



Annual Report 2022

**Moving forward
through volatility
and adversity**

56-1 One Report

Annual Registration Statement/
Annual Report

Contents

01 Company's Business

Vision, Mission and Commitments	06
Message from the Board of Directors	10
Message from the Group Executive Committee	14
Summary of Key Financial Information	16
Milestones	20
Awards and Recognition	22

02 Business Description and Portfolio

Business Growth and Development Plan	28
Group Business Portfolio	29
Milestone Changes in Business Operations	53
Major Development and Initiatives	56
Report of the Risk Management Steering Committee	68
Risk Management	69
The Cement Industry's Outlook 2023	75

03 Sustainable Development

Report of the Sustainability Steering Committee	78
Sustainable Development	79

04

Corporate Governance

Internal Control	106
Corporate Governance	110
Corporate Governance Structure	113
Report of the Audit Committee	126
Report of the Nomination and Compensation Committee	129
Report of the Governance Committee	130
Report of the Investment and Financial Committee	131

05

General Information and Other Information

Group Structure	134
General Information	136
Related Party Transactions	144

06

Management Discussion and Analysis

150

07

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.

1

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



1



2



3



4



5



6

- 1

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

Mr. Vanchai Tosomboon
Director
Member of Nomination and Compensation Committee
- 3

Ms. Nopporn Tirawattanagool
Director

- 4

Mr. Tinnawat Mahatharadol
Director
Member of Nomination and Compensation Committee
Member of Investment and Finance Committee
- 5

Mr. Stephen Patrick Gore
Director
Member of Nomination and Compensation Committee
Member of Investment and Finance Committee
- 6

Dr. Subhak Siwaraksa
Director
Member of Governance Committee



7



8



9



10



11



12

7 Dr. Sunee Sornchaitanasuk
Independent Director
Chairperson of Audit Committee

8 Mr. Charin Satchayan
Independent Director
Member of Audit Committee
Chairman of Governance Committee

9 Mr. Onne van der Weijde
Independent Director
Member of Audit Committee
Chairman of Investment and Finance Committee

10 Mr. Robbert E.J. van der Feltz van der Sloot
Independent Director
Member of Nomination and Compensation Committee

11 Mr. Aidan John Lynam
Director
Chairman of Group Executive Committee

12 Mr. Siva Mahasandana
Director
Member of Group Executive Committee

Message from the Board of Directors



Dear Shareholder,

With the COVID-19 pandemic impacts receding in late 2021, we were all expecting positive upturns across our markets as we were expecting lifting of restrictions and business activities resuming positive upward trends. These were, however, all false expectations as the conflicts breaking out in Eastern Europe in February 2022 triggered far-reaching consequences with energy and transportation costs accelerating at unprecedented speed leading to inflation across the entire spectrum of goods and services, and our markets and business were impacted seriously, too. In particular, Sri Lanka was hard hit as the situation was compounded with political instabilities which led to massive currency devaluations and foreign exchange scarcities. As we now enter 2023, we are convinced that many of the challenges of 2022 will remain unresolved and will continue to impact our business and operations in all the markets we operate.

2023 will definitely be another year which requires Management to step up our Group's resilience to weather the most adverse business environments and external disruptions which will again require business and organizational restructurings, capacity adjustments, and further in particular shaping our market positioning and offerings to our customers keeping rapidly changing demand patterns into account. The adjustment processes which are required now will be painful but are simply necessary and will cover each and every Group Company and business unit. 2023 will, thus, be a year of adjustments to the new realities which have visibly unfolded in the last few years, and which we must now fully embrace without any delays to prepare the Group for a much more demanding future for all of us.

The Board of Directors is pleased to report a net profit after tax attributable to equity holders of THB 1.85 billion, including a one-time tax impact in Sri Lanka of THB 748 million, or THB 2.6 billion on a comparable basis with THB 3.5 billion in 2021. The Board of Directors will recommend a full year dividend of THB 9 per share to the Shareholders for approval at the AGM.

2023 will, thus, be a year of adjustments to the new realities which have visibly unfolded in the last few years, and which we must now fully embrace without any delays to prepare the Group for a much more demanding future for all of us.

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 support our journey through the adversities surrounding us. We are decisively committed to tackle the headwinds without compromising our future and will be expecting the same from all our employees across the Group.

Paul Heinz Hugentobler

(Mr. Paul Heinz Hugentobler)
Chairman of the Board of Directors

Group Executive Committee



1



2



3



4



5

- 1

Mr. Aidan John Lynam
Group Chief Executive Officer
- 2

Mr. Siva Mahasandana
Member
Chief Executive Officer, SCCCTH
- 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

Using TCFD (Task force for Climate-related Financial Disclosure) methodology, we have identified climate-related risks and opportunities, which are now fully embedded into our Business Risk Management processes.

Message from the Group Executive Committee

Dear Shareholder,

The year 2022 brought unprecedented twists and turns to our markets and to our business outcomes. The economic aftermath of the COVID-19 pandemic has manifested itself in 2022 with imbalanced supply chains, and tremendously inflated costs across practically all of our industry's procurement spectrum. There has been rampant energy inflation with thermal and electrical energy costs rising dramatically, and the cost of borrowing has increased significantly. The conflict in the Ukraine has exacerbated supply and price volatility as has the ripple effect of China's zero-Covid policy which has caused a drag on BRI associated infrastructure investment activity in many of our markets.

At a consolidated Group level, whilst revenues have risen by 20 percent over the prior year, we have experienced reduced margins, leading to like-for-like net profit reduction in 2022 (excluding a one-time tax impact in Sri Lanka) of 26 percent compared with the previous year.

Cashflow rates reduced compared with the prior year but were shored up by various Management interventions and cost controls.

Overall, our entire staff has risen to all these challenges in the face of all the volatility and uncertainty, and stayed positively engaged, strong, and resilient. Across our markets our customer-focused commercial strategies led to market share gains.

In Thailand, the pace of infrastructure investment stayed solid, although retail markets tapered off due to pressures on household budgets and flooding in up-country areas. Whilst volumes were reasonable (even up 7 percent on prior year), the pricing levels needed to offset massively increased input costs, were not reached and profits margins were eroded. Our cement, concrete, and aggregates businesses in Thailand saw lower operating margins due to strong thermal and electrical energy cost inflation as well as transport cost escalations.

Siam City Cement Trading Company Limited continued its trading activities across the APAC region and into Bangladesh, as well as to our own Group entities overseas against a backdrop of price uncertainty and sluggish demand for seaborne trading volumes.

Our Ecocycle subsidiaries across the Group saw enhanced profitability as the soaring costs of fossil fuels raised the prices available for waste management services and alternative fuels. Our Light Building Materials businesses in Thailand and Indonesia, however, were impacted by the fall in residential construction.

At the regional level, our international operations faced similar slowdowns in retail cement consumption, particularly as we entered the second half of the year. Our business in Vietnam experienced a strong volume recovery compared with the prior year. In Sri Lanka, however, from May

onwards the country experienced a large foreign currency crisis causing national demand to basically halve. Our business there managed to greatly offset this volume drop through robust price management in the market to counterbalance raised fuel and raw material import costs.

Our joint venture business in Cambodia faced a drop-off in national demand but drove a successful increase in market share and maintained accelerated ramp-up of its waste management-oriented Ecocycle business. In Bangladesh, business was adversely affected by the general import costs inflation and softening retail segment cement demand.

As we look forward to the coming year, the Group is confident about continued revenue improvements in 2023, through improved pricing levels as the industry is pressurized to pass the large cost inflation levels through to downstream elements in the chain. We continue to entrench our strong market share levels whilst working tirelessly to improve our cost efficiency in the face of increased input cost levels.

In the face of these challenges, Siam City Cement stays our course on the long term and on our sustainability responsibilities. We remain totally committed to deliver on our Environmental, Social, and Governance (ESG) agenda in deeds, not words.

Using TCFD (Task force for Climate-related Financial Disclosure) methodology, we have identified climate-related risks and opportunities, which are now fully embedded into our Business Risk Management processes. Siam City Cement's governance and accountable leadership focus on the ESG topic is keeping us well on track with our sustainability ambitions.

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 remain committed to deliver on your expectations in the coming year and beyond.

Aidan John Lynam

(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-mixed 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	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Net sales						
Cement	34,077	68	27,406	66	26,610	63
Concrete and Aggregates	6,400	13	5,388	13	6,632	16
Trading	5,634	11	5,389	13	5,167	12
Light Building Materials	2,860	6	2,382	6	2,391	6
Others	1,155	2	1,113	2	1,200	3
Total net sales	50,126	100	41,678	100	42,000	100

* Which were eliminated upon consolidation.

Steady earnings growth in 2022

Net sales

50,126
Million Baht

Net profit

1,857
Million Baht

Earnings per share

6.23 Baht

2020 2021 2022

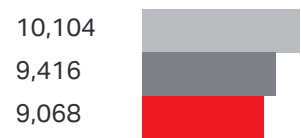
Net sales and service income
Million Baht



Total assets
Million Baht



EBITDA
Million Baht



Total shareholders' equity
Million Baht



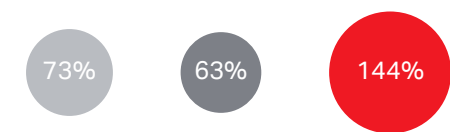
Net profit
Million Baht



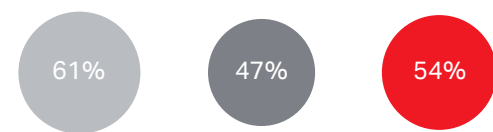
Earnings per share
Baht



Dividend payout ratio on net profit



Gearing



Key Figures

	2022	2021	2020
Production Capacity (Million)			
Clinker (tons)	14.6	14.6	14.7
Cement (tons)	24.4	24.4	25.2
Mortar (tons)	0.8	0.8	0.8
Lamination (tons)	0.2	0.2	0.2
Aggregates (tons)	5.6	4.8	4.8
Million Baht			
Net sales and service income	50,126	41,678	42,000
EBITDA	9,068	9,416	10,104
Net profit	1,857	4,248	3,680
Cash flow from operating activities	4,144	6,948	8,932
Investments in property, plant and equipment - net	1,799	1,266	705
Total assets	73,353	82,012	77,670
Total liabilities	38,851	42,785	42,958
Total shareholders' equity	34,502	39,227	34,712
Margin (%)			
EBITDA	18%	23%	24%
Net profit attributable to equity holders	4%	10%	9%
Cash flow from operating activities	8%	17%	21%
Financial Ratios			
Earnings per share (Baht)	6.23	14.25	12.35
Gross dividend per share (Baht)	9.00 ¹	9.00	9.00
Dividend payout ratio on net profit (%)	144%	63%	73%
Gearing (%)	54%	47%	61%
Total liabilities to total assets (%)	53%	52%	55%
Return on assets (%)	2%	5%	5%
Return on shareholders' equity (%)	5%	11%	11%
Owned Personnel (Persons)			
Group	4,781	4,678	4,734
Cement	3,202	3,148	3,188

¹ Proposed by the Board of Directors meeting on 10 February 2023

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



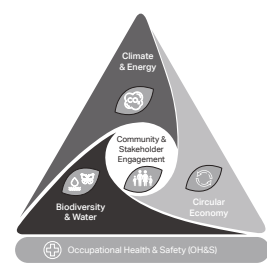
Cement Business Expansion in Bangladesh, Sri Lanka, Vietnam, asset acquisition in the industrial cleaning service business, and forming the trading business

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



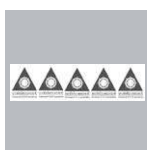
Thailand Sustainability Investment Award 2022 (THSI) for the 4th Consecutive Year

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



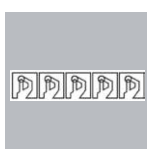
ESG 100 - List of Excellent Performance in Sustainable Development for the 3rd Consecutive Year

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



"Excellent" Recognition Level of Corporate Governance of Thai Listed Companies for the 7th Consecutive Year

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



"Full Score 100" Annual General Meeting of Shareholders (AGM Checklist)

Awarded to Siam City Cement Public Company Limited,
by The Thai Investors Association



Certificate of Membership of Thai Private Sector Collective Action Against Corruption (CAC)

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



Certificate of Green Label (Hydraulic Cement Product)

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



Carbon Footprint Product Label Award

Awarded to Siam City Cement Public Company Limited,
by Thailand Greenhouse Gas Management Organization (Public Organization)



Carbon Footprint Reduction Label Award

Awarded to Siam City Cement Public Company Limited,
by Thailand Greenhouse Gas Management Organization (Public Organization)



Green Industry Award Level 5 - Green Network for the Consecutive Year

Awarded to Siam City Cement Public Company Limited (Saraburi Operations
Plant 1, 2 and 3),
by Department of Industrial Works, Ministry of Industry



Green Industry Award Level 4 - Green Culture for the Consecutive Year

Awarded to Siam City Cement Group (Saraburi Operations, INSEE Mortar Plant
and Siam City Power Company Limited - Plant 3),
by Department of Industrial Works, Ministry of Industry



Certificate of Zero Waste to Landfill Standard (ZWL-DIW:2022)

Certified to Siam City Cement Public Company Limited (Saraburi Operations Plant 1 and 3),
by Department of Industrial Works, Ministry of Industry



Certificate of Gold Standard Waste Processor

Certified to Siam City Cement Public Company Limited (Saraburi Operations Plant 2 and 3),
by Department of Industrial Works, Ministry of Industry



The Outstanding Green Mining Award 2022 for the Consecutive Year

Awarded to Siam City Cement Public Company Limited,
by Department of Primary Industries and Mines, Ministry of Industry



CSR-DIW Continuous Award 2022

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



First Place KAIZEN™ Award Thailand

Awarded to Siam City Cement Public Company Limited,
by KAIZEN™ Institute Thailand



Third Place Global KAIZEN™ Award

Awarded to Siam City Cement Public Company Limited,
by KAIZEN™ Institute



Occupational Health and Safety Assessment Series ISO45001:2018

Awarded to Conwood Company Limited,
by International Organization for Standardization



Best Trader Award

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



LMDs Brands Annual's Most Loved Brands Award 2022

Awarded to Siam City Cement (Lanka) Limited - Sanstha Cement,
by LMD Magazine & Brand Annual



Energy Efficiency In Industry Award 2021

Awarded to Siam City Cement (Vietnam) Limited,
by Ministry of Industry and Trade, the Vietnam Energy Conservation and
Energy Efficiency Association in cooperation with the German International
Cooperation (GIZ)

2

Business Description and Portfolio

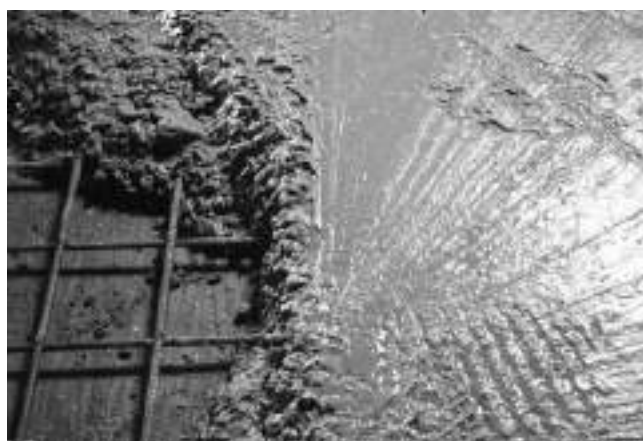
Business Growth and Development Plan

While space for growth was limited because of a slow economic recovery, we managed a sustainable performance in 2022. We continued to focus on decreasing the energy intensity of our products and operations. This is in line with industry mandates for carbon footprint reduction.

We once again strongly emphasized customer value and customer-oriented services this year. SCCC Group is able to respond to customer needs by developing products that create added value and keep pace with the rapidly changing construction industry. In summary, 2022 saw us deepen our commitment to delivering and defending our values as a sustainable and customer-centric company.

In summary, 2022 saw us deepen our commitment to delivering and defending our values as a sustainable and customer-centric company.

1. **Core cement businesses:** To deliver on SCCC Group's Environmental, Social, and Governance (ESG) agenda, the efforts of our core cement businesses focused on developing products that are more friendly to the environment. Our main levers for change are reducing fired limestone (clinker) as a percentage of end products and increasing the substitution of waste-derived fuels for coal. All INSEE cement companies are striving to increase their ambitions on both fronts. Initiatives to strengthen market positions were put in place in 2022 by enforcing stronger commercial discipline.



2. **Building materials and service businesses:** SCCC Group's light building materials business is focusing on value-added innovation through more configured and customized products and services. For example, an increased number of specialized mortars were launched, and more shapes and colors were made available for CONWOOD products. Meanwhile, our Ecocycle waste management and industrial services business has been steadily developing tailored solutions for key account customers. SCCC Group's success in this business relies on our capability to serve leading customers with tailored services and offerings.

We remain resilient through caution and conservatism in these challenging times. Our growth and development focus in 2023 will be on current portfolio performance.

Group Business Portfolio

Cement Business Segment

For more than 50 years, Siam City Cement Group has been producing and distributing cement products. The Company has become a leading producer of high-quality cement products, using modern production technology to fulfill the evolving needs of customers.

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

The Company has become a leading producer of high-quality cement products, using modern production technology to fulfill the evolving needs of customers.

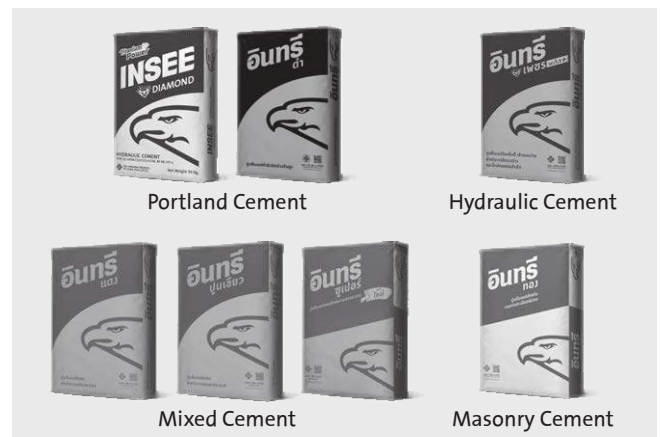
Thailand - Siam City Cement Public Company Limited (SCCC)

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 Company also exports cement and clinker to Laos, Myanmar, Australia, and other markets.

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

1. Characteristics of Products or Services and Business Innovation

The Group currently offers four major types of cement products 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 and collaboration with key stakeholders are at the heart of what the Group does with a special focus now placed on sustainable development. There were several notable achievements on this front in 2022.

Siam City Cement Public Company Limited is currently advancing market acceptance of hydraulic cements that have lower carbon content. Customer collaboration in Thailand has driven more suitable and sustainable concrete solutions to customers.

In Vietnam, an upgrade to INSEE Power-S, a multi-purpose cement, was rolled out that sees it now able to withstand sulfate–chloride attack. This helpful feature of INSEE products mitigates the impact of drought and salinity, a major long-term issue throughout Southern Vietnam. The product's resiliency also aligns with the Group's sustainability objectives.



As part of advancing application of high-performing, sustainable construction solutions with a reduced carbon footprint in Sri Lanka, Siam City Cement (Lanka) Limited played a key role in the establishment of the new SLS1697:2021 specification for Portland Composite Cement from the Sri Lanka Standards Institution. Assistance was derived from publications of the International Organization for Standardization, the European Committee for Standardization and the British Standards Institution.

Information Disclosure for Products and Services

Siam City Cement Public Company Limited has adopted a product disclosure policy as practical guidance to prevent possible damage incurred from the incorrect disclosure of information. This policy covers significant information of INSEE products, including key features, weight, work manual, manufacturer, and any suggestions both on product labels and the Company's website.

2. Marketing and Competition

Key highlights:

- SCCVN to benefit from strong infrastructure investment in South Vietnam
- SCCC sees strong take up for INSEE Prompt-U and INSEE CPM Partner franchising models
- New INSEE SANSTHA Composite Cement in Sri Lanka helps drive brand awareness and sales
- SCCC and SCCBD continue exporting to nearby markets

Siam City Cement Group has retained its position as a market leader in Thailand, Sri Lanka, Vietnam, and Cambodia. There was no major shift in market shares in 2022.

Marketing efforts and policies vary from market to market although each one shares the goal of maximizing the Group's brand strength to add and retain customers. An example of this can be seen in Cambodia where CMIC launched a strategy of competency-based sales trainings along with sales management process optimization. That, combined with flexible loyalty programs, enhanced customer stickiness and retention.



SCCC Thailand continued to develop the INSEE Prompt-U and INSEE CPM Partner franchising models for concrete product manufacturers interested in producing precast concrete housing and other concrete products. The market has responded well to both the INSEE Prompt-U and INSEE CPM Partner programs with franchisees now established across Thailand.

Marketing efforts and policies vary from market to market although each one shares the goal of maximizing the Group's brand strength to add and retain customers.

In Sri Lanka, SCCLK launched its newest product under the popular and trusted SANSTHA brand. INSEE SANSTHA Composite Cement was marketed as a high performing cement which played to the country's B2C market. The retail bag market made up 75 percent of total consumption of the new product.

SCCBD continues to leverage its recognition in the retail market which is important since B2C sales render maximum margin locally. An emphasis was placed on targeted marketing programs, relationship marketing, and prompt service to strengthen brand loyalty and customer retention.

Moving to sales and distribution channels, the Company remains determined to build upon its already robust network by exploring emerging channels. SCCC studies the attributing factors to this development, such as changing consumer expectations, new business models, and technologies, to best pursue new opportunities.

The Company has established direct sales channels in Thailand that focus on professional segments such as ready-mixed concrete producers, concrete product manufacturers, developers, and contractors in addition to government and private projects. Direct sales target customers are those looking for high and consistent cement quality with professional support for business sustainability.

SCCBD focuses on the B2C segment which accounts for 80 percent of sales while SCCLK targets the retail bag customers who consists of 75 percent of the total market. The industrial segment accounts for the remaining 25 percent.

CMIC worked to consolidate its sales and distribution strengths in 2022. On the B2C side, this meant cultivating its nationwide network of retailers and wholesalers. On the B2B side, a mix of wholesalers and direct sales have been built across Phnom Penh as well as the southern and eastern regions of the country. CMIC business is driven primarily by the retail segment, which makes up approximately 70 percent of sales.

In terms of exports, cement sent to Laos, Myanmar, and Cambodia by SCCC is comparable to 6-10 percent of domestic cement volume in Thailand. Additionally, SCCBD continued exporting products to Eastern India. This accounted for 4 percent of total revenue.

Fierce competition, along with other factors across the Cement Business Segment, will present challenges across markets in 2023.

The outlook in Thailand is cloudy with both positive and negative factors likely to drive demand for cement in 2023. Overall, the Thai cement industry is looking up due to the government's large-scale investment projects and a modest uptick in private construction projects in residential and commercial real estate expected.

However, this growth will be limited by several challenges, including a labor shortage in the construction sector, a spike in energy prices which unfavorably impacts manufacturing and transportation costs, and excess supply in a high-end residential real estate market.

Competition in Cambodia remains high with five cement factories now operating in the country. These are Chip Mong INSEE Cement Corporation, Kampot Cement, Cambodia Cement Chakrey Ting, Battambang Conch 2 Cement, and Thai Boon Roong Cement. In addition to this, firms continue to import cement into the country.

There was a decrease in demand for cement in Sri Lanka during the preceding year due to the contraction of the construction industry as a result of the country's economic crisis. Competitors in Sri Lanka are now moving towards introducing the new standard of Portland Composite Cement. It remains to be seen how that will affect business moving forward.

There are positives signs in Vietnam where strong government investment into infrastructure in South Vietnam should allow INSEE Vietnam to further its competitiveness. Currently, cement production in the Northern areas of Vietnam is oversupplied but the distance and cost to serve Southern markets makes it difficult for those players to effectively compete there.

3. Procurement of Products or Services

Key highlights:

- Siam City Cement Trading Company Limited continues to assist the Group in procuring essential raw materials
- Co-processing activities enabled substantial coal replacement at INSEE Vietnam's Hon Chong clinker plant

The Cement Business Group leverages modern production technology, a high-quality management system and world-class sustainable development to guarantee successful production that meets the needs of customers in all five markets.

The Cement Business Group leverages modern production technology, a high-quality management system and world-class sustainable development to guarantee successful production that meets the needs of customers in all five markets.

In Thailand, SCCC boasts a total annual cement production capacity of 16 million tons per year. SCCVN produced 5.2 million tons of cement in 2022, SCCBD has a production capacity of 0.5 million tons per year, SCCLK can produce 2.7 million tons annually, and CMIC has a production capacity of 2.2 million tons per annum.

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

Fuel substitution helps to reduce carbon dioxide emissions and lowers cement production costs. Additionally, the Company has employed waste heat recovery plants to generate electricity from excess heat created during the cement production process. 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.

Additionally, the Company has employed waste heat recovery plants to generate electricity from excess heat created during the cement production process. 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.

An example of the benefits realized through INSEE Ecocycle business units can be found in Vietnam. Co-processing activities enabled substantial coal replacement at INSEE Vietnam's Hon Chong clinker plant. This proved to be important considering the substantial coal price increases that happened in 2022.

Similarly, CMIC has been working to increase thermal substitution rate and the use of industrial waste as alternative fuel to replace coal which increased in price threefold in 2022.




Looking at procurement, the Group strategically sources major raw materials, including limestone, shale, clay, gypsum, copper slag, kraft paper, jumbo bags, and WPP plastic bags, to increase cost efficiency. A total of 52 percent of raw materials are purchased domestically with the rest being acquired from overseas.

Support is provided in part by Siam City Cement Trading Company Limited which assists in sourcing essential raw materials for cement production and fuels along with the seaborne transportation for exports and imports. The Group does not rely on any single supplier and this limits the risk of supplier concentration for raw materials and fuel.

Green Procurement is another area of emphasis for the Group. This means ensuring all purchased goods and services come via a standardized procurement process and that they are environmentally and socially responsible.

SCCC continually focuses on achieving greater efficiency in performance and cost via green alternatives. These efforts include the utilization of fossil fuel energy substitutes, clinker alternative raw materials, waste products, and equipment and machinery that have a lower energy input to required output ratios.

Ultimately, Green Procurement process looks to strike the right balance between ensuring optimal initial cost and long-term commitments to the environment.

 Details of the Green Procurement of the Group Companies appear in Attachment 5.

INSEE Vietnam imported the coal from Australia, Indonesia, and Canada with the help of Siam City Cement Trading. Clinker that could not be sourced from its plant was purchased from local Vietnamese cement suppliers.

Procurement savings in Bangladesh were realized in 2022 through the development of alternative sources; inventory optimization by reducing shipment size for raw materials; and proper planning and monitoring of the spare parts purchases and consumption.

CMIC purchasing continues to shift towards the domestic market as the development of local industries and services has allowed it to reduce dependency on imports from overseas.

When it comes to both procurement and production, The Group takes sustainable development principles into consideration.

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, reduce energy consumption waste, reduce the emission of greenhouse gases and protect the environment.

The focus is on ways to consciously utilize resources for the utmost benefit, reduce energy consumption waste, reduce the emission of greenhouse gases and protect 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.

4. Under-Construction Projects

There is no under-construction projects.

Concrete and Aggregates Segment

Siam City Concrete Company Limited

Siam City Concrete Company Limited (SCCO) consists of two main operating business segments: Ready-Mixed Concrete and Aggregates.

Ready-mixed concrete was established to support and secure the cement channel. It produces high-quality concrete products that are technically innovative and meet the demands of construction market clients.

Aggregates was established to underpin the continuous growth of the ready-mixed concrete business by offering rock and sand products with a high-value proposition.

Key Information

Capacity

- Ready-mixed concrete 4,400,000 cubic meters per year
- Rock 5,000,000 tons per year
- Sand 600,000 tons per year

Brand

- Ready-mixed concrete: INSEE Concrete (RMX)
- Aggregates: INSEE Aggregates (AGG)

Operational Excellence Goals

- Zero Harm to employees
- Providing cement channel security for Siam City Cement Public Company Limited via INSEE Concrete
- Highly efficient RMX and AGG operational and logistics performance
- Value-added products and services within the RMX and construction sectors
- Expansion into developing channels such as CPM and Road Construction
- Production of high-performance Aggregates

INSEE Concrete and INSEE Aggregates

1. Characteristics of Products or Services and Business Innovation

INSEE Concrete is a business unit of Siam City Concrete, which is a subsidiary of Siam City Cement Public Company Limited. It is one of Thailand's leading ready-mixed concrete manufacturers with the primary goal of producing high-quality products that meet the demands of various construction market sectors. Product development innovation as well as high service delivery offering are key objectives for the business. Specifically, INSEE Concrete's ability to offer advanced technical solutions to clients, ensures market differentiation and provides a strong value proposition.

Utilizing high-quality raw materials, INSEE Concrete has developed a wide-ranging portfolio of concrete products, including specific performance concrete, from standard to highly specialized technical project applications. It is a trusted ready-mixed concrete supplier to all construction sectors and has developed in-house capabilities to service the most high-profile and technically advanced projects. As market demands evolve, INSEE is working collaboratively with clients to ensure optimal results.

Recently, INSEE Concrete worked closely with many major road-paving contractors to provide high-performance, low-slump concrete to meet growing demand from slip-form pavers. INSEE Concrete also continues to build expertise within the growing and important CPM sector, providing mix design optimization and on-site batching solutions.

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

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



The high-performance aggregate and sand products support a wide range of Thailand construction industries, including the retail, residential, industrial, commercial, and infrastructure sectors.

INSEE's commitment to 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/CPM operators.

2. Marketing and Competition

INSEE Concrete operates an extensive network ready-mixed plants throughout Thailand, some of which it owns and others being franchised operated. With nationwide reach and an extensive portfolio of products, we are capable of servicing all sectors from small retail to large infrastructure and others, such as manufacturing, commercial, industrial, and residential, in between.

Whilst competition within the sector remains high, INSEE's focus on production efficiency and technical solutions, along with the delivery of high-quality products and services, remains fundamental to its ability to differentiate itself and successfully compete within its markets.

INSEE Concrete is sold through various channels, including offline, agencies, partnerships with medium to large contractors, and online platforms to increase market reach and coverage.

Continued steady growth and progressive improvement due to the ongoing construction of large infrastructure projects and some recovery of other sectors is expected in 2023. Further recovery of the EEC is also expected to lift demand as investor confidence progressively returns.

As the effects of COVID-19 abate, economic recovery of the construction sector is gradually happening. The major growth driver of 2022 was infrastructure, including the expansion of expressways, national roads and the low-rise residential segments. Whilst competition within the Aggregates industry remains high, INSEE's unique positioning and trusted brand reputation allows it to successfully compete in all sectors, such as ready-mixed concrete, concrete product manufacturing (CPM), and road construction industries (RDC). INSEE Aggregates continues to expand its external supply channels and develop technical support services for its clients.

The sales channels for INSEE Aggregates are primarily direct via the Ready-mixed Concrete (RMX), Concrete Product Manufacturers (CPM), and Road Construction Industries (RDC) sectors. RMX and CPM customers require a high degree of technical service, optimal cost solutions, and premium quality. On the other hand, RDC request high volume availability along with product consistency.

3. Procurement of Products or Services

INSEE Concrete utilizes the highest available quality of raw materials for production. We recognize the critical importance and our responsibility to reducing our environmental impact.

Sourcing cement and from its parent company allows INSEE Concrete to utilize reduced clinker factor products, such as INSEE Petch Easy Flow (Hydraulic cement). Additionally, the business aggregate needs are largely supplied by its Suphanburi quarry which produces high-quality aggregates allowing further cement content reductions.

Both INSEE Concrete and INSEE Aggregates benefit from the centralized procurement of the group to ensure that required products and services are secured with optimal benefit.

4. Under-Construction Projects

There are no under-construction projects.

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

Light Building Materials Segment

The objective of the Light Building Materials Group is to create value-added business for Siam City Cement Group. This is accomplished by focusing on the research and development, marketing and selling of the Light Building Material Group's products which consists of three main businesses: dry-mixed Mortar products, lightweight concrete products and decorative wood replacement products. All three satisfy the requirements of customers while delivering new products and innovations for the current market. Products assist customers through convenience, lessening the working process, and increasing effectiveness and efficiency. Furthermore, we also focus on environmentally friendly products and processes by decreasing the use of unnecessary resources and processed that can have a harmful impact on the environment and nature.

Key Information

What we're capable of

- 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

Products assist customers through convenience, lessening the working process, and increasing effectiveness and efficiency.

Our Brands

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

What we're good at

- Proven track record: We have a long history of being a leading cement and building material manufacturer in Thailand and Indonesia
- People's choice: We are a renowned building material brand that can assist with all projects and can be found at wholesalers and retail channels nationwide (both modern trade and traditional trade)
- Always improving: We continuously conduct research and development that allows us to offer innovative products and services that best satisfy customer's needs. This includes collaborating with major customers

- Readily available: We boast strong distribution channels and a robust supply chain that ensures our products can be delivered to our customers nationwide
- Focused on the future: We are committed to sustainable development that aligns with the company's vision, mission, and corporate strategy for all stakeholders' benefits

Our Major Business policies

- Expand businesses into potential and emerging markets both domestically and internationally by introducing various products featuring the latest technologies to create sustainable growth for the Group
- Continue research and development focused on value-added products and services aimed at satisfying our customers' requirements and needs
- Apply a "Customer Centric" approach for business operations that ensures the highest level of customer satisfaction
- Continually review, develop, and improve the effectiveness and efficiency of our working process, production process and supply chain along the value chain
- Conduct business with social responsibility towards communities and the environment while also gaining more engagement from the stakeholders across the Group

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. These include plastering Mortar, bricklaying Mortar, floor leveling Mortar, tile adhesive Mortar, dry concrete Mortar, repair Mortar, and other specialty Mortars. Main targets for our products are the residential and commercial markets
- INSEE Superblock has focused continuously on improving the quality of autoclaved aerated concrete (AAC) products and increasing process efficiency to ensure customer demand is met. We actively develop INSEE Superblock value-added and high-quality products with reinforced wall panels stud and lintel among the most notable examples. INSEE Superblock boasts a professional and skilled team for wall solution services. They have the ability to serve customers in matters relating to 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 ease of installation while reducing construction management pain points, such as time, labor, and financial costs. 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 units with two floors in the form of a high-ceiling open space or double space that can be found in condominium, hospital, and hotel buildings

- Conwood offers premium decorative wood replacement products that are widely accepted for their quality. The brand is trusted in Thailand for the beauty and durability of its products while being well known for its social responsibility among the various customer groups in the Kingdom where it has been operating for almost two decades. Conwood responds to customers' needs with a variety of products that can be divided into five categories including: Floor decoration, Wall decoration, Eave and ceiling decoration, Multi-decoration, and Water-based paint (primer, paint, clear coat, and finishing paint)

Leveraging cutting-edge technology from Switzerland, CONWOOD products possess the same beautiful and unique wood grain as real wood while offering durability, easy installation, and environmental friendliness. In 2022, Conwood emphasized its color-finished decorative wood replacement products under the brand "CONWOOD BEYOND". Offering both digital and color coating, products under this range provide a seamless installation and application process that ensures the beauty of painting on CONWOOD products. New products



launched by Conwood included "CONWOOD Decorative Panel Curve" and "CONWOOD Decorative Panel Block" which were the byproduct of customer preference research and product co-creation with customers

In Indonesia, Conwood is still focused on the following solutions: product and design consultation; and installation service solutions, which are creating sustainable growth in the future. What's more, Conwood in Indonesia started to introduce and sell CONWOOD BEYOND and INSEE Super Panel. This began in the third quarter of 2022 and is fulfilling the market gap

2. Marketing and Competition

2.1 Overall Industry Situation

The continuing presence of the COVID-19 pandemic remained a massive obstacle for both Thailand and Indonesia in 2022. These challenges were exacerbated by the global and domestic economic crisis which still exists. With the domestic real estate market continuing its decline, Thailand's building material recession continued. There are three key factors driving this. First, a decline in private construction is due to lower purchasing power and higher household debt caused by the ongoing economic problems. Second, many real estate developers opted to delay new condominium launches in 2022, and instead focused on selling existing stocks so they could better manage cash flow. Finally, market slowdowns elsewhere in the world caused the decline of building material exports to other countries. A Thailand real estate market recovery is expected to last three-to-five years with fiercer competition in the near term likely.

2.2 Competitive Strategy

- Focus on delivering value 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 allows for customer requirements and needs, such as convenience, ease-of-use, and a decreased reliance on labor, to be met
- Develop innovative products and construction processes featuring eco-friendly concepts

that reduce construction processes and labor dependency

- Improve the efficiency of the production and supply chain while implementing cost reduction measures that can increase the Company's competitive advantage
- Develop a strong distribution channel network for the project, wholesale and retail segments that efficiently push our products into targeted markets. Additionally, efforts were made to locate new potential dealers to increase the product coverage nationwide in Thailand as well as overseas
- Focus on exploring and developing networking opportunities with modern retailers in order to partner with them and increase INSEE Mortar's outlet penetration. This would improve accessibility to all product varieties that cover the construction process
- Enhance online marketing communication and increase our presence across online shopping platforms
- Improve Go-To-Market strategies and expand market penetration in residential and commercial in low- and high-rise segments

2.3 Target Customers

- End-users including masons and homeowners who require products for new-builds, decoration and renovation

- Project owners, developers, architects, and contractors who require products for new-builds, decoration and renovations
- Dealers who buy and sell products to end-users or their sub-dealers

2.4 Channel of Distribution

- The business has a strong network of distribution channels nationwide that covers project, wholesale, and retail dealers. We also continually support our dealers for product and market penetration through marketing campaigns, promotions, and online and offline activities 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 identify new dealers in the white space to increase coverage
- The sale breakdown between the domestic and export market of each product is as follows;

INSEE Mortar: Domestic market was 100 percent

INSEE Superblock: Domestic market was 100 percent

CONWOOD: Domestic market was 90 percent and Export market 10 percent
- The business continuously promotes products along with the entire brand through integrated marketing communications and activities at

local traditional retailers and modern retailers by using popular offline media outlets and widely used online platforms, such as Facebook, Line Official Account, and YouTube among others. This ensures a high level of brand awareness in local areas

3. Procurement of Products or Services

- The 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 that helps maximize efficiency and ensure consistent quality.

The INSEE Mortar Plant increased the process efficiency of its products, especially in the specialty and technical Mortar category, to better support customer needs in each segment. These efforts included skim coat, floor hardener, cement waterproofing, and non-shrink grout. INSEE Mortar can create two-component waterproofing Mortar and improve the production process to be able to produce liquid components, such as INSEE Latex.

Raw material procurement system

The INSEE Mortar Plant uses two main raw materials in the production process: limestone and type 1 cement (Portland cement) from Siam City Cement Public Company Limited. This ensures raw materials and packaging are

of superior quality. We also provide additional raw materials that can be used to develop properties and create 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. (Material Source Origin: 99.82 percent domestic and 0.18 percent imported)

- The INSEE Superblock Plant is an autoclaved aerated concrete plant which produces high-quality block, wall panel, and lintel. The INSEE Superblock plant has an advance PLC system to help maximize efficiency and ensure consistent quality under the ISO9001:2015 standard. The INSEE Superblock Plant focused on increasing the process efficiency of its products with special attention paid to the wall panel category. Superblock products can be customized to meet customer needs as long panels of up to five meters can be produced.

Raw material procurement system

The INSEE Superblock Plant uses two main raw materials in the production process: sand and Type 1 cement (Portland cement) from Siam City Cement Public Company Limited. This generates deep trust in INSEE Superblock which is known for being both reliable and meeting rigorous standards. Additionally, raw materials are used to develop properties and product types, such as a foaming agent that can be used by manufacturers both domestically and overseas. Efficient selection during the

procurement process allows for consistent, high quality INSEE Superblock products to be produced. (Material Source Origin: 99.90 percent domestic and 0.10 percent imported)

- CONWOOD products in Thailand and Indonesia are defined as "green" because of 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 and a certificate from Thai Industrial Standard.

Raw material procurement system

The Conwood Plant uses two main raw materials in the production process: cellulose and Type 1 cement (Portland cement) from Siam City Cement Public Company Limited. In addition to those, CONWOOD uses additive materials to enhance the quality, beauty, and durability of products to ensure they can meet the customer needs. (Material Source Origin (Thailand): 55 percent domestic and 45 percent imported (Material Source Origin (Indonesia): 67 percent domestic and 33 percent imported).

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 (SCCTR)

Overall, 2022 was a very challenging year. Political Polarization in Eastern Europe triggered unprecedented changes to the market. Energy prices skyrocketed; shipping dynamics altered; trade and banking sanctions imposed; and China's Zero COVID-19 policy were all factors undesirable for trade. Despite the many difficulties, the Company managed to maintain its position in the region as a reliable partner to its customers. The Company's 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 2022, SCCTR moved close to 7.0 million tons of various products to its subsidiaries and third-party customers.

1. Characteristics of Products or Services and Business Innovation

The unit's 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 that meet their requirements. The Company continues to deal with all cementitious commodities as well as solid fuels with a focus on industrial by-products, such as slag, fly ash and copper slag to name a few. SCCTR also remains committed to creating long-term

relationships with manufacturers and customers. Our quest is to assist customers with their increasing commitment to Environmental, Social and Governance (ESG) targets and goals.

The Company's 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.

2. Marketing and Competition

The Political Polarization in Eastern Europe triggered unprecedented energy price hikes. Production costs broke historical highs with very little forward visibility. The Company had to take vigilant steps to stay competitive in its markets while still providing stable and consistent high-quality material to customers.

3. Procurement of Products or Services

The Company's buying and selling focuses on selecting reliable partners for supplies and customers that have credibility within the industry to reduce the default risk. SCCTR works within the framework of SCCC Group policies, including compliance, while conducting its activities.

4. Under-Construction Projects

There is no under-construction projects.

Industrial Waste Management & Cleaning Services

INSEE Ecocycle Company Limited

INSEE Ecocycle aims to be a leading provider of environmental solutions. We offer sustainable waste management and industrial services to companies in various sectors. Our mission is to help customers and partners in improving their environmental footprint, achieve sustainability goals, and move towards a circular economy.

INSEE Ecocycle is a wholly-owned subsidiary of Siam City Cement Group in Thailand. 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 help customers and partners in improving their environmental footprint, achieve sustainability goals, and move towards a circular economy.

1. Characteristics of Products or Services and Business Innovation

INSEE Ecocycle's waste management service in Thailand is a market leader in sustainable waste management by utilizing waste as alternative fuel and raw material through co-processing in cement kilns. We offer our 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 and industrial 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, allowing it to become a leader in closing the loop and turning waste into resources. In Vietnam, INSEE Ecocycle provides waste management services to major leading companies and has expanded to provide a full range of services, that include recycling, industrial cleaning, 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 closing the loop for residues and

non-recyclable materials. We are able to handle a variety of waste from various industries, including oil & gas, petrochemical & chemical, automotive, electronic & electric (E&E), and fast-moving consumer goods (FMCG). One of the key solutions to achieving Zero Waste to Landfill is the mining of municipal waste dumpsites where Refuse-Derived Fuel (RDF) is obtained. This can be used as alternative fuel to be co-processed in cement kilns. 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 technology and complementary services in the areas of environmental and sustainability. An example of this in Thailand can be found with INSEE Ecocycle joining forces with the PTT Innovation Institute to take their new research products and services to the commercial level. This year, we launched an

automatic food waste composter developed by the PTT Innovation Institute using natural microorganisms to compost food waste into bio-soil. This innovation can help reduce the amount of food waste that ends up in landfills which would otherwise create methane gases that cause global warming. The innovation also prevents the contamination of food waste into other waste sources that can be recycled or used as RDF according to circular economy principles. In Vietnam, offerings were expanded to include additional services, such as recycling and composting; industrial cleaning; confidential document destruction; emergency response; fumigation; and other on-site waste management solutions and services

2. Marketing and Competition

For waste management services, key customers are leading companies that seek advance technologies and closed-loop solutions that reuse and upcycle waste into innovative new materials and products as well as government agencies that are looking for sustainable waste management services, such as counterfeit and secure brand destruction. In Thailand, the overall waste market is increasing slightly in size; however, the market is highly competitive market 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. 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. We are moving beyond simply co-processing waste materials in our clinker kiln and investing time and people to move up the waste management hierarchy. Indeed, we intend to make environmental services a significant mainstay of INSEE Ecocycle operations going forward as we move up the waste management hierarchy.

In Vietnam, INSEE Ecocycle has been offering sustainable waste management solutions through co-processing since 2007. During that time, more than 1.6 million tons of waste have been treated in an environmentally sound manner, preventing more than 1.5 million tons of CO₂ emissions from entering the environment while not leaving any residue. The waste portfolio treated by INSEE is



vast with more than 700 hazardous waste codes in our license. We have served more than 250 companies since our inception. Co-processing activities have enabled substantial coal replacement at our Hon Chong Plant, which further improves competitive Cost Position, especially considering the substantial coal price increases recorded in 2022.

For Industrial Services in Thailand, 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 process pipeline services.

For other solutions, these portfolios have evolved from our existing customers' requirements for more integrated services and solutions to support their operation needs and helping them meet environmental and sustainability targets. To gain more market shares in Thailand, we need to offer innovation or technology that are able to enhance existing solutions.

Future industry trends under the Thailand bio, circular and green (BCG) economy model are pushing to transform from a traditional linear economic model to a circular economic model where the aim is to reuse and recycle to achieve maximum resource value. The transition to a circular economy requires support for policies like Extended Producer Responsibility (EPR) and plastic neutrality. For industrial services, trends will aim toward increasing efficiency through automation.

3. Procurement of Products or Services

In Thailand, INSEE Ecocycle has two facilities for waste pre-processing. These are located in the Saraburi and Chonburi provinces. For industrial cleaning services, our facilities are in the Rayong and 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. We are committed to continue improving operations in line with international standards of quality, environmental protection, and occupational health and safety. The Company has been qualified and selected from the Department of Industrial Works to continuously participate in

the Best Practices Waste Processor Program. In 2022, we received the Gold Standard Award for Alternative Solid Fuel from non-hazardous waste at the Saraburi platform and the CSR-DIW Continuous Award in recognition of continuous efforts to contribute to society and the environment in business practices.

In Vietnam, we have two main facilities. Cat Lai in Ho Chi Minh City is our main collection center. Most of our customers are in the surrounding provinces (Duong Nai, Long An, etc.). From Cat Lai, waste is transported to our Hon Chong Plant in Kien Giang Province. Here, the final pre- and co-processing takes place to treat waste in an environmentally sound manner. We are ISO certified (9001:2015; 14001:2015; 45001:2018) as well as SEDEX certified. Our laboratory in Cat Lai earned VILAS certification (The Vietnam Laboratory Accreditation Scheme).

The Company's services involve various reliable partners who provide support through the entire customer journey. Together with our partners and related stakeholders, we are focused on environmental improvement activities and committed to minimizing the environmental impact of waste management.

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 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.

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 a key business partner to SCCC Group fulfilling the Group's IT functions and serving as the Group's IT Shared Services Provider since 2013. It provides IT strategy, guidance and services to Siam City Cement 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 drives the Group's Cyber Security resilience by ensuring the overall public IT security rating of the Group remains at an acceptable level to stakeholders.

Not only does INSEE Digital drive Group IT strategy and provide IT services, but it also focusses on IT security to protect the Group's IT systems, data and digital assets as well as on innovations and new technologies that can be applied within the business units of SCCC Group. In terms of IT security, INSEE Digital drives the Group's Cyber Security resilience by ensuring the overall public



IT security rating of the Group remains at an acceptable level to stakeholders. When it comes to innovations, INSEE Digital partners with all SCCC business units to help them apply innovations to digital and information-systems technology, such as Robotic Process Automations (RPA) and Data Analytics. It empowers business units to optimize costs while ensuring compliance in their operations and creating differentiation and competitive advantages.

INSEE Digital utilizes policies and tested communication channels that provide customers and stakeholders with impactful products and services. It remains committed to providing the right IT strategy and best IT services for the Group. The foundations laid over the past years have created an IT business operations model that focuses on optimization and lean architecture as well as the improvements in digital customer experience and internal processes. This work leverages Robotic Process Automation and helps SCCC Group move forward through volatility and adversity.

2. Marketing and Competition

INSEE Digital remains as a trusted business partner for all SCCC's business units, helping them optimize their business, secure their digital assets, and create smart organizations while connecting our business with customers and business partners in real time. This enhances the potential and efficiency of the business units while creating a competitive advantage for the Group and related parties by:

- Offering and overseeing excellent IT services
- Introducing systems that help connect all elements from the start of the business process to its end that create smart, insight-driven organizations. This is accomplished while offering business intelligence and analytics to enhance the capacity and capability of users
- Strengthening SCCC by leveraging the Group's IT intellectual property to improve 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 a thorough understanding of all information technology components so that they are secure and may be applied with maximum effectiveness for SCCC subsidiaries and related parties

This ultimately boosts their competitiveness and creates new business opportunities

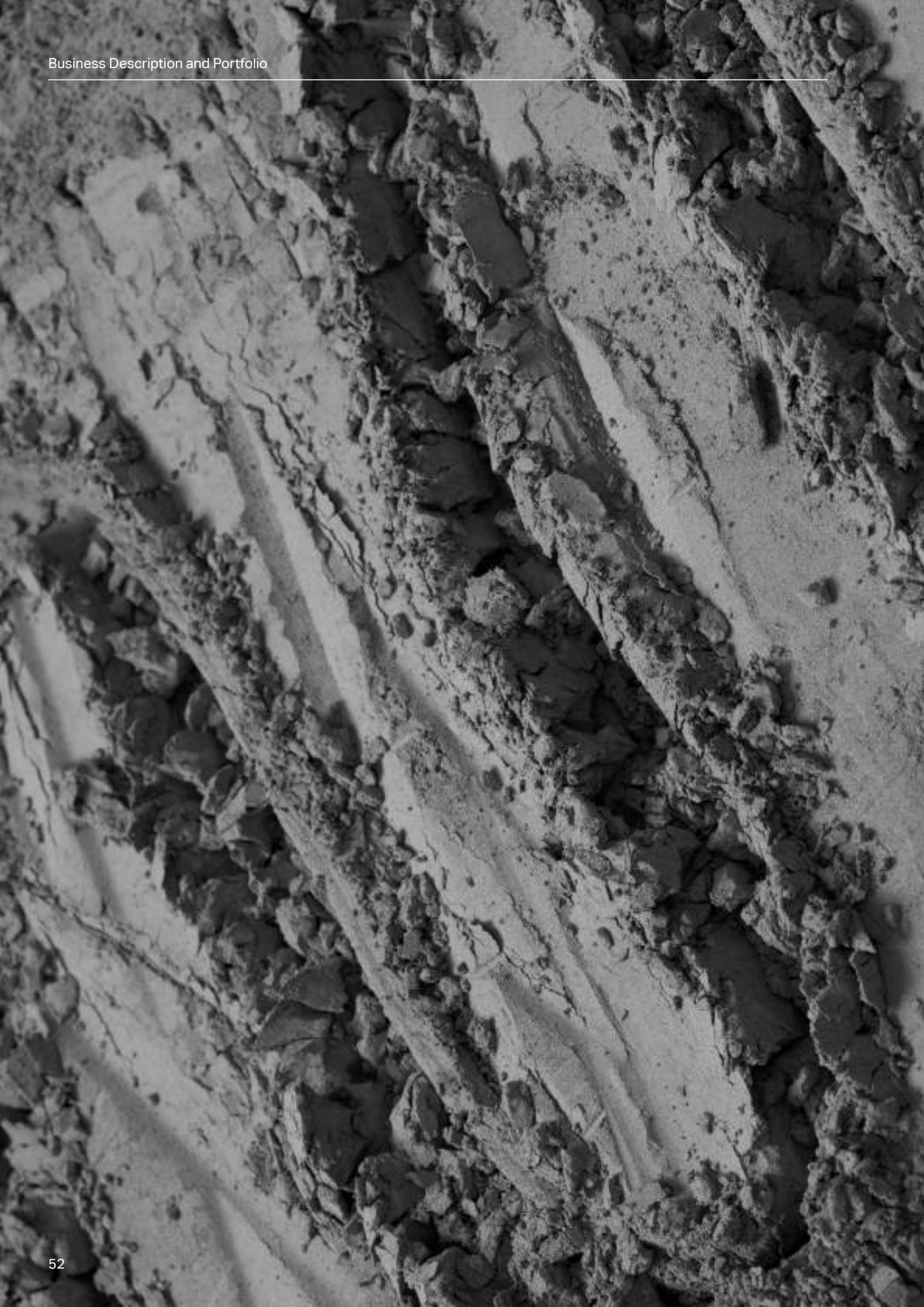
3. Procurement of Products or Services

INSEE Digital only selects currently available smart technologies for the Group's software and hardware requirements. It adheres to the Group organizational sustainability management policy while partnering with leading service and software providers that engage in sustainable practices.

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 SCCC Group moving forward. All solutions are developed by the company's employees with support from business partners.

4. Under-Construction Projects

There is no under-construction projects.



Milestone Changes in Business Operations

Continued disruptions to the global economy meant INSEE management faced ongoing market turbulence compounded by rising energy costs in 2022. These challenging times required us to emphasize the reinforcement of high frequency management practices and institutional disciplines that were put into place in 2021:

- A monthly 'roundtable' brings together all Operating Company CEOs and Group functional leaders to address fast-evolving business conditions
- Updates to formal Company and Group opportunity and risk assessments are now quarterly rather than annually
- Non-capex growth investments are now formally prioritized by a Board-level Investment and Finance Committee and the Group Executive Committee as well as by Operating Companies



Greater focus was placed on clinker factors and thermal substitution rates to reduce energy intensity and maximize environmental sustainability.

We had no significant acquisitions, divestitures, or changes in production operations in 2022.





Our Major Development and Initiatives

■ Cement Segment

Innovation, efficiency, and improvements remain key areas of emphasis for the Cement Segment. Progress is taking place across the region, helping shape operations, marketing, talent, safety, environmental, and CSR efforts.

Operational Focus

Operational improvements continue to take place in Southeast and South Asia as the Cement Segment analyzed consumer needs, focused on resource allocation, and reduced production costs and expenses in various fields.

At the Saraburi Plant, a process control system for cement packing operations was upgraded to an advanced digital system. The previous control system had been in use for some time with performance remaining satisfactory. However, the new system will provide more reliable operations with higher productivity and the ability to monitor two plants from one central location.

At Siam City Cement (Bangladesh) Limited (INSEE Bangladesh), operation excellence remains an area of emphasis. A pair of new management systems, "INSEE Maintenance Plus" and "INSEE Operation Plus", were implemented. These are expected to help the Plant there develop and sustain higher operation performance.

At the Saraburi Plant, a process control system for cement packing operations was upgraded to an advanced digital system. However, the new system will provide more reliable operations with higher productivity and the ability to monitor two plants from one central location.

Product & Business Model Development

Key products and business models provide the Cement Segment with a platform for innovation that can improve business and better serve customers and retailers.

For example, INSEE Petch Plus, a hydraulic cement widely recognized as one of the most environmentally sustainable cement products, has become a trusted among all sales segments. This has resulted in a nationwide rise in sales volume.

Similar growth is being seen with INSEE Prompt U which had 21 franchisees as of April 2022. The program, which assists in mitigating labor shortage challenges, aims to have a strong network of more than 80 operators by 2027.

Siam City Cement (Vietnam) Limited (INSEE Vietnam) finalized the Products Portfolio (PPM) review which recommended reducing the number of brands carried by six. The optimized product portfolio will contain four bag cement products and five bulk cement products.

Additionally, INSEE Vietnam focused on an attack strategy that develops and reinforces commercial foundations in four key areas to ensure better execution while achieving differentiation as a competitive advantage. Specific actions were taken in market, channel, salesforce and products and services development.

Work was done to improve brand loyalty in Vietnam through the engagement contractors and retailers through digital platforms and the creation of more value propositions to end-users and stakeholders. This coincided with an increase of product availability across the market using cost-effective distribution methods.

Additionally, INSEE Vietnam focused on an attack strategy that develops and reinforces commercial foundations in four key areas to ensure better execution while achieving differentiation as a competitive advantage.



Introduction of INSEE Portland Composite Cement (PCC) variants to the Sri Lankan retail market for the first time was assisted by Siam City Cement (Lanka) Limited (INSEE Lanka). This coincided with the discontinuance of non-sustainable Ordinary Portland Cement (OPC).

Innovations

Innovation drives the Cement Segment in its attempts to strengthen existing positions and explore new market opportunities. Advancements cover various products, projects, and processes.

Launched in August 2021, improvements continue to be made to INSEE Plus, the new CRM platform that is specifically designed for the Company's employees and customers. Extension modules are being developed that integrate all the services onto a single platform. All modules will be ready in the first quarter of 2023.

INSEE has initiated a new commercial architecture across all countries in the Group to standardize market approach and customer segmentation. This segmentation allows for the mapping of the current situation for segment sizes, share, channel configuration, and flow while establishing relevant KPI's for commercial operations. This guides the development of value propositions for sub-segments, including ready-mixed concrete and large infrastructure projects, to ensure the Cement Segment understands customer needs and values.

The Procurement and Finance teams further streamlined the purchase-to-pay process via digital transformation as part of Thailand's move to simplify vendor invoice management following the delivery of goods and services. Innovations in this area improve both process efficiency and accuracy while reducing associated operating costs.

Supply Chain

The SCCC supply chain is constantly improved through technology and innovative processes. Improving operational efficiency is a target as this benefits customers through better delivery lead time to market and increased product availability.

The INSEE Supply Chain rolled out the Vendor-Managed Inventory (VMI) concept that applies a smart measuring device at bulk cement silos. This VMI process establishes real-time cement stock monitoring to ensure cement availability, centralize replenishment operations, and improve fleet utilization.

In November 2022, The Supply Chain team of INSEE receive the third place in the Global KAIZEN™ Award for Lean KAIZEN™ implementation from more than 60 countries.

At SCCBD, logistics managed the loading of export trucks and barges in the daytime to increase packer utilization and reduce truck waiting times at the plant.

The Saraburi Plant in Thailand launched an automated gate-on process that allows for both faster service for customers and higher operational efficiency.

INSEE Supply Chain adoption of KAIZEN™, a systematic approach for continuous improvement, receive first place at the KAIZEN™ Thailand Awards. Presented by the KAIZEN™ Institute Thailand, recognition was for the commitment to continuous improvement by everyone, everywhere, and everyday over a three-year period. In November 2022, The Supply Chain team of INSEE receive the third place in the Global KAIZEN™ Award for Lean KAIZEN™ implementation from more than 60 countries.

INSEE Group Reporting

As part of a sustained effort to improve the INSEE Accounting and Reporting Platform, Group reporting continues to be enhanced and automated where possible. Management reports and business

analytics were streamlined by leveraging existing systems and data architecture. Improvements will provide better business insights; enhance validations between statutory and management reports; support automation to reduce manual work and improve efficiency; and allow internal benchmarking between business units to further improve the performance of the Group.

Liquidity Management

SCCC placed a strong emphasis on liquidity management and obtaining long-term committed credit facilities in light of the uncertain macroeconomic environment. Committed credit lines of THB 3 billion were renewed until 2025 during the year with an additional THB 2 billion long-term loan facility limit available for utilization. All Group companies continue to focus on optimal net working capital with a balanced view between product availability and cash generation.

Safety

The Saraburi Plant in Thailand announced the appointment of a new safety management working team and system which helps prevent severe incidents from happening. Implementation of this was supported through communication and training of all requirements and guidelines to employees and contractors. The New Safety Standards Management System is expected to prevent severe incidents that could occur at the Plant.

Operations at the INSEE Surat Thani terminal in Thailand were recognized by the Ministry of Labour for the "Excellence Practices Establishment on Occupational Safety and Health" National Level (Diamond Class) as the sixth year of achievement.

In Bangladesh, SCCBD has successfully implemented "Toolbox Talk Before Work" and "Safety Starts With Me" initiatives that focus on doing what is right, caring for others and creating a reporting culture. This work resulted in no Lost Time Injury (LTI) and no Medical Treatment Injury (MTI) case during the first eight months of 2022. Over the same time period, Total Injury Frequency Rate (TIFR) fell to zero.

Chip Mong INSEE Cement Corporation (CMIC) in Cambodia introduced the hot-work procedure which aims to prevent unplanned fires and explosions at all sites. The practice equips staff with the skills required to conduct and supervise hot work safely.

Chip Mong INSEE Cement Corporation (CMIC) in Cambodia introduced the hot-work procedure which aims to prevent unplanned fires and explosions at all sites.

People

People play an integral role across the Cement Business Segment. Work continues on the training and development of talent through several key programs.

Group Knowledge Management is the continuing implementation of INSEE Knowledge Management Culture. SCCC promotes a single Knowledge Management platform for enabling employees to capture, share, and transfer knowledge, expertise, and best practices across the Group for process improvement and knowledge retention.

In 2022, Corporate Learning and Leadership Development were delivered through digital learning platforms, including virtual classrooms, customized e-learning, and external online content (LinkedIn Learning). Employees were encouraged to formulate a Quality Individual Development Plan with their supervisors.

Leader as Coach is an integrated development program created to help Senior and Middle Management Level employees apply coaching practices in their daily work. During the three-month course, those taking part come to fully comprehend the coaching mindset, skill, and process. The program emphasizes a practical approach where participants get to practice coaching high potential employees within their teams, including across business units/countries.



The Developing Leadership Quality (DLQ) Program was launched with the aim of identifying and strengthening functional talent pools and accelerating the development of high potential talent by equipping them with paths to progress into senior management positions. The first phase of DLQ, “Know Your Talent” and “Grow Your Talent”, was completed in 2022. This concentrated on all key business functions, including commercial, manufacturing, supply chain, finance, and HR.

Environment & Corporate Social Responsibility

Corporate Social Responsibility (CSR) and environmental efforts continue with the Cement Segment focused on building a positive legacy in the communities and countries the Group operates in. SCCC operations are guided by social responsibility and environment friendly production and off-production processes.

For example, the Saraburi Plant looks after its surrounding communities by controlling dust impact along with reducing CO₂ emissions and clinker factor. In addition to this, work is carried out to protect the local area through effective water management.

SCCBD conducts business in Bangladesh by respecting the country's laws in conjunction with company policies and instructions covering the environment. Notable environmental objectives reached in 2022 include the reduction of SPM and water consumption. The situation is continually monitored through Environmental Observation Tours with the results being submitted to the Department of Environment.

SCCBD also undertakes CSR in the community. Projects saw fresh drinking water provided to local citizens who have little means to supply it themselves. A donation was also made to an orphanage school adjacent to the SCCBD Plant at Mahmud Naga.

SCCBD conducts business in Bangladesh by respecting the country's laws in conjunction with company policies and instructions covering the environment. Notable environmental objectives reached in 2022 include the reduction of SPM and water consumption.



■ Concrete and Aggregates Segment

Interest in INSEE Concrete Products continues to increase with three franchisees set to officially begin operations under the brand in 2023. At least 50 franchisees are expected to be part of the program by 2027. The primary objective of INSEE Concrete Products is to improve the effectiveness of supply chain management for participating franchisees which reduces costs associated with production, storage, and delivery.

The INSEE Mini RMX also continues to yield positive results. This initiative supports customers interested in starting or expanding their businesses in ready-mixed concrete. The online sales platform increases product visibility and accessibility for clients.

An exciting innovation came from INSEE Aggregates which has created a product that utilizes and adds value to existing aggregate quarry by-product. The new product, called Genuine Manufactured Sand (GMS), uses natural sand in concrete and is expected to be available in mid-2023.

Meanwhile, the Concrete Product Manufacturing (CPM) business continued to expand in 2022. CPM produces and distributes ready-mixed concrete to concrete slab manufacturing businesses along with precast concrete slabs, piles, and other related materials.

■ Light Building Materials Segment

The Light Building Materials Segment strives towards developing products that provide added value to customers while offering better performance. This coincides with work to lessen the Segment's environmental impact.

Importantly, the amount of fossil fuels used during production continues to be reduced. For starters, remaining waste heat from the cement burning process and electricity generation within the cement plant is applied as the main heat source energy for mortar production.

Solar cells also continued to be installed with these generating additional electricity for use within the mortar plant. Efforts in this area both reduce production costs and provide environmental benefits. The search for alternative fuels that will eventually replace diesel proceeded.

New innovations and products rolled out successfully

INSEE Mortar rolled out INSEE Latex, a product that assists customers with repair, bonding concrete, and mortar leveling works. In addition to being water-resistant, it increases adhesion properties and improves strength while being resistant to tensile, abrasion, and impact.

INSEE Superblock has developed an aerated concrete wall panel (Load Bearing Wall) for the mezzanine floor structure of duplex condominium units. This new product was utilized at Siamese Rama 9 Building C and Soho Bangkok Ratchada, two high-profile condominium developments in Bangkok.

A lightweight concrete wall panel product with low water absorption value was also created by INSEE Superblock for use in rooms or building areas where humidity control is required.

Conwood introduced CONWOOD Decorative Panel Curve and CONWOOD Decorative Panel Block which were researched and co-developed with customers. Meanwhile, improvements were made to CONWOOD Beyond Digital Coating and CONWOOD Beyond Color Coating which allows for better color-finishing. Both brands were added to the CONWOOD portfolio in 2021.

LBM products used in several high-profile real estate developments

INSEE Mortar bag and bulk solutions were used in Niche Mono Ramkhamhaeng condominium (12,000 tons), Kave TU condominium (7,500 tons), and Supalai Park Yaek Fai Chai Station condominium (5,000 tons).

INSEE Superblock lightweight block and reinforced aerated concrete wall panels were utilized for a long list of real estate developments including, Park Origin Ratchathewi, Park Origin Chula-Sam Yan, Police Hospital, King Chulalongkorn Memorial Hospital, Nue Connex House Donmuang, Cassia Residences RAMA 9 Building C, Monsane Exclusive Villa, and Hampton Sriracha.

Both major and smaller developers in Thailand continue to trust CONWOOD Beyond Digital Coating and CONWOOD Beyond Color Coating with these products found at NORA Bang Na (Bangkok); Taradee Wong Waen-Praram 9 (Bangkok); Haru by Spring Town and Hana by Spring Town (Chonburi); and Lanna Fusion and Palm Garden (Chiang Mai).

■ Other Business

Industrial Waste Management & Cleaning Services

INSEE Ecocycle has become a key player in the circular economy with new developments and initiatives providing customers with smarter solutions to help them climb up the Waste Hierarchy.

This work includes better waste management, the recovery of resources from their waste and an environmental footprint reduction.

INSEE Ecocycle continues to focus on an initiative to produce Refuse-Derived Fuel (RDF) from Municipal Solid Waste dumpsites. Billed the MSW-RDF Project, it demonstrates how plastics from dumpsites can be mined for combustible materials with those then being processed into RDF for energy recovery in cement kilns.

Last year saw INSEE Ecocycle introduce another technological advancement in collaboration with the PTT Innovation Institute in Thailand. The pair released an automatic food waste composter which was honored at the Green World Awards 2022. Additionally, it was appointed as the Green World Ambassador to demonstrate to organizations on how they could help protect the environment.

In Vietnam, a 40 percent cold substitution rate target was set at the end of 2021. A lot of preparation work was done from various departments in INSEE, and a 42 percent thermal substitution rate was realized in June 2022. The next step is to make this high level TSR sustainable.

INSEE Ecocycle also celebrated its 15-year anniversary in Vietnam with the organization of a conference that addressed vital topics, such as the circular economy and Net Zero. Nearly 300 participants turned out to hear top experts and practitioners share strategies and specific actions that can be taken to reach Net Zero by 2050.

Chip Mong Ecocycle in Cambodia inaugurated its hazardous waste storage facilities in line with the company's mission to provide a sustainable waste management solution. These hazardous waste storage facilities were built with best-in-class technology and meet all environmental and safety standards.

INSEE Ecocycle Sri Lanka launched a state-of-the-art Pyrolysis Plant with a capacity of 1800 MT p/a at INSEE Puttalam Cement Plant in February 2022. This facility has the ability to convert rubber and plastic waste originating from a wide range of industries into valuable resources. The feasibility of expansion is being evaluated.

Also in Sri Lanka, the INSEE Ecocycle Katunayake plant was renovated with state-of-the-art safety systems. This remains the country's one and only hazardous waste pre-processing facility.

Building trust among stakeholders

INSEE Ecocycle partners with stakeholders on various projects. This work builds trust and showcases the Group's 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. Looking for a solution that doesn't negatively impact the environment while meeting the security and transportation requirements of each department, these agencies have now chosen INSEE Ecocycle to take part in this project for three consecutive years.



INSEE Ecocycle Thailand also recently joined the Declaration of Intent ceremony with the Federation of Thai Industries in collaboration with the Industrial Estate Authority of Thailand to promote the Eco Factory for Waste Processor. This participation with partners sees non-recyclable materials collected before they are sent to the landfill.

INSEE Ecocycle Vietnam works closely with the OPTOCE project. After a successful trial conducted with rejected plastic from the paper recycling industry, a workshop on co-processing was organized in association with the Vietnam National Cement Association to further promote co-processing and to present the results of the trial.

Tackling plastic pollution and stopping leakage

Stopping plastic waste leakage from entering the ocean remains a paramount concern as this causes significant damage to the environment and ocean biodiversity and eventually affects all of us. INSEE Ecocycle strives to eliminate the primary source of plastic leakage. Apart from the MSW-RDF Project, RDF waste drop-off points were established to collect materials, such as single-use plastic products, that are a source of plastic waste leakage.

In 2022, INSEE Ecocycle work together with government and sustainability partners to extend efforts to lessen the impact waste has on the environment. More than 300 volunteers joined forces and collected trash along beaches in Thailand.

Elsewhere, Ecocycle Lanka conducted a series of awareness sessions for school children covering waste management. More than 1,000 students in schools located near SCCC cement or INSEE Ecocycle plants were taught about the need for the proper waste management practices.

Operational excellence recognized

The operations of INSEE Ecocycle have been acknowledged with many awards for its work. These honors reflect the strong commitment of INSEE Ecocycle to maintain the highest standards of environmental protection through operational excellence.



The American Chamber of Commerce in Thailand (AMCHAM) recognized INSEE Ecocycle for fostering sustainable development in alignment with the principles of the Bio-Circular-Green Economic Model (BCG) at the CSR Special Awards.

INSEE Ecocycle was also presented with the Green Industry Level 5 - Green Network, the highest award provided by the Ministry of Industry, for the Saraburi facility.

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.





Report of the Risk Management Steering Committee

Dear Shareholder,

The Risk Management Steering Committee (RMSC) comprises of one director and two senior management level employees, and is chaired by Mr. Aidan John Lynam, Director and Group CEO.

In 2022, the RMSC continuously evaluated Risks and Opportunities through a comprehensive risk management framework covering both external and internal factors such as macro-economic, commodity and Currency, business portfolio, operational, financial, environmental and legal aspects, with an objective to ensure timely management actions to minimize risks and impacts, support strategic decisions and continuous improvement of the Company's performance.

The RMSC reviews the identified risks and opportunities based on value (estimated impact on group profitability) and velocity (how quickly the risks could affect SCCC Group) on a quarterly basis.

The activities of RMSC are governed by SCCC's risk management policy and major risks and mitigations are updated to the AC and the BoD in its quarterly meetings.

The key activities of the RMSC are summarized below.

1. Business Risk Management (BRM) at Group Company Level

Each business unit performs a detailed business assessment to review and update on additional emerging risks which might impact to the company, inputs from the Group Executive Committee (GEXCO), and update mitigation actions and status.

2. Consolidation at Group Level with detailed action plans by country/GEXCO

The country/Business Unit (BU) risk maps are consolidated at Group level to bring integrated view of risks, together with macro factors and are presented to RMSC for their inputs and perspective. The updated group risk maps are provided to the Group companies to address the risks and necessary actions built into business plans for execution of mitigation actions.

3. Quarterly update to AC and Board

The updated risk maps and mitigation actions are presented to the AC and the BoD on a quarterly basis.

4. Follow up on mitigation actions

Group CEO and RMSC members review the status of mitigation actions on a regular basis and request Group Internal Audit and Compliance for an independent confirmation on high-risk items.

In conclusion, structured risk management is embedded in SCCC's way of working and the RSMC ensures all risks and opportunities are addressed to take necessary actions to have sustainable business objectives achievement in the long term.

Aidan John Lynam

(Mr. Aidan John Lynam)
Chairman of the Risk Management
Steering Committee

Risk Management

Siam City Cement Public Company Limited and its Group companies manage risk and opportunities through a comprehensive framework to ensure continued support in achieving Group corporate objectives from all levels of the organization.

Siam City Cement Public Company Limited and its Group companies manage risk and opportunities through a comprehensive framework to ensure continued support in achieving Group corporate objectives from all levels of the organization.

This includes objectives concerning business, operational, financial, environmental, and social aspects that possess the potential to affect our performance and growth in hopes to assess each agenda, mitigate the negatives and sustain the positives.

Each quarter, the Group Executive Committee reviews opportunities and risks identified in the Operating companies. Opportunities and risks are identified based on the value (estimated impact on our profitability) and velocity (how quickly they could affect SCCC Group). The Committee further shapes and consolidates identified issues, taking Group and regional perspectives. Summary views are reviewed and amended with input 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 the risks.

1. Business Risks

Thai economy is expected to modestly recover in 2023 with the COVID-19 pandemic ending and expansion of tourism in accordance with Group companies resulting in GDP growth from 2022 while some of risk factors are of concern.

Economic circumstance in 2022, especially the construction industry, is exposed to disruptions by crisis or abnormal situations including the COVID-19 pandemic and Political Polarization in Eastern Europe. Cement industry, as a part of construction industry is also faced with the following business risks:

■ Risks from economic conditions

Throughout the COVID-19 pandemic, the government endorsed continuous stimulus schemes to sustain the economy. However, as the pandemic near its end, so are the stimulus schemes in accordance with recovering economy and tourism. This together with rising inflation rate and products price, household spending is on the decline due to decreasing purchasing power.

■ Risks from price increment of raw material for cement production

Political Polarization in Eastern Europe conflict triggered turmoil in world economy and specifically in the cement industry by drastically effecting coal and oil prices, raw materials of which Russian is the main producers for and which are main raw materials

in cement production and distribution respectively. The conflict triggered a global-scale impact. Bangladesh is affected by high AIT on raw materials and unstable freight cost due to war unrest. Sri Lanka found a 50 percent market demand decrease compounded by shortage of imported raw materials and high interest rates. Moreover, the risk of insufficient raw material shortage and higher commodity prices threatens long-term high inflation.

■ Risks from domestic inflation

The Political Polarization in Eastern Europe not only affects energy prices but those of agricultural and fresh produce since both countries are main exporters from animal feed. Cost increased are passed on to consumers reflecting in increased consumer goods prices. To cope with rising inflation, the government has endorsed a policy to raise interest rates which in turn deter private investment and consequently leading to economic downturn and lower purchasing power.

2. Financial Risks

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

■ Exchange Rate Risk

SCCC addresses the majority of its exchange rate risks by hedging the balance of the import of raw materials, parts, and supplies with export revenue. The remaining net exposure is mitigated through forward contract booking.

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 arising from foreign currency dividend incomes from overseas subsidiaries.

■ Interest Rate Risk

Interest rate risks are minimal. The Company and its subsidiaries balance between floating and fixed interest rates to mitigate potential impacts from volatile interest rates. Most of the Company and its subsidiaries' financial assets and liabilities bear fixed interest rates or floating interest rates which are close to the market rate.

■ Credit Risk

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

■ Liquidity Risk

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

3. Operational Risks

■ Health and Safety Risks

At SCCC Group, we continued to develop an occupational health and safety management system by implementing "NEW Safety Management System" and "Five Cardinal Rules" to guide the practice for all operators and relevant stakeholders. We have always enhanced a healthy and safe workplace under our commitments "Zero Harm to anyone and Zero Fatality" and fully comply with Safety Laws and Regulations and ISO45001 or go beyond the standards in which we operate.

We have always enhanced a healthy and safe workplace under our commitments "Zero Harm to anyone and Zero Fatality" and fully comply with Safety Laws and Regulations and ISO45001 or go beyond the standards in which we operate.

Top Managers and all operators strove to prevent all hazards, injuries, and illnesses by implementing the OH&S system. Subsequently, this involves can be helped to reduce all injuries and illnesses every year across all Group companies. CMIC has been conducting regular trainings, including hot-work procedure to equip staffs with the skills needed to conduct and supervise hot work safely to prevent unplanned risks.



In 2022, the SCCC Group is still confronted with an epidemic of COVID-19 in our SCCC Group. we have established an Emergency Management Team (EMT) to manage, control and, prevent this situation of COVID-19 and those are the key success to controlling and preventing an epidemic within the SCCC Group. In addition, we also participated in the Factory Sandbox Project (MOU) that has been established by the Ministry of Labor and Kasemrat Saraburi Hospital. This MOU is to co-operate among teams in order to have our operators get into the treatment process effectively and quickly.



■ 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.

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.

In 2022, market prices have significantly increased due to the effects of the Political Polarization in Eastern Europe and impact to global economy effecting to inflation and the volatility of product prices tends to upward. Therefore, the Group company's procurement strategy has been adjusted by finding new sources of raw materials. But we still keep a good and lasting relationship with current partners.

In addition, the Group companies still committed to developing logistics capabilities and improve the production process to be able to support the use of more variety of raw materials. We aim to help reduce raw material costs and increase the choice of raw material sources as well.

4. Environmental and Social Risks

In principle, the significant risks relating to the environmental and social matters of quarry operations and cement manufacturing are biodiversity changes, land transformation, air emission, energy consumption, wastewater, noise, industrial waste, and community health and safety. Thus, to ensure that all these aspects were considered, properly organized, and mitigated covering the product life cycle, SCCC has been continuously integrated herewith subjects into our risk assessment following the standards for example the Environmental Management System ISO14001:2015, and the Corporate Social Responsibility CSR-DIW and CSR-DPIM.

Furthermore, SCCC has announced the sustainability development roadmap for 2021-2030. As follows, there are various strategic directions and targets that we applied and implemented in our company to ensure risk control on various issues: Climate Change and Energy, Circular Economy, Biodiversity and Water, Occupational Health and Safety, and Community and Stakeholder Engagement.

The Group companies' main levers for change lie in reducing fired limestone as a percentage of end products and raising the Thermal Substitution Rate (TSR) to minimize the environmental impact of industrial by-products. CMIC has been working ceaselessly to utilize more industrial waste as alternative fuel (AF) in place of traditional coal to mitigate such impacts.

The Group companies' main levers for change lie in reducing fired limestone as a percentage of end products and raising the Thermal Substitution Rate (TSR) to minimize the environmental impact of industrial by-products.

This year our Company has maintained the Green Industry Level 5 standard, the highest green industrial ranking of the Ministry of Industry, while also participating and having been verified in various government environmental projects, for example the ESG100 Award, MIT certification, Carbon Footprint Product Label, Carbon Footprint Reduction Label, Green Label, Green Meeting, Zero Waste to Landfill Standard, and the "Golden Medal" level for Industrial Waste management factory Standard.

According to our performance assessment results in 2022, all significant risks were appropriately controlled, reduced, and monitored. Even during the COVID-19 pandemic, there was no significant impact on the environment or communities.

5. Investment Risk

SCCC's share price and dividend payments depend on economic factors and profitability that are not fully in the Company's control. Investors may not receive a price for purchased shares that is higher than what they paid, which is part of the risk inherent in securities trading. The Company adheres to a dividend payment policy stating: "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 considered appropriate under such circumstance." In its 50+ year history, the Company has always been able to pay dividends.

SCCC's shares have been consistently listed by the Thailand Sustainability Investment (THSI), marking the Company's commitment to sustainable operations on environmental, social, and economy dimensions as well as corporate governance. This commitment is a part of the Company's efforts to deliver long-term returns to investors.

6. Foreign Investment Risk

The SCCC Group faces currency, political, and economic risks inherent in operating internationally. The individual countries we operate in have different exposures to macro economic and political dynamics reflecting their differing industrial structures, trading partners, and political systems. Maintaining a portfolio of operations that limits exposure to any one currency or market is a core part of SCCC Group's strategy. We manage Group risks by ensuring our currency exposures are consistent with our operating footprint and balancing our cash and debt positions to ensure long-term liquidity and hedge against near-term volatility. Further, the Group's Trading arm manages supply contracts for critical input materials to modulate INSEE's exposure to commodity price fluctuations. The Group Executive Committee review macro economic risks on a quarterly basis.

The Cement Industry's Outlook 2023

We expect low-to-mid single digits growth across the Southeast Asia building materials markets in 2023. While COVID-19 is a lessening concern, with construction markets increasingly affected by material cost inflation and interest rates, the industry will not return to pre-pandemic trajectories in the near term.

The cement industry's performance will be further constrained by regional oversupply, intense competition, and inflationary impacts on customers' purchasing power.

What we expect:

- Government infrastructure projects will continue to be the brightest spot as policy makers look to stimulate economies through road, rail, port, and energy investments
- The general private market will remain subdued. Hospitality investments will benefit from the gradual return of tourism. Industrial construction will increase moderately, benefitting from shifts in manufacturing out of China, especially to Vietnam
- Relative rates of economic recovery will parallel last year's expectations. We expect 2 to 3 percent demand growth in Thailand. Vietnam will be the strongest of our markets with growth above 5 percent. Sri Lanka will come back from the worst of the crisis but remain below 2021 levels. Bangladesh will continue to benefit from remittances by overseas laborers in oil-producing economies that are benefitting from energy prices

- Setting out a positive vision for the cement industry will play a major role in building the sustainable world of tomorrow, including an ESG agenda

Looking further ahead, growth prospects are stronger, especially as companies and governments invest in more sustainable, robust facilities and infrastructure in the face of climate change.

Oversupply and price competition will continue to define all markets in the near term. Looking further ahead, growth prospects are stronger, especially as companies and governments invest in more sustainable, robust facilities and infrastructure in the face of climate change.

Sustainable Development

Environmental. Social. Governance.

Report of the Sustainability Steering Committee

Dear Shareholder,

The Sustainability Steering Committee (SSC) comprises one director and four experienced management level employees, and is chaired by Mr. Aidan John Lynam, Director and Group CEO.

In 2022, the SSC continued its duties and responsibilities according to the Committee Charter with a total of seven meetings conducted. With strong commitment to supervise and implement activities that aims at overseeing the actions to deliver SCCC Group's Sustainability Ambition 2030 which are Climate and Energy, Circular Economy, Biodiversity and Water, Community and Stakeholder Engagement, and Occupational Health and Safety (OH&S), the SSC has aligned and integrated management of sustainability into core business strategy and plans, with each CEO, Country Sustainability Coordinators, and Pillar Working Group member responsible in the delivery of targets as committed in the roadmaps of each country.

The key activities of the SSC in 2022 are summarized below.

1. Task Force on Climate-related Financial Disclosure (TCFD)

The Company wishes to disclose information on the financial implications of climate-related risks and opportunities on our business. Therefore, following the principles of TCFD, the SSC has conducted internal workshops which identifies opportunities to be taken and risks to be mitigated, relating to the impacts of climate change.

2. INSEE See Beyond

An engagement and communication tool of SCCC Group's Sustainability Ambition 2030, **INSEE See Beyond** showcases SCCC ambitions through well-illustrated case examples, carrying out our pledge to make a positive impact on every community which we are engaged with.

3. Memorandum of Understanding with IUCN

The Memorandum of Understanding which the Company has signed with the International Union for Conservation of Nature (IUCN) aims to focus on strengthening and enhancing collaboration between IUCN and SCCC Group for biodiversity offsets to compensate for any unavoidable impacts of SCCC Group's quarrying and cement production processes in its plants in Thailand, Vietnam, Cambodia, and Sri Lanka.

In conclusion, the Sustainability Steering Committee continues to fulfil its duties in ensuring effective ESG activities and governance to deliver earnestly on actions (and beyond mere words) on one of our Groups' commitments which is '**Caring About our Future**'.

Aidan John Lynam

(Mr. Aidan John Lynam)

Chairman of the Sustainability Steering Committee

Sustainable Development

Moving through volatility and adversity to a Sustainable Future

In spite of all the volatility and inflationary pressures being faced, SCCC Group is committed to continuing to take decisive actions to tackle climate change and promote biodiversity, circular economy, zero harm in workplace, and community engagement as promised in our Sustainability Ambition 2030. This is embodied in one of our commitments, “**Caring about our future**”, and we assure that our business leaders embed sustainability throughout our business operations across the Group.

We also measure, track and report on our sustainability performance within the reporting of key non-financial metrics and performance indicators in the Annual Report in the areas of climate change, workplace safety, and workplace inclusivity. The report has adopted the ‘GRI Standards’ developed by the Global Reporting Initiative (GRI) and the GRI Index is included in our disclosure.

In addition, in 2022, we have further advanced our disclosures in line with enhanced Stock Exchange of Thailand guidelines, Task Force on Climate-related Financial Disclosures (TCFD) standards, and KPIs of Global Cement and Concrete Association (GCCA).

Our environment management complies with ISO14001, within the scope of the current standard ISO14001:2015 version covering all major processes of the organization.

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.



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

1. SCCC Group Sustainability Ambition

In 2021, we have launched our Sustainability Ambition 2030 with three basic pillars. These are **Climate and Energy**, **Circular Economy**, and **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**.

Sustainability Ambition 2030

Pillar 1: Climate & Energy

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

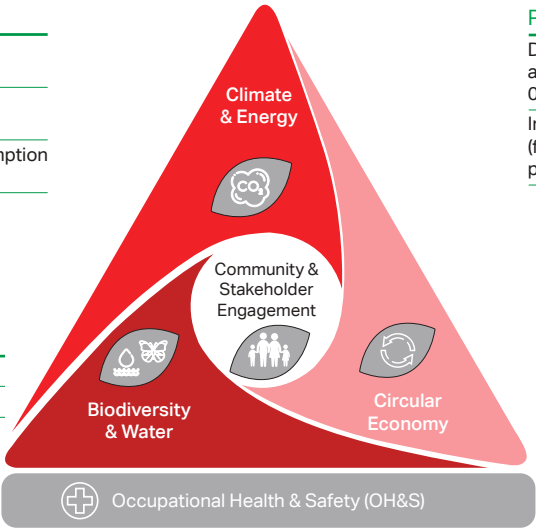
Reduce our specific electricity consumption by >10 percent

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:

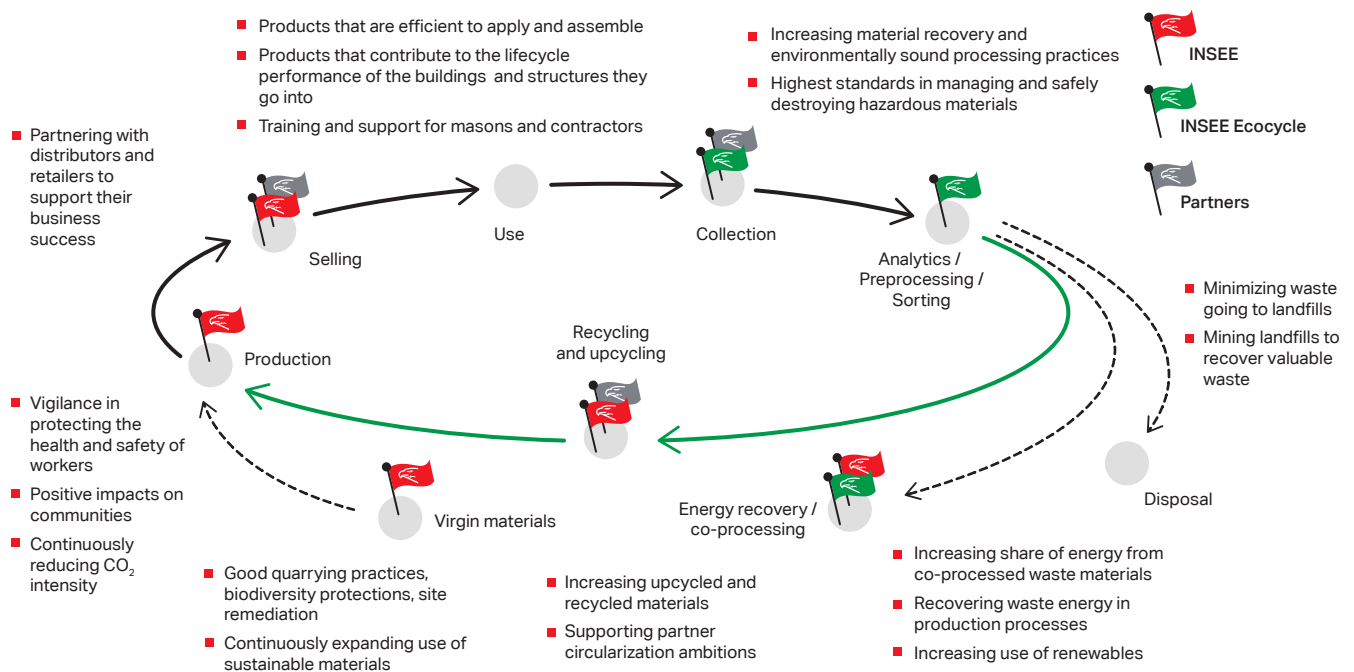
Occupational Health & Safety

Our ambition is Zero Harm by 2030

To ensure we adhere to and deliver on the Sustainability Ambition 2030, we have already established a Sustainability Steering Committee comprising top management executives of the Company. Our Board is updated regularly on this committee’s activities. In addition to this, sustainability country coordinators and working groups are assigned to define country specific sustainability roadmaps and ensure progress is being made according to defined annual targets.

2. SCCC Group's Value Chain Commitments

We integrate sustainability throughout our value chain (see the diagram below) 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.

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 guidelines.

Internal and external engagement and communication is foreseen as an important lever to develop consciousness about this major engagement on which SCCC Group has already embarked.

2030 SCCC Group climate and energy related ambitions are:

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.

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 baselines and that at least 20 percent of its electricity consumption comes from alternative energy sources.

3.1.2 Strategy

To achieve this ambition there are necessary step changes to bring to the Company cement product portfolio in general and in the deployment of alternative energy sources, thermal and electrical. Efficiencies need to be improved to strengthen the baseline and to reduce wasted energy along the production processes.

Investments in new technologies are and will play an important role along the years to achieve this ambition.

3.1.3 Performance and Outlook

Cement product portfolio, clinker factor targets and initiatives;

SCCC Group will reduce its clinker factor to 65 percent in 2030 from a 74 percent baseline in 2020. The two main levers are the clinker factor reduction and the alternative fuel usage. In 2022 SCCC Group achieved 607 kg net CO₂/ton cementitious materials, a reduction of 3.7 percent compared to 2020 baseline and in the trajectory to the 2030 target of 530.

Product carbon intensity reduction initiatives;

Thailand' focus is to reduce the share of Ordinary Portland Cement (OPC) in its portfolio promoting the usage of composite cement with a lower clinker factor at same performance. A lower clinker factor equates to a lowered carbon intensity in the product. A sizeable investment realized during 2022 now allows an important reduction during 2023. Vietnam has continued to operate with a low clinker factor of less than 60 percent, whilst Sri Lanka did a significant clinker factor reduction from 78 percent to 72 percent with the usage of slag in the cement grinding process.

Energy intensity reduction initiatives;

SCCC Group has significantly increased its Thermal Substitution Rate (TSR) from 11 percent in 2021 to 16 percent in 2022. Thailand has progressed by 83 percent, Vietnam by 15 percent, Cambodia by 44 percent while Sri Lanka suffered a decrease by 9 percent due to the country economic situation in the first part of the year. Improvements were possible through some specific investment, increase in the waste supply and operational measures.

In achieving 16 percent TSR in 2022, SCCC Group is well on track to deliver its ambition of a minimum of 20 percent TSR) by 2030.

On the electrical energy side, Waste Heat Recovery (WHR) systems have increased their efficiencies to deliver 3 percent of electrical energy coming from kiln waste heat. Solar Photo Voltaic projects have been prepared during 2022 and will be installed during 2023 in Sri Lanka and Thailand. Solar energy will represent 3 percent of total SCCC Group electrical energy consumption once implemented.



For more details on our Climate and Energy Performance, see our **Sustainability Performance Index 2022** and on the **Company's website**.

3.1.4 Project Results in 2022

■ Palavi and Ruhunu Slag and Fly Ash Project in Sri Lanka



One of this project's objective is to reduce clinker factor by using Granulated Blast Furnace Slag (GBFS) and Fly Ash, with investment of 994 mio LKR. The construction phase is now completed and now in operation. CO₂ reduction target is 70 kg CO₂/ton cementitious reduction.

■ Thi Vai Slag and Fly Ash Project in Vietnam



Another CO₂ reduction project of the Group in Vietnam aims to also reduce clinker factor by using Ground Granulated Blast Furnace Slag (GGBFS) and Fly Ash, enhanced with close collaboration with local slag generators. With investment of 1.8 million USD, the project will deliver 19 kg CO₂/ton cementitious reduction.

3.2 Circular Economy

Our SDG priorities



3.2.1 Ambition

With the rising global population, there is a greater need for natural resources compounded by the gradual degradation of the environment.

Recognizing the effects of global challenges, SCCC strives to increase circularization in wider economies to support customers and partners by minimizing waste in construction and maximizing the design life of buildings and infrastructure.

Across the Group, our Ecocycle business provides “peace of mind” waste management solutions to industrial, consumer goods, and oil and gas companies, improving their environmental footprint while simultaneously recovering energy and resources from their waste materials. We help ensure that hazardous wastes are safely managed and upcycled. We support our own and our customers’ Zero Waste to Landfill commitments for general waste and help safeguard rivers and oceans from potential leakage of waste.

Our ambition is, by latest 2023, 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


To reach this ambition, every SCCC Group Operating companies is working towards road-mapped targets for thermal substitution and clinker factor reduction. These roadmaps are built plant-by-plant and backed up by specific technical and business actions to enable the consumption of alternative fuel and obtain sources of alternative materials. Further, we actively work with customers and industry associations to increase the acceptance of hydraulic cements.

In our Ecocycle business, we obtain waste materials directly from industrial sources and from post-consumer waste collectors. We work with governments and municipalities to mine existing landfills for high energy waste. We also work with partners to develop new upcycling and recycling technologies.

3.2.3 Performance and Outlook

We have largely delivered on overall Group targets in 2022. Shifts in the mix of end-market demand toward large infrastructure projects (a segment in which acceptance of hydraulic, low-clinker cements is lower) affected progress, notably in Thailand. Going forward, however, we are confident that increasing industry and government acceptance of and support for new standards will help us accelerate. Policies and programs such as Thailand’s Bio-Circular-Green initiatives (BCG) are driving broad industry change while our direct efforts to change markets are paying off.

Beyond Thailand we are also on track to deliver improved clinker factor reductions and improving the thermal substitution rates in our pyro-processes, thus steadily reducing the carbon intensity within all of our product range.

 For more details on our Circular Economy Performance, see our **Sustainability Performance Index 2022** and on the **Company's website**.

3.3 Biodiversity and Water

Our SDG priorities



3.3.1 Ambition

Water is embedded in all forms of developments. Water is often a scarce resource, while it is our most precious natural resource and central to sustainable development. Water is required to support biodiversity including human beings. Without sufficient water, stresses on species increase driving global/local biodiversity losses. Biodiversity supports water and nutrient cycling in soils and therefore plants, including all food crops. Together these processes control land erosion and regulate water quality and quantity. The United Nations (UN) has proposed 17 sustainable development goals among which one of them is Goal 6 focusing on ensuring water security (clean

water and sanitation) for all and calls on us to take any action. We are committed to achieving our ambition of reducing specific water consumption by more than 20 percent and using more than 40 percent surface water collection by 2030.

As a Company active in mining, we know that our activities have an impact on biodiversity. Therefore, we strictly follow the mitigation hierarchy of avoiding, minimizing, rehabilitating and off-setting biodiversity impacts. In doing so, we aim for a Net Positive Impact (NPI) on biodiversity by 2030. In this context, we are evaluating and implementing 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.

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, and local specificities considered appropriately.

Each site has a water action plan. Among site specific actions, it consists of more general initiatives such as systematic measurement of 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 2022, we continued to work with subject matter experts to verify the baseline of our biodiversity value, based on guidelines and tools issued by the GCCA (Global Cement and Concrete Association). Based on this solid basis, the Biodiversity Management Plan (BMP) is developed and adjusted (if needed) to ensure being on track for our NPI target. 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. As such, in 2022 we executed the regional MOU with IUCN and country specific agreements have been renewed (e.g. in Sri Lanka).

In 2022, we continued to optimize 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. The quarterly Group meetings are as well used to share best practices and encourage peers to do more with regards to water preservation.

For more details on our Biodiversity and Water Performance, see our Sustainability Performance Index 2022 and on the Company's website.

3.3.4 Lighthouse Project

■ Water net positive (Chip Mong INSEE Cement Corporation, Cambodia)

To achieve 100 percent surface water dependency as Water Net Positive for water consumptions linked with biodiversity, our target is to increase surface water storage for consumptions and operation as much as we could by constructing a second large water catchment pond from 2023 with estimated volume of about 40,000 cubic meters per year. This is to preserve and sustain life and protect groundwater from future events, which may impact on the subsurface environment. Using such natural infrastructure is one of the suitable approaches to balance between biodiversity and water. As mentioned already, water is required to sustain biodiversity, and biodiversity supports the water cycle. Hence, increasing water surface water storage is an example of "Climate Proofing" to collect runoff water (rainwater) for many purposes, including company operations and domestic use as climate change may pose serious impacts in many years ahead.



3.4 Occupational Health and Safety

Our SDG priorities



3.4.1 Ambition

At Siam City Cement, 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.

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:

- The implementation and compliance to the newly developed Group Safety Management System
- 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 at all times and particularly during the COVID-19 outbreak


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 across all aspects of the business. 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

Ongoing COVID-19 pandemic in early 2022 has still 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's 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.

 For more details on our OH&S Performance, see our **Sustainability Performance Index 2022** and on the Company's website.

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

3.5 Community and Stakeholder Engagement

Our SDG priorities



3.5.1 Ambition

SCCC Group's 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 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.

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 with suppliers 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 arrange field visits, and participations in CSR and environmental projects
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 the 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

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 maximize the success of customers who use the Company's products. Dozens of events are held regularly 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 COVID-19 protection, as well as safety in workplace. For example, the safety syllabus has been designed and executed with support from Ministry of Labour in Thailand to give fundamental safety lessons for local 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.

Customer Surveys and Continuous Improvement

The Company continues implementing customer surveys throughout its markets, using Net Promoter Score (NPS). NPS is an important measure of customer loyalty, satisfaction, and their purchasing experience. In 2022 NPS score for SCCC businesses in Thailand was 72.7 percent

against the target of 80 percent, and the results of SCCC's Customer Satisfaction Index (CSI) of 91.9 percent against the target of 90 percent, the Company represents a strong commitment in customers' experience development continuously.

Employees

In 2022, the Employee Engagement Survey continues to be conducted to gather employee's voices and feedback across our Group companies. Impact plans have been defined and executed to enhance employee's overall engagement.

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.

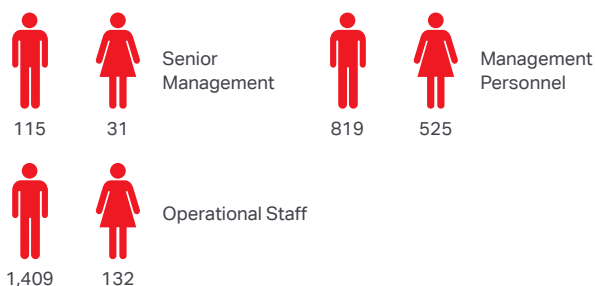
2. Compliance and Consequence Management

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.

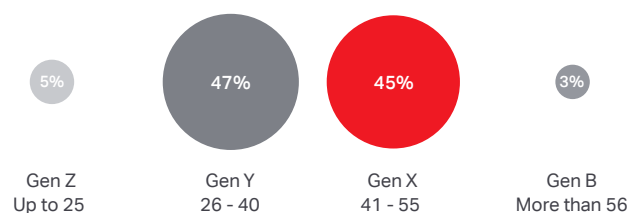
Gender

Proportion of employees by level (person)



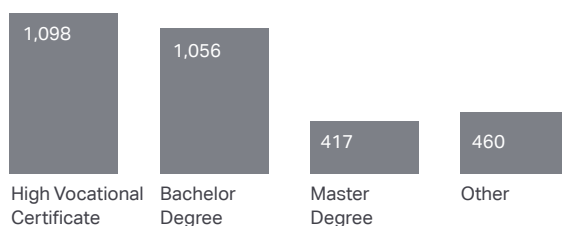
Age

Year old



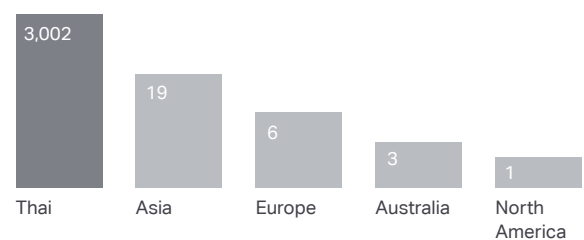
Education

Person



Nationality

Person



Remark: 2022 information included only SCCC and its 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.

Q For more details on our Community and Stakeholder Engagement Performance, see our **Sustainability Performance Index 2022** 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 Heart Plus


INSEE Green Heart Plus is a project of Siam City Cement Public Company Limited with focus on engaging SCCC employees in Thailand with the sustainability agenda of the Group. In 2022, we partnered on ocean waste projects with INSEE Ecocycle, Rayong Municipality Office and Department of Marine and Coastal Resources, Ministry of Natural Resources and Environment, together with our business partners i.e. Bank of Ayudhya, Great Wall Motors and Tourism Authority



of Thailand, bringing SCCC volunteers to clean beaches of Prasae Estuary, Klang District, Rayong province. Plastic collected from the activity goes into RDF process and used in co-processing with coals in cement kilns. This is in line with INSEE Ecocycle's policy of waste management sustainability, which also support SCCC Group Sustainability Ambition 2030 on Circular Economy.

■ Reverse Osmosis Water Treatment for schools in Puttalam, Sri Lanka

Siam City Cement (Lanka) Limited opened a Reverse Osmosis (RO) water treatment plant to provide clean drinking water as the water in the area contains hard particles such as Calcium and Magnesium deposits that impact human health. The RO water treatment plant was identified by the Company's Community Advisory Panel as a suitable CSR initiative to mark the Children's Day and benefit not only the school children, but the teachers and their parents living in the northwestern Eluwankulam, Puttalam district. This is the 7th water treatment project offered by SCCC Group to schools in Puttalam area.

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



Task Force on Climate-related Financial Disclosures (TCFD)

International standard setters, regulators and investors call for TCFD reporting, and more and more jurisdictions have TCFD-aligned reporting requirements (e.g., Hong Kong, Japan, and Singapore in the APAC region). 2022 is the first year that we disclose TCFD-aligned information focusing on governance, strategy, risk management as well as metrics and targets (see table).

Governance around climate-related risks and opportunities

Disclosures	Annual Report 2022
■ Board's oversight of climate-related risks and opportunities	p. 115
■ Management's role in assessing and managing climate-related risks and opportunities	p. 78, 118

Strategy: Impacts of climate-related risks and opportunities

Disclosures	Annual Report 2022
■ Climate-related risks and opportunities SCCC Group have identified over the short, medium, and long-term	p. 100-103
■ Impact of climate-related risks and opportunities on SCCC Group's business strategy and financial planning (Climate strategy and scenario planning)	p. 100-102

Risk Management: Identification, Assessment and Management of Climate-Related Risks

Disclosures	Annual Report 2022
■ SCCC Group's processes for identifying and assessing climate-related risks	p. 78, 100-103, 118
■ SCCC Group's processes for managing climate-related risk	p. 78, 103, 118
■ Integration of climate-related risks into SCCC Group's overall risk management	p. 78, 103, 118

Metrics and Targets used to assess and manage relevant climate-related risks

Disclosures	Annual Report 2022
■ Climate-related metrics	p. 79, 83
■ Disclosure of Scope 1 greenhouse gas emissions	p. 80, 82
■ Climate-related targets	p. 80, 82

Strategy: Impacts of climate-related risks and opportunities

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 emissions and has developed a climate and energy ambition with Group and country-specific climate and energy roadmaps, targets and initiatives (see page 80-84)

The most significant climate-related risks and impacts have been identified, reviewed and prioritized during a workshop in October 2022 (see page 100-104). In line with the Business Risk Management the significance and likelihood were assessed based on the financial and reputational impacts considering different time horizons: short-term (until 2025), medium-term (until 2030) and long-term (after 2030).

Climate-related risks and opportunities assessment outcome

Risk Type	Risks/ opportunity	Time horizon	Description	Impact (-) = negative impact (+) = positive impact
Physical risks				
Chronic & acute	Changes in weather patterns as well as increased severity and frequency of extreme events	Medium	Countries where SCCC Group operates are experiencing heavier rainfall and flooding and sea level rise. An increase in severity and frequency of extreme events will affect business operations due to the proximity of some plants to shorelines and rivers as well as soil erosion risks	<ul style="list-style-type: none"> - The impact of changing weather patterns could affect our assets, production, and potentially the market in some countries, increasing operating costs and negatively impacting our revenue. There may be a need to relocate at-risk assets + Mitigation action such as flooding, and landslide protection could lead to an increased demand for cement and concrete and may open up opportunities for more resilient infrastructure projects
Transition risk				
Technology	Substitution of existing products and services with lower emission options	Medium/ long-term	The cement and concrete industry must play its part in reducing the carbon intensity of cement and its associated semi-finished products, clinker content must be reduced continuously over time, without compromising excellent quality of our products in performance applications	<ul style="list-style-type: none"> - New technologies could disrupt the business of SCCC Group - The demand and price for secondary materials such as fly ash or alternative fuels and raw materials will increase due to international demand for greener cement + Opportunities arise from the improvement, substitution and diversification of the product portfolio to meet market demands and be a first mover / industry leader

Risk Type	Risks/ opportunity	Time horizon	Description	Impact (-) = negative impact (+) = positive impact
Reputation	Changing public perception of the sector	Medium	In some countries of SCCC Group's operations there is a growing awareness and sensitivity to climate change while in other countries the focus on climate is not yet as relevant. Consequently, some of our higher-emission products could be viewed negatively in some markets	<ul style="list-style-type: none"> - Not responding to the demand for greener products combined with a curtailment of high-emission products could disrupt the business + Green ratings and labels have a positive impact in promoting green products and investing in R&D of new green products
Policy & Legal	Regulatory changes	Short	Regulatory changes are being observed in some countries such as the new Environmental Protection Law and Extended Producer Responsibility in Vietnam	<ul style="list-style-type: none"> - New product specification and regulatory requirements have to be met in order to secure funding from investors + Anticipating new product specification provide the opportunity to expand the product portfolio and innovate new products ahead of peers
Market	Pricing of GHG emissions	Medium	A tax on GHG emissions is to be expected after 2025 in some of the countries where SCCC Group operates	<ul style="list-style-type: none"> - Pricing of GHG emissions will raise the cost of production & services + New products and services with lower CO₂ emissions are seen as an opportunity to differentiate SCCC Group from other players

Risk Management: Identification, Management and Management of Climate-Related Risks

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.

In 2022, we assessed climate-related risks and opportunities with representatives from our different operations in Thailand, Bangladesh, Cambodia, Sri Lanka, and Vietnam. We conducted a workshop introducing TCFD and best practices in the sector and asked all CEOs to assess the likelihood and significance of physical and transitional risks at our different operations. The risks were chosen based on the WBCSD Construction and Building Materials TCFD Preparer Forum. The likelihood was thereby equated to time horizons, i.e., a risk is very likely if it occurs by 2025, potentially likely if it occurs between 2025-2030, less likely if it occurs after 2030.

Significance was assessed in line with our Business Risk Management considering financial and reputational impacts. The results of the survey were then used for in-depth discussions in a workshop with senior leaders and representatives from Business Risk Management to identify climate-related risks that could adversely impact the Group as well as potential opportunities to direct our business to a more sustainable future.

The outputs of the risk workshop were approved by the Sustainability Steering Committee and the Board of Directors and are included in our risk and opportunity disclosure on page 100-102.

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. As of 2023 the SD coordinators in each country will review the climate-related risks with the Business Risk Management Champions on a quarterly basis and the action plans defined for the most significant climate-related risks will be reviewed at least on a yearly basis.

Corporate Governance

Internal Control

As the Board of Directors (the Board) considers the internal control and risk management systems crucial for protecting the shareholders' investment capital and the Company's assets, it has therefore set up governance, risk and compliance (GRC) framework including Manual of Authorities (MoA), policy landscape and supervising departments. The Board entrusts the Audit Committee (AC) with supervising and overseeing the Company's internal control and risk management 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).

SCCC 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 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 2022, the Board has assigned Group Chief Executive Officer and Strategic Planning and Transformation team to perform business risk assessment and follow up on the corrective action plan to mitigate risk. This is a continuous activity in the company to improve business performance and mitigate strategic and operational risks.

In the opinion of the Board, 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 subsidiaries' business operations. As such, the assets of the company and its subsidiaries are safeguarded from being used through abusive self-dealing or without the authority of a director or an executive. Besides, the system also includes the review on the transactions of potential conflict of interest with connected persons. There is no deficiency in the internal control system and the risk management is set to promptly handle with an adverse situation.

1. Internal Control within the organization:

SCCC has committed to support the internal control within the organization under the GRC framework by updating the MoA, revising the policy landscape, shaping working methods which have been implemented and communicated to all employees across the group.

- i. **Reviewing and updating the policies, working steps and methods.** These are continuously updated to serve with the current business plan of the company, laws and any relevant regulations, and scheduling the regular review. The policies relating to overall governance and compliance are approved by the Board 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.
- ii. **Building the awareness of staff in the importance of the internal control,** maintained IMC across the group by updating and revising the existing IMC to strengthen the significant controls including 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 2022, SCCC has carried out maintaining compliance culture awareness through e-learning to all employees, management, and directors.
- iii. **Whistle Blower Policy,** the company has established a Whistleblowing Policy and a reporting channel called INSEE Speak Up, which is managed by a professional and independent external agency. This external hotline 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.
- iv. **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 has established a Conflict of Interest policy and 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 EXCO (GEXCO) reviews the operating and financial performance every month with each GC CEO. Similarly, the GC CEO reviews the monthly performance with its senior executives (EXCO) before submitting to GEXCO. The performance is measured against the budgets, approved by Board, and its evolution from the previous year(s).

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

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 GCEO oversees the GC's risk management process and holds regular reviews to ensure the mitigation actions are in place. In year 2022, risk management system was further strengthened particularly on securing cement economics and margin reinforcement through pricing, increase of product costs, impact from the enactment of Expropriation Decree

published in Royal Gazette, cyber security, etc. and macro risks (e.g. inflation, war, global trends, etc.). All of which were considered risks of significance and potential impact on company performance.

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 attacks and enhanced its surveillance in 2022 along with additional measures on IT security for "Work From Home".

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

The Appointment of Head of Group Internal Audit and Compliance

The Board 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:

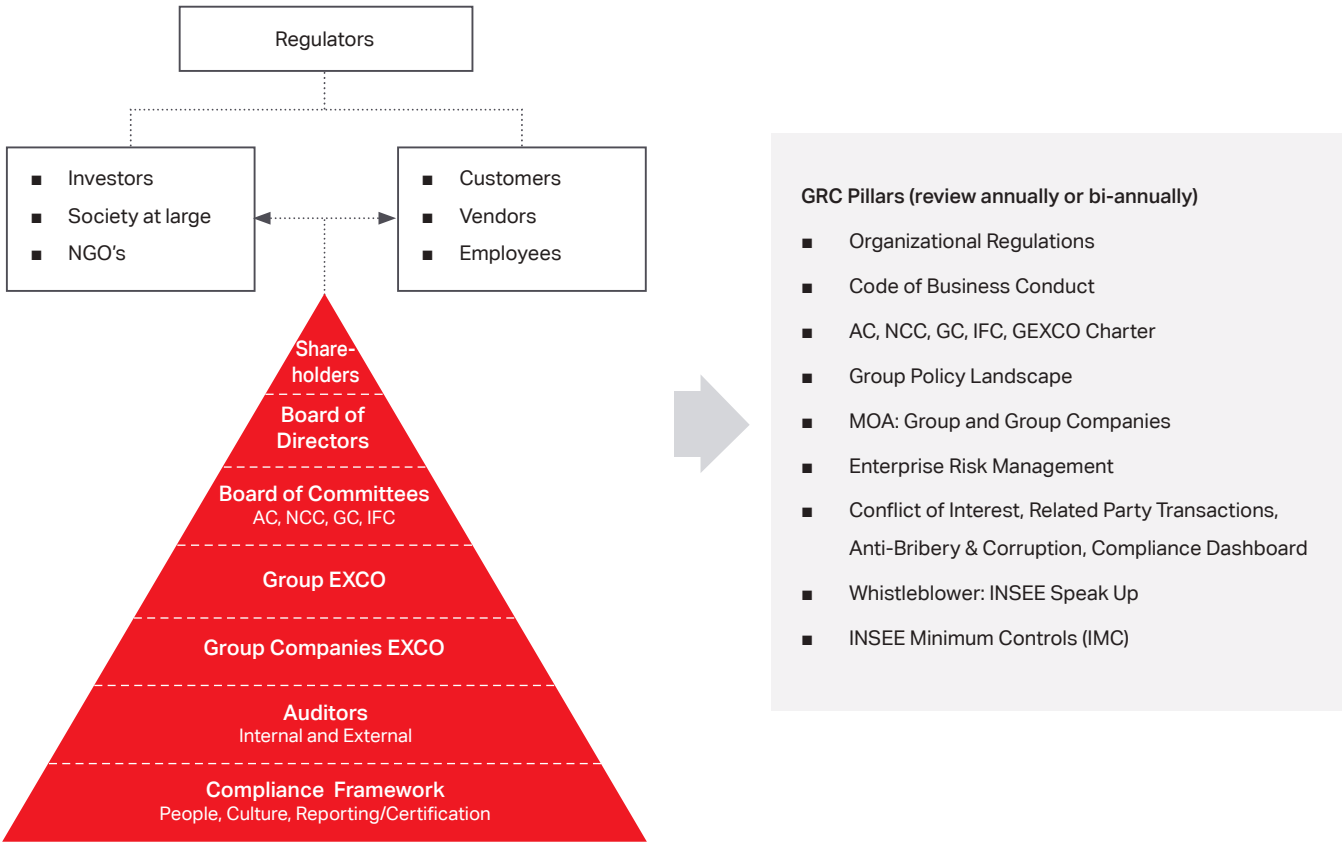
- To propose the Annual Audit Plan and Budget of the GIAC to the AC for approval.
- To lead and supervise the activities of the Internal Audit and Business Process and Compliance Advisory Departments in accordance with the approved Annual Audit Plan including works specially assigned or requested by 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 dashboard 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 both class-room 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), and Investment and Finance Committee (IFC)), including roles and responsibilities of the Group Executive Committee (GEXCO), Group Chief Executive Officer (GCEO) and Group Chief Financial Officer (GCFO). The Organizational Regulations, and Charters of Board Committees 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 Company. For the nomination of directors and CEOs of Group Companies, GCEO shall propose the qualified Management and the experienced persons to be CEOs and directors of the Group

Companies to the Nomination and Compensation Committee (NCC) for review. The NCC shall review and make recommendations to the Board of Directors. Resolutions from the Board of Directors shall be resolved in accordance with the internal requirement and legal requirements, before alignment by the Group Companies under their legal framework. The Board of Directors of each Group Company shall have at least one assigned member from the Group Executive Committee to sit as a Board Member, to supervise management of the Group Companies on behalf of the Group Executive Committee.

For the supervision of Group Companies, check and balance between Management of Group Companies and Group Executive Committee are conducted on a regular basis. For example, quarterly meeting of the Board of Directors of the Group Companies shall have standing agenda items both on business review and compliance review, to ensure transparency of management by the Group Companies. Then the GCEO shall report to the Board of Directors on a quarterly basis. 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

In order to foster a corporate culture, the Board of Directors has authorized a variety of policies intended to treat shareholders and stakeholders. This includes the following:

- **Code of Business Conduct:** In order to uphold the Company's good corporate governance policies, which seek to build and maintain the company's credibility among stakeholders, including shareholders and investors, all Group Companies' Directors, Executives, and Employees are required to conduct themselves with honesty and integrity.
- **The Corporate Governance Policy:** The creation of a policy to uphold rights and treat shareholders fairly is covered, as is encouraging the exercise of shareholders' rights, board obligations, stakeholder accountability, and transparent disclosure, including the avoidance of the use of insider knowledge. Conflicts of Interest Prevention
- In addition to the aforementioned Code of Business Conduct and Corporate Governance Policy, the Board of Directors approved the relevant policies and directives, such as, the Sustainable Development Policy, Environmental Policy, Social Responsibility Policy, Insider Trading Policy, Conflict of Interest Policy, Related Party Transaction Policy, Risk Management Policy, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy, etc. Preparation for the third recertified as a member of the Collective Action Coalition Against Corruption (CAC) in 2023 is underway.

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

In the year 2022, the Corporate Governance policy was revised to add a requirement under the "equitable treatment of shareholders" section, as

shown in the Report of the Corporate Governance Committee to the Shareholders.

The key developments in corporate governance at the Board of Directors level in the past year included the appointment of the Investment and Finance Committee as another Board Committee to help scrutinize and supervise Management.

In addition, the Board of Directors has clearly approved sustainability goals. It also approved the appointment of a working group on sustainable development (Sustainability Steering Committee) under the leadership of the assigned Executive Committee to implement ESG policies and directions from the Board of Directors and coordinate with subsidiaries in all countries. In the next step, it is also preparing to raise standards for disclosure under the Task Force on Climate-related Financial Disclosure (TCFD). In addition, the Board of Directors has also approved the appointment of a Risk Management Steering Committee, which reports the results to the Board of Directors and the Audit Committee for review and to provide independent opinions to the Board of Directors. In 2022, risk management of the Group has escalated the cyber security, both in terms of technology and security measures in which all employees in the Group were parts of protecting and defending the Company.

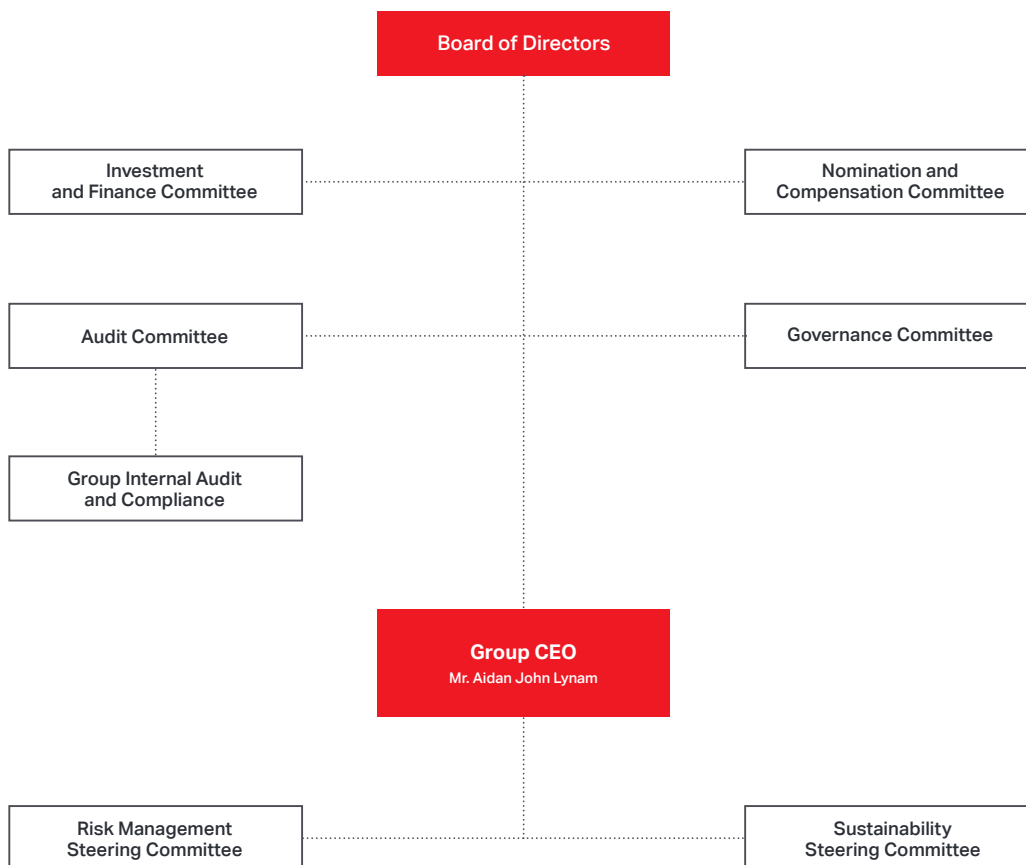


Details of good corporate governance practices including the full version of related policies appear in Attachment 5

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 2022 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 member of the Board of Directors must not be less than five and not more than thirteen persons. As of 31 December 2022, there are twelve directors, with four independent directors. Proportion of the non-executive directors and independent directors is following:

- Ten non-executive directors (including independent directors), participate in the following Board Committees:
 - The Audit Committee has three independent directors.
 - The Nomination and Compensation Committee has five non-executive directors and one of them is an independent director.
 - The Governance Committee has one independent director, one non-executive director and non-director.

- The Investment and Finance Committee has one independent director and two non-executive directors.

- 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. (After Mr. Siva Mahasandana retired as the Executive on 31 December 2022, the Board of Directors have resolved the change of Authorized Director from Mr. Siva Mahasandana to Mr. Tinnawat Mahatharadol)

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. Tinnawat Mahatharadol
Director
5. Mr. Stephen Patrick Gore
Director

6. Dr. Subhak Siwaraksa
Director
7. Dr. Sunee Sornchaitanasuk
Independent Director
8. Mr. Charin Satchayan
Independent Director
9. Mr. Robbert Egbert Johannes
van der Feltz van der Sloot
Independent Director
10. Mr. Onne van der Weijde
Independent Director

Executive Directors


11. Mr. Aidan John Lynam
Director and Group CEO
12. 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, including its Sustainability Ambition 2030. As part of it, the Board is also overseeing climate-related risks and opportunities.

 Details of roles and responsibilities of the Board of Directors and Chairman of the Board of Directors are in the Attachment 5.

3. Board Committees

Audit Committee (AC)

1. Dr. Sunee Sornchaitanasuk
Chairperson (Independent Director)
2. Mr. Charin Satchayan
Independent Director
3. Mr. Onne van der Weijde
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. Onne van der Weijde.

Nomination and Compensation Committee (NCC)

1. Mr. Paul Heinz Hugentobler
Chairman
2. Mr. Vanchai Tosomboon
Director
3. Mr. Tinnawat Mahatharadol
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.

Governance Committee (GC)

1. Mr. Charin Satchayan
Chairman (Independent Director)
2. Dr. Subhak Siwaraksa
Director

3. Ms. Phatchada Muenthong
Member

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


Investment and Finance Committee (IFC)

1. Mr. Onne van der Weijde
Chairman (Independent Director)
2. Mr. Tinnawat Mahatharadol
Director
3. Mr. Stephen Patrick Gore
Director

Mr. Ranjan Sachdeva, Head of Group Internal Audit and Compliance, is the Secretary of the IFC

Roles and Responsibilities of the Board Committees

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

 Details of Charters of Board Committees are in the Attachment 5.

4. Executives

4.1 Names of the Executives

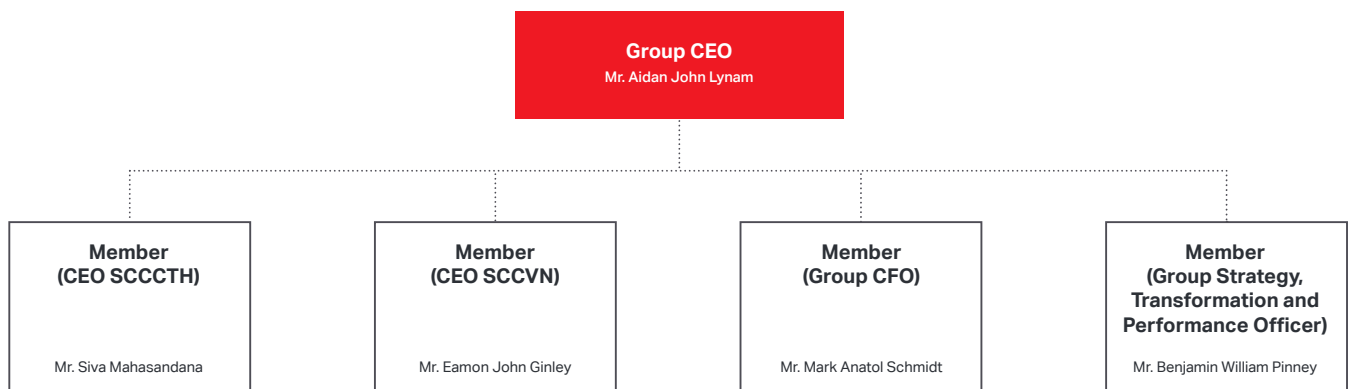
Five Executives who are members of the Group Executive Committee, as of 31 December 2022 are the following:

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

Members consists of:

2. Mr. Siva Mahasandana
CEO of Siam City Cement Public Limited Company¹

3. Mr. Eamon John Ginley
CEO of Siam City Cement (Vietnam) Limited Company
4. Mr. Mark Anatol Schmidt
Group Chief Financial Officer
5. Mr. Benjamin William Pinney
Group Strategy Transformation and Performance Officer²



Remark:

1. The Board of Directors appointed Mr. Montri Nithikul as a member of the Group Executive Committee, effective on 1 January 2023, to replace Mr. Siva Mahasandana who retired as the Executive on 31 December 2022.
2. The Board of Directors appointed Mr. Hemant Mudgal as a member of the Group Executive Committee, effective on 1 February 2023 to replace Mr. Benjamin William Pinney.

Roles and Responsibilities of Group Executive Committee

The Group Executive Committee or Management are the Executives under definition of the Securities and Exchange Commission, Thailand. They supervise operations of all Group Companies, as clearly assigned by the Board of Directors in the Charter of the Group Executive Committee. The Group CEO, who is the Chairman of the Group Executive Committee, is responsible as the Leader of the Management and the Leader of CEOs of all Group Companies. Members of the Group Executive Committee. The Group CEO assigned each member of the Group Executive Committee to supervise respective Group Companies and discuss the issues for monitoring and communicate policies or directions from the Board of Directors and/or Board Committees to relevant CEOs of the Group Companies, to ensure that Management are on the same direction.

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. This strategy created the agility and ability in adapting with the changes and leading to sustainable development of the Group.

In addition, the Group CEO was assigned by the Board of Directors to ensure that all Group Companies adhere to our Sustainable Development Policy and deliver on the Sustainability Ambition 2030 and to chair the Sustainability Steering Committee and the Risk Management Steering Committee, to ensure that significant risks and opportunities associated with market development, climate change, objectives

and strategy of the Group Companies are effectively monitored and can be reported to the Board of Directors for immediate interventions.

4.2 Policy on Remunerations of Executive Directors and Executives

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

The short-term remuneration such as the annual performance bonus is based upon the achievement of KPIs that are objective and aligned with the business performance and leadership competencies. The long-term remuneration, such as the Employee Joint Investment (EJIP), built the sense of ownership of the Company for Management.

Compensation policies and incentive programs of the Group are under the direction and guideline of the Nomination and Compensation Committee (the 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 2022, the Executives under the SEC regulations received total remuneration for THB 168,893,676 which represented 3.68 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 2,055,453 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 3,260,000.

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 16,116,242.

5. Personnel

At the end of 2022, SCCC Group has 4,781 employees in total, with total remuneration of THB 4,588,209,943. The remunerations include salary, overtime, bonus, contributions to social security and provident fund. The salary compensation ratio of female employees to male employees is 17:83.

Number of employees under each business segment.

Segment	Number of Employees (persons)
Cement Segment	3,202
Concrete and Aggregates Segment	696
Light Building Materials Segment	636
Trading Segment	13
Others	234
Total	4,781

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 85.62 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 to 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 the regional level and our support for employees' career growth. Therefore, SCCC aims to develop and improve human resource management and development so that employees can achieve global standards in leadership, mindset, knowledge, and capabilities including operational and managerial skills which are 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 good teamwork and foster good citizenship with ethics and care for the communities that they lived in and concern with the safety and impact on society and the environment.

The Company has established INSEE Academy as the SCCC Group's center for short- and long-term strategic people development on for each business segment, such as cement and clinker, 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 developing employees, 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 team 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 to the employees, under the learning principle 70-20-10. For example, 70% of learning activities are based on learning from experience which leads to increased organizational effectiveness and efficiency, 20% are based on learning from others especially coaching & feedback, and 10% are based on classroom and self-learning. In this regard, the Company promotes Individual Development Plan (IDP) and continuous learning through the corporate digital learning platform or Learning

Management System, where employees can search and select various learning courses such as classroom, workshops, customized E-learning, on-the-job training, and virtual classroom including regional learning program for leaders. 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 on 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 Nomination 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 Nomination and Compensation Committee. The organization 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 2022, 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

(Unit : THB Million)

	2022	2021	2020
Training Hour (per employee per annum)	22.66	15.18	22.55
Cost of Training and Development (per employee per annum)	12,218.01	5,069.27	6,630.58
Total cost of training and development (Excluding lodging and traveling expenses)	58.4	23.7	30.9

Remark:

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 Mrs. Phatchada Muenthong as the Company Secretary, to perform the duties defined under the Securities and Exchange Act (No. 4) B. E. 2551 with responsibility, care 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 advice 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 Ms. Sarinthip Yongprawat, a qualified person per SEC requirements, as the person supervising accounting. She 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 2022, 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. Kamontip 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 2022, EY Office Limited received the audit fee from the Company for THB 3,950,000 and from Subsidiaries for THB 7,742,930. It also received non-audit fee from the Company for THB 1,127,463 and from Subsidiaries for THB 300,000 for a financial report for a BOI business and another THB 623,200 for other advisory services.

In 2022, Crowe Indonesia received the audit fee for Subsidiary for THB 461,180.

In 2022, non-audit fee for Subsidiaries is THB 1,291,446 paid to other companies for other services such as Transfer Pricing Consultancy fee.

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

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

Report of Corporate Governance Performance

Summary of Governance Performance of the Board in the Previous Year

In 2022, the company faced unprecedented economic challenges. This caused the Board of Directors to adjust their working methods and increase their dedication to formulating policies and strategies that enhance competitiveness in many areas. In addition to the Board of Directors' Meetings that have been scheduled six times a year, there were also special strategy meetings (INSEE Day) with CEOs of all Group Companies, both domestically and internationally, for two more meetings, resulting in a serious and continuous review of the business portfolio until 2023.

The Audit Committee performed their work vigorously in considering risk-related issues that have a significant impact on operations, both from external and internal risk factors, resulting in the benefit of risk prevention for the organization and the development of a better internal control system.

The Nomination and Compensation Committee sorted and reviewed candidates for the position of independent director, demonstrating the Company's commitment to exchanging experiences with people with global cement industry experience. In addition, the NCC reviewed a selection of executives for important positions according to the criteria and processes of the Company. The NCC also recommended the increase the level of participation among senior executives and supervisors.

The Governance Committee reviewed the requirements of the Thai Listed Companies Corporate Governance Rating (CGR) in advance and made recommendations on corporate governance development related to equitable treatment of shareholders and disclosure of useful information to stakeholders.

The Investment and Finance Committee reviewed the Group Business direction/strategy/portfolio and recommended mid-term financial targets, improvements in capital expenditure approval process as well as further strengthening of Investor Relation (IR) strategy and communications with investors which are helpful in preparing to overcome ongoing business challenges.

For details of the roles and responsibilities of the Board of Directors, the Chairman, Board Committees, and Group Chief Executive Officer, including details of remuneration for individual directors and meeting attendance in 2022, together with other information related to corporate governance, please see more in Attachment 5.



List of Attachments appeared on the Company's website

- Attachment 1:
Information of the Board of Directors, Executives, Group Chief Financial Officer, Chief Accountant, and Company Secretary
- Attachment 2:
Information of the Directors of Significant Subsidiaries
- Attachment 3:
Information of Head of Group Internal Audit and Compliance
- Attachment 4:
Details of Key Operation Assets
- Attachment 5:
Policies and details concerning the corporate governance, Code of Business Conduct and Charters (Full Version)
- Attachment 6:
Report of the Audit Committee and other Board Committees, including Steering Committee assigned by the Board of Directors

Report of the Audit Committee

Dear Shareholder,

The Audit Committee comprises three independent directors with combined skills and expertise in finance, accounting, laws and business. All members possess adequate qualifications as required by the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET).

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 (BoD). The Audit Committee advocates a strong culture of governance, integrity, ethics, accountability and transparency for a long-term sustainable business.

In 2022, the Audit Committee convened a total of 11 meetings, with attendance by all members.

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 global business recession and cyber security in addition to the business risks and organization effectiveness in framing its priorities for year 2023.

The Audit Committee's main activities are summarized below:

- (1) Review of Financial Reports:** The Audit Committee reviewed significant information in the quarterly and annual financial statements of Siam City Cement Public Company Limited and its 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 accounting 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 independency, 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 Group Risk Management:** The Audit Committee quarterly reviewed the appropriateness and effectiveness of the Group Companies risk management processes which was further strengthened in year 2022. In particular, the Audit Committee reviewed assessment and mitigation actions thereon with Group Chief Executive Officer (GCEO) particularly on securing cement economics and margin reinforcement through pricing, increase of production costs, impact from the enactment of Expropriation Decree published in Royal Gazette, cybersecurity, etc., and macro risks (e.g. inflation, war, global trends, 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 scope includes the reviewing of business focus and organization effectiveness (stewardship of properties, resource assumption, prevention or reduction of errors or damage, losses, waste or corrupt practices, etc.). The internal control system was further strengthened by continuous educating and creating awareness of responsibility and accountability of employees through a structured design effectiveness testing and operating effectiveness testing of INSEE Minimum Controls (IMC). 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 2023 including the budget to support the plan. In addition, the Audit Committee was also assigned the task from BoD to review the adequacy and effectiveness of finance organization.

(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" 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. The Audit Committee reviewed the updated Governance, Risk and Compliance (GRC) framework which was updated with revised Manual of Authorities and Policy Landscape that was implemented across the Group.

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.

Sunee Sornchaitanasuk

(Dr. Sunee Sornchaitanasuk)
Chairperson of the Audit Committee

(6) Appointment of the External Auditors for 2023: The Audit Committee recommended the appointment of Ms. Kamontip Lertwitworatep and/or Ms. Sarinda Hirunprasurtwutti and/or Ms. Satida Ratananurak of EY Office Limited as the Company's External Auditors for 2023 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2023.

Report of the Nomination and Compensation Committee

Dear Shareholder,

The Nomination and Compensation Committee (NCC) comprises five experienced directors. Mr. Tinnawat Mahatharadol joined as a new member from May 2022 as a successor of Ms. Nopporn Tirawattanagool.

The NCC has continued its duties and responsibilities according to the Committee Charter with a total of six meetings conducted. The NCC, having collectively a broad expertise and experience, has supervised, and implemented policies to build future leaders for the sustainability and growth of the Company.

Key main activities of the NCC in 2022 are summarized as follow:

1. Recruitment for Top Executive Positions

The NCC continued to consider and selected qualified talents to hold key executive positions in the Company in accordance with the Company's criteria and procedures at both the Group, and the country level, which included Chief Executive Officer (Cement Business Thailand), Chief Executive Officer of Siam City Cement (Lanka) Limited, Commercial Director of Siam City Cement (Lanka) Limited, Senior Vice President – Marketing and Sales of Siam City Cement Public Company Limited, Chief Executive Officer of Light Building Material Segment, Chief Executive Officer of Siam City Cement (Bangladesh) Limited, Operation Manager of Siam City Cement (Bangladesh) Limited, SVP - Saraburi Operations of Siam City Cement Public Company Limited, Commercial Director of Siam City Cement (Bangladesh) Limited.

2. Employee Engagement

The Committee emphasized the importance of having high the engagement levels by all our employees. The implementation of the results from half-yearly engagement surveys included the uplift of the involvement from both senior leaders and line managers to improve and build a stronger level of engagement across the entire Group and all level.

3. Talent Development

The NCC encouraged the Group Succession Management and INSEE Developing Leadership Quality Program (DLQ) to ensure the quality of the outcomes of our succession planning and talent management actions across the Group.

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 who will be leading our Group into the future.

Paul Heinz Hugentobler

(Mr. Paul Heinz Hugentobler)
Chairman of the Nomination
and Compensation Committee

Report of the Governance Committee

Dear Shareholder,

The Governance Committee 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 Governance Committee 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 Governance Committee Charter. The Governance Committee is responsible for overseeing the policies and framework in matters of good governance and overseeing the Group's reputation and interests.

As for the performance and opinions of the Governance Committee for the year 2022, it can be summarized as follows:

1. The Governance Committee held two meetings with all three members attending each meeting. In 2022, the Governance Committee escalated its performance under the scope of the Governance Committee Charter, which resulted in an improvement in good corporate governance. Because of this, the Governance Committee expressed satisfaction with their performance in their yearly self-assessment.
2. The Governance Committee reviewed the Corporate Governance Policy and led to the additional requirement for the Directors and Executives to inform the person assigned by the Chairman of the Board of Directors or to the Company Secretary, at least one day before they trade the Company's shares.
3. In 2022, the Governance Committee is pleased to inform that the Company has obtained an "excellence" rating for corporate governance from the IOD for the seventh year in a row and also has been consistently chosen for inclusion on the Stock Exchange of Thailand's Sustainable Stock List. Additionally, preparations are being made for CAC's membership in the Coalition for Private Sector Collective Action Against Corruption to be renewed. This exemplifies excellent corporate governance and boosts the confidence of stakeholders across a range of industries.
4. The Management worked well with the Governance Committee to put its recommendations into practice, as seen by the establishment of the reports from the Risk Management Steering Committee and the Sustainability Steering Committee, which bolstered the confidence of shareholders and stakeholders.

As a result, when combining with the Group's corporate governance performance in various areas, 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.

Charin Satchayan

(Mr. Charin Satchayan)

Chairman of the Governance Committee

Report of the Investment and Finance Committee

Dear Shareholder,

The Investment and Finance Committee (IFC) was formed on 24th March 2022 and comprises of three directors as determined by the Board. The Chairman of the IFC is an independent director. All members possess knowledge and extensive professional experience relevant for the purposes of the IFC which is to assist and advise the Board in all matters related to (1) investments, divestments, and capital projects as well as the financing of such activities, (2) the structuring of the balance sheets at both parent and operating companies' levels including related financial management matters, and (3) Group policies and directives related to investment and financial management matters.

IFC has performed its duties in accordance with its charter in line with current business priorities approved by Board of Directors. In 2022, IFC convened a total of 3 meetings, with attendance by all members every time.

IFC's key activities are summarized below:

(1) Review Group Business Direction/Strategy/Portfolio and Mid-term Financial Targets: IFC reviewed Group business strategy for the next 3-5 years and corresponding Financial KPIs and proposed Mid-term Financial targets to Board of Directors focusing on Total Shareholder Return (TSR) growth, operating and financial performance, leverage and ROIC.

(2) Review CAPEX Requests: IFC reviewed CAPEX request for 2nd half of 2022 and 2023 and recommended CAPEX approval process improvement and key focus on maintenance

and rationalization CAPEX to ensure Overall Equipment Efficiency (OEE) and generation of return on investment.

- (3) Review Directors and Officers Liability Insurance:** IFC reviewed overall Group Insurance framework and recommended the renewal of D&O Insurance Policy to the Board of Directors.
- (4) Review Overall Investor Relation Strategy and Actions for Effective Investor Communication:** IFC recommended to further strengthen IR strategy and communications with investors.

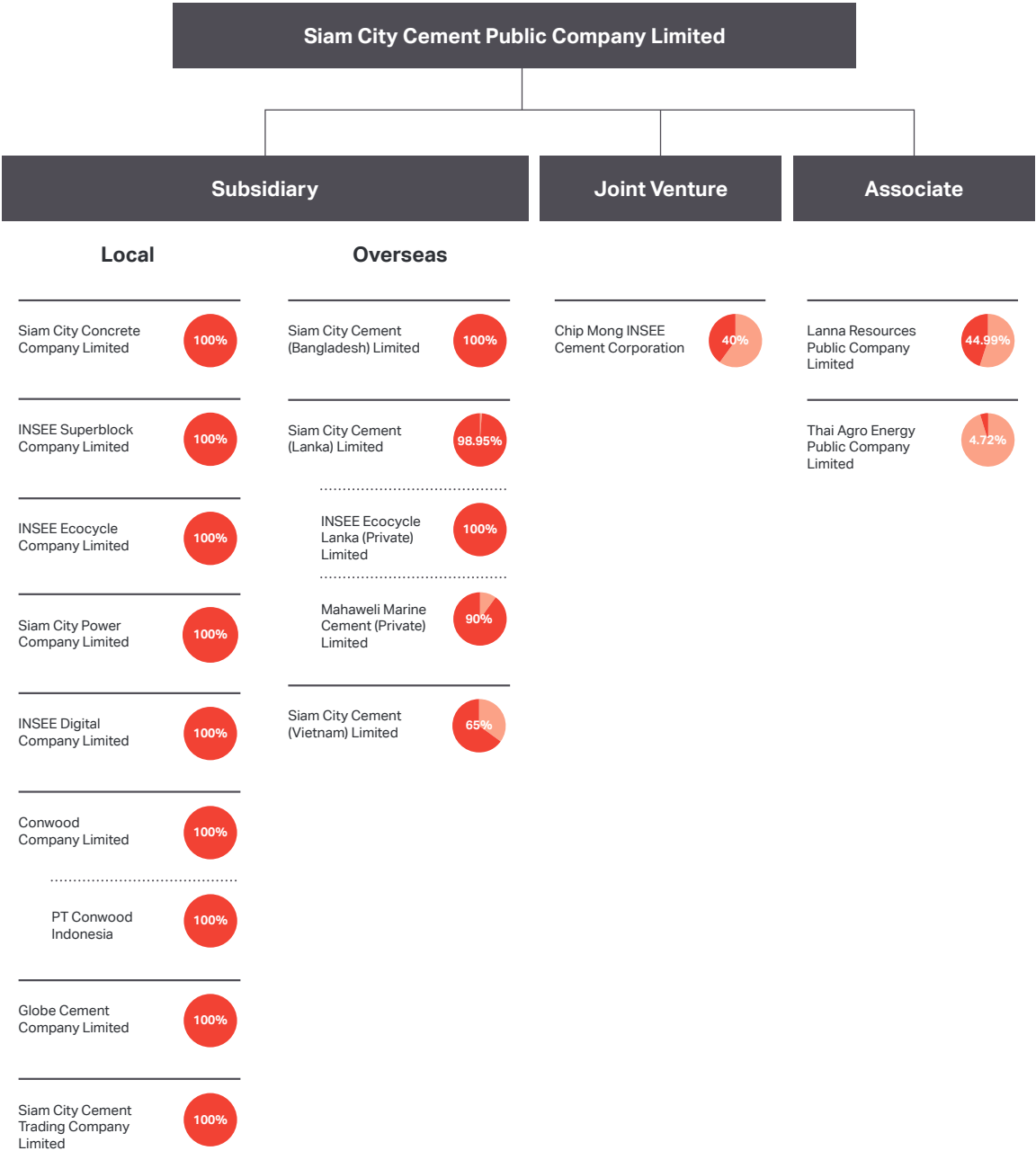
In conclusion, IFC was of the opinion that our assistance in assisting the Board of Directors review the aforementioned areas had resulted in prudent management supervision and also ensured that the Company spent money wisely for the benefit of all shareholders and stakeholders, which geared towards our vision of the best value and a sustainable future for all of our stakeholders.

Onne van der Weijde

(Mr. Onne van der Weijde)
Chairman of the Investment and Finance 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 Number 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% of Paid-up Shares of Such Entities, as of 31 December 2022

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	Light-weight Concrete products	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 (Under liquidation process)	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 BDT 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	98.98
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 billion	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 Level 25, Access Tower II, No. 278/4, Union Place, Colombo 2, Sri Lanka Phone: +94 11 7 800800	Providing Industrial Waste Management Solution	1,460 LKR million	146.01	100.00
Mahaweli Marine Cement (Private) Ltd. Level 25, Access Tower II, No. 278/4, Union Place, Colombo 2, Sri Lanka Phone: +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

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 2022¹ are the following:

Rank	Major Shareholders	Shares	% Shares ²
1.	Sunrise Equity Company Limited ³	107,997,381	36.24
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	5,100,996	1.71
5.	Mr. Prinya Tieworn	3,680,000	1.23
6.	Vayupak Mutual Fund 1 By MFC Asset Management Public Company Limited	2,920,399	0.98
7.	Vayupak Mutual Fund 1 By Krungthai Asset Management Public Company Limited	2,920,399	0.98

Rank	Major Shareholders	Shares	% Shares ²
8.	Mrs. Sasithon Ratanarak	2,734,639	0.92
9.	South East Asia UK (TYPE C) Nominees Limited	2,306,510	0.77
10.	Nortrust Nominees LTD-CL AC	2,200,040	0.74

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 to identify the Shareholders entitled to attend the shareholder meeting and to receive dividend for 2021 was on 25 February 2022. 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 2022, foreign shareholders portion is 30.04 percent)
3. The strategic shareholders playing roles in managing the Company, which were considered in preparation of Free Float Report
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	THB 2,000 million	THB 2,000 million	THB 2,500 million	THB 5,000 million	THB 4,500 million
Number of debentures	2 million units	2 million units	2.5 million units	5 million units	4.5 million units
Par value per unit	THB 1,000	THB 1,000	THB 1,000	THB 1,000	THB 1,000
Offering price per unit	THB 1,000	THB 1,000	THB 1,000	THB 1,000	THB 1,000
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 2020 - 2022, the Company allocated dividends as follows:

In 2022, dividend payment from the fiscal year 2021 was THB nine per share, totaling THB 2,682 million, with dividend payout ratio 63 percent.

In 2021, dividend payment from the fiscal year 2020 was THB nine per share, totaling THB 2,682 million, with dividend payout ratio 73 percent.

In 2020, dividend payment from the fiscal year 2019 was THB eight per share, totaling THB 2,384 million, with dividend payout ratio 76 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 (THB Million)			Rational and necessity
		2022	2021	2020	
1. 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	28.1	10.3	13.1	BAY is a commercial bank, providing service of borrowing/depositing cash. Subsidiaries selected BAY after comparing with other banks
	Support normal business transaction/ Interest income from short term deposit of Company/ subsidiaries	0.9	0.9	2.3	
	Support normal business transaction/ Purchase bank gift card for marketing activities	12.2	35.2	17.8	Company paid fee at the standard rate, which is comparable to that of a commercial bank.
2. 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	132.9	46.2	142.1	HR Pro provided services for employee transportation, concrete sampling collection, maintenance services. Company/ subsidiaries selected HR Pro through bidding process
3. 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 Mr. Mark Anatol Schmidt	Normal business transaction/ Purchase of coal for cement production	1,316.5	869.9	1,107.7	Coal is major fuel for cement production. Company/ Subsidiary purchased fuel from various sources to mitigate risk of supply
4. 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 and support normal business transaction/ Company/subsidiary sold cementitious products and provide services	1,661.5	683.6	546.1	Company/Subsidiary sold cement and related products and provided related services to a joint venture company.

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions (THB Million)			Rational and necessity
		2022	2021	2020	
5. 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. Robbert E.J. van der Feltz van der Sloot (Director) and Mr. Eamon John Ginley (CEO)	Normal business transaction/ Company/subsidiary sold coal, clinker, cementitious, Conwood products and provide services	1,974.3	831.6	922.5	Company/Subsidiary sold cement and related products and provided related services to a subsidiary.
6. Mahaweli Marine Cement (Private) Limited (MMC)/ Company is an indirect shareholder	Normal business transaction/ Subsidiary sold cement product	232.3	195.8	119.4	MMC purchased products from Company/subsidiary among other suppliers
7. Eastern Star Real Estate Public Company Limited (ESTAR)/ Subsidiary of major shareholder (Bangkok Broadcasting & T.V. Company Limited) Co-director, Mr. Tinnawat Mahatharadol	Normal business transaction/ Subsidiary sold wall panel product	5.3	3.2	1.9	Subsidiary sell wall panel to ESTAR at the price based on commercial conditions similar to other customer.
8. Srivichaivejvivat Public Company Limited/ Co-director, Ms. Nopporn Tirawattanagool Mr. Tinnawat Mahatharadol	Support normal business transaction/ Company/subsidiaries used outsourced services	5.9	4.3	5.9	The Company and subsidiaries use health check-up service for employees through procurement bidding process.
9. 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	82.2	77.8	69.9	The Company and subsidiaries purchase several insurance policies to manage certain risk from operation.

Related parties/Relation to the Company	Categories / Detail of transactions	Related transactions (THB Million)			Rational and necessity
		2022	2021	2020	
10. The Thai Tapioca Flour Produce Company Limited/ Co-director, Ms. Nopporn Tirawattanagool Mr. Tinnawat Mahatharadol	Support normal business transaction/ A subsidiary made a land rental agreement for RMX production plant	1.9	1.7	1.6	A subsidiary lease land from related companies for undertaking ready mixed concrete plant via normal procurement process/ Subsidiary Land Lease Committee approval process
11. 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	0.1	0.2	0.2	A subsidiary uses a copying machine for office operations. The sourcing is under normal procurement bidding process

Management Discussion and Analysis

Management Discussion and Analysis

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

- Despite a challenging geopolitical environment, domestic cement consumption in Thailand further improved owing to solid demand from public infrastructure projects; demand in Vietnam, especially during the first half year, remained strong over a pandemic impacted prior year; construction activities in Sri Lanka started to slow down from the ongoing economic crisis in Sri Lanka.
- Persistent cost pressure, including increased coal, fuel as well as domestic electricity tariffs could not be fully offset by continued sales price adjustments, and negatively weighed on profitability.
- Net profit for this year - excluding the one-time impact from Sri Lanka tax rate changes - was impacted by weaker operating performance, partially offset by lower depreciation and financial expenses.
- The annual dividend for 2022 is maintained at THB 9 per share.

Analysis of Financial Performance

Revenues

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Revenues					
Net sales	50,126	41,678	8,448	20%	42,000
Gain on exchange	-	28	(28)	-100%	12
Other income	166	184	(18)	-10%	162
Total Revenues	50,292	41,890	8,402	20%	42,174

SCCC Group revenue was positively impacted by a solid demand for construction material in Thailand and Vietnam as well as some improvement on increasing sales price in all markets. Infrastructure projects, especially in Thailand, were a key channel to support domestic cement consumption whereas residential and commercial segments remained weak. In Vietnam, market demand was strong during the first half year and slowed down towards the end of the year due to tighter liquidity in the local real estate market. The ongoing economic crisis in Sri Lanka also negatively impacted demand during the second half of the year. Inflationary pressure from higher energy and transportation cost resulted in a continuous increase of sales price. As a result, the Group revenue grew by 20 percent to THB 50,292 million.

Expenses

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Expenses					
Cost of sales and services	36,766	28,904	7,862	27%	27,981
Selling and distribution expenses	7,761	6,734	1,027	15%	6,625
Administrative expenses	1,921	1,884	37	2%	1,955
Other expenses	1,281	215	1,066	496%	120
Total expenses	47,729	37,737	9,992	26%	36,681

Geopolitical tensions at the beginning of the year triggered steep increases in coal and fuel prices and, at a later stage, also negatively impacted electrical energy tariffs. These cost increases also led to inflation across the entire spectrum of goods and services. In addition, extended kiln maintenance work to improve the overall plant reliability resulted in higher cost of sales and services. Selling and distribution expenses were negatively impacted by higher logistics and cartage cost due to higher diesel prices. As a result of this disruptive environment, various initiatives have been started to further optimize structural costs. Total expenses increased 26 percent to THB 47,729 million.

Depreciation, Interest and Tax

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Depreciation, Finance cost and Tax					
Depreciation and amortization	3,728	3,893	(165)	-4%	3,935
Finance cost	1,090	1,238	(148)	-12%	1,374
Income tax expenses	1,119	(89)	1,208	1,357%	756

Property, plant, and equipment, as well as intangible assets, decreased from prior year levels and resulted in overall 4 percent decrease in depreciation and amortization.

Finance costs reflected interest expenses incurred from loans from financial institutions and debentures as well as fees related to trade financing to support international trade activities. The decrease in finance cost was mainly driven by the repayment of fixed-rate long-term loans and continued low interest rate levels during the first half of the year.

Income tax expenses increased to THB 1,119 million due to a one-time tax impact that included a surcharge tax and a change in the corporate income tax rate in Sri Lanka from 18 percent to 30 percent, totaling THB 748 million, resulting in a negative impact on group profitability. During prior year, the Group benefited from a reduction in the corporate income tax rate in Sri Lanka from 28 percent to 18 percent in the amount of THB 729 million.

Analysis of Business Segments

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Net Sales					
Cement	34,077	27,406	6,671	24%	26,610
Concrete and Aggregates	6,400	5,388	1,012	19%	6,632
Trading	5,634	5,389	245	5%	5,167
Light Building Materials	2,860	2,382	478	20%	2,391
Others	1,155	1,113	42	4%	1,200
Total Net Sales by segment	50,126	41,678	8,448	20%	42,000

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
EBITDA					
Cement	7,531	7,906	(375)	-5%	8,223
Concrete and Aggregates	310	327	(17)	-5%	697
Trading	254	245	9	4%	248
Light Building Materials	222	326	(104)	-32%	276
Others	751	657	94	14%	690

Remark: EBITDA by segment is presented before intersegment elimination

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Net Profit					
Cement	4,540	6,732	(2,192)	-33%	5,675
Concrete and Aggregates	(146)	(167)	21	13%	108
Trading	212	234	(22)	-9%	238
Light Building Materials	(80)	7	(87)	-1,243%	(32)
Others	299	172	127	74%	246

Remark: Net profit by segment is presented before intersegment elimination

The Cement Segment reported higher revenue mostly driven by expanded domestic sales volume and higher sales prices. Thailand's solid cement consumption was primarily driven by infrastructure projects whereas the demand from residential and commercial segments remained weak. Vietnam's cement demand increased over a pandemic-impacted prior year with hard lockdown. In Sri Lanka, cement demand continued to weaken due to the ongoing economic crisis and a decline in consumer buying power owing to a large rise in inflation. In Bangladesh, cement demand slightly recovered from the previous year. Overall, net sales increased 24 percent to THB 34,077 million. However, rising raw material, energy, transportation, and electricity costs including a one-time tax impact in Sri Lanka negatively impact to overall EBITDA and net profit for the segment.

The Concrete and Aggregate Segment revenue was positively impacted by a solid demand coming from infrastructure and low-rise residential sector. The commencement of some high-speed rail projects led to higher sales, especially during the second half year, and combined with increased sales prices resulted in a 19 percent higher revenue to THB 6,400 million. Cost inflation could not be fully passed through to customers and led to overall lower EBITDA.

The Trading Segment reported revenue of THB 5,634 million, a 5 percent increase over the year. The conflict in Eastern Europe and the pandemic policy in China caused significant disruption in the trading of clinker. However, some sales of higher margin products contributed to the increased EBITDA level compared to the previous year.

The Light Building Material segment reported revenue of THB 2,860 million, which represents an increase by 20 percent. The overall residential market remained soft despite increase government support and developers starting new projects. Intensified market competition limited pricing opportunities. As a result, higher input cost could not be fully offset with higher sales prices and resulted in lower EBITDA and net income.

The other segment revenue reported THB 1,155 million, a 4 percent increase. Waste management services in the other segment continued to offer customized and sustainable solutions to a wide range of customers. The Company strengthened its position in waste management and benefited from higher price and volumes of light waste material and carbon black. Industrial services strengthened its business activities with additional projects in chemical cleaning. Profitability further improved due to increased business activities with higher margins as well as improved operational cost management.

Analysis of Financial Position

	Unit	2022	2021	2020
Accounts receivable turnover	Times	9.63	8.23	7.81
Days receivable outstanding	Days	38	44	47
Inventory turnover	Times	6.16	7.25	6.85
Days inventory	Days	59	50	53
Accounts payable turnover	Times	5.40	5.91	5.61
Days payable outstanding	Days	68	62	65

Net Working Capital

As a result of improved cash flow management, the days payable outstanding increased from 62 days to 68 days this year. The Group tightened credit management and debt collection controls, resulting in a decrease in days receivable outstanding from 44 days to 38 days compared to the previous year. However, outstanding receivables increased by 7 percent to THB 5,105 million, with over 90 percent current to 30 days due date status. Days of inventory outstanding were higher than the prior year due to securing raw material and coal inventory during a time of market disruption and uncertainty.

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 a sales arrangement with a 3rd party to divest these assets during 2019 with no additional disposal this year.

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

Property, Plant and Equipment and Intangible Assets (Net)

(Unit : THB Million)

	As of December 31				
	2022	2021	+/-	% change	2020
Property, plant and equipment	26,519	29,190	(2,671)	-9%	29,998
Intangible assets	7,191	9,846	(2,655)	-27%	10,128
Other non-current assets	390	412	(22)	-5%	283

Capital expenditures (CAPEX) spending for property, plant and equipment during the period was THB 1,871 million.

Some of the key CAPEX projects during 2022 were as follows.

- Saraburi Plant 3 Separate Limestone Grinding of THB 294 million
- Vietnam Hon Chong Kiln line 2 preparation work of THB 66 million
- Saraburi Plant 3 Replace Gas Insulated Substation of THB 56 million

- SCCO Suphanburi aggregate quarry overburden stripping of THB 48 million
- Saraburi purchase clay reserve of THB 39 million
- INSEE Ecocycle Rocket Mill RDF production plant at Onnut of THB 39 million
- Sri Lanka Slag Warehouse at Hambantota of THB 38 million

The depreciation charge for the year amounted to THB 2,756 million. An additional THB 95 million was recorded for assets disposal and write-off during the fiscal 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's depreciation over the year, the loss from the translation of property, plant and equipment in overseas subsidiaries into Thai Baht amounted to THB 1,705 million.

Intangible assets consisted of mining concessions, computer software, customer relationships, brands and the right to use of assets. Amortization charges for the year were THB 473 million. Loss from translation of intangible assets in overseas subsidiaries into Thai Baht was THB 2,164 million.

Funding

As at 31 December 2022, the capital structure of the Group consisted of net financial debt, including lease liabilities, at THB 18,526 million (gross financial debt amount of THB 21,956 million, net of cash and cash equivalents amount of THB 3,430 million) and shareholders' equity of THB 34,502 million. This represented a net financial debt to equity ratio of 0.54 times which was increased from the prior year (2021: 0.47 times) mainly due to negative currency translation adjustment related to overseas businesses.

Short-Term and Long-Term Debt

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

Issued date	Amount THB Million	Due date
29 April 2016	4,000	Y2024, Y2026
9 May 2017	12,000	Y2024, Y2027, Y2029

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 3,026 million and short-term loan including current portion of long-term loan and lease liabilities of THB 2,947 million.

Shareholder's Equity

As at 31 December 2022, shareholders' equity amounted to THB 34,502 million (2021: THB 39,227 million). This position consists of accumulated reserves, share premium and retained earnings amounting to THB 42,070 million, netted off with a negative currency translation adjustment of THB 8,830 million. Non-controlling interests of the subsidiaries equaled to THB 1,262 million.

Analysis of Cash Flow Statement

The Group reported a cash and cash equivalent balance of THB 3,430 million as at 31 December 2022 which was used to maintain liquidity for the operations. Net cash generated from operating activities was THB 4,144 million (2021: THB 6,948 million), decreasing due to lower net profit before tax for the year as well as the increase in raw material and coal inventory.

Net cash outflows from investing activities amounted to THB 974 million, mainly from acquisitions of property plant and equipment THB 1,804 million (2021: net cash from investing activities was THB -558 million), partially offset by disposal of assets of THB 16 million and dividend received from joint venture and associated companies of THB 886 million.

Net cash outflows from financing activities of THB 9,497 million (2021: THB 4,695 million) was primarily related to increase and repayment of bank overdraft, short-term and long-term loans, and lease liabilities at a net amount of THB 6,223 million and the total dividend paid amounting to THB 3,013 million during this year.

Sustainability

We remain on track with our "Sustainability Ambition" commitments and continue efforts to continuously reduce carbon intensity in our products in alignment with guidelines given by the Global Cement and Concrete Association (GCCA). As part of ESG-based investments across the Group in 2022, our large modified-manufacturing investment at the Saraburi facility in Thailand has been commissioned on schedule in Q4 of 2022, as well as GGBFS and Fly Ash Feeding project at Thi Vai plant in Vietnam and at RCW and PCW plants in Sri Lanka. All projects are already delivering lowered CO₂ intensity products to our customers. Aside from those projects, there were several notable achievements on this front in 2022. In Vietnam, an upgrade

to INSEE Power-S, a multi-purpose cement, was rolled out that sees it now able to withstand sulfate–chloride attack. This helpful feature of INSEE products mitigates the impact of drought and salinity, a major long-term issue throughout Southern Vietnam. In Thailand, we launched an automatic food waste composter developed by the PTT Innovation Institute using natural microorganisms to compost food waste into bio-soil. This innovation can help reduce the amount of food waste that ends up in landfills which would otherwise create methane gases that cause global warming. The innovation also prevents the contamination of food waste into other waste sources that can be recycled or used as RDF (Refuse Derived Fuel) according to circular economy principles.

Innovation and collaboration with key stakeholders are at the heart of what the Group does with a special focus now placed on sustainable development. The Group remains focused on social responsibility towards both our employees i.e., Human Rights according to Group HR Policy, and neighboring communities, whilst simultaneously continuing to adhere to the highest international standards of corporate governance and of industry occupational health and safety practices.

We maintain top management focus on our governance approaches and are recognized for our ESG efforts by the likes of leading organizations in the region i.e., Stock Exchange of Thailand, as well as Vietnam Confederation of Commerce and Industry (VCCI), and the Vietnam Business Council for Sustainable Development (VBCSD).

Outlook

With continuing geopolitical and economic uncertainty, substantial inflationary pressures remain a key challenge for managing input costs, which will require more pricing adjustments into the markets. The demand outlook is for Thailand demand to be buoyed by ongoing infrastructure project activity whilst industrial and commercial segments are expected to improve slightly. In our overseas markets demand is expected to increase moderately over prior year with opportunities for pricing adjustments to yield improved offsetting of inflated input costs. Operations will be focused on our unrelenting sustainable cost efficiency investments and improvements.

Financial Statement

Consolidated Statements of Financial Position

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	3,430	5%	9,662	12%	7,676	10%
Trade and other receivables	5,105	7%	4,780	6%	4,835	6%
Derivative assets	25	-	1	-	4	-
Inventories	7,290	10%	4,441	5%	3,374	4%
Current tax assets	79	-	-	-	-	-
Advance payments for purchases of goods	232	-	308	-	360	-
Assets held for sale	17	-	17	-	60	-
Other current assets	347	-	335	-	258	-
TOTAL CURRENT ASSETS	16,525	23%	19,544	24%	16,567	21%
NON-CURRENT ASSETS						
Restricted bank deposits	11	-	13	-	17	-
Investment in joint venture	2,099	3%	2,098	3%	1,896	2%
Investments in associates	3,558	5%	2,689	3%	2,077	3%
Investment properties	491	1%	495	1%	319	-
Property, plant and equipment	26,519	36%	29,190	36%	29,998	39%
Right-of-use assets	1,363	2%	1,557	2%	1,747	2%
Assets not used in operations	30	-	33	-	61	-
Goodwill	13,797	19%	14,936	18%	13,476	17%
Intangible assets	7,191	10%	9,846	12%	10,128	13%
Deferred tax assets	1,379	2%	1,199	1%	1,101	1%
Other non-current assets	390	1%	412	1%	283	-
TOTAL NON-CURRENT ASSETS	56,828	77%	62,468	76%	61,103	79%
TOTAL ASSETS	73,353	100%	82,012	100%	77,670	100%

Consolidated Statements of Financial Position (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term loans from related financial institution	-	-	-	-	120	-
Bank overdrafts and short-term loans from other financial institutions	2,325	3%	3,014	4%	3,356	4%
Trade and other payables	8,134	11%	5,494	7%	4,294	6%
Current portion of long-term loans from other financial institutions	262	-	7,238	9%	339	-
Current portion of lease liabilities	359	-	438	1%	404	1%
Current portion of long-term liabilities for concession and license fee	125	-	121	-	114	-
Current derivative liabilities	76	-	78	-	-	-
Income tax payable	265	-	372	-	637	1%
Deferred revenue	822	1%	967	1%	843	1%
Accrued electricity	328	-	265	-	288	-
Other accrued expenses	1,590	2%	1,559	2%	1,336	2%
Other current liabilities	205	-	302	-	231	-
TOTAL CURRENT LIABILITIES	14,491	17%	19,848	24%	11,962	15%

Consolidated Statements of Financial Position (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Long-term loans from related financial institution	2,000	2%	-	-	-	-
Long-term loans from other financial institutions - net of current portion	48	-	288	-	7,239	9%
Lease liabilities - net of current portion	978	1%	1,101	1%	1,260	2%
Debentures	15,983	22%	15,979	19%	15,975	21%
Long-term liabilities for concession and license fee - net of current portion	802	1%	925	1%	1,045	1%
Non-current derivative liabilities	-	-	-	-	222	-
Provision for long-term employee benefits	2,398	3%	2,489	3%	2,479	3%
Provision for site restoration and decommissioning costs	357	-	370	-	343	-
Deferred tax liabilities	1,703	2%	1,687	2%	2,320	3%
Other non-current liabilities	91	-	98	-	113	-
TOTAL NON-CURRENT LIABILITIES	24,360	31%	22,937	26%	30,996	39%
TOTAL LIABILITIES	38,851	53%	42,785	52%	42,958	55%
SHAREHOLDERS' EQUITY						
Share capital						
Registered						
298,000,000 ordinary shares of THB 10 each	2,980	-	2,980	-	2,980	-
Issued and fully paid up						
298,000,000 ordinary shares of THB 10 each	2,980	4%	2,980	4%	2,980	4%
Share premium	26,413	36%	26,413	32%	26,413	34%
Retained earnings						
Appropriated - statutory reserve	300	-	300	-	300	-
Unappropriated	12,377	17%	13,090	16%	11,431	15%
Other components of shareholders' equity	(8,830)	(12%)	(5,069)	(6%)	(7,760)	(10%)
Equity attributable to owners of the Company	33,240	45%	37,714	46%	33,364	43%
Non-controlling interests of the subsidiaries	1,262	2%	1,513	2%	1,348	2%
TOTAL SHAREHOLDERS' EQUITY	34,502	47%	39,227	48%	34,712	45%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	73,353	100%	82,012	100%	77,670	100%

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues	50,126	100%	41,678	100%	42,000	100%
Gain on exchange	-	-	28	-	12	-
Other income	166	-	184	-	162	-
Total Revenues	50,292	100%	41,890	100%	42,174	100%
Expenses						
Cost of sales	36,113	72%	28,341	68%	27,337	65%
Cost of services	653	1%	563	1%	644	1%
Selling and distribution expenses	7,761	15%	6,734	16%	6,625	16%
Administrative expenses	1,921	4%	1,884	4%	1,955	5%
Other expenses	1,281	3%	215	1%	120	-
Total expenses	47,729	95%	37,737	90%	36,681	87%
Operating profit	2,563	5%	4,153	10%	5,493	13%
Share of profit from investment in joint venture	237	-	466	1%	477	1%
Share of profit from investments in associates	1,290	3%	763	2%	109	-
Finance income	86	-	77	-	76	-
Finance cost	(1,090)	(2%)	(1,238)	(3%)	(1,374)	(3%)
Profit before income tax expenses	3,086	6%	4,221	10%	4,781	11%
Income tax expenses	(1,119)	(2%)	89	-	(756)	(1%)
Profit for the year	1,967	4%	4,310	10%	4,025	10%
Profit attributable to:						
Equity holders of the Company	1,857	4%	4,248	10%	3,680	9%
Non-controlling interests of the subsidiaries	110	-	62	-	345	1%
	1,967	4%	4,310	10%	4,025	10%
Basic earnings per share						
Profit attributable to equity holders of the Company (THB)	6.23		14.25		12.35	
Weighted average number of ordinary shares (Million shares)	298		298		298	

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

(Unit : THB Million)

	2022	2021	2020
Profit for the year	1,967	4,310	4,025
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	(4,024)	2,591	(393)
Gain on cash flow hedge - net of tax	5	119	18
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	229	275	16
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(3,790)	2,985	(359)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) - net of tax	112	90	(26)
Share of other comprehensive income of associated companies - actuarial gain (loss)	-	(0)	(4)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	112	90	(30)
Other comprehensive income for the year	(3,678)	3,075	(389)
Total comprehensive income for the year	(1,711)	7,385	3,636
Total comprehensive income attributable to:			
Equity holders of the Company	(1,791)	7,031	3,304
Non-controlling interests of the subsidiaries	80	354	332
	(1,711)	7,385	3,636

Consolidated Statements of Cash Flows

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash flows from operating activities						
Profit before tax	3,086	100%	4,221	100%	4,781	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	(1,527)	(49%)	(1,229)	(29%)	(586)	(12%)
Depreciation and amortization	3,728	121%	3,893	92%	3,935	82%
Impairment loss on financial assets	53	2%	25	1%	49	1%
Reduction of inventory to net realisable value (reversal)	29	1%	41	1%	29	1%
Loss (gain) on disposal of assets held for sale	-	-	7	-	23	-
Allowance for impairment loss of assets held for sale (reversal)	-	-	(8)	-	6	-
Allowance for impairment loss on non-financial assets (reversal)	-	-	(4)	-	(87)	(2%)
Net loss on disposals/write-off of non-financial assets	89	3%	169	4%	191	4%
Provision for long-term employee benefits and other provisions	174	6%	224	5%	206	4%
Amortisation of deferred income from grants related to assets	(9)	-	(9)	-	(9)	-
Net loss (gain) on derivative instruments at fair value through profit or loss	50	2%	5	-	(3)	-
Unrealised loss (gain) on exchange	502	16%	(1)	-	3	-
Finance income	(86)	(3%)	(77)	(2%)	(76)	(2%)
Interest expenses	916	30%	1,087	26%	1,282	27%
Profit from operating activities before changes in operating assets and liabilities	7,005	229%	8,344	198%	9,744	203%

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Operating assets (increase) decrease :						
Trade and other receivables	(571)	(19%)	(323)	(8%)	574	12%
Inventories	(3,416)	(111%)	(1,108)	(26%)	1,206	25%
Advance payments for purchases of goods	(232)	(8%)	52	1%	(281)	(6%)
Other current assets	(29)	(1%)	(74)	(2%)	100	2%
Operating liabilities increase (decrease) :						
Trade and other payables	2,956	96%	1,249	30%	(75)	(2%)
Accrued expenses and other current liabilities	72	2%	401	10%	114	2%
Other non-current liabilities	(1)	-	(9)	-	(7)	-
Provision for long-term employee benefits	(91)	(3%)	(115)	(3%)	(591)	(12%)
Provision for site restoration	(10)	-	(18)	-	(8)	-
Cash from operating activities	5,683	185%	8,399	200%	10,776	224%
Interest received	82	3%	77	2%	77	2%
Interest paid	(773)	(25%)	(728)	(17%)	(911)	(19%)
Cash paid for income tax	(848)	(27%)	(799)	(19%)	(1,010)	(21%)
Net cash from operating activities	4,144	136%	6,948	166%	8,932	186%

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash flows from investing activities						
Decrease (increase) in restricted bank deposits	(1)	-	5	-	-	-
Proceeds from disposals of non-current assets held for sale	-	-	49	1%	35	1%
Proceeds from disposals of investment properties	11	-	-	-	-	-
Proceeds from disposals of property, plant and equipment	6	-	19	-	40	1%
Acquisitions of property, plant and equipment	(1,804)	(58%)	(1,286)	(30%)	(745)	(16%)
Cash paid for acquisition of right-of-use assets	(64)	(2%)	-	-	(3)	-
Increase in intangible assets	(28)	(1%)	(28)	(1%)	(28)	(1%)
Decrease (increase) in other non-current assets	20	1%	(8)	-	51	1%
Dividend received	886	29%	691	16%	667	14%
Net cash from (used in) investing activities	(974)	(31%)	(558)	(14%)	17	-

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash flows from financing activities						
Net increase (decrease) in short-term loans from related financial institution	-	-	(120)	(3%)	20	-
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(529)	(17%)	(679)	(16%)	(438)	(9%)
Increase in long-term loans from related financial institution	2,000	65%	-	-	-	-
Increase in long-term loans from other financial institutions	105	3%	280	7%	3,171	66%
Repayment of long-term loans from other financial institutions	(7,310)	(237%)	(399)	(9%)	(3,561)	(74%)
Payment of lease liabilities	(490)	(16%)	(535)	(13%)	(492)	(10%)
Payment of liabilities for acquisitions of concession and license fee	(153)	(5%)	(149)	(4%)	(6)	-
Repayment of debentures	-	-	-	-	(3,000)	(63%)
Dividend paid	(3,013)	(98%)	(2,871)	(68%)	(1,453)	(30%)
Interest paid	(107)	(3%)	(213)	(5%)	(221)	(5%)
Cash paid for other finance costs	-	-	(9)	-	(26)	(1%)
Net cash from (used in) financing activities	(9,497)	(308%)	(4,695)	(111%)	(6,006)	(126%)
Increase (decrease) in translation adjustments	103	2%	290	7%	(83)	(2%)
Net increase (decrease) in cash and cash equivalents	(6,224)	(202%)	1,986	47%	2,860	60%
Cash and cash equivalents at beginning of year	9,662	313%	7,676	182%	4,821	101%
Effect of change in foreign exchange rate on cash at banks	(8)	-	0	-	(5)	-
Cash and cash equivalents at end of year	3,430	111%	9,662	229%	7,676	161%

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Supplemental disclosures of cash flows information:						
Non-cash related transactions from investing activities:						
Payables from acquisitions of property, plant and equipment	279		235		284	
Long-term liabilities for license fee	-		-		26	
Transferred property, plant and equipment to investment properties	5		174		-	
Transferred property, plant and equipment to assets held for sale	-		-		38	
Transferred property, plant and equipment to intangible assets	4		5		-	
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	53		1		17	
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	(10)		5		58	
Increase in right-of-use assets from provision for decommissioning costs	2		3		3	
Increase in intangible assets from long-term liabilities for concession and license fee	3		0		-	

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Non-cash related transactions from financing activities:						
Acquisitions of right-of-use assets under lease contracts	200		252		140	
Increase (decrease) in assets and liabilities from lease reassessment/modification						
- Right-of-use assets	136		23		(51)	
- Lease liabilities	137		25		(49)	
- Provision for decommissioning costs	-		(2)		(7)	

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

	Unit	2022	2021	2020
Liquidity ratios				
Current ratio	Times	1.14	0.98	1.39
Quick ratio	Times	0.59	0.73	1.05
Cash flows from operating activities to current liabilities ratio	Times	0.24	0.44	0.65
Accounts receivable turnover	Times	9.63	8.23	7.81
Days receivable outstanding	Days	38	44	47
Finished good turnover	Times	24.75	28.95	25.28
Days Finished good outstanding	Days	15	13	14
Inventory turnover	Times	6.16	7.25	6.85

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

	Unit	2022	2021	2020
Days inventory outstanding	Days	59	50	53
Accounts payable turnover	Times	5.40	5.91	5.61
Days payable outstanding	Days	68	62	65
Cash cycle	Days	29	33	36
Profitability ratios				
Gross profit margin	%	27	31	33
Operating profit margin	%	8	10	13
Other profit margin	%	-2.22	-0.01	0.13
Cash flows from operating activities on net income margin	%	109	162	160
Net income margin	%	4	10	9
Return on shareholders' equity	%	5	11	11
Efficiency ratios				
Return on assets	%	2	5	5
Return on fixed assets	%	17	24	21
Total assets turnover	Times	0.65	0.52	0.54
Financial policy ratios				
Debt - to - equity ratio	Times	1.13	1.09	1.24
Interest coverage ratio	Times	10.30	10.01	8.93
Interest bearing debt to EBITDA ratio	Times	2.42	2.98	2.84
Debt service coverage ratio	Times	3.08	0.88	2.39
Dividend payout ratio on net profit	%	144	63	73



Financial Report 2022

**Moving forward
through volatility
and adversity**

56-1 One Report

Annual Registration Statement/
Annual Report

Contents

Report of the Board of Directors' Responsibilities for Financial Statements	03
Report of the Audit Committee	04
Independent Auditor's Report	07
Statements of financial position	13
Income statements	16
Statements of comprehensive income	17
Statements of changes in shareholders' equity	18
Statements of cash flows	20
Notes to consolidated financial statements	23
Management Discussion and Analysis	113

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 an 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.

Paul Heinz Hugentobler

(Mr. Paul Heinz Hugentobler)
Chairman

Mr. Aidan John Lynam

(Mr. Aidan John Lynam)
Director and Group Chief
Executive Officer

Report of the Audit Committee

Dear Shareholder,

The Audit Committee comprises three independent directors with combined skills and expertise in finance, accounting, laws and business. All members possess adequate qualifications as required by the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET).

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 (BoD). The Audit Committee advocates a strong culture of governance, integrity, ethics, accountability and transparency for a long-term sustainable business.

In 2022, the Audit Committee convened a total of 11 meetings, with attendance by all members.

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 global business recession and cyber security in addition to the business risks and organization effectiveness in framing its priorities for year 2023.

The Audit Committee's main activities are summarized below:

- (1) Review of Financial Reports:** The Audit Committee reviewed significant information in the quarterly and annual financial statements of Siam City Cement Public Company Limited and its 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 accounting 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 independency, 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 Group Risk Management:** The Audit Committee quarterly reviewed the appropriateness and effectiveness of the Group Companies risk management processes which was further strengthened in year 2022. In particular, the Audit Committee reviewed assessment and mitigation actions thereon with Group Chief Executive Officer (GCEO) particularly on securing cement economics and margin reinforcement through pricing, increase of production costs, impact from the enactment of Expropriation Decree published in Royal Gazette, cybersecurity, etc., and macro risks (e.g. inflation, war, global trends, 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 scope includes the reviewing of business focus and organization effectiveness (stewardship of properties, resource assumption, prevention or reduction of errors or damage, losses, waste or corrupt practices, etc.). The internal control system was further strengthened by continuous educating and creating awareness of responsibility and accountability of employees through a structured design effectiveness testing and operating effectiveness testing of INSEE Minimum Controls (IMC). 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 2023 including the budget to support the plan. In addition, the Audit Committee was also assigned the task from BoD to review the adequacy and effectiveness of finance organization.

(1) 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. The Audit Committee reviewed the updated Governance, Risk and Compliance (GRC) framework which was updated with revised Manual of Authorities and Policy Landscape that was implemented across the Group.

(2) Appointment of the External Auditors for 2023: The Audit Committee recommended the appointment of Ms. Kamontip Lertwitworatep and/or Ms. Sarinda Hirunprasurtwutti and/or Ms. Satida Ratananurak of EY Office Limited as the Company's External Auditors for 2023 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2023.

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.

Sunee Sornchaitanasuk

(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 2022, 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 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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: 10 February 2023

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6, 7	3,429,669	9,662,200	822,158	4,880,773
Trade and other receivables	6, 8	5,105,206	4,780,309	3,182,746	2,723,064
Short-term loans to related parties	6	-	-	2,890,000	2,815,000
Derivative assets		25,111	526	-	18
Inventories	9	7,290,057	4,440,601	3,730,313	2,029,930
Current tax assets		79,944	-	77,944	-
Advance payments for purchases of goods		231,512	308,085	21,034	13,955
Other current assets	6	347,084	335,340	167,022	90,728
		16,508,583	19,527,061	10,891,217	12,553,468
Assets held for sale		16,631	16,643	-	-
Total current assets		16,525,214	19,543,704	10,891,217	12,553,468
Non-current assets					
Restricted bank deposits	7	11,308	12,502	-	-
Investments in subsidiary companies	10	-	-	39,900,676	39,900,676
Investment in joint venture	11	2,098,685	2,097,543	2,145,611	2,145,611
Investments in associates	12	3,557,896	2,688,994	577,896	577,896
Investment properties	13	490,553	495,724	670,964	690,104
Property, plant and equipment	14	26,518,688	29,190,099	10,819,385	11,305,294
Right-of-use assets	15.1	1,362,886	1,556,578	246,985	273,072
Assets not used in operations	16	29,572	33,495	29,572	33,495
Goodwill	17	13,797,440	14,936,191	-	-
Intangible assets	18	7,191,210	9,845,715	3,332,887	3,507,526
Deferred tax assets	33	1,379,693	1,199,477	785,476	636,288
Other non-current assets	6	390,131	412,023	139,811	142,689
Total non-current assets		56,828,062	62,468,341	58,649,263	59,212,651
Total assets		73,353,276	82,012,045	69,540,480	71,766,119

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 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from related parties	6	-	-	980,000	-
Bank overdrafts and short-term loans					
from other financial institutions	19	2,324,967	3,013,609	-	-
Trade and other payables	6, 20	8,134,410	5,493,687	5,337,809	2,737,522
Current portion of long-term loans from					
other financial institutions	21	262,148	7,238,398	-	7,000,000
Current portion of lease liabilities	6, 15.2	359,752	438,121	70,122	95,445
Current portion of long-term liabilities for concession		-			
and license fee	23	125,505	120,591	123,513	118,680
Derivative liabilities		75,614	77,788	26,707	76,478
Income tax payable		265,092	372,102	-	146,120
Deferred revenue		821,955	966,599	417,430	459,561
Accrued electricity		327,667	265,060	316,813	253,160
Other accrued expenses		1,589,597	1,559,679	629,910	672,621
Other current liabilities		204,708	302,511	65,626	51,934
Total current liabilities		14,491,415	19,848,145	7,967,930	11,611,521
Non-current liabilities					
Long-term loan from related financial institution	6	2,000,000	-	2,000,000	-
Long-term loans from other financial institutions					
- net of current portion	21	47,656	288,532	-	-
Lease liabilities - net of current portion	6, 15.2	978,302	1,100,513	185,475	176,352
Debentures	22	15,982,844	15,978,918	15,982,844	15,978,918
Long-term liabilities for concession and license fee		-			
- net of current portion	23	801,702	925,173	796,503	917,980
Provision for long-term employee benefits	24	2,398,457	2,489,205	1,633,091	1,646,802
Provision for site restoration and decommissioning costs	25	356,891	370,103	106,643	136,614
Deferred tax liabilities	33	1,703,273	1,686,687	-	-
Other non-current liabilities	26	90,587	97,983	-	-
Total non-current liabilities		24,359,712	22,937,114	20,704,556	18,856,666
Total liabilities		38,851,127	42,785,259	28,672,486	30,468,187

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 2022**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
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		12,376,849	13,090,053	11,175,443	11,610,751
Other components of shareholders' equity		(8,829,527)	(5,069,241)	-	(5,370)
Equity attributable to owners of the Company		33,239,873	37,713,363	40,867,994	41,297,932
Non-controlling interests of the subsidiaries		1,262,276	1,513,423	-	-
Total shareholders' equity		34,502,149	39,226,786	40,867,994	41,297,932
Total liabilities and shareholders' equity		73,353,276	82,012,045	69,540,480	71,766,119

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

Directors

Siam City Cement Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2022

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

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Revenues					
Revenues	28	50,125,738	41,678,362	21,643,513	18,517,835
Dividend income	10, 11, 12	-	-	2,984,308	2,667,480
Gain on exchange		-	27,717	-	4,782
Other income		165,785	184,144	83,139	74,692
Total revenues		50,291,523	41,890,223	24,710,960	21,264,789
Expenses					
Cost of sales		36,112,660	28,341,179	17,183,176	11,906,847
Cost of services		652,921	562,848	151,279	123,608
Selling and distribution expenses		7,761,280	6,733,271	2,764,636	2,637,777
Administrative expenses		1,920,660	1,884,474	1,545,968	1,452,186
Other expenses	29	1,280,853	215,221	259,742	108,193
Total expenses	30	47,728,374	37,736,993	21,904,801	16,228,611
Operating profit		2,563,149	4,153,230	2,806,159	5,036,178
Share of profit from investment in joint venture	11	237,025	465,807	-	-
Share of profit from investments in associates	12	1,290,183	762,966	-	-
Finance income		85,726	76,773	67,646	55,945
Finance cost	31	(1,090,247)	(1,237,940)	(827,432)	(973,928)
Profit before income tax		3,085,836	4,220,836	2,046,373	4,118,195
Income tax	33	(1,118,864)	88,763	138,335	(324,417)
Profit for the year		1,966,972	4,309,599	2,184,708	3,793,778
Profit attributable to:					
Equity holders of the Company		1,856,547	4,247,718	2,184,708	3,793,778
Non-controlling interests of the subsidiaries		110,425	61,881	-	-
		1,966,972	4,309,599		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	34	6.23	14.25	7.33	12.73
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 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the year	<u>1,966,972</u>	<u>4,309,599</u>	<u>2,184,708</u>	<u>3,793,778</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	(4,023,950)	2,591,695	-	-
Gain on cash flow hedge - net of tax	5,370	118,642	5,370	118,642
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	<u>228,564</u>	<u>275,100</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(3,790,016)</u>	<u>2,985,437</u>	<u>5,370</u>	<u>118,642</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain - net of tax	112,132	90,402	61,976	44,395
Share of other comprehensive income of associates - actuarial gain (loss)	<u>109</u>	<u>(140)</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>112,241</u>	<u>90,262</u>	<u>61,976</u>	<u>44,395</u>
Other comprehensive income for the year	<u>(3,677,775)</u>	<u>3,075,699</u>	<u>67,346</u>	<u>163,037</u>
Total comprehensive income for the year	<u><u>(1,710,803)</u></u>	<u><u>7,385,298</u></u>	<u><u>2,252,054</u></u>	<u><u>3,956,815</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(1,791,498)	7,031,194	<u>2,252,054</u>	<u>3,956,815</u>
Non-controlling interests of the subsidiaries	<u>80,695</u>	<u>354,104</u>		
	<u><u>(1,710,803)</u></u>	<u><u>7,385,298</u></u>		

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

(Unit: Thousand Baht)

Consolidated financial statements												
	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	Retained earnings		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					
	Appropriated - statutory reserve	Unappropriated										
	Share premium											
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		
Profit for the year	-	-	-	4,247,718	-	-	-	4,247,718	61,881	4,309,599		
Other comprehensive income for the year	-	-	-	92,571	2,572,263	118,642	2,690,905	2,783,476	292,223	3,075,699		
Total comprehensive income for the year	-	-	-	4,340,289	2,572,263	118,642	2,690,905	7,031,194	354,104	7,385,298		
Dividend paid (Note 35)	-	-	-	(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		
Balance as at 1 January 2022	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		
Profit for the year	-	-	-	1,856,547	-	-	-	1,856,547	110,425	1,966,972		
Other comprehensive income for the year	-	-	-	112,241	(3,765,656)	5,370	(3,760,286)	(3,648,045)	(29,730)	(3,677,775)		
Total comprehensive income for the year	-	-	-	1,968,788	(3,765,656)	5,370	(3,760,286)	(1,791,498)	80,695	(1,710,803)		
Dividend paid (Note 35)	-	-	-	(2,681,992)	-	-	-	(2,681,992)	-	(2,681,992)		
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	(331,346)	(331,346)		
Decrease in non-controlling interests of the subsidiaries from repurchase of subsidiary's share capital	-	-	-	-	-	-	-	-	(496)	(496)		
Balance as at 31 December 2022	2,980,000	26,412,551	300,000	12,376,849	(8,829,527)	-	(8,829,527)	33,239,873	1,262,276	34,502,149		

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 2022

	Separate financial statements						(Unit: Thousand Baht)
	Issued and paid up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total
			Appropriated - statutory reserve	Unappropriated	Cash flow hedge reserve	Other comprehensive income -	
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 35)	-	-	-	(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
Balance as at 1 January 2022	2,980,000	26,412,551	300,000	11,610,751	(5,370)		41,297,932
Profit for the year	-	-	-	2,184,708	-		2,184,708
Other comprehensive income for the year	-	-	-	61,976	5,370		67,346
Total comprehensive income for the year	-	-	-	2,246,684	5,370		2,252,054
Dividend paid (Note 35)	-	-	-	(2,681,992)	-		(2,681,992)
Balance as at 31 December 2022	2,980,000	26,412,551	300,000	11,175,443	-		40,867,994

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

Statements of cash flows

Siam City Cement Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	3,085,836	4,220,836	2,046,373	4,118,195
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	(1,527,208)	(1,228,773)	-	-
Dividend income	-	-	(2,984,308)	(2,667,480)
Depreciation and amortisation	3,728,254	3,893,107	1,502,121	1,500,740
Impairment loss on financial assets	52,859	24,764	21,880	3,237
Reduction of inventory to net realisable value (reversal)	28,895	40,715	(2,901)	29,730
Loss on disposal of non-current assets held for sale	-	7,326	-	-
Reversal of allowance for impairment loss of non-current assets held for sale	-	(8,342)	-	-
Allowance for impairment loss on non-financial assets (reversal)	(327)	(3,950)	42	53,702
Net loss on disposals/write-off of non-financial assets	89,092	168,096	36,061	49,363
Provision for long-term employee benefits and other provisions	174,222	223,790	109,166	106,838
Amortisation of deferred income from grants related to assets	(8,608)	(8,608)	-	-
Net loss on derivative instruments at fair value through profit or loss	49,719	4,872	26,725	243
Unrealised loss (gain) on exchange	502,085	(592)	61,929	(889)
Finance income	(85,726)	(76,773)	(67,634)	(55,945)
Interest expenses	915,813	1,087,223	722,887	884,938
Profit from operating activities before changes in operating assets and liabilities	7,004,906	8,343,691	1,472,341	4,022,672
Operating assets (increase) decrease:				
Trade and other receivables	(570,752)	(322,890)	(386,431)	(3,652)
Inventories	(3,416,415)	(1,107,713)	(1,697,482)	(646,350)
Advance payments for purchases of goods	(231,952)	52,244	(7,079)	3,203
Other current assets	(28,988)	(74,274)	(81,351)	2,929
Operating liabilities increase (decrease):				
Trade and other payables	2,956,405	1,249,370	2,522,823	719,786
Accrued expenses and other current liabilities	72,002	401,126	19,139	76,052
Other non-current liabilities	(1,176)	(9,334)	-	-
Provision for long-term employee benefits	(90,813)	(114,935)	(52,042)	(79,526)
Provision for site restoration	(9,723)	(18,467)	(9,724)	(10,962)
Cash from operating activities	5,683,494	8,398,818	1,780,194	4,084,152
Interest received	82,009	76,717	64,472	55,439
Interest paid	(773,233)	(727,652)	(643,627)	(599,150)
Cash paid for income tax	(848,512)	(799,404)	(251,752)	(400,670)
Net cash from operating activities	4,143,758	6,948,479	949,287	3,139,771

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 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Net increase in short-term loans to related parties	-	-	(75,000)	(115,000)
Decrease (increase) in restricted bank deposits	(563)	5,979	-	-
Proceeds from disposals of non-current assets held for sale	-	48,653	-	-
Proceeds from disposals of investment properties	10,655	-	10,655	-
Proceeds from disposals of property, plant and equipment	5,532	19,382	323	4,877
Acquisitions of property, plant and equipment	(1,804,259)	(1,286,037)	(687,386)	(552,547)
Cash paid for acquisition of right-of-use assets	(63,532)	-	-	-
Increase in intangible assets	(28,028)	(27,910)	(25,969)	(30,052)
Decrease (increase) in other non-current assets	20,303	(8,456)	(4,186)	(3,217)
Dividend received	885,837	690,811	2,830,287	2,667,480
Net cash from (used in) investing activities	(974,055)	(557,578)	2,048,724	1,971,541
Cash flows from financing activities				
Net decrease in short-term loans from related financial institution	-	(120,000)	-	-
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(529,420)	(679,030)	980,000	-
Increase in long-term loans from related financial institution	2,000,000	-	2,000,000	-
Increase in long-term loans from other financial institutions	105,080	280,834	-	-
Repayment of long-term loans from other financial institutions	(7,309,731)	(399,168)	(7,000,000)	-
Payment of lease liabilities	(488,666)	(535,374)	(96,517)	(109,664)
Payment of liabilities for acquisitions of concession and license fee	(153,056)	(148,834)	(150,851)	(146,835)
Dividend paid	(3,013,338)	(2,870,575)	(2,681,992)	(2,681,991)
Cash paid for repurchase of subsidiary's share capital	(496)	-	-	-
Interest paid	(107,397)	(213,414)	(107,029)	(212,877)
Cash paid for other finance costs	-	(9,000)	-	(9,000)
Net cash used in financing activities	(9,497,024)	(4,694,561)	(7,056,389)	(3,160,367)
Increase in translation adjustments	103,176	290,017	-	-
Net increase (decrease) in cash and cash equivalents	(6,224,145)	1,986,357	(4,058,378)	1,950,945
Cash and cash equivalents at beginning of year	9,662,200	7,675,790	4,880,773	2,929,775
Effect of change in foreign exchange rate on cash at banks	(8,386)	53	(237)	53
Cash and cash equivalents at end of year (Note 7)	3,429,669	9,662,200	822,158	4,880,773

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 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Supplemental disclosures of cash flows information:				
Non-cash related transactions from investing activities:				
Payables from acquisitions of property, plant and equipment	279,395	234,556	128,562	49,864
Transferred investment properties to property, plant and equipment	-	-	-	35,310
Transferred property, plant and equipment to investment properties	4,596	173,747	-	96,235
Transferred property, plant and equipment to intangible assets	3,782	5,486	3,417	-
Transferred right-of-use assets to property, plant and equipment	-	18,463	-	-
Transferred assets not used in operations to property, plant and equipment	-	25,008	-	-
Transferred intangible assets to property, plant and equipment	52,500	1,489	52,500	-
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	(9,819)	5,292	(27,462)	5,292
Increase in right-of-use assets from provision for decommissioning costs	1,773	2,593	-	-
Increase in intangible assets from long-term liabilities for concession and license fee	2,737	243	2,737	243
Dividend receivables	-	-	89,465	-
Non-cash related transactions from financing activities:				
Acquisitions of right-of-use assets under lease contracts	199,981	251,882	77,763	86,149
Increase (decrease) in assets and liabilities from lease reassessment/modification				
- Right-of-use assets	136,328	23,249	(5,587)	(4,917)
- Finance lease receivables	-	-	(26)	465
- Lease liabilities	136,817	25,121	(5,319)	(4,194)
- Provision for decommissioning costs	(147)	(2,278)	-	(363)

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 2022****1. General information****1.1 Corporate information**

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

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

1.2 Economic situation in Sri Lanka

The uncertainties of economic situation in Sri Lanka from devaluation of Sri Lankan Rupee and continuous increase in inflation rate may bring uncertainties and have an impact on the environment in which the subsidiaries in Sri Lanka operate. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions, contingent liabilities and other relevant accounting issues, and has used estimates and judgement in respect of various issues as the situations have 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>2022</u> (Million Baht)	<u>2021</u> (Million Baht)	<u>2022</u> (Percent)	<u>2021</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	98.98	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 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 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, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

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 2023

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group 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 18 - 32 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 - 35 years
Machinery and equipment	1 - 31 years
Motor vehicles	1 - 5 years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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 - 35 years

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

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

No amortisation is provided on intangible assets under development.

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
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	4,079	4,425	Market price
Dividend income	-	-	2,098	1,977	At the declared rate
Interest income	-	-	53	39	Market interest rate
Other income	-	-	231	235	Cost plus margin
Purchases of goods	-	-	3,311	1,170	Market price
Purchases of asset	-	-	-	265	Contractual agreed price
Purchase of utility	-	-	1,611	1,052	Market price
Service fee expenses	-	-	418	428	Contractual agreed price
Interest expenses	-	-	11	-	Market interest rate
<u>Transactions with joint venture</u>					
Sales and service income	1,644	669	49	10	Market price
Dividend income	-	-	307	477	At the declared rate
Other income	1	1	-	1	Cost plus margin
Service fee expenses	16	15	16	15	Contractual agreed price
<u>Transactions with associated companies</u>					
Dividend income	-	-	579	214	At the declared rate
Purchases of goods	1,317	870	1,315	869	Market price
<u>Transactions with related companies</u>					
Sales and service income	5	3	-	-	Market price
Interest income	1	1	-	1	Market interest rate
Purchases of goods	-	634	-	6	Market price
Service fee expenses	133	46	26	31	Contractual agreed price
Other expenses	119	141	89	109	Contractual agreed price
Interest expenses	28	10	28	10	Market interest rate

The balances of the accounts as at 31 December 2022 and 2021 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deposits and short-term investments at related financial institution (Note 7)				
Related financial institution (related by common directors)	550,515	1,270,779	204,347	657,507
Total deposits and short-term investments at related financial institution	<u>550,515</u>	<u>1,270,779</u>	<u>204,347</u>	<u>657,507</u>
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	1,191,810	1,113,652
Joint venture	11,107	131,264	9,839	2,449
Total trade and other receivables - related parties	<u>11,107</u>	<u>131,264</u>	<u>1,201,649</u>	<u>1,116,101</u>
Short-term loans to related parties				
<u>Subsidiaries</u>				
Conwood Company Limited	-	-	1,580,000	1,610,000
INSEE Superblock Company Limited	-	-	610,000	600,000
Siam City Cement Trading Company Limited	-	-	700,000	500,000
INSEE Digital Company Limited	-	-	-	105,000
Total short-term loans to related parties	<u>-</u>	<u>-</u>	<u>2,890,000</u>	<u>2,815,000</u>

Movements of short-term loans to related parties for the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	-	2,815,000
Add: Increase during the year	-	3,730,000
Less: Repayment during the year	-	(3,655,000)
Balance as at 31 December 2022	<u>-</u>	<u>2,890,000</u>

As at 31 December 2022, the Company had short-term loans to related parties of Baht 2,890 million (2021: Baht 2,815 million), which carry interest at the rate of 1.42 - 2.62 percent per annum (2021: 1.25 - 1.70 percent per annum) and are due for repayment within one year from drawing dates.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other current assets - related parties				
Current portion of finance lease receivables				
- subsidiaries	-	-	437	519
Prepaid expenses - related party (related by common director)	36,164	36,775	34,502	35,292
Total other current assets - related parties	<u>36,164</u>	<u>36,775</u>	<u>34,939</u>	<u>35,811</u>
Other non-current assets - related parties				
Finance lease receivables - net of current portion - subsidiaries	-	-	279	276
Total other non-current assets - related parties	<u>-</u>	<u>-</u>	<u>279</u>	<u>276</u>
Short-term loans from related parties				
<u>Subsidiaries</u>				
Siam City Power Company Limited	-	-	900,000	-
Globe Cement Company Limited	-	-	80,000	-
Total short-term loans from related parties	<u>-</u>	<u>-</u>	<u>980,000</u>	<u>-</u>

Movements of short-term loans from related parties for the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	-	-
Add: Increase during the year	-	3,020,000
Less: Repayment during the year	-	(2,040,000)
Balance as at 31 December 2022	<u>-</u>	<u>980,000</u>

As at 31 December 2022, the Company had short-term loans from related parties of Baht 980 million which carry interest at the rate of 1.30 - 1.90 percent per annum.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade and other payables - related parties				
(Note 20)				
Subsidiaries	-	-	1,812,234	822,886
Associated company	376,248	218,690	376,248	218,690
Joint venture	18,770	26,436	17,935	26,436
Related companies (related by common shareholders and/or common directors)	61,218	89,399	12,168	7,456
Total trade and other payables - related parties	<u>456,236</u>	<u>334,525</u>	<u>2,218,585</u>	<u>1,075,468</u>
Lease liabilities - related party (Note 15.2)				
Related company (related by common shareholders and/or common directors)	-	6,397	-	6,397
Less: Portion due within one year	<u>-</u>	<u>(6,397)</u>	<u>-</u>	<u>(6,397)</u>
Total lease liabilities - related party - net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term loan from related financial institution				
Related financial institution (related by common directors)	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total long-term loan from related financial institution	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>

Movements of long-term loan from related financial institution for the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	-	-
Add: Increase during the year	<u>2,000,000</u>	<u>2,000,000</u>
Balance as at 31 December 2022	<u>2,000,000</u>	<u>2,000,000</u>

On 29 November 2022, the Company entered into a loan agreement with related financial institution obtaining loan facilities of Baht 2,000 million. The loan carries interest at BAY-BIBOR 3 months reference rate plus a margin and is repayable in full amount at the end of the third year from first drawing date. The loan facilities of Baht 2,000 million had been drawn by the Company on 22 December 2022.

The loan agreement contains covenants with which the Company has to comply, pertaining to matters such as maintaining of certain financial ratios and negative pledge.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	212	177	212	177
Post-employment benefits and other long-term employee benefits	2	2	2	2
Total	214	179	214	179

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 2022 and 2021, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash and bank deposits	2,661,033	6,168,378	822,158	4,430,773
Short-term investments in fixed deposits	779,944	3,506,324	-	450,000
Total	3,440,977	9,674,702	822,158	4,880,773
Less: Restricted bank deposits	(11,308)	(12,502)	-	-
Total cash and cash equivalents	3,429,669	9,662,200	822,158	4,880,773
Of which at related financial institution	550,515	1,270,779	204,347	657,507

As at 31 December 2022, bank deposits in savings accounts and fixed deposits carried interest between 0.01 and 15.00 percent per annum (2021: between 0.01 and 7.25 percent per annum).

As at 31 December 2022, the subsidiaries had placed their deposits of Taka 33.7 million or approximately Baht 11.3 million (2021: Taka 32 million or approximately Baht 12.5 million) with banks to secure bank guarantees issued by banks on behalf of the subsidiaries.

8. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates:				
Current to 30 days	7,560	128,284	790,420	881,300
Over 30 days to 60 days	-	-	2,293	-
Over 90 days	-	-	-	61
Total trade receivables - related parties	<u>7,560</u>	<u>128,284</u>	<u>792,713</u>	<u>881,361</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates:				
Current to 30 days	4,456,682	3,983,021	1,933,024	1,573,468
Over 30 days to 60 days	164,766	111,413	14,477	7,524
Over 60 days to 90 days	56,671	51,756	12,743	5,887
Over 90 days	295,852	352,846	57,984	46,026
Total trade receivables - unrelated parties	<u>4,973,971</u>	<u>4,499,036</u>	<u>2,018,228</u>	<u>1,632,905</u>
Less: Allowance for expected credit losses	<u>(245,403)</u>	<u>(248,863)</u>	<u>(39,436)</u>	<u>(29,758)</u>
Total trade receivables - unrelated parties - net	<u>4,728,568</u>	<u>4,250,173</u>	<u>1,978,792</u>	<u>1,603,147</u>
Total trade receivables - net	<u>4,736,128</u>	<u>4,378,457</u>	<u>2,771,505</u>	<u>2,484,508</u>
<u>Other receivables</u>				
Other receivables - related parties	<u>3,547</u>	<u>2,980</u>	<u>408,936</u>	<u>234,740</u>
Other receivables - unrelated parties	<u>60,493</u>	<u>75,429</u>	<u>3,051</u>	<u>6,400</u>
Receivables from the Revenue Department	<u>224,003</u>	<u>231,210</u>	<u>-</u>	<u>-</u>
Unbilled revenues	<u>94,168</u>	<u>105,783</u>	<u>-</u>	<u>-</u>
Total other receivables - unrelated parties	<u>378,664</u>	<u>412,422</u>	<u>3,051</u>	<u>6,400</u>
Less: Allowance for expected credit losses	<u>(13,133)</u>	<u>(13,550)</u>	<u>(746)</u>	<u>(2,584)</u>
Total other receivables - unrelated parties - net	<u>365,531</u>	<u>398,872</u>	<u>2,305</u>	<u>3,816</u>
Total other receivables - net	<u>369,078</u>	<u>401,852</u>	<u>411,241</u>	<u>238,556</u>
Total trade and other receivables - net	<u>5,105,206</u>	<u>4,780,309</u>	<u>3,182,746</u>	<u>2,723,064</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
At beginning of year	248,863	240,491	29,758	41,308
Provision for expected credit losses	28,052	24,466	24,047	1,609
Amount written off	(31,512)	(16,094)	(14,369)	(13,159)
At end of year	<u>245,403</u>	<u>248,863</u>	<u>39,436</u>	<u>29,758</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	2,085,878	1,239,940	(203,602)	(204,437)	1,882,276	1,035,503
Work in process	144,884	123,472	-	-	144,884	123,472
Raw materials	3,411,426	1,328,594	(1,082)	(570)	3,410,344	1,328,024
Store supplies	1,664,493	1,424,471	(130,047)	(179,205)	1,534,446	1,245,266
Goods in transit	318,107	708,336	-	-	318,107	708,336
Total	7,624,788	4,824,813	(334,731)	(384,212)	7,290,057	4,440,601

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	846,568	334,033	-	-	846,568	334,033
Work in process	45,794	33,810	-	-	45,794	33,810
Raw materials	1,978,332	470,024	-	-	1,978,332	470,024
Store supplies	829,441	675,398	(36,596)	(66,309)	792,845	609,089
Goods in transit	66,774	582,974	-	-	66,774	582,974
Total	3,766,909	2,096,239	(36,596)	(66,309)	3,730,313	2,029,930

During the current year, the Group reversed the write-down of cost of inventories by Baht 49.5 million (Separate financial statements: Baht 29.7 million), and reduced the amount of inventories recognised as expenses during the year (2021: reduced cost of inventories by Baht 40.7 million (Separate financial statements: Baht 29.7 million), to reflect the net realisable value, which was included in cost of sales).

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 income	
		percentage				during the years	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</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
Siam City Power Co., Ltd.	Direct holding	100.00	100.00	2,000,000	2,000,000	697,000	586,000
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	220,000	70,000
INSEE Digital Co., Ltd.	Direct holding	100.00	100.00	700,000	700,000	100,000	-
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
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	98.98	98.95	13,191,469	13,191,469	479,692	451,540
Siam City Cement (Vietnam) Ltd.	Direct holding	65.00	65.00	18,111,015	18,111,015	601,779	342,129
Total				39,900,676	39,900,676	2,098,471	1,976,669

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.

Siam City Cement (Lanka) Limited

On 5 May 2022, the Board of Directors' meeting of Siam City Cement (Lanka) Limited ("the subsidiary") approved to repurchase of its share capital from other shareholders totaling not more than 1,736,939 shares in amount of not exceeding LKR 173.7 million (or approximately Baht 18 million). The repurchasing period is within one year, commencing from 14 June 2022. During the current year, the subsidiary repurchased totally 48,834 ordinary shares, or represented 0.02 percent of total paid-up share capital. The subsidiary paid for the repurchase of such share capital totaling LKR 4.88 million (or approximately Baht 0.5 million).

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	
					based on equity method		based on cost method	
					2022	2021	2022	2021
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Chip Mong INSEE Cement Corporation	Cement Manufacturing	Cambodia	40	40	2,098,685	2,097,543	2,145,611	2,145,611
Total					2,098,685	2,097,543	2,145,611	2,145,611

On 27 May 2022, the meeting of the shareholders of Chip Mong Cement Corporation (“the joint venture”) passed a resolution approving a reduction in its registered share capital by reducing the par value from USD 2,000 per share to USD 1,530 per share, resulting in a decrease in its registered share capital from USD 150 million (75,000 ordinary shares of USD 2,000 each) to USD 114.75 million (75,000 ordinary shares of USD 1,530 each). On 30 June 2022, the Ministry of Commerce of Cambodia approved the registered share capital reduction. After the share capital reduction which is planned to be completed within 2023, the Company still holds 40 percent interest in the joint venture.

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 income during the years	
	2022	2021	2022	2021	2022	2021
Chip Mong INSEE Cement Corporation	237,025	465,807	71,328	212,011	307,211	476,601
Total	237,025	465,807	71,328	212,011	307,211	476,601

11.3 Summarised financial information about joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Chip Mong INSEE Cement Corporation		
Cash and cash equivalents	101	140
Other current assets	1,571	1,063
Non-current assets	6,090	6,185
Bank overdrafts and short-term loans	(347)	(193)
Current portion of lease liabilities	(27)	(34)
Current portion of long-term loans	(251)	(237)
Other current liabilities	(1,075)	(654)
Lease liabilities - net of current portion	(7)	(15)
Long-term loans - net of current portion	(703)	(909)
Other non-current liabilities	(105)	(102)
Net assets	5,247	5,244
Carrying amounts of joint venture based on equity method	2,099	2,098

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Chip Mong INSEE Cement Corporation		
Revenues	5,018	4,336
Interest income	2	8
Depreciation and amortisation	(478)	(450)
Interest expenses	(66)	(51)
Income tax revenues	1	5
Profit	593	1,164
Other comprehensive income	-	-
Total comprehensive income	593	1,164

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	
				2022 (%)	2021 (%)	2022 (Thousand Baht)	2021 (Thousand Baht)	2022 (Thousand Baht)	2021 (Thousand Baht)
Lanna Resources Public Co., Ltd.	Coal mining	Thailand	Direct holding	44.99	44.99	3,465,156	2,592,899	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	92,740	96,095	94,469	94,469
Total						3,557,896	2,688,994	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	
	2022	2021	2022	2021
Lanna Resources Public Co., Ltd.	1,293,538	766,432	157,345	63,058
Thai Agro Energy Public Co., Ltd.	(3,355)	(3,466)	-	(109)
Total	1,290,183	762,966	157,345	62,949

12.3 Fair value of investments in listed associates

Fair values as at 31 December 2022 and 2021 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)	
	2022	2021
Lanna Resources Public Co., Ltd.	4,180	3,590
Thai Agro Energy Public Co., Ltd.	75	108
Total	4,255	3,698

12.4 Summarised financial information about material associate

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Lanna Resources Public Company Limited		
Current assets	8,795	6,277
Non-current assets	6,294	5,767
Current liabilities	(4,243)	(3,268)
Non-current liabilities	(1,128)	(1,200)
Net assets	9,718	7,576
Less: Non-controlling interests of the subsidiaries	(2,016)	(1,811)
Net assets - after non-controlling interests of the subsidiaries	7,702	5,765
Carrying amounts of associate based on equity method	3,465	2,593

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Lanna Resources Public Company Limited		
Revenues	25,548	15,980
Profit	2,875	1,704
Other comprehensive income	350	140
Total comprehensive income	3,225	1,844

13. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements		
			Office building and factory		
	Land	Total	Land	factory	Total
As at 31 December 2022:					
Cost	494,095	494,095	477,852	324,002	801,854
Less: Accumulated depreciation	-	-	-	(127,348)	(127,348)
Less: Allowance for impairment	(3,542)	(3,542)	(3,542)	-	(3,542)
Net book value	<u>490,553</u>	<u>490,553</u>	<u>474,310</u>	<u>196,654</u>	<u>670,964</u>
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>

A reconciliation of the net book value of investment properties for the years ended 31 December 2022 and 2021 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	495,724	318,792	690,104	639,917
Addition	-	3,212	-	-
Transfer in	4,596	173,747	-	60,925
Disposals and write-off	(9,765)	-	(9,765)	-
Depreciation for the year	-	-	(9,373)	(10,711)
Increase in impairment losses	(2)	(27)	(2)	(27)
Net book value at end of year	<u>490,553</u>	<u>495,724</u>	<u>670,964</u>	<u>690,104</u>

As at 31 December 2022 and 2021, the fair values of the investment properties, which were determined based on valuation performed by independent valuers, were Baht 1,733 million and Baht 1,726 million, respectively (Separate financial statements: Baht 2,211 million and Baht 2,257 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 2021	4,167,867	17,902,054	48,310,611	2,499,364	2,136,345	603,221	75,619,462
Additions	866	42,866	83,172	34,030	3,459	1,071,767	1,236,160
Disposals and write-off	(5,912)	(526,206)	(1,049,995)	(405,271)	(260,077)	(463)	(2,247,924)
Adjustment of site restoration	5,292	-	-	-	-	-	5,292
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
Additions	-	32,769	46,840	67,606	655	1,722,964	1,870,834
Disposals and write-off	(89,633)	(57,293)	(1,323,861)	(151,070)	(212,420)	-	(1,834,277)
Adjustment of site restoration	(31,555)	-	-	-	-	-	(31,555)
Transfer in (out)	244,986	74,877	740,502	46,176	24,874	(1,005,846)	125,569
Translation adjustment	(122,887)	(660,977)	(1,681,933)	(51,607)	(104,855)	(143,679)	(2,765,938)
31 December 2022	4,166,037	17,718,769	46,965,852	2,149,004	1,630,988	1,566,042	74,196,692
Accumulated depreciation:							
1 January 2021	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
Depreciation for the year	68,013	597,280	1,848,296	132,525	110,009	-	2,756,123
Disposals and write-off	(89,633)	(44,255)	(1,271,764)	(142,338)	(190,958)	-	(1,738,948)
Transfer in (out)	54,985	5,657	21,167	(362)	-	-	81,447
Translation adjustment	(3,090)	(232,984)	(708,640)	(35,931)	(78,111)	-	(1,058,756)
31 December 2022	761,666	10,999,077	32,474,957	1,755,166	1,350,111	-	47,340,977
Allowance for impairment:							
1 January 2021	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
Increase (decrease) during the year	(1,463)	(28)	(340)	-	-	-	(1,831)
Translation adjustment	(705)	(802)	(484)	-	-	-	(1,991)
31 December 2022	301,900	32,153	2,837	137	-	-	337,027
Net book value:							
31 December 2021	3,129,667	7,623,031	16,594,745	436,490	413,563	992,603	29,190,099
31 December 2022	3,102,471	6,687,539	14,488,058	393,701	280,877	1,566,042	26,518,688

(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 2021	1,284,782	7,857,142	28,024,188	1,463,023	1,528,736	118,400	40,276,271
Additions	236,080	22,433	9,537	9,114	114	297,945	575,233
Disposals and write-off	-	(73,515)	(469,036)	(257,751)	(221,909)	-	(1,022,211)
Adjustment of site restoration	5,292	-	-	-	-	-	5,292
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
Additions	-	16,202	44,805	10,689	375	694,013	766,084
Disposals and write-off	(32,453)	(52,242)	(1,124,257)	(86,167)	(142,398)	-	(1,437,517)
Adjustment of site restoration	(27,462)	-	-	-	-	-	(27,462)
Transfer in (out)	96,297	(55,536)	261,903	12,934	-	(260,186)	55,412
31 December 2022	1,466,301	7,775,139	26,916,519	1,188,345	1,164,918	630,460	39,141,682
Accumulated depreciation:							
1 January 2021	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
Depreciation for the year	21,536	207,100	894,178	56,605	58,568	-	1,237,987
Disposals and write-off	(32,453)	(40,378)	(1,103,810)	(85,229)	(138,558)	-	(1,400,428)
Transfer in (out)	-	(11,290)	17,981	(362)	-	-	6,329
31 December 2022	112,032	5,890,846	20,201,508	1,017,077	993,745	-	28,215,208
Allowance for impairment:							
1 January 2021	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
Decrease during the year	(1,462)	-	-	-	-	-	(1,462)
31 December 2022	106,145	-	944	-	-	-	107,089
Net book value:							
31 December 2021	1,199,363	2,131,301	7,339,965	204,826	233,206	196,633	11,305,294
31 December 2022	1,248,124	1,884,293	6,714,067	171,268	171,173	630,460	10,819,385

As at 31 December 2022 and 2021, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 16,317 million and Baht 15,732 million, respectively (Separate financial statements: Baht 10,942 million and Baht 10,560 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 2022 and 2021 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 2021	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
Additions	88,641	7,586	34,979	-	134,080	265,286
Adjustment from lease reassessment and modification	106,371	15,013	(3,473)	-	18,417	136,328
Depreciation for the year	(151,727)	(102,915)	(48,411)	(50,887)	(143,007)	(496,947)
Translation adjustment	(34,183)	(48,338)	(12,215)	-	(3,623)	(98,359)
At 31 December 2022	665,687	150,973	115,790	106,234	324,202	1,362,886

(Unit: Thousand Baht)

	Separate financial statements				
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
At 1 January 2021	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
Additions	-	10,068	-	67,695	77,763
Adjustment from lease reassessment and modification	7,474	(10,103)	-	(2,958)	(5,587)
Depreciation for the year	(29,841)	(20,754)	-	(47,668)	(98,263)
At 31 December 2022	97,795	22,035	-	127,155	246,985

15.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	1,710,771	2,078,455	274,959	290,285
Less: Deferred interest expenses	(372,717)	(539,821)	(19,362)	(18,488)
Total	1,338,054	1,538,634	255,597	271,797
Of which of related party	-	6,397	-	6,397
Comprise of:				
Current lease liabilities	359,752	438,121	70,122	95,445
Non-current lease liabilities	978,302	1,100,513	185,475	176,352
	1,338,054	1,538,634	255,597	271,797

Movements of lease liabilities for the years ended 31 December 2022 and 2021 are summarised below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at the beginning of year	1,538,634	1,663,417	271,797	291,877
Additions during the year	199,981	251,882	77,763	86,149
Accretion of interest	55,057	75,977	7,873	7,629
Adjustment from lease reassessment and modification	136,817	25,121	(5,319)	(4,194)
Payments during the year	(488,666)	(535,374)	(96,517)	(109,664)
Translation adjustment	(103,769)	57,611	-	-
Balance at the end of year	<u>1,338,054</u>	<u>1,538,634</u>	<u>255,597</u>	<u>271,797</u>

A maturity analysis of lease payments is disclosed in Note 40.2 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expenses of right-of-use assets	496,947	501,129	98,263	99,709
Interest expenses on lease liabilities	55,057	75,977	7,873	7,629
Expense relating to short-term leases	10,667	9,974	7,316	7,696
Expenses relating to leases of low-value assets	18,542	21,537	1,859	1,521
Variable lease payments that do not depend on an index or a rate	288,370	267,097	5,970	4,624

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 2022 and 2021 of Baht 806.2 million and Baht 834.0 million, respectively (the Company only: Baht 111.7 million and Baht 123.5 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 2021	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
31 December 2022	-	133,316	328,650	7,343	469,309
Accumulated depreciation:					
1 January 2021	-	452,143	997,167	6,007	1,455,317
Depreciation for the year	-	2,098	323	-	2,421
Write-off	-	(350,463)	(701,427)	-	(1,051,890)
31 December 2021	-	103,778	296,063	6,007	405,848
Depreciation for the year	-	2,098	323	-	2,421
31 December 2022	-	105,876	296,386	6,007	408,269
Allowance for impairment:					
1 January 2021	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
Increase during the year	-	366	1,136	-	1,502
31 December 2022	-	2,396	27,736	1,336	31,468
Net book value:					
31 December 2021	-	27,508	5,987	-	33,495
31 December 2022	-	25,044	4,528	-	29,572

(Unit: Thousand Baht)

	Separate financial statements			
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Total
Cost:				
1 January 2021	133,316	328,650	7,343	469,309
31 December 2021	133,316	328,650	7,343	469,309
31 December 2022	133,316	328,650	7,343	469,309
Accumulated depreciation:				
1 January 2021	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
Depreciation for the year	2,098	323	-	2,421
31 December 2022	105,876	296,386	6,007	408,269
Allowance for impairment:				
1 January 2021	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
Increase during the year	366	1,136	-	1,502
31 December 2022	2,396	27,736	1,336	31,468
Net book value:				
31 December 2021	27,508	5,987	-	33,495
31 December 2022	25,044	4,528	-	29,572

During the year 2022, the Company recorded allowance for impairment of assets not used in operations of Baht 1.5 million (2021: reversed allowance for impairment of Baht 0.2 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 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

Book value as at 1 January 2021	13,475,487
Add: Translation adjustment	1,460,704
Book value as at 31 December 2021	14,936,191
Less: Translation adjustment	(1,138,751)
Book value as at 31 December 2022	13,797,440

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 2022				Total
	Siam City Cement (Bangladesh) Limited	Siam City Cement (Lanka) Limited	Siam City Cement (Vietnam) Limited	Industrial cleaning service business	
Goodwill	353,951	1,442,760	11,906,132	94,597	13,797,440
Brands	-	1,575,865	-	-	1,575,865

(Unit: Thousand Baht)

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

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 - 8 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 2022 and 2021 are summarised below.

	(Unit: Percent per annum)			
	31 December 2022			
	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 - 25.0	11.5	7.1

	(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

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 2021	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
Additions	2,737	-	-	-	-	-	28,028	30,765
Write-off	(98)	(1,222)	-	-	-	(42,721)	-	(44,041)
Transfer in (out)	30,169	1,370	-	-	-	(7,605)	(78,756)	(54,822)
Translation adjustment	-	(131,967)	(10,412)	(1,171,690)	(1,135,780)	(50,489)	165	(2,500,173)
31 December 2022	3,781,587	2,369,415	115,986	1,575,865	2,291,581	381,876	75,845	10,592,155
Accumulated amortisation								
1 January 2021	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
Amortisation during the year	100,340	269,517	12,269	-	79,707	10,930	-	472,763
Write-off	(98)	(1,037)	-	-	-	(42,721)	-	(43,856)
Transfer in (out)	1,026	(2,964)	-	-	-	(4,166)	-	(6,104)
Translation adjustment	-	(72,813)	(7,771)	-	(233,171)	(22,814)	-	(336,569)
31 December 2022	868,056	1,660,876	86,297	-	537,561	248,155	-	3,400,945
Net book value								
31 December 2021	2,981,991	1,033,061	44,599	2,747,555	2,736,336	175,765	126,408	9,845,715
31 December 2022	2,913,531	708,539	29,689	1,575,865	1,754,020	133,721	75,845	7,191,210

(Unit: Thousand Baht)

	Separate financial statements					Total
	Mining concession and license fees	Computer software	Customer lists	Other intangible assets	Intangible assets under development	
Cost						
1 January 2021	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
Additions	2,737	-	-	-	25,969	28,706
Write-off	-	(920)	-	(42,601)	-	(43,521)
Transfer in (out)	29,547	(7,114)	-	-	(77,845)	(55,412)
31 December 2022	3,606,318	215,417	70,000	184,645	373,046	4,449,426
Accumulated amortisation						
1 January 2021	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
Amortisation during the year	96,898	45,384	4,666	7,129	-	154,077
Write-off	-	(735)	-	(42,601)	-	(43,336)
Transfer in (out)	404	(4,515)	-	(2,218)	-	(6,329)
31 December 2022	813,652	172,807	23,727	106,353	-	1,116,539
Net book value						
31 December 2021	2,857,684	90,778	50,939	83,203	424,922	3,507,526
31 December 2022	2,792,666	42,610	46,273	78,292	373,046	3,332,887

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 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	3,013,609	-
Add: Increase during the year	15,948,426	9,750,000
Less: Repayment during the year	(16,477,846)	(9,750,000)
Unrealised loss on exchange rate	(1,872)	-
Translation adjustment	(157,350)	-
Balance as at 31 December 2022	<u>2,324,967</u>	<u>-</u>

As at 31 December 2022, the Group had bank overdrafts and short-term loans from commercial banks of Baht 2,325 million (2021: Baht 3,014 million) which carry interest at the rate of 4.90 - 33.00 percent per annum (2021: 0.76 - 9.50 percent per annum).

As at 31 December 2022, a portion of bank overdrafts of an overseas subsidiary of Indonesian Rupiah 66,472 million or approximately Baht 147.2 million (2021: Indonesian Rupiah 55,929 million or approximately Baht 131.3 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.

In addition, the Group had short-term loans from related financial institution. Movements of short-term loans from related financial institution for the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	-	-
Add: Increase during the period	8,300,000	8,300,000
Less: Repayment during the year	(8,300,000)	(8,300,000)
Balance as at 31 December 2022	<u>-</u>	<u>-</u>

As at 31 December 2022 and 2021, the Group had unused facilities of bank overdrafts and short-term loans of Baht 20,951 million and Baht 15,424 million, respectively (the Company only: Baht 16,384 million and Baht 10,306 million, respectively) and the Company entered into committed credit facility agreements for a term of 3 years with the related financial institution and 2 other financial institutions obtaining loan facilities with a total of Baht 9,000 million. The credit facilities carry interest at BIBOR reference rate plus margin. However, as at 31 December 2022, 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties	377,083	294,423	1,742,531	773,365
Trade payables - unrelated parties	7,476,690	4,896,552	3,071,793	1,611,370
Other payables - related parties	79,153	40,102	476,054	302,103
Other payables - unrelated parties	168,802	193,430	45,779	27,817
Retention payable	18,294	22,079	1,652	3,315
VAT payable	14,388	47,101	-	19,552
Total trade and other payables	<u>8,134,410</u>	<u>5,493,687</u>	<u>5,337,809</u>	<u>2,737,522</u>

21. Long-term loans from other financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Long-term loans from other financial institutions	309,804	7,526,930	-	7,000,000
Less: Portion due within one year	(262,148)	(7,238,398)	-	(7,000,000)
Long-term loans from other financial institutions - net of current portion	<u>47,656</u>	<u>288,532</u>	<u>-</u>	<u>-</u>

Movements of long-term loans from other financial institutions for the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	7,526,930	7,000,000
Add: Increase during the year	105,080	-
Less: Repayment during the year	(7,309,731)	(7,000,000)
Translation adjustment	(12,475)	-
Balance as at 31 December 2022	<u>309,804</u>	<u>-</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.

As at 31 December 2022, the overseas subsidiaries had long-term loans from other financial institutions of VND 211,687 million or equivalent to Baht 309.8 million (2021: LKR 583 million and VND 294,140 million or equivalent to Baht 526.9 million) which carry interest at the rate of 9.20 - 10.68 percent per annum (2021: 3.66 - 8.44 percent per annum) and are repayable within 2024.

22. Debentures

As at 31 December 2022 and 2021, 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	
						2022 (Baht)	2021 (Baht)	2022 (Thousand Baht)	2021 (Thousand Baht)
Debenture Series									
No. 1/2016	2,000,000	1,000	8	29 April 2024	2.46	1,002	1,027	2,000,000	2,000,000
Debenture Series									
No. 2/2016	2,000,000	1,000	10	29 April 2026	2.70	1,002	1,022	2,000,000	2,000,000
Debenture Series									
No. 2/2017	2,500,000	1,000	7	9 May 2024	3.65	1,017	1,053	2,500,000	2,500,000
Debenture Series									
No. 3/2017	5,000,000	1,000	10	9 May 2027	4.08	1,053	1,074	5,000,000	5,000,000
Debenture Series									
No. 4/2017	4,500,000	1,000	12	9 May 2029	4.26	1,065	1,077	4,500,000	4,500,000
Total								16,000,000	16,000,000
Less: Deferred transaction costs								(17,156)	(21,082)
Total debentures								15,982,844	15,978,918

Movements of debentures for the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	15,978,918	15,978,918
Add: Amortisation of transaction costs during the year	3,926	3,926
Balance as at 31 December 2022	15,982,844	15,982,844

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Long-term liabilities for concession and license fee	927,207	1,045,764	920,016	1,036,660
Less: Portion due within one year	<u>(125,505)</u>	<u>(120,591)</u>	<u>(123,513)</u>	<u>(118,680)</u>
Long-term liabilities for concession and license fee - net of current portion	<u>801,702</u>	<u>925,173</u>	<u>796,503</u>	<u>917,980</u>

Movements of long-term liabilities for concession and license fee for the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	1,045,764	1,036,660
Add: Increase during the year	2,737	2,737
Recognition of interest expenses during the year	31,762	31,470
Less: Payment during the year	<u>(153,056)</u>	<u>(150,851)</u>
Balance as at 31 December 2022	<u>927,207</u>	<u>920,016</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 2.3 - 6.5 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 2022, the Group recognised the contributions of Baht 159 million (2021: Baht 160 million) and the Company recognised the contributions of Baht 87 million (2021: Baht 87 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 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)				
Consolidated financial statements				
	Provident fund	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Balance as at 1 January 2022	1,299,933	1,087,276	101,996	2,489,205
Included in income statement:				
Current service cost	47,430	77,875	9,659	134,964
Past service cost	-	-	3,959	3,959
Interest cost	26,439	25,637	1,636	53,712
Gain or loss on settlements	-	5,688	-	5,688
Actuarial loss arising from:				
Financial assumptions changes	-	-	(8,661)	(8,661)
Experience adjustments	-	-	2,062	2,062
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumptions changes	-	1,369	-	1,369
Financial assumptions changes	(68,319)	(81,852)	(344)	(150,515)
Experience adjustments	38,809	(36,353)	2,764	5,220
Employee contributions	15,172	-	-	15,172
Benefits paid during the year	(35,448)	(50,156)	(20,381)	(105,985)
Translation adjustment	-	(47,695)	(38)	(47,733)
Balance as at 31 December 2022	<u>1,324,016</u>	<u>981,789</u>	<u>92,652</u>	<u>2,398,457</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 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>

(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 2022	1,037,116	577,490	32,196	1,646,802
Included in income statement:				
Current service cost	36,442	35,150	2,809	74,401
Past service cost	-	-	2,881	2,881
Interest cost	20,991	11,248	520	32,759
Gain or loss on settlements	-	5,495	-	5,495
Actuarial (gain) loss arising from:				
Financial assumptions changes	-	-	(238)	(238)
Experience adjustments	-	-	503	503
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from:				
Financial assumptions changes	(54,598)	(26,192)	(232)	(81,022)
Experience adjustments	38,093	(35,274)	733	3,552
Employee contributions	11,756	-	-	11,756
Transfer from subsidiaries	-	780	(5)	775
Benefits paid during the year	(25,223)	(30,553)	(8,797)	(64,573)
Balance as at 31 December 2022	<u>1,064,577</u>	<u>538,144</u>	<u>30,370</u>	<u>1,633,091</u>

The Group expects to pay Baht 162 million of long-term employee benefits during the next year (Separate financial statements: Baht 59 million) (2021: Baht 128 million (Separate financial statements: Baht 87 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is 8 years for the Company and local subsidiaries and 7 - 14 years for the overseas subsidiaries (Separate financial statements: 8 years) (2021: 8 years for the Company and local subsidiaries and 7 - 9 years for the overseas subsidiaries (Separate financial statements: 8 years)).

Significant actuarial assumptions are summarised below.

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.9, 4.9, 7.4, 26.0	1.8, 2.1, 11.6	2.9	2.1
Salary increase rate	3.0 - 20.0	3.0 - 8.0	3.0 - 5.0	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 2022 and 2021 is summarised below.

(Unit: Million Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(192.9)	217.8	(125.3)	140.6
Salary increase rate	117.3	(104.7)	57.2	(51.3)

(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)

25. Provision for site restoration and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for	Provision for	Total
	site restoration	decommissioning costs	
Balance as at 1 January 2021	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	10,983	2,376	13,359
Utilised during the year	(10,962)	(7,505)	(18,467)
Change in assumptions	21,762	-	21,762
Translation adjustment	9,634	-	9,634
Balance as at 31 December 2021	256,893	113,210	370,103
Increase (decrease) during the year	(31,555)	23,362	(8,193)
Unwinding of discount	11,206	3,147	14,353
Utilised during the year	(9,723)	-	(9,723)
Change in assumptions	(9,574)	-	(9,574)
Translation adjustment	(75)	-	(75)
Balance as at 31 December 2022	217,172	139,719	356,891

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for	Provision for	Total
	site restoration	decommissioning costs	
Balance as at 1 January 2021	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 assumptions	65	-	65
Balance as at 31 December 2021	127,171	9,443	136,614
Decrease during the year	(27,462)	-	(27,462)
Unwinding of discount	6,933	336	7,269
Utilised during the year	(9,724)	-	(9,724)
Change in assumptions	(54)	-	(54)
Balance as at 31 December 2022	96,864	9,779	106,643

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 2022, deferred income on the grants related to assets of Baht 88.9 million (2021: Baht 97.6 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Type of goods or services:				
Sales of cement and cement-related products	42,500,567	35,083,932	21,458,885	18,381,318
Sales of concrete and aggregates	6,160,219	5,166,304	-	-
Revenues from industrial waste disposal and industrial cleaning services	1,114,680	1,081,108	-	-
Others	350,272	347,018	184,628	136,517
Total revenues	<u>50,125,738</u>	<u>41,678,362</u>	<u>21,643,513</u>	<u>18,517,835</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	49,579,247	41,237,684	21,643,513	18,517,835
Revenue recognised over time	546,491	440,678	-	-
Total revenues	<u>50,125,738</u>	<u>41,678,362</u>	<u>21,643,513</u>	<u>18,517,835</u>

29. Other expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net loss on derivatives	49,719	4,872	26,725	243
Net loss on exchange	1,108,415	-	193,224	-
Net loss on impairment and disposals/ write-off of non-financial assets	88,765	164,146	36,061	103,065
Others	33,954	46,203	3,732	4,885
Total other expenses	<u>1,280,853</u>	<u>215,221</u>	<u>259,742</u>	<u>108,193</u>

30. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Raw materials and supplies used	12,936,920	6,442,565	12,568,112	7,108,623
Changes in inventories of finished goods and work in process	(867,350)	(197,615)	(524,519)	93,377
Other production expenses	18,614,172	16,765,607	3,260,739	2,859,651
Salaries, wages and other employee benefits	4,823,895	4,054,888	2,056,177	1,858,427
Transportation expenses	4,719,915	4,071,653	1,459,512	1,597,566
Depreciation and amortisation (Note 32)	3,728,254	3,893,107	1,502,121	1,500,740
Other expenses	3,772,568	2,706,788	1,582,659	1,210,227
Total expenses	<u>47,728,374</u>	<u>37,736,993</u>	<u>21,904,801</u>	<u>16,228,611</u>

31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expense on borrowings	788,914	788,786	650,916	659,575
Interest expense on lease liabilities	55,057	75,977	7,873	7,629
Interest expense from derivatives designated as hedging instrument in cash flow hedge	6,712	149,575	6,712	149,575
Interest expense on long-term liabilities for concession and license fee	31,762	35,597	31,470	35,227
Interest expense on provision for site restoration and decommissioning costs	14,353	13,359	7,269	7,277
Others	193,449	174,646	123,192	114,645
Total finance cost	<u>1,090,247</u>	<u>1,237,940</u>	<u>827,432</u>	<u>973,928</u>

32. Summary of depreciation and amortisation

(Unit: Thousand Baht)

Consolidated financial statements						
	2022			2021		
	Cost of sales and services	Selling and distribution expenses and administrative expenses	Total	Cost of sales and services	Selling and distribution expenses and administrative expenses	Total
Property, plant and equipment	2,503,161	252,962	2,756,123	2,514,435	286,709	2,801,144
Right-of-use assets	390,472	106,475	496,947	379,199	121,930	501,129
Assets not used in operations	-	2,421	2,421	-	2,421	2,421
Intangible assets	419,905	52,858	472,763	527,412	61,001	588,413
Total depreciation and amortisation	3,313,538	414,716	3,728,254	3,421,046	472,061	3,893,107

(Unit: Thousand Baht)

Separate financial statements						
	2022			2021		
	Cost of sales and services	Selling and distribution expenses and administrative expenses	Total	Cost of sales and services	Selling and distribution expenses and administrative expenses	Total
Investment properties	-	9,373	9,373	-	10,711	10,711
Property, plant and equipment	1,017,136	220,851	1,237,987	998,451	238,217	1,236,668
Right-of-use assets	41,779	56,484	98,263	38,067	61,642	99,709
Assets not used in operations	-	2,421	2,421	-	2,421	2,421
Intangible assets	134,965	19,112	154,077	123,002	28,229	151,231
Total depreciation and amortisation	1,193,880	308,241	1,502,121	1,159,520	341,220	1,500,740

33. Income tax

Income tax for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax charge	590,966	712,786	-	335,226
Income tax of overseas subsidiary paid for tax on importation of materials during the year	26,148	26,773	-	-
Adjustment in respect of income tax of previous year	(1,093)	(29,649)	(3,616)	(314)
Surcharge tax of subsidiary in Sri Lanka	63,020	-	-	-
Withholding tax deducted at source recognised as expense during the year	32,885	50,957	31,305	47,959
Deferred tax:				
Relating to origination and reversal of temporary differences	(254,288)	(167,450)	(166,024)	(58,454)
Effect of the change in tax rate	661,226	(682,180)	-	-
Income tax reported in the income statements	<u>1,118,864</u>	<u>(88,763)</u>	<u>(138,335)</u>	<u>324,417</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to gain on cash flow hedge	1,342	29,661	1,342	29,661
Deferred tax relating to actuarial gain	31,794	15,319	15,494	11,099

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	3,085,836	4,220,836	2,046,373	4,118,195
Applicable tax rates	10%, 18%, 20%, 22%, 27.5%, 30%	10%, 18%, 20%, 22%, 24%, 30%	20%	20%
Accounting profit before tax multiplied by				
income tax rates	273,838	564,667	409,275	823,639
Adjustment in respect of income tax of previous year	(1,093)	(29,649)	(3,616)	(314)
Income tax of overseas subsidiary paid for tax on				
importation of materials during the year	26,148	26,773	-	-
Surcharge tax of subsidiary in Sri Lanka	63,020	-	-	-
Withholding tax deducted at source recognised as				
expenses during the year	32,885	50,957	31,305	47,959
Effect of the change in tax rate	661,226	(682,180)	-	-
Effects of:				
Promotional privileges (Note 41)	(38,649)	(42,284)	-	-
Utilisation of tax loss carried forward	-	1,438	-	-
Non-deductible expenses	96,426	98,943	12,144	12,923
Income not subject to tax	-	-	(596,862)	(533,496)
Additional expense deductions allowed	(48,512)	(36,656)	-	-
Unrecognised tax losses as deferred tax assets	8,916	5,981	-	-
Recognition of deferred tax assets of				
previous years	(2,770)	(30,438)	(2,770)	(16,702)
Taxable withholding tax deducted at source				
expenses	(6,577)	(9,880)	(6,261)	(9,592)
Others	54,006	(6,435)	18,450	-
Total	62,840	(19,331)	(575,299)	(546,867)
Income tax reported in the income statements	1,118,864	(88,763)	(138,335)	324,417
Effective income tax rate	36.3%	-2.1%	-6.8%	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 2021. 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 for the year ended 31 December 2021.

On 8 April 2022, the Surcharge Tax Act No. 14 of 2022 of the Democratic Socialist Republic of Sri Lanka was officially enacted, whereby an individual or a company that is liable to pay surcharge tax shall pay 25 percent of the taxable income of the year of assessment 2020 as surcharge tax. The Group is liable for the surcharge tax of a subsidiary in Sri Lanka imposed under the Act of LKR 588 million (or approximately Baht 63 million), which was recorded as income tax expenses in the consolidated income statements in the second quarter of the current year.

On 19 December 2022, the Inland Revenue (Amendment) Act No 45 of 2022 was certified by the Speaker of the Parliament of the Democratic Socialist Republic of Sri Lanka whereby there are various changes in structure of income tax rates such as an increase in corporate income tax rate on the business of the subsidiaries in Sri Lanka from 18 percent to 30 percent with effect from 1 October 2022 and dividends paid from subsidiary in Sri Lanka are subject to a withholding tax at the rate of 15 percent. The Group reflected the changes by adjusting income tax expenses of the current year of the subsidiaries in Sri Lanka amounting to Baht 16.9 million and adjusting deferred tax liabilities to increase by Baht 668.7 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 2022 and 2021 is presented below.

(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)

Consolidated financial statements

	As at 1 January 2022	Recognised in the income statement	Recognised in other comprehensive income	Translation adjustment	As at 31 December 2022
Deferred tax assets					
Provision for long-term employee benefits	429,690	32,792	(31,794)	(9,409)	421,279
Property, plant and equipment and assets not used in operations	266,271	9,264	-	(2,211)	273,324
Derivative liabilities	15,557	(4,114)	(1,342)	-	10,101
Deferred revenue	163,222	(13,773)	-	781	150,230
Unused tax losses	12,555	196,865	-	(2,398)	207,022
Leases	24,127	5,130	-	(200)	29,057
Others	235,811	62,538	-	(8,459)	289,890
Total	1,147,233	288,702	(33,136)	(21,896)	1,380,903
Deferred tax liabilities					
Property, plant and equipment	769,776	149,566	-	(219,520)	699,822
Intangible assets	835,555	412,915	-	(405,265)	843,205
Investment in subsidiary	-	154,089	-	-	154,089
Leases	6,152	(500)	-	(814)	4,838
Interest payable	13,953	(13,953)	-	-	-
Others	9,007	(6,477)	-	(1)	2,529
Total	1,634,443	695,640	-	(625,600)	1,704,483
Deferred tax assets (liabilities) - net	(487,210)	(406,938)	(33,136)	603,704	(323,580)
Statements of financial position:					
Deferred tax assets	1,199,477				1,379,693
Deferred tax liabilities	(1,686,687)				(1,703,273)
Deferred tax assets (liabilities) - net	(487,210)				(323,580)

(Unit: Thousand Baht)

Separate financial statements

	As at 1 January 2021	Recognised in the income statement	Recognised in other comprehensive income	As at 31 December 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

(Unit: Thousand Baht)				
Separate financial statements				
	As at 1 January 2022	Recognised in the income statement	Recognised in other comprehensive income	As at 31 December 2022
Deferred tax assets				
Provision for long-term employee benefits	289,895	14,208	(15,494)	288,609
Property, plant and equipment and assets not used in operations	133,889	9,421	-	143,310
Deferred revenue	101,287	(11,045)	-	90,242
Unused tax losses	-	178,780	-	178,780
Derivative liabilities	15,292	(8,609)	(1,342)	5,341
Leases	1,475	966	-	2,441
Others	108,403	(31,650)	-	76,753
Total	650,241	152,071	(16,836)	785,476
Deferred tax liabilities				
Interest payable	13,953	(13,953)	-	-
Total	13,953	(13,953)	-	-
Deferred tax assets - net	636,288	166,024	(16,836)	785,476

As at 31 December 2022, the subsidiaries had unused tax losses of Rupiah Indonesia 195,406 million and Baht 201 million, totaling Baht 634 million (2021: Rupiah Indonesia 214,549 million and Baht 283 million, totaling Baht 786 million) that were not recognised deferred tax assets.

Details of expiry date of unused tax losses of the subsidiaries are summarised below.

(Unit: Million Baht)		
Consolidated financial statements		
	<u>2022</u>	<u>2021</u>
31 December 2022	-	224
31 December 2023	202	209
31 December 2024	146	153
31 December 2025	90	95
31 December 2026	102	105
31 December 2027	94	-
	<u>634</u>	<u>786</u>

34. 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.

35. Dividends

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.

On 24 March 2022, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2021 of Baht 9.0 per share, totaling Baht 2,682 million. The dividend was paid on 8 April 2022.

36. 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 four 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 2022 and 2021.

	Cement		Concrete and aggregates		Trading		Light building materials		Others		Total segments		Adjustments and eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Unit: Million Baht)															
Revenue from external customers	34,077	27,406	6,400	5,388	5,634	5,389	2,860	2,382	1,155	1,113	50,126	41,678	-	-	50,126	41,678
Inter-segment revenue	5,341	5,500	262	291	7,407	4,523	26	23	1,290	978	14,326	11,315	(14,326)	(11,315)	-	-
Interest income	144	107	4	5	8	-	1	1	14	7	171	120	(85)	(43)	86	77
Finance cost	1,010	1,175	33	31	53	9	62	50	10	16	1,168	1,281	(78)	(43)	1,090	1,238
Depreciation and amortisation	2,732	2,790	431	461	3	3	243	251	384	455	3,793	3,960	(65)	(67)	3,728	3,893
Share of profit from investments in joint venture and associated companies accounted for by the equity method	1,527	1,229	-	-	-	-	-	-	-	-	1,527	1,229	-	-	1,527	1,229
Income tax revenues (expenses)	(1,033)	129	39	37	(54)	(59)	(1)	(11)	(75)	(19)	(1,124)	77	5	12	(1,119)	89
Material non-cash items other than depreciation and amortisation:																
Increase in impairment loss and loss on write-off of non-financial assets	61	127	20	24	-	-	1	12	7	1	89	164	-	-	89	164
Segment profit	9,486	9,919	986	830	2,253	1,627	727	707	407	308	13,859	13,391	(499)	(617)	13,360	12,774

Geographic information

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

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Revenue from external customers		
Thailand	25,353	21,011
Vietnam	8,442	5,943
Sri Lanka	8,403	7,264
Australia	2,596	1,919
Cambodia	1,851	849
Bangladesh	1,733	1,670
China	84	595
Others	1,664	2,427
Total	<u>50,126</u>	<u>41,678</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	26,879	27,246
Vietnam	19,959	20,374
Sri Lanka	6,727	11,481
Bangladesh	918	1,148
Indonesia	965	1,020
Total	<u>55,448</u>	<u>61,269</u>

Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

37. Contingent liabilities

37.1 Bank guarantees

37.1.1 As at 31 December 2022, there were outstanding bank guarantees of Baht 1,099.9 million, LKR 2,359.2 million, Taka 33.7 million, VND 26,639.2 million (2021: Baht 1,098.3 million, LKR 2,282.8 million, Taka 32.1 million, VND 21,292.7 million and EUR 0.7 million) (Separate financial statements: Baht 95.1 million (2021: Baht 79 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.

37.1.2 As at 31 December 2022, the associates and joint venture had outstanding bank guarantees of Baht 21.6 million, Indonesian Rupiah 19,990 million and USD 0.2 million (2021: 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.

37.2 Litigation of subsidiaries and joint venture

37.2.1 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.

37.2.2 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 52 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.

37.2.3 A subsidiary in Sri Lanka has disputes relating to income tax assessments for the years 2004 - 2006 totaling LKR 119 million (approximately Baht 11 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.

37.2.4 A subsidiary in Bangladesh has disputes and litigations with relevant authorities relating to VAT and income tax with the claims/assessments totaling Taka 451 million (approximately Baht 151 million). However, as at 31 December 2022, 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 13 million).

37.2.5 During the year 2021, two companies filed a local subsidiary for early termination of service agreements. Subsequently on 9 August 2022, the Civil Court ordered to dismiss the dispute filed by a company in which such company has right to ledge an appeal with the Appeal Court according to the period as required by law. Currently, another dispute is under hearing of the Civil Court. However, as at 31 December 2022, the subsidiary recorded a provision for the litigation of Baht 4 million.

37.2.6 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 24 million). As at 31 December 2022, the joint venture recorded a provision for tax assessment in full amount.

38. Commitments

38.1 As at 31 December 2022, the Group had the following significant outstanding commitments:

- 38.1.1 The Group had outstanding capital expenditure and construction commitments of Baht 547 million (Separate financial statements: Baht 224 million) (2021: Baht 324 million (Separate financial statements: Baht 172 million)).
- 38.1.2 The Group entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 31 December 2022, the future lease and service fees payable by the Group under these lease and service contracts of Baht 203 million (Separate financial statements: Baht 151 million) (2021: Baht 305 million (Separate financial statements: Baht 233 million)).
- 38.1.3 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.
- 38.1.4 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.
- 38.1.5 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.
- 38.1.6 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.
- 38.1.7 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.
- 38.1.8 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.

- 38.1.9 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.
- 38.1.10 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.
- 38.1.11 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.
- 38.1.12 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.
- 38.2 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 2022, the future lease and service fees payable by the associates and joint venture under these lease and service contracts of Baht 22.0 million (2021: Baht 34.0 million).
- 38.3 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.
- 38.4 The associates and joint venture had outstanding capital expenditure and construction commitments of USD 2.3 million and Baht 11.3 million, totaling approximately Baht 91.6 million (2021: USD 0.9 million and Baht 23.3 million, totaling approximately Baht 53.5 million).

39. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022					
	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	-	25.1	-	-	-	-
Assets held for sale	-	-	16.6	-	-	-
Liabilities measured at fair value						
Derivatives						
Foreign exchange forward contracts	-	75.6	-	-	26.7	-
Assets for which fair value is disclosed						
Investments in associates	4,255.4	-	-	4,255.4	-	-
Investment properties	-	-	1,728.6	-	-	2,193.0
Liabilities for which fair value is disclosed						
Debentures	-	16,608.2	-	-	16,608.2	-

(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	-

40. Financial instruments

40.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	25,111	526	-	18
Total derivative assets	<u>25,111</u>	<u>526</u>	<u>-</u>	<u>18</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	75,614	1,310	26,707	-
Derivatives liabilities designated as hedging instruments				
Interest rate swap	-	76,478	-	76,478
Total derivative liabilities	<u>75,614</u>	<u>77,788</u>	<u>26,707</u>	<u>76,478</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 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.

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 2022 and 2021 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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses of long-term loans	-	1,272	-	6,712	-	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2022 and 2021 and the effect of the cash flow hedge in the statements of income and other comprehensive income for the year ended 31 December 2022 are as follows:

(Unit: Million Baht)

Consolidated and separate financial statements														
				Line item in	Changes in		Effectiveness		Ineffectiveness		Amount of cash		Line item in	
				the	fair value used		recognised in		recognised in		flow hedge			
				statements of	for measuring		statement of		the income		reserve			
				financial	ineffectiveness		other		statements		reclassified to		the income	
				position			comprehensive		the income		the income		statements	
Notional		Carrying												
amounts		amount												
2022	2021	2022	2021		2022	2021	2022	2021	2022	2021	2022	2021		
Interest rate														
swap - hedge														
on interest														
				Derivative										Finance
				liabilities	-	1	-	7	-	-	(7)	(150)	cost	
					-	1	-	7	-	-	(7)	(150)		
Total														

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 2021	(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)
Amount reclassified to the income statements	6,712
Tax effect	(1,342)
As at 31 December 2022	-

40.2 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 2022, 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 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

2022				
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	(103,031)	+5	2,351
	-5	103,077	-5	(2,351)
Euro	+5	(211)	+5	(5,544)
	-5	211	-5	5,544
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

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 2022 and 2021, 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 2022						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Effective interest rate
	Within 1 year	1-5 years	Over 5 years			
					Total	(% p.a.)
Financial assets						
Cash and cash equivalents	780	-	-	1,391	1,259	3,430
Restricted bank deposits	-	-	-	-	11	-
	780	-	-	1,391	1,270	3,441
Financial liabilities						
Bank overdrafts and short-term loans from other financial institutions	2,325	-	-	-	-	2,325
Lease liabilities	360	582	396	-	-	1,338
Long-term loan from related financial institution	-	2,000	-	-	-	2,000
Long-term loans from other financial institutions	262	48	-	-	-	310
Debentures	-	11,489	4,494	-	-	15,983
Long-term liabilities for concession and license fee	125	802	-	-	-	927
	3,072	14,921	4,890	-	-	22,883

(Unit: Million Baht)

Consolidated 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	3,506	-	-	2,112	4,044	9,662	0.01 - 7.25
Restricted bank deposits	-	-	-	-	13	13	-
	3,506	-	-	2,112	4,057	9,675	
Financial liabilities							
Bank overdrafts and short-term loans from other financial institutions	3,014	-	-	-	-	3,014	0.76 - 9.50
Lease liabilities	438	666	435	-	-	1,539	2.16 - 11.30
Long-term loans from other financial institutions	-	-	-	7,527	-	7,527	0.81 - 8.44
Debentures	-	6,493	9,486	-	-	15,979	2.46 - 4.26
Long-term liabilities for concession and license fee	86	373	509	-	78	1,046	2.32 - 6.50
	3,538	7,532	10,430	7,527	78	29,105	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

	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	-	-	-	327	496	823	0.01 - 0.55
Short-term loans to related parties	2,890	-	-	-	-	2,890	1.42 - 2.62
	2,890	-	-	327	496	3,713	
Financial liabilities							
Short-term loans from related parties	980	-	-	-	-	980	1.30 - 1.90
Lease liabilities	70	177	8	-	-	255	1.54 - 4.10
Long-term loan from related financial institution	-	2,000	-	-	-	2,000	BAY-BIBOR plus margin
Debentures	-	11,489	4,494	-	-	15,983	2.46 - 4.26
Long-term liabilities for concession and license fee	124	387	409	-	-	920	2.32 - 6.50
	1,174	14,053	4,911	-	-	20,138	

(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 - 6.50
	179	7,023	10,008	7,000	78	24,288	

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 2022 and 2021.

	2022		
	Increase/ decrease (% p.a.)	Consolidated financial statements Increase (decrease) in profit before tax (Thousand Baht)	Separate financial statements Increase (decrease) in profit before tax (Thousand Baht)
Loans from in Baht	+0.5	(274)	(274)
	-0.5	274	274
Loans from in VND	+0.5	(1,549)	-
	-0.5	1,549	-
Loans from in LKR	+0.5	(492)	-
	-0.5	463	-

	2021				
	Consolidated financial statements			Separate financial statements	
	Increase/ decrease	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in
		profit before tax	equity	profit before tax	equity
	(% p.a.)	(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	-	-	-

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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2022				
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans from other financial institutions	2,325	-	-	2,325
Trade and other payables	8,134	-	-	8,134
Accrued expenses	1,917	-	-	1,917
Lease liabilities	408	654	649	1,711
Long-term loan from related financial institution	-	2,000	-	2,000
Long-term loans from other financial institutions	262	48	-	310
Debentures	-	11,500	4,500	16,000
Long-term liabilities for concession and license fee	153	468	430	1,051
Total non-derivatives	13,199	14,670	5,579	33,448
Derivatives				
Derivatives liabilities: net settled	76	-	-	76

(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

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from related parties	980	-	-	980
Trade and other payables	5,338	-	-	5,338
Accrued expenses	947	-	-	947
Lease liabilities	78	189	8	275
Long-term loan from other financial institution	-	2,000	-	2,000
Debentures	-	11,500	4,500	16,000
Long-term liabilities for concession and license fee	151	462	430	1,043
Total non-derivatives	7,494	14,151	4,938	26,583
Derivatives				
Derivatives liabilities: net settled	27	-	-	27

(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

40.3 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 39 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.

41. 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	6 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	6 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 2022 and 2021, 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 467 million and Baht 490 million, respectively, which were wholly sold and serviced to the related parties.

42. 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 2022, the Group's debt-to-equity ratio was 1.13:1 (2021: 1.09:1) and the Company's was 0.70:1 (2021: 0.74:1).

43. Events after the reporting period

43.1 Dividend income from subsidiary companies

On 2 February 2023, the meeting of Board of Directors of INSEE Digital Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2022 of Baht 2 per share, totaling Baht 14 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2023.

On 3 February 2023, the meeting of Board of Directors of Siam City Power Co., Ltd. ("a subsidiary") passed a resolution to approve additional dividend for 2022 of Baht 6.6 per share, totaling Baht 132 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2023.

On 3 February 2023, the meeting of Board of Directors of Siam City Cement Trading Co., Ltd. ("a subsidiary") passed a resolution to approve dividend for 2022 of Baht 100 per share, totaling Baht 100 million. The Company will record the dividend income from the subsidiary company in the first quarter of 2023.

On 6 February 2023, the meeting of Board of Directors of Siam City Cement (Lanka) Co., Ltd. ("a subsidiary") passed a resolution to approve the payment of a final dividend for 2022 of LKR 25.26 per share, totaling LKR 4,186 million. The Company will record the dividend income from the subsidiary company of LKR 4,144 million or approximately Baht 392 million in the first quarter of 2023.

On 8 February 2023, the meeting of Members' Council of Siam City Cement (Vietnam) Limited ("a subsidiary") approved the payment of a final dividend for 2022 of VND 239,352 million. The Company will record the dividend income from the subsidiary company of VND 155,579 million or approximately Baht 228 million in the first quarter of 2023.

43.2 Proposed dividends of the Company

On 10 February 2023, the meeting of the Company's Board of Directors approved to pay a final dividend for 2022 of Baht 9 per share, totaling Baht 2,682 million. The final dividend of Baht 2,682 million will be paid in April 2023. However, such dividend payment is subject to the approval of the Annual General Meeting of the Company's shareholders to be held on 31 March 2023.

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2023.

Management Discussion and Analysis

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

- Despite a challenging geopolitical environment, domestic cement consumption in Thailand further improved owing to solid demand from public infrastructure projects; demand in Vietnam, especially during the first half year, remained strong over a pandemic impacted prior year; construction activities in Sri Lanka started to slow down from the ongoing economic crisis in Sri Lanka.
- Persistent cost pressure, including increased coal, fuel as well as domestic electricity tariffs could not be fully offset by continued sales price adjustments, and negatively weighed on profitability.
- Net profit for this year - excluding the one-time impact from Sri Lanka tax rate changes - was impacted by weaker operating performance, partially offset by lower depreciation and financial expenses.
- The annual dividend for 2022 is maintained at THB 9 per share.

Analysis of Financial Performance

Revenues

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Revenues					
Net sales	50,126	41,678	8,448	20%	42,000
Gain on exchange	-	28	(28)	-100%	12
Other income	166	184	(18)	-10%	162
Total Revenues	50,292	41,890	8,402	20%	42,174

SCCC Group revenue was positively impacted by a solid demand for construction material in Thailand and Vietnam as well as some improvement on increasing sales price in all markets. Infrastructure projects, especially in Thailand, were a key channel to support domestic cement consumption whereas residential and commercial segments remained weak. In Vietnam, market demand was strong during the first half year and slowed down towards the end of the year due to tighter liquidity in the local real estate market. The ongoing economic crisis in Sri Lanka also negatively impacted demand during the second half of the year. Inflationary pressure from higher energy and transportation cost resulted in a continuous increase of sales price. As a result, the Group revenue grew by 20 percent to THB 50,292 million.

Expenses

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Expenses					
Cost of sales and services	36,766	28,904	7,862	27%	27,981
Selling and distribution expenses	7,761	6,734	1,027	15%	6,625
Administrative expenses	1,921	1,884	37	2%	1,955
Other expenses	1,281	215	1,066	496%	120
Total expenses	47,729	37,737	9,992	26%	36,681

Geopolitical tensions at the beginning of the year triggered steep increases in coal and fuel prices and, at a later stage, also negatively impacted electrical energy tariffs. These cost increases also led to inflation across the entire spectrum of goods and services. In addition, extended kiln maintenance work to improve the overall plant reliability resulted in higher cost of sales and services. Selling and distribution expenses were negatively impacted by higher logistics and cartage cost due to higher diesel prices. As a result of this disruptive environment, various initiatives have been started to further optimize structural costs. Total expenses increased 26 percent to THB 47,729 million.

Depreciation, Interest and Tax

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Depreciation, Finance cost and Tax					
Depreciation and amortization	3,728	3,893	(165)	-4%	3,935
Finance cost	1,090	1,238	(148)	-12%	1,374
Income tax expenses	1,119	(89)	1,208	1,357%	756

Property, plant, and equipment, as well as intangible assets, decreased from prior year levels and resulted in overall 4 percent decrease in depreciation and amortization.

Finance costs reflected interest expenses incurred from loans from financial institutions and debentures as well as fees related to trade financing to support international trade activities. The decrease in finance cost was mainly driven by the repayment of fixed-rate long-term loans and continued low interest rate levels during the first half of the year.

Income tax expenses increased to THB 1,119 million due to a one-time tax impact that included a surcharge tax and a change in the corporate income tax rate in Sri Lanka from 18 percent to 30 percent, totaling THB 748 million, resulting in a negative impact on group profitability. During prior year, the Group benefited from a reduction in the corporate income tax rate in Sri Lanka from 28 percent to 18 percent in the amount of THB 729 million.

Analysis of Business Segments

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Net Sales					
Cement	34,077	27,406	6,671	24%	26,610
Concrete and Aggregates	6,400	5,388	1,012	19%	6,632
Trading	5,634	5,389	245	5%	5,167
Light Building Materials	2,860	2,382	478	20%	2,391
Others	1,155	1,113	42	4%	1,200
Total Net Sales by segment	50,126	41,678	8,448	20%	42,000

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
EBITDA					
Cement	7,531	7,906	(375)	-5%	8,223
Concrete and Aggregates	310	327	(17)	-5%	697
Trading	254	245	9	4%	248
Light Building Materials	222	326	(104)	-32%	276
Others	751	657	94	14%	690

Remark: EBITDA by segment is presented before intersegment elimination

(Unit : THB Million)

	For the year ended December 31				
	2022	2021	+/-	% change	2020
Net Profit					
Cement	4,540	6,732	(2,192)	-33%	5,675
Concrete and Aggregates	(146)	(167)	21	13%	108
Trading	212	234	(22)	-9%	238
Light Building Materials	(80)	7	(87)	-1,243%	(32)
Others	299	172	127	74%	246

Remark: Net profit by segment is presented before intersegment elimination

The Cement Segment reported higher revenue mostly driven by expanded domestic sales volume and higher sales prices. Thailand's solid cement consumption was primarily driven by infrastructure projects whereas the demand from residential and commercial segments remained weak. Vietnam's cement demand increased over a pandemic-impacted prior year with hard lockdown. In Sri Lanka, cement demand continued to weaken due to the ongoing economic crisis and a decline in consumer buying power owing to a large rise in inflation. In Bangladesh, cement demand slightly recovered from the previous year. Overall, net sales increased 24 percent to THB 34,077 million. However, rising raw material, energy, transportation, and electricity costs including a one-time tax impact in Sri Lanka negatively impact to overall EBITDA and net profit for the segment.

The Concrete and Aggregate Segment revenue was positively impacted by a solid demand coming from infrastructure and low-rise residential sector. The commencement of some high-speed rail projects led to higher sales, especially during the second half year, and combined with increased sales prices resulted in a 19 percent higher revenue to THB 6,400 million. Cost inflation could not be fully passed through to customers and led to overall lower EBITDA.

The Trading Segment reported revenue of THB 5,634 million, a 5 percent increase over the year. The conflict in Eastern Europe and the pandemic policy in China caused significant disruption in the trading of clinker. However, some sales of higher margin products contributed to the increased EBITDA level compared to the previous year.

The Light Building Material segment reported revenue of THB 2,860 million, which represents an increase by 20 percent. The overall residential market remained soft despite increase government support and developers starting new projects. Intensified market competition limited pricing opportunities. As a result, higher input cost could not be fully offset with higher sales prices and resulted in lower EBITDA and net income.

The other segment revenue reported THB 1,155 million, a 4 percent increase. Waste management services in the other segment continued to offer customized and sustainable solutions to a wide range of customers. The Company strengthened its position in waste management and benefited from higher price and volumes of light waste material and carbon black. Industrial services strengthened its business activities with additional projects in chemical cleaning. Profitability further improved due to increased business activities with higher margins as well as improved operational cost management.

Analysis of Financial Position

	Unit	2022	2021	2020
Accounts receivable turnover	Times	9.63	8.23	7.81
Days receivable outstanding	Days	38	44	47
Inventory turnover	Times	6.16	7.25	6.85
Days inventory	Days	59	50	53
Accounts payable turnover	Times	5.40	5.91	5.61
Days payable outstanding	Days	68	62	65

Net Working Capital

As a result of improved cash flow management, the days payable outstanding increased from 62 days to 68 days this year. The Group tightened credit management and debt collection controls, resulting in a decrease in days receivable outstanding from 44 days to 38 days compared to the previous year. However, outstanding receivables increased by 7 percent to THB 5,105 million, with over 90 percent current to 30 days due date status. Days of inventory outstanding were higher than the prior year due to securing raw material and coal inventory during a time of market disruption and uncertainty.

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 a sales arrangement with a 3rd party to divest these assets during 2019 with no additional disposal this year.

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

Property, Plant and Equipment and Intangible Assets (Net)

(Unit : THB Million)

	As of December 31				
	2022	2021	+/-	% change	2020
Property, plant and equipment	26,519	29,190	(2,671)	-9%	29,998
Intangible assets	7,191	9,846	(2,655)	-27%	10,128
Other non-current assets	390	412	(22)	-5%	283

Capital expenditures (CAPEX) spending for property, plant and equipment during the period was THB 1,871 million.

Some of the key CAPEX projects during 2022 were as follows.

- Saraburi Plant 3 Separate Limestone Grinding of THB 294 million
- Vietnam Hon Chong Kiln line 2 preparation work of THB 66 million
- Saraburi Plant 3 Replace Gas Insulated Substation of THB 56 million

- SCCO Suphanburi aggregate quarry overburden stripping of THB 48 million
- Saraburi purchase clay reserve of THB 39 million
- INSEE Ecocycle Rocket Mill RDF production plant at Onnut of THB 39 million
- Sri Lanka Slag Warehouse at Hambantota of THB 38 million

The depreciation charge for the year amounted to THB 2,756 million. An additional THB 95 million was recorded for assets disposal and write-off during the fiscal 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's depreciation over the year, the loss from the translation of property, plant and equipment in overseas subsidiaries into Thai Baht amounted to THB 1,705 million.

Intangible assets consisted of mining concessions, computer software, customer relationships, brands and the right to use of assets. Amortization charges for the year were THB 473 million. Loss from translation of intangible assets in overseas subsidiaries into Thai Baht was THB 2,164 million.

Funding

As at 31 December 2022, the capital structure of the Group consisted of net financial debt, including lease liabilities, at THB 18,526 million (gross financial debt amount of THB 21,956 million, net of cash and cash equivalents amount of THB 3,430 million) and shareholders' equity of THB 34,502 million. This represented a net financial debt to equity ratio of 0.54 times which was increased from the prior year (2021: 0.47 times) mainly due to negative currency translation adjustment related to overseas businesses.

Short-Term and Long-Term Debt

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

Issued date	Amount THB Million	Due date
29 April 2016	4,000	Y2024, Y2026
9 May 2017	12,000	Y2024, Y2027, Y2029

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 3,026 million and short-term loan including current portion of long-term loan and lease liabilities of THB 2,947 million.

Shareholder's Equity

As at 31 December 2022, shareholders' equity amounted to THB 34,502 million (2021: THB 39,227 million). This position consists of accumulated reserves, share premium and retained earnings amounting to THB 42,070 million, netted off with a negative currency translation adjustment of THB 8,830 million. Non-controlling interests of the subsidiaries equaled to THB 1,262 million.

Analysis of Cash Flow Statement

The Group reported a cash and cash equivalent balance of THB 3,430 million as at 31 December 2022 which was used to maintain liquidity for the operations. Net cash generated from operating activities was THB 4,144 million (2021: THB 6,948 million), decreasing due to lower net profit before tax for the year as well as the increase in raw material and coal inventory.

Net cash outflows from investing activities amounted to THB 974 million, mainly from acquisitions of property plant and equipment THB 1,804 million (2021: net cash from investing activities was THB -558 million), partially offset by disposal of assets of THB 16 million and dividend received from joint venture and associated companies of THB 886 million.

Net cash outflows from financing activities of THB 9,497 million (2021: THB 4,695 million) was primarily related to increase and repayment of bank overdraft, short-term and long-term loans, and lease liabilities at a net amount of THB 6,223 million and the total dividend paid amounting to THB 3,013 million during this year.

Sustainability

We remain on track with our "Sustainability Ambition" commitments and continue efforts to continuously reduce carbon intensity in our products in alignment with guidelines given by the Global Cement and Concrete Association (GCCA). As part of ESG-based investments across the Group in 2022, our large modified-manufacturing investment at the Saraburi facility in Thailand has been commissioned on schedule in Q4 of 2022, as well as GGBFS and Fly Ash Feeding project at Thi Vai plant in Vietnam and at RCW and PCW plants in Sri Lanka. All projects are already delivering lowered CO₂ intensity products to our customers. Aside from those projects, there were several notable achievements on this front in 2022. In Vietnam, an upgrade

to INSEE Power-S, a multi-purpose cement, was rolled out that sees it now able to withstand sulfate–chloride attack. This helpful feature of INSEE products mitigates the impact of drought and salinity, a major long-term issue throughout Southern Vietnam. In Thailand, we launched an automatic food waste composter developed by the PTT Innovation Institute using natural microorganisms to compost food waste into bio-soil. This innovation can help reduce the amount of food waste that ends up in landfills which would otherwise create methane gases that cause global warming. The innovation also prevents the contamination of food waste into other waste sources that can be recycled or used as RDF (Refuse Derived Fuel) according to circular economy principles.

Innovation and collaboration with key stakeholders are at the heart of what the Group does with a special focus now placed on sustainable development. The Group remains focused on social responsibility towards both our employees i.e., Human Rights according to Group HR Policy, and neighboring communities, whilst simultaneously continuing to adhere to the highest international standards of corporate governance and of industry occupational health and safety practices.

We maintain top management focus on our governance approaches and are recognized for our ESG efforts by the likes of leading organizations in the region i.e., Stock Exchange of Thailand, as well as Vietnam Confederation of Commerce and Industry (VCCI), and the Vietnam Business Council for Sustainable Development (VBCSD).

Outlook

With continuing geopolitical and economic uncertainty, substantial inflationary pressures remain a key challenge for managing input costs, which will require more pricing adjustments into the markets. The demand outlook is for Thailand demand to be buoyed by ongoing infrastructure project activity whilst industrial and commercial segments are expected to improve slightly. In our overseas markets demand is expected to increase moderately over prior year with opportunities for pricing adjustments to yield improved offsetting of inflated input costs. Operations will be focused on our unrelenting sustainable cost efficiency investments and improvements.

Financial Statement

Consolidated Statements of Financial Position

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	3,430	5%	9,662	12%	7,676	10%
Trade and other receivables	5,105	7%	4,780	6%	4,835	6%
Derivative assets	25	-	1	-	4	-
Inventories	7,290	10%	4,441	5%	3,374	4%
Current tax assets	79	-	-	-	-	-
Advance payments for purchases of goods	232	-	308	-	360	-
Assets held for sale	17	-	17	-	60	-
Other current assets	347	-	335	-	258	-
TOTAL CURRENT ASSETS	16,525	23%	19,544	24%	16,567	21%
NON-CURRENT ASSETS						
Restricted bank deposits	11	-	13	-	17	-
Investment in joint venture	2,099	3%	2,098	3%	1,896	2%
Investments in associates	3,558	5%	2,689	3%	2,077	3%
Investment properties	491	1%	495	1%	319	-
Property, plant and equipment	26,519	36%	29,190	36%	29,998	39%
Right-of-use assets	1,363	2%	1,557	2%	1,747	2%
Assets not used in operations	30	-	33	-	61	-
Goodwill	13,797	19%	14,936	18%	13,476	17%
Intangible assets	7,191	10%	9,846	12%	10,128	13%
Deferred tax assets	1,379	2%	1,199	1%	1,101	1%
Other non-current assets	390	1%	412	1%	283	-
TOTAL NON-CURRENT ASSETS	56,828	77%	62,468	76%	61,103	79%
TOTAL ASSETS	73,353	100%	82,012	100%	77,670	100%

Consolidated Statements of Financial Position (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term loans from related financial institution	-	-	-	-	120	-
Bank overdrafts and short-term loans from other financial institutions	2,325	3%	3,014	4%	3,356	4%
Trade and other payables	8,134	11%	5,494	7%	4,294	6%
Current portion of long-term loans from other financial institutions	262	-	7,238	9%	339	-
Current portion of lease liabilities	359	-	438	1%	404	1%
Current portion of long-term liabilities for concession and license fee	125	-	121	-	114	-
Current derivative liabilities	76	-	78	-	-	-
Income tax payable	265	-	372	-	637	1%
Deferred revenue	822	1%	967	1%	843	1%
Accrued electricity	328	-	265	-	288	-
Other accrued expenses	1,590	2%	1,559	2%	1,336	2%
Other current liabilities	205	-	302	-	231	-
TOTAL CURRENT LIABILITIES	14,491	17%	19,848	24%	11,962	15%

Consolidated Statements of Financial Position (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Long-term loans from related financial institution	2,000	2%	-	-	-	-
Long-term loans from other financial institutions - net of current portion	48	-	288	-	7,239	9%
Lease liabilities - net of current portion	978	1%	1,101	1%	1,260	2%
Debentures	15,983	22%	15,979	19%	15,975	21%
Long-term liabilities for concession and license fee - net of current portion	802	1%	925	1%	1,045	1%
Non-current derivative liabilities	-	-	-	-	222	-
Provision for long-term employee benefits	2,398	3%	2,489	3%	2,479	3%
Provision for site restoration and decommissioning costs	357	-	370	-	343	-
Deferred tax liabilities	1,703	2%	1,687	2%	2,320	3%
Other non-current liabilities	91	-	98	-	113	-
TOTAL NON-CURRENT LIABILITIES	24,360	31%	22,937	26%	30,996	39%
TOTAL LIABILITIES	38,851	53%	42,785	52%	42,958	55%
SHAREHOLDERS' EQUITY						
Share capital						
Registered						
298,000,000 ordinary shares of THB 10 each	2,980	-	2,980	-	2,980	-
Issued and fully paid up						
298,000,000 ordinary shares of THB 10 each	2,980	4%	2,980	4%	2,980	4%
Share premium	26,413	36%	26,413	32%	26,413	34%
Retained earnings						
Appropriated - statutory reserve	300	-	300	-	300	-
Unappropriated	12,377	17%	13,090	16%	11,431	15%
Other components of shareholders' equity	(8,830)	(12%)	(5,069)	(6%)	(7,760)	(10%)
Equity attributable to owners of the Company	33,240	45%	37,714	46%	33,364	43%
Non-controlling interests of the subsidiaries	1,262	2%	1,513	2%	1,348	2%
TOTAL SHAREHOLDERS' EQUITY	34,502	47%	39,227	48%	34,712	45%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	73,353	100%	82,012	100%	77,670	100%

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues	50,126	100%	41,678	100%	42,000	100%
Gain on exchange	-	-	28	-	12	-
Other income	166	-	184	-	162	-
Total Revenues	50,292	100%	41,890	100%	42,174	100%
Expenses						
Cost of sales	36,113	72%	28,341	68%	27,337	65%
Cost of services	653	1%	563	1%	644	1%
Selling and distribution expenses	7,761	15%	6,734	16%	6,625	16%
Administrative expenses	1,921	4%	1,884	4%	1,955	5%
Other expenses	1,281	3%	215	1%	120	-
Total expenses	47,729	95%	37,737	90%	36,681	87%
Operating profit	2,563	5%	4,153	10%	5,493	13%
Share of profit from investment in joint venture	237	-	466	1%	477	1%
Share of profit from investments in associates	1,290	3%	763	2%	109	-
Finance income	86	-	77	-	76	-
Finance cost	(1,090)	(2%)	(1,238)	(3%)	(1,374)	(3%)
Profit before income tax expenses	3,086	6%	4,221	10%	4,781	11%
Income tax expenses	(1,119)	(2%)	89	-	(756)	(1%)
Profit for the year	1,967	4%	4,310	10%	4,025	10%
Profit attributable to:						
Equity holders of the Company	1,857	4%	4,248	10%	3,680	9%
Non-controlling interests of the subsidiaries	110	-	62	-	345	1%
	1,967	4%	4,310	10%	4,025	10%
Basic earnings per share						
Profit attributable to equity holders of the Company (THB)	6.23		14.25		12.35	
Weighted average number of ordinary shares (Million shares)	298		298		298	

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

(Unit : THB Million)

	2022	2021	2020
Profit for the year	1,967	4,310	4,025
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	(4,024)	2,591	(393)
Gain on cash flow hedge - net of tax	5	119	18
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	229	275	16
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(3,790)	2,985	(359)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) - net of tax	112	90	(26)
Share of other comprehensive income of associated companies - actuarial gain (loss)	-	(0)	(4)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	112	90	(30)
Other comprehensive income for the year	(3,678)	3,075	(389)
Total comprehensive income for the year	(1,711)	7,385	3,636
Total comprehensive income attributable to:			
Equity holders of the Company	(1,791)	7,031	3,304
Non-controlling interests of the subsidiaries	80	354	332
	(1,711)	7,385	3,636

Consolidated Statements of Cash Flows

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash flows from operating activities						
Profit before tax	3,086	100%	4,221	100%	4,781	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	(1,527)	(49%)	(1,229)	(29%)	(586)	(12%)
Depreciation and amortization	3,728	121%	3,893	92%	3,935	82%
Impairment loss on financial assets	53	2%	25	1%	49	1%
Reduction of inventory to net realisable value (reversal)	29	1%	41	1%	29	1%
Loss (gain) on disposal of assets held for sale	-	-	7	-	23	-
Allowance for impairment loss of assets held for sale (reversal)	-	-	(8)	-	6	-
Allowance for impairment loss on non-financial assets (reversal)	-	-	(4)	-	(87)	(2%)
Net loss on disposals/write-off of non-financial assets	89	3%	169	4%	191	4%
Provision for long-term employee benefits and other provisions	174	6%	224	5%	206	4%
Amortisation of deferred income from grants related to assets	(9)	-	(9)	-	(9)	-
Net loss (gain) on derivative instruments at fair value through profit or loss	50	2%	5	-	(3)	-
Unrealised loss (gain) on exchange	502	16%	(1)	-	3	-
Finance income	(86)	(3%)	(77)	(2%)	(76)	(2%)
Interest expenses	916	30%	1,087	26%	1,282	27%
Profit from operating activities before changes in operating assets and liabilities	7,005	229%	8,344	198%	9,744	203%

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Operating assets (increase) decrease :						
Trade and other receivables	(571)	(19%)	(323)	(8%)	574	12%
Inventories	(3,416)	(111%)	(1,108)	(26%)	1,206	25%
Advance payments for purchases of goods	(232)	(8%)	52	1%	(281)	(6%)
Other current assets	(29)	(1%)	(74)	(2%)	100	2%
Operating liabilities increase (decrease) :						
Trade and other payables	2,956	96%	1,249	30%	(75)	(2%)
Accrued expenses and other current liabilities	72	2%	401	10%	114	2%
Other non-current liabilities	(1)	-	(9)	-	(7)	-
Provision for long-term employee benefits	(91)	(3%)	(115)	(3%)	(591)	(12%)
Provision for site restoration	(10)	-	(18)	-	(8)	-
Cash from operating activities	5,683	185%	8,399	200%	10,776	224%
Interest received	82	3%	77	2%	77	2%
Interest paid	(773)	(25%)	(728)	(17%)	(911)	(19%)
Cash paid for income tax	(848)	(27%)	(799)	(19%)	(1,010)	(21%)
Net cash from operating activities	4,144	136%	6,948	166%	8,932	186%

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash flows from investing activities						
Decrease (increase) in restricted bank deposits	(1)	-	5	-	-	-
Proceeds from disposals of non-current assets held for sale	-	-	49	1%	35	1%
Proceeds from disposals of investment properties	11	-	-	-	-	-
Proceeds from disposals of property, plant and equipment	6	-	19	-	40	1%
Acquisitions of property, plant and equipment	(1,804)	(58%)	(1,286)	(30%)	(745)	(16%)
Cash paid for acquisition of right-of-use assets	(64)	(2%)	-	-	(3)	-
Increase in intangible assets	(28)	(1%)	(28)	(1%)	(28)	(1%)
Decrease (increase) in other non-current assets	20	1%	(8)	-	51	1%
Dividend received	886	29%	691	16%	667	14%
Net cash from (used in) investing activities	(974)	(31%)	(558)	(14%)	17	-

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash flows from financing activities						
Net increase (decrease) in short-term loans from related financial institution	-	-	(120)	(3%)	20	-
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	(529)	(17%)	(679)	(16%)	(438)	(9%)
Increase in long-term loans from related financial institution	2,000	65%	-	-	-	-
Increase in long-term loans from other financial institutions	105	3%	280	7%	3,171	66%
Repayment of long-term loans from other financial institutions	(7,310)	(237%)	(399)	(9%)	(3,561)	(74%)
Payment of lease liabilities	(490)	(16%)	(535)	(13%)	(492)	(10%)
Payment of liabilities for acquisitions of concession and license fee	(153)	(5%)	(149)	(4%)	(6)	-
Repayment of debentures	-	-	-	-	(3,000)	(63%)
Dividend paid	(3,013)	(98%)	(2,871)	(68%)	(1,453)	(30%)
Interest paid	(107)	(3%)	(213)	(5%)	(221)	(5%)
Cash paid for other finance costs	-	-	(9)	-	(26)	(1%)
Net cash from (used in) financing activities	(9,497)	(308%)	(4,695)	(111%)	(6,006)	(126%)
Increase (decrease) in translation adjustments	103	2%	290	7%	(83)	(2%)
Net increase (decrease) in cash and cash equivalents	(6,224)	(202%)	1,986	47%	2,860	60%
Cash and cash equivalents at beginning of year	9,662	313%	7,676	182%	4,821	101%
Effect of change in foreign exchange rate on cash at banks	(8)	-	0	-	(5)	-
Cash and cash equivalents at end of year	3,430	111%	9,662	229%	7,676	161%

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Supplemental disclosures of cash flows information:						
Non-cash related transactions from investing activities:						
Payables from acquisitions of property, plant and equipment	279		235		284	
Long-term liabilities for license fee	-		-		26	
Transferred property, plant and equipment to investment properties	5		174		-	
Transferred property, plant and equipment to assets held for sale	-		-		38	
Transferred property, plant and equipment to intangible assets	4		5		-	
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	53		1		17	
Increase (decrease) in property, plant and equipment from provision for site restoration and decommissioning costs	(10)		5		58	
Increase in right-of-use assets from provision for decommissioning costs	2		3		3	
Increase in intangible assets from long-term liabilities for concession and license fee	3		0		-	

Consolidated Statements of Cash Flows (continued)

(Unit : THB Million)

	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Non-cash related transactions from financing activities:						
Acquisitions of right-of-use assets under lease contracts	200		252		140	
Increase (decrease) in assets and liabilities from lease reassessment/modification						
- Right-of-use assets	136		23		(51)	
- Lease liabilities	137		25		(49)	
- Provision for decommissioning costs	-		(2)		(7)	

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

	Unit	2022	2021	2020
Liquidity ratios				
Current ratio	Times	1.14	0.98	1.39
Quick ratio	Times	0.59	0.73	1.05
Cash flows from operating activities to current liabilities ratio	Times	0.24	0.44	0.65
Accounts receivable turnover	Times	9.63	8.23	7.81
Days receivable outstanding	Days	38	44	47
Finished good turnover	Times	24.75	28.95	25.28
Days Finished good outstanding	Days	15	13	14
Inventory turnover	Times	6.16	7.25	6.85

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

	Unit	2022	2021	2020
Days inventory outstanding	Days	59	50	53
Accounts payable turnover	Times	5.40	5.91	5.61
Days payable outstanding	Days	68	62	65
Cash cycle	Days	29	33	36
Profitability ratios				
Gross profit margin	%	27	31	33
Operating profit margin	%	8	10	13
Other profit margin	%	-2.22	-0.01	0.13
Cash flows from operating activities on net income margin	%	109	162	160
Net income margin	%	4	10	9
Return on shareholders' equity	%	5	11	11
Efficiency ratios				
Return on assets	%	2	5	5
Return on fixed assets	%	17	24	21
Total assets turnover	Times	0.65	0.52	0.54
Financial policy ratios				
Debt - to - equity ratio	Times	1.13	1.09	1.24
Interest coverage ratio	Times	10.30	10.01	8.93
Interest bearing debt to EBITDA ratio	Times	2.42	2.98	2.84
Debt service coverage ratio	Times	3.08	0.88	2.39
Dividend payout ratio on net profit	%	144	63	73

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	73 years												
Position	Chairman of the Board of Directors												
Appointed since	13 August 1998												
Company's shareholding ratio (%) as of 31 Dec 2022	0%												
Family relationship among executives	NIL												
Education	<p>Certificate:</p> <ul style="list-style-type: none"> - International Senior Management Program, Harvard Business School, U.S. <p>Master Degree:</p> <ul style="list-style-type: none"> - Lic.oec.HSG, Graduated School, St. Gallen, Switzerland <p>Bachelor Degree:</p> <ul style="list-style-type: none"> - B.S.C. in Civil Engineering, Swiss Federal Institute of Technology, Zurich, Switzerland 												
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <table> <tr> <td>Mar 2017 – Present</td><td>Chairman of the Board of Directors</td></tr> <tr> <td>Jul 2014 – Present</td><td>Chairman of Nomination and Compensation Committee</td></tr> <tr> <td>Jul 2014 – May 2017</td><td>Member of Governance and Risk Committee</td></tr> <tr> <td>2001 – Mar 2017</td><td>Vice Chairman</td></tr> </table> <p>Lanna Resources Public Company Limited/ Coal Mining</p> <table> <tr> <td>2000 – Present</td><td>Director</td></tr> </table> <p>Holcim Company Limited/ Cement Producer</p> <table> <tr> <td>2002 – Feb 2014</td><td>Member of the Executive Committee</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	2000 – Present	Director	2002 – Feb 2014	Member of the Executive Committee
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												
2000 – Present	Director												
2002 – Feb 2014	Member of the Executive Committee												

Other Company

Conwood Company Limited (Subsidiary)/ Construction Material

Jan 2023 – Present Chairman

INSEE Superblock Company Limited (Subsidiary)/ Light-Weight Concrete Products

Jan 2023 – Present Chairman

PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural and Decorative Building Materials Producer (Registered in Indonesia)

Jan 2023 – Present Chairman

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	73
Position	Director
Appointed since	14 June 2004
Company's shareholding ratio (%) as of 31 Dec 2022	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 <div> <div>Aug 2014 – Present</div> <div>Independent Director and Member of Audit Committee</div> </div>

**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)

2022	Role of the Chairman Program (RCP) Class 52/2022
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	68 years
Position	Director
Appointed since	23 April 2012
Company's shareholding ratio (%) as of 31 Dec 2022	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)

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”

Bank of Thailand

- 2022 Digital Finance Conference
2021 Bangkok FinTech Fair 2021 “Shaping Digital Finance in the New Decade”
2020 Cyber Resilience Leadership: “Tone from the Top”

Others

- 2022 Thought Leadership Session – Sustainable and Climate Finance, Central Pattana PCL
5 Key Technology Trends in Financial & Banking industry for 2022, Bank of Ayudhya PCL
Environmental, Social and Governance (ESG) for sustainable growth, Bank of Ayudhya PCL
Exploring Digital World with Mr. Fintech, Bank of Ayudhya PCL
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	65 years										
Position	Director										
Appointed since	25 March 2021										
Company's shareholding ratio (%) as of 31 Dec 2022	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> <p>Samitivej Public Company Limited/ Health Care Services</p> <table> <tr> <td>2018 – Present</td><td>Independent Director and Member of Audit 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	2018 – Present	Independent Director and Member of Audit 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										
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 (AACP 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	60 years
Position	Independent Director and Chairperson of Audit Committee
Appointed since	10 June 2015
Company's shareholding ratio (%) as of 31 Dec 2022	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 Certified Public Accountant No. 3733 <p>Bachelor Degree:</p> <ul style="list-style-type: none"> Bachelor of Accounting, Thammasat University
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <p>Jun 2015 – Present Chairperson of Audit Committee and Independent Director</p> <p>Sena J Property Public Company Limited/ Real estate</p> <p>2022 – Present Chairperson of Audit Committee and Independent Director</p> <p>Areeya Property Public Company Limited/ Real estate</p> <p>2022 – Present Director</p> <p>B.Grimm Power Public Company Limited/ Resources, Energy, and Utility</p> <p>Apr 2018 – Present Member of Audit Committee and Independent Director</p>

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 – Apr 2022 Director and Risk Management
Committee

Other Company

B.Grimm Joint Venture Holding Limited/ Holding

2022 – Present Chairperson of Audit Committee and
Independent Director

Bellugg Group Company Limited/ Baggage services

2022 – Present Director

CPA Associate Thailand Company Limited/ Accounting and Audit

2015 – 2022 Director

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	61 years	
Position	Independent Director	
Appointed since	26 March 2020	
Company's shareholding ratio (%) as of 31 Dec 2022	0%	
Family relationship among executives	NIL	
Education	Master Degree: - Economics (Finance and Cost Accounting), Free University, Amsterdam Netherlands	
Work Experience 5-year credential	Listed Company	
	Siam City Cement Public Company Limited/ Cement Producer and Construction Materials	
	Mar 2020 – Present	Member of the Nomination and Compensation
	Mar 2020 – Present	Independent Director
	Mar 2020 – 24 Mar 2022	Member of the Audit Committee
	Other Company	
	Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)	
	Mar 2021 – Present	Director
	Hilti AG/ Engineering Service (Registered in Lichtenstein)	
	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	56 years												
Position	Independent Director and Member of Audit Committee												
Appointed since	7 April 2016												
Company's shareholding ratio (%) as of 31 Dec 2022	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> <p>Other Company</p> <p>Tee Hang Nee Co., Ltd./ Property</p> <table> <tr> <td>2020 – Present</td><td>Director</td></tr> </table> <p>Craftbrandship Co., Ltd./ Branding</p> <table> <tr> <td>2020 – Present</td><td>Director</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	2020 – Present	Director	2020 – Present	Director
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												
2020 – Present	Director												
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 Makes 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	50 years	
Position	Director	
Appointed since	1 April 2019	
Company's shareholding ratio (%) as of 31 Dec 2022	0%	
Family relationship among executives	NIL	
Education	Bachelor Degree: - 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 Mar 2022 - Present Member of Investment and Finance Committee Mar 2021 - Present Member of the Nomination and Compensation Committee Apr 2019 – Present Director Apr 2020 – Mar 2021 Chairman of the Governance Committee Mar 2019 – Mar 2020 Member of the Governance and Risk Committee Other Company Jardine Cycle and Carriage Limited/ Investment Holding Company (Registered in Singapore) Aug 2022 – Present Executive Director and Group Director, Business Development 2019 – Aug 2022 Executive Director and Group Finance Director Jardine Matheson Ltd / Group Management Company (Registered in Bermuda) Aug 2022 – Present Director	

Refrigeration Electrical Engineering Corporation/ Mechanical and electrical engineering, real estate, and strategic investments in infrastructure (registered in Vietnam)

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)

2022 ESG - Environment, Social and Governance Essentials

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. Onne van der Weijde														
Age	58 years														
Position	Independent Director and member of Audit Committee														
Appointed since	24 March 2022														
Company's shareholding ratio (%) as of 31 Dec 2022	0%														
Family relationship among executives	NIL														
Education	<p>Master Degree:</p> <ul style="list-style-type: none"> - Master of Business Administration University of Bradford, UK <p>Bachelor's Degree:</p> <ul style="list-style-type: none"> - Business Administration and General Management, The Hague University, Netherlands <p>Certificate:</p> <ul style="list-style-type: none"> - Senior Management Program: Harvard, 2551 														
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 2022 - Present</td><td>Chairman of Investment and Finance Committee</td></tr> <tr> <td>Mar 2022 - Present</td><td>Member of Audit Committee</td></tr> <tr> <td>Mar 2022 - Present</td><td>Independent Director</td></tr> </table> <p>Other Company</p> <p>Schneider Electric Private Limited/ Energy and electricity (registered in India)</p> <table> <tr> <td>Jul 2022 – Present</td><td>Member of Innovation Committee</td></tr> <tr> <td>Jun 2021 – Present</td><td>Independent Director</td></tr> </table> <p>CRH Public Limited Company/ Building materials</p> <table> <tr> <td>2018 - Present</td><td>President, Europe and Asia Materials</td></tr> </table> <p>Dangote Industries Limited/ Multinational conglomerate</p> <table> <tr> <td>2015 - 2017</td><td>Chief Executive Officer and Managing Director</td></tr> </table>	Mar 2022 - Present	Chairman of Investment and Finance Committee	Mar 2022 - Present	Member of Audit Committee	Mar 2022 - Present	Independent Director	Jul 2022 – Present	Member of Innovation Committee	Jun 2021 – Present	Independent Director	2018 - Present	President, Europe and Asia Materials	2015 - 2017	Chief Executive Officer and Managing Director
Mar 2022 - Present	Chairman of Investment and Finance Committee														
Mar 2022 - Present	Member of Audit Committee														
Mar 2022 - Present	Independent Director														
Jul 2022 – Present	Member of Innovation Committee														
Jun 2021 – Present	Independent Director														
2018 - Present	President, Europe and Asia Materials														
2015 - 2017	Chief Executive Officer and Managing Director														

Holcim AG/ Building materials (registered in India)

2013 - 2015 Area Manager India

Ambuja Cement Limited/ Cement manufacturer

2009 - 2013 Managing Director and Chief Executive
Officer

Holcim AG/ Building materials (registered in Switzerland)

2008 - 2009 Senior Vice President

ACC Limited/ Cement manufacturer (registered in India)

2006 - 2008 Chief Financial Officer

Holcim Investment/ Investment (registered in India)

2005 - 2006 Director and General Manager

Holcim/ Building materials (registered in Indonesia)

2001 - 2004 Chief Financial Officer

Holcim/ Building materials (registered in Australia)

1999 - 2001 Director and Business Planning Manager

Holcim CH/ Building materials (registered in Switzerland)

1996 - 1999 International Tax Manager

1991 – 1996 General Manager

TMF Group/ critical administrative services (registered in Netherlands)

1989 – 1991 Account Manager

Name	Mr. Tinnawat Mahatharadol
Age	64 years
Position	Director
Appointed since	24 March 2022
Company's shareholding ratio (%) as of 31 Dec 2022	0%
Family relationship among executives	NIL
Education	Master Degree: <ul style="list-style-type: none"> - Master of Business Administration, Ball State University, USA Bachelor Degree: <ul style="list-style-type: none"> - Bachelor of Laws, Thammasat University, Thailand Certificate: <ul style="list-style-type: none"> - Certificate of Pacific Rim Banker Program
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials Mar 2022 – Present Member of Investment and Finance Committee Director Mar 2022 – Present Member of Nomination and Compensation Committee Mar 2022 – Present Director Eastern Star Real Estate Public Company Limited/ Real Estate 2015 – Present Executive Director Srivichaivejvivat Public Company Limited/ Hospital 2014 – Present Director Other Company C.K.R- Company Limited/ Holding 2020 – Present Director Exclusive Senior Care International Company Limited/ Development of Facilities for Elderly Health Rehabilitation 2020 – Present Director

The Bangkok Lighters Company Limited/ Asset Management

2020 – Present Director

The Thai Tapioca Flour Produce Company Limited/ Real Estate

2020 – Present Director

Cyber Venture Company Limited/ Holding

2020 – Present Director

Villa Deva Resort&Hotel Company Limited/ Hotels and Resort Hotels

2018 – Present Director

Nara 12 Company Limited/ Real Estate Rental

2018 – Present Director

Ratanarak Company Limited/ Holding

2017 – Present Director

BBTV Equity Company Limited/ Office Building Rental

2015 – Present Director

Sunrise Equity Company Limited/ Holding

2015 – Present Director

BBTV Bond Street Building Company Limited/ Real Estate Investment

2015 – Present Director

BBTV Alliance Company Limited/ Holdings

2015 – Present Director

BBTV International Holdings Company Limited/ Holding

2015 – Present Director

Mahatharadol Company Limited/ Rental and Processing of Real Estate

2010 – Present Managing Director

**Siam City Cement (Vietnam) Company Limited/ Cement Manufacturing
(Registered in Vietnam)**

2017 – 2021 Director

Training Experience

Thai Institute of Directors (IOD)

2014 Director Certification Program (DCP)

Name	Mr. Aidan John Lynam
Age	62 years
Position	Director and Group Chief Executive Officer
Appointed since	26 March 2019
Company's shareholding ratio (%) as of 31 Dec 2022	0%
Family relationship among executives	NIL
Education	Master Degree: <ul style="list-style-type: none"> - Executive MBA from IMD in Lausanne, Switzerland Bachelor Degree: <ul style="list-style-type: none"> - Honors Degree in Mechanical Engineering from University College Dublin, Ireland
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/Cement Producer and Construction Materials Mar 2019 - Present Group CEO Mar 2019 - Present Director Other Company INSEE Ecocycle Company Limited (Subsidiary)/ Industrial Waste Disposal and Alternative Fuel and Raw Material Trading and Industrial Cleaning Service Business Feb 2021 – Present Chairman Siam City Concrete Company Limited (Subsidiary)/ Ready-mixed Concrete and Aggregates May 2019 – Present Chairman Siam City Cement Trading Company Limited (Subsidiary)/ Cement and Raw Material Trading 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	Vice Chairman	
	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	60 years																		
Position	Director and Chief Executive Officer of Siam City Cement Public Company Limited																		
Appointed since	7 April 2016																		
Company's shareholding ratio (%) as of 31 Dec 2022	0.0728% direct holding of 216,926 shares, no indirect or nominee holding																		
Family relationship among executives	NIL																		
Education	Master Degree: <ul style="list-style-type: none"> - MBA, Finance and Investment (Beta Gamma Sigma), The George Washington University, USA Certificate: <ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School, USA Bachelor Degree: <ul style="list-style-type: none"> - Mechanical Engineering, Chulalongkorn University 																		
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials <table> <tr> <td>Apr 2016 – Present</td><td>Director</td></tr> <tr> <td>Mar 2019 – Dec 2022</td><td>Member of Group Executive Committee</td></tr> <tr> <td>Apr 2016 – Dec 2022</td><td>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> Lanna Resources Public Company Limited/ Coal Mining <table> <tr> <td>2016 – Present</td><td>Director</td></tr> </table> Other Company Siam City Power Company Limited (Subsidiary)/ Electricity Generation from Waste Heat <table> <tr> <td>May 2019 – Nov 2022</td><td>Chairman and CEO</td></tr> <tr> <td>Mar 2016 – Mar 2017</td><td>Chairman</td></tr> </table>	Apr 2016 – Present	Director	Mar 2019 – Dec 2022	Member of Group Executive Committee	Apr 2016 – Dec 2022	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)	2016 – Present	Director	May 2019 – Nov 2022	Chairman and CEO	Mar 2016 – Mar 2017	Chairman
Apr 2016 – Present	Director																		
Mar 2019 – Dec 2022	Member of Group Executive Committee																		
Apr 2016 – Dec 2022	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)																		
2016 – Present	Director																		
May 2019 – Nov 2022	Chairman and CEO																		
Mar 2016 – Mar 2017	Chairman																		

Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)	
Apr 2017 – Dec 2022	Director
Siam City Cement Trading Company Limited (Subsidiary)/ Cement and Raw Material Trading	
Mar 2017 – Nov 2022	Director
Siam City Concrete Company Limited (Subsidiary)/ Ready-mixed Concrete and Aggregates	
Jul 2017 – Nov 2022	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 – Nov 2022	Director
Thai Cement Manufacturer Association/ Cement Industry 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
2015	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	52 years
Position	Group Chief Financial Officer
Appointed since	1 April 2019
Company's shareholding ratio (%) as of 31 Dec 2022	0%
Family relationship among executives	NIL
Education	Master Degree: <ul style="list-style-type: none"> - MBA, Finance, Fribourg University, Switzerland Certificate: <ul style="list-style-type: none"> - Swiss Certified Accountant, Expert Suisse, Zurich, Switzerland - Advanced Management Program, Harvard Business School, Cambridge, USA
Work Experience 5-year credential	<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>Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)</p> <p>May 2019 – Present Director</p> <p>Siam City Cement (Bangladesh) Limited (Subsidiary)/ Cement Manufacturing (Registered in Bangladesh)</p> <p>May 2019 – Present Director</p> <p>INSEE Digital Company Limited (Subsidiary)/ Technical Services and Information Technology Management and Development Services</p> <p>Nov 2019 – Nov 2022 Chairman</p>

PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural and
Decorative Building Materials Producer (Registered in Indonesia)

Jun 2019 – Nov 2022 Commissioner

Conwood Company Limited (Subsidiary)/ Construction Material

May 2019 – Nov 2022 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)

2022 e-Learning CFO's Refresh Course

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	57 years
Position	Chief Executive Officer of Siam City Cement (Vietnam) Limited
Appointed since	1 October 2021
Company's shareholding ratio (%) as of 31 Dec 2022	0%
Family relationship among executives	NIL
Education	Bachelor Degree: - Chemistry, Canterbury University, New Zealand
Work Experience 5-year credential	<p>Listed Company</p> <p>Siam City Cement Public Company Limited/ Cement Producer and Construction Materials</p> <p>Oct 2021 – Present Member of Group Executive Committee – CEO of Siam City Cement (Vietnam) Limited (CEO SCCVN)</p> <p>Other Company</p> <p>Siam City Cement (Vietnam) Company Limited (Subsidiary)/ Cement Manufacturing (Registered in Vietnam)</p> <p>Jan 2023 – Present Director</p> <p>Oct 2021 – Present General Director</p> <p>Buller Electricity / Electricity Distributor (registered in New Zealand)</p> <p>2015 – 2021 CEO</p> <p>Holcim (Indonesia)/ Cement Manufacturing (Registered in Indonesia)</p> <p>2009 – 2014 President Director</p> <p>2004 – 2009 Manufacturing Director</p>

Name	Mr. Benjamin William Pinney
Age	58 years
Position	Group Strategy Transformation and Performance
Appointed since	1 February 2020
Company's shareholding ratio (%) as of 31 Dec 2022	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 – Dec 2022 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 - Dec 2022 Director</p> <p>INSEE Superblock Company Limited (Subsidiary)/ Light-Weight Concrete Products</p> <p>Apr 2020 – Dec 2022 Chairman</p> <p>Conwood Company Limited (Subsidiary)/ Construction Material</p> <p>Apr 2020 – Dec 2022 Chairman</p> <p>PT Conwood Indonesia Company Limited (Subsidiary)/ Architectural and Decorative Building Materials Producer (Registered in Indonesia)</p> <p>Apr 2020 – Dec 2022 President Commissioner</p>

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

2001 – 2012 Principal

Training Experience

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	56 years
Position	Company Secretary
Appointed since	24 July 2018
Company's shareholding ratio (%) as of 31 Dec 2022	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> Big C Supercenter Public Company Limited/ Retailer <div> <div>2012 – 2016</div> <div>GRC Director</div> </div>
Training Experience	Thai Institute of Directors (IOD) <div> <div>2022</div> <div>IOD Open House 2022</div> </div> <div> <div></div> <div>CGR 2023 Coaching</div> </div> <div> <div>2021</div> <div>Director Certification Program Class 310/2021</div> </div>

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	Ms. Sarinthip Yongprawat	
Age	41 years	
Position	Accounting, Reporting and IR Department Manager	
Appointed since	1 January 2022	
Company’s shareholding ratio (%) as of 31 Dec 2022	0.0%	
Family relationship among executives	NIL	
Education	Master Degree: <ul style="list-style-type: none">- Master of Management (International Program), College of Management Mahidol University Bachelor Degree: <ul style="list-style-type: none">- Bachelor of Accounting, Thammasat University (2nd Class Honors)	
Work Experience 5-year credential	Listed Company Siam City Cement Public Company Limited/ Cement Producer and Construction Materials 2022 - PresentAccounting, Reporting and IR Department Manager Minor International Public Company Limited/ Hotel, Food and Retail products 2015 – 2021Senior Manager, Management Reporting Other Company Bangkok Synthetics Company Limited/ Petrochemical Producer, Synthetic Rubber Products 2015 – 2019Accounting Division Manager	
Training Experience	Thailand Management Association 2022TFRS 2023 Comprehensive Cost Accounting class 2/2022 2014Thailand Management Association (TMA – MDP class19)	

The Management of the Company who are Members of the Board of Directors of the Subsidiary and Affiliated Companies, as of 31 December 2022

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

Information of the Directors of Significant Subsidiaries

Directors of Subsidiary Company as of 31 December 2022 (the subsidiaries that generates over 10% of the Company's consolidated revenue, as of 31 December 2022)

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				/

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)

Information of Head of Group Internal Audit and Compliance

Name	Mr. Ranjan Sachdeva
Age	54 years
Position	Head of Group Internal Audit and Compliance
Appointed since	October 2017
Company's shareholding ratio (%) as of 31 Dec, 2022	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

Details of Key Operation Assets

Assets

Property, Plant and Equipment

Objective: For business operations of the Company and its subsidiaries as at 31 December 2022

	Type of rights	SCCC	Subsidiaries	Total
Land, mineral reserve and site restoration	Owner	1,248	1,854	3,102
Building and structures	Owner	1,884	4,804	6,688
Machinery and equipment	Owner	6,714	7,774	14,488
Furniture, fixtures and office equipment	Owner	171	223	394
Motor vehicles	Owner	171	110	281
Assets under construction and installation	Owner	631	935	1,566
Total Property, Plant and Equipment		10,819	15,700	26,519

Remark : Property, Plant and Equipment are not mortgaged.

Intangible assets

	Type of rights	SCCC	Subsidiaries	Total
Mining concession and license fees	Owner	2,793	120	2,913
Computer software	Owner	43	665	708
Customer relationships	Owner	46	-16	30
Brands	Owner	-	1,576	1,576
Right of use	Owner	-	1,754	1,754
Other intangible assets	Owner	78	56	134
Intangible assets under development	Owner	373	-297	76
Total Intangible Assets		3,333	3,858	7,191

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, 196 of which were registered in Thailand and 193 were registered overseas. Main characteristics of the Company's trademarks are the symbol of eagle head and the word INSEE. Overseas trademarks are in Vietnam, Bangladesh, Sri Lanka, Indonesia and Cambodia. Moreover, the Company registered similar trademarks in some other countries that have imported cement from the Company and/or its subsidiaries, such as, Brunei, China, Hong Kong, India, Lao PDR, Singapore, Malaysia, the Philippines, Myanmar, Arab Emirates.



Mining Right

The Company has secured sufficient mines for providing raw materials for cement production in the long-term, both in Thailand and overseas subsidiaries. It also has an efficient plan to source alternative raw materials, in alignment with the long-term production plan, such as, concessions for shale and limestone mining (for cement industry) in Kaengkhohi District, Saraburi Province, aggregate quarry in Uthong District, Suphanburi Province, Gypsum mining in Nongbue District, Nakornsawan Province, 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 -

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 ensured 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 2022

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 2022, the Company received the following recognition for its corporate governance performance:



- CGR at excellent level for 7th consecutive year by Thai Institute of Directors Association (IOD)



- 2021 ASEAN Corporate Governance Scorecard Award for ASEAN Asset Class PLCs (Thailand), received 2022



- Full score 100 of the quality of the 2022 Annual General Meeting of Shareholders (AGM Checklist) as assessed by the Thai Investors Association.



- Certification as a member of the Private Sector Collective Action Coalition Against Corruption (CAC) for the second consecutive term



- Selected for the four year in a row as a company in the SET THSI Index, which is a responsible investment option.



- Selected for the third 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 2022

- 1) Change of Directors: The resolution of the AGM No.29 (Year 2022) held on 24 March 2022, appointed Mr. Tinnawat Mahatharadol as a new director and Mr. Onne van der Weijde as an independent director.
- 2) Change of Board Committees: The resolution of the Board of Directors No. 183 held on 24 March 2022, adjusted the member of the Board Committee, effective date on 25 March 2022 as follows;
 - Audit Committee (AC)

1. Dr. Sunee Sornchaitanasuk	Chairperson
2. Mr. Charin Satchayan	Independent Director
3. Mr. Onne van der Weijde	Independent Director
 - Nomination and Compensation Committee (NCC)

1. Mr. Paul Heinz Hugentobler	Chairman
2. Mr. Vanchai Tosomboon	Director
3. Mr. Tinnawat Mahatharadol	Director
4. Mr. Stephen Patrick Gore	Director
5. Mr. Robbert Egbert Johannes van der Feltz Van der Sloom	Independent Director

- Governance Committee (GC)

1. Mr. Charin Satchayan	Chairman
2. Dr. Subhak Siwaraksa	Director
3. Ms. Phatchada Muenthong	Member

 - Investment and Finance Committee (IFC), IFC was established as the Board of Directors' resolution no. 183

1. Mr. Onne van der Weijde	Chairman
2. Mr. Tinnawat Mahatharadol	Director
3. Mr. Stephen Patrick Gore	Director
- 3) Change of Executive: Mr. Siva Mahasandana retired as an Executive on 31 December 2022, and succeeded by Mr. Montri Nithikul, effective on 1 January 2023.

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 2022 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 which posted on the Company's website

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 has the corporate value of "*Doing what is right*" to uphold the practice of integrity. The Board of Directors has established the Code of Business Conduct, communicated, and educated within the Group as a guideline of operation for all Directors, Executives, and employees of SCCC Group, as well as communicating to stakeholders and outsiders on the Company’s website. The Board of Directors assigned the Governance Committee in its GC Charter to review the Code of Business Conduct as one of the main corporate governance documents. Company Secretary is responsible in communicating and creating awareness of the Code of Business Conduct to the Board of Directors on a yearly basis. In 2022, all 12 Directors, representing 100 percent of the Board were communicated accordingly.

To carry out responsibilities in accordance with ethical principles, employees adhere to the values of honesty, fairness, and transparency to strengthen and maintain the Company’s reputation, image, and confidence of the shareholders, investors, and stakeholders, as well as to be consistent and in accordance with the Company’s Corporate Governance Policy.

In furtherance of encouraging employees to be aware of business ethics, the Company has promoted compliance awareness to all levels of employees from the beginning by providing knowledge of business ethics as part of the orientation for new employees. To ensure that all levels of employees recognize, understand, and be able to act on it, all employees and executives, representing 100 percent have communicated, trained, and signed the acknowledgment of the Code of Business Conduct.

In order to ensure that all employees and management understand and implement the corporate governance in their daily operations, the Company has arranged a refresher training on the Code of Business for all employees and management in every two years. This is also an activity to raise awareness and promotes the Company’s good corporate governance, creates a corporate culture, and serves as the foundation for doing business, as well as ensuring the sustainability of the Group. In 2022, there were 8 cases reported thru INSEE Speak Up and the Company pursued investigation for all 8 cases according to the procedure of the Whistleblowing Policy and has set improvement process accordingly.

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.

In addition to focusing on strategic considerations, the Board of Directors is well aware of sustainability issue. The Board of Directors has approved clear ESG targets. It also approved the appointment of a working group on sustainable development (Sustainability Steering Committee) under the leadership of the assigned Executive Director to implement actions for ESG targets in Group Companies in all countries. In the next step, it is also preparing to raise standards for disclosure under the Task Force on Climate related Financial Disclosure (TCFD). In addition, the Board of Directors has also approved the appointment of a Risk Management Steering Committee, which reports the results to the Audit Committee for review and to provide independent opinions to the Board of Directors. The Board of Directors determines to follow up on progress reports on sustainability performance and risk management on a quarterly basis.

The Board of Directors has paid attention to meetings. Within mid-year of each year, the Board of Directors shall set the dates and key agenda items of the following year, allowing them to allocate time and attend meetings without interruptions, as well as to 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



Gender



Board Skill Matrix

Industry / Business Segment	Number of directors
Construction Materials	8
Construction Services	5
Engineering	4
Mining	4
Energy and Utilities	3
Financial & Securities	8
Accounting	7
Commerce	7
Property Development	6
Banking	5
Professional Service	5
Property Fund & REITs	4
Health care service	4
Industrial Materials & Machinery	2
Insurance	2
Food & Beverage	2
Information & Communication	2
Technology	
Automotive	1
Transportation and logistics	1
Personal products & Pharmaceuticals	1
Media & Publishing	1
Agribusiness	1
Tourism & Leisure	1

Knowledge & Experience	Number of directors
Risk Management	12
Corporate Management	11
Strategic Management	11
Change Management	11
Project Management	11
Leadership	11
Finance	9
Fund Management	9
Data Management	9
Budgeting	8
Economics	8
Governance / Compliance	8
Audit	7
Internal Control	6
Statistics	5
Law	5
Sustainability	5
Corporate Social Responsibility	5
Human Resource Management	5
Negotiation	4
Marketing	3
Brand Management	3
Procurement	3
IT Management	3
Data Analysis	1
Digital Marketing	1

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.

Each Director updated information on his/her skills and experiences during the annual self-assessment. In this regard, the Board of Directors believes that the size, composition, skills, and experience of the Board of Directors and subcommittees summarized in the Board Skill Matrix above are appropriate and in line with the Company's business strategy in 2022. Furthermore, it is believed that Director performed his or her role appropriately and met 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 2022.

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 2022, the Board of Directors has three 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. The Shareholders elected the director nominations one by one.


Each director must be approved by more than half of the shareholders in attendance and casting their votes. The Board of Directors offered rights to minority shareholders to 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 of the Responsibilities of the Chairman, and Group Chief Executive Officer 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 2022, there were 6 board meetings and 2 special strategy meetings (INSEE Day) with CEOs of all Group Companies, for a total of 8 meetings in the year 2022, 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 2022, directors' attendance accounted for 99 percent of all meetings held throughout the year. Individual director meeting *attendance* in 2022 is as follows:

Position			Total Attendances/ Total Meetings						
			Annual General Meeting (no EGM)	Board Meeting	Audit Committee Meeting	Governance Committee Meeting	Nomination and Compensation Committee Meeting	Investment and Finance Committee Meeting	Non-executive Director Meeting
Non-executive Directors									
1	Mr. Paul Heinz Hugentobler	Chairman	1/1	8/8	-	-	6/6	-	1/1
2	Mr. Vanchai Tosomboon	Director	1/1	8/8	-	-	6/6	-	1/1
3	Ms. Nopporn Tirawattanagool	Director	1/1	8/8	-	-	1/1	-	1/1
4	Mr. Tinnawat Mahatharadol	Director	-	6/6	-	-	5/5	3/3	1/1
5	Mr. Stephen Patrick Gore	Director	1/1	7/8	-	-	4/5	3/3	1/1
6	Dr. Subhak Siwaraksa	Director	-	8/8	-	2/2	-	-	1/1
7	Mr. Robbert Egbert Johannes van der Feltz van der Sloot	Director	-	8/8	2/2	-	5/5	-	1/1
Audit Committee									
8	Dr. Sunee Sornchaitanasuk	Chairperson of Audit Committee	1/1	8/8	11/11	-	-	-	1/1
9	Mr. Charin Satchayan	Member of Audit Committee	1/1	8/8	11/11	2/2	-	-	1/1
10	Mr. Onne van der Weijde	Member of Audit Committee	1/1	6/6	9/9	-	-	3/3	1/1
Executive Directors									

Position			Total Attendances/ Total Meetings							
			Annual General Meeting (no EGM)	Board Meeting	Audit Committee Meeting	Governance Committee Meeting	Nomination and Compensation Committee Meeting	Investment and Finance Committee Meeting	Non-executive Director Meeting	
11	Mr. Aidan John Lynam	Group CEO	1/1	8/8	-	-	-	-	-	
12	Mr. Siva Mahasandana	CEO	1/1	8/8	-	-	-	-	-	

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 2022
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, RCP 52/22*
3.	Ms. Nopporn Tirawattanagool	- DAP 5/03, RCC 8/09, DCP 135/10, ACP 31/10, FGP 2/11, ACEP 7/13, RCL 1/15, IOD National Director Conference 2018, National Director Conference “Leadership Behind Closed Door” 2021
4.	Mr. Tinnawat Mahatharadol	- DCP 2014
5.	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), ESG - Environment, Social and Governance Essentials 2022*
6.	Dr. Subhak Siwaraksa	- DAP 42/2005, DCP 72/2006, FGP 3/2011, AACP 26/2017
7.	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
8.	Mr. Charin Satchayan	- DCP 196/14, BMD 2/16, FBG 5/16, SBM 1/2017

No.	Directors	Training Courses until end of 2022
9.	Mr. Robbert Egbert Johannes van der Feltz van der Sloot	- DAP 183/2021
10.	Mr. Onne van der Weijde	-
11.	Mr. Aidan John Lynam	- DAP 166/20
12.	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18

* Attended in 2022.

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. 29, held on March 24, 2022:

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 45 million (from annual budget of THB 30 million in the previous years). 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 15 million (from not exceeding THB 7 million in the previous years). The Board of Directors shall allocate accordingly.

Other Benefits for Directors: None

The provisions of the foregoing paragraphs shall not affect the right of any officers or employees of the Company who are elected as directors to receive their remunerations and benefits as officers or employees of the Company.

The Board of Directors may adjust the Board Committees in the future. However, the total Directors' Remuneration for the year 2022 shall not exceed the approved limit which is Baht 45 million per year

The following are the monthly director fees and/or meeting fees for each position:

Board / Committee	Position	Monthly Fee	Meeting Fee
Board of Directors	Chairman	240,000	-
	Director	120,000	-
Audit Committee	Chairperson	180,000	-
	Director	120,000	-
Nomination and Compensation Committee	Chairman	120,000	-
	Director	75,000	-
Governance Committee	Chairman	-	120,000
	Director / Member	-	75,000
Investment and Finance Committee	Chairman	120,000	-
	Director	75,000	-

Details of Remuneration received in 2022 by each Director are as follow:

List of Directors		Total of Director Fee Paid in 2022 (THB)					Bonus Paid in 2022 (THB)	Total Amount Paid in 2022 (THB)
		Board of Directors	Audit Committee	Governance Committee	Nomination and Compensation Committee	Investment and Finance Committee ^{*/1}		
Non-Executive Directors								
1	Mr. Paul Heinz Hugentobler	2,760,000	-	-	1,320,000	-	700,000	4,780,000
2	Mr. Vanchai Tosomboon	1,380,000	-	-	855,000	-	400,000	2,635,000
3	Ms. Nopporn Tirawattanagool ^{*/2}	1,380,000	-	-	180,000	-	400,000	1,960,000
4	Mr. Tinnawat Mahatharadol ^{*/3}	1,103,333	-	-	675,000	675,000	-	2,453,333
5	Mr. Stephen Patrick Gore	1,380,000	-	-	855,000	675,000	379,167	3,289,167
6	Dr. Subhak Siwaraksa	1,380,000	-	135,000	-	-	200,000	1,715,000
7	Mr. Robbert Egbert Johannes van der Feltz van der Sloot ^{*/4}	1,380,000	300,000	-	855,000	-	650,000	3,185,000
Independent Directors								
8	Dr. Sunee Sornchaitanasuk	1,380,000	2,070,000	-	-	-	625,000	4,075,000
9	Mr. Charin Satchayan	1,380,000	1,380,000	200,000	-	-	529,167	3,489,167
10	Mr. Onne van der Weijde ^{*/5}	1,103,333	1,080,000	-	-	1,080,000	-	3,263,333
Executive Directors								
11	Mr. Aidan John Lynam	1,380,000	-	-	-	-	250,000	1,630,000
12	Mr. Siva Mahasandana	1,380,000	-	-	-	-	250,000	1,630,000
Total							4,383,334	34,105,000

***not holding office for a full year.**

Remark

- 1 The Investment and Finance was established as the Board of Directors' resolution no. 183 on 24 March 2022
- 2 Ms. Nopporn Tirawattanagool resigned as a member of the Nomination and Compensation Committee on 24 March 2022
- 3 Mr. Tinnawat Mahatharadol was appointed as a director and member of the Nomination and Compensation Committee and Investment and Finance Committee on 24 March 2022
- 4 Mr. Robbert Egbert Johannes van der Feltz van der Sloot resigned as a member of the Audit Committee on 24 March 2022
- 5 Mr. Onne van der Weijde was appointed as a director and member of the Audit Committee and the Investment and Finance Committee on 24 March 2022

The bonus for the year 2022 of THB 4,953,611 assigned by the Board of Directors and authorized by the Shareholders Meeting, is the accrued amount of director remuneration to be payable in 2023.

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.

Many mechanisms are used to supervise subsidiaries and associated companies, including monthly reporting of operating results to the Group management meeting and the meeting of the subsidiary's board of directors, which is held approximately five times a year, before the meeting of the Group Board of Directors in each quarter. Furthermore, senior executives from subsidiaries and associates must present business plans and yearly budgets at Board of Directors meetings, which are specifically arranged for strategic consideration of the business plan and budget.

Furthermore, the company 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). The assessment results for 2022 have an average score of 85–90%. In summary, the Board and Board Committees 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 2022, 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 2022.

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 2022
1	Mr. Aidan John Lynam	- DAP 166/2019
2	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18
3	Mr. Eamon John Ginley	-
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 of Directors realizes the importance of protecting personal information of all stakeholders, namely shareholders, employees, customers, business partners, etc. The Company has therefore implemented many activities including the announcement of privacy policy on the Company’s website. This is in line with the Personal Data Protection Act (PDPA) to indicate transparency in operations. And the Company will collect, process and disclose the personal data of the stakeholders only for the purposes specified in the policy.

🔍 More details of the privacy policy which are on website <https://siamcitycement.com/pdpa/en/privacy> and <https://investor.siamcitycement.com/en/downloads/shareholders-meetings?year=2022>

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.

Siam City Cement Group provides equal employment opportunities without discrimination. The Group recognizes the importance of equal opportunities provided to all, including physically challenged individuals, in which it can sustain a fit profession of their utmost capability. In addition, SCCC Group have submitted our contributions accurately and completely in compliance with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007). The Company is determined to take action in different areas to demonstrate social responsibility continuously and completely for career promotion projects for people with disabilities that the Group has supported since 2017.

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

🔍 Details of the SD Performance which are on website https://www.siamcitycement.com/en/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 and providing accurate and complete product details without causing misunderstandings or taking advantage of a customer's misunderstanding Including not advertising people to believe that beyond the reality which consistent 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.

Customers' safety and hygiene are always prioritized by the Company. As a result, the product information disclosure policy has been used as a practice guideline by specifying product information on the company's product label, which clearly shows important details about the product, such as quantity, how to use, warning, various certification marks, and so on, to help customers easily see important information about the product. This is yet another efficient method of conveying information between products and 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.

The SCCC Group has a corporate vision which seeks to continually create value for all its stakeholders by delivering high quality products & services. One of the pathways to achieve this vision is by ensuring all purchased goods and services come via a standardized procurement process, and that they are environmentally and socially responsible.

Suppliers have an important role at every stage of SCCC’s supply chain. From the sourcing of raw materials for our production processes, through to the distribution of our finished products, suppliers play an important role. The supplier selection and their management processes within SCCC are detailed clearly within internal policies and procedures aimed to align internal practices to the highest standards. Relevant policies that guide this behavior include but are not limited to the following; SCCC Procurement Handbook, Green Procurement Policy, Conflict-of-Interest Policy, No Gift Policy, the Anti-Bribery and Corruption Policy, and 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.

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 Company is determined to develop capability of the sales representative, to have in depth product knowledge, understand customer requirements, and ultimately be the advocate of INSEE Products. In doing so, the Company employs internal and external experts, marketing techniques and tools.

SCCC has a supplier management process that outlines the key considerations in the evaluation, selection, and performance management of a supplier in their provision of either goods or services. This process is aimed at striking the right balance between ensuring optimal upfront value (cost, quality, optimal scope etc.), and a continued commitment to improve SCCC's business performance via the provision of innovation, collaboration, and continual improvement. This process continues to evolve and now incorporates a criterion that considers the major elements contained within ESG (environment, social, and governance) guidelines. On this point, SCCC continually focuses on achieving greater efficiency in performance and cost via green alternatives, which include but are not limited to the utilization of fossil fuel energy substitutes, alternative raw materials, waste-heat recovery, and equipment and machinery that have a lower energy input.

This constant search for ESG driven efficiency and performance is not limited to the products and materials that procurement purchase from our suppliers, but also extends to our internal operations and commitment to reduce natural resources assumption. This is exemplified by our 2022 adoption of the Robotic Process Automation (RPA) technology and implementation of the Vendor Portal System within our Purchase to Pay (P2P) workflow. This commitment to technological innovation highlights the commitment by SCCC Procurement to continually evolve and work collaboratively with our supplier network to increase both performance, efficiency, and communication.

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.

The INSEE Construction 4.0 project is one of the projects that the business has always organized. Siam City Cement Public Company Limited, in collaboration with the Ministry of Labor's Department of Skill Development, organizes a professional construction training program. The Company's employees who have knowledge, ability, and experience in each product are guest speakers for practical training for community members, the unemployed, and those engaged in construction work in order to support a

career that promotes income for themselves and their families. This is a development for the community to be self-reliant in a sustainable way.

- Q Details of key projects to support the sustainable development of communities and society can be found in the Sustainable Development section.
- Q You can follow more community engagement activities and stakeholder groups on our Facebook pages: INSEE Care and INSEE Community Team.

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. In 2022, environmental awareness among employees in a variety of courses. The total number of employees participating in the training is 160 people as follows:

- Environmental Laws for the cement industry
- Industrial Waste Management Law and Industrial Waste Management
- Air Pollution Operator
- Submission of environmental impact assessment (EIA) reports via the SMART EIA PLUS
- Basic for ISO Requirements (ISO 9001, ISO 14001 & ISO 45001)

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 2022, 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 also announced 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 certified by Thai Private Sector Collective Action Against Corruption (CAC) as a member of the second consecutive term, reflecting SCCC’s commitment and compliance to anti-corruption guidelines. The Company continues to adhere to principles of good corporate governance and business ethics with long-term dedication toward sustainable growth.

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 the IT Management Policy for the Group, as 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.

The Company places importance on controlling the IT management process and using the company's data efficiently and for the company's benefit. Prevention of data loss or leakage and data security, including providing an anti-phishing policy. It also raises awareness about IT technology management, information security, and anti-phishing by providing all employees and executives with IT security knowledge and training. This includes anyone who represents or acts on behalf of any of the group's entities.

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.

The Group's information technology expenses decreased continuously. In this regard, INSEE Digital Co., Ltd. has given services covering strategic planning in information technology and digital to be consistent with and promote the business strategy of Siam City Cement Group and monitoring and developing the existing system in order for it to function at optimal efficiency and meet the requirements of users both inside and outside the organization in accordance with the set goals.

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 risk appetite, 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.

 Audit Committee Charter can be found on the Company's website.

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.

Management and Prevention 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 allowed to participate in decision-making.

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 established 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 2022, the Company organized activities for all employees to promote knowledge and understanding of conflicts of interest. It provides knowledge and quizzes through e-learning to raise awareness and avoid potentially harmful situations. 100 percent of all employees and executives took part in the activities. Furthermore, the policy on conflicts of interest is communicated to all executives and directors every quarter in which all directors and executives have been completely communicated 100 percent. Also, the Company monitors reports on disclosure of conflicts of interest of directors and executives and report to the Board of Directors on a quarterly basis and inform the relevant departments to use such input to prevent the conflict of interest and allow Directors and Executives to perform their duties responsibly, cautiously and honestly avoid situations that may cause conflicts of interest.

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 Insider Trading Policy and established Blackout Period practice, for 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 2022, no allegation from the authority against the Directors, Executive or employees against the misuse of inside information, and no breach of the Blackout Period.

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 2022, 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 and the company has organized activities via e-learning to promote awareness among employees who are involved in inside information, executives, and directors, on the subject of "Insider Trading Policy Awareness Learning." Information and training are provided to both directors, executives, and employees, accounting for 100 percent. Furthermore, the Board of Directors has reviewed the corporate governance policy and approved increased measures to avoid the use of insider information in the last year. The directors and executives are obliged to inform the chairman of the board of directors or the company secretary at least one day in advance of the trading of company shares.

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.”

Summary of shares held by Directors and Executives in 2022 is as follows:

List of Directors/ Executives	1 January 2022			31 December 2022			Total Number of Shares Increase/ decrease during the year (share)
	Number of Shares (Share)		Percentage of Shares Held	Number of Shares (Share)		Percentage 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. Tinnawat Mahatharadol							
5. Mr. Stephen Patrick Gore	-	-	-	-	-	-	-
6. Mr. Subhak Siwaraksa	-	-	-	-	-	-	-
7. Dr. Sunee Sornchaitanasuk	-	-	-	-	-	-	-
8. Mr. Charin Satchayan	-	-	-	-	-	-	-
9. Mr. Robbert van der Feltz van der Sloom	-	-	-	-	-	-	-
10. Mr. Onne van der Weijde	-	-	-	-	-	-	-
Executive Director							
11.Mr. Aidan John Lynam	-	-	-	-	-	-	-
12.Mr. Siva Mahasandana	216,926	-	0.0728	216,926	-	0.0728	0
Executives							
13. Mr. Mark Anatol Schmidt	-	-	-	-	-	-	-
14.Mr. Eamon John Ginley	-	-	-	-	-	-	-
15.Mr. Benjamin Pinney	-	-	-	-	-	-	-

Note: The percentage of shares held calculated from the registered capital 2,980 million baht.


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 and currently in the renewal process.

The company gives importance and conducts risk assessment of corruption within the organization. There are processes and measures to manage fraud risk according to the company's anti-fraud and corruption policy. The Anti-Bribery and Corruption Policy is a policy at the Group level approved by the Board of Directors. Guidelines on anti-bribery and corruption included tone at the top, no offering or accepting a bribe, transparent monitoring and providing training and communication for both internal and external stakeholders. Internal controls for this matter cover the code of business conduct, the conflict of interest policy, whistleblowing policy, manual of authority which controls the approval procedure, and protection of whistleblowers.

In 2022, the Board of Directors approved the amendment to policy and guideline of anti-bribery and corruption by adding the prohibition of hiring of government officials that leads to conflict of interest, unless the 2-year cool off period has passed. Also, the Company organized training to raise awareness of the anti-corruption policy. It is a method of providing knowledge and quizzes through an e-learning system, with 100% of employees passing the training, as well as communicating to educate on such matters to all executives and directors. 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:

 Anti-Bribery and Corruption Policy can be found on the Company's website.
<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 2022, there were 8 cases of whistleblowing and complaint. 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. Sarinthip Yongprawat is in charge of Investors Relations activities of the Company. In 2022, 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:	<u>SCCC_TH_IR@siamcitycement.com</u>

Management supports the investor relations functions such as establishing guideline for giving securities price sensitive information and 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 2023, 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 3 October 2022 - 3 January 2023 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 proposal for agenda item or director candidate or question for AGM 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 evidence 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 the assigned independent directors or other persons as their proxies to participate and cast their votes in the meeting and encourages the shareholders to use Proxy Form B and assigned more than one independent directors as their proxy-holders.

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, the Board of Directors did not submit other matter outside the invitation letter to the Shareholders’ Meeting, to ensure that shareholders have adequate time to study on its information before making decision.

All Directors and relevant Executives attend the Shareholders’ Meeting, so that Shareholders can inquire on 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.
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:

- (1) To strictly and fully comply with the commitments and conditions on debt payments as agreed upon both on the aspect of the back payments of the loans and relevant interests within the prescribed period of time; looking after the collaterals and encumbered charges and liabilities which may contingently occur;
- (2) To manage capital for suitable structure in order to build up confidence in our creditors on our financial status and good solvency; and
- (3) Should there be a case in which we cannot comply with any Clause of the conditions or as agreed upon, SCCC would notify the creditors accordingly in advance without covering up any facts in order that a joint consideration to find a solution in solving the problem can be made.

3) Intellectual Property Rights

The Company also emphasizes on respecting intellectual property rights of the third parties. It is the Company’s policy that Directors, Executives and employees and other persons acting on behalf of the Company shall avoid infringement of intellectual property rights of the third parties. At the same time, the Directors, Executives and employees and other persons acting on behalf of the Company shall protect and inspect the Company’s intellectual property for the interest of the Company as prescribed in the Code of Business Conduct and related policies, for instance, Appropriate Use of Company IT Asset Policy, Information Classification and Handling Policy, etc.

14. Non-financial Performance Indicators

In order to create confidence in our customers and optimally satisfy them for our services, the Company has established INSEE Service Center to give recommendations relating to the products and services including the advice in relation to the method in solving the problems, after sales services including receipts of complaints when problems arises as well as providing the management process in order to establish good relationship with our customers which is the Net Promoter Score (NPS) for use in working and service providing improvements in order to elevate the level of satisfactions of our customers and their overall feelings as to whether they will continue to provide supports to the Company or not and whichever the level of our customers would support the Company. Therefore, we can assure that our after-sales service, our close look after the product quality would make the Company’s products remained in the hearts of our customers to the extent that they are loyal to our product brand from being the Net Promoter Score (NPS) of 2022 to keep the good score continuously.

Detail of SD Performance Indicators are available in the Company’s website.
https://siamcitycement.com/en/our_caring/sd_report

List of documents *

1. Policies concerning corporate governance
<ul style="list-style-type: none"> ▪ 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
<ul style="list-style-type: none"> ▪ 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 ▪ Charter of the Finance and Investment Committee ▪ Charter of the Risk Management Steering Committee ▪ Charter of the Sustainability Steering 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 2022. 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”.

Report of the Audit Committee

Dear Shareholder,

The Audit Committee comprises three independent directors with combined skills and expertise in finance, accounting, laws and business. All members possess adequate qualifications as required by the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET).

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 (BoD). The Audit Committee advocates a strong culture of governance, integrity, ethics, accountability and transparency for a long-term sustainable business.

In 2022, the Audit Committee convened a total of 11 meetings, with attendance by all members.

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 global business recession and cyber security in addition to the business risks and organization effectiveness in framing its priorities for year 2023.

The Audit Committee's main activities are summarized below:

- (1) Review of Financial Reports:** The Audit Committee reviewed significant information in the quarterly and annual financial statements of Siam City Cement Public Company Limited and its 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 accounting 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 independency, 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 Group Risk Management:** The Audit Committee quarterly reviewed the appropriateness and effectiveness of the Group Companies risk management processes which was further strengthened in year 2022. In particular, the Audit Committee reviewed assessment and mitigation actions thereon with Group Chief Executive Officer (GCEO) particularly on securing cement economics and margin reinforcement through pricing, increase of production costs, impact from the enactment of Expropriation Decree published in Royal Gazette, cybersecurity, etc., and macro risks (e.g. inflation, war, global trends, 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 scope includes the reviewing of business focus and organization effectiveness (stewardship of properties, resource assumption, prevention or reduction of errors or damage, losses, waste or corrupt practices, etc.). The internal control system was further strengthened by continuous educating and creating awareness of responsibility and accountability of employees through a structured design effectiveness testing and operating effectiveness testing of INSEE Minimum Controls (IMC). 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 2023 including the budget to support the plan. In addition, the Audit Committee was also assigned the task from BoD to review the adequacy and effectiveness of finance organization.