grow and it is the ultimate solution for all customer needs. Our service includes new technologies and methodologies that increase efficiency and quality.

INSEE Zero-slump concrete is suitable for road construction, road reclamation services and stabilized road base. The latter is spread by base course or asphalt spreaders and compacted with a heavy vibratory rollers machine that requires very short lead distance and time to discharge.

2. Marketing and Competition

Quality delivery of products and services to meet and exceed our customer's expectations is fundamental to SCCO's business strategy and success.

SCCO oversees an extensive network of ready-mixed plants throughout Thailand, some owned by the Company and others franchised to local operators. With a nationwide reach and an extensive portfolio of products, we are capable of servicing all sectors from small retail to large infrastructure as well as manufacturing, commercial, industrial and residential.

SCCO sells concrete through various channels including SCCO agents, online platforms and partnerships with medium to large contractors.

Whilst market competition remains high within the ready-mixed industry, SCCO's ability to offer advanced technical solutions to its clients provides market differentiation as well as a strong value proposition.

The effects of COVID-19 pandemic continued to weigh heavily on the construction sector throughout 2021. Further impact resulted from the announced lockdown of many projects sites in July and August. While many sectors remain weak due to low investor confidence, large infrastructure projects, such as the high-speed rail, double track railway and motorway, continue to drive industry demand.

Additionally, the retail sector saw increased activity as demand for home improvement increased. INSEE is well placed to benefit from this trend due to its strong positioning within the modern trade and online channels.

Steady growth and progressive improvement is expected in 2022 due to on-going construction on large infrastructure projects while recovery in other sectors is possible. A further rebound of the Eastern Economic Corridor (EEC) is also expected to lift demand as investor confidence returns.

3. Procurement of Products or Services

As a vertically integrated business unit of the Siam City Cement Group, SCCO is able to draw heavily on internal supply for its raw materials, (cement, aggregates and sand). Other raw materials, services and requirements are secured by leveraging INSEE's central procurement to ensure optimum cost and quality outcomes.

INSEE Aggregates

1. Characteristics of Products or Services and Business Innovation

INSEE Aggregates produces High Performance Aggregates and sand products which support the building materials and construction industries across all sectors including retail, residential, industrial, commercial and infrastructure sectors.

INSEE's commitment to high-quality production enables it to supply to a vast range of highly specified projects and allows for the most efficient mix designs for internal and external ready-mixed and CPM operators.

2. Marketing and Competition

Despite the prolonged economic impact of the COVID-19 pandemic on the construction and building material industries, INSEE Aggregates remained optimal and efficient by continuing to adapt its operations whilst remaining fully focused on business positioning and premium quality to maximize value delivered to customers.

Competition within the Aggregates industry remains high and industrial supply exceeds market demand. However, INSEE's unique positioning and trusted brand reputation allows it to successfully compete in direct sales channel across all sectors, including ready-mixed concrete, concrete product manufacturing (CPM) and road construction industries (RDC). INSEE continues to expand its external supply channels and develop technical support services for clients.



3. Procurement of Products or Services

INSEE Aggregates operates four active locations across Thailand. There is a hard-rock operation in Suphanburi province along with three sand operations in Ayudhya province, Angtong province and Ratchaburi province, respectively. The business also has extensive undeveloped quarry reserves in Saraburi province and Chonburi province which are planned for future expansion.

Currently, the Suphanburi quarry is the primary operation, supplying over 4 million tons per annum of premium 20 mm, road-base and crush rock fines. While the three sand operations supply over 0.5 million tons per annum of premium concrete grade sand.

4. Under-Construction Projects

There is no under-construction projects.

*No jobs that have not been delivered for all products.

Light Building Materials Segment

The Light Building Materials Segment consists of three main businesses: dry-mixed mortar products, lightweight concrete products and decorative wood replacement products. All three businesses were established to create value-added products from the cement production process that are innovative and satisfy the requirements of customers. Products under this segment offer a number of benefits including enhanced convenience in the construction process; less dependency on labor; cost and time savings; and reduced environmental impact.

All three businesses were established to create value-added products from the cement production process that are innovative and satisfy the requirements of customers.

Key Information

Capacity

- Dry-mixed mortar products
750,000 tons per year
- Lightweight concrete products
7,200,000 Sq. m. per year
- Decorative wood replacement products (Thailand)
135,000 tons per year

- Decorative wood replacement products (Outside Thailand)
36,000 tons per year

Brand

- Dry-mixed mortar products: INSEE Mortar
- Lightweight concrete products: INSEE Superblock
- Decorative wood replacement products: CONWOOD

Strengths

- Major cement and building materials manufacturer in Thailand and Indonesia
- Well-known building materials brand for all project, wholesales and retail channels nationwide
- Research and development of both production and innovation of products and services that best satisfy customer’s changing behaviors and needs
- A strong distribution channel and supply chain that ensures high efficiency of products and value delivery to our customers nationwide
- Sustainable development that aligns with the Company’s vision, mission and corporate strategy for all stakeholders’ benefits

Major Business Policies

Become a regional market leader in the building materials segment by expanding businesses into two key areas. First, expand into high-potential markets in both domestic and overseas locations. Second, expand into product segments and categories to broaden our business portfolio for sustainability in the future;

- Continue research and development focused on value-added products and services aimed at satisfying all our customers' requirements and needs
- Apply a "Customer Centric" approach for business operations to ensure the highest level of customer satisfaction
- Continually develop and improve the effectiveness and efficiency of our working process, production process and supply chain along the value chain
- Conduct business that is not detrimental to the environment and the communities we work in. To this end, factory environmental management has received a quality standard in line with the Company's goal



1. Characteristics of Products or Services and Business Innovation

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 divided into application-based product categories, including plastering mortar, bricklaying mortar, floor leveling mortar, tile adhesive mortar, dry concrete mortar, repair mortar and other specialty mortars. The main targets for our products are the residential and commercial markets.

INSEE Superblock has been continuously focused on improving the quality of autoclaved aerated concrete (AAC) products and increasing efficiency of the process to ensure customer demand is met. We are actively developing INSEE Superblock value-added products and high-quality products including reinforced wall panels stud and lintel. INSEE Superblock also

boasts a professional and skilled team for wall solution services. They can serve customers in design, material delivery and effective wall panel installation. We strive to ensure INSEE Superblock products satisfy customers' requirements in terms of wall panel design and easy installation while reducing construction management pain points, including time, labor and cost. INSEE Superblock products reduce construction waste and are environmentally friendly by reducing the dust pollution. In addition to this, we have a strong focus on wall panel product development for duplex rooms with two floors in the form of high-ceiling open space (Double Space) condominium, hospital and hotel buildings.

INSEE Superblock products reduce construction waste and are environmentally friendly by reducing the dust pollution.

CONWOOD has been accepted as a quality, trusted brand known for beauty, durability, and social responsibility among the various customer groups in Thailand. Customers include property developers, architects, main contractors and home owners who have turned to the brand for more than 16 years. This makes CONWOOD the top of mind brand of all target groups. Furthermore, CONWOOD is well known among architect communities in Indonesia who utilize our products to meet their designs because of the natural wood and aesthetic appearance. The Company is respected for always providing

solutions and innovations through the products and services it provides. CONWOOD products are divided into five categories: 1) floor decoration 2) wall decoration 3) eave and ceiling decoration 4) multi-decoration and 5) water-based paint.

In 2021, CONWOOD focused on fiber cement product development and enhancement to respond to changing requirements from customers. Additionally, CONWOOD developed its sale and marketing channels to increase distribution coverage and close the customer journey gap. CONWOOD in Indonesia continues its aim to be a trusted partner of customers by providing solutions for a sustainable future.

2. Marketing and Competition

2.1 Overall Industry Situation

The continuing presence of the COVID-19 pandemic remained a big issue for Thailand and Indonesia in 2021. Moreover, the global and domestic economic crisis still exists. With the domestic real estate market still in decline, Thailand's building materials recession has continued. There are three key driving factors for this. First, a decline in private construction due to lower purchasing power and higher household debt caused by the current economic crisis. Second, many real estate developers opted to delay new condominium launches this year, and instead focused on selling existing stocks as they manage cash flow. Finally, the decline of building materials exports to other countries due to the market slowdown. The recovery of the Thailand real estate market is expected to last three-to-five years with fiercer competition in the near term likely.

2.2 Competitive Strategy

- Focus on delivering key values to customers through value-added products and solutions, especially for tile adhesive and specialty mortar products; reinforced wall panels; stud and lintel products; and digital coating of decorative wood replacement products. This looks to satisfy customer requirements and needs which are convenience, ease-of-use and a decreased reliance on labor
- Deliver new products to cope with the consumer needs such as CONWOOD Color, Giant Board, CONWOOD BEYOND, etc.
- Develop innovative products and construction processes with eco-friendly concepts to reduce construction process and labor dependency
- Improve the efficiency of the production and supply chain while implementing cost reduction measures to increase the Company's competitive advantage
- Develop a strong distribution channel network for the project, wholesale and retail segments to efficiently push our products into targeted markets. Also, seek new potential dealers to cover all areas nationwide in Thailand and overseas
- Enhance online marketing communication and increase our presence across online shopping platforms
- Improve Go-To-Market strategies and expand the vertical growth



2.3 Target Customers

- End-users including masons and homeowners who would like to buy our products for new-builds, decoration and renovation
- Project owners, developers, architects and contractors who would like to buy our products for new-builds, decoration and renovations
- Dealers who buy our products and sell to end-users or their sub-dealers

2.4 Channel of Distribution

- The business has a strong distribution channel network nationwide, including project dealers, wholesale dealers and retail dealers. Also, we continually support our dealers for product and market penetration via marketing campaigns, promotions and activities (through online and offline channels) throughout the year.

- The business establishes and provides dedicated sales teams in local areas to approach local projects and open new sub-dealers for our current dealers within specific areas. In addition to this, sales teams also find new dealers in the white space to increase coverage.
- The sale proportion between domestic market and export market of each product is as follows:

INSEE Mortar: Domestic market was 99.5 percent, Export market was 0.5 percent

INSEE Superblock: Domestic market was 99.5 percent, Export market was 0.5 percent

CONWOOD: Domestic market was 70 percent, Export market was 30 percent

- The business continuously promotes products and the brand through integrated marketing communications and activities at local traditional retailers, and modern retailers by using the popular offline media outlets and widely used online platforms such as Facebook, Line Official Account and YouTube among others to ensure the high level of brand awareness in local areas.

3. Procurement of Products or Services

INSEE Mortar plant is a dry mixed mortar plant which produces bricklaying mortar, plastering mortar, floor leveling mortar, dry concrete and tile adhesive mortar to meet the diverse needs of our customers. The INSEE Mortar plant has an advance automatic production system to help maximize efficiency and ensure consistent quality.

To support customer needs in technical mortar, the INSEE Mortar plant increased the process efficiency of its products, especially in the specialty and technical mortar category. These efforts included skim coat, floor hardener, cement waterproofing and non-shrink grout. INSEE Mortar can create 2-component waterproofing mortar and improved the production process to be able to produce liquid component such as INSEE Latex.

Raw material procurement system: The INSEE Mortar plant uses two main raw materials, limestone and Type 1 cement (Portland cement) from Siam City Cement Public Company Limited, in production process. This ensures that raw materials and packaging are of high quality. We also provide additional raw materials which are used to develop properties and add more product types, such as additives from manufacturers both domestically and overseas. This allows for an efficient selection during the procurement process to ensure consistent, high quality and reliable INSEE Mortar products. (Domestic source: 99.85 percent and imported source: 0.15 percent)

The INSEE Superblock plant is an autoclaved aerated concrete plant which produces block, wall panel and lintel to meet the diverse needs of customers. The INSEE Superblock plant has an advance PLC system to help maximize efficiency and ensure consistent quality standard (ISO9001:2015). For supporting customer needs in specific building materials, the INSEE Superblock plant increased process efficiency of its products, especially in the wall panel category. Products can be customized to meet customer needs and long panels of up to 5.0 m. can be made. Moreover, INSEE Superblock are certified "Carbon Reduction Label" no. CM.ISUB.I-2020.I.28.71 that indicating the reduction of greenhouse gas emission from The Thailand Environment Institute (TEI).

Raw material procurement system: The INSEE Superblock plant uses two main raw materials, sand and Type 1 cement (Portland cement) from Siam City Cement Public Company Limited, in production process. This can generate deep trust in INSEE Superblock. In addition to this, we leverage additional raw materials which are used to develop properties and add more product types, such as a foaming agent, from manufacturers both domestically and overseas. This allows for an efficient selection during the procurement process to ensure consistent, high quality and reliable INSEE Superblock products. (Domestic source: 99.9 percent and imported source: 0.10 percent)

CONWOOD products in both Thailand and Indonesia are defined as "green" due to their low energy usage, environmental friendliness and health consciousness.

The Company has met environmental friendliness standard (ISO14001:2015), Quality Standard (ISO9001:2015), and Occupational Health and Safety Assessment Series (ISO45001:2018). In Thailand, CONWOOD received the Made in Thailand (MiT) product certification, a certificate from Thai Industrial Standard and certified as green product by Green Label Singapore certification from the city state of Singapore and has received the Nation Occupational Health & Safety Award (Silver Level) for four consecutive years from Institute for Occupational Safety, Health and Environment Promotion (Public Organization).

Raw material procurement system: The CONWOOD plant uses two main raw materials, cellulose and Type 1 cement (Portland cement) from Siam City Cement Public Company Limited, in production process. Furthermore, CONWOOD also uses additive material to enhance the quality, beauty, and durability of products to ensure they can meet the customer needs. (Domestic source: 59 percent and imported source: 41 percent)

4. Under-Construction Projects

There is no under-construction projects.

*No jobs that have not been delivered for all products.

Trading Segment and Others Business

Trading Segment

Siam City Cement Trading Company Limited

Siam City Cement Trading Company Limited (SCCTR) continued to consolidate its position as a leading trading organization during 2021. The challenging year was marked by the unprecedented impact of COVID-19 pandemic on worldwide commerce. Despite the difficulties, the Company has continued to grow its products, customer portfolio and regional footprint. The Company's key focus remains to serve and support SCCC's domestic and overseas operations for their raw material needs while further enhancing its alliances with key long-term, strategic third-party suppliers/customers. In 2021, SCCTR moved close to 6.45 million tons of various products to SCCC's subsidiaries and third-party customers.

1. Characteristics of Products or Services and Business Innovation

While the primary focus is to optimize SCCC Thailand's exports, we leverage the strengths of our Group with its many overseas operations and key strategic third-party customers to trade in all related products and services to meet their requirements. The Company continues to deal with all other cementitious commodities, solid fuels and ship chartering with an eye towards gaining a stronger foothold on industrial by-products,

such as slag, fly ash and copper slag. Our quest is to assist customers with their increasing commitment to Environmental, Social and Governance (ESG) targets and goals.

2. Marketing and Competition

The impact of the COVID-19 pandemic on world commerce carried into 2021 with no region in the world spared from its devastating effect.

Seaborne trades became more competitive in the wake of a very strong shipping market. Sea freight reached a multiyear high, increasing costs to our customers. The Company had to take vigilant steps to minimize defaults, such as being ready to divert shipments when required to avoid major disputes.

In terms of competition, the landscape of trading in the sector has evolved during the past several years with the entry of Independent Non-Asset Based entities willing to take on more risks.

3. Procurement of Products or Services

The Company's buying and selling involves selecting reliable partners for supplies and customers that have credibility within the industry. SCCTR works within the framework of SCCC Group policies, including compliance, while conducting its activities. The Company currently deals with 36 suppliers in 13 countries along with 32 customers in 13 countries with the numbers continuing to grow in a sustainable manner.

4. Under-Construction Projects

There is no under-construction projects.

Industrial Waste Management & Cleaning Services

INSEE Ecocycle Company Limited

INSEE Ecocycle offers sustainable solutions to a range of companies in various sectors. We believe in creating partnerships with customers to develop and deliver “peace-of-mind” waste management and industrial service solutions. Our mission is to earn trust by safeguarding customers’ reputation 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 as well as 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.

Our mission is to earn trust by safeguarding customers’ reputation and improving their environmental footprint.



1. Characteristics of Products or Services and Business Innovation

INSEE Ecocycle’s waste management service in Thailand is a market leader for the collection, energy recovery and disposal of industrial waste. We provide industrial services, both domestically and internationally. Cleaning services for the oil and gas, petrochemical and power generation sectors are a core area of emphasis.

In Sri Lanka, Vietnam and Cambodia, waste management services are offered under the INSEE Ecocycle brand, serving industrial sectors for both hazardous and non-hazardous waste. INSEE Ecocycle Lanka (Private) Limited partnered with a leading multinational company to establish the country’s first resource recovery facility, becoming a leader in closing the loop and turning waste into

resources. In Vietnam, INSEE Ecocycle is providing waste management services to major leading companies and has expanded to provide a full range of services, including industrial cleaning, recycling, consulting and on-site services.

In Cambodia, Chip Mong Ecocycle is a pioneer in waste co-processing and is well known throughout the country as a professional and reputable sustainable waste management service provider.

Our services include:

- **Waste Management Services:** INSEE Ecocycle supports customers and partners in their efforts to reach sustainability goals by recovering energy and resources from waste materials as well as close the loop for non-recyclable materials. We are able to handle a variety of industrial waste from various industries, including oil & gas, petrochemical & chemical, automotive, electronic & 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 offers a wide range of industrial services that provide solutions to reduce production downtime and help customers comply with strict environmental and safety requirements. We are specialists in industrial cleaning services. Our team can provide specialized solutions in chemical and mechanical cleaning such as ultra-high-pressure water jetting, decontamination, tank cleaning, pipeline commissioning, catalyst handling and other

related services. We make sure that waste generated from the cleaning process is handled in a sustainable manner in full compliance with all regulatory requirements.

- **Other Solutions:** INSEE Ecocycle collaborates with leading partners and experts to bring complementary products and services, especially in the areas of environmental and sustainability. Offerings include soil and groundwater remediation service; dry ice blasting service; activated carbon; and life cycle assessment. As we explore ways to respond to customer needs and create continuous improvement, INSEE Ecocycle signed a memorandum of understanding (MoU) with PTT Innovation Institute that will work on researching new products and services which can be used at commercial level.

2. Marketing and Competition

For waste management services, we continue our position as a top tier waste management provider that has delivered a strong operational performance despite ongoing challenges presented by COVID-19. This was in addition to improving health and safety performance and building a more engaged workforce to ensure business continuity. Our key customers are leading companies concerned with protecting their reputation and seeking sustainable solutions that meet their needs whilst adhering to all regulatory requirements. Overall, the waste market is slightly decreasing in size due to impact on COVID-19 which resulted in lower production in some sectors. Customers are also working towards to accomplish their waste minimization target.

However, the market is highly competitive with many dominant players who have a robust capability to handle various hazardous and non-hazardous waste streams. What's more, different players are also competing in different price ranges with different choices for disposal solutions. The emergence of Waste-to-Energy (WtE) power plants brings a new alternative to the energy recovery disposal method with our Co-processing solutions making zero landfill targets obtainable. To strengthen our competitiveness, INSEE Ecocycle is making every effort to keep standards high, achieve full compliance with all relevant regulations and build trust while continuing to focus on customer satisfaction.

INSEE Ecocycle is making every effort to keep standards high, achieve full compliance with all relevant regulations and build trust while continuing to focus on customer satisfaction.

For industrial services, our major customers are in the oil & gas exploration and production, petrochemicals, and power generation sectors. These industries require industrial cleaning services for operational assets that cover all lifecycle phases from pre-commissioning, maintenance, shutdown and turnaround to decommissioning when assets are no longer used. This year, we secured long-term service contracts with key accounts and were also awarded new



contracts in pre-commissioning and decommissioning services. Additionally, we extended our capability to include pipeline services. However, the ongoing pandemic limited travel and caused delay along with significant increases in mobilization and demobilization costs on our overseas market.

For other solutions, these portfolios have evolved from our existing customers' requirements for a more integrated services and solutions that support their operational needs as well as helping them meet environmental and sustainability targets. Other solutions that we offer help us gain a competitive advantage and strengthen the INSEE Ecocycle brand image.

A future industry trend to note is the Thailand bio, circular and green (BCG) economy model. This will see circular economy industry sectors contribute to the transformation from a traditional linear economic model of "Take-Make-Dispose" to a circular economic model that focuses on reusing

and recycling to achieve maximum resource value. In industrial services, the key aim is increasing efficiency through automation.

3. Procurement of Products or Services

INSEE Ecocycle has two facilities for waste pre-processing. These are located in the Saraburi and Chonburi provinces. For industrial cleaning services, our facility is in Rayong and recently operated in the Songkhla province. The Company was accredited with international standards ISO9001:2015 for Quality Management Systems; ISO14001:2015 for Environmental Management Systems; ISO45001: 2018 for Occupational Health and Safety certifications; and ISO/IEC17025:2017 for Laboratory.

The Company's services involve various reliable partners that provide support through the entire customer journey. Together with our partners and related stakeholders, we are focused on environmental improvement activity and commitment to minimizing the environmental impact of waste management. Since 2017, INSEE Ecocycle has had an ongoing initiative to produce Refuse Derived Fuel (RDF) from Municipal Solid Waste dumpsites through the MSW-RDF Project. This project demonstrated the possibility of removing plastics from dumpsites by mining for combustible materials and then processing that into RDF for energy recovery in cement kiln. These works have been acknowledged with many awards, including the Green Industry Level 4 - Green Culture for the Chonburi facility and the Green Industry Level 5 - Green Network for the Saraburi facility, the highest award provided by the Ministry of Industry. These awards reflect the strong

commitment of INSEE Ecocycle to the highest standards of environmental and operations. An integral part of the organization's culture is continuous improvement in the waste management process as well as social responsibility within the organization and throughout the whole supply chain.

INSEE Ecocycle is committed to continue improving operations in line with international standards in quality, environmental protection and occupational health and safety. The Company has been qualified and selected by the Department of Industrial Works to continuously participate in the Best Practices Waste Processor Program. In 2021, we achieved the Gold Standard Award for Alternative Solid Fuel from non-hazardous waste at the Saraburi platform.

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.

4. Under-Construction Projects

There is no under-construction projects.

We take pride in being a trusted partner for all our customers and stakeholders.

Information Technology Management

INSEE Digital Company Limited

1. Characteristics of Products or Services and Business Innovation

INSEE Digital Company Limited, a subsidiary of Siam City Cement Group, remains resilient as both an IT shared service provider and a business partner to SCCC Group within Thailand and abroad since 2013. It provides services to Siam City Cement Public Company Limited in Thailand and its subsidiaries, Siam City Cement (Vietnam) Limited, Siam City Cement (Lanka) Limited, Siam City Cement (Bangladesh) Limited, Chip Mong INSEE Cement Corporation in Cambodia, and PT. Conwood Indonesia.

INSEE Digital has two key roles. First, it serves as the Group IT Function, responsible for providing direction and guidance on Group IT strategy; enterprise and technology architecture; and a comprehensive IT management and governance framework. The second role is of a Group IT service center which provides various IT services and ensures IT security, IT service management and IT asset management. It is also the regional business partner for all SCCC business units, helping them apply innovations on digital and information-systems technology, including IT infrastructure, IT security, Robotic Process Automations (RPA) and data analytics. It helps the business optimize cost while ensuring compliance in their operations and creating differentiation and competitive advantages within the Group.



INSEE Digital remains committed to its digital journey that has laid the IT foundation for success, scaled these efforts to ensure their efficiency and transformed the business to accelerate change. Notable milestones in the past three years include the creation of a business operation model that focused on optimization and lean architecture; improving the digital customer experience with the launch of INSEE Plus; and leveraging Robotic Process Automations to elevate business processes.

2. Marketing and competition

As the regional business partner for all Goup business units, INSEE Digital is determined to be a credible and trusted partner that can help create smart organizations and systems. The goal is to connect our business with customers and business partners in real time. Doing this enhances the potential and efficiency of the organization while creating a competitive advantage for the Group and related parties by:

- Offering and overseeing excellent IT services
- Creating smart, insight-driven organizations introducing systems that help connect all by elements from the start of the business process to its end while offering business intelligence and analytics to enhance the capacity and capability of users
- Strengthening SCCC by leveraging the IT intellectual property of the Group to improve the business operations and ensuring sustainable development
- Being the regional IT Services Hub that transforms, expands and strengthens our organization's capabilities and supports our people
- Being a technology adviser with thorough understanding of all information technology components so that they may be applied with maximum effectiveness for SCCC subsidiaries and related parties to boost their competitiveness and create new business opportunities

3. Procurement of Products or Services

INSEE Digital only selects currently available smart technologies for the Group's software and hardware requirements. Additionally, it partners with leading service and software providers. INSEE Digital also leads the transformation of legacy systems while applying new digital applications across Thailand, Vietnam, Sri Lanka, Indonesia and Bangladesh. All technology and solutions implemented at SCCC through INSEE Digital are foundational platforms featuring "future resilient systems and architecture" that can further support the IT and digital needs of the Group moving forward. All solutions are developed by the company's employees with support from the business partners.

4. Under-Construction Projects

There is no under-construction projects.

All technology and solutions are foundational platforms featuring "future resilient systems and architecture" that can further support the IT and digital needs of the Group moving forward.

Milestone Changes in Business Operations

Faced with a rapidly developing crisis in 2020, INSEE management made changes in how frequently and collaboratively senior teams meet to share learnings and problem solve.

In 2021, we stabilized and institutionalized these practices:

- A monthly “roundtable” brings together all Operating Company CEOs and Group functional leaders
- Updates to formal Company and Group opportunity and risk assessments are now quarterly rather than annual
- Non-capex growth investments are now formally prioritized by a Group Investment Committee and the Group Executive Committee as well as by Operating Companies

Complete or partial suspensions of operations continued sporadically as necessitated by government-mandated lockdowns and curfews in the countries in which we operate.

We had no significant acquisitions, divestitures, or changes in production operations in 2021.

A grayscale photograph of a concrete wall with a metal mesh fence and a metal box. The wall is made of large, rectangular concrete blocks. A metal mesh fence is attached to the wall, and a metal box is mounted on the wall below it. The text is overlaid on the left side of the image.

SCCC Group Seeks
to strengthen its
existing positions
and explore
new market
opportunities.



Our Major Development and Initiatives

Cement Segment

The Cement Segment focused on innovation, efficiency and improvements in 2021 while working through the challenges brought on by the COVID-19 pandemic. Progress is happening across the region, helping shape operations, marketing, talent, environmental and CSR efforts throughout Southeast and South Asia.

Operational Focus

Operations are vital to the Cement Segment at SCCC Group with significant improvements being made in both Thailand and Vietnam. Starting with the former, three operational focuses, product volume management, cost production control and environmental management, continue to drive the Saraburi Plant.

SCCC found ways to improve the efficiency and reliability of machines at the Plant. The goal is to ensure optimal machine performance that allows for the continuous production of clinker and cement according to market demand. This results in lower production costs as well.

Besides this, the INSEE Maintenance Management System (IM+) was initiated through main machinery repair activities in cooperation with the Group manufacturing team and machine specialists at the Saraburi Plant. The plan will reduce errors in repair work and maximize the overall productivity of machines.

The goal is to ensure optimal machine performance that allows for the continuous production of clinker and cement according to market demand.

INSEE Vietnam has carried out several logistical improvements at the Thi Vai Plant and in the Can Tho city. The former was equipped with an auto truck-loader and overhead crane that provides increased efficiency and productivity in both manufacturing and customer's logistics processes.

The advancements allowed the plant to achieve dispatch volumes over 6,000 MT per month before the outbreak of COVID-19. The presence of the terminal creates advantages for INSEE Vietnam as it looks to increase market share and is an excellent addition to the supply chain footprint.

Meanwhile, the INSEE bulk terminal at Can Tho commenced operation in March 2021. The new facility will allow INSEE Vietnam to expand its market in the Can Tho, An Giang, Vinh Long, Tra Vinh and Soc Trang provinces.

Innovations

Innovation can be found across the Cement Segment in Southeast and South Asia. These advancements have come in the form of products, projects and processes as the Group seeks to strengthen its existing positions and explore new market opportunities.

SCCC continued to embrace digital solutions as it looked to improve efficiency, productivity, predictability and reliability by applying technology to work systems. This included the adoption of an online kiln mechanical monitoring system that makes it possible to obtain information and adjust the machine in real time. The SCCC Saraburi Plant is the first cement plant in the country where this technology is applied.

SCCC continued to embrace digital solutions as it looked to improve efficiency, productivity, predictability and reliability by applying technology to work systems.

Work on new products and business models is bringing innovation to customers and retailers in the country. "INSEE Petch Plus" is a hydraulic cement with the least greenhouse gas emissions. It's currently undergoing development and testing in collaboration with related government agencies, private sectors and R&D centers.



"INSEE Concrete Products" is one of the Company's new business lines. It combines modern technologies in cement raw material inventory management, product inventory management and product delivery management with the existing concrete product manufacturing (CPM). The objective of this new business line is to make supply chain management more effective for participating franchisees which will reduce the cost of production, storage and delivery.

SCCC also introduced a new business model for ready-mixed concrete, "INSEE Mini RMX", which targets small to medium-sized building materials retailers who would like to expand their businesses to ready-mixed concrete. In August, "INSEE Plus" was launched. The new CRM platform is specifically designed for the Company's employees and customers with the technology reducing redundant processes, simplifying tasks and offering convenient functionality to customers. Previously, the Group used a general CRM platform which was difficult to improve and required a costly annual licensing fee.

Another program, "INSEE Prompt U", is set to help mitigate future labor shortage problem. Now in its second year of operations, there are nine franchisees across country with current plans looking to increase this number further.

Chip Mong INSEE Cement Corporation (CMIC) introduced its improved "Camel Opti-Flow" during the Company's very first two-day virtual launch event. The innovation is the result of thorough research with customers and offers significantly better workability that will improve the productivity of masons.

INSEE Vietnam strengthened its position in the new bag markets via "Bag for Projects" by continuing expansion efforts in Tay Ninh, Binh Phuoc, Binh Duong, Binh Thuan and Phu Quoc. A special offering for bag customers in the Projects segment was created which led to an increase in volume in the Greater Ho Chi Minh market area.

Supply Chain

SCCC continues to find ways to improve its supply chain through technology and innovative processes. The end result has been improved operational efficiency that benefits customers through better delivery lead time to market and increased product availability.

About 80 to 90 percent of delivery planning under supply chain operations was performed by automated workflow and Robotic Process Automation (RPA) with zero-human intervention. The quality of services was also enhanced through the implementation of RPA, Transportation Management System (TMS), GPS and Delivery Mobile Application.



Lean Kaizen was rolled out across the supply chain to create a culture of continuous improvement for employees at all levels. This leads to new idea being initiated and implemented. Examples of Lean Kaizen include improved utilization of cement bag auto-loading lines, more effective resources allocation and working-shift scheduling improvements.

A strategic warehouse in Udon Thani province was established to handle the dynamic market situation happening in Thailand. Customers benefited from having less inventory while still being able to receive products on the same day. The facility allowed for bagged cement to be replenished based on consumption reducing the need to maintain higher inventory levels.

People

People are vital to the success of the Cement Business Segment. Several developments and initiatives at SCCC focusing on people have both furthered their growth and recognized their efforts.

Several developments and initiatives at SCCC focusing on people have both furthered their growth and recognized their efforts.

A key element of this is Group Knowledge Management which has been further by the continuing implementation of INSEE Knowledge Management (KM) Culture. The single Knowledge Management platform spans the entire Group, enabling employees to capture, share and transfer knowledge, expertise and best practices across the Group for process improvement and knowledge retention.

SCCBD worked towards instilling the “Toolbox Talk Before Work” and “Safety Starts With Me” mindsets that focus on doing what is right, caring for others and creating a reporting culture. The Total Injury Frequency Rate (TIFR) decreased year-on-year while there was only one Lost Time Injury (LTI) and a single Medical Treatment Injury (MTI) case in Bangladesh.

In Thailand, the “INSEE WAY Life Awards” contest gave the Company an opportunity to recognize and thank staff at the Saraburi plant. The awards are designed to provide encouragement and appreciation to the teams and people who follow the INSEE WAY.

COVID-19

The impact of COVID-19 was felt across the Group with targeted measures required to ensure the safety and wellbeing of staff and stakeholders. To oversee all efforts, SCCC appointed an Emergency Management Team (EMT).

The Group Company has always prioritized employee health and safety with standard practices, such as social distancing, masks and hygiene, put in place across all plants at the start of the pandemic. The bubble-and-seal method was also set up.

Structured internal COVID-19 testing was implemented with antigen test kits provided to employees working at plants or office premises. Meanwhile, employees and contractors were vaccinated as early as possible based on the availability of vaccines.



Employees testing positive for COVID-19 were provided with food, drink and accommodation during their quarantine period if they were located in a place where this was possible.

A mental health program, “INSEE Sook Jai” (Happy Heart in Thai language), was initiated to provide extra support and care to staff during the crisis. INSEE Sook Jai was done in collaboration with the Faculty of Psychology at Chulalongkorn University in Bangkok.

SCCC implemented strong COVID-19 control measures at the Saraburi Plant in Thailand with the factory’s main and support teams, such as the Procurement Department, OH&S and contractors, planning in advance and working together to achieve the shutdown work plan, zero accidents and no COVID-19 infections goals.

In Bangladesh, SCCBD introduced the COVID help desk; COVID-19 pandemic guideline; digital onboarding; virtual learning and development program; coaching for line managers; and town-hall over Teams to mitigate risks while keeping everyone engaged.

The delta variant of COVID-19 has been a massive challenge in Vietnam. In an attempt to support partners, INSEE Vietnam organized a series of webinars with informative topics for customers which provided important information and updates regarding the COVID-19 pandemic.

Environment & Corporate Social Responsibility

Corporate Social Responsibility (CSR) and environmental goals are being carried out across the Cement Segment. These efforts come in different shapes and sizes, but all are aimed at creating a positive impact in the communities and countries the Group operates in.

SCCC operations have always been guided by social responsibility and environment friendly production and off-the production processes. The Saraburi Plant takes care of surrounding communities through dust impact controlling, CO₂ reduction and clinker factor reduction. Efforts are also made to protect the local surroundings through effective water management.

SCCC operations have always been guided by social responsibility and environment friendly production and off-the production processes.

SCCBD conducts all business in Bangladesh in line with country laws and company policies/instructions on the environment. Everything is carried out under the “Zero Harm to People and Environment” vision and through undertaking Corporate Social Responsibility (CSR) in the community.

In Vietnam, the “INSEE Prize” contest continues to provide students with a platform to gain practical experience in sustainable construction through

application. After 13 years, INSEE Vietnam has directly invested more than VND 3.2 billion and mobilized VND 10.1 billion from partners for the implementation of the INSEE Prize contest with more than 5,000 beneficiaries having been honored nationwide.

■ Light Building Materials Segment

The Light Building Materials Segment strives towards developing products that provide added value to customers while offering better performance. Additionally, several noticeable developments to reduce the Segment's environmental impact are currently ongoing.

This includes an emphasis on reducing the use of fossil fuels during production. For starters, remaining waste heat from the cement burning process and electricity generation within the cement plant is used as the main heat source energy for mortar production.

Meanwhile, solar cells were installed to generate additional electricity for use within the mortar plant. Both developments help reducing production costs while offering several environmental benefits. Finally, a search for alternative fuels that can replace diesel is ongoing.

More than 80 percent of mortar products packaging has been changed from white to brown bags. The production process of these uses fewer chemicals and is more environmentally friendly without a reduction in quality. This milestone was reached in June 2021.

New products help customers

INSEE Mortar, INSEE Superblock and CONWOOD all developed or launched new products designed to meet the changing needs of customers.

"INSEE Latex" was launched by INSEE Mortar to assist customers in repair, bonding concrete and mortar leveling works. The product increases the adhesion properties and improves strength while being resistant to tensile, abrasion and impact while offering water resistance.

INSEE Superblock developed a reinforced wall panel boasting low water absorption allowing for improved humidity control room.

Conwood added two more brands to its portfolio, "CONWOOD Beyond Digital Coating" and "CONWOOD Beyond Color Coating", along with three water-based fiber cement paints under the "CONWOOD Color" brand.



Finally, Conwood in Indonesia has introduced the “INSEE Super Panel” which is a solution for faster installation wall and floor applications in a building, and one stop shopping solution at modern trade for renovation markets in Indonesia.

■ Others Business

Industrial Waste Management & Cleaning Services

Across Southeast and South Asia, the Industrial Waste Management & Cleaning Services Segment continues to make contributions to the circular economy while new developments and initiatives provide customers with smarter solutions that help them achieve sustainability goals.

The INSEE Ecocycle “Think Waste Wise” program in Thailand promotes educating children through schools and amplifying these efforts throughout the service value chain. The latter was driven by partnerships with highly respected, multinational companies who adopted the extended producer responsibility (EPR) principle and achieved their plastic neutrality targets.



In Sri Lanka, a LKR113 million investment went to building a Pyrolysis plant which is now helping bridge the circularity gap of rubber and polymer-based waste in the country.

Additionally, INSEE Ecocycle Lanka continues to expand into resource recovery-based waste management solutions with the establishment of the Resource Recovery Center (RRC). The facility is further evolving circular technologies, such as plastic recycling and composting, in Sri Lanka.

INSEE Ecocycle Vietnam is cooperating with British American Tobacco PLC's (BAT) on their ESG (Environmental, Social, and Governance) which includes a zero waste to landfill target at all manufacturing sites by 2025. INSEE Ecocycle Vietnam is now collecting BAT waste, including classified domestic waste, and treating it using INSEE Ecocycle's co-processing solution.

Engaging stakeholders to build trust

The Industrial Waste Management & Cleaning Services Segment engages with stakeholders on various projects in a manner that builds trust and showcases capabilities. These initiatives include high-profile partnerships with the public sector.

In Thailand, INSEE Ecocycle was selected to handle the disposal of Intellectual Property Rights (IPR) Infringing Goods by relevant government agencies. The destruction operation was conducted at two sites and live streamed using Zoom to an audience at the Ministry of Commerce where a ceremony was taking place for the second consecutive year.



Meanwhile, INSEE Ecocycle Vietnam has been licensed by the Ministry of Natural Resources to handle and treat PCB contaminated oil using co-processing technology in the cement kiln for a decade. Between 2011 and Q1 2021, INSEE Ecocycle Vietnam has collected and treated more than 154 tons of PCB contaminated oil in the country.

Chip Mong Ecoycle (CME) signed an MoU with the Cambodia Ministry of Environment to provide sustainable solutions for the disposal of hazardous industrial waste in addition to old tires, plastic and e-Waste.

INSEE Ecocycle honored in both Thailand and Sri Lanka

INSEE Ecocycle in Thailand was presented with the Green Industry Level 5 Award in recognition of its efforts to bring about a business-led solution to the plastic problem. INSEE Ecocycle Lanka was recognized at the Best Corporate Citizen Sustainability Awards 2020 for the INSEE Ecocycle Resource Recovery Center Establishment Project that recovers resources from FMCG waste in collaboration with Unilever Sri Lanka. Both awards highlight progress being made towards the Segment's environmental initiatives.





Risk Management

The Board of Directors of Siam City Cement Public Company Limited establishes a risk governance structure by assuring risk assessment and management at all levels of the business, as well as awareness of and action on both risks and opportunities as they arise. The Group Management oversees risk management through working committees such as Investment Committee, CAPEX Committee, Sustainability Steering Committee. In addition, the Board of Directors and the Audit Committee set the agenda for reviewing risk identification and management of risk mitigation on a quarterly basis.

This process covers changes in market, competitive, operational, financial, and talent conditions that potentially affect our performance and growth—positively or negatively—and review of actions to address changes.

Each quarter, the Group Executive Committee reviews opportunities and risks identified in the Operating Companies. Opportunities and risks are characterized by velocity (how quickly they could affect SCCC) and value (estimated impact on our profitability). The Committee further shapes and consolidates identified issues, taking Group and regional perspectives. Summary views are reviewed and amended with inputs from the Group Board of Directors, then provided back to the Operating Companies to ensure that we have shared visibility, and that actions are in place to address risks.



1. Business and Strategic Risks

Our top risks in 2021 continued to be impacts from the COVID-19 health crisis and resulting economic crises. Slowdowns and (in some cases) complete shutdowns of construction activity carried significant negative impacts on our sales. During 2020, slowdowns had disproportionately affected the consumer-dependent and hospitality sectors. In 2021, broader commercial and industrial investment slowed significantly. Despite improving rates of vaccination, we do not anticipate recovery to 2019 levels of construction activity until 2023.

The second half of 2021 was characterized by steep energy and shipping cost increases that negatively affected INSEE margins as intense competition limited our ability to increase prices. Health and economic crises have slowed investment made by our competitors, but we expect industry capacity in SCCC's markets to remain above long-term demand despite underlying growth potential from the urbanization and integration of Southeast Asian markets.

In 2021 our construction markets—notably Thailand and Vietnam—suffered further knock-on effects of the health crisis. Without work during lockdowns, migrant construction laborers left metropolitan centers for hometowns and villages, leading to manpower shortages once construction activity picked up late in the year.

Our Light Building Materials and Ecocycle business units continued to face volatile demand impacts from the COVID-19 crisis given dependency on short-cycle retail and industrial activity, respectively.

Adaptations and innovations in Group governance introduced as a part of our crisis response in 2020 continued through 2021. Regular roundtable meetings of all CEOs and functional leaders provide a forum for rapid peer-to-peer dissemination of issues and practices. We continued driving adoption of zero-based budgeting disciplines. Controlling for energy costs, our trendline productivity—measured in terms of how much revenue we create for every baht put into our operations—improved over the year.

We are also adjusting how we serve customers and markets to better differentiate the value we bring to their needs:

■ Customer behaviors and expectations

Increasing market and customer sophistication requires SCCC adapts to new expectations for service levels and for solutions to our customers' business and operating challenges. Part of this is more systematic knowledge capture and transfer so that we are ready for generational turnover in our customer base as well as in our internal teams.

We continued driving adoption of zero-based budgeting disciplines. Controlling for energy costs, our trendline productivity—measured in terms of how much revenue we create for every baht put into our operations—improved over the year.

■ Commercial strategies and capabilities

SCCC core product is a commodity, but the needs of our channel partners and end-users of cement vary widely based on how they sell and apply our product. Through innovations in how we mix and deliver cement and concrete—and by adopting go-to-market approaches tailored to customer segments—we can strengthen market positions.

■ People engagement and talent readiness

The stresses of extended lockdowns and economic uncertainty have tested our resilience. In early 2021, we renewed employee engagement initiatives and adapted these to work-from-home conditions. Aligned with our need to better segment our market approaches, we are also recognizing the need for diversity in leadership and talent. Broadly, INSEE's future will require more people who thrive in changing and ambiguous conditions. At the same time, our core operations require disciplined execution against established practices

We have engagement and talent strategies in place to support the wellbeing of our people today and to build robust talent pipelines for the future.

2. Environmental and Social Risks

The Company strives to be a steward of the environment and 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. Increasing human understanding and social acceptance of the global risks created by a warming atmosphere drive our actions.

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. At the same time, our products support the construction of long-lived, resilient buildings and infrastructure. We seek to minimize the net impacts of our products and production.

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

- First, we strictly adhere 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 act 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 impact 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 at construction sites.

In 2021, 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 to 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 management meeting and employee townhall starts with this topic. A separate section of this report covers our performance against specific metrics and targets.

COVID-19 continued to be the top health issue facing INSEE in 2021. As vaccines have become available, Group and Operating Company leadership teams have prioritized obtaining shots for our direct employees and contractors. Other actions started in 2020 have continued, including temperature screening, requiring masks, social distancing, working from home, and mandatory self-quarantining for potentially exposed individuals.

The Group Company mandates proactive risk monitoring and mitigation, reporting of all incidents, and follow-up root cause analysis for significant events.

In addition to complying with—and generally exceeding by a significant margin—legally required protections, we follow Occupational Health and Safety Management System ISO45001:2018 for monitoring and improving performance. The Group Company communicates with and encourages knowledge sharing by employees on the topic.

The Group 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 INSEE's main business depend on the predictability of cement kiln and grinding operations. Unscheduled shutdowns reverberate through our value chain and affect our ability to meet customer demand.

Leaders and teams in recently created Group Manufacturing and Group Reliability and Maintenance functions have built strong professional communities. The fruits of their efforts are visible in positively trending up-times, especially for our largest and most critical assets.



■ Energy and Raw Material Supply Risk

The Company is a large consumer of energy and mineral raw materials. Small 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 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 sensitivity of our economic results to inflation in key factor market prices were witnessed in 2021. After enjoying positive trends in 2020, costs and cost volatility increased throughout 2021. Accordingly, we adjusted purchasing strategies to favor long-term contracts and to further build our relationships with stable suppliers. We continued to develop supply logistics capabilities and the flexibility of our material specifications.

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

Group-level 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 2022

With the COVID-19 crisis worsening throughout the region during much of 2021 and continuing global economic reverberations caused by the pandemic, we anticipate limited growth across our markets in 2022. Conservatively, we do not expect to see economic activity at 2019 levels again until 2023.

Downside risks of further COVID-19 outbreaks and consequent shutdowns will remain even as vaccination rates rise, and we see a gradual economic reopening.

We expect:

- Government infrastructure projects will continue to be a bright spot. Roadworks, railway infrastructure and airport projects will see continued support and benefit cement and concrete suppliers.
- General commercial and industrial construction will remain depressed. As end-market demand returns and global supply networks stabilize, facility operators in sectors from tourism to automobile manufacturing will be focused first on bringing existing facilities back to capacity at least through the first half of 2022.
- Pent-up consumer demand may make residential property sales a bright spot, but with excess inventory in many markets, we expect construction starts to trail a real estate recovery.
- Relative rates of economic recovery will vary across our markets. Thailand's high dependency on tourism and an oversupply of residential units will constrain growth. We expect mid-single digits growth in Sri Lanka but with downside risks given foreign reserve

and exchange rate challenges. Assuming levels of vaccination increase (and booster shots follow), Bangladesh, Vietnam and Cambodia will outperform regional averages as long-term urbanization and industrialization dynamics in those markets re-emerge.



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

For Thailand's cement demand in 2022, we see a negative growth of -2 percent from 2021. However, we are still aiming to maintain our market share. The export market will continue being highly volatile. Key threats facing the cement industry next year include additional border capacities from competitors, consistently increasing energy prices and more stringent regulatory environment trends, particularly as it relates to natural resources and the environment.

Sustainable Development

Environmental. Social. Governance.

Sustainable Development

1. Sustainability Ambition

All of our corporate activities are in line with our SCCC vision and mission as well as our four commitments. Our commitment of **"Caring about our future"**, refers to our promise to create a positive future for generations to come. To deliver on this promise, we adhere to our Sustainable Development Policy that sets standards for good corporate governance, as well as for creating economic, environmental and social value.

Including comply with ISO14001 to creating confidence in our 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.

In 2021, the Board of Directors set Sustainability Ambition 2030 with three basic pillars. These are 1) Climate and Energy, 2) Circular Economy and 3) Biodiversity and Water. There are also two interconnecting themes which form the baseline and heart of our operations respectively - Occupational Health and Safety and our Community & Stakeholder Engagement as well as human rights respect.

Sustainability Ambition 2030

Pillar 1: Climate & Energy

Reduce our CO₂ emissions to less than 530 kg net CO₂/ton cementitious

Reduce our specific electricity consumption by >10 percent

Ensure at least 20 percent of electricity consumption comes from alternative energy sources

Pillar 3: Biodiversity & Water

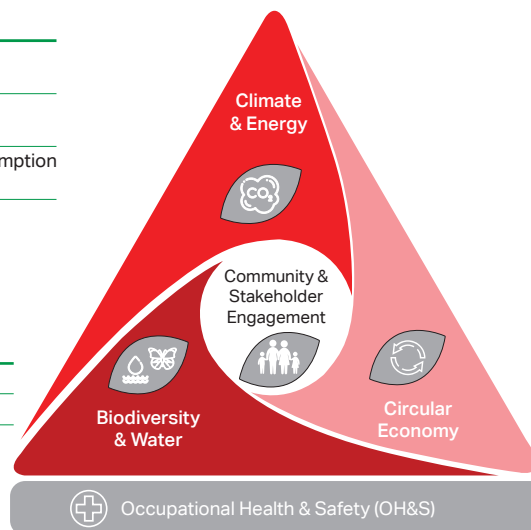
Have a net-positive impact on biodiversity

preserve water in Company operations

Pillar 2: Circular Economy

Double our usage of waste derived fuels and raw materials in clinker production from 0.5 million to >1.0 million tons

Increase byproducts absorption (fly ash, slag by >65 percent to >1.4 million tons per annum



Theme 2:

Community & Stakeholder engagement

Continue to proactively engage with our communities and stakeholders

Theme 1:

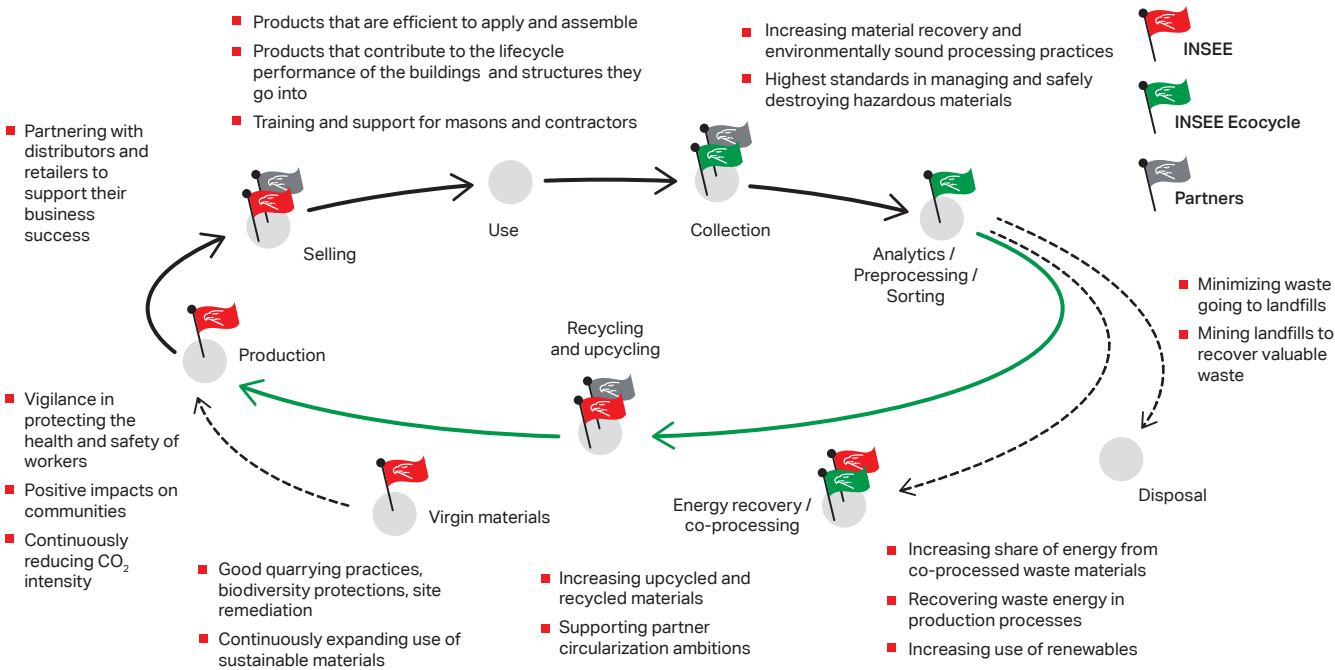
Occupational Health & Safety

Our ambition is Zero Harm by 2030

Group Executive was assigned to ensure that we adhere to our Sustainable Development Policy and deliver on the Sustainability Ambition 2030. They established a Sustainability Steering Committee and assigned sustainability country coordinators and working groups to define country specific sustainability roadmaps and ensure progress is being made according to defined annual targets.

For more details on Sustainable Development Policy and Environment Policy, see on the Company's website at <https://www.siamcitycement.com>

2. SCCC's Value Chain Commitments



We integrate sustainability throughout our value chain to ensure that we adhere to the highest standards of good governance while reducing our environmental footprint wherever possible and optimizing our production according to international best-practice standards. Throughout our value chain, we adhere to our commitment to ensuring the health and well-being of our workers, reducing our CO₂ footprint, optimizing our energy usage, having a net positive impact on biodiversity and water preservation and proactively engaging with our communities and other stakeholders.

3. Sustainability Ambition Journey

3.1 Climate and Energy



3.1.1 Ambition

Global warming is one of the most urgent challenges the world is facing. If left unaddressed, it will impact both our climate system and the security of the population in general.

Global warming is one of the most urgent challenges the world is facing. If left unaddressed, it will impact both our climate system and the security of the population in general. Risks are related to deregulation of land and oceans temperatures; heat waves; drought; higher precipitation; and negative consequences across the food supply chain.

SCCC Group acknowledges the importance of this problem as well as the need to reduce carbon emission by developing a climate and energy ambition with achievable targets and initiatives

aligned with a 2°C pathway, according to the IEA (International Energy Agency) technology road map for a low carbon transition in the cement industry.

To reach this ambition, Group and country-specific climate and energy roadmaps with intermediate targets have been established with corresponding strategies and initiatives based on the IEA.

Internal and external engagement and communication is foreseen as an important lever to develop consciousness about this major engagement on which INSEE is embarking.

2030 SCCC Group ambitions are:

Scope 1: To reduce its CO₂ emissions to less than 530 kg net CO₂/ton cementitious materials. This translates to a reduction of 30 percent from 1990 and 15 percent from 2020 baselines.

Scope 2: To reduce its CO₂ emissions to less than 37 kg net CO₂/ton cementitious materials. This translates to a reduction of the specific electricity consumption by 10 percent compared to 2020 and that at least 20 percent of its electricity consumption comes from alternative energy sources.

The Global Cement and Concrete Association (GCCA) scope 1 and scope 2 reporting protocols are used to set targets and monitor results on a yearly basis.

3.1.2 Strategy

The strategies deployed to reach these ambitions relate to the cement composition in the SCCC Group portfolio and include moving away from Ordinary Portland Cement (OPC) to composite cements and lower clinker factor cement applications. Investments in new technologies for higher energy efficiencies, the increase of alternative fuels in the thermal energy mix and the use of alternative raw materials as well as a rigorous operational performance benchmarking and monitoring are key drivers to reduce the carbon footprint.

3.1.3 Performance and Outlook

Cement portfolio, clinker factor targets and initiatives;

SCCC Group will reduce its clinker factor to 65 percent in 2030 from 74 percent baseline in 2020, in line with the IEA cement technology roadmap of 64 percent by 2030. This will be achieved in two ways:

- Ordinary Portland Cement (OPC) will be reduced to the minimum market need over the years switching to hydraulic and composite cement, which have a much lower clinker factor (the principal source of CO₂ emission from a cement plant). This will be achieved by developing new cements and adjusted RMX formulation to ensure a constant quality for the end users.

- The clinker factor of these new hydraulic and composite cements will be reduced by new technologies related to quality control and process technologies. Supplementary Cementitious Materials (SCMs) are used to reduce the clinker factor by using industrial wastes like slag from the steel industry and fly ash from thermal power plants.

Energy target and initiatives;

- SCCC Group will increase the use of alternative fuels up to 20 percent by 2030 compared to 11 percent in 2020 which is aligned with the 18 percent figure from the IEA cement technology road map. The waste supply chain is integrated in SCCC Group strategy and operation by collecting, preparing and recycling waste materials in our processes, allowing us to improve the waste management hierarchy at local level.
- SCCC Group will reduce its specific electrical consumption to 80 kWh/ton cement in 2030 compared to 88 kWh/ton in 2020. Through the introduction of new technologies and upgrading existing ones, specific electrical consumption can outperform the benchmark level of 87 kWh/ton cement defined by the IEA cement technology roadmap for 2030. SCCC Group has already installed WHR (Waste Heat Recovery) systems for its kilns covering 95 percent of its clinker production.



For more details on our Climate and Energy Performance, see our **Sustainability Performance Index 2021** and on the **Company's website**.

3.1.4 Lighthouse Project

Chip Mong INSEE Cement Corporation (CMIC) on site solar photovoltaic system.

The system includes a floating solar power plant with a capacity of 2.8 MW on CMIC's reservoir and another 7 MW installed on several roofs at the facility.

The floating solar system also protects the reservoir from wind and the direct hot midday sun which would otherwise suffer water loss through evaporation. This contributes to CMIC's water conservation efforts.

The project is expected to generate 297 GWh of clean energy, removing 197,000 tons of CO₂ emissions in the system's lifetime. By replacing a portion of the plant's electricity consumption with solar PV, the system contributes to CMIC's sustainability efforts.



3.2 Circular Economy



3.2.1 Ambition

In every step of our value chain, SCCC Group strives to increase circularization in wider economies by supporting customers and partners with products that minimize pollution and waste during construction and installation—and that contribute to the lifecycle performance of the buildings and infrastructure they go into.

With our Ecocycle business we actively help industrial, consumer goods, and oil and gas companies keep waste materials out of landfills and the natural environment. We help ensure that hazardous wastes are safely managed.

Our ambition is to double the use of waste derived fuels and raw materials in clinker production (from 0.5 million to >1.0 million tons) and increase the use of by-products such as fly ash, slag etc., by around 65 percent to over 1.4 million tons of by-product use per annum to produce our cementitious products.

3.2.2 Strategy


Our strategy to reach this ambition focuses on efficient use and management of raw materials and on maximizing the existing co-processing potential with our Ecocycle business by offering new sustainable waste treatment solutions addressing waste challenges such as plastics. We will partner with leading companies to move up the waste management hierarchy, offering recycling options and exploring new business models.

In the Light Building Materials Segment, CONWOOD products use waste packaging for the fibers that provide bending and tensile strength and our concrete business is working to replace natural sand with a product manufactured from quarrying waste.

3.2.3 Performance and Outlook

The COVID-19 pandemic has required tight capital control and our 2021 focus has been on developing future opportunities.

Going forward we intend to grow our current Ecocycle services and waste management activities and anticipate adding more close-the-loop capabilities. We also have projects underway to pilot new services and technologies for value recovery and for tighter at-the-source circularization with producers.

 For more details on our Circular Economy Performance, see our **Sustainability Performance Index 2021** and on the **Company's website**.

3.3 Biodiversity and Water



3.3.1 Ambition

Our ambition is to have Net Positive Impact (NPI) on biodiversity by 2030 and to maximize water preservation. Our quarry and mining activities have an impact on biodiversity, so it is absolutely crucial to fully understand this impact and to follow the mitigation hierarchy of avoiding, minimizing, rehabilitating and off-setting it. This includes developing nature-climate or nature-based solutions (e.g. artificial reefs for marine habitat or mangrove nurseries) which also contribute to the climate and energy ambition.

Since each of us depends on water for life, it is our responsibility to conserve water, keeping it pure and safe for generations to come. Preserving water in company operations is vital for mitigating water shortage risks and operating cost effectiveness. We are committed to achieving our ambition of reducing specific water consumption by more than 20 percent and using surface water collection achieving more than 40 percent by 2030.

3.3.2. Strategy

To reach the biodiversity net positive impact ambition, we prioritize impact avoidance as the most preferred option, followed by impact mitigation and rehabilitation, and finally, once these options have been exhausted, biodiversity offsetting to cover any residual damage that cannot be otherwise addressed. During this journey, we are challenged, guided and supported by experts from IUCN as we have a regional MoU, which is detailed out in country-specific agreements ensuring that the roadmaps are implemented.

We systematically measure our water consumption to ensure water conservation. To identify and track potential water loss as well as opportunities to optimize water consumption such as increasing equipment cooling efficiency, regular water balances are conducted by using the GCCA guideline and tools. Moreover, we keep collecting surface water by building more reservoirs (ponds and quarry dewatering) to make sure that we reach >40 percent surface water usage by 2030. We will use internal benchmarking and industry leaders' performance to continuously improve and potentially go beyond the initial target.

3.3.3. Performance and Outlook

In 2021, we have been working with subject matter experts to verify the baseline of our biodiversity value, based on guidelines and tools issued by the GCCA. These estimations, predications and gap analysis form the basis for the Biodiversity Management Plans (BMP) of each group member companies. The BMP helps to seek on-site solutions by considering the impact of the

operation and designing subsequent restoration and reclamation efforts for the greatest possible biodiversity benefit while adopting compensatory measures such as biodiversity offset programs.

Stakeholders are involved at all stages as we are convinced that the long-term sustainability of all initiatives can only be achieved with appropriate partnerships. We actively engage with key strategic partners such as IUCN, local governments, NGOs, industry and local communities for developing the strategic directions and plans, all resulting in relevant biodiversity action plans.

In 2021, we have been focusing on optimizing water consumption based on minimization of the total water withdrawal and water loss indicators. Also, reused wastewater is treated to Waste Heat Recovery (WHR) for water cooling instead of discharging it outside. We keep increasing surface water usage by rainwater harvesting, maximizing water usage and building new water open pits and utilizing material for cement production.



For more details on our Biodiversity and Water Performance, see our **Sustainability Performance Index 2021** and on the **Company's website**.

3.3.4 Lighthouse Project

1. Phu My Wetland (SCCVN)

For many years, SCCC Group has strived to make ecosystem conservation an indispensable part of our long-term environmental goals. SCCC Group has supported the management of the Phu My Wetland. Close to the Kampot border, Phu My is one of the very few remaining natural grasslands in the Mekong Delta and is an important roosting area for the Sarus crane (*Antigone antigone*). It has suffered significant encroachment by rice and shrimp farmers.

The conservation of Phu My was intended to offset the loss of a natural wetland inside the cement plant that is being quarried for clay. Between 2008 and 2013, support to Phu My was provided through the International Crane Foundation. It included annual health checkups for local people, a 500 m3 rainwater reservoir to provide drinking water during the dry season, production and marketing of handicrafts using the native *Lepironia*, a wetland plant, and annual surveys of Phu My's Sarus crane population. The Phu My Nature Reserve was established under the Department of Natural Resources and Environment (DONRE) management in 2016. Today, SCCC Group together with local stakeholders, continues to protect the wetland and regular surveys of the Sarus crane population are conducted while, further encroachment is limited.



3.4 Occupational Health and Safety



3.4.1 Ambition

At SCCC Group, our overriding safety objective has been and will always be Zero Harm to Anyone. We view this as a foundational element of our Sustainability Ambition 2030.

It is our priority that every employee and contractor in our business is treated as a valuable and equal partner whose health and wellbeing is prioritized, protected and cared for.

The main objectives are protecting the health of all employees, contractors and the communities where SCCC Group operates. Subsequently, this involves reducing our targets for Lost Time Injury Rate by at least 10 percent every year until we get to zero harm, including zero fatalities and zero permanent disabilities across SCCC Group by 2030.

Through pro-active safety leadership, we strive to prevent all injuries and illnesses by providing a safe and healthy workplace, safe systems of work, all necessary safety equipment, training in safe operating procedures and enforcement of best practice safety regulations.

It is our priority that every employee and contractor in our business is treated as a valuable and equal partner whose health and wellbeing is prioritized, protected and cared for.

3.4.2 Strategy

Our Occupational Health and Safety (OH&S) governance assures cascaded accountability across the Company, with clear KPIs, for Executive Committee members in all countries, area owners, managers, supervisors and frontline staff focusing on:

- Auditing world class OH&S procedures across all SCCC Group businesses
- Applying practices which go beyond what is legally required
- Holding all leaders and managers accountable on all aspects of OH&S
- Applying visible and effective leadership and supervision with all employees and contractors
- Providing regular health and wellbeing checks to ensure the fitness and welfare of all employees and contractors

Along with tracking and benchmarking with external OH&S best practice, this strategy is complemented with capability building and training, with certification of qualified staff where applicable. Peer-to-Peer auditing across the companies within the Group supports cross challenging and learning to reinforce a consistent implementation quality of OH&S systems and processes.

3.4.3 Performance and Outlook

The COVID-19 pandemic has presented enormous challenges for our businesses. Together with our employees we have shaped and adapted to a «new normal» which goes beyond all public health directives to protect the health and mental wellbeing of all employees and visitors to our sites and offices. We also continued to support local communities with financial aids, medical items and necessity kits.

Our Group-wide OH&S workgroup, chaired by the Group CEO, continues to oversee the improvement of OH&S processes and systems, to keep up with global best practices and to assure OH&S capability building. Via a visible and felt leadership approach, positive reinforcement is practiced, and prompt consequence management is used to address conduct breaches.

With the high proportion of transportation associated with SCCC Group business, the topic of “safety on the road” has also been closely addressed. Defensive driving courses and training on vehicle inspections are regularly set up using competent experts, including international specialists, who cover topics related to driving standards and safe behavior.

Q For more details on our OH&S Performance, see our **Sustainability Performance Index 2021 and on the Company's website.**

For our Quality Environment OH&S Management Policy, see on the Company's website

3.4.4 Lighthouse Project

Protecting the Health of our Employees

SCCC Group has always prioritized the protection of our staff with top class medical facilities at our plants and various initiatives targeting health screening and fitness awareness. The COVID-19 pandemic has only increased our commitment to this effort. Standard active interventions such as social distancing, masks and hygiene measures were implemented alongside structured internal testing with antigen test kits across all plants and bubble-and-seal / split teams were set up. Going beyond best practice measures, SCCC Group accessed various official supply channels to vaccinate all staff as early as possible.

SCCC Group also invested in various interventions using external qualified coaches to work with our staff on addressing the sense of isolation, the pressures on working from rooms and spaces at home with family matters impinging on the work at hand, a sense of detachment and the human need to simply socialize in person with their team members.



3.5 Community and Stakeholder Engagement



masons training which is an urgent need in the region as well as capacity building in the areas of climate and energy, circular economy, biodiversity and water or occupational health and safety.

SCCC Group will confirm its commitment to the Sustainability Ambition 2030 by joining the UN Global Compact (UNGC).

3.5.2 Strategy

Along the value chain, SCCC Group identifies the groups of stakeholders to ensure the effectiveness of our business operations by placing high value on information, suggestions and recommendations from key stakeholders. We analyze obtained information to formulate our engagement strategy to meet the requirements and expectations of stakeholders.

3.5.1 Ambition

SCCC Group ambition is to proactively engage with its communities and stakeholders.

SCCC Group has been continuously involving its stakeholders in reaching the Sustainability Ambition 2030 as well as employees, suppliers and customers, having a community and stakeholder engagement plan for all sites and assessing the impact of the Sustainability Ambition and its community and stakeholder engagement activities. The focus of community engagement activities at SCCC Group are quality education be it as enterprise vocation education programs or

The following table gives an overview of the engagement strategy with our stakeholders:

Stakeholders	Objective/Expectation	Engagement Strategy
Employees	Create safe work environments and promote employee's health & wellbeing. Ensure equal opportunities and offer learning and career development within the workplace	<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 a safety culture in the workplace and build awareness about the environmental impact of our business ■ Conduct employee engagement survey to regularly listen to employees' opinions
Customers	Build and enhance long-term relationships with customers	<ul style="list-style-type: none"> ■ Arrange regular meetings and customer visits physically and virtually ■ Develop communication channels, online sales and support system to increase speed, convenience and effectiveness to the customer's needs ■ Provide customer training and knowledge sharing ■ Constantly conduct surveys to listen to customer's opinions for continuous improvement
Communities	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	<ul style="list-style-type: none"> ■ Regularly conduct surveys of 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 a fund for community development and environment, as well as community advisory panels

Stakeholders	Objective/Expectation	Engagement Strategy
Goods & Service Suppliers	Promote good collaboration and mutual support to create business opportunities and mutual growth	<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
Shareholders	Carry out business operations with good corporate governance while building sustainable progress for the organization	<ul style="list-style-type: none"> ■ Organize the Annual Shareholders Meeting ■ Regularly communicate and encourage the shareholders to exercise the rights of the shareholders ■ Consider dividend allocation according to the Dividend Policy ■ Encourage participation in CSR or environmental conservation
Government Agencies & Independent Organizations	Strictly adhere to the laws and ensure good cooperation with the government sector. Seek opportunities for joint activities and projects which are beneficial to the society and the nations	<ul style="list-style-type: none"> ■ Study legal implications and control 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 sectors
Media	Promote good understanding of the Company's operations, including policies and major projects so that the media is able to communicate them accurately to our stakeholders and the general public	<ul style="list-style-type: none"> ■ Regularly provide the media with information, operational facts and figures, and progress of major projects ■ Regularly arrange opportunities for the media to meet senior management, visit factory and participate in sustainable development activities

3.5.3 Performance and Outlook

As the COVID-19 pandemic continues to affect all stakeholders in the countries and communities where we operate, it is critical that the SCCC Group maintains our commitment, guided by our social responsibility policy. During the crisis, we provide support to our key stakeholders, while following health and safety measures imposed by health authorities.

Customer Relationship Management

The Company is committed to building and enhancing long-term relationships with its customers and undertakes a wide range of activities to maximize customer satisfaction and ensure the sustainability of our customer's businesses. Our activities include extensive training and development of customers throughout the value chain, providing our business partners with the knowledge and expertise to succeed.

The Company routinely conducts surveys to measure customer satisfaction and collects customer feedback that supports continuous improvement activities to strengthen our relationships with them.

Customer training and knowledge sharing

The Company provides high-quality training to its distribution partners, end users of its products, and to design and engineering professionals.

Training of masons and contractors is a priority across all our markets to maximise the success of customers who use the Company's products. Dozens of events are held each week across the

Group to deliver product education, product demonstrations, and to promote best practices in construction. This includes training on health and safety that was expanded to address personal protection during the COVID-19 pandemic. To further improve the knowledge of construction workers, the Company partners with education providers, for example working with the National Polytechnic Institute of Cambodia to train and certify masons.

The Company's technical specialists provide training to engineers, architects and design professionals throughout Southeast Asia. This presents private and public companies, and government agencies, with the latest information on product design, project management, cost optimization, testing and performance. A key pillar of this professional education is the technical performance, regulation and composition of new materials to minimize environmental impact.

In Sri Lanka, the Company's i2i (innovation to industry) collaboration space provides knowledge sharing webinars, drawing on a global team of industry professionals and academics to present information on topics including construction practices, material innovation and sustainable building design. These seminars have run monthly since the program's inception in 2018.

The Company's distribution and retail partners receive continuous education and coaching. This includes sales training and sales coaching for their representatives and business coaching for managers. To further support their business growth, our in-field teams conduct product demonstrations at our partners' premises to

supplement the advice they provide their customers. In Thailand, the Company conducted virtual training sessions on product knowledge and professional selling to continue the education of our partners during the COVID-19 pandemic.

Customer surveys and continuous improvement

The Company undertakes customer surveys throughout its markets, using Net Promoter Score (NPS) as a key part of its Voice of Customer strategy. NPS is an important measure of customer loyalty, satisfaction and their purchasing experience. The consolidated NPS score for SCCC businesses in Thailand was 72.1 points in 2021, which is an excellent result. This outcome, combined with very strong results from the SCCC's Customer Satisfaction Index (CSI) of 93.6 percent, was a result of dedication through the Company to continuously improve our customers' experience and react quickly to their needs and concerns.

Employees

The Employee Engagement Survey has been conducted for employee's voices and feedback across our Group companies. Impact plans have been defined and executed to enhance employee's overall engagement.



EMPLOYEE ENGAGEMENT SURVEY 2021

Protection of Human Rights

Guided by the United Nations Guiding Principles (UNGP) on Human Rights, Siam City Cement and its Group companies (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.

1. Protection of Employee Rights

Our employee rights and their working conditions comply with labor standards of both domestic and international laws where SCCC Group operates. 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 are provided with equal learning opportunities for self-development and are encouraged to have on-going conversation with their supervisor about their development journey.

1.3 Fair Compensation: SCCC Group ensures the pay is attractive to key talents in the market and employees are paid fairly and competitively.

1.4 Performance Assessment: 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: 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: SCCC Group 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.

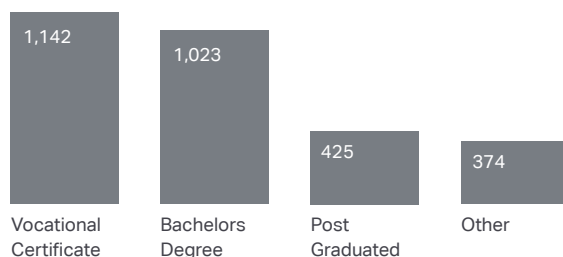
Any party who violates the human rights shall be considered disciplinary penalty as defined by SCCC Group and may be subject to legal punishment if the act is against the law. In the past year, no claim (s) and/or case (s) in relation to violation of human rights against SCCC.

Gender

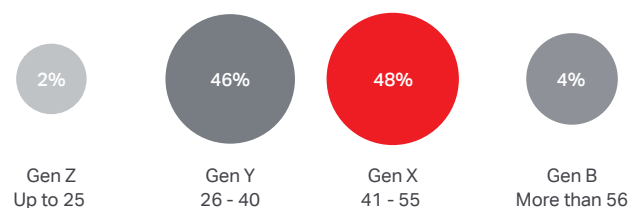
Proportion of employees by level (person)

**Education**

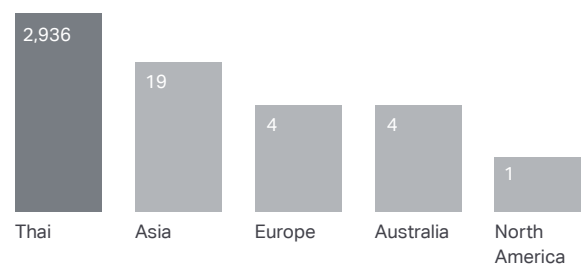
Person

**Age**

Year old

**Nationality**

Person



Remark: 2021 information included only SCCC and Subsidiary in Thailand

Communities

All production units of companies within the Group prepare community engagement plans on an annual basis that cover both CSR-in-process and CSR-after-process as well as promote effective communication with the communities and allow them to have a role in the planning and operating community development activities supported by the knowhow, expertise and resources of the SCCC Group which can be important tools in the support of the sustainable development of the communities and the society.



For more details on our Community and Stakeholder Engagement Performance, see our **Sustainability Performance Index 2021** and on the **Company's website**.

For more details on our Corporate Social Responsibility Policy, see on the **Company's website**.

3.5.4 Lighthouse Project

■ INSEE Green School

Siam City Cement Public Company Limited partnered with INSEE Ecocycle, Bangkok Broadcasting & Television Company Limited (Ch7HD) and Bank of Ayudhya, along with Border Patrol Police Headquarters to build accommodations for teachers stationed at INSEE Green School in Payao, a province near Thai borders with Myanmar.




■ INSEE Construction 4.0

Siam City Cement Public Company Limited partnered with the Department of Skill Development, Ministry of Labor to organize training programs for construction workers. The trainings are led by the Company's employees who are experts in each product's knowledge. Target groups of the training

are workers under informal employment, general workers in community, unemployed workers and those interested in construction areas. The program aims to equip those target groups with career opportunity and possible income generation for themselves and their families. In addition, the Company has organized the pilot VDO training for CONWOOD wall and floor installation course for the online platform of the Department of Skills Development during the COVID-19 epidemic to comply with health and safety measures.

■ COVID-19 relief support for communities, hospitals and government sectors

SCCC Group continues to support local communities with financial aids, medical items, necessity kits to COVID-19 impacted communities, health personnel and government sectors across the countries where we operate. Additionally, SCCC has set up Factory Accommodation Isolation (FAI) in alignment with the guidelines of the Ministry of Industry and Ministry of Public Health, Thailand to ensure SCCC has efficient medical and accommodation support for plant workers in Saraburi province.

 Follow more community and stakeholder engagement activities on the Facebook Page: INSEE Care and INSEE Community Team



We adhere to the highest standards of good government while reducing our environmental footprint.

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. SCCC's Board of Directors recognizes the significance of a good internal control system and considers it as an important duty to ensure that SCCC's internal control system is suitable and adequate.

Group Internal Audit and Compliance function has been set up to cover 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 achieve key objective in business operations, financial reporting and compliance with relevant regulations as well as sustain efficiency and mitigate operational risks assuring fraud prevention.

In addition, the BoD has assigned Group Chief Executive Officer and Group Strategy Transformation and Performance 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 Organization of Treadway Commission or COSO, and guidelines from the Securities and Exchange Commission (SEC). In the opinion of the BoD, the Company's 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 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.

- 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 employees. In 2021, the Company reviewed and simplified Manual of Authorities, Group Policies, various charters and continuously implemented INSEE Minimum Controls (IMC) across the Group to further enhance the governance and transparency.

- 1) **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 the management. These are widely communicated to all employees for their common understanding through effective communication channels, including online learning.
- 2) **Building the awareness of staff** in the importance of the internal control, continue 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. In 2021, SCCC has carried out initiatives to create compliance culture through e-learning to all employees, management and directors.
- 3) **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 all stakeholders 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.
- 4) **Conflict of Interest (Col)**, the Company emphasizes to conduct business with integrity and transparency where all personnel act in the best interest of the Company. These are fundamental in meeting its stakeholders' expectation and building trusts with customers, business partners and the public. The activities have been organized throughout for the whole year such as annual Col refreshment e-learning course and declaration from all managements and directors, the new joiner will have to disclose the actual or potential conflict of interest prior to the commencement of employment. The Company also developed Conflict of Interest Guideline as a standard framework to guide employee how to handle Col at work.

2. **Operating Control:** The operating control activities happen at two levels, Group Level and Group Company (GC) Level. The Group Executive Committee (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 Group Strategy, Transformation and Performance team and Finance and Controlling team closely monitor the spending through Capital Expenditure and Smart Spend 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.

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 Chief Executive Officer (Group CEO) oversees the GC's risk management process and holds regular reviews to ensure the mitigation actions are in place. In year 2021, risk management system was further strengthened to include new risks arising from continuing COVID-19 situation and the macro view.
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 2021 along with additional measures on IT security for "Work From Home".

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:

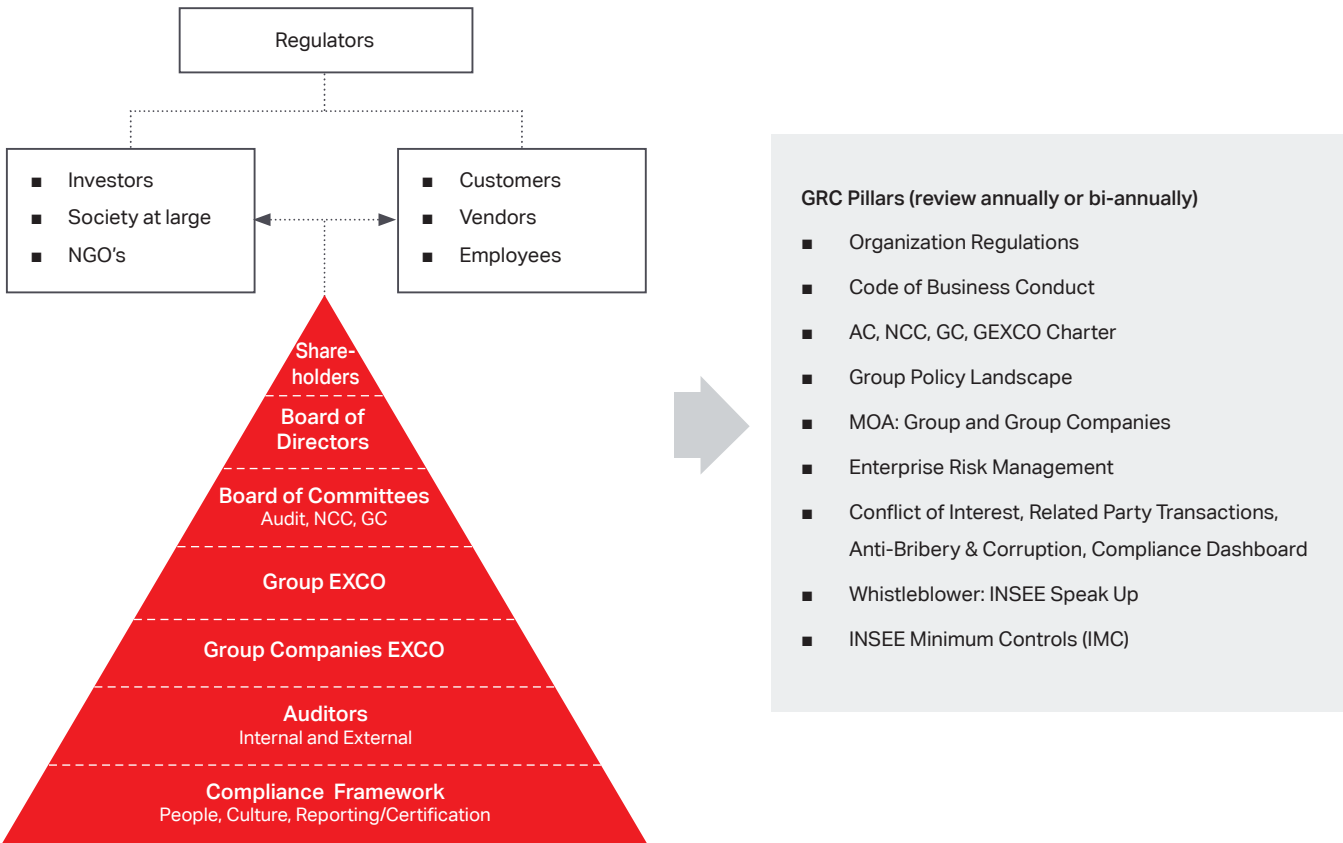
- To propose the Annual Audit Plan and Budget of the Group to the AC for approval;
- To lead and supervise the activities of the Internal Audit and Business Process and Compliance Advisory Departments in accordance with the approved Annual Audit Plan including works specially assigned or requested by 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

The Board of Directors and Management of Siam City Cement Public Company Limited (SCCC) recognize the value of good governance and remain firmly committed to implementing and practicing good CG across all its operations in pursuit of long term sustainable growth, adding value to all stakeholders.

SCCC continuously review its Governance Framework, CG Policy and Code of Business Conduct to suit prevailing laws and good practices, economic and social circumstances and ensures all directors, management and employees are aware of it through internal communications and e-learning mechanisms.



The Company continues to abide by the principles and standards in the CG code for listed companies 2017. The Board of Directors tasked the Governance Committee with conducting an annual examination of the application of CG principles and guidelines from various authorities, including the SEC, Thai Institute of Directors, and Thai Investor Association.

Overview of governance policies and practices concerning the Board of Directors, Subcommittees, and Executives

The Organizational Regulations (OR) were created to establish the roles and responsibilities of the Board of Directors, Chairman and Vice-Chairman, Subcommittees (i.e. Audit Committee (AC), Nomination and Compensation Committee (NCC), Governance Committee (GC)), Group Executive Committee (GEXCO), and Group Chief Executive Officer (Group CEO). The OR, charters of Subcommittees and GEXCO were reviewed on an annual basis to reflect the current situation.

Supervision and nomination of directors and executives of subsidiaries and associated companies

The Board of Directors is aware of their responsibilities in supervising each Group Companies; thus, a clear governance structure was designed. The Group CEO is responsible for nominating directors and executives of subsidiaries and associated companies, which he or she then submits for review by NCC and approval by the Board of Directors. The Group governance structure provides for checks and balances between the subsidiary/associated companies and the group management.

For example, A CFO of a subsidiary reports to the subsidiary's CEO and also to the Group CFO and the subsidiary CEO reports to Group CEO. In addition there are other corporate functions like Strategy, manufacturing and GIAC who provide independent oversight and feedback to AC and BoD.

Policies and practices concerning the Shareholders and Stakeholders

The Board of Directors approved various policies encompassing shareholder and stakeholder care to develop Company's Culture:

- In line with the Code of Business Conduct, all Group companies' Directors, Executives, and Employees must act with integrity and honesty in order to adhere to the Company's CG policies and to develop and preserve the Company's credibility among stakeholders, including shareholders and investors organizations.
- The CG Policy covers practice guidelines for equitable shareholder treatment, promoting shareholder rights, the Board of Directors' responsibilities, transparent disclosure of information, including the prevention of insider trading and conflicts of interest.
- In addition to the aforementioned CG Corporate Governance Policy and Code of Business Conduct, the Board of Directors approved the Whistleblowing Policy, Sustainable Development Policy, Environmental Policy, Social Responsibility Policy, Anti-Bribery and Anti-Corruption Policy, and Risk Management Policy. The Company is recertified as a member of the Collective Action Coalition Against Corruption (CAC) for the second time in 2020.

Significant changes and developments in policies, practices and corporate governance systems in the past year

In line with the internal regulations, the Company re-visited its various governance policies and proposed to the BoD for approval. In addition, the establishment of group governance functions significantly improved the segregation of tasks, expertise of subject matter experts and support to the Company and its subsidiaries operations during the challenging COVID-19 period, continuing from 2020.

The Company made use of technology in creating awareness and educating all employees on governance policies, risk management, conflict of interest and fraud prevention.

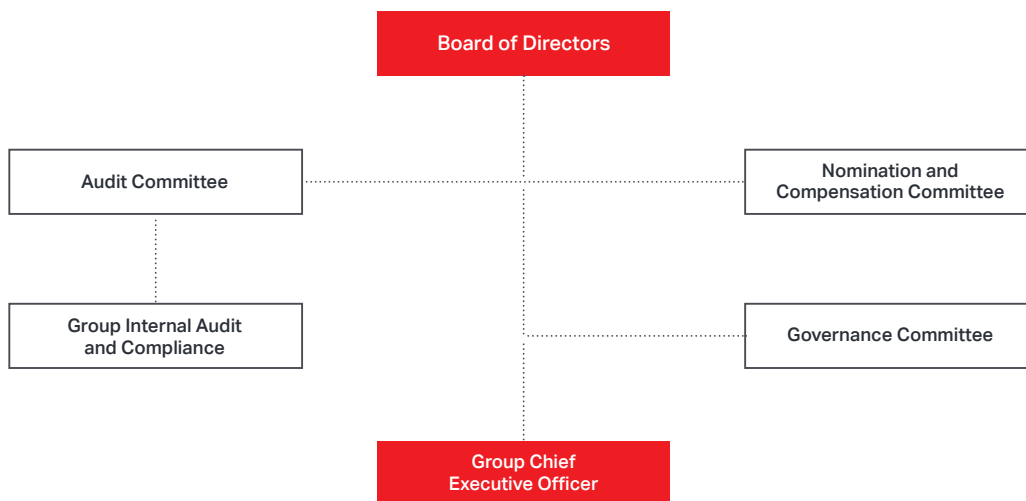


Attachment 5 contains a full version of applicable policies and specifics of practice under the aforesaid standards.

Corporate Governance Structure

1. Corporate Governance Structure

Corporate Governance structure of SCCC has a clear separation of roles, duties and responsibilities between the Board of Directors (the "Board") 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 2021 is the following:



2. Information about the Board of Directors

2.1 Composition

The Board consists of directors with qualifications, competencies, independence 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.

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 2021, there are ten directors as follow:

- There are eight non-executive directors (including independent directors). They work in the following board committees:
 - The Audit Committee has three independent directors.
 - The Governance Committee has one independent director, one non-executive director and non-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. Stephen Patrick Gore
Director
5. Dr. Subhak Siwaraksa
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.

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. Charin Satchayan
Chairman
2. Dr. Subhak Siwaraksa
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. Stephen Patrick Gore
Director
5. Mr. Robbert Egbert Johannes van der Feltz
Van der Sloot
Independent Director

Ms. Somruethai Rattanamanee, Senior Vice President People & Organizational Performance 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.

4. Executives

4.1 Names of the Executives

Five Executives who are members of the Group Executive Committee, as of 31 December 2021 are the following:

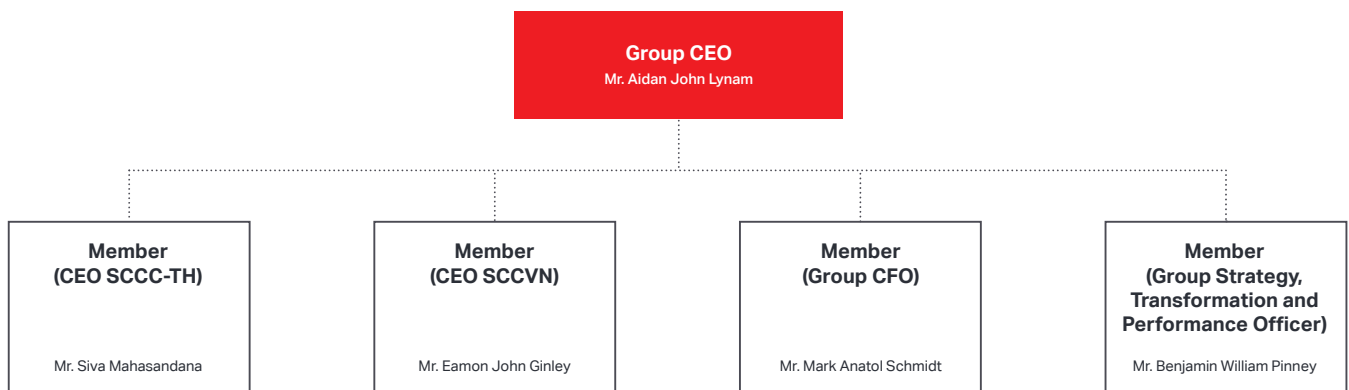
1. Mr. Aidan John Lynam
Group Chief Executive Officer (or Group CEO)*

Members consist of:

2. Mr. Siva Mahasandana
CEO of Siam City Cement Public Company Limited (or CEO SCCC-TH)
3. Mr. Eamon John Ginley
(replaced Mr. Philippe Bernard Richart since 1 October 2021)
CEO of Siam City Cement (Vietnam) Limited (or CEO SCCVN)
4. Mr. Mark Anatol Schmidt
Group Chief Financial Officer (or Group CFO)
5. Mr. Benjamin William Pinney
Group Strategy Transformation and Performance Officer

Remarks: *Group CEO oversees Human Resources Management of the Group.

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 five 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 continued in the following Functional Excellence Workstreams, such as INSEE Operational Excellence, INSEE Commercial Excellence, INSEE People Excellence, and INSEE Finance Excellence, with underlying objective of ensuring alignment, collaboration and sharing best practices across the Group company.

4.2 Policy on Remunerations of Executive Directors and Executives

The remunerations of the Executive Directors and the Executives are competitive among the leading cement manufactures and is approved by the Board of Directors on recommendation of NCC.

The annual performance bonus is based upon the achievement of KPIs that are objective and aligned with the business performance and leadership competencies.

Compensation policies and incentive programs of the Group are under the direction and guideline of the Nomination and Compensation Committee (NCC), as explicitly delegated by the Board.

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

For the year 2021, the Executives under the SEC regulations received total remuneration for THB 150,649,210.75 which represented 3.75 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 2,277,066 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 2,700,000

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. It is estimated for THB 15,340,543.24

5. Personnel

At the end of 2021, SCCC Group has 4,678 employees in total, with total remuneration of THB 4,014,745,227. The remunerations include salary, overtime, bonus, contributions to social security and provident fund. The salary compensation ratio of female employees to male employees is 22:78.*

* Data included only SCCC and its subsidiaries in Thailand.

Number of employees under each business segment.

Segment	Number of Employees (persons)
Cement Segment	3,148
Concrete and Aggregates Segment	691
Light Building Materials Segment	621
Trading Segment	10
Others	208
Total	4,678

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. In the past year, the Company and subsidiaries in Thailand accounted for 91.76 percent of employees participating in the provident fund. The Company also provided opportunities on INSEE choice or freedom to choose the investment portfolio based on individual objective.

Policy and Approach 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 ASEAN 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 2021, 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 human resources management policy for the Group has been revised to adopt international standards. The Board of Directors, under the agreement of the NCC, opined that such policy is appropriate.

The Company has established INSEE Academy as the SCCC Group's center for short- and long-term strategic development on people for each business segment, such as ready-mixed and aggregates, light building materials, ecocycle, and trading. INSEE Academy focuses on the development of technical and leadership competencies through a variety of development programs, with the goal of ensuring that program structures promote long-term capability growth.

In terms of people development, the Company believes that it should educate 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 achieve the organization's common goal. As a result, the Company focuses on advanced learning systems with modern learning activities, in accordance with the business direction and also appropriate with the employees, under the learning principle 70-20-10. For example, 70 Percent of learning activities are based on the exchange of experience, which leads to increased organizational effectiveness and efficiency, 20 Percent are based on on-the-job coaching, and 10 Percent are based on classroom and self-learning. In this regard, the Company promotes continuous learning anywhere and at any time through self-learning and digital learning through 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 via their personal computer or smart phones. Furthermore, SCCC offers a Group Knowledge Management platform that allows employees to exchange, share, and store all critical knowledge within the organization for maximum utilization. This is the foundation for driving us to become the Learning Organization, and it also improves the organization's sustainability.

The Company would like employees to have the knowledge and skills necessary to perform their duties correctly, effectively, and to a high standard, in order to deliver our quality products and services to internal and external customers or partners as quickly as possible, with the goal of achieving the highest level of customer satisfaction.

Management of Succession Plan

The Board of Directors has placed a strong emphasis and set goals for developing future INSEE leaders from within, with a particular focus on succession management for key roles. The Group Executive Committee and the Nominations and Compensation Committee oversee a strong succession management process, which is owned by each Group Company CEO. Its effectiveness is evaluated by the Group Executive Committee and the Nominations and Compensation Committee. Group company is committed to expediting the development plans of the identified successors and shaping meaningful professional experiences for them, and it will continue to do so.

Training Information

In 2021, 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 on company policies, compliance and Conflict of Interest
7. Environment laws related to cement industry

	2021	2020	2019
Training Hour (per employee per annum)	15.18	22.55	25.51

	2020	2020	2019
Cost of Training and Development (per employee per annum)	5,069.27	6,630.58	6,548.82
Total cost of training and development (Excluding lodging and traveling expresses)	23.7	30.9	23.9

Remark:

1. 2019 data included only SCCC and its subsidiaries in Thailand while 2020 data included SCCC and its 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.

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.

Protection of Human Rights at SCCC Group

SCCC Group's commitment is in line with the United Nations Guiding Principles on Human Rights (UNGP). We think that only when human rights are respected, advanced, and upheld can our business succeed. Our essential value of 'Doing What Is Right' has been upheld. To ensure that the human rights principles were truly implemented, we urged all of our business partners to uphold and comply with the human rights principles on a consistent manner throughout all value chains.



Details of Protection of Human Rights read more in Sustainability Development Part

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 compliance 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 she 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.

Chief Accountant

The Company appointed Mr. Kasem Makrailert, a qualified person per SEC requirements, as the person supervising accounting. 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.

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.

Auditors

In 2021, the Company has appointed auditors from EY Office Limited, an auditing firm certified by SEC as follow:

1. Ms. Siriwan Nitdamrong
Certified Public Accountant No. 5906

2. Ms. Kamonthip Lertwitworatep
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 2021, EY Office Limited received the audit fee for the Company and its Subsidiaries for THB 11,598,727. It also received non-audit fee for THB 300,000 for the preparation of accounts for a Subsidiary that is under BOI promotion. In 2021, KPMG company received the audit fee for the Subsidiary for THB 365,911. It also received non-audit fee for THB 102,290 for Transfer Pricing Consultancy fee and THB 1,485,258 for other services.

In 2021, Deloitte company received the non-audit fee for the Subsidiary for THB 571,094 for other services.

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.

Report of Corporate Governance Performance

Summary of Governance Performance of the Board in the Previous Year

In 2021, the Board of Directors evolved itself under the adverse impact of the COVID-19 for another year.

The details of Board performance regarding the nomination, Board development, Board assessment, meeting attendance and individual Board compensation, governance of Subsidiaries and associates companies, along with the follow-up report of the compliance of corporate governance policies and guidelines related to conflict of interest, insider trading, anti-corruption, and whistleblowing are appearing 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.



Details of the Company Secretary and Chief Accountant appear in Attachment 1.

Details of the Head of Group Internal Audit and Compliance appear in Attachment 3.

Details of roles and responsibilities of the Board of Directors, Chairman, Board Committees, Group CEO, remuneration and meeting attendance 2021 of each director, including information related to corporate governance performance appear in Attachment 5.

Report of the Audit Committee

To the Shareholders of Siam City Cement Public Company Limited

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).

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 2021, 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 and cyber security in addition to the business risks in framing its priorities for year 2022.

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 2021 of Siam City Cement Public Company Limited and subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards (TFRS), which is in compliance with the International Financial Reporting Standards (IFRS), 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 accordance with relevant financial reporting standards for the benefits of the users of the financial statements, and Key Audit Matters. 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 as well as to see whether there was any suspicious information indicating potential fraud. The External Auditor made no remark and did not find any indications of suspicious incidents.

(2) Review of Related Party Transactions: The Audit Committee regularly reviewed the related party transactions and transactions which potentially conflicted with the Company's interest based on business normality, transparency, adequate disclosure and at arm's length. These transactions and information were correctly reviewed and disclosed to the SET in a timely manner.

(3) Review of Risk Management Assessment: The Audit Committee regularly reviewed the appropriateness and effectiveness of the Company's risk management process which was further strengthened in year 2021. In particular, the Audit Committee reviewed the emerging risks such as fortification of markets in Thailand from new cement capacity in neighboring countries, cybersecurity, increase of input costs etc., all of which were considered risks of significance and potential impact on company performance.

(4) Review of Internal Control System and oversight of Group Internal Audit and Compliance function: The Audit Committee reviewed the results of 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 through a structured implementation of IMCs.

The Audit Committee reviewed the internal audit mission and rolling 3-year roadmap 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 and concluded that the organization's internal control was adequate and appropriate for its business operations. This corresponded with the External Auditors opinion that there was no material deficiency that might impact the Company's financial statements. Finally, the Audit Committee reviewed and approved Group Internal Audit and Compliance Annual Plan 2022 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 and "Share and Learn". In addition to the internal whistleblowing system "INSEE Speak Up" hotline, the Company has extended the system for external parties, through which they may file complaints. The Audit Committee reviewed the results of the investigations and fraud risk assessment as well as the impact of fraud cases in order to prescribe preventive guidelines against potential risks in operational system.

(6) Appointment of the External Auditors for 2022: 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 2022 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2022.

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.

February 3, 2022

For and on behalf of the Audit Committee
Siam City Cement Public Company Limited



Dr. Sunee Sornchaitanasuk

Chairperson of the Audit Committee

Report of the Nomination and Compensation Committee

Dear Shareholder,

The Nomination and Compensation Committee (NCC) comprises five directors. Mr. Stephen Patrick Gore joined as a new member from March 2021 as a successor of Mr. Benjamin Birks.

In 2021, albeit the ongoing challenge from COVID-19 epidemic, the NCC has continued its duties and responsibilities according to the Committee Charter with a total of six meetings conducted. With strong commitment to supervise and implement policies that aim at creating greater value for our shareholders and for the delivery of the SCCC and its Group companies' strategic objectives, the NCC employs their expertise and experience to provide opinions and suggestions for the overall benefits of the Company.

The key activities of the NCC in 2021 are summarized below.

1. New Recruitments of Top Executive Positions

The NCC continued to consider and select qualified talents to hold the key executive positions of the Company in accordance with the Company's criteria and procedures at both the Group, and the country level, which included Chief Executive Officer and a Member of Group Executive Committee, Manufacturing Director and Commercial Director of Siam City Cement (Vietnam) Limited, Chief Executive Officer and Chief Financial Officer of Chip Mong INSEE Cement Corporation Limited, Chief Financial Officer of Siam City Cement (Lanka) Limited and Senior Vice President - People and Organizational Performance of Siam City Cement Public Company Limited.

2. Group COVID-19 Vaccination Policy

In the face of new COVID-19 variants, the NCC particularly focuses on the health and safety of SCCC employees by supporting the implementation of the COVID-19 Vaccination Policy to ensure healthy wellbeing and safe working environment for its employees across the Group.

3. Employee Engagement

The Committee emphasized on the importance of Group Employee Engagement, its survey implementation, and improvement initiatives including communication to build higher engagement of its employees.

4. Talent Development

The NCC directed an acceleration of Succession Management across all Group companies and the INSEE Developing Leadership Quality Program (DLQ) to build a stronger succession pipeline of future leaders.

In conclusion, the Nomination and Compensation Committee completed its duties in 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.



Mr. Paul Heinz Hugentobler

Chairman of the Nomination
and Compensation Committee

Report of the Governance Committee

Dear Shareholder,

The Governance Committee (GC) consists of three members who have experience in good corporate governance of companies listed on the Stock Exchange of Thailand with an independent director as Chairman. The GC acts independently and strives for the Company to be a company with good corporate governance on par with international standards and in accordance with the objectives of the GC Charter. The GC is responsible for overseeing the policies and framework in matters of good governance as needed and overseeing the Group's reputation and interests.

As for the performance and opinions of the GC for the year 2021, it can be summarized as follows:

- The GC held two meetings with all three members attending each meeting. They have an annual self-assessment and are satisfied with their performance.
- The GC reviewed key governance policies of the Company, such as the Corporate Governance Policy, the Code of Business Conduct, and the GC Charter. In this regard, the GC opined that in 2021, the said policies are still consistent with the current situation of the Company.
- The GC reviewed the organization's adherence to key good corporate governance principles, such as conformity with the SEC's CG Code 2017, conformity with the Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors (IOD), and conformity with the requirements of Thai Investors Association

(TIA) on the quality of Annual General Meeting of Shareholders (AGM). The GC believed that the Company's corporate governance was sound, that it had increased trust among stakeholders from various groups. Compliance with the aforementioned practices yields visible results; for example, receiving from IOD an Excellent level for CGR Scores for the sixth year in a row, receiving full score (100) from the TIA for the quality assessment of the 2021 AGM, being consistently selected as a company on the list of sustainable stocks of the Stock Exchange of Thailand, and being recertified by the Private Sector Collective Action Coalition Against Corruption.

- Providing effective corporate governance advice to organizations, such as the adaption to the adjusted assessment form for the CGR, which will be effective in 2023. As a result, the GC believes that it promotes the Company's growth of excellent corporate governance.

As a result, when combining with the Group's corporate governance performance in various fields, the Governance Committee therefore has the opinion that shareholders and stakeholders of the Group can believe in good corporate governance and culture of the Group, which will lead to the Company's continued sustainable growth.

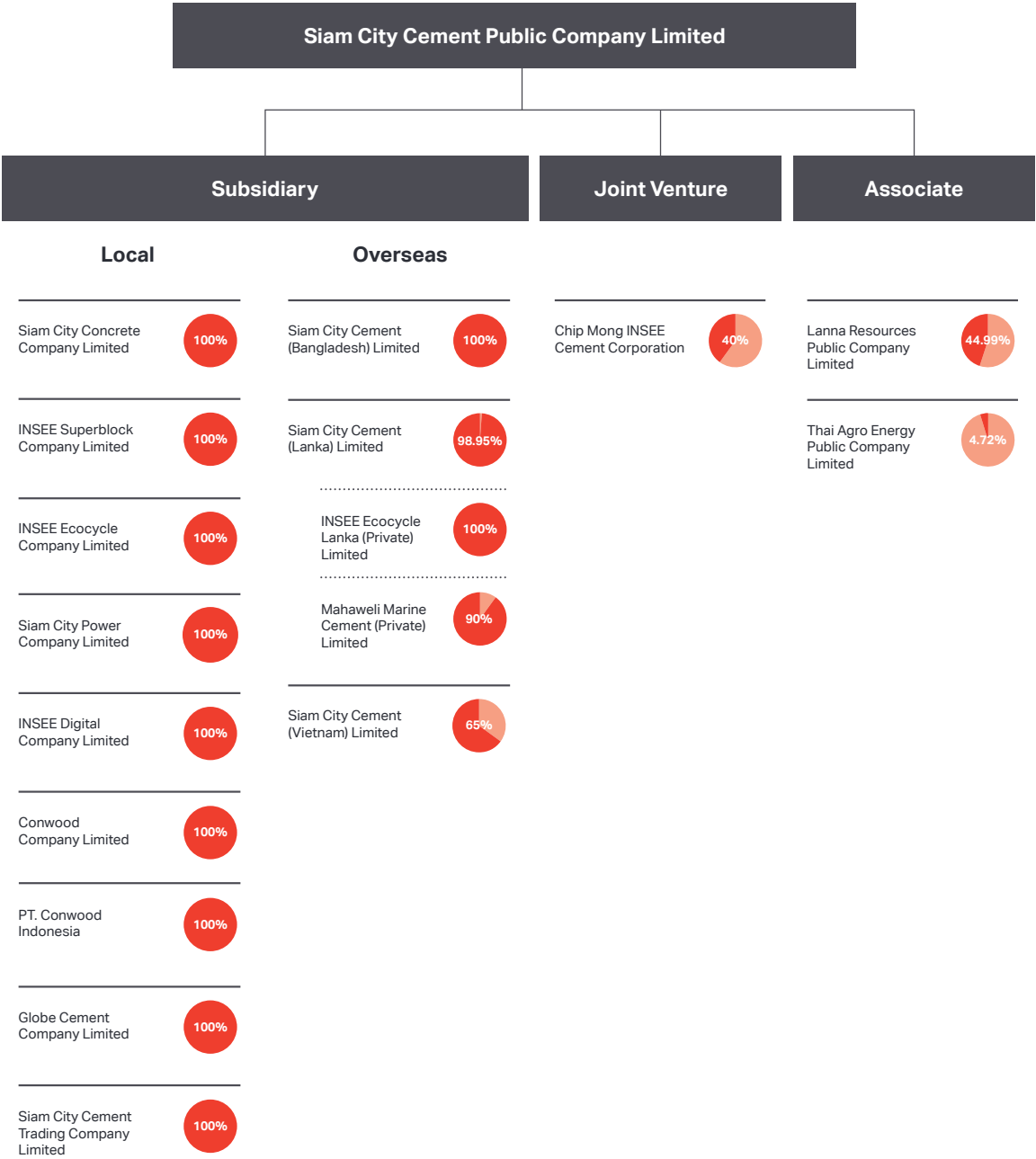


Mr. Charin Satchayan

Chairman of the Governance Committee

General Information and Other Information

Group Structure





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 2021

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
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

Company Name	Type of Business / Product	Registered/ Stated Capital (THB million)	Number of Issued & Paid-up Ordinary (million shares)	% Direct Shareholding
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
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:

Ms. 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

There is no lawsuit case that affects the assets of the Company or its subsidiaries at an amount higher than 5 percent of the shareholders' equity at the end of the latest financial year. No lawsuit affects the business materially or lawsuit that is not caused by normal business undertaking of the Company or its subsidiaries.

See Notes to the Financial Statement for more information.

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 25 February 2021¹ 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	4,972,968	1.67
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

Rank	Major Shareholders	Shares	% Shares ²
8.	Nortrust Nominees LTD-CL AC	2,447,736	0.82
9.	South East Asia UK (TYPE C) Nominees Limited	2,388,121	0.80
10.	RBC Investor Service Trust	2,308,571	0.77

Proportion of Shareholding

No.	Shareholders list	Number of Shares Held	Percentage (%) ²
1.	Ratanarak Group Company	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 25 February 2021 to identify the Shareholders entitled to attend the shareholder meeting and to receive dividend for 2020, 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 25 February 2021, foreign shareholders portion is 29.93 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 (Series No. 1/2016)	Set 4 (Series No. 2/2016)	Set 6 (Series No. 2/2017)	Set 7 (Series No. 3/2017)	Set 8 (Series No. 4/2017)
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 Baht	2,000 million Baht	2,500 million Baht	5,000 million Baht	4,500 million Baht
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 Baht	1,000 Baht	1,000 Baht	1,000 Baht	1,000 Baht
Offering price per unit	1,000 Baht	1,000 Baht	1,000 Baht	1,000 Baht	1,000 Baht
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 2019 - 2021, the Company allocated dividends as follows:

For fiscal year 2021 of THB 9 per share

- The Board of Directors proposes the Shareholders to approve payment of dividend for the year 2021 on 24 March 2022 for THB 9 per share.
- Dividend payout THB 2,682 Million, 63 percent

For fiscal year 2020 of THB 9 per share

- The Board of Directors proposes the Shareholders to approve payment of dividend for the year 2020 on 25 March 2021 for THB 9 per share.
- Dividend payout THB 2,682 Million, 73 percent

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

- The Board of Directors approved payment of interim dividend on 31 July 2019 of THB 4 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 THB 4 per share.
- Dividend payout THB 2,384 Million, 75.5 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
		2021	2020	2019	
1. Turangga Resources Pte. Ltd. (Turangga)/ Indirect subsidiary of major shareholder (Jardine Cycle & Carriage Limited)	Normal business transaction/ Purchase of coal for cement production	634.2	640.4	512.2	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	1.3	8.5	7.6	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	0.9	2.3	2.3	
	Support normal business transaction/ Purchase krungsri gift card for marketing and sell promotion	35.2	17.8	13.6	
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	46.2	142.1	210.8	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% 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	869.9	1,107.7	777.4	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
		2021	2020	2019	
5. Chip Mong INSEE Cement Corporation (CMIC)/ Company is a direct shareholder, holding 40% with co-directors i.e. Mr. Vanchai Tosomboon Mr. Aidan John Lynam	Normal business transaction/ Company/subsidiaries sold cement and cementitious products	654.5	509.1	1,534.1	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	14.5	20.2	26.7	CMIC needed support on data management for cement business from the Group
	Normal business transaction/ Company used marketing services in Cambodia	14.5	16.8	12.0	CMIC provided cement marketing activities such as market research and strategy
	Support normal business transaction/ Sell and Purchase related goods	0.6	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% 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) , Mr. Robert E.J. Van de Fleet Zwanderslot (Director) and Mr. Eamon Ginley (CEO)	Normal business transaction/ Company/subsidiaries sold cementitious products	761.0	848.9	1,017.0	SCCVN purchased products from Company/subsidiary among other suppliers
	Support normal business transaction/ A subsidiary provided IT services to SCCVN	70.6	73.6	106.5	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%	Normal business transaction/ Subsidiary sold cementitious products	-	91.2	218.6	SCCNT purchased products from subsidiary among other suppliers
8. Mahaweli Marine Cement (Private) Limited (MMC)/ Company is an indirect shareholder, holding 89%	Normal business transaction/ Subsidiary sold cement product	195.8	119.4	137.5	MMC purchased products from Company/subsidiary among other suppliers

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions			Rational and necessity
		2021	2020	2019	
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	3.2	1.9	5.0	Subsidiary sell wall panel to ESTAR at the price based on commercial conditions similar to other customer.
10. Srivichaivejvivat Public Company Limited/ Co-director: Ms. Nopporn Tirawattanagool	Support normal business transaction/ Company/subsidiaries used outsourced services	4.3	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% 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	77.8	69.9	-	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% 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	A subsidiary purchased life insurance for employees. The policy was terminated in May 2020 after subsidiary business winding down in 2020.
13. KKS Holding Company Limited/ Co-director: Ms. Nopporn Tirawattanagool	Support normal business transaction/ A subsidiary made a land rental agreement for RMX production plant	0.7	2.6	2.6	A subsidiary lease land from related companies for undertaking ready mixed concrete plant via normal procurement process

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions			Rational and necessity
		2021	2020	2019	
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	1.7	1.6	1.6	A subsidiary lease land from related companies for undertaking ready mixed concrete plant via normal procurement process
15. PT Astra Graphia Tbk/ Indirect subsidiary of major shareholder (Jardine Cycle & Carriage Limited)	Support normal business transaction/ A subsidiary used outsourced a copying machine rental service	0.2	0.1	0.1	A subsidiary uses a copying machine for office operations. The sourcing is under normal procurement bidding process
16. PT Bina Pertiwi/ Indirect subsidiary of major shareholder (Jardine Cycle & Carriage Limited)	Support normal business transaction/ A subsidiary purchased Komatsu's spare parts for forlift to use at its factory	0.0	0.2	0.0	A subsidiary uses forlift at the factory to support business operations and purchases spare parts for maintenance of forlift brand Komatsu, which PT Bina Pertiwa is the sole distributor in Indonesia.



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 Group and should be read in conjunction with our financial statements and the accompanying notes.

Analysis of Financial Performance

Revenues

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Revenues					
Net sales	41,678	42,000	(322)	(1%)	47,593
Other income	212	174	38	22%	339
Total Revenues	41,890	42,174	(284)	(1%)	47,932

SCCC Group revenue was adversely impacted by a renewed pandemic outbreak in Thailand and Vietnam and adverse weather conditions during the third quarter leading to lower sales of construction material. When easing some of the restrictions in the fourth quarter, demand for construction material somewhat recovered. Cement consumption was mainly driven by government infrastructure projects while residential and industrial sector remained weak. At the same time, intensified market competition put pressure on product prices. As a result, the Group revenue declined by 1 percent to THB 41,890 million.

Expenses

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Expenses					
Cost of sales and services	28,904	27,981	923	3%	32,463
Selling and distribution expenses	6,734	6,625	109	2%	8,120
Administrative expenses	1,884	1,955	(71)	(4%)	2,071
Other expenses	215	120	95	79%	389
Total expenses	37,737	36,681	1,056	3%	43,043

The Group continued to implement various initiatives to further optimize cost during a much-disrupted economic environment. However, cost of sales and services were negatively impacted by a sharp rise in raw material, energy and transportation cost which mainly impacted the second half of the year. Despite overall plant reliability has increased with less breakdowns, extended kiln-scheduled maintenance activities resulted in higher costs. Selling and distribution expenses were negatively impacted by higher logistics and cartage costs due to higher diesel prices. As a result, total Group expenses increased by 3 percent to THB 37,737 million and negatively impacted overall profitability.

Depreciation, Interest and Tax

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Depreciation, Finance cost and Tax					
Depreciation and amortization	3,893	3,935	(42)	(1%)	3,330
Finance cost	1,238	1,374	(136)	(10%)	1,459
Income tax expenses	(89)	756	(845)	(112%)	698

Property, Plant and Equipment and Intangible Assets remained below prior year level and resulted in overall slightly lower depreciation and amortization.

Finance cost reflected interest expenses incurred from loans from financial institutions and debentures as well as 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 decreased mainly due to Sri Lanka's corporate income tax rate was reduced from 28 percent to 18 percent in the second quarter which resulted in a one-time positive effect on net profit.

Analysis of Business Segments

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Net sales					
Cement	27,406	26,610	796	3%	28,722
Concrete and Aggregates	5,388	6,632	(1,244)	(19%)	8,477
Trading	5,389	5,167	222	4%	6,428
Light building materials	2,382	2,391	(9)	(0%)	2,630
Others	1,113	1,200	(87)	(7%)	1,336
Total Net sales by segment	41,678	42,000	(322)	(1%)	47,593

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
EBITDA					
Cement	7,906	8,223	(317)	(4%)	7,346
Concrete and Aggregates	327	697	(370)	(53%)	395
Trading	245	248	(3)	(1%)	381
Light building materials	326	276	50	18%	241
Others	657	690	(33)	(5%)	642

Remark: EBITDA by segment is presented before intersegment elimination

Despite pandemic outbreaks during the third quarter, the Cement Segment reported higher revenue mostly driven by expanded sales volume in some overseas markets. Despite price increases realized during the fourth quarter, average cement prices during the year remained below prior year level. Overall, net sales increased 3 percent to THB 27,406 million. Rising raw material, energy and transportation cost negatively impacted the performance.

Concrete and Aggregates Segment was negatively impacted by pandemic related curfew measures and overall softer demand for concrete and aggregate products and services. Intense market competition resulted in lower average price and resulted in an overall 19 percent lower revenue at THB 5,388 million. Pressure on the topline as well rising input costs during the second half of the year could not be offset by optimized fixed costs and weighed on profitability.

Amidst turbulent supply chain conditions affecting shipping and product costs in the Trading Segment, demand for clinker and other cementitious material improved during the year yet remained at levels below prior year. Revenue increased mainly due to higher product prices by 4 percent to THB 5,389 million. Higher freight cost resulted in some delays of some clinker and cement shipments and had a slightly negative impact on profitability.

Demand for products and services of the Light Building Materials Segment remained soft, despite an ongoing contraction of residential construction. Revenue remained at prior year level at THB 2,382 million. Improved operational efficiency resulted in overall higher profitability.

Waste Management Services in the Other Segment was negatively impacted by industrial cleaning customers deferring projects and lower prevailing waste management fees in the market. As a result, revenue decreased by 7 percent to THB 1,113 million. Better cost management could not adequately offset the negative topline trend.

Analysis of Financial Position

	Unit	2021	2020	2019
Accounts receivable turnover	Times	8.23	7.81	8.47
Days receivable outstanding	Days	44	47	43
Inventory turnover	Times	7.25	6.85	6.72
Days inventory	Days	50	53	54
Accounts payable turnover	Times	5.91	5.61	5.74
Days payable outstanding	Days	62	65	64

Net Working Capital

The Group tightened control over credit management and debt collection which resulted in a reduction of outstanding receivables by 1 percent, from THB 4,835 million to THB 4,780 million. Day receivable outstanding reduced whereas days inventory and days payable outstanding remained at almost the same level as prior year owing to active net working capital management.

Key Financial Assets

Non-current assets held for sales

Non-current assets held for sale comprised of some remaining assets of the former ready-mixed concrete business in Vietnam. This subsidiary entered into a sales arrangement with 3rd 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 : Million Baht)

	As of December 31				
	2021	2020	+/-	+/- (%)	2019
Property, plant and equipment	29,190	29,998	(808)	(3%)	32,523
Intangible assets	9,846	10,128	(282)	(3%)	10,844
Other non-current assets	412	283	129	46%	317

Capital expenditures (CAPEX) spending for Property, Plant and Equipment during the period was THB 1,241 million.

Some of the key CAPEX projects during 2021 were as follows;

- Vietnam Hon Chong extension clay pit of THB 50 million
- Saraburi Plant 3 purchase spare parts for cement mill THB 39 million
- SCCO Suphanburi aggregate quarry overburden stripping of THB 33 million
- Saraburi Plant 3 kiln tire replacement of THB 32 million
- Sri Lanka Ecocycle installation of Pyrolysis plant of THB 21 million

Depreciation charge for the year amounted to THB 2,801 million. An additional THB 182 million related to assets disposal, impairment and write-off recorded during the year. Since the overseas business units operated under different functional currencies, they were subjected to currency translation into Thai Baht. Due to the Thai Baht depreciation over the year, gain from translation of property, plant and equipment in overseas subsidiaries into Thai Baht amounted to THB 1,068 million.

Intangible assets consisted of mining concession, computer software, customer relationship, brands and the right to use of assets. Amortization charges for the year was THB 588 million. Gain from translation of intangible assets in overseas subsidiaries into Thai Baht was THB 275 million.

Funding

As at 31 December 2021, the capital structure of the Group consisted of net financial debt, including lease liabilities, at THB 18,396 million (gross financial debt amount of THB 28,058 million, net of cash and cash equivalents amount of THB 9,662 million) and shareholders' equity of THB 39,227 million. This represented a net financial debt to equity ratio of 0.47 times which was reduced from prior year (2020: 0.61 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 1,389 million and short-term loan including current portion of long-term loan and lease liabilities of THB 10,690 million.

Shareholder's Equity

As at 31 December 2021, shareholders' equity amounted to THB 39,227 million (2020: THB 34,712 million). This position consists of accumulated reserves, share premium and retained earnings amounting to THB 42,783 million, netted off with a negative currency translation adjustment of THB 5,064 million. Non-controlling interests of the subsidiaries equaled to THB 1,513 million.

Analysis of Cash Flow Statement

The Group reported a cash and cash equivalent balance of THB 9,662 million as at 31 December 2021 which was used to maintain enough liquidity for the operation during the pandemic. Net cash generated from operating activities was THB 6,948 million (2020: THB 8,932 million), decreasing due to lower net profit before tax for the year as well as lower changes of net working capital.

Net cash outflows from investing activities amounted to THB 557 million, mainly from acquisitions of property plant and equipment THB 1,285 million (2020: net cash from investing activities was THB 17 million), partially offset by disposal of assets of THB 68 million and dividend received from joint venture and associated companies of THB 691 million.

Net cash outflows from financing activities of THB 4,695 million (2020: THB 6,006 million) was primarily related to the total dividend paid amounting to THB 2,871 million and repayment of bank overdraft, short-term and long-term loans and lease liabilities at a net amount of THB 1,453 million during the year.

Outlook and Sustainability

With the COVID-19 crisis worsening throughout the region during much of 2021 and continuing global economic reverberations caused by the pandemic, we anticipate limited growth across our markets in 2022. Conservatively, we do not expect to see economic activity at 2019 levels again until 2023. Government infrastructure projects will continue to be a bright spot whereas general commercial and industrial construction will remain depressed.

Key threats facing the cement industry during 2022 include additional border capacities from competitors, consistently increasing energy prices and more stringent regulatory environment trends, particularly as it relates to natural resources and the environment.

We remain committed to deliver our Environmental, Social, and Governance (ESG) agenda and approved two major capital investments in Thailand and Sri Lanka last year to accelerate a lowering of our Group's CO2 footprint. We have also renewed a three-year MoU with the International Union for Conservation of Nature (IUCN) for continuation of biodiversity impact minimization in our quarrying activities and we carry on with efforts to lower ground water consumption at our facilities. Simultaneously, we continue to adhere to the highest international standards of corporate governance, and industry occupational health and safety practices. The Group also remains focused on our social responsibility towards both our employees and neighboring communities.

Financial Statement

Consolidated Statements of Financial Position

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	9,662	12%	7,676	10%	4,821	6%
Trade and other receivables	4,780	6%	4,835	6%	5,456	7%
Derivative assets	1	-	4	-	1	-
Inventories	4,441	5%	3,374	4%	4,608	6%
Advance payments for purchases of goods	308	-	360	-	80	-
Assets held for sale	17	-	60	-	65	-
Other current assets	335	-	258	-	394	1%
TOTAL CURRENT ASSETS	19,544	24%	16,567	21%	15,424	20%
NON-CURRENT ASSETS						
Restricted bank deposits	13	-	17	-	17	-
Investment in joint venture	2,098	3%	1,896	2%	1,973	3%
Investments in associates	2,689	3%	2,077	3%	2,069	4%
Investment properties	495	1%	319	-	315	-
Property, plant and equipment	29,190	36%	29,998	39%	32,523	42%
Right-of-use assets	1,557	2%	1,747	2%	-	-
Assets not used in operations	33	-	61	-	65	-
Goodwill	14,936	18%	13,476	17%	13,594	17%
Intangible assets	9,846	12%	10,128	13%	10,844	14%
Deferred tax assets	1,199	1%	1,101	1%	1,064	1%
Other non-current assets	412	1%	283	-	317	-
TOTAL NON-CURRENT ASSETS	62,468	76%	61,103	79%	62,782	80%
TOTAL ASSETS	82,012	100%	77,670	100%	78,206	100%

Consolidated Statements of Financial Position (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term loans from related financial institution	-	-	120	-	100	-
Bank overdrafts and short-term loans from other financial institutions	3,014	4%	3,356	4%	2,588	3%
Trade and other payables	5,494	7%	4,294	6%	5,684	7%
Current portion of long-term loans from other financial institutions	7,238	9%	339	-	539	1%
Current portion of lease liabilities	438	1%	404	1%	-	-
Current portion of liabilities under finance lease contracts	-	-	-	-	12	-
Current portion of debentures	-	-	-	-	2,999	4%
Current portion of long-term liabilities for concession and license fee	121	-	114	-	28	-
Current derivative liabilities	78	-	-	-	-	-
Income tax payable	372	-	637	1%	770	1%
Deferred revenue	967	1%	843	1%	901	1%
Accrued electricity	265	-	288	-	243	-
Other accrued expenses	1,559	2%	1,336	2%	1,330	2%
Other current liabilities	302	-	231	-	219	-
TOTAL CURRENT LIABILITIES	19,848	24%	11,962	15%	15,414	19%

Consolidated Statements of Financial Position (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Long-term loans from other financial institutions - net of current portion	288	-	7,239	9%	7,437	10%
Lease liabilities - net of current portion	1,101	1%	1,260	2%	-	-
Liabilities under finance lease contracts - net of current portion	-	-	-	-	37	-
Debentures - net of current portion	15,979	19%	15,975	21%	15,971	20%
Long-term liabilities for concession and license fee - net of current portion	925	1%	1,045	1%	1,072	1%
Non-current derivative liabilities	-	-	222	-	-	-
Provision for long-term employee benefits	2,489	3%	2,479	3%	2,810	4%
Provision for site restoration and decommissioning costs	370	-	343	-	160	-
Deferred tax liabilities	1,687	2%	2,320	3%	2,507	3%
Other non-current liabilities	98	-	113	-	127	-
TOTAL NON-CURRENT LIABILITIES	22,937	26%	30,996	39%	30,121	38%
TOTAL LIABILITIES	42,785	52%	42,958	55%	45,535	58%
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	32%	26,413	34%	26,413	34%
Retained earnings						
Appropriated - statutory reserve	300	-	300	-	300	-
Unappropriated	13,090	16%	11,431	15%	8,973	11%
Other components of shareholders' equity	(5,069)	(6%)	(7,760)	(10%)	(7,272)	(9%)
Equity attributable to owners of the Company	37,714	46%	33,364	43%	31,394	40%
Non-controlling interests of the subsidiaries	1,513	2%	1,348	2%	1,277	2%
TOTAL SHAREHOLDERS' EQUITY	39,227	48%	34,712	45%	32,671	42%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	82,012	100%	77,670	100%	78,206	100%

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues	41,678	99%	42,000	100%	47,593	99%
Other income	212	1%	174	-	339	1%
Total Revenues	41,890	100%	42,174	100%	47,932	100%
Expenses						
Cost of sales	28,341	68%	27,337	65%	31,836	67%
Cost of services	563	1%	644	1%	627	1%
Selling and distribution expenses	6,734	16%	6,625	16%	8,120	17%
Administrative expenses	1,884	4%	1,955	5%	2,071	4%
Other expenses	215	1%	120	-	389	1%
Total expenses	37,737	90%	36,681	87%	43,043	90%
Operating profit	4,153	10%	5,493	13%	4,889	10%
Share of profit from investment in joint venture	466	1%	477	1%	318	1%
Share of profit from investments in associates	763	2%	109	-	218	-
Finance income	77	-	76	-	59	-
Finance cost	(1,238)	(3%)	(1,374)	(3%)	(1,459)	(3%)
Profit before income tax expenses	4,221	10%	4,781	11%	4,025	8%
Income tax expenses	89	-	(756)	(1%)	(698)	(1%)
Profit for the year	4,310	10%	4,025	10%	3,327	7%
Profit attributable to:						
Equity holders of the Company	4,248	10%	3,680	9%	3,157	7%
Non-controlling interests of the subsidiaries	62	-	345	1%	170	-
	4,310	10%	4,025	10%	3,327	7%
Basic earnings per share						
Profit attributable to equity holders of the Company (Baht)	14.25		12.35		10.59	
Weighted average number of ordinary shares (Million shares)	298		298		298	

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

(Unit : Million Baht)

	2021	2020	2019
Profit for the year	4,310	4,025	3,327
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	2,591	(393)	(2,014)
Gain on cash flow hedge - net of tax	119	18	-
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	275	16	(363)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	2,985	(359)	(2,376)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) - net of tax	90	(26)	(226)
Share of other comprehensive income of associated companies - actuarial gain (loss)	(0)	(4)	1
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	90	(30)	(225)
Other comprehensive income for the year	3,075	(389)	(2,602)
Total comprehensive income for the year	7,385	3,636	726
Total comprehensive income attributable to:			
Equity holders of the Company	7,031	3,304	747
Non-controlling interests of the subsidiaries	354	332	(22)
	7,385	3,636	726

Consolidated Statements of Cash Flows

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash flows from operating activities						
Profit before tax	4,221	100%	4,781	100%	4,025	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	(1,229)	(29%)	(586)	(12%)	(536)	(13%)
Depreciation and amortization	3,893	92%	3,935	82%	3,330	83%
Impairment loss on financial assets	25	1%	49	1%	57	1%
Reduction of inventory to net realisable value (reversal)	41	1%	29	1%	66	2%
Loss (gain) on disposal of assets held for sale	7	-	23	-	(87)	(2%)
Allowance for impairment loss of assets held for sale (reversal)	(8)	-	6	-	8	-
Allowance for impairment loss on non-financial assets (reversal)	(4)	-	(87)	(2%)	134	3%
Net loss on disposals/write-off of non-financial assets	169	4%	191	4%	183	5%
Amortisation of deferred income from grants related to assets	(9)	-	(9)	-	(9)	-
Provision for long-term employee benefits and other provisions	202	5%	206	4%	487	12%
Net loss (gain) on derivative instruments at fair value through profit or loss	5	-	(3)	-	(16)	-
Unrealised loss (gain) on exchange	(1)	-	3	-	(4)	-
Finance income	(77)	(2%)	(76)	(2%)	(59)	(1%)
Interest expenses	1,108	26%	1,282	27%	1,328	33%
Profit from operating activities before changes in operating assets and liabilities	8,343	198%	9,744	203%	8,907	223%

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Operating assets (increase) decrease :						
Trade and other receivables	(323)	(8%)	574	12%	(79)	(2%)
Inventories	(1,108)	(26%)	1,206	25%	199	5%
Advance payments for purchases of goods	52	1%	(281)	(6%)	223	6%
Other current assets	(74)	(2%)	100	2%	(70)	(2%)
Operating liabilities increase (decrease) :						
Trade and other payables	1,249	30%	(75)	(2%)	188	5%
Accrued expenses and other current liabilities	401	10%	114	2%	(12)	-
Other non-current liabilities	(9)	-	(7)	-	(5)	-
Provision for long-term employee benefits	(115)	(3%)	(591)	(12%)	(88)	(2%)
Provision for site restoration	(18)	-	(8)	-	(4)	-
Cash from operating activities	8,398	200%	10,776	224%	9,259	233%
Interest received	77	2%	77	2%	58	1%
Interest paid	(728)	(17%)	(911)	(19%)	(1,079)	(27%)
Cash paid for income tax	(799)	(19%)	(1,010)	(21%)	(653)	(16%)
Net cash from operating activities	6,948	166%	8,932	186%	7,586	191%

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash flows from investing activities						
Decrease (increase) in restricted bank deposits	5	-	-	-	(6)	-
Proceeds from disposals of non-current asset held for sale	49	1%	35	1%	99	2%
Proceeds from disposal of property, plant and equipment and assets not used in operation	19	-	40	1%	14	-
Cash paid for business acquisition	-	-	-	-	-	-
Cash received from land deposit	-	-	-	-	-	-
Cash received from grants related to assets	-	-	-	-	-	-
Acquisitions of property, plant and equipment	(1,285)	(30%)	(745)	(16%)	(1,476)	(37%)
Advance payment for acquisition of right-of-use assets	-	-	(3)	-	-	-
Increase in intangible assets	(28)	(1%)	(28)	(1%)	(195)	(5%)
Decrease (increase) in other non-current assets	(8)	-	51	1%	(29)	(1%)
Dividend received	691	16%	667	14%	158	4%
Net cash used in investing activities	(557)	(14%)	17	-	(1,435)	(37%)

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash flows from financing activities						
Net increase (decrease) in short-term loans from related financial institution	(120)	(3%)	20	-	(60)	(1%)
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(679)	(16%)	(438)	(9%)	(1,181)	(29%)
Repayment of long-term loans from related financial institution	-	-	-	-	(90)	(2%)
Increase in long-term loans from other financial institutions	280	7%	3,171	66%	605	15%
Repayment of long-term loans from other financial institutions	(399)	(9%)	(3,561)	(74%)	(302)	(8%)
Payment of lease liabilities	(535)	(13%)	(492)	(10%)	-	-
Cash paid for liabilities under finance lease contracts	-	-	-	-	(13)	-
Payment of liabilities for acquisitions of concession and license fee	(149)	(4%)	(6)	-	-	-
Repayment of debentures	-	-	(3,000)	(63%)	-	-
Dividend paid	(2,871)	(68%)	(1,453)	(30%)	(2,596)	(64%)
Interest paid	(213)	(5%)	(221)	(5%)	(218)	(5%)
Cash paid for other finance costs	(9)	-	(26)	(1%)	-	-
Net cash from (used in) financing activities	(4,695)	(111%)	(6,006)	(126%)	(3,855)	(94%)
Increase (decrease) in translation adjustments	290	6%	(83)	(2%)	(123)	(3%)
Net increase (decrease) in cash and cash equivalents	1,986	47%	2,860	60%	2,173	54%
Cash and cash equivalents at beginning of year	7,676	182%	4,821	101%	2,647	65%
Effect of change in foreign exchange rate on cash at banks	-	-	(5)	-	1	-
Cash and cash equivalents at end of year	9,662	229%	7,676	161%	4,821	120%

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Supplemental disclosures of cash flows information:						
Non-cash related transactions from investing activities:						
Payables from acquisitions of property, plant and equipment	235		284		336	
Long-term liabilities for license fee	-		26		81	
Transferred investment properties to non-current asset held for sale	-		-		-	
Transferred investment properties to property, plant and equipment	-		-		-	
Transferred property, plant and equipment to investment properties	174		-		-	
Transferred property, plant and equipment to assets held for sale	-		38		73	
Transferred property, plant and equipment to intangible assets	5		-		198	
Transferred property, plant and equipment to assets not used in operations	-		-		26	
Transferred right-of-use assets to assets held for sale	-		4		-	
Transferred right-of-use assets to property, plant and equipment	18		-		-	
Transferred assets not used in operations to assets held for sale	-		21		-	
Transferred assets not used in operations to property, plant and equipment	25		4		-	
Transferred intangible assets to property, plant and equipment	1		17		-	
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	6		58		28	
Increase in right-of-use assets from provision for decommissioning costs	3		3		-	
Increase in intangible assets from long-term liabilities for concession and license fee	-		-		-	

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	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	252		140		-	
Increase (decrease) in assets and liabilities from lease reassessment/modification						
- Right-of-use assets	23		(51)		-	
- Finance lease receivables	-		-		-	
- Lease liabilities	25		(49)		-	
- Provision for decommissioning costs	(2)		(7)		-	
Acquisitions of equipment under finance lease contracts	-		-		33	

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

	Unit	2021	2020	2019
Liquidity ratios				
Current ratio	Times	0.98	1.39	1.00
Quick ratio	Times	0.73	1.05	0.67
Cash flows from operating activities to current liabilities ratio	Times	0.44	0.65	0.52
Accounts receivable turnover	Times	8.23	7.81	8.47
Days receivable outstanding	Days	44	47	43
Finished good turnover	Times	28.95	25.28	25.76
Days Finished good outstanding	Days	13	14	14
Inventory turnover	Times	7.25	6.85	6.72

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

	Unit	2021	2020	2019
Days inventory outstanding	Days	50	53	54
Accounts payable turnover	Times	5.91	5.61	5.74
Days payable outstanding	Days	62	65	64
Cash cycle	Days	33	36	34
Profitability ratios				
Gross profit margin	%	31	33	32
Operating profit margin	%	10	13	10
Other profit margin	%	-0.01	0.13	-0.10
Cash flows from operating activities on net income margin	%	162	160	155
Net income margin	%	10	9	7
Return on shareholders' equity	%	11	11	9
Efficiency ratios				
Return on assets	%	5	5	4
Return on fixed assets	%	24	21	18
Total assets turnover	Times	0.52	0.54	0.61
Financial policy ratios				
Debt - to - equity ratio	Times	1.09	1.24	1.39
Interest coverage ratio	Times	10.01	8.93	6.89
Interest bearing debt to EBITDA ratio	Times	2.98	2.84	2.98
Debt service coverage ratio	Times	0.88	2.39	2.77
Dividend payout ratio on net profit	%	63	73	76



Financial Report 2021

**Staying resilient
in challenging times**

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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 dated 28 September 2011, 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 one 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 one report.



Mr. Paul Heinz Hugentobler

Chairman



Mr. Siva Mahasandana

Director and Chief Executive Officer

Report of the Audit Committee

To the Shareholders of Siam City Cement Public Company Limited

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).

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 2021, 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 and cyber security in addition to the business risks in framing its priorities for year 2022.

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 2021 of Siam City Cement Public Company Limited and subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards (TFRS), which is in compliance with the International Financial Reporting Standards (IFRS), 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 accordance with relevant financial reporting standards for the benefits of the users of the financial statements, and Key Audit Matters. 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 as well as to see whether there was any suspicious information indicating potential fraud. The External Auditor made no remark and did not find any indications of suspicious incidents.

(1) Review of Related Party Transactions: The Audit Committee regularly reviewed the related party transactions and transactions which potentially conflicted with the Company's interest based on business normality, transparency, adequate disclosure and at arm's length. These transactions and information were correctly reviewed and disclosed to the SET in a timely manner.

(2) Review of Risk Management Assessment: The Audit Committee regularly reviewed the appropriateness and effectiveness of the Company's risk management process which was further strengthened in year 2021. In particular, the Audit Committee reviewed the emerging risks such as fortification of North and North-East markets in Thailand from new investments in cement capacity in neighboring countries, cybersecurity, increase of input costs etc., all of which were considered risks of significance and potential impact on company performance.

(3) Review of Internal Control System and oversight of Group Internal Audit and Compliance function: The Audit Committee reviewed the results of 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 through a structured implementation of IMCs.

The Audit Committee reviewed the internal audit mission 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 and concluded that the organization's internal control was adequate and appropriate for its business operations. This corresponded with the External Auditors opinion that there was no material deficiency that might impact the Company's financial statements. Finally, the Audit Committee reviewed and approved Group Internal Audit and Compliance Annual Plan 2022 including the budget to support the plan.

(4) 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 and "Share and Learn". In addition to the internal whistleblowing system "INSEE Speak Up" hot line, the Company has extended the system for external parties, through which they may file complaints. The Audit Committee reviewed the results of the investigations and fraud risk assessment as well as the impact of fraud cases in order to prescribe preventive guidelines against potential risks in operational system.

(1) Appointment of the External Auditors for 2022: 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 2022 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2022.

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.

February 3, 2022

For and on behalf of the Audit Committee
Siam City Cement Public Company Limited



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 2021, 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 2021, 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 4.1 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 17 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.

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:

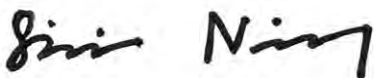
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 2022

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6, 7	9,662,200	7,675,790	4,880,773	2,929,775
Trade and other receivables	6, 8	4,780,309	4,835,210	2,723,064	2,721,302
Short-term loans to related parties	6	-	-	2,815,000	2,700,000
Derivative assets		526	4,129	18	261
Inventories	9	4,440,601	3,373,603	2,029,930	1,413,310
Advance payments for purchases of goods		308,085	360,329	13,955	17,158
Other current assets	6	335,340	258,321	90,728	90,726
		19,527,061	16,507,382	12,553,468	9,872,532
Assets held for sale		16,643	59,605	-	-
Total current assets		19,543,704	16,566,987	12,553,468	9,872,532
Non-current assets					
Restricted bank deposits	7	12,502	16,810	-	-
Investments in subsidiary companies	10	-	-	39,900,676	39,900,676
Investment in joint venture	11	2,097,543	1,896,326	2,145,611	2,145,611
Investments in associates	12	2,688,994	2,077,289	577,896	577,896
Investment properties	13	495,724	318,792	690,104	639,917
Property, plant and equipment	14	29,190,099	29,998,400	11,305,294	12,129,032
Right-of-use assets	15.1	1,556,578	1,747,382	273,072	291,549
Assets not used in operations	16	33,495	60,710	33,495	35,702
Goodwill	17	14,936,191	13,475,487	-	-
Intangible assets	18	9,845,715	10,128,377	3,507,526	3,629,931
Deferred tax assets	34	1,199,477	1,101,251	636,288	618,594
Other non-current assets	6	412,023	282,558	142,689	142,561
Total non-current assets		62,468,341	61,103,382	59,212,651	60,111,469
Total assets		82,012,045	77,670,369	71,766,119	69,984,001

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 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from related financial institution	6	-	120,000	-	-
Bank overdrafts and short-term loans					
from other financial institutions	19	3,013,609	3,356,312	-	-
Trade and other payables	6, 20	5,493,687	4,294,170	2,737,522	1,995,036
Current portion of long-term loans from					
other financial institutions	21	7,238,398	339,184	7,000,000	-
Current portion of lease liabilities	6, 15.2	438,121	403,550	95,445	97,947
Current portion of long-term liabilities for concession					
and license fee	23	120,591	113,862	118,680	112,232
Current derivative liabilities		77,788	41	76,478	-
Income tax payable		372,102	636,677	146,120	163,919
Deferred revenue		966,599	842,523	459,561	404,889
Accrued electricity		265,060	287,959	253,160	277,562
Other accrued expenses		1,559,679	1,336,465	672,621	626,868
Other current liabilities		302,511	230,755	51,934	52,675
Total current liabilities		19,848,145	11,961,498	11,611,521	3,731,128
Non-current liabilities					
Long-term loans from other financial institutions					
- net of current portion	21	288,532	7,239,181	-	6,989,500
Lease liabilities - net of current portion	6, 15.2	1,100,513	1,259,867	176,352	193,930
Debentures - net of current portion	22	15,978,918	15,975,131	15,978,918	15,975,131
Long-term liabilities for concession and license fee					
- net of current portion	23	925,173	1,044,896	917,980	1,035,793
Non-current derivative liabilities		-	221,941	-	221,941
Provision for long-term employee benefits	24	2,489,205	2,479,451	1,646,802	1,678,165
Provision for site restoration and decommissioning costs	25	370,103	343,020	136,614	135,305
Deferred tax liabilities	34	1,686,687	2,319,958	-	-
Other non-current liabilities	26	97,983	112,943	-	-
Total non-current liabilities		22,937,114	30,996,388	18,856,666	26,229,765
Total liabilities		42,785,259	42,957,886	30,468,187	29,960,893

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 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
298,000,000 ordinary shares of Baht 10 each		2,980,000	2,980,000	2,980,000	2,980,000
Issued and fully paid up					
298,000,000 ordinary shares of Baht 10 each		2,980,000	2,980,000	2,980,000	2,980,000
Share premium		26,412,551	26,412,551	26,412,551	26,412,551
Retained earnings					
Appropriated - statutory reserve	27	300,000	300,000	300,000	300,000
Unappropriated		13,090,053	11,431,755	11,610,751	10,454,569
Other components of shareholders' equity		(5,069,241)	(7,760,146)	(5,370)	(124,012)
Equity attributable to owners of the Company		37,713,363	33,364,160	41,297,932	40,023,108
Non-controlling interests of the subsidiaries		1,513,423	1,348,323	-	-
Total shareholders' equity		39,226,786	34,712,483	41,297,932	40,023,108
Total liabilities and shareholders' equity		82,012,045	77,670,369	71,766,119	69,984,001

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

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Directors

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Siam City Cement Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Revenues					
Revenues	28	41,678,362	42,000,040	18,517,835	19,558,369
Dividend income	10, 11, 12	-	-	2,667,480	2,794,028
Other income	29	211,861	173,590	79,474	62,665
Total revenues		41,890,223	42,173,630	21,264,789	22,415,062
Expenses					
Cost of sales		28,341,179	27,337,475	11,906,847	12,354,260
Cost of services		562,848	643,651	123,608	155,161
Selling and distribution expenses		6,733,271	6,624,612	2,637,777	2,814,422
Administrative expenses		1,884,474	1,954,932	1,452,186	1,492,972
Other expenses	30	215,221	119,987	108,193	61,236
Total expenses	31	37,736,993	36,680,657	16,228,611	16,878,051
Operating profit		4,153,230	5,492,973	5,036,178	5,537,011
Share of profit from investment in joint venture	11	465,807	477,469	-	-
Share of profit from investments in associates	12	762,966	108,494	-	-
Finance income		76,773	76,370	55,945	81,048
Finance cost	32	(1,237,940)	(1,374,356)	(973,928)	(1,049,475)
Profit before income tax expenses		4,220,836	4,780,950	4,118,195	4,568,584
Income tax	34	88,763	(755,645)	(324,417)	(361,218)
Profit for the year		4,309,599	4,025,305	3,793,778	4,207,366
Profit attributable to:					
Equity holders of the Company		4,247,718	3,680,464	3,793,778	4,207,366
Non-controlling interests of the subsidiaries		61,881	344,841	-	-
		4,309,599	4,025,305		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	35	14.25	12.35	12.73	14.12
Weighted average number of ordinary shares (Thousand shares)		298,000	298,000	298,000	298,000

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

Siam City Cement Public Company Limited and its subsidiaries**Statements of comprehensive income****For the year ended 31 December 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the year	<u>4,309,599</u>	<u>4,025,305</u>	<u>3,793,778</u>	<u>4,207,366</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	2,591,695	(392,581)	-	-
Gain on cash flow hedge - net of tax	118,642	17,704	118,642	17,704
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	<u>275,100</u>	<u>16,134</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>2,985,437</u>	<u>(358,743)</u>	<u>118,642</u>	<u>17,704</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss) - net of tax	90,402	(26,425)	44,395	(37,218)
Share of other comprehensive income of associates - actuarial loss	<u>(140)</u>	<u>(3,777)</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>90,262</u>	<u>(30,202)</u>	<u>44,395</u>	<u>(37,218)</u>
Other comprehensive income for the year	<u>3,075,699</u>	<u>(388,945)</u>	<u>163,037</u>	<u>(19,514)</u>
Total comprehensive income for the year	<u><u>7,385,298</u></u>	<u><u>3,636,360</u></u>	<u><u>3,956,815</u></u>	<u><u>4,187,852</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	7,031,194	3,303,966	<u>3,956,815</u>	<u>4,187,852</u>
Non-controlling interests of the subsidiaries	<u>354,104</u>	<u>332,394</u>		
	<u><u>7,385,298</u></u>	<u><u>3,636,360</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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	4,220,836	4,780,950	4,118,195	4,568,584
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in joint venture and associates	(1,228,773)	(585,963)	-	-
Dividend income	-	-	(2,667,480)	(2,794,028)
Depreciation and amortisation	3,893,107	3,934,817	1,500,740	1,548,414
Impairment loss on financial assets	24,764	49,218	3,237	6,114
Reduction of inventory to net realisable value (reversal)	40,715	28,928	29,730	(5,212)
Loss on disposal of assets held for sale	7,326	23,587	-	-
Allowance for impairment loss of assets held for sale (reversal)	(8,342)	5,970	-	-
Allowance for impairment loss on non-financial assets (reversal)	(3,950)	(87,201)	53,702	(16,975)
Net loss on disposals/write-off of non-financial assets	168,096	191,538	49,363	49,062
Amortisation of deferred income from grants related to assets	(8,608)	(8,608)	-	-
Provision for long-term employee benefits and other provisions	202,028	205,780	106,773	76,562
Net loss (gain) on derivative instruments at fair value through profit or loss	4,872	(3,193)	243	210
Unrealised loss (gain) on exchange	(592)	2,580	(889)	3,374
Finance income	(76,773)	(76,370)	(55,945)	(81,048)
Interest expenses	1,108,056	1,281,749	884,938	985,939
Profit from operating activities before changes in operating assets and liabilities	8,342,762	9,743,782	4,022,607	4,340,996
Operating assets (increase) decrease:				
Trade and other receivables	(322,890)	573,502	(3,652)	452,681
Inventories	(1,107,713)	1,205,681	(646,350)	950,123
Advance payments for purchases of goods	52,244	(280,800)	3,203	573
Other current assets	(74,274)	100,001	2,929	67,392
Operating liabilities increase (decrease):				
Trade and other payables	1,249,370	(74,652)	719,786	(1,149,096)
Accrued expenses and other current liabilities	401,126	114,155	76,052	315
Other non-current liabilities	(9,334)	(6,915)	-	-
Provision for long-term employee benefits	(114,935)	(590,705)	(79,526)	(422,722)
Provision for site restoration	(18,467)	(8,446)	(10,962)	(5,600)
Cash from operating activities	8,397,889	10,775,603	4,084,087	4,234,662
Interest received	76,717	76,812	55,439	90,185
Interest paid	(727,652)	(910,910)	(599,150)	(666,936)
Cash paid for income tax	(799,404)	(1,009,837)	(400,670)	(368,921)
Net cash from operating activities	6,947,550	8,931,668	3,139,706	3,288,990

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 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Net decrease (increase) in short-term loans to related parties	-	-	(115,000)	525,000
Decrease in restricted bank deposits	5,979	284	-	-
Proceeds from disposals of assets held for sale	48,653	34,995	-	-
Proceeds from disposals of property, plant and equipment	19,382	39,592	4,877	-
Acquisitions of property, plant and equipment	(1,285,108)	(744,546)	(552,482)	(192,917)
Advance payment for acquisition of right-of-use assets	-	(3,382)	-	-
Increase in intangible assets	(27,910)	(28,200)	(30,052)	(348,296)
Decrease (increase) in other non-current assets	(8,456)	51,451	(3,217)	24,294
Dividend received	690,811	666,988	2,667,480	2,794,028
Net cash from (used in) investing activities	(556,649)	17,182	1,971,606	2,802,109
Cash flows from financing activities				
Net increase (decrease) in short-term loans from related financial institution	(120,000)	20,000	-	-
Net decrease in bank overdrafts and short-term loans from other financial institutions	(679,030)	(438,171)	-	-
Increase in long-term loans from other financial institutions	280,834	3,171,950	-	3,000,000
Repayment of long-term loans from other financial institutions	(399,168)	(3,561,374)	-	(3,000,000)
Payment of lease liabilities	(535,374)	(492,248)	(109,664)	(128,590)
Payment of liabilities for acquisitions of concession and license fee	(148,834)	(6,049)	(146,835)	(6,049)
Repayment of debentures	-	(3,000,000)	-	(3,000,000)
Dividend paid	(2,870,575)	(1,453,157)	(2,681,991)	(1,191,998)
Interest paid	(213,414)	(221,091)	(212,877)	(254,036)
Cash paid for other finance costs	(9,000)	(25,976)	(9,000)	(25,976)
Net cash used in financing activities	(4,694,561)	(6,006,116)	(3,160,367)	(4,606,649)
Increase (decrease) in translation adjustments	290,017	(83,363)	-	-
Net increase in cash and cash equivalents	1,986,357	2,859,371	1,950,945	1,484,450
Cash and cash equivalents at beginning of year	7,675,790	4,820,998	2,929,775	1,449,904
Effect of change in foreign exchange rate on cash at banks	53	(4,579)	53	(4,579)
Cash and cash equivalents at end of year (Note 7)	9,662,200	7,675,790	4,880,773	2,929,775

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Supplemental disclosures of cash flows information:				
Non-cash related transactions from investing activities:				
Payables from acquisitions of property, plant and equipment	234,556	284,433	49,864	27,188
Long-term liabilities for license fee	-	25,885	-	25,885
Transferred investment properties to property, plant and equipment	-	-	35,310	-
Transferred property, plant and equipment to investment properties	173,747	-	96,235	-
Transferred property, plant and equipment to assets held for sale	-	37,930	-	-
Transferred property, plant and equipment to intangible assets	5,486	-	-	-
Transferred right-of-use assets to assets held for sale	-	3,745	-	-
Transferred right-of-use assets to property, plant and equipment	18,463	-	-	-
Transferred assets not used in operations to assets held for sale	-	21,277	-	-
Transferred assets not used in operations to property, plant and equipment	25,008	4,204	-	-
Transferred intangible assets to property, plant and equipment	1,489	17,198	-	10,768
Increase in property, plant and equipment from provision for site restoration and decommissioning costs	6,221	58,421	5,357	74,405
Increase in right-of-use assets from provision for decommissioning costs	2,593	2,563	-	-
Increase in intangible assets from long-term liabilities for concession and license fee	243	-	243	-
Non-cash related transactions from financing activities:				
Acquisitions of right-of-use assets under lease contracts	251,882	139,548	86,149	29,992
Increase (decrease) in assets and liabilities from lease reassessment/modification				
- Right-of-use assets	23,249	(51,243)	(4,917)	39,831
- Finance lease receivables	-	-	465	(24,843)
- Lease liabilities	25,121	(48,956)	(4,194)	22,131
- Provision for decommissioning costs	(2,278)	(6,683)	(363)	(3,757)

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 2021

Consolidated financial statements													(Unit: Thousand Baht)
	Equity attributable to owners of the Company												
	Other components of shareholders' equity												
	Other comprehensive income												
	Exchange differences on translation of financial statements in foreign currency												
Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated reserve	Retained earnings	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			
2,980,000	26,412,551	300,000	8,973,491	3,680,464	(7,272,134)	(141,716)	(7,413,850)	31,252,192	1,277,088	32,529,280			
-	-	-	-	-	-	-	-	3,680,464	344,841	4,025,305			
-	-	-	(30,202)	-	(364,000)	17,704	(346,296)	(376,498)	(12,447)	(388,945)			
-	-	-	3,650,262	-	(364,000)	17,704	(346,296)	3,303,966	332,394	3,636,360			
-	-	-	(1,191,998)	-	-	-	-	(1,191,998)	-	(1,191,998)			
Decrease in non-controlling interests of the subsidiaries													
from dividend payments of subsidiaries													
-	-	-	-	-	-	-	-	-	(261,159)	(261,159)			
Balance as at 31 December 2020													
2,980,000	26,412,551	300,000	11,431,755	-	(7,636,134)	(124,012)	(7,760,146)	33,364,160	1,348,323	34,712,483			
Balance as at 1 January 2021													
2,980,000	26,412,551	300,000	11,431,755	-	(7,636,134)	(124,012)	(7,760,146)	33,364,160	1,348,323	34,712,483			
-	-	-	4,247,718	-	-	-	-	4,247,718	61,881	4,309,599			
-	-	-	92,571	-	2,572,263	118,642	2,690,905	2,783,476	292,223	3,075,699			
Other comprehensive income for the year													
-	-	-	4,340,289	-	2,572,263	118,642	2,690,905	7,031,194	354,104	7,385,298			
-	-	-	(2,681,991)	-	-	-	-	(2,681,991)	-	(2,681,991)			
Decrease in non-controlling interests of the subsidiaries													
from dividend payments of subsidiaries													
-	-	-	-	-	-	-	-	-	(189,004)	(189,004)			
Balance as at 31 December 2021													
2,980,000	26,412,551	300,000	13,090,053	-	(5,063,871)	(5,370)	(5,069,241)	37,713,363	1,513,423	39,226,786			

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 2021

	Separate financial statements					(Unit: Thousand Baht)	
	Issued and paid up share capital	Share premium	Retained earnings		Cash flow hedge reserve	Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2020	2,980,000	26,412,551	300,000	7,476,419	(141,716)	37,027,254	
Profit for the year	-	-	-	4,207,366	-	4,207,366	
Other comprehensive income for the year	-	-	-	(37,218)	17,704	(19,514)	
Total comprehensive income for the year	-	-	-	4,170,148	17,704	4,187,852	
Dividend paid (Note 36)	-	-	-	(1,191,998)	-	(1,191,998)	
Balance as at 31 December 2020	2,980,000	26,412,551	300,000	10,454,569	(124,012)	40,023,108	
Balance as at 1 January 2021	2,980,000	26,412,551	300,000	10,454,569	(124,012)	40,023,108	
Profit for the year	-	-	-	3,793,778	-	3,793,778	
Other comprehensive income for the year	-	-	-	44,395	118,642	163,037	
Total comprehensive income for the year	-	-	-	3,838,173	118,642	3,956,815	
Dividend paid (Note 36)	-	-	-	(2,681,991)	-	(2,681,991)	
Balance as at 31 December 2021	2,980,000	26,412,551	300,000	11,610,751	(5,370)	41,297,932	

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 2021****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, Kaengkhoi, 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 continuing to spread and has slowed down the economic recovery, 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
		<u>2021</u> (Million Baht)	<u>2020</u> (Million Baht)	<u>2021</u> (Percent)	<u>2020</u> (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 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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has early adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to all hedging relationships directly affected by interest rate benchmark reform since the preparation of the financial statements for the year ended 31 December 2020. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the year when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

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.

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.

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).

Finance cost

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

Dividend income

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

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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 the 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.

4.8 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.

The Group as a lessee

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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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 - 6	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.

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.

4.9 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.

4.10 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 the straight-line 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 - 50 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.

4.11 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.

4.12 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.

4.13 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, associates, 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.

4.14 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.

4.15 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, assets not used in operations, 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

4.20 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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 to sell the financial asset 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 including interest income 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.

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date on which the Group becomes a party to contractual provisions of the instrument.

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 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 as credit impaired or 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.

ECLs are calculated 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.

4.21 Derivatives and hedge accounting

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 including interest income 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.

4.22 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.

5. 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 are as follows:

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 such as 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.

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 are disclosed and further explained in Note 17 to the financial statements.

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 are further detailed in the corresponding disclosures.

6. 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
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	4,425	4,876	Market price
Dividend income	-	-	1,977	2,127	At the declared rate
Interest income	-	-	39	61	Market interest rate
Other income	-	-	235	195	Cost plus margin
Purchases of goods	-	-	1,170	137	Market price
Purchases of asset	-	-	265	371	Contractual agreed price
Purchase of utility	-	-	1,052	1,077	Market price
Service fee expenses	-	-	428	406	Contractual agreed price
<u>Transactions with joint venture</u>					
Sales and service income	669	529	10	61	Market price
Dividend income	-	-	477	551	At the declared rate
Other income	1	10	1	10	Cost plus margin
Service fee expenses	15	17	15	17	Contractual agreed price
<u>Transactions with associated companies</u>					
Dividend income	-	-	214	116	At the declared rate
Purchases of goods	870	1,108	869	1,108	Market price
<u>Transactions with related companies</u>					
Sales and service income	3	2	-	-	Market price
Interest income	1	2	1	1	Market interest rate
Purchases of goods	634	640	6	-	Market price
Service fee expenses	46	142	31	54	Contractual agreed price
Other expenses	141	98	109	85	Contractual agreed price
Interest expenses	1	9	1	6	Market interest rate

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related parties are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deposits and short-term investments at related financial institution (Note 7)				
Related financial institution (related by common directors)	1,270,779	1,438,315	657,507	965,895
Total deposits and short-term investments at related financial institution	<u>1,270,779</u>	<u>1,438,315</u>	<u>657,507</u>	<u>965,895</u>
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	1,113,652	1,198,954
Joint venture	131,264	33,774	2,449	3,751
Total trade and other receivables - related parties	<u>131,264</u>	<u>33,774</u>	<u>1,116,101</u>	<u>1,202,705</u>
Short-term loans to related parties				
<u>Subsidiaries</u>				
Conwood Company Limited	-	-	1,610,000	1,520,000
INSEE Digital Company Limited	-	-	105,000	345,000
INSEE Superblock Company Limited	-	-	600,000	605,000
Siam City Cement Trading Company Limited	-	-	500,000	-
Globe Cement Company Limited	-	-	-	180,000
INSEE Ecocycle Company Limited	-	-	-	50,000
Total short-term loans to related parties	<u>-</u>	<u>-</u>	<u>2,815,000</u>	<u>2,700,000</u>

Movements of short-term loans to related parties for the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	-	2,700,000
Add: Increase during the year	-	1,025,000
Less: Repayment during the year	-	(910,000)
Balance as at 31 December 2021	<u>-</u>	<u>2,815,000</u>

As at 31 December 2021, the Company had short-term loans to related parties of Baht 2,815 million (2020: Baht 2,700 million), which carry interest at the rate of 1.25 - 1.70 percent per annum (2020: 1.37 - 1.49 percent per annum) and are due for repayment within one year from drawing dates.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other current assets - related parties				
Current portion of finance lease receivables				
- subsidiaries	-	-	519	288
Prepaid expenses - related party (related by common director)	36,775	31,477	35,292	30,150
Total other current assets - related parties	<u>36,775</u>	<u>31,477</u>	<u>35,811</u>	<u>30,438</u>
Other non-current assets - related parties				
Finance lease receivables - net of current portion - subsidiaries	-	-	276	570
Total other non-current assets - related parties	<u>-</u>	<u>-</u>	<u>276</u>	<u>570</u>
Short-term loans from related financial institution				
Related financial institution (related by common directors)	-	120,000	-	-
Total short-term loans from related financial institution	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>-</u>

Movements of short-term loans from related financial institution for the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	120,000	-
Less: Repayment during the year	(120,000)	-
Balance as at 31 December 2021	<u>-</u>	<u>-</u>

As at 31 December 2020, the Group had short-term loans from related financial institution of Baht 120 million which carry interest at the rate of 1.49 percent per annum.

As at 31 December 2021, the Group had unused facilities of bank overdrafts and short-term loans from related financial institution of Baht 3,684 million (2020: Baht 3,564 million) (the Company only: Baht 3,519 million (2020: Baht 3,519 million)).

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade and other payables - related parties				
(Note 20)				
Subsidiaries	-	-	822,886	349,250
Associated company	218,690	94,021	218,690	94,021
Joint venture	26,436	34,148	26,436	34,140
Related companies (related by common shareholders and/or common directors)	89,399	56,275	7,456	7,219
Total trade and other payables - related parties	<u>334,525</u>	<u>184,444</u>	<u>1,075,468</u>	<u>484,630</u>
Lease liabilities - related party (Note 15.2)				
Related company (related by common shareholders and/or common directors)	6,397	14,682	6,397	14,682
Less: Portion due within one year	<u>(6,397)</u>	<u>(7,931)</u>	<u>(6,397)</u>	<u>(7,931)</u>
Total lease liabilities - related party - net of current portion	<u>-</u>	<u>6,751</u>	<u>-</u>	<u>6,751</u>

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	177	153	177	153
Post-employment benefits and other long-term employee benefits	<u>2</u>	<u>3</u>	<u>2</u>	<u>3</u>
Total	<u>179</u>	<u>156</u>	<u>179</u>	<u>156</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.

7. Cash and cash equivalents/Restricted bank deposits

As at 31 December 2021 and 2020, cash and cash equivalents consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
Cash and bank deposits	6,168,378	3,617,715	4,430,773	1,902,775
Short-term investments in fixed deposits	3,506,324	4,074,885	450,000	1,027,000
Total	9,674,702	7,692,600	4,880,773	2,929,775
Less: Restricted bank deposits	(12,502)	(16,810)	-	-
Total cash and cash equivalents	9,662,200	7,675,790	4,880,773	2,929,775
Of which at related financial institution	1,270,779	1,438,315	657,507	965,895

As at 31 December 2021, bank deposits in savings accounts and fixed deposits carried interest between 0.01 and 7.25 percent per annum (2020: between 0.01 and 7.00 percent per annum).

As at 31 December 2021, the subsidiaries had placed their deposits of Taka 32 million or approximately Baht 12.5 million (2020: Taka 47 million or approximately Baht 16.8 million) with banks to secure bank guarantees issued by banks on behalf of the subsidiaries.

8. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates:				
Current to 30 days	128,284	29,788	881,300	1,011,755
Over 90 days	-	43	61	43
Total trade receivables - related parties	128,284	29,831	881,361	1,011,798
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates:				
Current to 30 days	3,983,021	3,772,913	1,573,468	1,474,875
Over 30 days to 60 days	111,413	115,204	7,524	1,476
Over 60 days to 90 days	51,756	51,381	5,887	-
Over 90 days	352,846	366,991	46,026	51,325
Total trade receivables - unrelated parties	4,499,036	4,306,489	1,632,905	1,527,676
Less: Allowance for expected credit losses	(248,863)	(240,491)	(29,758)	(41,308)
Total trade receivables - unrelated parties - net	4,250,173	4,065,998	1,603,147	1,486,368
Total trade receivables - net	4,378,457	4,095,829	2,484,508	2,498,166
<u>Other receivables</u>				
Other receivables - related parties	2,980	3,943	234,740	190,907
Other receivables - unrelated parties	75,429	78,957	6,400	33,125
Receivables from the Revenue Department	231,210	479,580	-	-
Unbilled revenues	105,783	190,153	-	-
Total other receivables - unrelated parties	412,422	748,690	6,400	33,125
Less: Allowance for expected credit losses	(13,550)	(13,252)	(2,584)	(896)
Total other receivables - unrelated parties - net	398,872	735,438	3,816	32,229
Total other receivables - net	401,852	739,381	238,556	223,136
Total trade and other receivables - net	4,780,309	4,835,210	2,723,064	2,721,302

Movements of allowance for expected credit losses of trade receivables are as below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
At beginning of year	240,491	194,163	41,308	35,067
Provision for expected credit losses	24,466	53,902	1,609	7,597
Amount written off	(16,094)	(7,574)	(13,159)	(1,356)
At end of year	248,863	240,491	29,758	41,308

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	1,239,940	1,043,345	(204,437)	(121,152)	1,035,503	922,193
Work in process	123,472	122,452	-	-	123,472	122,452
Raw materials	924,027	733,334	(570)	(347)	923,457	732,987
Store supplies	1,829,038	1,657,698	(179,205)	(221,998)	1,649,833	1,435,700
Goods in transit	708,336	160,271	-	-	708,336	160,271
Total	<u>4,824,813</u>	<u>3,717,100</u>	<u>(384,212)</u>	<u>(343,497)</u>	<u>4,440,601</u>	<u>3,373,603</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	334,033	426,108	-	-	334,033	426,108
Work in process	33,810	35,112	-	-	33,810	35,112
Raw materials	65,457	63,705	-	-	65,457	63,705
Store supplies	1,079,965	870,574	(66,309)	(36,579)	1,013,656	833,995
Goods in transit	582,974	54,390	-	-	582,974	54,390
Total	<u>2,096,239</u>	<u>1,449,889</u>	<u>(66,309)</u>	<u>(36,579)</u>	<u>2,029,930</u>	<u>1,413,310</u>

During the current year, the Group reduced cost of inventories by Baht 40.7 million (2020: Baht 28.9 million) to reflect the net realisable value, which was included in cost of sales (Separate financial statements: reduced cost of inventories by Baht 29.7 million to reflect the net realisable value, which was included in cost of sales (2020: reversed the write-down of cost of inventories by Baht 5.2 million, and reduced the amount of inventories recognised as expenses during the year)).

10. 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</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	300,000	375,000
Siam City Power Co., Ltd.	Direct holding	100.00	100.00	2,000,000	2,000,000	586,000	377,000
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	70,000	140,000
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	227,000	181,999
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	451,540	579,450
Siam City Cement (Vietnam) Ltd.	Direct holding	65.00	65.00	18,111,015	18,111,015	342,129	473,591
Total				39,900,676	39,900,676	1,976,669	2,127,040

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.

Globe Cement Company Limited

On 30 November 2021, the Extraordinary General Meeting of the shareholders of Globe Cement Company Limited passed a resolution to approve the registration of dissolution of the subsidiary. The subsidiary registered the dissolution with the Ministry of Commerce on 30 November 2021 and is currently in liquidation process.

11. Investment in joint venture

11.1 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		Carrying amount	
			based on equity method		based on cost method		based on cost method	
			2021	2020	2021	2020	2021	2020
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Chip Mong INSEE Cement Corporation	Cement Manufacturing	Cambodia	40	40	2,097,543	1,896,326	2,145,611	2,145,611
Total					2,097,543	1,896,326	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.

11.2 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	
	2021	2020	2021	2020	2021	2020
Chip Mong INSEE Cement Corporation	465,807	477,469	212,011	(3,486)	476,601	551,026
Total	465,807	477,469	212,011	(3,486)	476,601	551,026

11.3 Summarised financial information about joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Chip Mong INSEE Cement Corporation		
Cash and cash equivalents	140	170
Other current assets	1,063	768
Non-current assets	6,185	5,857
Bank overdrafts and short-term loans	(193)	-
Current portion of lease liabilities	(34)	(31)
Current portion of long-term loans	(237)	(206)
Other current liabilities	(654)	(661)
Lease liabilities - net of current portion	(15)	(36)
Long-term loans - net of current portion	(909)	(1,023)
Other non-current liabilities	(102)	(97)
Net assets	5,244	4,741
Carrying amounts of joint venture based on equity method	2,098	1,896

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Chip Mong INSEE Cement Corporation		
Revenues	4,336	4,595
Interest income	8	9
Depreciation and amortisation	(450)	(414)
Interest expenses	(51)	(132)
Income tax (expenses) revenues	5	(16)
Profit	1,164	1,194
Other comprehensive income	-	-
Total comprehensive income	1,164	1,194

12. Investments in associates

12.1 Details of associates

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	
				2021 (%)	2020 (%)	2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
Lanna Resources Public Co., Ltd.	Coal mining	Thailand	Direct holding	44.99	44.99	2,592,899	1,975,966	483,427	483,427
Thai Agro Energy Public Co., Ltd. (a subsidiary of "Lanna Resources Public Co., Ltd.")	Ethanol production and distribution	Thailand	Direct holding	4.72	4.72	96,095	101,323	94,469	94,469
Total						2,688,994	2,077,289	577,896	577,896

12.2 Share of profit (loss) and other comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) and other comprehensive income from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associated companies during the years		Share of other comprehensive income from investments in associated companies during the years	
	2021	2020	2021	2020
Lanna Resources Public Co., Ltd.	766,432	105,162	63,058	15,844
Thai Agro Energy Public Co., Ltd.	(3,466)	3,332	(109)	-
Total	762,966	108,494	62,949	15,844

12.3 Fair value of investments in listed associates

Fair values as at 31 December 2021 and 2020 of investments in associates 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)	
	2021	2020
Lanna Resources Public Co., Ltd.	3,590	1,819
Thai Agro Energy Public Co., Ltd.	108	111
Total	3,698	1,930

12.4 Summarised financial information about material associate

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Lanna Resources Public Company Limited		
Current assets	6,277	3,755
Non-current assets	5,767	5,507
Current liabilities	(3,268)	(2,155)
Non-current liabilities	(1,200)	(1,087)
Net assets	7,576	6,020
Less: Non-controlling interests of the subsidiaries	(1,811)	(1,627)
Net assets - after non-controlling interests of the subsidiaries	5,765	4,393
Carrying amounts of associate based on equity method	2,593	1,976

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Lanna Resources Public Company Limited		
Revenues	15,980	9,585
Profit	1,704	234
Other comprehensive income	140	35
Total comprehensive income	1,844	269

13. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht)		
			Separate financial statements		
	Land	Total	Land	Office building and factory	Total
As at 31 December 2021:					
Cost	499,264	499,264	487,617	324,002	811,619
Less: Accumulated depreciation	-	-	-	(117,975)	(117,975)
Less: Allowance for impairment	(3,540)	(3,540)	(3,540)	-	(3,540)
Net book value	<u>495,724</u>	<u>495,724</u>	<u>484,077</u>	<u>206,027</u>	<u>690,104</u>
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>

A reconciliation of the net book value of investment properties for the years ended 31 December 2021 and 2020 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	318,792	315,441	639,917	647,277
Addition	3,212	-	-	-
Transfer in	173,747	-	60,925	-
Depreciation for the year	-	-	(10,711)	(10,711)
Decrease (increase) in impairment losses	(27)	3,351	(27)	3,351
Net book value at end of year	<u>495,724</u>	<u>318,792</u>	<u>690,104</u>	<u>639,917</u>

As at 31 December 2021 and 2020, the fair values of the investment properties, which were determined based on valuation performed by independent valuers, were Baht 1,722 million and Baht 1,303 million, respectively (Separate financial statements: Baht 2,257 million and Baht 1,702 million, respectively). The fair value of the land has been determined based on market prices, while that of the office building and factory held for rent has been determined using the income approach.

14. 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 2020	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
Additions	6,158	42,866	83,172	34,030	3,459	1,071,767	1,241,452
Disposals and write-off	(5,912)	(526,206)	(1,049,995)	(405,271)	(260,077)	(463)	(2,247,924)
Transfer in (out)	(92,901)	116,836	517,570	59,366	3,163	(722,378)	(118,344)
Translation adjustment	89,914	793,843	1,322,946	50,410	39,844	40,456	2,337,413
31 December 2021	4,165,126	18,329,393	49,184,304	2,237,899	1,922,734	992,603	76,832,059
Accumulated depreciation:							
1 January 2020	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
Depreciation for the year	82,066	613,168	1,847,818	131,468	126,624	-	2,801,144
Disposals and write-off	(2,201)	(459,789)	(946,791)	(400,216)	(253,036)	-	(2,062,033)
Transfer in (out)	-	40,558	(39,247)	12,734	-	-	14,045
Translation adjustment	32,739	369,371	799,018	39,784	28,272	-	1,269,184
31 December 2021	731,391	10,673,379	32,585,898	1,801,272	1,509,171	-	47,301,111
Allowance for impairment:							
1 January 2020	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
Increase (decrease) during the year	72,235	(17,011)	(51,606)	(1,980)	(4,938)	(463)	(3,763)
Transfer in	1,884	-	-	-	-	-	1,884
Translation adjustment	50	52	335	-	-	-	437
31 December 2021	304,068	32,983	3,661	137	-	-	340,849
Net book value:							
31 December 2020	3,319,181	7,742,041	17,330,579	479,745	524,096	602,758	29,998,400
31 December 2021	3,129,667	7,623,031	16,594,745	436,490	413,563	992,603	29,190,099

(Unit: Thousand Baht)

	Separate 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 2020	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
Additions	241,372	22,433	9,537	9,114	114	297,945	580,515
Disposals and write-off	-	(73,515)	(469,036)	(257,751)	(221,909)	-	(1,022,211)
Transfer in (out)	(96,235)	60,655	169,379	36,503	-	(219,712)	(49,410)
31 December 2021	1,429,919	7,866,715	27,734,068	1,250,889	1,306,941	196,633	39,785,165
Accumulated depreciation:							
1 January 2020	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
Depreciation for the year	28,086	214,562	864,755	52,400	76,865	-	1,236,668
Disposals and write-off	-	(45,994)	(447,503)	(254,901)	(221,042)	-	(969,440)
Transfer in (out)	-	10,636	(11,654)	12,533	-	-	11,515
31 December 2021	122,949	5,735,414	20,393,159	1,046,063	1,073,735	-	28,371,320
Allowance for impairment:							
1 January 2020	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
Increase (decrease) during the year	72,235	-	(17,908)	(438)	-	-	53,889
31 December 2021	107,607	-	944	-	-	-	108,551
Net book value:							
31 December 2020	1,154,547	2,300,932	8,017,775	226,554	310,824	118,400	12,129,032
31 December 2021	1,199,363	2,131,301	7,339,965	204,826	233,206	196,633	11,305,294

As at 31 December 2021 and 2020, 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 15,732 million and Baht 16,208 million, respectively (Separate financial statements: Baht 10,560 million and Baht 10,908 million, respectively).

15. 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.

15.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
At 1 January 2020	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	754,239	274,046	154,041	208,184	356,872	1,747,382
Additions	33,657	90,404	44,558	-	85,856	254,475
Transfer out	-	-	(18,463)	-	-	(18,463)
Adjustment from lease reassessment and modification	5,959	4,762	2,084	-	10,444	23,249
Depreciation for the year	(165,094)	(93,102)	(39,733)	(51,063)	(152,137)	(501,129)
Translation adjustment	27,824	3,517	2,423	-	17,300	51,064
At 31 December 2021	656,585	279,627	144,910	157,121	318,335	1,556,578

(Unit: Thousand Baht)

	Separate financial statements				
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
At 1 January 2020	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	151,358	32,996	175	107,020	291,549
Additions	987	24,996	-	60,166	86,149
Adjustment from lease reassessment and modification	(2,376)	-	-	(2,541)	(4,917)
Depreciation for the year	(29,807)	(15,168)	(175)	(54,559)	(99,709)
At 31 December 2021	120,162	42,824	-	110,086	273,072

15.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	2,078,455	2,234,294	290,285	307,950
Less: Deferred interest expenses	(539,821)	(570,877)	(18,488)	(16,073)
Total	1,538,634	1,663,417	271,797	291,877
Of which of related party	6,397	14,682	6,397	14,682
Comprise of:				
Current lease liabilities	438,121	403,550	95,445	97,947
Non-current lease liabilities	1,100,513	1,259,867	176,352	193,930
	1,538,634	1,663,417	271,797	291,877

Movements of lease liabilities for the years ended 31 December 2021 and 2020 are summarised below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at the beginning of year	1,663,417	2,016,630	291,877	360,753
Additions during the year	251,882	139,548	86,149	29,992
Accretion of interest	75,977	85,006	7,629	7,591
Adjustment from lease reassessment and modification	25,121	(48,956)	(4,194)	22,131
Payments during the year	(535,374)	(492,248)	(109,664)	(128,590)
Translation adjustment	57,611	(36,563)	-	-
Balance at the end of year	<u>1,538,634</u>	<u>1,663,417</u>	<u>271,797</u>	<u>291,877</u>

A maturity analysis of lease payments is disclosed in Note 41.2 to the financial statements under the liquidity risk.

15.3 Expenses relating to leases that are recognised in the income statements

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	501,129	533,119	99,709	118,189
Interest expenses on lease liabilities	75,977	85,006	7,629	7,591
Expense relating to short-term leases	9,974	41,446	7,696	7,458
Expenses relating to leases of low-value assets	21,537	25,785	1,521	1,681
Variable lease payments that do not depend on an index or a rate	274,064	309,010	11,591	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.

15.4 Others

The Group had total cash outflows for leases for the years ended 31 December 2021 and 2020 of Baht 840.9 million and Baht 868.5 million, respectively (the Company only: Baht 130.5 million and Baht 151.1 million, respectively), 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.

16. 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 2020	26,892	604,472	1,163,155	7,678	1,802,197
Transfer out	-	(41,898)	(3,571)	(335)	(45,804)
Translation adjustment	-	(80)	(7)	-	(87)
31 December 2020	26,892	562,494	1,159,577	7,343	1,756,306
Write-off	-	(429,178)	(830,927)	-	(1,260,105)
Transfer out	(26,892)	-	-	-	(26,892)
31 December 2021	-	133,316	328,650	7,343	469,309
Accumulated depreciation:					
1 January 2020	-	468,382	998,533	6,342	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	-	452,143	997,167	6,007	1,455,317
Depreciation for the year	-	2,097	324	-	2,421
Write-off	-	(350,462)	(701,428)	-	(1,051,890)
31 December 2021	-	103,778	296,063	6,007	405,848
Allowance for impairment:					
1 January 2020	-	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
Decrease during the year	-	(214)	-	-	(214)
Write-off	-	(78,712)	(129,503)	-	(208,215)
Transfer out	(1,884)	-	-	-	(1,884)
31 December 2021	-	2,030	26,600	1,336	29,966
Net book value:					
31 December 2020	25,010	29,393	6,307	-	60,710
31 December 2021	-	27,508	5,987	-	33,495

(Unit: Thousand Baht)

	Separate financial statements			
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Total
Cost:				
1 January 2020	133,316	328,650	7,343	469,309
31 December 2020	133,316	328,650	7,343	469,309
31 December 2021	133,316	328,650	7,343	469,309
Accumulated depreciation:				
1 January 2020	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
Depreciation for the year	2,098	323	-	2,421
31 December 2021	103,778	296,063	6,007	405,848
Allowance for impairment:				
1 January 2020	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
Decrease during the year	(214)	-	-	(214)
31 December 2021	2,030	26,600	1,336	29,966
Net book value:				
31 December 2020	29,392	6,310	-	35,702
31 December 2021	27,508	5,987	-	33,495

During the year 2020, the Company reversed allowance for impairment of assets not used in operations of Baht 0.2 million (2020: Baht 0.3 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.

17. Goodwill

Movements of goodwill in the consolidated financial statements for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

Book value as at 1 January 2020	13,593,960
Less: Translation adjustment	(118,473)
Book value as at 31 December 2020	13,475,487
Less: Translation adjustment	1,460,704
Book value as at 31 December 2021	14,936,191

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 2021				
	Siam City Cement (Bangladesh) Limited	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited	Industrial cleaning service business	Total
Goodwill	411,844	2,515,483	11,914,267	94,597	14,936,191
Brands	-	2,747,555	-	-	2,747,555

(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	-	2,663,389	-	-	2,663,389

The recoverable amount of the CGUs has been determined based on fair value less costs to sell using the income approach, which is measured using cash flow projections based on financial budgets approved by management, covering 4 - 7 years. The fair value measurement is categorised within Level 3 of the fair value hierarchy.

Key assumptions used in measurement of fair value less costs to sell as at 31 December 2021 and 2020 are summarised below.

	(Unit: Percent per annum)			
	31 December 2021			
	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	9.2

	(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

The management determined growth rates based on expected market growth and pre-tax discount rates that reflect the risks specific to each CGU.

The management has considered the above and believes that there is no occurrence of impairment of goodwill and brands with indefinite useful lives.

18. 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 2020	3,610,710	2,401,995	119,785	2,770,055	3,372,591	516,887	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	3,660,790	2,474,121	119,700	2,663,389	3,259,331	471,298	215,062	12,863,691
Additions	243	1,382	-	-	-	2,467	24,061	28,153
Write-off	-	(47,315)	-	-	-	(34,590)	-	(81,905)
Transfer in (out)	87,746	6,735	-	-	-	23,610	(114,094)	3,997
Translation adjustment	-	66,311	6,698	84,166	168,030	19,906	1,379	346,490
31 December 2021	3,748,779	2,501,234	126,398	2,747,555	3,427,361	482,691	126,408	13,160,426
Accumulated amortisation								
1 January 2020	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
Amortisation during the year	102,144	337,651	15,135	-	122,434	11,049	-	588,413
Write-off	-	(47,196)	-	-	-	(33,122)	-	(80,318)
Transfer in (out)	-	(11,901)	-	-	-	11,901	-	-
Translation adjustment	-	20,436	4,104	-	30,851	15,911	-	71,302
31 December 2021	766,788	1,468,173	81,799	-	691,025	306,926	-	3,314,711
Allowance for impairment								
1 January 2020	-	17,217	-	-	-	-	-	17,217
Increase during the year	-	(17,217)	-	-	-	-	-	(17,217)
31 December 2020	-	-	-	-	-	-	-	-
31 December 2021	-	-	-	-	-	-	-	-
Net book value								
31 December 2020	2,996,146	1,304,938	57,140	2,663,389	2,721,591	170,111	215,062	10,128,377
31 December 2021	2,981,991	1,033,061	44,599	2,747,555	2,736,336	175,765	126,408	9,845,715

(Unit: Thousand Baht)

	Separate financial statements					
	Mining concession and license fees	Computer software	Customer lists	Other intangible assets	Intangible assets under development	Total
Cost						
1 January 2020	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
Additions	243	150	-	-	29,902	30,295
Write-off	-	-	-	(33,121)	(1,469)	(34,590)
Transfer in (out)	88,368	(12,981)	-	23,610	(98,997)	-
31 December 2021	3,574,034	223,451	70,000	227,246	424,922	4,519,653
Accumulated amortisation						
1 January 2020	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
Amortisation during the year	96,019	44,650	4,666	5,896	-	151,231
Write-off	-	-	-	(33,121)	-	(33,121)
Transfer in (out)	-	(11,901)	-	11,901	-	-
31 December 2021	716,350	132,673	19,061	144,043	-	1,012,127
Net book value						
31 December 2020	2,865,092	136,358	55,605	77,390	495,486	3,629,931
31 December 2021	2,857,684	90,778	50,939	83,203	424,922	3,507,526

The management has assessed the allowance for impairment of intangible assets with indefinite useful lives, which are brands, as discussed in Note 17 to the financial statements and believes that there is no impairment loss for such intangible assets.

19. 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 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	3,356,312	-
Add: Increase during the year	10,540,110	-
Less: Repayment during the year	(11,219,140)	-
Translation adjustment	336,327	-
Balance as at 31 December 2021	3,013,609	-

As at 31 December 2021, the Group had bank overdrafts and short-term loans from commercial banks of Baht 3,014 million (2020: Baht 3,356 million) which carry interest at the rate of 0.76 – 9.50 percent per annum (2020: 0.86 - 13.50 percent per annum).

As at 31 December 2021, a portion of bank overdrafts of an overseas subsidiary of Indonesian Rupiah 55,929 million or approximately Baht 131.3 million (2020: Indonesian Rupiah 49,123 million or approximately Baht 104.9 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 2021 and 2020, the Group had unused facilities of bank overdrafts and short-term loans of Baht 15,424 million and Baht 14,011 million, respectively (the Company only: Baht 10,306 million and Baht 10,335 million, respectively) and the Company entered into four committed credit facility agreements for a term of three years with the related financial institution and three other financial institutions obtaining loan facilities with a total of Baht 9,750 million. The credit facilities carry interest at BIBOR or THBFIX reference rate plus margin. However, as at 31 December 2021, 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.

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties	294,423	138,458	773,365	126,700
Trade payables - unrelated parties	4,896,552	3,810,709	1,611,370	1,430,211
Other payables - related parties	40,102	45,986	302,103	357,930
Other payables - unrelated parties	193,430	183,188	27,817	40,034
Retention payable	22,079	16,545	3,315	2,680
VAT payable	47,101	99,284	19,552	37,481
Total trade and other payables	<u>5,493,687</u>	<u>4,294,170</u>	<u>2,737,522</u>	<u>1,995,036</u>

21. Long-term loans from other financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Long-term loans from other financial institutions	7,526,930	7,578,365	7,000,000	6,989,500
Less: Portion due within one year	<u>(7,238,398)</u>	<u>(339,184)</u>	<u>(7,000,000)</u>	<u>-</u>
Long-term loans from other financial institutions - net of current portion	<u>288,532</u>	<u>7,239,181</u>	<u>-</u>	<u>6,989,500</u>

Movements of long-term loans from other financial institutions for the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	7,578,365	6,989,500
Add: Increase during the year	280,834	-
Amortisation of transaction costs during the year	10,500	10,500
Less: Repayment during the year	(399,168)	-
Translation adjustment	56,399	-
Balance as at 31 December 2021	<u>7,526,930</u>	<u>7,000,000</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 THBFX 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. Subsequently on 17 January 2022, the Company already made repayment of long-term loan.

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 2021, the overseas subsidiaries had long-term loans from other financial institutions of LKR 583 million and VND 294,140 million or equivalent to Baht 526.9 million (2020: LKR 1,217 million and VND 303,650 million or equivalent to Baht 588.9 million) which carry interest at the rate of 3.66 - 8.44 percent per annum (2020: 3.20 - 6.84 percent per annum) and are repayable within 2024.

As at 31 December 2021, the Group had unused facilities of long-term loans of Taka 1,190 million, LKR 967 million, VND 75,547 million and Baht 100 million or equivalent to Baht 838 million (2020: VND 57,778 million or equivalent to Baht 75 million).

22. Debentures

As at 31 December 2021 and 2020, 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	
						2021 (Baht)	2020 (Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
Debenture Series									
No. 1/2016	2,000,000	1,000	8	29 April 2024	2.46	1,027	1,025	2,000,000	2,000,000
Debenture Series									
No. 2/2016	2,000,000	1,000	10	29 April 2026	2.70	1,022	1,029	2,000,000	2,000,000
Debenture Series									
No. 2/2017	2,500,000	1,000	7	9 May 2024	3.65	1,053	1,061	2,500,000	2,500,000
Debenture Series									
No. 3/2017	5,000,000	1,000	10	9 May 2027	4.08	1,074	1,101	5,000,000	5,000,000
Debenture Series									
No. 4/2017	4,500,000	1,000	12	9 May 2029	4.26	1,077	1,104	4,500,000	4,500,000
Total								16,000,000	16,000,000
Less: Deferred transaction costs								(21,082)	(24,869)
Total debentures								15,978,918	15,975,131

Movements of debentures for the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	15,975,131	15,975,131
Add: Amortisation of transaction costs during the year	3,787	3,787
Balance as at 31 December 2021	<u>15,978,918</u>	<u>15,978,918</u>

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.

23. Long-term liabilities for concession and license fee

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Long-term liabilities for concession and license fee	1,045,764	1,158,758	1,036,660	1,148,025
Less: Portion due within one year	<u>(120,591)</u>	<u>(113,862)</u>	<u>(118,680)</u>	<u>(112,232)</u>
Long-term liabilities for concession and license fee - net of current portion	<u>925,173</u>	<u>1,044,896</u>	<u>917,980</u>	<u>1,035,793</u>

Movements of long-term liabilities for concession and license fee for the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	1,158,758	1,148,025
Add: Increase during the year	243	243
Recognition of interest expenses during the year	35,597	35,227
Less: Payment during the year	<u>(148,834)</u>	<u>(146,835)</u>
Balance as at 31 December 2021	<u>1,045,764</u>	<u>1,036,660</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.

24. Provision for long-term employee benefits

24.1 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 2021, the Group recognised the contributions of Baht 160 million (2020: Baht 183 million) and the Company recognised the contributions of Baht 87 million (2020: Baht 92 million) as expenses.

24.2 Defined benefit plans

24.2.1 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.

24.2.2 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.

24.2.3 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 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 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)

	Consolidated financial statements			
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Balance as at 1 January 2021	1,313,695	1,075,166	90,590	2,479,451
Included in income statement:				
Current service cost	49,805	85,547	10,896	146,248
Past service cost	-	-	9,802	9,802
Interest cost	20,438	24,973	1,616	47,027
Gain or loss on settlements	(10,629)	8,442	129	(2,058)
Actuarial loss arising from:				
Financial assumptions changes	-	-	398	398
Experience adjustments	-	-	3,514	3,514
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumptions changes	-	1,342	-	1,342
Financial assumptions changes	(51,661)	(74,330)	(767)	(126,758)
Experience adjustments	983	15,381	3,331	19,695
Employee contributions	15,320	-	-	15,320
Benefits paid during the year	(38,018)	(69,758)	(22,479)	(130,255)
Translation adjustment	-	20,513	4,966	25,479
Balance as at 31 December 2021	<u>1,299,933</u>	<u>1,087,276</u>	<u>101,996</u>	<u>2,489,205</u>

(Unit: Thousand Baht)

	Separate financial statements			Total
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	
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	(4,744)	(198,013)	(4,516)	(207,273)
Financial assumptions changes	(8,103)	(21,168)	5,723	(23,548)
Experience adjustments	258,907	16,954	1,482	277,343
Employee contributions	11,995	-	-	11,995
Transfer from subsidiaries	20,131	6,141	247	26,519
Benefits paid during the year	(236,483)	(219,226)	(5,526)	(461,235)
Balance as at 31 December 2020	<u>1,051,304</u>	<u>588,122</u>	<u>38,739</u>	<u>1,678,165</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 2021	1,051,304	588,122	38,739	1,678,165
Included in income statement:				
Current service cost	38,315	39,377	3,854	81,546
Interest cost	16,312	9,053	476	25,841
Gain or loss on settlements	(10,629)	6,303	129	(4,197)
Actuarial (gain) loss arising from:				
Financial assumptions changes	-	-	(191)	(191)
Experience adjustments	-	-	658	658
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Financial assumptions changes	(40,608)	(27,680)	(530)	(68,818)
Experience adjustments	6,919	4,001	2,404	13,324
Employee contributions	11,777	-	-	11,777
Transfer from subsidiaries	(972)	909	121	58
Benefits paid during the year	(35,302)	(42,595)	(13,464)	(91,361)
Balance as at 31 December 2021	<u>1,037,116</u>	<u>577,490</u>	<u>32,196</u>	<u>1,646,802</u>

The Group expects to pay Baht 128 million of long-term employee benefits during the next year (Separate financial statements: Baht 87 million) (2020: Baht 91 million (Separate financial statements: Baht 56 million)).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits is 8 years for the Company and local subsidiaries and 7 - 9 years for the overseas subsidiaries (Separate financial statements: 8 years) (2020: 6 - 23 years for the overseas subsidiaries (Separate financial statements: 10 years)).

Significant actuarial assumptions are summarised below.

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.8, 2.1, 11.6	1.6, 2.0, 7.7	2.1	1.6
Salary increase rate	3.0 - 8.0	3.0 - 8.0	3.0	3.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2021 and 2020 is summarised below.

(Unit: Million Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(192.7)	217.4	(126.4)	142.3
Salary increase rate	127.2	(113.6)	69.1	(61.4)

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate 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)

25. Provision for site restoration and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for		Total
	Provision for site restoration	decommissioning costs	
Balance as at 1 January 2020	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
Increase during the year	5,292	315	5,607
Reversal during the year	(4,812)	-	(4,812)
Unwinding of discount	31,816	2,376	34,192
Utilised during the year	(10,962)	(7,505)	(18,467)
Change in discount rate	929	-	929
Translation adjustment	9,634	-	9,634
Balance as at 31 December 2021	256,893	113,210	370,103

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for		Total
	Provision for site restoration	decommissioning costs	
Balance as at 1 January 2020	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
Increase (decrease) during the year	5,292	(363)	4,929
Unwinding of discount	6,953	324	7,277
Utilised during the year	(10,962)	-	(10,962)
Change in the discount rate	65	-	65
Balance as at 31 December 2021	127,171	9,443	136,614

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.

26. 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 2021, deferred income on the grants related to assets of Baht 97.6 million (2020: Baht 106.2 million), which was included in other non-current liabilities in the consolidated statement of financial position.

27. 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.

28. Revenues

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Type of goods or services:				
Sales of cement and cement-related products	35,083,932	34,063,727	18,381,318	19,392,804
Sales of concrete and aggregates	5,166,304	6,377,344	-	-
Revenues from industrial waste disposal and industrial cleaning services	1,081,108	1,177,474	-	-
Others	347,018	381,495	136,517	165,565
Total revenues	<u>41,678,362</u>	<u>42,000,040</u>	<u>18,517,835</u>	<u>19,558,369</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	41,237,684	41,415,158	18,517,835	19,558,369
Revenue recognised over time	440,678	584,882	-	-
Total revenues	<u>41,678,362</u>	<u>42,000,040</u>	<u>18,517,835</u>	<u>19,558,369</u>

29. Other income

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net gain on derivatives	-	3,193	-	-
Net foreign exchange gain	27,717	12,097	4,782	-
Others	184,144	158,300	74,692	62,665
Total other income	<u>211,861</u>	<u>173,590</u>	<u>79,474</u>	<u>62,665</u>

30. Other expenses

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net loss on derivatives	4,872	-	243	210
Net foreign exchange loss	-	-	-	28,939
Net loss on impairment and disposals/ write-off of non-financial assets	164,146	104,337	103,065	32,087
Others	46,203	15,650	4,885	-
Total other expenses	<u>215,221</u>	<u>119,987</u>	<u>108,193</u>	<u>61,236</u>

31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Raw materials and supplies used	6,442,565	8,005,767	7,108,623	7,714,177
Changes in inventories of finished goods and work in process	(197,615)	246,323	93,377	170,997
Other production expenses	16,765,607	13,628,953	2,859,651	2,744,788
Salaries, wages and other employee benefits	4,054,888	4,455,485	1,858,427	2,153,791
Transportation expenses	4,071,653	3,891,483	1,597,566	1,588,079
Depreciation and amortisation (Note 33)	3,893,107	3,934,817	1,500,740	1,548,414
Other expenses	2,706,788	2,517,829	1,210,227	957,805
Total expenses	<u>37,736,993</u>	<u>36,680,657</u>	<u>16,228,611</u>	<u>16,878,051</u>

32. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expense on borrowings	788,786	997,552	659,575	799,636
Interest expense on lease liabilities	75,977	85,006	7,629	7,591
Interest expense from derivatives designated as hedging instrument in cash flow hedge	149,575	115,816	149,575	115,816
Interest expense on long-term liabilities for concession and license fee	35,597	39,042	35,227	38,607
Interest expense on provision for site restoration and decommissioning costs	34,192	22,306	7,277	3,001
Others	153,813	114,634	114,645	84,824
Total finance cost	<u>1,237,940</u>	<u>1,374,356</u>	<u>973,928</u>	<u>1,049,475</u>

33. Summary of depreciation and amortisation

(Unit: Thousand Baht)

Consolidated financial statements						
	2021			2020		
	Selling and distribution expenses and Cost of sales and services	administrative expenses	Total	Selling and distribution expenses and Cost of sales and services	administrative expenses	Total
Property, plant and equipment	2,514,435	286,709	2,801,144	2,530,315	324,366	2,854,681
Right-of-use assets	379,199	121,930	501,129	299,513	233,606	533,119
Assets not used in operations	-	2,421	2,421	-	2,421	2,421
Intangible assets	527,412	61,001	588,413	466,741	77,855	544,596
Total depreciation and amortisation	<u>3,421,046</u>	<u>472,061</u>	<u>3,893,107</u>	<u>3,296,569</u>	<u>638,248</u>	<u>3,934,817</u>

(Unit: Thousand Baht)

Separate financial statements						
	2021			2020		
	Selling and distribution expenses and Cost of sales and services	administrative expenses	Total	Selling and distribution expenses and Cost of sales and services	administrative expenses	Total
Investment properties	-	10,711	10,711	-	10,711	10,711
Property, plant and equipment	998,451	238,217	1,236,668	1,028,326	241,983	1,270,309
Right-of-use assets	38,067	61,642	99,709	41,909	76,280	118,189
Assets not used in operations	-	2,421	2,421	-	2,421	2,421
Intangible assets	123,002	28,229	151,231	127,461	19,323	146,784
Total depreciation and amortisation	<u>1,159,520</u>	<u>341,220</u>	<u>1,500,740</u>	<u>1,197,696</u>	<u>350,718</u>	<u>1,548,414</u>

34. Income tax

Income tax for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	712,786	801,704	335,226	277,691
Adjustment in respect of income tax of previous year	(29,649)	(8,526)	(314)	(4,169)
Income tax of overseas subsidiary paid for tax on importation of materials during the year	26,773	25,279	-	-
Withholding tax deducted at source recognised as expense during the year	50,957	58,008	47,959	55,029
Deferred tax:				
Relating to origination and reversal of temporary differences	(167,450)	(117,893)	(58,454)	32,667
Effect of the change in tax rate	(682,180)	(2,927)	-	-
Income tax reported in the income statements	<u>(88,763)</u>	<u>755,645</u>	<u>324,417</u>	<u>361,218</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to gain on cash flow hedge	29,661	4,426	29,661	4,426
Deferred tax relating to actuarial gain (loss)	15,319	(3,337)	11,099	(9,304)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit before tax	4,220,836	4,780,951	4,118,195	4,568,585
Applicable tax rates	10%, 15%, 18%, 20%, 22%, 24%, 30%	10%, 15%, 20%, 22%, 28%, 32.5%	20%	20%
Accounting profit before tax multiplied by				
income tax rates	564,667	715,635	823,639	913,717
Adjustment in respect of income tax of previous year	(29,649)	(8,526)	(314)	(4,169)
Income tax of overseas subsidiary paid for tax on				
importation of materials during the year	26,773	25,279	-	-
Withholding tax deducted at source recognised as				
expenses during the year	50,957	58,008	47,959	55,029
Effect of the change in tax rate	(682,180)	(2,927)	-	-
Effects of:				
Promotional privileges (Note 42)	(42,284)	(30,706)	-	-
Utilisation of tax loss carried forward	1,438	32,634	-	-
Non-deductible expenses	98,943	106,304	12,923	3,062
Income not subject to tax	-	-	(533,496)	(558,806)
Additional expense deductions allowed	(36,656)	(111,173)	-	(4,980)
Unrecognised tax losses as deferred tax assets	5,981	16,888	-	-
Recognition of deferred tax assets of				
previous years	(30,438)	(31,628)	(16,702)	(31,628)
Taxable withholding tax deducted at source				
expenses	(9,880)	(11,454)	(9,592)	(11,006)
Others	(6,435)	(2,689)	-	-
Total	(19,331)	(31,824)	(546,867)	(603,358)
Income tax reported in the income statements	(88,763)	755,645	324,417	361,219
Effective income tax rate	-2.1%	15.8%	7.9%	7.9%

On 13 May 2021, the Inland Revenue (Amendment) Act. No. 10 of 2021 was published in the Gazette of the Democratic Socialist Republic of Sri Lanka whereby corporate income tax rate on the business of the subsidiaries in Sri Lanka is reduced from 28 percent to 18 percent with effect from 1 January 2020. The Group reflected the change in tax rate by adjusting income tax expenses of the previous year and the current period of the subsidiaries in Sri Lanka amounting to Baht 35.3 million and Baht 15.0 million, respectively, and adjusting deferred tax liabilities to decrease by Baht 678.7 million in the consolidated income statement in the current year.

A reconciliation of the book value of deferred tax assets and deferred tax liabilities for the years ended 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				As at 31 December 2020
	As at 1 January 2020	Recognised in the income statement	Recognised in other comprehensive income	Translation adjustment	
Deferred tax assets					
Provision for long-term employee benefits	511,744	(67,850)	3,337	(1,773)	445,458
Property, plant and equipment and assets not used in operations	191,678	48,813	-	(933)	239,558
Derivative liabilities	42,078	6,736	(4,426)	-	44,388
Deferred revenue	180,255	(26,760)	-	361	153,856
Unused tax losses	122,305	(67,088)	-	(1,232)	53,985
Leases	-	14,452	-	(106)	14,346
Others	199,426	27,244	-	6,049	232,719
Total	1,247,486	(64,453)	(1,089)	2,366	1,184,310
Deferred tax liabilities					
Property, plant and equipment	1,106,012	(67,831)	-	(14,491)	1,023,690
Intangible assets	1,496,893	(90,850)	-	(51,571)	1,354,472
Leases	-	7,265	-	(356)	6,909
Interest payable	6,649	6,736	-	-	13,385
Others	45,159	(40,593)	-	(5)	4,561
Total	2,654,713	(185,273)	-	(66,423)	2,403,017
Deferred tax assets (liabilities) - net	(1,407,227)	120,820	(1,089)	68,789	(1,218,707)
Statements of financial position:					
Deferred tax assets	1,099,554				1,101,251
Deferred tax liabilities	(2,506,781)				(2,319,958)
Deferred tax assets (liabilities) - net	(1,407,227)				(1,218,707)

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 1 January 2021	Recognised in the income statement	Recognised in other comprehensive income	Translation adjustment	As at 31 December 2021
Deferred tax assets					
Provision for long-term employee benefits	445,458	(4,639)	(15,319)	4,190	429,690
Property, plant and equipment and assets not used in operations	239,558	25,462	-	1,251	266,271
Derivative liabilities	44,388	830	(29,661)	-	15,557
Deferred revenue	153,856	5,560	-	3,806	163,222
Unused tax losses	53,985	(42,634)	-	1,204	12,555
Leases	14,346	9,651	-	130	24,127
Others	232,719	1,007	-	2,085	235,811
Total	1,184,310	(4,763)	(44,980)	12,666	1,147,233
Deferred tax liabilities					
Property, plant and equipment	1,023,690	(305,218)	-	51,304	769,776
Intangible assets	1,354,472	(552,740)	-	33,823	835,555
Leases	6,909	(1,399)	-	642	6,152
Interest payable	13,385	568	-	-	13,953
Others	4,561	4,396	-	50	9,007
Total	2,403,017	(854,393)	-	85,819	1,634,443
Deferred tax assets (liabilities) - net	(1,218,707)	849,630	(44,980)	(73,153)	(487,210)
Statements of financial position:					
Deferred tax assets	1,101,251				1,199,477
Deferred tax liabilities	(2,319,958)				(1,686,687)
Deferred tax assets (liabilities) - net	(1,218,707)				(487,210)

(Unit: Thousand Baht)

Separate financial statements				
	As at 1 January 2020	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	(67,460)	9,304	298,985
Property, plant and equipment and assets not used in operations	85,593	25,112	-	110,705
Deferred revenue	112,368	(14,793)	-	97,575
Derivative liabilities	42,078	6,736	(4,426)	44,388
Leases	-	1,790	-	1,790
Others	55,852	22,684	-	78,536
Total	653,032	(25,931)	4,878	631,979
Deferred tax liabilities				
Interest payable	6,649	6,736	-	13,385
Total	6,649	6,736	-	13,385
Deferred tax assets - net	646,383	(32,667)	4,878	618,594

(Unit: Thousand Baht)

	Separate financial statements			
	As at	Recognised in the income statement	Recognised in other comprehensive income	As at 31 December 2021
	1 January 2021			
Deferred tax assets				
Provision for long-term employee benefits	298,985	2,009	(11,099)	289,895
Property, plant and equipment and assets not used in operations	110,705	23,184	-	133,889
Deferred revenue	97,575	3,712	-	101,287
Derivative liabilities	44,388	565	(29,661)	15,292
Leases	1,790	(315)	-	1,475
Others	78,536	29,867	-	108,403
Total	631,979	59,022	(40,760)	650,241
Deferred tax liabilities				
Interest payable	13,385	568	-	13,953
Total	13,385	568	-	13,953
Deferred tax assets - net	618,594	58,454	(40,760)	636,288

As at 31 December 2021, the subsidiaries had unused tax losses of Rupiah Indonesia 193,433 million and Baht 283 million, totaling Baht 737 million (2020: Rupiah Indonesia 249,200 million and Baht 364 million, totaling Baht 897 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	
	2021	2020
31 December 2021	-	266
31 December 2022	224	222
31 December 2023	209	187
31 December 2024	153	146
31 December 2025	95	76
31 December 2026	56	-
	737	897

35. 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.

36. Dividends

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.

On 25 March 2021, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2020 of Baht 9.0 per share, totaling Baht 2,682 million. The dividend was paid on 5 April 2021.

37. 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 2021 and 2020.

	Cement		Concrete and aggregates		Trading		Light building materials		Others		Total segments		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers	27,406	26,610	5,388	6,632	5,389	5,167	2,382	2,391	1,113	1,200	41,678	42,000	-	-	41,678	42,000
Inter-segment revenue	5,500	5,880	291	347	4,523	3,162	23	17	978	1,032	11,315	10,438	(11,315)	(10,438)	-	-
Interest income	70	70	5	5	-	-	1	-	1	1	77	76	-	-	77	76
Finance cost	1,172	1,319	31	27	9	3	18	15	8	10	1,238	1,374	-	-	1,238	1,374
Depreciation and amortisation	2,790	2,814	461	509	3	4	251	259	455	411	3,960	3,997	(67)	(62)	3,893	3,935
Share of profit from investments in joint venture and associated companies accounted for by the equity method	1,229	586	-	-	-	-	-	-	-	-	1,229	586	-	-	1,229	586
Income tax expenses (revenues)	(129)	686	(37)	31	59	59	11	(13)	19	28	(77)	791	(12)	(35)	(89)	756
Material non-cash items other than depreciation and amortisation:																
Increase in impairment loss and loss on write-off of non-financial assets	127	84	24	7	-	-	12	5	1	8	164	104	-	-	164	104
Impairment loss on the remeasurement to fair value less costs to sell of non-current assets held for sale	-	6	-	-	-	-	-	-	-	-	-	6	-	-	-	6
Segment profit	9,919	10,781	830	1,341	1,627	1,421	707	697	308	423	13,391	14,663	(617)	(644)	12,774	14,019

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Revenue from external customers		
Thailand	21,011	22,768
Sri Lanka	7,264	5,702
Vietnam	5,943	6,203
Australia	1,919	1,727
Bangladesh	1,670	1,330
China	595	1,306
Cambodia	849	765
Others	2,427	2,199
Total	<u>41,678</u>	<u>42,000</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	27,246	28,576
Vietnam	20,374	18,469
Sri Lanka	11,481	11,134
Bangladesh	1,148	891
Indonesia	1,020	932
Total	<u>61,269</u>	<u>60,002</u>

Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

38. Contingent liabilities

38.1 Bank guarantees

38.1.1 As at 31 December 2021, there were outstanding bank guarantees of Baht 1,098.3 million, LKR 2,282.8 million, Taka 32.1 million, VND 21,292.7 million and EUR 0.7 million (2020: Baht 875 million, LKR 744 million, Taka 47 million and VND 18,292 million) (Separate financial statements: Baht 79 million (2020: Baht 69 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.

38.1.2 As at 31 December 2021, the associates and joint venture had outstanding bank guarantees of Baht 5.9 million, Indonesian Rupiah 19,990 million and USD 0.2 million (2020: Baht 5.9 million, Indonesian Rupiah 19,990 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.

38.2 Litigation of subsidiaries and joint venture

38.2.1 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.

38.2.2 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 90 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.

38.2.3 A subsidiary in Sri Lanka has disputes relating to income tax assessments for the years 2004 - 2006 totaling LKR 119 million (approximately Baht 20 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.

38.2.4 A subsidiary in Bangladesh has disputes and litigations with relevant authorities relating to VAT and income tax with the claims/assessments totaling Taka 341 million (approximately Baht 133 million). However, as at 31 December 2021, 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 39 million (approximately Baht 15 million).

38.2.5 During the year 2021, two companies filed a local subsidiary for early termination of service agreements. Currently, the disputes are under hearing of the Civil Court. However, as at 31 December 2021, the management of the subsidiary is evaluating the impact of the disputes and provision has not therefore been recorded.

38.2.6 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 0.7 million (approximately Baht 23 million). As at 31 December 2021, the joint venture recorded a provision for tax assessment in full amount.

38.3 Litigation of the Company

As at 31 December 2021, certain former employees filed a claim of Baht 43 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, the management of the Company had reviewed the merits of those to assess possible outcomes and recorded a provision for the disputes of Baht 11 million reflecting the Company's policy.

39. Commitments

39.1 As at 31 December 2021, the Group had the following significant outstanding commitments:

- 39.1.1 The Group had outstanding capital expenditure and construction commitments of Baht 324 million (Separate financial statements: Baht 172 million) (2020: Baht 305 million (Separate financial statements: Baht 127 million)).
- 39.1.2 The Group entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 31 December 2021, the future lease and service fees payable by the Group under these lease and service contracts of Baht 305 million (Separate financial statements: Baht 233 million) (2020: Baht 313 million (Separate financial statements: Baht 281 million)).
- 39.1.3 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.
- 39.1.4 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.
- 39.1.5 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.
- 39.1.6 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.

- 39.1.7 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.
- 39.1.8 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.
- 39.1.9 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.
- 39.1.10 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.
- 39.1.11 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.
- 39.1.12 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.
- 39.2 The associates 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 2021, the future lease and service fees payable by the associates and joint venture under these lease and service contracts of Baht 34.0 million (2020: Baht 49.7 million).
- 39.3 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.
- 39.4 The associates and joint venture had outstanding capital expenditure and construction commitments of USD 0.9 million and Baht 23.3 million, totaling approximately Baht 53.5 million (2020: USD 1.5 million and Baht 22.0 million, totaling approximately Baht 65.7 million).

40. Fair value hierarchy

As at 31 December 2021 and 2020, 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 2021					
	Consolidated			Separate		
	financial statements			financial statements		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets measured at fair value						
Derivatives						
Foreign exchange forward contracts	-	0.5	-	-	-	-
Assets held for sale	-	-	16.6	-	-	-
Liabilities measured at fair value						
Derivatives						
Interest rate swap	-	76.5	-	-	76.5	-
Foreign exchange forward contracts	-	1.3	-	-	-	-
Assets for which fair value is disclosed						
Investments in associates	3,698.0	-	-	3,698.0	-	-
Investment properties	-	-	1,721.6	-	-	2,257.0
Liabilities for which fair value is disclosed						
Debentures	-	16,945.5	-	-	16,945.5	-

(Unit: Million Baht)

	As at 31 December 2020					
	Consolidated			Separate		
	financial statements			financial statements		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets measured at fair value						
Derivatives						
Foreign exchange forward contracts	-	4.1	-	-	0.3	-
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 associates	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	-

41. Financial instruments

41.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	526	4,129	18	261
Total derivative assets	<u>526</u>	<u>4,129</u>	<u>18</u>	<u>261</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,310	41	-	-
Derivatives liabilities designated as hedging instruments				
Interest rate swap	76,478	221,941	76,478	221,941
Total derivative liabilities	<u>77,788</u>	<u>221,982</u>	<u>76,478</u>	<u>221,941</u>

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 2021, the Company had an interest rate swap agreement in place with a notional amount of Baht 7,000 million (2020: 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 in 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 2021 and 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	
	2021	2020	2021	2020	2021	2020
Interest expenses of long-term loans	1,272	93,686	6,712	155,015	-	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2021 and 2020 and the effect of the cash flow hedge in the statements of income and other comprehensive income for the year ended 31 December 2021 are as follows:

(Unit: Million Baht)

Consolidated and separate financial statements														
	Notional amounts		Carrying amount		Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness		Effectiveness recognised in statement of other comprehensive income		Ineffectiveness recognised in the income statements		Amount of cash flow hedge reserve reclassified to the income statements		Line item in the income statements
	2021	2020	2021	2020		2021	2020	2021	2020	2021	2020	2021	2020	
Interest rate swap - hedge on interest rate risk	7,000	7,000	76	222	Derivative liabilities	1	94	7	155	-	-	(150)	(116)	Finance cost
Total	7,000	7,000	76	222		1	94	7	155	-	-	(150)	(116)	

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	(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)
Changes in fair value arising from derivatives designated as hedging instruments	(1,272)
Amount reclassified to the income statements	149,575
Tax effect	(29,661)
As at 31 December 2021	(5,370)

41.2 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. Credit term provided to customers normally is between 30 days and 120 days.

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 2021, 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 and Euro 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 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

2021				
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	(55,248)	+5	(179)
	-5	55,248	-5	179
Euro	+5	(3,441)	+5	(968)
	-5	3,441	-5	968
2020				
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 2021 and 2020, 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 2021						
	Fixed interest rates			Floating	Non-interest	Effective
	Within	1-5	Over	interest rate	bearing	interest rate
	1 year	years	5 years			(% p.a.)
Financial assets						
Cash and cash equivalents	3,506	-	-	2,112	4,044	0.01 - 7.25
Restricted bank deposits	13	-	-	-	-	1.50
	<u>3,519</u>	<u>-</u>	<u>-</u>	<u>2,112</u>	<u>4,044</u>	<u>9,675</u>
Financial liabilities						
Bank overdrafts and						
short-term loans from other						
financial institutions	3,014	-	-	-	-	0.76 - 9.50
Lease liabilities	438	666	435	-	-	2.16 - 11.30
Long-term loans from other						
financial institutions	-	-	-	7,527	-	0.81 - 8.44
Debentures	-	6,493	9,486	-	-	2.46 - 4.26
Long-term liabilities for concession						
and license fee	86	373	509	-	78	2.32 - 4.15
	<u>3,538</u>	<u>7,532</u>	<u>10,430</u>	<u>7,527</u>	<u>78</u>	<u>29,105</u>

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
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
	4,092	-	-	1,851	1,750	7,693	
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
	3,958	5,674	12,529	7,578	112	29,851	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2021							
	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	450	-	-	1,101	3,330	4,881	0.01 - 0.35
Short-term loans to related parties	2,815	-	-	-	-	2,815	1.25 - 1.70
	3,265	-	-	1,101	3,330	7,696	
Financial liabilities							
Lease liabilities	95	164	13	-	-	272	2.32 - 2.89
Long-term loans from other financial institution	-	-	-	7,000	-	7,000	0.81
Debentures	-	6,493	9,486	-	-	15,979	2.46 - 4.26
Long-term liabilities for concession and license fee	84	366	509	-	78	1,037	2.32 - 3.28
	179	7,023	10,008	7,000	78	24,288	

(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
	<u>3,727</u>	<u>-</u>	<u>-</u>	<u>1,025</u>	<u>878</u>	<u>5,630</u>	
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	<u>78</u>	<u>355</u>	<u>603</u>	<u>-</u>	<u>112</u>	<u>1,148</u>	2.32 - 3.38
	176	5,017	12,110	6,990	112	24,405	

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 2021 and 2020.

	2021				
	Consolidated financial statements		Separate financial statements		
	Increase/ decrease (% p.a.)	Increase (decrease) in profit before tax	Increase (decrease) in equity	Increase (decrease) in profit before tax	Increase (decrease) in equity
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Loans from in Baht	+0.5	-	(35,000)	-	(35,000)
	-0.5	-	21,225	-	21,225
Loans from in VND	+0.5	(1,045)	-	-	-
	-0.5	1,045	-	-	-
Loans from in LKR	+0.5	(2,872)	-	-	-
	-0.5	2,872	-	-	-

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 2021 and 2020 based on contractual undiscounted cash flows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans from other financial institutions	3,013	-	-	3,013
Trade and other payables	5,494	-	-	5,494
Accrued expenses	1,824	-	-	1,824
Lease liabilities	500	774	804	2,078
Long-term loans from other financial institutions	7,238	289	-	7,527
Debentures	-	6,500	9,500	16,000
Long-term liabilities for concession and license fee	149	507	544	1,200
Total non-derivatives	18,218	8,070	10,848	37,136

Derivatives

Derivatives liabilities: net settled	78	-	-	78
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	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2020			
	Less than 1 year	1 to 5 years	Over 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				
As at 31 December 2021				
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	2,738	-	-	2,738
Accrued expenses	926	-	-	926
Lease liabilities	102	175	13	290
Long-term loans from other financial institutions	7,000	-	-	7,000
Debentures	-	6,500	9,500	16,000
Long-term liabilities for concession and license fee	147	498	543	1,188
Total non-derivatives	10,913	7,173	10,056	28,142
Derivatives				
Derivatives liabilities: net settled	76	-	-	76

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2020				
	Less than 1 year	1 to 5 years	Over 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

41.3 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 40 to the financial statements.

The methods and assumptions used by the Grouping 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 approximates 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 to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

42. 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.	INSEE Digital Co., Ltd.
1. Certificate No.	59-1306-1-00-1-0	59-1354-1-00-2-0
2. Certificate date	6 October 2016	19 October 2016
3. Promotional privileges for	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.	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.	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.	5 years	7 years
4.4 Exemption from import duty on machinery as approved by the board.	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	Granted

During the years ended 31 December 2021 and 2020, 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 490 million and Baht 408 million, respectively, which were wholly sold and serviced to the related parties.

43. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value, including compliance with financial covenant as stipulated in agreements of credit facilities and debentures. The Group complied the financial covenant throughout the reporting period.

As at 31 December 2021, the Group's debt-to-equity ratio was 1.09:1 (2020: 1.24:1) and the Company's was 0.74:1 (2020: 0.75:1).

44. Events after the reporting period

44.1 Short-term loans from related parties and other financial institutions

In January 2022, the Company obtained short-term loans from two subsidiaries totaling Baht 780 million which carry interest at 0.80 percent per annum and drew down short-term loan facilities from related financial institution and other three financial institutions totaling Baht 2,700 million which carry interest at the rate of 0.80 - 1.03 percent per annum.

44.2 Dividend income from subsidiary companies

On 28 January 2022, the Meeting of Members' Council of Siam City Cement (Vietnam) Limited ("a subsidiary") approved the payment of a final dividend for 2021 of VND 633,252 million. The Company will record the dividend income from the subsidiary company of VND 411,614 million or approximately Baht 602 million in the first quarter of 2022.

On 2 February 2022, the meeting of Board of Directors of Siam City Power Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2021 of Baht 7.0 per share, totaling Baht 140 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2022.

On 4 February 2022, the meeting of Board of Directors of INSEE Ecocycle Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2021 of Baht 12.5 per share, totaling Baht 50 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2022.

On 9 February 2022, the meeting of Board of Directors of Siam City Cement (Lanka) Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2021 of LKR 18 per share, totaling LKR 2,992 million. The Company will record the dividend income from the subsidiary company of LKR 2,961 million or approximately Baht 488 million in the first quarter of 2022.

44.3 Proposed dividends of the Company

On 11 February 2022, the meeting of the Company's Board of Directors approved to pay a final dividend for 2021 of Baht 9.0 per share, totaling Baht 2,682 million. The final dividend of Baht 2,682 million will be paid in April 2022. However, such dividend payment is subject to the approval of the Annual General Meeting of the Company's shareholders to be held on 24 March 2022.

45. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 February 2022.

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 Group and should be read in conjunction with our financial statements and the accompanying notes.

Analysis of Financial Performance

Revenues

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Revenues					
Net sales	41,678	42,000	(322)	(1%)	47,593
Other income	212	174	38	22%	339
Total Revenues	41,890	42,174	(284)	(1%)	47,932

SCCC Group revenue was adversely impacted by a renewed pandemic outbreak in Thailand and Vietnam and adverse weather conditions during the third quarter leading to lower sales of construction material. When easing some of the restrictions in the fourth quarter, demand for construction material somewhat recovered. Cement consumption was mainly driven by government infrastructure projects while residential and industrial sector remained weak. At the same time, intensified market competition put pressure on product prices. As a result, the Group revenue declined by 1 percent to THB 41,890 million.

Expenses

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Expenses					
Cost of sales and services	28,904	27,981	923	3%	32,463
Selling and distribution expenses	6,734	6,625	109	2%	8,120
Administrative expenses	1,884	1,955	(71)	(4%)	2,071
Other expenses	215	120	95	79%	389
Total expenses	37,737	36,681	1,056	3%	43,043

The Group continued to implement various initiatives to further optimize cost during a much-disrupted economic environment. However, cost of sales and services were negatively impacted by a sharp rise in raw material, energy and transportation cost which mainly impacted the second half of the year. Despite overall plant reliability has increased with less breakdowns, extended kiln-scheduled maintenance activities resulted in higher costs. Selling and distribution expenses were negatively impacted by higher logistics and cartage costs due to higher diesel prices. As a result, total Group expenses increased by 3 percent to THB 37,737 million and negatively impacted overall profitability.

Depreciation, Interest and Tax

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Depreciation, Finance cost and Tax					
Depreciation and amortization	3,893	3,935	(42)	(1%)	3,330
Finance cost	1,238	1,374	(136)	(10%)	1,459
Income tax expenses	(89)	756	(845)	(112%)	698

Property, Plant and Equipment and Intangible Assets remained below prior year level and resulted in overall slightly lower depreciation and amortization.

Finance cost reflected interest expenses incurred from loans from financial institutions and debentures as well as 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 decreased mainly due to Sri Lanka's corporate income tax rate was reduced from 28 percent to 18 percent in the second quarter which resulted in a one-time positive effect on net profit.

Analysis of Business Segments

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
Net sales					
Cement	27,406	26,610	796	3%	28,722
Concrete and Aggregates	5,388	6,632	(1,244)	(19%)	8,477
Trading	5,389	5,167	222	4%	6,428
Light building materials	2,382	2,391	(9)	(0%)	2,630
Others	1,113	1,200	(87)	(7%)	1,336
Total Net sales by segment	41,678	42,000	(322)	(1%)	47,593

(Unit : Million Baht)

	For the year ended December 31				
	2021	2020	+/-	+/- (%)	2019
EBITDA					
Cement	7,906	8,223	(317)	(4%)	7,346
Concrete and Aggregates	327	697	(370)	(53%)	395
Trading	245	248	(3)	(1%)	381
Light building materials	326	276	50	18%	241
Others	657	690	(33)	(5%)	642

Remark: EBITDA by segment is presented before intersegment elimination

Despite pandemic outbreaks during the third quarter, the Cement Segment reported higher revenue mostly driven by expanded sales volume in some overseas markets. Despite price increases realized during the fourth quarter, average cement prices during the year remained below prior year level. Overall, net sales increased 3 percent to THB 27,406 million. Rising raw material, energy and transportation cost negatively impacted the performance.

Concrete and Aggregates Segment was negatively impacted by pandemic related curfew measures and overall softer demand for concrete and aggregate products and services. Intense market competition resulted in lower average price and resulted in an overall 19 percent lower revenue at THB 5,388 million. Pressure on the topline as well rising input costs during the second half of the year could not be offset by optimized fixed costs and weighed on profitability.

Amidst turbulent supply chain conditions affecting shipping and product costs in the Trading Segment, demand for clinker and other cementitious material improved during the year yet remained at levels below prior year. Revenue increased mainly due to higher product prices by 4 percent to THB 5,389 million. Higher freight cost resulted in some delays of some clinker and cement shipments and had a slightly negative impact on profitability.

Demand for products and services of the Light Building Materials Segment remained soft, despite an ongoing contraction of residential construction. Revenue remained at prior year level at THB 2,382 million. Improved operational efficiency resulted in overall higher profitability.

Waste Management Services in the Other Segment was negatively impacted by industrial cleaning customers deferring projects and lower prevailing waste management fees in the market. As a result, revenue decreased by 7 percent to THB 1,113 million. Better cost management could not adequately offset the negative topline trend.

Analysis of Financial Position

	Unit	2021	2020	2019
Accounts receivable turnover	Times	8.23	7.81	8.47
Days receivable outstanding	Days	44	47	43
Inventory turnover	Times	7.25	6.85	6.72
Days inventory	Days	50	53	54
Accounts payable turnover	Times	5.91	5.61	5.74
Days payable outstanding	Days	62	65	64

Net Working Capital

The Group tightened control over credit management and debt collection which resulted in a reduction of outstanding receivables by 1 percent, from THB 4,835 million to THB 4,780 million. Day receivable outstanding reduced whereas days inventory and days payable outstanding remained at almost the same level as prior year owing to active net working capital management.

Key Financial Assets

Non-current assets held for sales

Non-current assets held for sale comprised of some remaining assets of the former ready-mixed concrete business in Vietnam. This subsidiary entered into a sales arrangement with 3rd 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 : Million Baht)

	As of December 31				
	2021	2020	+/-	+/- (%)	2019
Property, plant and equipment	29,190	29,998	(808)	(3%)	32,523
Intangible assets	9,846	10,128	(282)	(3%)	10,844
Other non-current assets	412	283	129	46%	317

Capital expenditures (CAPEX) spending for Property, Plant and Equipment during the period was THB 1,241 million.

Some of the key CAPEX projects during 2021 were as follows;

- Vietnam Hon Chong extension clay pit of THB 50 million
- Saraburi Plant 3 purchase spare parts for cement mill THB 39 million
- SCCO Suphanburi aggregate quarry overburden stripping of THB 33 million
- Saraburi Plant 3 kiln tire replacement of THB 32 million
- Sri Lanka Ecocycle installation of Pyrolysis plant of THB 21 million

Depreciation charge for the year amounted to THB 2,801 million. An additional THB 182 million related to assets disposal, impairment and write-off recorded during the year. Since the overseas business units operated under different functional currencies, they were subjected to currency translation into Thai Baht. Due to the Thai Baht depreciation over the year, gain from translation of property, plant and equipment in overseas subsidiaries into Thai Baht amounted to THB 1,068 million.

Intangible assets consisted of mining concession, computer software, customer relationship, brands and the right to use of assets. Amortization charges for the year was THB 588 million. Gain from translation of intangible assets in overseas subsidiaries into Thai Baht was THB 275 million.

Funding

As at 31 December 2021, the capital structure of the Group consisted of net financial debt, including lease liabilities, at THB 18,396 million (gross financial debt amount of THB 28,058 million, net of cash and cash equivalents amount of THB 9,662 million) and shareholders' equity of THB 39,227 million. This represented a net financial debt to equity ratio of 0.47 times which was reduced from prior year (2020: 0.61 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 1,389 million and short-term loan including current portion of long-term loan and lease liabilities of THB 10,690 million.

Shareholder's Equity

As at 31 December 2021, shareholders' equity amounted to THB 39,227 million (2020: THB 34,712 million). This position consists of accumulated reserves, share premium and retained earnings amounting to THB 42,783 million, netted off with a negative currency translation adjustment of THB 5,064 million. Non-controlling interests of the subsidiaries equaled to THB 1,513 million.

Analysis of Cash Flow Statement

The Group reported a cash and cash equivalent balance of THB 9,662 million as at 31 December 2021 which was used to maintain enough liquidity for the operation during the pandemic. Net cash generated from operating activities was THB 6,948 million (2020: THB 8,932 million), decreasing due to lower net profit before tax for the year as well as lower changes of net working capital.

Net cash outflows from investing activities amounted to THB 557 million, mainly from acquisitions of property plant and equipment THB 1,285 million (2020: net cash from investing activities was THB 17 million), partially offset by disposal of assets of THB 68 million and dividend received from joint venture and associated companies of THB 691 million.

Net cash outflows from financing activities of THB 4,695 million (2020: THB 6,006 million) was primarily related to the total dividend paid amounting to THB 2,871 million and repayment of bank overdraft, short-term and long-term loans and lease liabilities at a net amount of THB 1,453 million during the year.

Outlook and Sustainability

With the COVID-19 crisis worsening throughout the region during much of 2021 and continuing global economic reverberations caused by the pandemic, we anticipate limited growth across our markets in 2022. Conservatively, we do not expect to see economic activity at 2019 levels again until 2023. Government infrastructure projects will continue to be a bright spot whereas general commercial and industrial construction will remain depressed.

Key threats facing the cement industry during 2022 include additional border capacities from competitors, consistently increasing energy prices and more stringent regulatory environment trends, particularly as it relates to natural resources and the environment.

We remain committed to deliver our Environmental, Social, and Governance (ESG) agenda and approved two major capital investments in Thailand and Sri Lanka last year to accelerate a lowering of our Group's CO2 footprint. We have also renewed a three-year MoU with the International Union for Conservation of Nature (IUCN) for continuation of biodiversity impact minimization in our quarrying activities and we carry on with efforts to lower ground water consumption at our facilities. Simultaneously, we continue to adhere to the highest international standards of corporate governance, and industry occupational health and safety practices. The Group also remains focused on our social responsibility towards both our employees and neighboring communities.

Financial Statement

Consolidated Statements of Financial Position

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	9,662	12%	7,676	10%	4,821	6%
Trade and other receivables	4,780	6%	4,835	6%	5,456	7%
Derivative assets	1	-	4	-	1	-
Inventories	4,441	5%	3,374	4%	4,608	6%
Advance payments for purchases of goods	308	-	360	-	80	-
Assets held for sale	17	-	60	-	65	-
Other current assets	335	-	258	-	394	1%
TOTAL CURRENT ASSETS	19,544	24%	16,567	21%	15,424	20%
NON-CURRENT ASSETS						
Restricted bank deposits	13	-	17	-	17	-
Investment in joint venture	2,098	3%	1,896	2%	1,973	3%
Investments in associates	2,689	3%	2,077	3%	2,069	4%
Investment properties	495	1%	319	-	315	-
Property, plant and equipment	29,190	36%	29,998	39%	32,523	42%
Right-of-use assets	1,557	2%	1,747	2%	-	-
Assets not used in operations	33	-	61	-	65	-
Goodwill	14,936	18%	13,476	17%	13,594	17%
Intangible assets	9,846	12%	10,128	13%	10,844	14%
Deferred tax assets	1,199	1%	1,101	1%	1,064	1%
Other non-current assets	412	1%	283	-	317	-
TOTAL NON-CURRENT ASSETS	62,468	76%	61,103	79%	62,782	80%
TOTAL ASSETS	82,012	100%	77,670	100%	78,206	100%

Consolidated Statements of Financial Position (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term loans from related financial institution	-	-	120	-	100	-
Bank overdrafts and short-term loans from other financial institutions	3,014	4%	3,356	4%	2,588	3%
Trade and other payables	5,494	7%	4,294	6%	5,684	7%
Current portion of long-term loans from other financial institutions	7,238	9%	339	-	539	1%
Current portion of lease liabilities	438	1%	404	1%	-	-
Current portion of liabilities under finance lease contracts	-	-	-	-	12	-
Current portion of debentures	-	-	-	-	2,999	4%
Current portion of long-term liabilities for concession and license fee	121	-	114	-	28	-
Current derivative liabilities	78	-	-	-	-	-
Income tax payable	372	-	637	1%	770	1%
Deferred revenue	967	1%	843	1%	901	1%
Accrued electricity	265	-	288	-	243	-
Other accrued expenses	1,559	2%	1,336	2%	1,330	2%
Other current liabilities	302	-	231	-	219	-
TOTAL CURRENT LIABILITIES	19,848	24%	11,962	15%	15,414	19%

Consolidated Statements of Financial Position (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Long-term loans from other financial institutions - net of current portion	288	-	7,239	9%	7,437	10%
Lease liabilities - net of current portion	1,101	1%	1,260	2%	-	-
Liabilities under finance lease contracts - net of current portion	-	-	-	-	37	-
Debentures - net of current portion	15,979	19%	15,975	21%	15,971	20%
Long-term liabilities for concession and license fee - net of current portion	925	1%	1,045	1%	1,072	1%
Non-current derivative liabilities	-	-	222	-	-	-
Provision for long-term employee benefits	2,489	3%	2,479	3%	2,810	4%
Provision for site restoration and decommissioning costs	370	-	343	-	160	-
Deferred tax liabilities	1,687	2%	2,320	3%	2,507	3%
Other non-current liabilities	98	-	113	-	127	-
TOTAL NON-CURRENT LIABILITIES	22,937	26%	30,996	39%	30,121	38%
TOTAL LIABILITIES	42,785	52%	42,958	55%	45,535	58%
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	32%	26,413	34%	26,413	34%
Retained earnings						
Appropriated - statutory reserve	300	-	300	-	300	-
Unappropriated	13,090	16%	11,431	15%	8,973	11%
Other components of shareholders' equity	(5,069)	(6%)	(7,760)	(10%)	(7,272)	(9%)
Equity attributable to owners of the Company	37,714	46%	33,364	43%	31,394	40%
Non-controlling interests of the subsidiaries	1,513	2%	1,348	2%	1,277	2%
TOTAL SHAREHOLDERS' EQUITY	39,227	48%	34,712	45%	32,671	42%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	82,012	100%	77,670	100%	78,206	100%

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues	41,678	99%	42,000	100%	47,593	99%
Other income	212	1%	174	-	339	1%
Total Revenues	41,890	100%	42,174	100%	47,932	100%
Expenses						
Cost of sales	28,341	68%	27,337	65%	31,836	67%
Cost of services	563	1%	644	1%	627	1%
Selling and distribution expenses	6,734	16%	6,625	16%	8,120	17%
Administrative expenses	1,884	4%	1,955	5%	2,071	4%
Other expenses	215	1%	120	-	389	1%
Total expenses	37,737	90%	36,681	87%	43,043	90%
Operating profit	4,153	10%	5,493	13%	4,889	10%
Share of profit from investment in joint venture	466	1%	477	1%	318	1%
Share of profit from investments in associates	763	2%	109	-	218	-
Finance income	77	-	76	-	59	-
Finance cost	(1,238)	(3%)	(1,374)	(3%)	(1,459)	(3%)
Profit before income tax expenses	4,221	10%	4,781	11%	4,025	8%
Income tax expenses	89	-	(756)	(1%)	(698)	(1%)
Profit for the year	4,310	10%	4,025	10%	3,327	7%
Profit attributable to:						
Equity holders of the Company	4,248	10%	3,680	9%	3,157	7%
Non-controlling interests of the subsidiaries	62	-	345	1%	170	-
	4,310	10%	4,025	10%	3,327	7%
Basic earnings per share						
Profit attributable to equity holders of the Company (Baht)	14.25		12.35		10.59	
Weighted average number of ordinary shares (Million shares)	298		298		298	

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

(Unit : Million Baht)

	2021	2020	2019
Profit for the year	4,310	4,025	3,327
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	2,591	(393)	(2,014)
Gain on cash flow hedge - net of tax	119	18	-
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	275	16	(363)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	2,985	(359)	(2,376)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) - net of tax	90	(26)	(226)
Share of other comprehensive income of associated companies - actuarial gain (loss)	(0)	(4)	1
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	90	(30)	(225)
Other comprehensive income for the year	3,075	(389)	(2,602)
Total comprehensive income for the year	7,385	3,636	726
Total comprehensive income attributable to:			
Equity holders of the Company	7,031	3,304	747
Non-controlling interests of the subsidiaries	354	332	(22)
	7,385	3,636	726

Consolidated Statements of Cash Flows

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash flows from operating activities						
Profit before tax	4,221	100%	4,781	100%	4,025	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	(1,229)	(29%)	(586)	(12%)	(536)	(13%)
Depreciation and amortization	3,893	92%	3,935	82%	3,330	83%
Impairment loss on financial assets	25	1%	49	1%	57	1%
Reduction of inventory to net realisable value (reversal)	41	1%	29	1%	66	2%
Loss (gain) on disposal of assets held for sale	7	-	23	-	(87)	(2%)
Allowance for impairment loss of assets held for sale (reversal)	(8)	-	6	-	8	-
Allowance for impairment loss on non-financial assets (reversal)	(4)	-	(87)	(2%)	134	3%
Net loss on disposals/write-off of non-financial assets	169	4%	191	4%	183	5%
Amortisation of deferred income from grants related to assets	(9)	-	(9)	-	(9)	-
Provision for long-term employee benefits and other provisions	202	5%	206	4%	487	12%
Net loss (gain) on derivative instruments at fair value through profit or loss	5	-	(3)	-	(16)	-
Unrealised loss (gain) on exchange	(1)	-	3	-	(4)	-
Finance income	(77)	(2%)	(76)	(2%)	(59)	(1%)
Interest expenses	1,108	26%	1,282	27%	1,328	33%
Profit from operating activities before changes in operating assets and liabilities	8,343	198%	9,744	203%	8,907	223%

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Operating assets (increase) decrease :						
Trade and other receivables	(323)	(8%)	574	12%	(79)	(2%)
Inventories	(1,108)	(26%)	1,206	25%	199	5%
Advance payments for purchases of goods	52	1%	(281)	(6%)	223	6%
Other current assets	(74)	(2%)	100	2%	(70)	(2%)
Operating liabilities increase (decrease) :						
Trade and other payables	1,249	30%	(75)	(2%)	188	5%
Accrued expenses and other current liabilities	401	10%	114	2%	(12)	-
Other non-current liabilities	(9)	-	(7)	-	(5)	-
Provision for long-term employee benefits	(115)	(3%)	(591)	(12%)	(88)	(2%)
Provision for site restoration	(18)	-	(8)	-	(4)	-
Cash from operating activities	8,398	200%	10,776	224%	9,259	233%
Interest received	77	2%	77	2%	58	1%
Interest paid	(728)	(17%)	(911)	(19%)	(1,079)	(27%)
Cash paid for income tax	(799)	(19%)	(1,010)	(21%)	(653)	(16%)
Net cash from operating activities	6,948	166%	8,932	186%	7,586	191%

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash flows from investing activities						
Decrease (increase) in restricted bank deposits	5	-	-	-	(6)	-
Proceeds from disposals of non-current asset held for sale	49	1%	35	1%	99	2%
Proceeds from disposal of property, plant and equipment and assets not used in operation	19	-	40	1%	14	-
Cash paid for business acquisition	-	-	-	-	-	-
Cash received from land deposit	-	-	-	-	-	-
Cash received from grants related to assets	-	-	-	-	-	-
Acquisitions of property, plant and equipment	(1,285)	(30%)	(745)	(16%)	(1,476)	(37%)
Advance payment for acquisition of right-of-use assets	-	-	(3)	-	-	-
Increase in intangible assets	(28)	(1%)	(28)	(1%)	(195)	(5%)
Decrease (increase) in other non-current assets	(8)	-	51	1%	(29)	(1%)
Dividend received	691	16%	667	14%	158	4%
Net cash used in investing activities	(557)	(14%)	17	-	(1,435)	(37%)

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash flows from financing activities						
Net increase (decrease) in short-term loans from related financial institution	(120)	(3%)	20	-	(60)	(1%)
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(679)	(16%)	(438)	(9%)	(1,181)	(29%)
Repayment of long-term loans from related financial institution	-	-	-	-	(90)	(2%)
Increase in long-term loans from other financial institutions	280	7%	3,171	66%	605	15%
Repayment of long-term loans from other financial institutions	(399)	(9%)	(3,561)	(74%)	(302)	(8%)
Payment of lease liabilities	(535)	(13%)	(492)	(10%)	-	-
Cash paid for liabilities under finance lease contracts	-	-	-	-	(13)	-
Payment of liabilities for acquisitions of concession and license fee	(149)	(4%)	(6)	-	-	-
Repayment of debentures	-	-	(3,000)	(63%)	-	-
Dividend paid	(2,871)	(68%)	(1,453)	(30%)	(2,596)	(64%)
Interest paid	(213)	(5%)	(221)	(5%)	(218)	(5%)
Cash paid for other finance costs	(9)	-	(26)	(1%)	-	-
Net cash from (used in) financing activities	(4,695)	(111%)	(6,006)	(126%)	(3,855)	(94%)
Increase (decrease) in translation adjustments	290	6%	(83)	(2%)	(123)	(3%)
Net increase (decrease) in cash and cash equivalents	1,986	47%	2,860	60%	2,173	54%
Cash and cash equivalents at beginning of year	7,676	182%	4,821	101%	2,647	65%
Effect of change in foreign exchange rate on cash at banks	-	-	(5)	-	1	-
Cash and cash equivalents at end of year	9,662	229%	7,676	161%	4,821	120%

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Supplemental disclosures of cash flows information:						
Non-cash related transactions from investing activities:						
Payables from acquisitions of property, plant and equipment	235		284		336	
Long-term liabilities for license fee	-		26		81	
Transferred investment properties to non-current asset held for sale	-		-		-	
Transferred investment properties to property, plant and equipment	-		-		-	
Transferred property, plant and equipment to investment properties	174		-		-	
Transferred property, plant and equipment to assets held for sale	-		38		73	
Transferred property, plant and equipment to intangible assets	5		-		198	
Transferred property, plant and equipment to assets not used in operations	-		-		26	
Transferred right-of-use assets to assets held for sale	-		4		-	
Transferred right-of-use assets to property, plant and equipment	18		-		-	
Transferred assets not used in operations to assets held for sale	-		21		-	
Transferred assets not used in operations to property, plant and equipment	25		4		-	
Transferred intangible assets to property, plant and equipment	1		17		-	
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	6		58		28	
Increase in right-of-use assets from provision for decommissioning costs	3		3		-	
Increase in intangible assets from long-term liabilities for concession and license fee	-		-		-	

Consolidated Statements of Cash Flows (continued)

(Unit : Million Baht)

	2021		2020		2019	
	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	252		140		-	
Increase (decrease) in assets and liabilities from lease reassessment/modification						
- Right-of-use assets	23		(51)		-	
- Finance lease receivables	-		-		-	
- Lease liabilities	25		(49)		-	
- Provision for decommissioning costs	(2)		(7)		-	
Acquisitions of equipment under finance lease contracts	-		-		33	

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

	Unit	2021	2020	2019
Liquidity ratios				
Current ratio	Times	0.98	1.39	1.00
Quick ratio	Times	0.73	1.05	0.67
Cash flows from operating activities to current liabilities ratio	Times	0.44	0.65	0.52
Accounts receivable turnover	Times	8.23	7.81	8.47
Days receivable outstanding	Days	44	47	43
Finished good turnover	Times	28.95	25.28	25.76
Days Finished good outstanding	Days	13	14	14
Inventory turnover	Times	7.25	6.85	6.72

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

	Unit	2021	2020	2019
Days inventory outstanding	Days	50	53	54
Accounts payable turnover	Times	5.91	5.61	5.74
Days payable outstanding	Days	62	65	64
Cash cycle	Days	33	36	34
Profitability ratios				
Gross profit margin	%	31	33	32
Operating profit margin	%	10	13	10
Other profit margin	%	-0.01	0.13	-0.10
Cash flows from operating activities on net income margin	%	162	160	155
Net income margin	%	10	9	7
Return on shareholders' equity	%	11	11	9
Efficiency ratios				
Return on assets	%	5	5	4
Return on fixed assets	%	24	21	18
Total assets turnover	Times	0.52	0.54	0.61
Financial policy ratios				
Debt - to - equity ratio	Times	1.09	1.24	1.39
Interest coverage ratio	Times	10.01	8.93	6.89
Interest bearing debt to EBITDA ratio	Times	2.98	2.84	2.98
Debt service coverage ratio	Times	0.88	2.39	2.77
Dividend payout ratio on net profit	%	63	73	76



Siam City Cement Public
Company Limited

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www.siamcitycement.com

Attachment 1

Information of the Board of
Directors, Executives,
Group Chief Financial Officer,
Chief Accountant, and
Company Secretary

Information of the Board of Directors, Executives, Group Chief Financial Officer,
Chief Accountant, and Company Secretary

Director and Executives Information

Name	Mr. Paul Heinz Hugentobler								
Age	72 years								
Position	Chairman of the Board of Directors								
Appointed since	13 August 1998								
Company's shareholding ratio (%) as of 31 Dec 2021	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>	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								

Lanna Resources Public Company Limited/ Coal Mining

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

Name	Mr. Vanchai Tosomboon
Age	72
Position	Director
Appointed since	14 June 2004
Company's shareholding ratio (%) as of 31 Dec 2021	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	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <div> <div>Jul 2014 – Present</div> <div>Member of Nomination and Compensation Committee</div> </div> <div> <div>Jun 2004 – Present</div> <div>Director</div> </div> <div> <div>Jan 2012 – Jan 2021</div> <div>Advisor</div> </div> <div> <div>Jul 2014 – Mar 2020</div> <div>Member of Governance and Risk Committee</div> </div> Lanna Resources Public Company Limited/ Coal Mining <div> <div>April 2021 – Present</div> <div>Chairman</div> </div> <div> <div>Jan 1999 – Present</div> <div>Director</div> </div> Other Company Chip Mong INSEE Cement Corporation/ Cement Producer (Registered in Cambodia) <div> <div>Dec 2015 – Present</div> <div>Director</div> </div>

Krungsri Securities Public Company Limited/ Securities Business

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

Name	Ms. Nopporn Tirawattanagool
Age	67 years
Position	Director
Appointed since	23 April 2012
Company's shareholding ratio (%) as of 31 Dec 2021	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 Jul 2014 – Present Member of Nomination and Compensation Committee Apr 2012 – Present Director Jul 2014 – Mar 2020 Member of Governance and Risk Committee Bank of Ayudhya Public Company Limited/ Commercial Bank Jan 2015 – Present Member of Risk and Compliance Committee Apr 2010 – Present Member of Nomination and Remuneration Committee Apr 2010 – Present Director Grand Canal Land Public Company Limited/ Real Estate Apr 2016 – Present Director

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 2021 – Present Member of Corporate Governance
Committee

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

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)

- 2021 National Director Conference “Leadership Behind Closed Door”
- 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”

The Securities and Exchange Commission, Thailand (SEC)

- 2021 Cyber Armor: Capital Market Board Awareness No.1
“Capital Market Threat Landscape “

Cyber Armor: Capital Market Board Awareness No.2
“Data-driven Cybersecurity and Intelligence Threats
Assessment”

ACIS Professional Center Co., Ltd

2017 Strategic IT Governance (for Non-IT)
2016 Seminar on “Cyber Security Awareness Training for
Senior Executive”

Bank of Thailand

2021 Bangkok FinTech Fair 2021 “Shaping Digital Finance in
the New Decade”
2020 Cyber Resilience Leadership: “Tone from the Top”

Others

2021 Regulatory Technology: RegTech
Economic Outlook 2021, Central Pattana PCL
2020 ESG and Sustainable Banking Development, including
response to the Covid-19 situation
IT Security Awareness, Virtual Training
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

Name	Mr. Subhak Siwaraksa								
Age	64 years								
Position	Director								
Appointed since	25 March 2021								
Company's shareholding ratio (%) as of 31 Dec 2021	0%								
Family relationship among executives	NIL								
Education	<p>PhD:</p> <ul style="list-style-type: none"> - Economics, University of Pennsylvania, U.S.A. <p>Master Degree:</p> <ul style="list-style-type: none"> - Law and Diplomacy, Fletcher School of Law and Diplomacy, Tufts University, Massachusetts, U.S.A <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - English Literature and Economics, Georgetown University, Washington D.C., U.S.A 								
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 2021 – Present</td><td>Member of the Governance Committee</td></tr> <tr> <td>Mar 2021 – Present</td><td>Director</td></tr> </table> <p>Prudential Life Assurance (Thailand) Public Company Limited/ Life Assurance</p> <table> <tr> <td>2020 – Present</td><td>Independent Director, Chairman of Audit Committee and Member of Risk Committee</td></tr> </table> <p>Bangkok Dusit Medical Services Public Company Limited/ Health Care Services</p> <table> <tr> <td>2020 – Present</td><td>Independent Director and Member of Risk Management Committee</td></tr> </table>	Mar 2021 – Present	Member of the Governance Committee	Mar 2021 – Present	Director	2020 – Present	Independent Director, Chairman of Audit Committee and Member of Risk Committee	2020 – Present	Independent Director and Member of Risk Management Committee
Mar 2021 – Present	Member of the Governance Committee								
Mar 2021 – Present	Director								
2020 – Present	Independent Director, Chairman of Audit Committee and Member of Risk Committee								
2020 – Present	Independent Director and Member of Risk Management Committee								

Samitivej Public Company Limited/ Health Care Services

2018 – Present Independent Director and Member of
Audit Committee

Thai Wah Public Company Limited/ Agro & Food Industry

2016 – Present Independent Director, Member of
Audit and Risk Committee and
Member of Nomination and
Remuneration Committee

CIMB Thai Bank Public Company Limited/ Banking

2009 – 2016 President and CEO

Others

Bank of Thailand/ Banking

2020 – Present Board Director, Chairman of Risk
Oversight Committee and Member of
Audit Committee

2017 – Present Member of Monetary Policy Committee

The Securities and Exchange Commission, Thailand

2019 – Present Commissioner and Member of Risk
Management Committee

Jardine Matheson Group/ Conglomerate (Business Advisory)

2017 – Present Country Chairman Thailand

The Stock Exchange of Thailand

2016 – 2018 Governor, Member of Audit Committee
and Member of the Corporate
Governance and Social
Responsibilities Committee

Sathorn Asset Management Company Limited/ Other financial service activities (Except for insurance activities and pension funds)

2013 – 2016 Chairman

Training Experience

Thai Institute of Directors (IOD)

2017 Advance Audit Committee Program (AAP 26/2017)

2011 Financial Institutions Governance Program (FGP 3/2011)

2006 Directors Certification Program (DCP 72/2006)

2005 Directors Accreditation Program (DAP 42/2005)

Capital Market Academy

Executive Program

Thai Institute of Banking and Finance Association

Financial Executive Development Program (FINEX IV)

Others

Thailand National Defense College (NDC) (Wor Por Aor 17)

Name	Dr. Sunee Sornchaitanasuk
Age	59 years
Position	Independent Director and Chairperson of Audit Committee
Appointed since	10 June 2015
Company's shareholding ratio (%) as of 31 Dec 2021	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"> - Higher Diploma in Auditing, Thammasat University - CPA, Institute of Certified Accounting & Audit of Thailand <p>Certified Public Accountant No. 3733</p> <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>

B.Grimm Power Public Company Limited/ Resources, Energy, and Utility

Apr 2018 – Present Member of Audit Committee and
Independent Director

Namyong Terminal Public Company Limited/ Terminal Service, Storage Services and Other Services

2016 – Present Chairperson of Audit Committee and
Independent Director

NFC Public Company Limited/ Fertilizer Producer

2004 – Present Director and Risk Management
Committee

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 Program 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)

Name	Mr. Robbert Egbert Johannes van der Feltz van der Sloot										
Age	60 years										
Position	Independent Director and Member of Audit Committee										
Appointed since	26 March 2020										
Company's shareholding ratio (%) as of 31 Dec 2021	0%										
Family relationship among executives	NIL										
Education	Master Degree: <ul style="list-style-type: none"> - Economics (Finance and Cost Accounting), Free University, Amsterdam Netherlands 										
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 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> <p>Other Company</p> <p>Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)</p> <table> <tr> <td>Mar 2021 – Present</td><td>Director</td></tr> </table> <p>Hilti AG/ Engineering Service (Registered in Lichtenstein)</p> <table> <tr> <td>2019-2020</td><td>Key Account Manager, Member of the Strategic Management Team, Schaan, Liechtenstein</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	Mar 2021 – Present	Director	2019-2020	Key Account Manager, Member of the Strategic Management Team, Schaan, Liechtenstein
Mar 2020 – Present	Member of the Nomination and Compensation										
Mar 2020 – Present	Member of the Audit Committee and Independent Director										
Mar 2020 – Present	Director										
Mar 2021 – 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 Management Team, Schaan, Liechtenstein
2004 – 2009	Region Head Europe 1, Member of the Executive Management Team, Schaan, Liechtenstein
Training Experience	Thai Institute of Directors (IOD)
	2021 Director Accreditation Program 183/2021 (DAP)

Name	Mr. Charin Satchayan								
Age	55 years								
Position	Independent Director and Member of Audit Committee								
Appointed since	7 April 2016								
Company's shareholding ratio (%) as of 31 Dec 2021	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>Mar 2021 - Present</td><td>Chairperson of the Governance Committee</td></tr> <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>	Mar 2021 - Present	Chairperson of the Governance 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
Mar 2021 - Present	Chairperson of the Governance 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 Director

Craftbrandship Co., Ltd./ Branding

2020 – Present 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)

Name	Mr. Stephen Patrick Gore													
Age	49 years													
Position	Director													
Appointed since	1 April 2019													
Company's shareholding ratio (%) as of 31 Dec 2021	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	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <table><tr><td>Mar 2021 - Present</td><td>Member of the Nomination and Compensation Committee</td></tr><tr><td>Mar 2019 – Present</td><td>Director</td></tr><tr><td>Apr 2020 – Mar 2021</td><td>Chairman of the Governance Committee</td></tr><tr><td>Mar 2019 – Mar 2020</td><td>Member of the Governance and Risk Committee</td></tr></table> Other Company Jardine Cycle and Carriage Limited/ Investment Holding Company (Registered in Singapore) <table><tr><td>2019 - Present</td><td>Director and Group Finance Director</td></tr></table> Refrigeration Electrical Engineering Corporation/ Mechanical and electrical engineering, real estate, and strategic investments in infrastructure (registered in Israel) <table><tr><td>2019 – Present</td><td>Director</td></tr></table>		Mar 2021 - Present	Member of the Nomination and Compensation Committee	Mar 2019 – Present	Director	Apr 2020 – Mar 2021	Chairman of the Governance Committee	Mar 2019 – Mar 2020	Member of the Governance and Risk Committee	2019 - Present	Director and Group Finance Director	2019 – Present	Director
Mar 2021 - Present	Member of the Nomination and Compensation Committee													
Mar 2019 – Present	Director													
Apr 2020 – Mar 2021	Chairman of the Governance Committee													
Mar 2019 – Mar 2020	Member of the Governance and Risk Committee													
2019 - Present	Director and Group Finance Director													
2019 – Present	Director													

PT Astra International Tbk/ Multi – Industries Conglomerate
(registered in Indonesia)

2019 – Present Commissioner

Jardine Pacific and Jardine Motors/ Automobile (Registered in Hong Kong)

2017 – 2019 CFO

Bank of America Merrill Lynch/ Banking (Registered in United States)

2012 – 2017 Managing Director
UBS AG/ Banking (Registered in Switzerland)

1993 – 2012 Managing Director

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)

Name	Mr. Aidan John Lynam										
Age	61 years										
Position	Director and Group Chief Executive Officer										
Appointed since	26 March 2019										
Company's shareholding ratio (%) as of 31 Dec 2021	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>INSEE Ecocycle Company Limited (Subsidiary)/ Industrial Waste Disposal and Alternative Fuel and Raw Material Trading and Industrial Cleaning Service Business</p> <table> <tr> <td>Feb 2021 – Present</td><td>Chairman</td></tr> </table> <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>	Mar 2019 - Present	Group CEO	Mar 2019 - Present	Director	Feb 2021 – Present	Chairman	May 2019 – Present	Chairman	May 2019 – Present	Chairman
Mar 2019 - Present	Group CEO										
Mar 2019 - Present	Director										
Feb 2021 – Present	Chairman										
May 2019 – Present	Chairman										
May 2019 – Present	Chairman										

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 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)

Name	Mr. Siva Mahasandana										
Age	58 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 2021	0.0728% direct holding of 216,926 shares, no indirect or nominee holding										
Family relationship among executives	NIL										
Education	<p>Master Degree:</p> <ul style="list-style-type: none"> - MBA, Finance and Investment (Beta Gamma Sigma), The George Washington University, USA <p>Certificate:</p> <ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School, USA <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - Mechanical Engineering, Chulalongkorn 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>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)										

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

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

Globe Cement Company Limited (Subsidiary)/ Cement Manufacturing

Sep 2019 – Nov 2021 CEO

May 2019 – Nov 2021 Chairman

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

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

Name	Mr. Mark Anatol Schmidt
Age	51 years
Position	Group Chief Financial Officer
Appointed since	1 April 2019
Company's shareholding ratio (%) as of 31 Dec 2021	0%
Family relationship among executives	NIL
Education	<p>Master Degree:</p> <ul style="list-style-type: none"> - MBA, Finance, Fribourg University, Switzerland <p>Certificate:</p> <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	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <p>April 2019 - Present Member of Group Executive Committee – Group Chief Financial Officer (Group CFO)</p> <p>Lanna Resources Public Company Limited/ Coal Mining</p> <p>Mar 2021 – Present Director</p> <p>Other Company</p> <p>INSEE Digital Company Limited (Subsidiary)/ Technical Services and Information Technology Management and Development Services</p> <p>Nov 2019 – Present Chairman</p> <p>PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural and Decorative Building Materials Producer (Registered in Indonesia)</p> <p>Jun 2019 – Present Commissioner</p>

Conwood Company Limited (Subsidiary)/ Construction Material

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

Siam City Cement (Lanka) Limited (Subsidiary)/ Cement Manufacturing (Registered in Sri Lanka)

May 2019 – Feb 2021 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)

2021 e-Learning CFO's Refresh Course

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

Name	Mr. Eamon John Ginley
Age	55 years
Position	Chief Executive Officer of Siam City Cement (Vietnam) Limited
Appointed since	1 October 2021
Company's shareholding ratio (%) as of 31 Dec 2021	0%
Family relationship among executives	NIL
Education	Bachelor Degree: - Chemistry, Canterbury University, New Zealand
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials Oct 2021 – Present Member of Group Executive Committee – CEO of Siam City Cement (Vietnam) Limited (CEO SCCVN)
	Other Company Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam) Oct 2021 – Present General Director Buller Electricity / Electricity Distributor (registered in New Zealand) 2015 – 2021 CEO Holcim (Indonesia)/ Cement Manufacturing (Registered in Indonesia) 2009 – 2014 President Director 2004 – 2009 Manufacturing Director

Name	Mr. Benjamin William Pinney
Age	57 years
Position	Group Strategy Transformation and Performance
Appointed since	1 February 2020
Company's shareholding ratio (%) as of 31 Dec 2021	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>Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement Manufacturing (Registered in Bangladesh)</p> <p>Mar 2021 - Present Director</p> <p>INSEE Superblock Company Limited (Subsidiary)/ Light-Weight Concrete Products</p> <p>Apr 2020 – Present Chairman</p> <p>Conwood Company Limited (Subsidiary)/ Construction Material</p> <p>Apr 2020 – Present Chairman</p>

	PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural and Decorative Building Materials Producer (Registered in Indonesia)	
	Apr 2020 – Present	President Commissioner
	Johnson Controls/ Mechanical or Industrial Engineering (Registered in China)	
	2014 – 2019	Vice President, Strategy and Transformation, Asia Pacific
	Steppes Consulting/ Consultant	
	2012 – 2014	Founder and Vice President
	Boston Consulting Group/ Consultant	
Training Experience	2001 – 2012	Principal
	Thai Institute of Directors (IOD)	
	2021	Director Accreditation Program 183/2021 (DAP)

Details of Company Secretary and the Person Supervising Accounting

Name	Ms. Phatchada Muenthong
Age	55 years
Position	Company Secretary
Appointed since	24 July 2018
Company's shareholding ratio (%) as of 31 Dec 2021	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	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <div> <div>Apr 2020 – Present</div> <div>Governance Committee and Secretary of the Governance Committee</div> </div> <div> <div>July 2018 – Present</div> <div>Company Secretary</div> </div> Other Company Company Secretary Company Limited/ Company Secretary service provider <div> <div>2017 – Present</div> <div>Managing Director/ Advisor</div> </div> Able & Primpton Company Limited / Legal service provider <div> <div>2017 – Present</div> <div>Legal Advisor</div> </div> Big C Supercenter Public Company Limited/ Retailer <div> <div>2012 – 2016</div> <div>GRC Director</div> </div>

Training Experience	Thai Institute of Directors (IOD)
2021	Director Certification Program Class 310/2021
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
2008	Company Secretary Program Class 26/2008
	Chulalongkorn University
	Law and practice for company secretary
	Holcim, Switzerland
2007	Management Seminar September 2007, Zurich, Switzerland via Siam City Cement Public Company Limited

Name	Mr. Kasem Makrailert
Age	48 years
Position	Head of Group Accounting, IR and Shared Services
Appointed since	1 July 2018
Company's shareholding ratio (%) as of 31 Dec 2021	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 2018 – 2021 Head of Group Accounting, IR and Shared Services 2013 - 2013 Corporate Finance Department Manager 2011 - 2012 Business Analysis and Process Improvement, Department Manager Other Company ItalThai Engineering Co., Ltd./ Engineering 2013 - 2017 Chief Financial Officer ItalThai Engineering Myanmar Co., Ltd./ Engineering 2017 Managing Director

Diageo Moet Hennessy (Thailand) Co., Ltd./ Importer and distributor
of premium wines and spirits

Oct 2013 - Jan 2017 Commercial Finance Manager

Training Experience

Thai Institute of Directors (IOD)

2016 Director Certificate Program Class 228 (DCP)

The Management of the Company who are Members of the Board of Directors of the Subsidiary and Affiliated Companies, as of 31 December 2021

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	A	B
Mr. Paul Heinz Hugentobler	X														/	
Mr. Vanchai Tosomboon	/														X	/
Mr. Aidan John Lynam	//	X					X		X	/	X	X				/
Mr. Siva Mahasandana	//	/			//, X			/			/	/			/	
Mr. Mark Anatol Schmidt			/	/				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 = Siam City Cement (Bangladesh) Limited

9 = Siam City Cement (Lanka) Limited

10 = Siam City Cement (Vietnam) Limited

11 = Siam City Cement Trading Limited

12 = INSEE Ecocycle Lanka (private) Limited

13 = 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

Information of the Directors of Significant Subsidiaries

Directors of Subsidiary Company as of 31 December 2021 (the subsidiaries that generates over 10% of the Company's consolidated revenue, as of 31 December 2021)

Subsidiaries Directors	1	2	3	4
Mr. Aidan John Lynam	X	X	X	/
Mr. Siva Mahasandana	/	/	/	
Mr. Robbert Egbert Johannes van der Feltz van der Sloot			/	
Mr. Mark Anatol Schmidt			/	
Mr. Somchai Laohverapanich	/			
Mr. Craig Bickley Stewart	//			
Mr. Kerry James Chia Beng Lee		//		
Mr. Eamon John Ginley			///	
Mr. Alain Cany			/	
Mr. Beat Hans Wafler			/	
Mr. Nandana Ekanayake				X, //
Gen. Dayaratne Ratnayake				/
Mr. Rajendra Theagarajah				/
Mr. Rizmy Ahamed Rishard				/
Mr. Gustavo Navarro				///

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)

4 = Siam City Cement (Sri Lanka) Limited (Registered in Sri Lanka)

Attachment 3

Information of Head of Group Internal Audit and Compliance

Information of Head of Group Internal Audit and Compliance

Name	Mr. Ranjan Sachdeva
Age	53 years
Position	Head of Group Internal Audit and Compliance
Appointed since	October 2017
Company's shareholding ratio (%) as of 31 Dec, 2021	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>

	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		By Thai Institute of Directors (IOD)
	2021	Director Certification Program Class 313/2021
	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 Management Development (IMD), Lasanne, Switzerland
	2010	Senior Management Program
		By Nestle, Rive Reine, Switzerland
	2000	Controlling at Nestle

Attachment 4

Details of Key Operation Assets

Details of Key Operation Assets

Assets

Property, Plant and Equipment

Objective: For business operations of the Company and its subsidiaries as at 31 December 2021

	Type of rights	SCCC	Subsidiaries	Total
Land, mineral reserve and site restoration	Owner	1,199	1,931	3,130
Building and structures	Owner	2,131	5,492	7,623
Machinery and equipment	Owner	7,340	9,255	16,595
Furniture, fixtures and office equipment	Owner	205	231	436
Motor vehicles	Owner	233	181	414
Assets under construction and installation	Owner	197	795	992
Total Property, Plant and Equipment		11,305	17,885	29,190

Remark : Property, Plant and Equipment are not mortgaged.

Intangible assets

	Type of rights	SCCC	Subsidiaries	Total
Mining concession and license fees	Owner	2,858	124	2,982
Computer software	Owner	91	942	1,033
Customer relationships	Owner	51	-6	45
Brands	Owner	-	2,748	2,748
Right of use	Owner	-	2,736	2,736
Other intangible assets	Owner	83	93	176
Intangible assets under development	Owner	425	-299	126
Total Intangible Assets		3,508	6,338	9,846

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 Kaengkhoi District, Saraburi Province, aggregate quarry in Uthong District, Suphanburi Province, Gypsum mining in Nongbue District, Nakornsawan Province, Cement soil mine in Khok Salung District, Lopburi, 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.

Patents

The Company owns 3 patents and a subsidiary (Conwood Company Limited) owns 2 patents.

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

Re-evaluation of assets during the fiscal year

- None –

Detail of Asset Appraisal

- None -

Attachment 5

Policies and details concerning
the corporate governance,
Code of Business Conduct and
Charters (Full Version)

Policies and Practices concerning the Corporate Governance (Full Version)

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 of care and duty of loyalty, also ensuring that the Company has operated in accordance with the laws and regulations, resolution of shareholders and under the principles of Good Corporate Governance of the SEC (CG Code 2017) and of other agencies.

The Board of Directors has prepared the Corporate Governance Policy by adopting both principles and guidelines on Good Corporate Governance for Listed Companies 2012 and 2017 and implemented them as guidelines for the entire Group. In particular, the Board of Directors delegated to the Governance Committee to conduct an annual review on the conformation of the Company's corporate governance implementation with CG principles and guidelines of multiple authorities, such as the SEC, Thai Institute of Directors, and Thai Investor Association. The Governance Committee discussed and ensure that no issue that has impact on the Company's corporate governance, and the Company has continuously improved the practices in governance and report the progress to the Board of Directors.

Overview of Corporate Governance of the Company in 2021

As a result of continuing and consistent adherence to good corporate governance policies, the Company remains its competitiveness, good performance, resiliency and status a good citizen for society, with continuing target to minimize environmental impact. In 2021, the Company received the following recognition for its corporate governance performance:

- CGR at excellent level for 6th consecutive year by Thai Institute of Directors Association (IOD)





- Full score (100) of the quality of the 2021 Annual General Meeting of Shareholders (AGM Checklist) as assessed by the Thai Investors Association.
- Recertification as a 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.
- Selected for the third year in a row as a company in the SET THSI Index, which is a responsible investment option.
- Selected for the second consecutive year as a company in the Thaipat Institute's ESG 100 list, which is an option for investment in a listed company with outstanding ESG performance.

Changes of Directors, Board Committees and Executives in 2021

- 1) Change of Directors: Mr. Benjamin Herrenden Birks, Director and Member of the Nomination and Compensation Committee, whose term of office until the AGM No. 29 (Year 2022), resigned on 24 March 2021. The Board of Directors resolved after the AGM No. 28 held on 25 March 2021, to appoint Mr. Subhak Siwaraksa as a director to replace the director who is vacant during the term.
- 2) Change of Board Committees: The Board of Directors adjusted the members of the Nomination and Compensation Committee and the Governance Committee, by appointing Mr. Stephen Gore as a Member of the Nomination and Compensation Committee, and Mr. Subhak Siwaraksa as a Member of the Governance Committee, effective on 25 March 2021.
- 3) Change of Executive: The Board of Directors appointed Mr. Eamon John Ginley as the CEO of Siam City Cement (Vietnam) Limited, as a Member of the Group Executive Committee, replacing Mr. Philippe Richard, effective on 1 October 2021.

Alignment with the Principles of the Corporate Governance Code for Listed Companies 2017 (CG Code 2017)

The Board of Directors has charged the Corporate Governance Committee with reviewing key corporate governance documents, as well as annually reviewing compliance with relevant agencies' rules and

guidelines on good corporate governance, such as the CG Code - SEC, CGR - IOD, and AGM Checklist - TIA and presented a recommendation to the Board of Directors for the 2021 conformity assessment. There were few inconsistencies, according to the Governance Committee. and has no impact on the organization's overall good corporate governance. For instance, the Chairman is not an independent director and the Governance Committee believes that the Chairman of the Board is distinct from top management. There is a clear separation of management responsibilities. Furthermore, the Chairman of the Board has demonstrated in practice that he uses his discretion to make independent decisions and allows all directors to propose meeting agendas. In addition, the Audit Committee, which comprises of independent directors, will conduct reviews for important agenda items before submitting them to the Board of Directors for approval, in order to prioritize the company's best interests in accordance with the principles of good corporate governance and to remain independent of management at all times. As a result, it has no effect on overall good corporate governance. (Information on the Chairman's and Group CEO's roles and responsibilities is in the Attachment 5.)

The significant Company's performance on the corporate governance principles under the CG Code 2017

The Company has established policies and guidelines for the Board of Directors, Shareholders and Stakeholders that covers all 8 principles of good corporate governance for listed companies in 2017, or the Corporate Governance Code (CG Code), as recommended by the Securities and Exchange Commission (SEC), and practiced across the Group Companies as follows:

Principle 1: Establish Clear Roles and Responsibilities for the Board of Directors, who are the Organization's Leaders in Sustainable Value Creation

Code of Business Conduct

The Group's corporate value on "*Doing what is right*" is utilized to uphold the practice of being honest. The Board of Directors has established the Code of Business Conduct, communicated, and provided knowledge through internal communication channel within the Group, as a guideline for operation for all Directors, Executives and employees of SCCC Group, as well as communicating with stakeholders and outsiders on the Company website. The Board of Directors also specified that the Code of Business Conduct is the key document for corporate governance which shall be reviewed and re-communicated with the Board of Directors on an annual basis.

To carry out responsibilities in strict accordance with the ethical principles of business operation, employees maintain the values of honesty, fairness, and transparency to strengthen and maintain the organization's reputation, image, and confidence of outsiders, such as, shareholders, investors, and other stakeholders, as well as to be consistent and in accordance with the Company's Corporate Governance Policy.

Furthermore, in order to encourage employees to be aware of business ethics, the Company provides knowledge and promotes compliance with the Company's business ethics to all employees at all levels,

emphasizing the importance of creating awareness among employees from the start by providing knowledge of business ethics as part of the new employee orientation. This includes educating all employees at all levels on business ethics on an annual basis. This establishes an organizational culture and serves as the foundation for doing business, as well as ensuring the Group's long-term viability.

And, in order to monitor the level of knowledge and understanding of all employees and their ability to perform duties properly and appropriately, the Company requires all employees to assess their knowledge of the Company's Code of Business Conduct on an annual basis. GIAC uses the results of the employee level of understanding to improve employee communication and raise awareness of their responsibility to operate honestly and in accordance with the organization's values. It also promotes the organization's good corporate governance.

Board of Directors with Leadership Role

The Board of Directors is aware of and understands its tasks and responsibilities as a driving force behind the business. Their tasks and responsibilities are clearly defined in the organizational regulations.

The Board of Directors and the Group Executive Committee have carried out their responsibilities in accordance with fiduciary duty. This includes carrying out responsibilities with care and honesty, free of conflicts of interest, and in accordance with the law, the Company's objectives and Articles of Association, and Board of Directors and Shareholders' Meeting resolutions. They also provided shareholders with information that was accurate, complete, transparent, verifiable, and timely. The Organizational Regulations clearly reflects these principles.

Every year, the Board of Directors has an INSEE Day meeting to discuss corporate direction, strategy as well as the distribution of critical resources in the Group. They follow up with management on a quarterly basis to check that the company's strategy is being implemented and that good outcomes are being produced for measurable results.

The Board of Directors has paid attention to the meeting by scheduling the date and key agenda items of the year in advance from the start of the year, allowing them to allocate time and attend meetings without interruptions, as well as efficiently 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

In many ways, the Board of Directors has established policies and guidelines as a mechanism for overseeing this aspect. Directors must follow a number of policies, including an insider trading policy, a conflict-of-interest policy, a related transaction policy, and reporting on conflicting information, which includes information about the Company's shares, their directorships or management positions in other organizations, and a list of their related persons as well as non-participation in considering and voting on agenda items with interests, also paying attention to responsible management. The Manual of

Authority was adopted in order to oversee all of the company in the Group with strong governance, systematicity, unambiguous responsibility, verifiability, while management must be swift and efficient even though they are in various locations. Important decisions must be made with the approval of both management and the Board of Directors.

Furthermore, the Board of Directors has formed Board Committees to review and examine critical issues and make recommendations to the Board of Directors, such as, the financial report, related party transactions, the effectiveness of the internal control and governance system, the system of compliance and good corporate governance, among other things. The charters of the Board Committees detail their responsibilities.

Furthermore, the Board of Directors has GIAC and Company Secretary functions serve as their gatekeepers, ensuring that the Board of Directors completes their responsibilities and provides important information for the Board's performance. This is to verify that the Board of Directors' operations are compliant with the rules, regulations, and decisions of the shareholders' meeting, as well as strong corporate governance standards.

Principle 2: Define Objectives that Promote Sustainable Value Creation

Vision, mission, and corporate values that consider stakeholders and are consistent with goals and corporate strategy

The Board of Directors is in charge of determining the company's objectives and main goals. It is comprised of the vision, mission, and corporate values, and it is reviewed annually. The primary goal of the business is to create long-term value for the company, its customers, stakeholders, and society as a whole. All employees are regularly communicated with in order to drive the organization in the same direction.

Consideration of the Board of Directors' annual strategy and business plan preparation and review covers medium-term strategy (3-5 years) and moves towards the vision and mission set in a changing environment and risk factors. Furthermore, technology is used appropriately to provide critical information to the Board of Directors that is correct and up to date.

The Company currently employs a meeting app to improve the efficiency of meetings of the Board of Directors, Board Committees, meetings of Management. The Board of Directors and Group Executives can review meeting documents at any time, providing greater information security.

The Vision, Mission, and Values are detailed in the General Information Section.

Principle 3: Effectiveness of the Board

Board composition has evolved and is appropriate

Composition, skill, and experience of the current Board of Directors



The Board of Directors has charged the Nomination and Compensation Committee with considering and presenting recommendations on the review of the structure of the Board of Directors and Board Committees, both in terms of size and composition skills and experience. And the Board of Directors believes that the size, composition, skills, and experience of the Board of Directors and subcommittees shown in the Board Skill Matrix above are appropriate and in line with the company's business strategy in 2021. Furthermore, it is believed that each director performs duties that are appropriate to his or her role and meets the qualifications outlined in the director nomination, both the director's front and the duties of Board Committees, which are consistent with the performance assessment results of the Board of Directors and subcommittees for the year 2021.

Director Nomination and Selection Process Lead to an Efficient Board of Directors

The Nomination and Compensation Committee is charged by the Board of Directors with considering the criteria for selecting, screening, and selecting qualified people who have knowledge, expertise, and experience that are beneficial to the operation of the company, as well as a good understanding of the business, and who use the Board Skill Matrix as a component to consider. and delegated to a recruiting consulting firm to select qualified practitioners in Thailand and abroad based on the qualifications established by the Nomination and Compensation Committee, who will be carefully interviewed and chosen to ensure that the qualified person is knowledgeable, has expertise and experience that is beneficial to the company's operations, also qualified in accordance with the requirements of the applicable laws. The Nomination and Compensation Committee then submits an opinion to the Board of Directors for consideration and scrutiny, and then proposes an opinion to the shareholders for appointment with enough information about the nominated director to make a decision.

Each director must be approved by more than half of the shareholders in attendance and be eligible to vote. Furthermore, the Board of Directors has granted minority shareholders the right to nominate a person to be elected as a director at the annual general meeting of shareholders no less than three months prior to the end of each fiscal period.

Qualifications of Independent Directors

A consulting firm nominates the company's independent directors as having qualifications and abilities that match those specified by the Nomination Committee. As a result, this is to ensure that the candidates are independent of the company's management and major shareholders, and that they are fully qualified as required by law. The specifics are as follows:

1. Holding not over zero-point five percent of the voting shares of the Company or the Company's parent company, subsidiary, associate, major shareholder or controlling person. The shares held by independent director's related person are counted as if they are held by the independent director (This clause is more stringent than the requirement of relevant regulatory bodies).
2. Neither being nor used to be an executive director, employee, staff, paid advisor, or controlling person of the Company or the Company's parent company, subsidiary, associate, 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 appointment. Such prohibited characteristics does not apply in the case where the independent director holds or 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, a parent, spouse, sister, brother, child, the child's spouse, of other directors, any executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or the Company's subsidiary.

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, the Company's parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment.

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 Baht twenty million 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 occurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor used to be an auditor of the Company, the Company's parent company, subsidiary, associate, 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 not less than two years prior to the date of appointment.
6. Neither being nor used to be a provider of any professional services, including legal advisor or financial advisor who receives service fees exceeding Baht two million per year from the Company, the Company's parent company, subsidiary, associate, 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 not less than two years prior to the date of appointment;
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 undertaking any business of the same nature and in significant 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 percent of the total voting shares of other company which undertakes business of the same nature and in significant competition with that of the Company or the Company's subsidiary.
9. Not having any other characteristic which causes the inability to express independent opinions with regard to the Company's business operations.

Qualifications of Directors

The Board of Directors is made up of directors who are fully qualified and do not possess any prohibited characteristics as defined by the Public Company Limited Act B.E. 2535 (as amended) and the Securities and Exchange Act B.E. (as amended), as well as the SET, the SEC, and other relevant agencies' rules and regulations. They must also possess a wide range of professional abilities, be specialized, and possess relevant experience, expertise, and understanding of the company's operations. In addition, in order to have a diverse board of directors, the Board analyzes other qualifications such as educational background, age, gender, and professional skills diversity, as well as specialized experience in areas such as the cement industry, law, accounting, and finance, among others. In 2021, the Board of Directors has two non-executive directors with experience working in the cement industry out of total ten directors.

Process of Director Appointment

The shareholders' meeting appoints directors in accordance with the method set forth in Article 12 of the Articles of Association. In summary, each share gets one vote. Individual directors are elected via ballots, which allow shareholders to cast all of their votes to select the directors nominated one by one.

Each director must be approved by more than half of the shareholders in attendance and have voting rights. Minority shareholders have been granted rights by the Board of Directors. must nominate a person to be elected as a director at the annual general meeting of shareholders at least 3 months before the end of each accounting period.

The Board of Directors can appoint directors in accordance with the procedures outlined in Article 14 of the Company's Articles of Association. In summary, it can be done only when the director's position is vacant for reasons other than retirement by rotation, unless the remaining term of the director is less than two months, and it must be approved by the Board of Directors by at least three-fourths of the remaining directors. Directors elected to replace the aforementioned directors may serve only for the remainder of the term of the director they replace.

Board of Directors Performance and Performance Appraisals

Balance of Power between the Chairman and the Group CEO

The Organizational Regulations is an important document in the Board of Directors' operation because it ensures a balance of power and transparent administration by clearly separating the roles of the Chairman of the Board of Directors and the Group Chief Executive Officer in accordance with good corporate governance principles.

Details appear in the Attachment 5.

Meetings of the Board of Directors and Board Committees

All directors carry out their responsibilities carefully and cautiously, assigning and dedicating sufficient time to do so. The agenda for the Board of Directors meeting is set by the Chairman of the Board and the Group Chief Executive Officer, with the Company Secretary reviewing it in compliance with the legislation, the Articles of Associations, and the Company's Manual of Authority.

The number of Board of Directors meetings has been determined based on the Board of Directors' duties and responsibilities, as well as the nature of the company's business operations. In 2021, there were six board meetings, which were facilitated by a combination of electronic and physical meetings. This enables the Board to carry out its responsibilities despite travel restrictions during the COVID-19 outbreak. Also, the management sends reports on the performance and development plans assigned by the Board of Directors to the Board of Directors on a regular basis for acknowledgment, so that the Board of Directors can continuously and timely supervise and monitor the management's operations.

The Board of Directors encourages relevant management to attend Board of Directors meetings in order to provide additional information and details directly related to the agenda, and to have the opportunity to get to know senior management.

The Corporate Governance Policy of the Company limits the number of companies listed on the Thai Stock Exchange so that each director can hold a position in no more than five companies for efficiency in performing the director's duties. At the moment, all directors strictly follow this policy. Furthermore, there is no policy allowing members of the Group Executive Committee to serve as directors of other companies, with the exception of being a director of a company in the group that has been reviewed by the Nomination and Compensation Committee and approved by the Board of Directors.

Every year, the Board of Directors convenes a meeting of non-executive directors. It excludes directors who are executives or are part of a joint management team, so that the directors can freely express their opinions on the management's performance of its duties. The Chairman of the Board is responsible for informing the Group Chief Executive Officer of those suggestions and requesting that they be acknowledged.

In 2021, directors' attendance accounted for 100 percent of all meetings held throughout the year. Individual director meeting attendance in 2021 is as follows:

Director		Position	Total Attendances/ Total Meetings					
			Annual General Meeting (no EGM)	Board Meeting	Audit Committee Meeting	Governance Committee Meeting	Nomination and Compensation Committee	Non-executive Director Meeting
Non-executive Directors								
1	Mr. Paul Heinz Hugentobler	Chairman	1/1	6/6	-	-	6/6	1/1
2	Mr. Vanchai Tosomboon	Director	1/1	6/6	-	-	6/6	1/1
3	Ms. Nopporn Tirawattanagool	Director	1/1	6/6	-	-	6/6	1/1
4	Mr. Stephen Patrick Gore	Director	-	6/6	-	-	5/5	1/1
5	Dr. Subhak Siwaraksa	Director	-	4/4	-	1/1	-	1/1
Audit Committee								
6	Dr. Sunee Sornchaitanasuk	Chairperson of Audit Committee	1/1	6/6	11/11	-	-	1/1
7	Mr. Charin Satchayan	Member of Audit Committee	1/1	6/6	11/11	2/2	-	1/1
8	Mr. Robbert Egbert Johannes van der Feltz van der Sloot	Member of Audit Committee	1/1	6/6	11/11	-	-	1/1
Executive Directors								
9	Mr. Aidan John Lynam	Group CEO	1/1	6/6	-	-	-	--
10	Mr. Siva Mahasandana	CEO	1/1	6/6	-	-	-	-

Director Training and Development

The Board of Directors encourages people who involve with the governance to receive continuing training, such as, Directors, members of Audit Committee, Governance Committee, Nomination and Compensation Committee, 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 in and out site the Company.

The Board of Directors encourages and enables ongoing training and education for all members of the Company's corporate governance structure, including Directors, members of Board Committees, Management, Company Secretary and other related personnel on a constant basis in order to improve and develop operations. Education includes various training courses, both arranged by the Thai Institute of Directors (IOD), overseas training courses, in-house training, including company visits or trips conducted based on the needs of those Directors.

The Company Secretary is responsible for preparing important documents and useful information related to the performance of the duties of the new Directors for the Director Orientation Program for New Directors, which includes documents that the Directors will use as references throughout the performance of their duties, collectively known as the Board Manual. The Board Manual is divided into four sections. The first section contains work rules such as organizational regulations, committee charters, operational power tables, certificates, regulations, and corporate ethics, among other things. The good corporate governance Rules of relevant agencies is the second section. The third section contains forms and related material, such as courses on director performance. The minutes from the previous year's meetings make up the fourth section. The Company Secretary is in charge of organizing Director training in order for them to understand the information in the Board Manual.

In addition, Management will conduct an orientation to familiarize new Directors with the Company's nature and business practices and internal control systems of the Group by introducing the members of the Group Executive Committee and key functions, including business visits by the Company and its group companies.

All of the Company's Directors are competent and have extensive business expertise in a variety of industries, and they have dedicated time and effort to fulfilling their responsibilities in order to enhance the Company's Board of Directors. All directors are free to express their opinions and use their experience and expertise to carry out their duties with honesty, caution, and prudence, keeping the best interests of the company in mind and being fair to all shareholders.

In this regard, all members of the board of directors have attended courses on the performance of director duties, as detailed below:

No.	Directors	Training Courses until end of 2021
1.	Mr. Paul Heinz Hugentobler	- Leading from the Chair (NSEAD) 2015
2.	Mr. Vanchai Tosomboon	- DAP 7/04, DCP 7/01, AACP 19/15, CGI 10/15, BNCP 9/20
3.	Ms. Nopporn Tirawattanaagool	- 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. Subhak Siwaraksa	- DAP 42/2005, DCP 72/2006, FGP 3/2011, AACP 26/2017
6.	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
7.	Mr. Charin Satchayan	- DCP 196/14, BMD 2/16, FBG 5/16, SBM 1/2017
8.	Mr. Robbert Egbert Johannes van der Feltz van der Sloot	- DAP 183/2021*
9.	Mr. Aidan John Lynam	- DAP 166/2020
10.	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18

* Attended in 2021.

Criteria of Director Remuneration

The Board of Directors has charged the Nomination and Remuneration Committee with considering the criteria for determining the remuneration of the Board of Directors and sub-committees in a transparent process, taking into account the suitability and responsibilities of the position, as well as other factors such as the company's business and operating results, norms in the same market and industry, economic conditions, and other facts, which are compared to industry standards. Then, submit an opinion to the Board of Directors for consideration and screening, followed by a proposal to the shareholders for approval.

All forms of director remuneration must be approved by at least two-thirds of shareholders present at the meeting. The shareholders approved the following principles for the payment of remuneration for the company's directors at the Annual General Meeting of Shareholders No. 28, held on March 25, 2021:

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

“Attachment 5”

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.

The following are the monthly director fees and/or meeting fees for each position:

<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 Committee (April onwards) - Chairman - Director	(None)	80,000 60,000

Details of Remuneration received in 2021 by each Director are as follow:

List of Directors		Total of Director Fee Paid in 2021 (THB)				Bonus for 2020 paid in 2021 (THB)	Total Amount Paid in 2021 (THB)
		Board of Directors	Audit Committee	Governance Committee	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	-	-	720,000	262,500	2,182,500
3	Ms. Nopporn Tirawattanagool	1,200,000	-	-	720,000	262,500	2,182,500
4	Mr. Stephen Patrick Gore	1,200,000	-	80,000	540,000	192,500	2,012,500
5	Mr. Benjamin Herrenden Birks ⁷¹	300,000	-	-	180,000	240,000	720,000
6	Dr. Subhak Siwaraksa ⁷²	900,000	-	60,000	-	-	960,000

List of Directors		Total of Director Fee Paid in 2021 (THB)				Bonus for 2020 paid in 2021 (THB)	Total Amount Paid in 2021 (THB)
		Board of Directors	Audit Committee	Governance Committee	Nomination & Compensation Committee		
Independent Directors							
7	Dr. Sunee Sornchaitanasuk	1,200,000	1,800,000	-	-	375,000	3,375,000
8	Mr. Charin Satchayan ^{7/3}	1,200,000	1,200,000	140,000	-	315,000	2,855,000
9	Mr. Robbert Egbert Johannes van der Feltz van der Slood	1,200,000	1,200,000	-	720,000	297,917	3,417,917
Executive Directors							
10	Mr. Aidan John Lynam	1,200,000	-	-	-	150,000	1,350,000
11	Mr. Siva Mahasandana	1,200,000	-	-	-	150,000	1,350,000
	Total					2,665,417	24,185,417

**not holding office for a full year.*

Remark

- 1 Mr. Benjamin Herrenden Birks resigned as a director on 24 March 2021
- 2 Dr. Supak Sivaraksa was appointed as a director and member of the Governance Committee on 25 March 2021, to replace Mr. Benjamin Herrenden Bergs.
- 3 Mr. Charin Satchayan has been appointed to replace Mr. Stephen Patrick Gore as Chairman of the Corporate Governance Committee, effective 25 March 2021.
- 4 Mr. Robbert Egbert Johannes van der Feltz van der Slood was appointed to the Nomination and Compensation Committee on 25 March 2021.

The bonus for the year 2021 of THB 4,483,334.00, assigned by the Board of Directors and authorized by the Shareholders Meeting, is the accrued amount of director remuneration to be payable in 2022.

Corporate Governance for Subsidiaries and Associated Company

Nomination of Directors for Subsidiaries and Associated Company

The Group CEO is in charge of nominating directors and executives of subsidiaries and associated companies for review and approval by the Nomination and Compensation Committee and the Board of Directors, and then proposing them for appointment under the relevant legal procedure to subsidiaries and associated companies.

Supervision of Subsidiaries and Associated Company

The Board of Directors is aware of their responsibilities in supervising each Group Companies; thus, a clear governance structure was designed. The Group governance structure provides for checks and balances between the subsidiary / associated companies and the group management.

For example, A CFO of a subsidiary reports to the subsidiary's CEO and also to the Group CFO and the subsidiary CEO reports to Group CEO. In addition, there are other corporate functions like Strategy, manufacturing and GIAC who provide independent oversight and feedback to the Audit Committee and the Board of Directors. At a special meeting of the Board of Directors for strategic considerations of the business plan and budget, the senior management of the subsidiary and affiliated company will also present the business plan and annual budget.

Furthermore, the company has defined an organizational chart for officers or managers in various functions of the subsidiaries to report to or seek consultation and solve problems with Executives and Management of the Company who are in charge and responsible for the relevant line or business and has set the format of various reports of the subsidiaries to be of the same or similar form and structure for efficient internal control. As a result, measures and/or systems to control the business within the subsidiaries are consistent with or similar to the Company's system by defining the corporate governance mechanism for the subsidiaries' management and officers to work proactively and collectively with the Company's management and officers. Furthermore, the subsidiaries have been directed to disclose information about their financial position and operating results, related party transactions, the acquisition or disposition of material assets, capital increase, capital reduction, and the completion and accuracy of important transactions.

The Board of Directors has a supervisory mechanism that allows them to control, supervise, manage, and be responsible for the operations of subsidiaries and associated companies, as well as to maintain benefits in both investments and to carefully manage the subsidiaries' business. In this regard, the Board of Directors has considered the relevant issues of the Group's subsidiaries and associated companies for effective internal control and risk management.

The Company owns all of its subsidiaries in Thailand. As a result, no shareholder agreement exists between the Company and the other shareholders. The Company invested in an associated company (Lanna Resources Public Company Limited) for a long time without a shareholders' agreement. However, the Company sends representatives to act as directors in order to monitor important matters at the board level. There is an agreement between the Company and other shareholders in Cambodia's joint venture company (Chip Mong Insee Cement Corporation), in which the Company has a minority stake, giving the Company the right to object if the Company disagrees with the operation of important matters to take care of the Company's benefits.

Performance Evaluation of the Board of Directors

The Board of Directors and its subcommittees conduct self-assessment at least once a year to jointly consider their performance, any problems, and solutions to them by establishing the criteria that will be used to compare performance with criteria and bringing issues in the performance appraisal to discussion in order to improve the Board's efficiency through the process of evaluating performance.

The process of evaluating the board's performance was carried out using performance evaluation forms that followed the guidelines of the Thai Stock Exchange and covered the duties and responsibilities

outlined in the charter. The self-evaluation was completed for both the entire board or committee and individual performance evaluations. Each item's evaluation criteria are a percentage of the total score. (Levels of evaluation range from 0 (should improve) to 4 (excellent). The assessment forms were sent to all committees, both online and in paper form, by the Company Secretary. Following that, the Company Secretary will summarize the results and present the assessment results to the relevant sub-committees, including the Board of Directors, so that they are aware of the evaluation's findings and recommendations.

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. The assessment results for 2021 have an average score of 85–90%. In summary, the board and subcommittees are pleased with their work. An important piece of advice is for the company to have directors with experience in sustainable development related to the group's business.

Collaboration between the Board of Directors and the Company Secretary

The Board of Directors has established the qualifications and experience of the Company Secretary that are necessary to perform the duties of providing advice on legal and regulatory issues that the Board of Directors must be aware of and is responsible for appointing a Company Secretary. The Company Secretary is in charge of providing legal and regulatory advice, observe and supervise the activities of the Board of Directors, and coordinate to ensure that the Board's resolutions are followed. She will also supervise the keeping of important documents, and supervise the Board's activities, including coordinating the Board's resolutions' implementation.

Furthermore, the Company Secretary proposes a draft agenda for consideration and approval by Management and the Chairman of the board. The agenda will cover the duties of the Board of Directors, the requirements of the law, the charter, the Company's internal rules, and good corporate governance. She is also in charge of ensuring that the Board of Directors' and shareholders' meetings are conducted in accordance with the law, including various conditions relating to the arrangement of electronic meetings for the Board of Directors and shareholders.

In 2021, an invitation to the Board of Directors' meeting was sent to Board Members at least seven days in advance, so that the directors could study the information before attending the meeting. The Board of Directors could obtain any additional information needed from the Group Chief Executive Officer, Company Secretary, or other executives delegated. If necessary, the Board of Directors seeks independent opinions from consultants or other outside professionals.

The Company Secretary is encouraged by the Board of Directors to receive ongoing training and knowledge development. Attachment 1 shows the Company Secretary's qualifications and experience.

Principle 4: Nomination and Development of Executives and People Development

Nomination, Training and Development and Succession Plan for the Executives

Nomination of Group CEO and Executives

The Board of Directors has tasked the Nomination and Compensation Committee with considering the criteria and methodology for nominating competent individuals for the post of Group Chief Executive Officer, which is the Company's top Executive.

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 has the authority to review and approve the list of persons presented by the Group Chief Executive Officer and make recommendations to the Board of Directors for preliminary approval.

In addition, the Board has concluded that the Group CFO not only has the necessary experience and expertise, but also must complete the SET's training requirements. The Company's Group CFO completed the annual refresh course training for CFOs in 2021.

Succession Plan for Executives

The Nomination and Compensation Committee is responsible for advising and supervising the preparation of a succession plan for senior management and important job positions for all companies in the Group, as assigned by the Board of Directors, in order to continue to operate the business, and the Group Chief Executive Officer shall report the implementation of the succession plan to the Board of Directors for acknowledgement twice a year.

Training and Development of Executives

The Board of Directors charged the Nomination and Compensation Committee with assisting senior management in their growth as leaders capable of managing their line functions. Independent specialists evaluate employees in important roles for leadership.

The Board of Directors has approved the group's human resources management policy, which was reviewed and recommended by the Nomination and Compensation Committee in order to establish a framework and basic criteria for human resource management and management that are consistent throughout the organization.

In addition, the Board of Directors promotes and supports senior executives to undertake corporate governance training. The following are the specifics of corporate governance training for senior executives:

No.	Executives	Training Courses until end of 2021
1	Mr. Aidan John Lynam	- DAP 166/2019
2	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18
3	Mr. Mark Anatol Schmidt	- DAP 166/2019
4	Mr. Benjamin William Penney	- DAP 183/2021

Appropriate Performance Evaluation and Remuneration Framework for Management

The Board of Directors has tasked the Nomination and Compensation Committee with making recommendations to the Board of Directors addressing the remuneration structure as an incentive for senior management and other employees at all levels to carry out their responsibilities in accordance with the organization's objectives and key goals, as well as the company's long-term interests.

According to performance, the executive compensation system is both motivating and challenging. Salary and short-term performance, such as bonuses, are combined with long-term performance, such as the Executive Entitlement Program to Purchase Company Securities for Corporate Engagement (EJIP), which runs from 2016 to 2022 and has suitable proportions. When creating the compensation policy, however, remuneration levels that are above or equal to the industry average and the Company's performance were taken into account. The Board of Directors ensures that performance evaluation criteria policies are properly defined and communicated throughout the Group.

In addition, the Board of Directors charged the Nomination and Compensation Committee with determining the performance appraisal criteria, which had been communicated to the Group Chief Executive Officer in advance, and which represented the Board of Directors in evaluating the performance of the Group Chief Executive Officer and Executives in accordance with the following guidelines.

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 Board of Directors places a high value on promoting the use of innovation in response to the changing world and the technology expectations of customers, partners, and key stakeholders who want to see changes that are beneficial or create shared values for the business, customers, business partners, society, and the environment. The transformation, however, must be based on sound business practices. The Board of Directors has directed management to include innovation promotion in strategy reviews and to plan for operational growth at all times. In particular, our needs to continuously strengthen the Company's competitiveness and at the same time reducing our carbon footprint and the carbon intensity in our products, we are now actively adopting an open innovation network approach by joining technology and industry leaders for joint development projects. Such partnerships are supporting our needs to access leading technologies faster and, thus, reducing time to incubate and commercialize. The scope of these partnerships covers all critical functions from product and application developments to manufacturing technologies including the deployment of artificial intelligence applications in many business segments we are operating in.

The Board of Directors and Group Executive Officers' support fosters activities and promotes innovations in the organization that are critical to its long-term viability, as follows:

Employees Participation in an Innovative Culture and New Products or Businesses

Siam City Cement Group understands the importance of innovation as a result of technological developments and the changing market environment and promotes the company as an innovative organization. Employees have been encouraged to participate in innovation as part of the company's culture. Throughout the year, seminars and workshops are held on a regular basis, and providing ideas to improve and boost efficiency in business operations (core innovation), as well as encouraging the creation of initiatives among young thinkers to create new business models to generate income and a mechanism to help fulfil market demands in a changing environment (new innovation).

Support for Sustainable Innovation Organization

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 Board of Directors 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. The Board of Directors set a policy to prevent illegal labor, child labor and pregnant women labor and 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 management has clear and concrete policies and operating procedures on the staff 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. Our Group's safety commitment and goal is "Zero Harm to Anyone and Zero Fatality." Statistic number for fatalities and lost time injury frequency rate are provided in SD Performance Index on the website https://www.siamcitycement.com/th/our_caring/sd_report

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 Values 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. As such, 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, including Employee Joint Investment Program with employees. 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, trainings are provided regularly to educate the Company's personnel and employees on financial management and the provident fund. The Company gives priority to the Group's human resource by appointing the Group CEO to oversee this matter directly, ensuring the effectiveness of the succession plan, the development of talented individuals, and the assignment of specialists to support the Group's business.

2) Customer Responsibility

The Board of Directors is aware of the necessity of customer safety management under their supervision in order to ensure compliance with applicable laws and standards. Furthermore, client

privacy, after-sales service throughout the product's lifetime and services, and customer satisfaction follow-ups for product and service development, as well as advertising and sales conduct, must all be handled properly. Information and transactions that are misleading or take advantage of a customer's misunderstanding are incompatible with the workplace health and safety vision. The company's main objective and commitment is to ensure that all workers, contractors, and customers are aware of and understand occupational safety, and that they follow all safety rules and procedures for their own and others' safety. All activities must be carried out within the framework of a sound occupational health and safety management system. It is a critical component of sustaining success in accordance with the company's goal of establishing a safety culture and fostering a positive attitude toward safety, which must be firmly instilled in the group and passed on to customers in order for them to collaborate in complying with various aspects of occupational health and safety while keeping risk under control.

The Board of Directors emphasis on communication, information sharing, and knowledge transfer, for example, in connection with Working Regulations and Steps, Risk Assessment of hazardous conditions in the business establishment, and how much maintenance can be done on a regular and consistent basis to ensure customer safety. This includes initiating safety driving campaigns twice a year for franchisee client groups in the service of delivering goods that satisfy international standards. In addition, the Company set criteria for transporters 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) Responsibility Towards Business Partners

The Board of Directors ensures that there is a proper Procurement Policy in place to improve the framework of goods and services procurement in order to create the best value, as well as a fair, systematic, and transparent procurement process, which includes tendering, supplier selection and evaluation, and assistances in encouraging the suppliers to conduct business ethically, as well as passing knowledge, developing their potentials and abilities on the productions and service to meet the standards, also creating alignment with trade partners to ensure that human rights are respected, workers are treated fairly, and they have social and environmental responsibility. In order to develop long-term business operations, the Company also monitors and evaluates trading partners.

To select the visionary business partners that are aligned with the company's goals, the following rules and guidelines are set for selecting partners who are one of the stakeholders based on the basic qualifications of the partners:

- 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.

Furthermore, the Board of Directors has overseen a strategic procurement management approach as well as criteria for developing connections with partners, and possible business partners must be chosen. If any partner does not meet the specified qualifications, management will make action plans for partners to resolve such limitations and follow up on progress evaluation, as well as provide assistance to partners in order to develop competence and improve performance and achieve sustainable development of the company that is extended to business partners, in order to demonstrate responsible management in the supply chain system.

The Board of Directors ensures that the Supplier Code of Conduct (SCCC Supplier Code of Conduct) is created by the Management to define the conditions for business cooperation. Before doing business with the Company, the partners must sign a contract confirming their compliance with the aforementioned code of conduct.

4) Community Responsibility

The Board of Directors has made certain that knowledge and business experience are put to good use in developing projects that will benefit the community. Long-term success and progress are monitored and measured.

The company is committed to create shared value and building positive relationships with the communities surrounding the factory in Saraburi, Kaeng Khoi and Muak Lek Districts. In three areas, the company has organized activities to participate in and support sustainable community development in every community surrounding the factory, including the public: education promotion, community sustainable development support, and ongoing support for basic infrastructure development. The corporation has formed a policy in this regard and publicly reports the practice on a regular basis. Details of the effort to assist key communities and societies in their long-term development is available in the Sustainable Development Section.

5) Responsibilities to the Environment

The Board of Directors has overseen efforts to prevent, reduce, manage, and ensure that the company has no negative impact on the environment. which includes the use of raw materials as well as power consumption (for production, transport, or in the office). water use, renewable resource use, care and rehabilitation including biodiversity affected by business operations, waste disposal management from business operations, greenhouse gas emissions, and other factors.

The company implemented a quality management system. Occupational safety and health, as well as the environment, will be used in operations in tandem with the company's cement production business, with the Environmental Management System (ISO: 14001) being used to achieve environmental development alongside business development. It also assists the company in lowering raw material and energy costs. Pollution control system of the Company also promotes the organization's reputation.

The company also focuses on employee development in order to raise awareness of environmental responsibility and to encourage employees to educate and train on environmental issues by defining it as a policy and disclosing the practice for recognition. Several training courses have been held in the last year, including TCFD&SDGs Workshop: ESG Risk Analysis and GHG Accounting, Basic Environmental Laws, Environmental Impact Assessment (EIA) Requirement, Industrial Waste Management Law and Industrial Waste Management, Applications for SMART EIA Plus, Standards for Zero Waste to Landfill, the quality assurance of Continuous Emissions Monitoring Systems (CEMS), etc.

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.

In 2021, there was no dispute between SCCC and its competitors, and also no claims and/or cases in relation to violation of human rights against SCCC.

7) Anti-Bribery and 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 was recertified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC) in 2017 for another period of 3 years from 30 June 2020 to 30 June 2023.

Allocating and Managing Resources

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.

Management of Enterprise Information Technology

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.

In this connection, the Board of Directors 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 2021, the Group’s IT cost was significantly reduced from the previous year. 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 of Directors has ensured that corporate risk management includes the management and management of IT risks, such as business continuity management and incident management, which

affect the company's security. Asset management, information system (incident management), and so on.

The Company follows 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: Effective Risk Management and Internal Control

Centralized Working Standards and Internal Control

The Board of Directors emphasizes that management has established a policy to use INSEE Digital Company Limited, a subsidiary with expertise in digital technology, to create efficiency for the entire group in all work processes, including data management and control to prevent data leakage and, based on the structure that has been effectively defined, this enables the Board of Directors to consider performance reports from all business Group, as well as the internal audit report risk management. On a quarterly basis, overseeing the adequacy of financial liquidity and debt repayment capability, as well as other important matters in Group governance.

The Board of Directors visits the company and its subsidiaries both at home and abroad to have a better understanding of the business environment and nature of the group's business. They work well with management and have had excellent assistance from the Group CEO, the Group Head of Internal Audit and Compliance, the Company Secretary, and the Secretaries of all board committees. In addition, the Board of Directors has access to the meeting documents via an application system designed to help the Board function more efficiently and gave good realistic view and ideas to the Management.

Risk Management and Internal Control

The Board of Directors has supervised the information security system. This includes establishing confidentiality policies and practices, maintaining information integrity and availability (availability), including managing market sensitive information. Furthermore, the Board of Directors has ensured that the information security system is followed by the directors, who are high-level executives and employees, as well as associated external parties such as legal advisers and financial advisors.

The Company attaches importance to risk management. This is an important part of the management and good corporate governance. The Board of Directors has established a risk management policy that is consistent with the objectives, key goals, strategies and acceptable risks of the business. To serve as a framework for working in the risk management process for everyone in the organization to be in the same direction. Furthermore, the impact and likelihood of hazards are evaluated in order to prioritize risks and develop appropriate risk management strategies.

The Board of Directors has overseen that the Company has a risk management and internal control system in place to effectively achieve its goals, and that the Company's business operations are in accordance with relevant laws and standards both locally and internationally. As a result, an appropriate and sufficient internal control system has been established to ensure that the Company's operations are in accordance with the objectives and goals, as well as with the laws, rules, regulations, and requirements related to business and operations, in order to minimize operational risks and ensure reasonable fraud prevention measures are in place.

The Group CEO serves as the company's chief risk officer, scrutinizing considerations and approving acceptable risks; identifying strategic risk, operational risk, financial risk, compliance risk, and environmental risk, which include both external and internal factors that may cause the company to fail to achieve its objectives; and reviewing the risk management system to ensure that it is appropriate and effective. The Audit Committee has reviewed the suitability and efficiency of the risk management process on a regular basis over the past year. The Board of Directors places a high value on regularly monitoring and evaluating the effectiveness of risk management, pays close attention to early warning contracts, and ensures that the risk management policy is reviewed every two years.

Establishment 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 Audit Committee's roles and duties have been defined by the Board of Directors in the Audit Committee Charter, which covers the duties outlined in the 2017 Good Corporate Governance Principles for Listed Companies.

Details of the Audit Committee Charter are following this document.

The Board of Directors has established mechanisms or tools to enable the Audit Committee to obtain information required for the performance of its assigned duties, such as allowing the Audit Committee to request relevant people to provide information and discuss with the auditor and seeking independent opinions from any other professional advisors for consideration by the Audit Committee.

Furthermore, an independent internal audit unit has been established to be responsible for developing and reviewing the efficiency of the risk management system and internal control, as well as providing a report to the Audit Committee to consider and comment on the adequacy of the risk management system and internal control and disclosing the review report in the Annual Report. The Audit Committee's assessment of the sufficiency of the risk management system and internal control is detailed in the section on Corporate Governance, Internal Control topic.

Manage and Prevent of the Conflicts of Interest

The Board of Directors has established a Conflicts of Interest Policy to encourage honesty and transparency in business operations and to prevent unreasonable transactions with related parties. The policy set standards and guidelines, as well as an approval process for normal business transactions that may have conflicts of interest. In addition, when entering into a major or significant transaction with a potential conflict of interest that affects the Company's business operations, the management must seek prior approval from the Board of Directors. In this regard, the Management will report the transaction with related parties that falls under the Management's approval authority to the Audit Committee for review and notify the Board of Directors for acknowledgement on a quarterly basis.

In addition to controlling the use of inside information, supervision of transactions that may have conflicts of interest with the company is crucial. As a result, the Board of Directors has overseen the management and monitoring of transactions that may involve conflicts of interest, as well as ensuring that guidelines and practices are in place to ensure that such transactions are carried out in accordance with the procedures and disclosure of information required by law. Conflicting personnel are not be allowed to participate in decision-making for the sake of the company and its shareholders as a whole.

Also, 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.

In 2021, the Company has reviewed Conflicts of Interest Policy and revised the disclosure form for the Directors of Subsidiaries, as well as arranged various learning activities for the employees via e-learning channel, provided them the online lessons and tests which helped to build their awareness and consciousness on avoiding risky situations.

The Board of Directors oversees any conflicts of interest that may arise between the company and its management, board of directors, or shareholders, as well as the prevention of unreasonable use of assets and company information in the case of abusive self-dealing, in accordance with good corporate governance principles. 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. In 2021, no evidence of wrongdoing involving the misuse of inside information and conflict of interest reported.

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 2021, 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 held by Directors and Executives in 2021 is as follows:

List of Directors/ Executives	1January 2021			31 December 2021			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 underage child		Directors/ Executives	Spouse and underage child		
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. Stephen Patrick Gore	-	-	-	-	-	-	-
5. Mr. Subhak Siwaraksa	-	-	-	-	-	-	-
6. Dr. Sunee Sornchaitanasuk	-	-	-	-	-	-	-
7. Mr. Charin Satchayan	-	-	-	-	-	-	-
8. Mr. Robbert van der Feltz van der Sloot	-	-	-	-	-	-	-
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. Eamon John Ginley	-	-	-	-	-	-	-
13.Mr. Benjamin Pinney	-	-	-	-	-	-	-

Note: The percentage of shares held calculated from the registered capital 2,980 million baht.

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.

Communication and Review of Corporate Governance Policies

The Board has reviewed controls to ensure that the Corporate Governance Policy is adequately implemented and has been updated on a yearly basis and review the Code of Business Conduct and related policies every 2 years, in order to keep the company's corporate governance system up to date. Communication training and different promotional efforts are conducted by the company, as well as an annual follow-up review. In this regard, the E-Learning Program system was created to improve learning on numerous policies on a constant basis. This guarantees that everyone in the company follows the Corporate Governance Policy and Code of Conduct, as well as other policies, precisely and strictly.

Anti-Bribery and Corruption Policy and Guidelines

SCCC has announced the Anti-Bribery and Corruption Policy which has been approved by the Board of Directors 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 as a 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 evidence 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.

The Company also provides the channels for all stakeholders to make the report when they see the Company's employees violate the Company's policy or commit fraud. The reporter shall be protected from retaliation. However, the details of the Anti-Bribery and Corruption Policy can be found on the Company's website under Investor Relations > Corporate Governance section:

<https://investor.siamcitycement.com/en/corporate-governance/anti-bribery-and-corruption>

Mechanism for Handling Complaints and 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 Screening Committee which is independent from the Management shall preliminary screen the incident raised through the reporting channel. 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 2 channels as follows:

1. Toll Free Numbers:

Thailand:	180 001 4577
Vietnam:	180 040 0549
Sri Lanka:	202 9137
Indonesia:	080 0150 3215

2. Website: inseespeakup.ethicspoint.com

In Bangladesh, reporters and whistleblowers can submit reports through the website only, because the country lacks a free-calling structure. The INSEE Speak Up channel is a channel for all stakeholders to report or file complaints with the Board of Directors about rights violations or matters that may cause damage to the Company. The recipient of the complaint is a third party, and the procedure for handling complaints has been established. For each reported clue, an investigation procedure has been developed. There is a clearly defined policy or set of guidelines in place to protect employees, reporters, or whistleblowers. Furthermore, stakeholders can file complaints with the Board of Directors at email: companysecretary@siamcitycement.com as well.

In 2021, there were 15 cases of whistleblowing and complaint; found 1 case related to internal fraud and guidelines on corporate governance. The Company has taken action on the consequence management according to the work regulations together with the corrective action.

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.

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.

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 information for public disclosure must be 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

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. Mr. Kasem Makrailert is in charge of Investors Relations activities of the Company. In 2021, the Company arranged 4 analyst meetings. Further to that, the Company has published the quarterly earnings release on Company's website on regular basis, as well as provided the following channels for investors to directly make enquiries to the Company:

Address:	Finance and Controlling Siam City Cement Public Company Limited 199 Column Tower, 10th Fl., Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, 10110
Telephone:	+66 2 797 7176
Email:	SCCC_TH_IR@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 2022, 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 2021 - 17 January 2022 by establishing clear criteria for advance submission and disseminating such criteria on the Company’s website

<https://investor.siamcitycement.com/en/downloads/shareholders-meetings> 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 depositary 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 percent) 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 percent) 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, therefore, 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.
 - 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:
 - (4) 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;
 - (5) To manage capital for suitable structure in order to build up confidence in our creditors on our financial status and good solvency; and
 - (6) 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 2021 to keep the good score continuously.

Detail of SD Performance Indicators are available in the Company's website.

List of documents *

1. 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

2. Code of Business Conduct

3. 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

Please find more details of the Company’s information from the attachments which are on website <https://investor.siamcitycement.com/th/downloads/one-reports>

*This is a document as of the filing date of Form 56-1 One Report for the year 2021. However, the Company reviews these policies annually. You can view the current policy at <https://investor.siamcitycement.com/en/corporate-governance/policies-and-documents> under the menu “Corporate Governance”.