

The Siam Cement Public Company Limited

Annual Report 2023

Form 56-1 One Report*

Embracing Challenges to Build
**Low Carbon
Society**



* Annual Registration Statement/Annual Report



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In case this Annual Report (Form 56-1 One Report) reference disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report.



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01

Inclusive Green Growth Drives Business Expansion through Low-carbon Innovations, Fostering a Resilient and Sustainable Society

SCG'S BUSINESS PURPOSE

ESG 4 Plus

The global boiling, unpredictable weather patterns, frequent natural disasters, and resource scarcity severely impact the environmental, social, and economic dimensions worldwide. Every sector across the globe is urgently collaborating to address this crisis. **SCG**, a leading conglomerate in ASEAN and entering its 111th year of stable growth, recognizes the importance of responsible business practices. It is elevating its operations by integrating sustainable development strategies in line with the United Nations' Sustainable Development Goals (SDGs) through the “**ESG 4 Plus**” approach, emphasizing **Net Zero – Go Green – Reduce Inequality – Enhance Collaboration Plus Trust through Transparency.**

Towards Net Zero Society via Low Carbon Products, Energy Transition and Green Innovations

SCG is committed to achieving **Net Zero greenhouse gas emissions (Scope 1 and 2) by 2050.** Each business unit, including SCG Cement and Green Solutions, SCG Smart Living, SCG Decor (SCGD), SCG Distribution and Retail Business, SCGP, SCG Chemicals (SCGC), and SCG Cleanergy, along with other investment ventures, is increasing the use of low-carbon energy and strategically implementing this approach to facilitate the transition to a Net Zero

Society. Leveraging innovations and collaborations with Open Innovation and utilizing expertise from business operations, SCG aims to develop low-carbon solutions (Decarbonization) to meet the demands of the ASEAN market and the world.

World Class Recognition

SCG has been recognized by leading global institutions as a leader in sustainability, **achieving the position of a company assessed within the top 1% with the highest scores** in the construction materials industry group, **according to the Corporate Sustainability Assessment (CSA) by S&P Global.** It has also earned **the ESG Industry Top Rated status, ranking first out of 125 companies worldwide** in the industrial conglomerates' category from **Morningstar Sustainalytics,** and **the AA (Leader) level** in construction materials by **Morgan Stanley Capital International (MSCI).** This success reflects the dedication of SCG and its business partners, who share the common goal of accelerating the development of cost-competitive, low-carbon innovations into reality. This initiative aims to improve the quality of life for people on the shared planet without leaving anyone behind, leading to robust, sustainable business growth as promised in SCG's pledge, “**Passion for Better.**”



02

MESSAGE FROM THE BOARD OF DIRECTORS



Air Chief Marshal

A handwritten signature in black ink, appearing to read 'Satitpong Sukvimol'.

Satitpong Sukvimol
Chairman

In 2023, the global economy faced significant volatility from the Russia-Ukraine conflict, Middle East tensions, rising interest rates, high inflation, fluctuating energy prices, a petrochemical trough, and the slow recovery of China and ASEAN. Likewise, Thailand's increasing risks from surging energy and electricity costs affecting all sectors.

SCG restructured to boost agility and resilience amid economic volatility, focusing on robust financial health, efficient cost control, and a shift towards greener energy by using more clean and renewable sources. This approach aims to reduce costs, seize opportunities in crisis, invest in high-growth businesses, and move towards a low-carbon society. SCG is ready to harness global market opportunities in clean energy, green innovation, healthcare, smart living, and digital logistics, ensuring customers enjoy a lifestyle that is “valuable, convenient, safe, and green.”

SCG has restructured to enhance agility and resilience amidst economic volatility, focusing on a stable financial position with prudent management. It also aims to seek opportunities in crisis to offer customers a lifestyle that is **“valuable, convenient, safe, and green.”**



Mr. Thammasak Sethaudom
President & CEO of SCG

Restructuring Business Groups for Enhanced Agility in Creating Innovation and Fast Responsiveness

SCG restructured its business groups with an Agile Organization model, fostering new businesses with high growth potential aligning with global trends and business conditions. This adjustment enables SCG to quickly adapt to ever-changing customer demands.

- **SCG Cement and Green Solutions** has elevated the ASEAN construction industry by promoting construction innovations and green technologies, responding to the surge in green construction practices. This includes the production of **Low Carbon Cement**, which has quickly gained popularity. **SCG Cement and Green Solutions** has accelerated the replacement of Low Carbon Cement with Portland Cement. In 2023, the production of Low Carbon

Cement in place of Portland Cement increased to 63% from 41% in the previous year. Furthermore, adopting new, efficient, and green technologies, such as the **CPAC Ultra Bridge Solution for ultra-thin high-performance concrete bridges** and the **CPAC 3D Printing Solution** for flexible design, has reduced construction time, labor costs, material use, and waste. Additionally, SCG has grown its **Green Circularity Business** by creating value from waste materials and utilizing them to their fullest potential. This approach helps reduce production costs and lower greenhouse gas emissions.



2023 Operating Results
Press Conference

Scan to watch video >



Agile Organization



- **SCG Smart Living** continues to innovate in building materials, elevating living environment standards by developing energy-saving solutions, enhancing environmental hygiene, and increasing safety at home and building through smart technologies. Examples of these innovations include “**SCG Bi-ion,**” an ion-based air disinfection system that eliminates airborne pathogens, including dust particles; the energy-saving and improving indoor air quality “**SCG Air Scrubber,**” which can reduce air conditioning energy consumption by 20 - 30% in non-residential building such as convention centers, shopping malls, hotels, and hospitals, which over 240 locations have installed these systems. “**SCG Solar Roof Solutions**” features the unique ‘Solar Fix’ installation system by SCG, preventing roof leaks from solar panel installations on roof tiles. “**SCG Active Air Quality**” ensures clean air inside homes by preventing pollution and pathogens from entering, filtering out PM2.5 particles by up to 99%, thus protecting indoor air from dust and pathogens. Furthermore, SCG has launched various new building material innovations that meet functional and design needs. The “**SCG Metal Roof**” with NoiseTECH technology cuts rain noise by up to 12 decibels compared to standard metal sheets. Using digital printing technology, the “**SCG EXCELLA Cresta**” ceramic roof offers distinctive natural stone patterns. Exterior fiber cement walls, “**SCG WOOD-D,**” mimic the pattern and colors of natural wood through digital printing technology, offering a durable alternative to real wood.

- **SCG Decor (SCGD),** SCG has restructured COTTO to SCGD, and it has been listed on the Stock Exchange since December 20, 2023, to synergize its domestic and international operation; for instance, leveraging the cost competitiveness of its plant in Vietnam for an export base and doing sourcing activities across operations. SCGD aims to be No.1 in ASEAN market supported by our position as

No.1 market share in ceramic tile and sanitary ware and fittings in Thailand and No.1 market share of ceramic tile in Vietnam and the Philippines, serving the four strategic markets which are Thailand, Vietnam, the Philippines, and Indonesia of over 560 million people with a market worth over 180 billion baht. The goal is to bolster its strengths by enhancing production efficiency in high-demand products, such as large tiles and SPC vinyl tiles. Efforts are underway to boost brand visibility across the region with brands such as COTTO in Thailand, PRIME in Vietnam, MARIWASA in the Philippines, and KIA in Indonesia and to broaden distribution networks for comprehensive regional coverage.

- **SCG Distribution and Retail** achieved the country’s strongest construction material distribution network, becoming a leader in ASEAN’s wholesale and retail sectors through digital technologies tailored to diverse customer needs to enable swift and precise business expansion. The business also offers end-to-end supply chain solutions, with a network across over 50 countries catering to both upstream and downstream demands. The goal is to improve the quality of life for business partners and customers worldwide. To actively expand into the retail market for construction and home decorative materials, **the business increased its investment in PT Catur Sentosa Adiprana Tbk (CSA),** Indonesia’s largest retail construction material business for “**Mitra10**” store expansion, aiming for 100 stores by 2030. **It also invested in Caturkarda Depo Bangunan Tbk (CKDB),** another leading retail store for construction materials, home decorative items, and garden supplies in Indonesia under **Depo Bangunan brand** to target sustained growth in the Modern Trade market. Additionally, **SCG International is expanding its high-growth construction business in Saudi Arabia and India** with an office in Saudi Arabia

to become a “global leading trading partner”, forging connections with trading partners worldwide.

- **SCGP** a subsidiary of Siam Cement Group (SCG), has been listed on the Stock Exchange since 2020 as a part of a strategy to restructure and increase agility, leading to sustainable growth. Sales climbed from 89,070 million baht in 2019 to 129,398 million baht in 2023. Amid challenges, **SCGP has continuously grown through merger and partnership. In 2023, it invested in Bicappa Lab S.r.L.**, a major European medical supplies and labware manufacturer in Europe, to gain technological expertise and broaden its customer base in the medical supplies and labware market. Other investments include **Law Print & Packaging Management Limited**, a prominent packaging solution provider based in the UK specializing in the high-growth pet food industry, and **Starprint Vietnam Joint Stock Company (SPV)**, a leading premium offset folding carton manufacturer in Vietnam. These investments have bolstered SCGP’s integrated packaging solutions, meeting the increasing demands of the customer base in ASEAN.

- **SCG Chemicals (SCGC)**, an ASEAN chemical industry leader, offers a comprehensive range of products from upstream to downstream. The vinyl business has further expanded into finished products, including pipes and fittings, enhancing the business’s strength. Despite the regular petrochemical trough every 7-10 years, SCGC has fortified its position by developing High Value Added Products & Services (HVA) to address megatrends like **SCGC GREEN POLYMER™**. In 2023, sales reached 218,000 tons, on track for the 1 million tons per annum target by 2030. **SCGC invested with Braskem** in bio-based ethylene production from ethanol derived from agricultural produce-derived ethanol as an alternative to fossil-based ethylene with a 200,000-ton annual capacity. This bio-ethylene is used to produce bio-based polyethylene resins with a negative carbon footprint and are recyclable like conventional polyethylene to serve the high-demand markets in Asia and Europe. **Partnering with Sirplaste in Portugal**, SCGC expanded its high-quality recycled plastic resin production to 45,000 tons annually, focusing on odorless high-quality HDPE PCR resins for Europe. **LSP, Vietnam’s first integrated petrochemical complex**, despite the COVID-19 situation at the start of its construction, has proceeded as planned in terms of timeline and budget. It has begun downstream production since June 2023, with a total downstream production capacity of 1.4 million tons annually. It successfully commenced upstream

operations in December 2023, aiming for full commercial production in early 2024. SCGC will strengthen its production bases in three markets: Thailand, Vietnam, and Indonesia, to create synergy from sourcing materials and production to sales.

- **SCG Cleanergy** offers end-to-end clean energy services to the public sector, businesses, and industries, showing continuous growth. By Q4/2023, it has prepared and implemented ongoing projects with capacity totaling 451 megawatts. A notable achievement is implementing a **smart grid system**, already in use at Saha-Union Bangpakong and set to expand to the Phyathai-Paolo Hospital Group and Centara Hotels & Resorts. In partnership with the Provincial Electricity Authority, it has explored the feasibility of business models and the development of an energy trading platform for electricity trading within and outside industrial estates. Concurrently, **it has invested in Rondo Energy**, a U.S.-based clean energy startup, focusing on decarbonizing industrial use of fossil fuels through **heat battery technology**. This innovative technology converts electricity from clean sources into **Green Thermal Energy** to meet the industrial sector’s Net Zero ambitions. SCG, as a supplier, produces thermal media that stores heat at temperatures over 1,000 degrees Celsius, a key component of the Rondo Heat Battery.

- **The integrated logistics business has merged with JWD to form SCGJWD**, synergizing strengths to create ASEAN’s largest integrated transportation and supply chain network. This venture offers comprehensive services across all industrial sectors, encompassing diverse transportation modes such as land, sea, rail, air, and cold storage. It also specializes in handling products like vaccines, pharmaceuticals, high-value artworks, automobiles, and hazardous materials, with a network extending across ASEAN and China. The business reported a gain of 11,956 million baht from the fair value adjustment of SCG’s investment in SCG Logistics following the merger with SCGJWD.

- **Other investment includes Addventures by SCG, a corporate venture focusing on investing in deep technology** to tap into emerging science-based technologies worldwide. These advancements are leveraged to create innovative solutions for the ASEAN market, with investments targeting areas such as clean energy and decarbonization, industrial AI & automation to enhance production efficiency, and biotech, including biomaterials and bioactive substances. These efforts include **investments in high-potential startups globally.**

Additionally, SCG has invested in the agricultural machinery business, automobiles, and automotive parts, among others.

Accelerating to Leverage Cost Advantage

SCG has improved energy efficiency in its production by boosting clean energy use, substituting fossil fuels to reduce greenhouse gas emissions, and lessen energy price volatility risks. It has embraced Renewable Energy (RE) sources, such as Waste Heat Power Generation (WHG), solar power energy, and Alternative Fuels (AF), to replace fossil fuels, with alternatives including biomass from agricultural waste, energy plants, and Refuse-Derived Fuel (RDF). Additionally, SCG uses supplementary cementitious materials as substitutes for clinker in the cement production process.

Adjusting raw material cost structures, SCGC has optimized low-cost material sourcing and adjusted its production processes to align with market conditions (Feed and Operation Optimization), increasing LPG, propane, and ethane use, especially from domestic sources, and finding lower-cost naphtha sources. SCGP has reduced paper pulp costs by optimizing recycled pulp ratios and has effectively managed paper pulp material costs by tailoring pulp formulas to different manufacturing needs.

SCG is employing robotics and automation to reduce costs and administrative expenses. For example, the “CiBot” robot is employed to inspect material properties in coils within reactors, enabling safe, precise, and quick pipe condition assessments, reducing production costs and waste, benefiting both communities and the environment. Robotic systems are used to enhance automated manufacturing, automated material handling, automated packing, and stacking, transforming production into a Smart Factory, boosting planning efficiency at its maximum benefits, improving global competitiveness, and centralizing procurement through a Common Procurement Platform for cost savings.

Maintaining Financial Stability with a Robust Cash Flow of 68,064 Million Baht

To counteract uncertainty, SCG prioritizes risk management, liquidity, financial discipline, and agile inventory management aligning with market demand, and carefully considers investment based on strategic potential for high returns and quick payback, including delaying non-urgent projects. As a result, SCG maintained a robust

financial position at the end of 2023. The total revenue from sales was 499,646 million baht, a decrease of 12% from the previous year, while profit increased 21% to 25,915 million baht, mainly from a 14,822 million baht gain from investment value adjustments in the first half of 2023. In 2023, SCG’s sales of High Value Added Products & Services (HVA) amounted to 167,691 million baht, accounting for 34% of total sales. The net debt to equity ratio was 0.6 times, with stable cash flows of 68,064 million baht. As a result, the Board of Directors resolved to propose at the 2024 Annual General Meeting of Shareholders the approval of a full-year dividend payment of 7,200 million baht, or 6.0 baht per share, representing a payout rate of 54% of the profit excluding extra items. This comprised an interim dividend of 2.5 baht per share and a final dividend of 3.5 baht per share.

Transforming the Business Landscape: Turning Crisis into Opportunity with Emphasis on ESG to Unite all Sectors in Accelerating Thailand’s Transition Towards a Low-carbon Society

SCG is advancing with its **ESG 4 Plus**: Net Zero, Go Green, Reduce Inequality, Enhance Collaboration, Plus Trust through Transparency in all business operations. The goal is to achieve **Net Zero greenhouse gas emissions (Scope 1 and 2) by 2050**. In 2023, SCG cut its emissions (Scope 1 and 2) to 27.08 million tons of CO₂, a 20.9% decrease from the base year of 2020, by adopting alternative energy, developing low-carbon products under SCG Green Choice.

Elevating ESG as a National Agenda through the ESG Symposium 2023: Accelerating Changes Towards a Low-carbon Society, a proposal was presented to the Prime Minister, focusing on creating the Saraburi Sandbox as Thailand’s first low-carbon city model. Given Saraburi’s complex economic system encompassing heavy industries, agriculture, and tourism, it poses a complex and challenging transition into a low-carbon city. This initiative involves direct collaboration with relevant government sectors, real industry players, and affected communities to study success factors and limitations. If successful, this will motivate other provinces to follow suit. Initiatives include adopting Low Carbon Cement for construction projects in Saraburi starting from 2024, practicing alternate wetting and drying in paddy fields to lower water usage, planting energy crops like Napier grass, converting agricultural waste to alternative fuel, generating community incomes, and establishing

38 community forest networks. These efforts help restore community forests and boost eco-tourism. These actions complement efforts to drive a circular economy as a national agenda for sustainable economic growth, with initiatives already underway in the packaging, automotive, and construction industries.

Expanding the ESG Symposium’s collaboration to ASEAN, focusing on achieving Net Zero aligning with Nationally Determined Contribution (NDC) targets of Vietnam by 2050 and Indonesia by 2060, where SCG actively operates. In Vietnam, SCG partnered with the Thai business community and Vietnam’s Ministry of Natural Resources and Environment for the **“Vietnam Circular Economy Forum 2023.”** This forum, involving public, private, non-profit, academia, and circular economy experts, supports Vietnam’s circular economy roadmap to address economic, social, and environmental challenges. Meanwhile, the **“ESG Symposium 2023 Indonesia”** was held under the theme **“Collaboration for Sustainable Indonesia,”** aimed at achieving **Net Zero** emissions and reducing inequality, bringing together government, private sector, civil society, and youth to present visions, policies, and technological innovations.

In addition to this efforts are made to **reduce social inequality by creating opportunities for education access, developing professional skills, and promoting good health.** The development of professional skills has enabled the creation of a workforce that matches the market’s demands, benefiting 8,934 individuals. This includes initiatives like the **Q-Chang platform**, a hub for home service handymen, and the **Thaksa Phiphat School** for truck driver career development. Furthermore, **the “Learn to Earn” project** has been developed to foster careers for assistant nursing, dental assistants, and elderly caregivers.

The Board of Directors would like to express its gratitude to all shareholders, debenture holders, joint-venture partners, suppliers, both domestic and international financial institutions, customers, and all stakeholders for their continued trust and support in SCG. This gratitude also extends to all SCG employees who have continuously adapted, dedicated themselves to creating innovations that satisfy customer needs, and collaborated with all sectors in taking care of society and the environment, adhering to transparent principles in line with the ESG approach moving forward.

Bangkok, January 24, 2024.

SCG will navigate through economic volatility, **focusing on maintaining financial stability, increasing renewable energy use, striving for a low-carbon society,** and seizing opportunities as the global market recovers with clean energy, green innovation, health, smart living, and digital logistics.



The proportion of Low Carbon Cement production:

63%
(41% in 2022)

Sales of Green Polymers
SCGC GREEN POLYMER™

218,000 tons
(with a target of 1 million tons per year by 2030)

The Long Son Petrochemicals (LSP) in Vietnam has a total downstream production with capacity of

1.4 million tons per year

SCGP, after being listed on the Stock Exchange, saw its sales increase from 89,070 million baht in 2019 to

129,398 million baht in 2023

Adapting Organization and Preparing People for Challenges in Volatile World Shifting Business Towards Low-carbon Society to Foster Sustainable Growth



The world is marked by volatility and complexity, as evidenced by ongoing Russia-Ukraine conflicts, Middle East turmoil, global boiling issues, and natural disasters, while groundbreaking technologies and innovations are transforming business. These factors and emerging trends reshape consumer behaviors have caused impacts, posing challenges for business operations. In this context, organizations must swiftly adapt, learn, and explore new approaches to prepare for future challenges and opportunities.





➤ Logistics and supply chain service provider



➤ Surface decoration materials and sanitary ware innovation

Restructuring Organization Structure for Increased Agility and Strengthening Operations

SCG has adapted to maintain agility, emphasizing speed, simplicity, and flexibility while being proactive. Continuously seeking opportunities in new markets, SCG offers future-oriented solutions that deliver convenient, cost-effective, safe, and green lifestyles for customers, alongside social responsibility and building confidence among all stakeholders to overcome challenges and achieve sustainable growth.

SCG has accelerated its adaptation by spinning off SCG Packaging Public Company Limited, or SCGP, a total packaging solutions provider, which was listed on the Stock Exchange in 2018. This strategic move aims to bolster the Company's financial position for increased investment opportunities and substantial business growth.

SCG has enhanced its business flexibility and competitiveness through a series of restructuring. SCG Logistics Management (SCGL) and JWD Company Limited

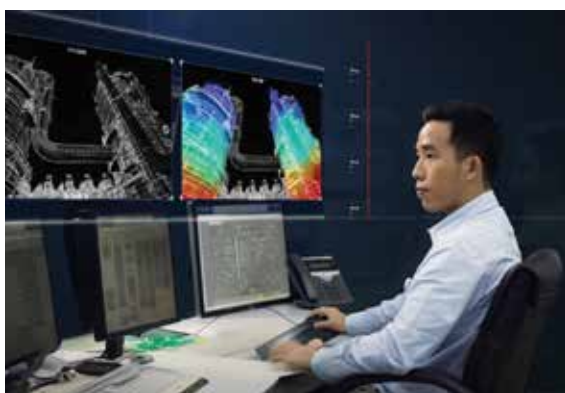
have merged to form SCG JWD Logistics Public Company Limited (SCGJWD), making it Southeast Asia's largest integrated logistics and supply chain service provider. Concurrently, SCG Decor Company Limited (SCGD), underwent a restructuring and consolidation, expanding its product range to include all surface decoration materials and sanitary ware, along with the business expansion into high-potential ASEAN markets. SCGD has been listed on the Stock Exchange of Thailand since December 2023. Furthermore, BetterBe Marketplace, under "NocNoc", co-managed by Thai Beverage and Frasers Property through Must Be Company, was bolstered, aiming to reach 5,000 million baht in ASEAN and Thailand by 2023. SCG also decentralized the Cement-Building Materials Business into three entities: SCG Cement and Green Solution Business, SCG Smart Living Business, and SCG Distribution and Retail Business.



➤ An automated robotic spray painting system to enhance production efficiency swiftly



➤ Robots for production roof cover



➤ Digital twin and advanced process control



➤ Improve e-commerce by online buying and selling platforms

Accelerating Innovations in Manufacturing, Digital Technologies, and Robotics for Ever-changing World

SCG is committed to advancing digital technology by incorporating AI and automation to boost production efficiency and competitiveness. Examples include smart factories using “digital twin” and advanced process control technologies, AI, robotics, and automated machinery. This includes producing smartboard, smartwood, roof tiles, and concrete covers. The use of “digital twin” in the design phase minimizes errors and prevents unnecessary material usage. Advanced Process Control is used in the production of concrete roof tiles to automate and optimize production ratios and predict product performance before actual production begins. Image processing and 3D scan sensors are employed for quality analysis of smartboard, ceramic roof tiles, paving blocks, and sanitary ware products, replacing manual labor and speeding up the inspection process. The design of SCG HOME’s National Distribution Center in Rangsit district leverages a system connecting regional distribution centers for faster, more accurate deliveries to SCG HOME stores nationwide. This includes developing online buying and selling platforms like scghome.com, Q-Chang and Prompt Plus, the digital platform for managing building material distribution for small retailers. Additionally, Big Data Analytics is used to analyze consumer insights for product and service development. The business expansion of AI Technology, a leader in designing industrial robots in Thailand, addresses labor market shortages and enhances production efficiency by increasing the use of robots in manufacturing processes. Examples are integrating production lines for roof tiles and concrete covers, automatic packing for smartboard production, and using robots and automated machinery for smartboard raw material preparation. These efforts aim to expand into external industrial customer markets.



➤ Offering talented individuals opportunities to create innovation on project “ZERO TO ONE”



Igniting Passion and Engaging People of All Ages to Create “Organization of Possibilities”

SCG prioritizes developing the capabilities of its people by upskilling and reskilling, preparing them for changing challenges. By offering dedicated and talented individuals opportunities to create innovations, products, and solutions that address diverse needs, SCG is advancing to be an “organization of possibilities.” Employees are encouraged to work on challenging projects and be part of organizational transformation. The ZERO TO ONE project invites employees to pitch startup ideas. SCG also embraces open innovations through collaborations with agencies and research institutes and expands its investments in startups and global business models to integrate external knowledge. SCG also promotes a corporate culture that encourages employees to be creatively bold, open-minded, and “to fail fast and learn fast.” SCG is ready to cultivate future leaders with four key skills: 1. Customer Centric: Gaining a deep understanding of customers to deliver innovative and customer-centric solutions; 2. Hands-on: Employing hands-on approaches in execution and close team management; 3. Open and Challenge: Being open to listening and building upon ideas for innovations; and 4. Execution and Adjustment: Focusing on execution and the ability to make adjustments. These future leaders must also possess an ESG mindset, understanding the ESG concept to shape innovations for a healthy society and a sustainable world, in line with the business direction of ESG 4 Plus (Net Zero - Go Green - Reduce Inequality - Embrace Collaboration Plus Trust through Transparency).

Proactively Adjusting Business to Foster Low-carbon Society and Increasing Use of Clean Energy

Global warming and rising energy costs are critical issues for all. SCG is conducting business with environmental care, especially in reducing carbon emissions. SCG has collaborated across sectors to promote a “low-carbon society” by increasing the use of clean energy, such as solar energy, currently utilized at 220 megawatts, and biomass fuel in Thai cement plants, which accounts for 40% of energy consumption. SCG also explores other clean energy sources, such as planting Napier grass, a high-energy crop, on 1,000 rai of land in Saraburi Sandbox, Thailand’s first low-carbon city model, aiming for 30,000 rai by 2028. The goal is to control costs and cut energy expenses by replacing volatile fossil fuels with clean energy.



➤ Solar farm at Kaeng Khoi factory



➤ Napier grass, a high-energy crop



➤ Biomass



➤ Heat battery storage from clean energy innovation



➤ Low carbon cement that is environmentally friendly yet retains its strong and durable properties with a particularly smooth surface

Advancing Green Innovation in Response to Global Megatrends

SCG is responding to global megatrends by advancing green innovations for high-demand green products. SCG Green Choice aims to account for two-thirds of total sales by 2030 with products such as low carbon cement, SCG Solar Roof Solutions, and SCG Cleanergy, an end-to-end

➤ Vietnam's first fully integrated petrochemical complex produce high-quality polymers for the global market with an annual production capacity of 1.35 million tons of olefin units and 1.4 million tons of polyolefin units

clean energy business, which now provides smart grid systems to Centara Hotels & Resorts for developing smart hotels. There has also been a surge in exporting low carbon cement, which has rapidly gained popularity, with usage in Thailand soaring to 63%. SCG is expediting production adjustments, expanding exports, and promoting green innovations, such as green polymer and recycling businesses. SCG has collaborated with global experts to develop low-carbon innovations and share ideas, fostering collective progress. Key partnerships with a focus on transitioning to clean energy include Rondo Energy to develop Heat Battery storage and CubicPV to develop silicon wafers and high-efficiency solar panel innovations. Collaborations extend to electric vehicle batteries with Denka and biopolymers with Braskem. Most recently, SCG signed an MOU with Charoen Pokphand Group (CP Group), True Leasing, Toyota, and Commercial Japan Partnership Technologies Corporation (CJPT) to expedite collaboration across industries to achieve carbon neutrality in Thailand. SCG is bolstering its ASEAN presence with the launch of Vietnam's first fully integrated petrochemical complex, Long Son Petrochemicals Company Limited (LSP). The facility has begun machinery operation and performance test runs, preparing to produce high-quality polymers for the global market with an annual production capacity of 1.35 million tons of olefin units and 1.4 million tons of polyolefin units.



Collaborating to Create “Saraburi Sandbox” as Model for Expanding Cooperative Efforts

SCG has collaborated across sectors to transition Thailand towards clean energy and a circular economy, supporting groups needing knowledge, technology, and funding. This has led to Thailand’s first low-carbon city model, “PPP-Saraburi Sandbox: A Low Carbon City,” which involves 23 public and private organizations, including the Thai Cement Manufacturers Association (TCMA), the Federation of Thai Industries of Saraburi Province, and the support of seven ministries. The aim is to pilot this province as a model, accelerating Thailand’s sustainable shift to a low-carbon society through expansion and acceleration. Ongoing efforts include the mandate to use low carbon cement in all construction works in Saraburi Province starting from 2024, practicing alternate wetting and drying in paddy fields to reduce water use, planting energy crops Napier grass, converting agricultural waste into alternative

energy to increase community income, and establishing 38 community forest networks. These efforts help restore community forests and boost eco-tourism.

Uniting Efforts to Transition to Low-carbon Society through ESG Symposium

SCG values the importance of raising awareness and understanding to transition to a low-carbon society. Hosting the ESG Symposium for the 11th year, the ESG Symposium 2023, themed “Accelerating Changes Towards Low Carbon Society,” attracted over 500 participants from public, private, and civil society sectors. They gathered to brainstorm ways to shape behavioral change and cultivate an environmentally responsible culture. SCG believes that aligning all sectors with these proposals can foster low-carbon, environmentally balanced growth in the Thai economy, aligning with the Sufficiency Economy Philosophy and the BCG (Bio-Circular-Green) economic model. SCG expanded the ESG Symposium’s success to ASEAN, hosting similar events in Indonesia and Vietnam in November 2023. On a global scale, SCG joined the 28th UN Climate Change Conference (Conference of the Parties, or COP28), in Dubai, United Arab Emirates, from November 30 to December 12, 2023. There, SCG exchanged views with international organizational leaders and top executives to build a collaborative network to accelerate innovative solutions to address the global boiling crisis, in line with the ESG 4 Plus approach.



ESG Symposium 2023, accelerating changes towards low carbon society environmentally balanced growth in the Thai economy, aligning with the Sufficiency Economy Philosophy and the BCG economic model

FINANCIAL OVERVIEW

The Siam Cement Public Company Limited and Its Subsidiaries

	2023	2022	2021	2020	2019
Consolidated income statement (Million baht)					
Revenue from sales	499,646	569,609	530,112	399,939	437,980
Costs and expenses	504,796	570,620	494,613	373,564	419,241
Profit before finance costs, income tax expense, depreciation and amortization and including dividends from associates (EBITDA) ¹	54,143	61,912	91,867	74,600	75,105
Profit for the year ²	25,915	21,382	47,174	34,144	32,014
Consolidated statement of financial position (Million baht)					
Assets	893,601	906,490	861,101	749,381	634,733
Liabilities	452,004	454,066	411,093	353,255	306,990
Shareholders' equity	441,597	452,424	450,008	396,126	327,743
Equity attributable to owners of the Company	363,962	374,255	365,691	320,972	280,215
Financial ratio					
Total number of shares issued (Million shares)	1,200	1,200	1,200	1,200	1,200
Book value per share (Baht)	303.3	311.9	304.7	267.5	233.5
Earnings per share (Baht)	21.6	17.8	39.3	28.5	26.7
Dividends per share (Baht)	6.0	8.0	18.5	14.0	14.0
Dividends payout ratio on profit for the year (%) ³	27.8	44.9	47.1	49.2	52.5
Return on revenue from sales (%)	5.2	3.8	8.9	8.5	7.3
Return on equity (%)	7.0	5.8	13.7	11.4	11.5
Return on assets (%)	2.9	2.4	5.9	4.9	5.2
EBITDA on total assets (%)	6.0	7.0	11.4	10.8	12.2
Net debt to equity ratio (Times)	0.6	0.6	0.5	0.4	0.6
Price earnings ratio (Times)	14.2	19.2	9.8	13.3	14.7

¹ For the year 2023, EBITDA exclude gain from fair value adjustment of investments.

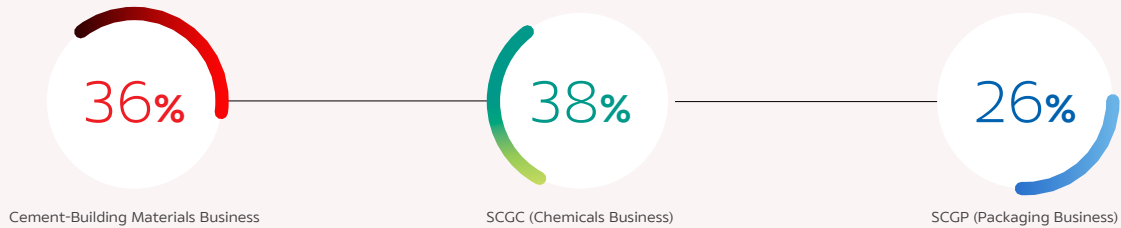
² Profit for the year attributable to owners of the Company, and in the year 2023 profit excluding extra items (non-recurring items of business which are non-cash) amounted to 13,307 million baht.

³ Proportion of dividends for 2023 is 54.1% on profit excluding extra items.

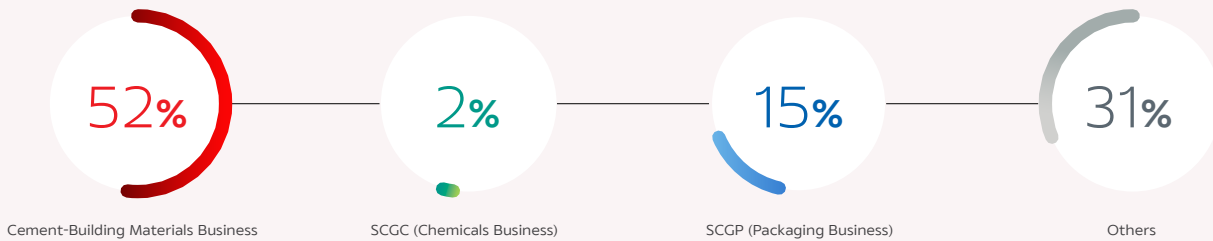
OPERATING RESULTS

The Siam Cement Public Company Limited and Its Subsidiaries

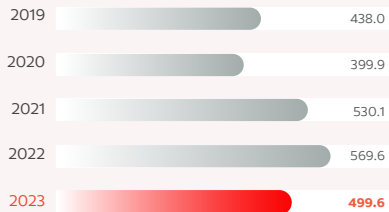
Revenue from sales breakdown 2023



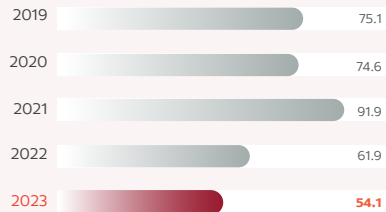
Profit for the year* breakdown 2023



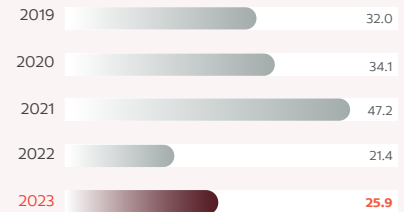
Revenue from sales (Billion baht)



EBITDA (Billion baht)



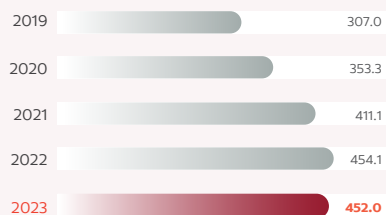
Profit for the year* (Billion baht)



Assets (Billion baht)



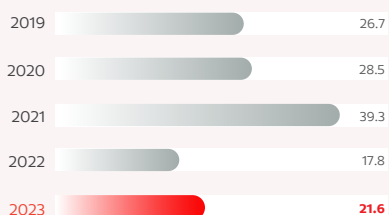
Liabilities (Billion baht)



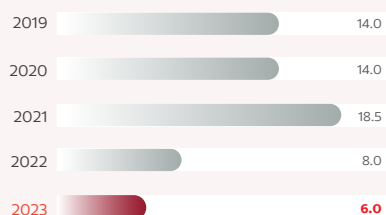
Equity attributable to owners of the Company (Billion baht)



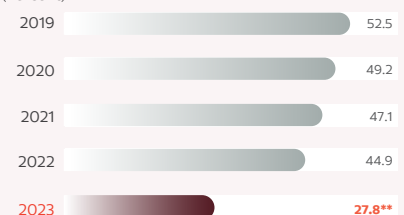
Earnings per share (Baht/share)



Dividends per share (Baht/share)



Dividends payout ratio on profit for the year** (Percent)

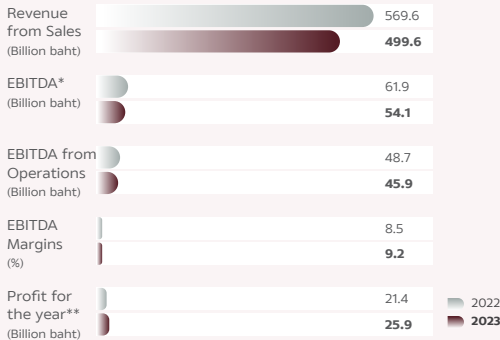


* Profit for the year attributable to owners of the Company.

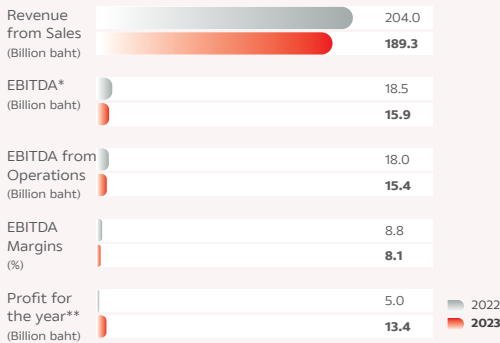
** Proportion of dividends for 2023 is 54.1% on profit excluding extra items.

BUSINESS HIGHLIGHTS

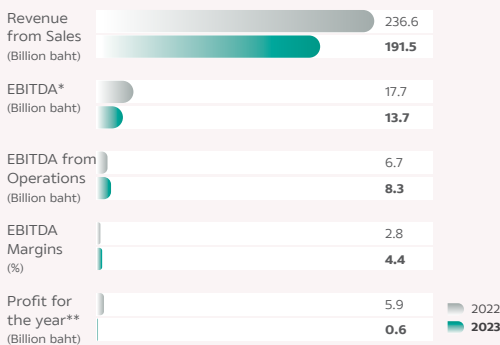
SCG



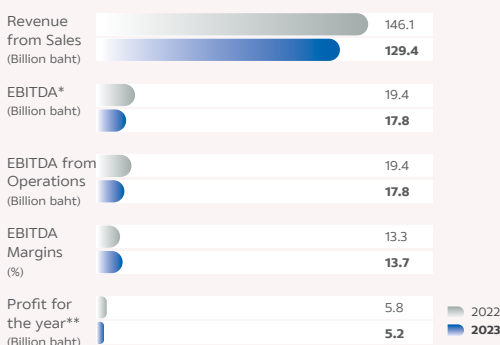
Cement-Building Materials Business



SCGC (Chemicals Business)



SCGP (Packaging Business)



SCG

Consolidated revenue from sales registered at 499,646 million baht, a decrease of 12% from decrease in product prices in Chemicals Business and the deconsolidation of SCG Logistics from subsidiaries to investment in associate in Cement-Building Materials Business. Consolidated EBITDA dropped 13% from the previous year to 54,143 million baht. Correspondingly, profit for the year registered at 25,915 million baht, increasing 21% from the previous year, largely resulted from the gains from the fair value adjustments in H1/23 totaling 14,822 million baht. Profit excluding extra items in 2023 would have been 13,307 million baht, declining 40% from the previous year.

Cement-Building Materials Business

Revenue from sales registered at 189,348 million baht, decreasing 7% from the previous year. EBITDA registered at 15,878 million baht, decreasing 14% from the previous year. Profit for the year registered 13,410 million baht or increased 170% from the previous year. Profit excluding extra items would have been 3,668 million baht, or decreased 34% from the previous year. Cement-Building Materials Business has adapted to cope with the challenges focusing on developing technology and green innovation solutions, offering construction and living solutions that are more environmentally friendly in response to customer needs. In addition, the business has aimed to reduce costs through the use of alternative energy sources and fuels in order to enhance sustainable business operations.

SCGC (Chemicals Business)

Revenue from sales was 191,482 million baht, decreasing 19% from the previous year from lower product prices. EBITDA decreased 23% from the previous year to 13,696 million baht and EBITDA from operation was 8,332 million baht or increased 24% from the previous year. Profit for the year was 589 million baht or decreased 90% from the previous year due to lower product spread and equity income from associates. SCGC continues to maintain its leadership in ASEAN through the commercial startup of Vietnam's first fully-integrated petrochemicals complex (LSP project), advancing the development and sales of SCGC Green Polymer™, and expanding into the recycling business, which will create business growth opportunities to enhance SCGC's competency in the future.

SCGP (Packaging Business)

Revenue from sales recorded at 129,398 million baht, decreasing 11% from the previous year. EBITDA reported at 17,778 million baht or decreased by 8% from the previous year and Profit for the year was 5,248 million baht or decreased by 10% from the previous year. The overall packaging industry in ASEAN showed signs of recovery despite challenges such as slugging purchasing power due to high interest rates and the slow recovery of Chinese economy. SCGP has tackled the challenges by implementing strategies to generate growth through Merger & Partnership (M&P) and expanding packaging-related businesses. Besides, SCGP aims to explore opportunities in other high-potential businesses while continuously developing packaging innovations and solutions.

Others

EBITDA registered at 7,275 million baht or decreased 10% from the previous year. Profit for the year was 8,337 million baht or increased 9% from the previous year. This was attributed to the operating results of Investment Business that recorded EBITDA inclusive of dividend from associated companies of 6,070 million baht and profit for the year of 9,916 million baht after deducting general and administrative expenses.

* Includes dividends from associates.

** Profit for the year attributable to owners of the Company.

Remarks:

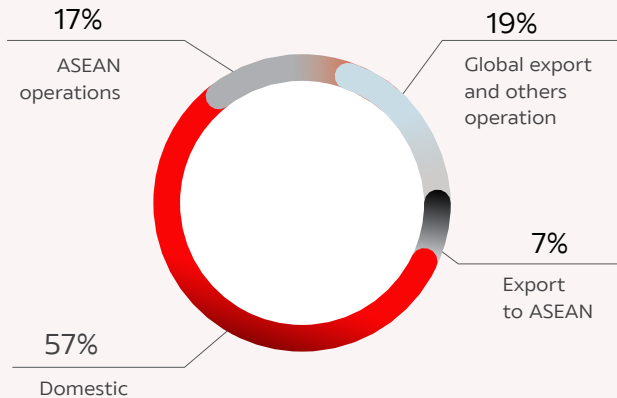
EBITDA = Earnings and dividends, before interest, tax, depreciation & amortization exclude gain from fair value adjustment of investments.

EBITDA from Operations = Earnings before interest, tax, depreciation & amortization exclude gain from fair value adjustment of investments.

EBITDA Margins = Operating EBITDA, to Revenue from Sales.

Profit for the year = Profit for the year attributable to owners of the Company.

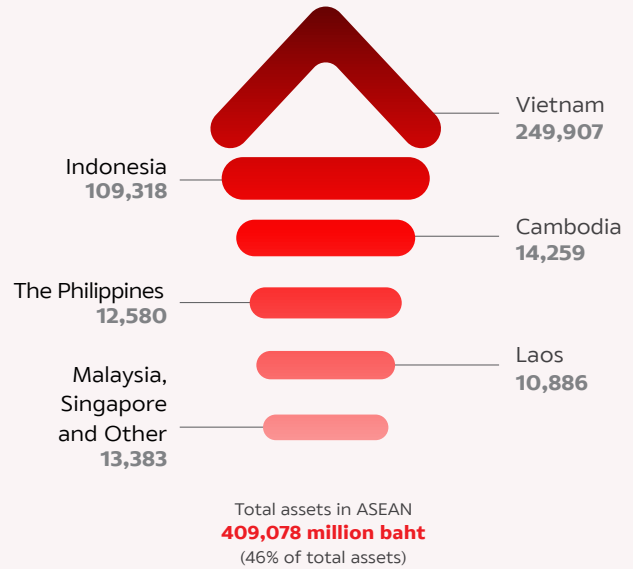
Revenue from sales



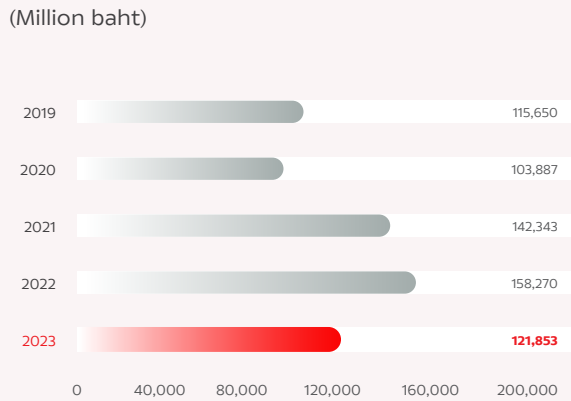
ASEAN operations ➤ Subsidiaries in ASEAN (excluding Thailand)

Export destinations ➤ From Thai subsidiaries

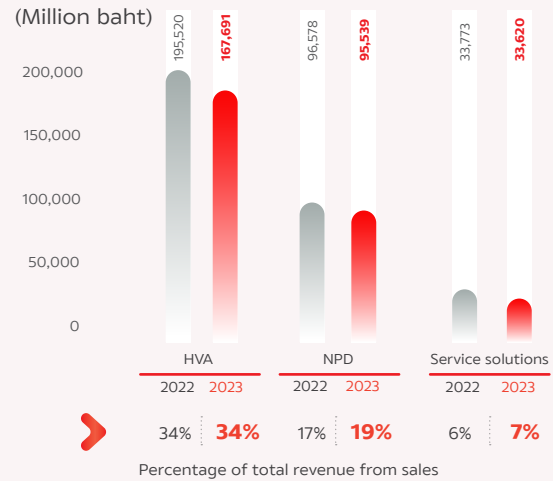
Total assets in ASEAN (Million baht)



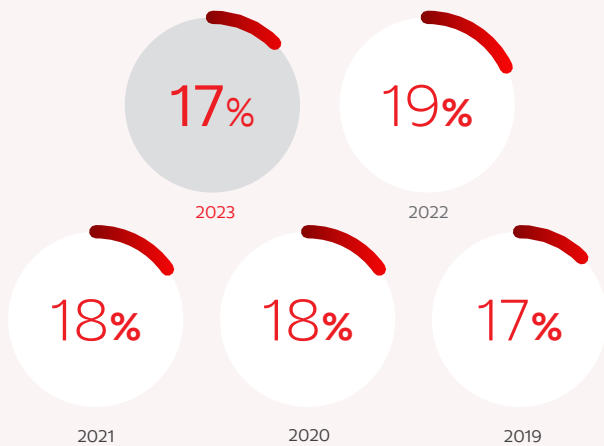
SCG's Revenue from export to ASEAN and ASEAN operations (Million baht)



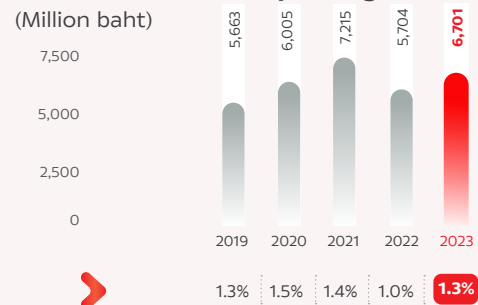
Revenue from sales of HVA, New Product Development (NPD) and service solutions (Million baht)



Percentage of revenue from sales from ASEAN operations

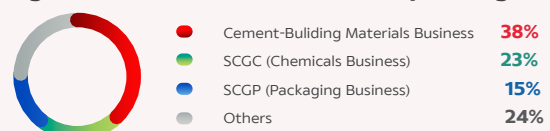


R&D and innovation spending (Million baht)



R&D and innovation spending as a percentage of revenue from sales

Segmented R&D and innovation spending in 2023



ACCELERATING LOW-CARBON SOLUTIONS FOR SUSTAINABILITY



Construction and solutions toward green innovation

Smart solution for living



Solar hybrid solutions
24 hours clean energy storage

Distributor of products and services for complete home and living

Cement-Building Materials Business

Accelerating the development of construction and residential living products and solutions toward green innovation to enhance people's quality of life.

Amid various challenges, the global economy remains uncertain, with fluctuating energy costs and issues such as global warming, air pollution, and environmental hazards which affect livelihoods. Cement-Building Materials Business continues to adapt and evolve, with a focus on developing technology and innovative green solutions. We prioritize environmentally-friendly construction and residential projects that meet our customers' needs for a better quality of life. This involves cost reduction through the use of alternative energy sources and fuels to sustainably elevate our business operations.

Business Challenges

In 2023, the Thai economy has shown signs of recovery. The service sector and tourism industry have experienced continuous growth, leading to an overall expansion of the construction market in Thailand. However, persistent issues continue to exist such as high household debt and elevated interest rates. Additionally, the regional economy has recovered at a slower pace than anticipated and in the latter half of the year. A global warming issue resulted in drought conditions and a growing trend of severity. Consequently, the cement and construction industry must continuously adjust its business strategies in order to respond to global megatrends and shifting customers' needs.

Operating Results

Cement-Building Materials Business generated Revenue from Sales of 189,348 million baht, a decrease of 7% from the previous year, mainly from the deconsolidation of SCG Logistics and the challenges in regional markets. EBITDA of 15,878 million baht, a decrease of 14% from the previous year, and Profit for the Year amounted to 13,410 million baht, reflecting a 170% increase from the previous year, due to the gains from the fair value adjustments of SCG Logistics from the business merger of SCGJWD Logistics. Profit excluding extra items would decrease by 34% to 3,668 million baht compared to the previous year. However, the business still maintains its leadership in the ASEAN market with new product development and the improvement of production processes to reduce CO₂ emissions and achieve sustainable social development.



2023 Results

Revenue from Sales

189,348 million baht

a decrease of 7%
from the previous year

EBITDA

15,878 million baht

a decrease of 14%
from the previous year

Profit for the Year

13,410 million baht

an increase of 170%
from the previous year



Financial Information

(Million baht)

	2023	2022 ¹	2021	2020	2019
Information from statement of financial position					
Current assets	73,234	76,249	71,128	58,655	59,539
Assets	234,602	227,289	224,226	212,615	211,573
Liabilities	105,628	112,733	94,139	91,448	98,484
Shareholders' equity	128,974	114,556	130,087	121,167	113,089
Information from income statement					
Revenue from sales	189,348	204,048	182,529	171,720	184,690
Costs and expenses	189,374	201,713	179,461	167,483	180,904
Profit for the year ²	13,410	4,960	4,262	6,422	5,455
Profit excluding extra items ³	3,668	5,520	7,939	8,771	7,449
EBITDA ⁴	15,878	18,548	18,877	21,591	21,009

¹ The figures for the year 2022 are presented after the restructuring of Cement-Building Materials Business to Others.

² Profit for the year attributable to owners of the Company.

³ Profit for the year exclude non-recurring items of business which are non-cash.

⁴ Profit before finance costs, income tax expense, depreciation and amortization and including dividends from associates, EBITDA for the year 2023 is excluding gain from fair value adjustment of investments.

Business Adaptation to Address Situation in 2023

Finance

- Strategically prioritize capital expenditures to align with the business landscape and direction. This includes projects related to the Net Zero Carbon Emission strategy, investments in research and development of Low Carbon Products, and initiatives to reduce energy costs.

- Adhere to efficient working capital management practices in order to preserve the financial stability of business operations. This includes efficient inventory management that fulfills customer demands as well as the execution of well-planned collections of goods and service payments.

Business

Cement and Green Solutions Business

- Cement and Green Solutions Business is committed to reducing greenhouse gas emissions from the cement manufacturing process. Along with managing energy and fuel costs to reduce the impact of energy price fluctuations by accelerating the proportion of using

Alternative Fuels (AF) to replace fossil fuels, such as biomass fuel from agricultural waste and energy crops and fuel from municipal waste (Refuse Derived Fuel: RDF). In addition, we are utilizing Renewable Energy (RE) to mitigate the impact of rising electricity costs. Currently, renewable energy comes mainly from Waste Heat Power Generation (WHG) and Solar Power Energy. In 2023, the proportion of alternative fuel use for cement operations in Thailand was 40%, while the proportion of renewable energy use was 41%.

- Additionally, to uplift the construction industry in ASEAN, Cement and Green Solutions Business has expanded construction innovation and technology towards green construction. Be prepared for the forthcoming trend of green construction, such as low-carbon cement, which is rapidly becoming more popular. Cement and Green Solutions Business has accelerated the production of low-carbon cement to replace the Ordinary Portland Cement (OPC). In 2023,



▶ Thailand's first low-carbon cement, reducing CO₂ emission by 0.05 ton CO₂ per ton cement and reducing energy use in the production process

the proportion of low-carbon cement production replacing Portland cement increased to 63% from 41% in the previous year. Moreover, new construction technologies have been implemented, such as high-performance concrete bridges with the thinnest structures (CPAC Ultra Bridge Solution) or concrete 3D printing solutions (CPAC 3D Printing Solution), which allow for design flexibility, reduce construction time, save labor costs, and decrease the use of construction materials and waste left over from construction. Meanwhile, we have also expanded the Green Circularity Business which is a resource management business that creates value from leftovers or waste.

Smart Living Business

- Rebalance the product portfolio to align with customer demand and address the challenges of rising raw material and energy costs.
- Develop solutions that promote quality of living, and increase energy management efficiency, such as SCG Solar Roof and Smart Building Solution.
- Enhance cost competitiveness by utilizing renewable energy from solar and adjusting the pulp formula to align with the production of various products based on customer demand.

SCG Decor

- Adjust product prices to reflect the increasing energy costs, change the product mix, and promote and drive sales of HVA products, particularly Large-sized ceramic tiles, smart products, and environmentally friendly products, which are experiencing growing demand from customers.
- Focus on enhancing manufacturing process efficiency by increasing the utilization of renewable energy and

reducing reliance on fossil fuels through the use of solar energy and biofuels derived from agricultural waste.

- To fortify market leader in decorative surface materials by investing in Large-sized ceramic tiles and Glazed porcelain in Vietnam; establishing a Stone Plastic Composite Flooring (SPC) factory in Thailand; and strengthening and expanding our distribution channels including studying plans to set up new sanitary ware factories in the ASEAN region.

- The successful restructuring and listing on the Stock Exchange of Thailand in December 2023 marked a major milestone for SCG Decor Public Company Limited (SCGD), establishing it as the flagship company of SCG in the floor tiles, wall tiles, and bathroom businesses. This move has not only enhanced the Company's competitiveness but also maximized synergy in Thailand and regional.

Distribution and Retail Business

- Increased the efficiency of distribution channels by utilizing the Prompt Plus Platform to manage the distribution of home-related product to sub-dealers and the Rak Mao Platform to reach new customers in the project segment.



Enter Emerging Markets

SAMEA



➤ SCG International opened a new office in Riyadh, Saudi Arabia to link its business partners worldwide especially in the SAMEA region

- Opened a national distribution center to enhance efficiency and minimize costs in the retail business.
- Expand the international trading and supply chain management business to South Asia, Middle East, and Africa (SAMEA) region to capture new opportunities in the growing business and construction sectors in the region.

Human resource

- Focus on cultivating our work culture in accordance with Cement-Building Materials Business's approach to Customer Centricity, Entrepreneurship, and Collaboration, while also aligning with SCG's 4 Core Values: Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual, and Concern for Social Responsibility. These guidelines are intended to be integrated into the work of our employees, ensuring that our business operations meet the needs of customers through strong and seamless cooperation across all businesses under Cement-Building Materials Business, while maintaining a social responsibility mindset in line with ESG guidelines.
- Employees play a crucial role in driving excellence and shaping all operations of Cement-Building Materials Business, including the implementation of ESG guidelines to contribute to the development of a low-carbon society. Therefore, we underline the strong communication of the implementation of ESG guidelines to employees



➤ Thermal Media, a material technology for storing heat from clean energy which is the main component of Rondo Heat Battery

in every channel through executives at all levels regularly and continuously. To create a strong and solid awareness to employee so that they can use these guidelines as a part of their lives and to help society as a whole in reduction of environmental impacts.

Product & innovation

Cement-Building Materials Business is dedicated to developing technology and innovation to be prepared and responsive to various changes and crises. We see crises as opportunities for business growth and strive to deliver products and solutions that enhance the quality of life in society while also prioritizing environmental care to ensure sustainability. We adhere to the principles of a circular economy and reducing greenhouse gas emissions as important guidelines.

- The Siam Refractory Industry Co., Ltd. (SRIC) and Rondo Energy have collaborated to produce bricks that can store energy, known as 'Thermal Media.' These bricks are a key component of batteries used for storing heat energy, specifically known as Rondo Heat Battery. This innovative technology aims to provide a renewable

energy source in the industrial sector, supporting the growing demand for clean energy in the future.

- We are accelerating the production of low-carbon cement to replace Ordinary Portland Cement (OPC) and actively promoting the use of environmentally friendly cement across all business alliances. Additionally, we prioritize research and development to continually produce innovative cement that reduces energy consumption and carbon dioxide emissions in the manufacturing process and also has appropriate properties to serve any construction segment. We have also looked into a new technology called CCUS (Carbon Capture Utilization and Storage) that can capture carbon dioxide that is released during the production process and either use it or store it so that it doesn't go into the atmosphere. Furthermore, we have also explored the use of high-quality alternative materials called Supplementary Cementitious Materials (SCM) to replace clinker and renewable energy in the cement production process.

- SCG Metal Roof (Stone Coat) helps reduce rain noise by up to 12 decibels when compared to standard metal sheets. This innovative roofing material is made of quartz stone coated with ceramic paint.

- Differentiate ceramic roofs with innovative printing technology (EXCELLA Digital Printing).

- DECAAR by SCG offers a wide range of façade and exterior decoration materials to make your building unique and beautiful.

- Develop health solutions and improve the quality of living, like the SCG Active Air Quality system. This system improves indoor air quality by safely removing dust, germs, and pollutants. It utilizes Positive Pressure technology and advanced air exchange mechanisms to deliver clean air while minimizing energy consumption.

Conduct Business Following ESG Direction for Sustainability

Cement-Building Materials business operates based on the principles of Sustainable Development (SD), taking responsibility for society, communities, and the environment in a continuous manner. It has elevated SD towards the ESG direction to actively contribute to solving global issues following the ESG 4 Plus approach. This approach includes 'Aim for Net Zero,' 'Go Green,' 'Lean Transformation,' and 'Emphasize Collaboration'. Examples of actions include:

Cement and Green Solutions Business

- **Sustain biomass fuel procurement with the Contract**

Farming Model: Cement and Green Solutions Business has leased out some of its unused land to plant energy crops. This is part of the plan to secure sustainable biomass fuel by entering into a long-term contract to purchase energy crops grown on the leased land at a reasonable price. In the first phase, more than 1,000 rai of land have been planted. It is expected that approximately 30,000 tons of energy crops can be harvested per year.

- **Develop a prototype to use land in accordance with the ESG 4 Plus policy and the BCG Model:** SCG and the Office of the National Land Policy Board signed a cooperation agreement to elevate the use of the land by allocating arable land to the farmers according to government policy with the BCG Model. This model is in line with SCG's ESG 4 Plus policy and aims to raise farmers' well-being by promoting the cultivation of energy crops such as Napier, Bamboo, or Acacia for use as an alternative fuel to drive the Energy Transition project.

- **Public-Private People Partnership Model-Saraburi Sandbox (4P-SB Sandbox):** cooperation among the public and private sectors to study and develop a Low-Carbon City. This project was soft-launched on August 15, 2023, with the goal of reducing greenhouse gas emissions through five main projects, comprising an energy project, an IPPU project, a waste management project, an agricultural project, and a land management project. Up to now, there are a total of 49 projects in progress and on an idea list.

- **Cement and Green Solutions Business has received a total of 64 Carbon Footprint (CFP) awards,** divided into 18 items of cement, 34 items of mortar, and 12 items of concrete products. CFP is a label shown throughout the product cycle, certified by the Thailand Greenhouse Gas Management Organization (TGO), to reinforce low-carbon products. This certification is



 Promote the cultivation of energy crops as alternative fuels



> KingBridge Tower, a prototype of energy and environmental conservation building according to CECl principles

achieved through the development and improvement of the production process, such as using alternative fuels and renewable energy. Throughout the product cycle, certified by the Thailand Greenhouse Gas Management Organization (TGO) to reinforce low-carbon products by developing and improving the production process, such as using alternative fuels and renewable energy.

Smart Living Business

- Smart Living Business is committed to continuously applying the principles of the circular economy to its operations, with a focus on three main directions:

- 1) The development of environmentally friendly products and services (Green Product & Solution) that meet the needs of consumers, focus on well-being and are environmentally responsible (Climate Resilience & Circularity) for instance,

- Q-CON lightweight concrete offers 7 to 14 times better heat resistance compared to conventional materials such as clay bricks and concrete blocks. Its larger size enables faster and more efficient installation, reducing labor needs. A thickness of lightweight concrete of 10 cm can effectively blocks 30% of the external heat, leading to an estimated 9% reduction in energy consumption and a significantly lowering the carbon footprint by up to 0.75 kilograms of carbon dioxide per square meter annually.

- SCG insulation helps save electricity, resulting in a reduction of greenhouse gas emissions at least 0.79 kilograms of carbon dioxide per square meter per year. Additionally, it is produced with 100% recycled glass, and the fiberglass material has been certified by the International Agency for Research on Cancer (IARC) of the World Health Organization as non-carcinogenic to humans.

- 2) Promoting the establishment of a circular economy within the construction industry and value chain through collaborative efforts in the Circular Economy in Construction Industry (CECI).

- The CECI group consists of real estate development companies, architectural and construction consultancy companies, manufacturing companies, construction companies, and waste management service companies. Presently, it has expanded its membership to 36 organizations covering the entire value chain, extending the concept of circular economy in the construction industry across all sectors. This initiative has carried out ongoing collaborative projects, such as jointly utilizing the scraps of lightweight concrete blocks, totaling 200 tons from the One Bangkok project. These scraps are used as a substitute material for sand, as a water quality improvement substance, and as Q-con soundproofing walls for tunnel walls (1,850 square meters).

- 3) Transforming manufacturing waste into alternative raw materials

- The waste from lightweight concrete has been effectively reused as a filter in fish farm water treatment systems. Collaborating with farmers and Rajamangala Institute of Technology Srivijaya, Nakhon Si Thammarat Campus, we have conducted research to use lightweight concrete scraps for water treatment systems of fish farming ponds, substituting for natural volcanic rock. This helps in improving the treatment of ammonia and nitrite in water without harming the fish.

SCG Decor

- SCGD and its subsidiaries, both domestically and internationally, are committed to become a regional leader through sustainable innovation and development. The Company realizes the importance of driving sustainable economic growth and environmentally concerned management within its own value chain and those of business partners from procurement, production, services, distribution, logistics, including waste and end of product life handling. SCGD applies the ESG 4 Plus policy as an operation framework. ESG 4 Plus is a policy implemented by the SCG Group that prioritizes business operations aimed at addressing the global warming issue, resource scarcity, and inequality. This policy emphasizes the principles of “Net Zero,” “Go Green,” “Lean,” and

“Collaboration.” The Company has aligned its operation targets with ESG 4 Plus by aiming to reduce greenhouse gas emissions (Scope 1 and 2) by 25% by 2030 (compared to 2020) and achieve for “Net Zero Carbon Emission” by 2050. To achieve these goals, SCGD utilizes renewable energy by installing solar cell and utilizing biomass energy in various production processes. Additionally, SCGD has improved its production process to enhance energy efficiency by reusing hot air from the furnace’s hot zone within the process, installing Inverter to save Ball mill energy, improving gasifier, and Upgrade Kiln wall Insulator by improving furnace wall to reduce heat loss.

- In addition to the greenhouse gas emissions reduction target, SCGD aims to increase sales of SCG Green Choice products which are environmentally friendly certified by 80% of total sales revenue. The SCG Green Choice products include products for better living, such as health and hygiene products, Air Ion tiles, and circular products incorporating recycled content ranging from 5% to 80%, water efficiency products reducing water consumption by 20% to 37%, and low-emission products such as low VOC (volatile organic compounds) tiles and vinyl tiles (less than 0.5 mg/m³). Furthermore, SCGD collaborates with local communities to develop products from production waste, generating income within the community. Additionally, SCGD partners with government agencies such as the Department of Skill Development, Kasetsart University, and the Department of Land Development to implement social development projects. The ultimate goal is to deliver a sustainable and pleasant world to the next generation through transparent and ethical operations.



The world’s current environmental challenges have heightened society’s awareness and seriousness in addressing environmental issues. Cement and Green Solutions Business has given priority to business direction that takes the Environment, Social, and Governance (ESG) into account by considering the negative impacts that may occur from the greenhouse gas problem (Green House Gas: GHG) in the long run. As the Director of the Center of Excellence, I have actively participated in promoting business transformation in line with the prevailing megatrends. This involves expediting the production of Low-Carbon Cement, starting in Thailand, and preparing to disseminate knowledge to the entire region, encompassing both process and product aspects. In addition, we also accelerated the implementation of technology to use alternative fuels to replace fossil fuels in order to be prepared for the upcoming carbon tax that might be enforced in the near future and also to be in line with SCG’s Net Zero Roadmap.



Mr. Supakit Phucharoensin
Center of Excellence Director
Cement and Green Solutions Business



LEADING SUSTAINABLE PLASTIC INNOVATIONS FOR GREENER FUTURE



Innovative plastic
for sustainability

CO₂
↓ ↓ ↓



Innovative plastic for lightweight
automotive parts



REDUCE

Enhancing material for
eco-efficiency



RECYCLABLE

Design for
recyclability



RECYCLE

Mechanical & advanced
recycling



RENEWABLE

Bioplastics



(Chemicals Business)

Chemical innovations

for enhancing the quality of life

SCGC adapted its strategies to overcome ongoing challenges by increasing flexibility in feedstock sourcing, optimizing manufacturing and commercial operations in response to market conditions, expanding the SCGC GREEN POLYMER™ innovation with sales of 218,000 tons in 2023 as well as enlarging the recycling business. These strategies reflected SCGC's tangible ESG practices in business.

The Company applied its knowledge and expertise in Industrial Digital Solutions to enhance internal manufacturing processes and rendered the service to external customers. SCGC carefully managed and prioritized its investments to maintain a strong financial position while capturing new business opportunities for future growth.

Business Challenges

Demand for chemical products experienced a declining growth rate due to the unfavorable economic situation and the volatility of raw material prices caused by several factors such as geopolitical tensions, global economic recession, and slower-than-expected economic recovery in China. Moreover, the petrochemical industry suffered a prolonged trough from new capacity addition, leading to an oversupply of chemical products. Consequently, the product spreads have continuously decreased since 2022. In 2023, the PE-N and PP-N spreads fell by 6% and 15% respectively, while the PVC-EDC/C2 spread dropped by 8% compared to last year, necessitating SCGC to rapidly adapt to mitigate the impacts.

Operating Results

SCGC reported total sales revenue of 191,482 million baht, down 19% from the previous year due to declined product prices following weak demand and new capacity additions. EBITDA was at 13,696 million baht, down 23% from the previous year, whereas EBITDA from operations was 8,332 million baht or increased 24% from the previous year from product optimization. The profit for 2023 was 589 million baht dropped by 90% from the previous year due to lower product spread and lower equity income, and depreciation and start-up expenses of LSP.



2023 Results

Revenue from Sales

191,482 million baht

a decrease of 19%
from the previous year

EBITDA

13,696 million baht

a decrease of 23%
from the previous year

Profit for the Year

589 million baht

a decrease of 90%
from the previous year



Financial Information

(Million baht)

	2023	2022	2021	2020	2019
Information from statement of financial position					
Current assets	68,241	71,581	83,483	55,275	49,258
Assets	389,603	387,154	377,174	283,614	230,543
Liabilities	208,378	197,806	186,092	125,102	76,364
Shareholders' equity	181,225	189,348	191,082	158,512	154,179
Information from income statement					
Revenue from sales	191,482	236,587	238,390	146,870	177,634
Costs and expenses	198,223	243,839	214,152	130,668	167,539
Profit for the year ¹	589	5,901	28,931	17,667	15,480
EBITDA ²	13,696	17,745	41,465	30,965	32,262

¹ Profit for the year attributable to owners of the Company.

² Profit before finance costs, income tax expense, depreciation and amortization and including dividends from associates.

Business Adaptation to Address Situation in 2023

Finance

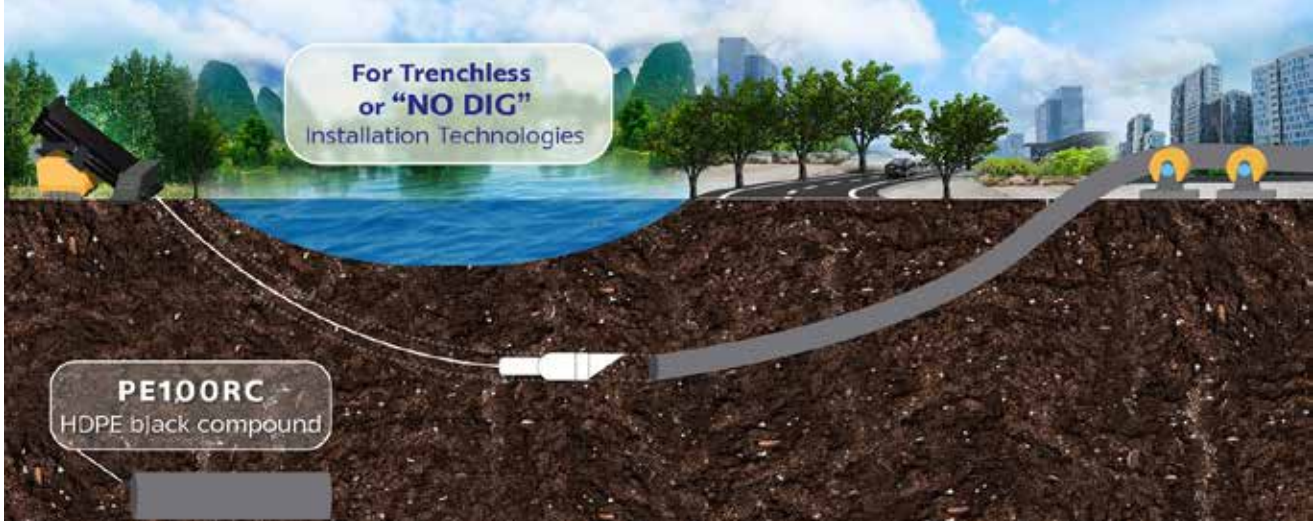
- Prudently invested and allocated capital, focusing on investments that were in line with core strategies and megatrends, digital transformation to enhance operational efficiency, and safety of employees and business partners to ensure business continuity.
- Postponed the Initial Public Offering (IPO) of ordinary shares until the capital market and the petrochemical industry conditions become more favorable.

Business

- Increased flexibility in feedstock sourcing in response to market conditions, adjusted production plan and sales proportion of polyolefin products, and enhanced efficiency through digital technologies and Artificial Intelligence (AI) to reduce costs and operational time and maximize profit during the period of high product spreads.
- Commenced the downstream operation of LSP, Vietnam's first integrated petrochemical complex, with an annual production capacity of 1.4 million tons in the

second quarter and successfully started up the upstream operation in the fourth quarter. LSP's whole-complex commercial operation is expected in early 2024.

- Continuously developed and expanded SCGC GREEN POLYMER™, which has received a good market response, achieving sales volume of 218,000 tons in 2023.
 - Expanded Sirplaste's production capacity of High-Quality Odorless HDPE PCR resins with innovative technologies and machinery by 9,000 tons per year, bringing its total capacity of high-quality recycled plastic resins to 45,000 tons annually.
 - Signed a joint venture agreement with Braskem, a global leader in bioplastics from Brazil, to establish Braskem Siam Company Limited to annually produce 200,000 tons of bio-ethylene from agricultural-based ethanol instead of fossil-based raw materials. SCGC will use this bio-ethylene to manufacture and sell bio-polyethylene resins, which yield negative carbon footprint and are recyclable in the same way as conventional polyethylene, under I'm green™ brand.
 - Accelerated sales of High Value Added (HVA) products such as HDPE from SMX™ technology, HDPE Pipe



▶ Innovative PE100RC resins for high-pressure resistant pipes, enabling installation without open trench process.

Compound, and High-Performance PP to keep up with the market situation both domestically and internationally.

- Signed a joint venture agreement with Denka Company Limited, Japan to establish Denka SCGC Advanced Materials Company Limited to manufacture and distribute acetylene black, a specialty carbon black product used as a component in the production of lithium-ion batteries for electric vehicles as well as high-voltage power transmission lines for offshore wind power generation. This production capacity is approximately 11,000 tons per year.

- Developed innovative resins for high-pressure resistant pipes, PE100RC, which has been certified European's EN-1555-1 standard, the first of its kind in ASEAN. This innovation helps installers avoid the open trench process, minimizing installation-related energy consumption and greenhouse gas emissions.

- Increased the production capacity of high-quality PVC Compound by 10% through the joint venture company, Riken (Thailand) Company Limited. The new plant and high-efficiency production line featuring technology from Japan will enhance Riken's competitive edge to serve the growing demand for PVC compound for wire and cable applications as well as medical equipment parts.

- Expanded the PVC fabrication business of Nawaplastic Industries Company Limited by launching over 500 new SKUs and increasing the sales proportion of HVA products such as PPR fittings, ball valves, and solvent cement by 14% from the previous year.

- Continuously applied digital technologies such as Artificial Intelligence (AI), process automation, data visualization, and digital twin & advanced process control to enhance operational capabilities throughout the value chain. SCGC has enhanced the implementation of Digital Commerce

Platform (DCP) to bolster profitability for operations in Thailand and leveraged it to Vietnam. The Company also applied Computer Aided Engineering (CAE) models in developing new polymer grades to reduce cost and lead time of development.

- Leveraged internal expertise and experience in maintenance service and engineering solution of REPCO NEX, together with the use of AI, to enhance the operational stability and production efficiency of external customers such as B.GRIMM and other 30 power plants.



Human resources

- Enhanced people capabilities through the implementation of global human resource management practices and the application of digital technology in in-depth HR data analysis and strategic formulation to support future business growth.

- Strengthened competencies of LSP employees in critical positions to support the commencement of full-complex operation.

Innovation

- Continuously accelerated the development of HVA products through the Innovation Management Process (IMP) and the i2P Center, aiming to speed up innovation with adaptability to changing market environment.



The Company has strengthened its knowledge as well as invested in machinery and equipment to enhance research efficiency, production improvement, and product testing, resulting in over 100 innovative development projects in the pipeline and an average of 25-30 new products to the market each year. Examples of new HVA products launched in 2023 were Polypropylene Block Copolymer with high stiffness and impact resistance, suitable for producing pallets for logistics and storage, and PVC Copolymer with better processibility and impact resistance, enabling processing at reduced temperature while maintaining the same strength, ideal for printing layer in recyclable packaging solution.

- Developed in-house catalysts with compatible quality to those from leading global producers for high-density polyethylene and polypropylene production, resulting in lower production cost and better product properties.
- Collaborated with Lummus Technology as a commercial partner to market and license proprietary EXCENE™ technology for high-density polyethylene production, developed by Texplore, to penetrate global market and promote sustainable business growth.

Conduct Business Following ESG Direction for Sustainability

- Established tangible ESG targets, promoted efficient resource utilization based on circular economy principles and reduced the impact of global warming via energy efficiency improvement, renewable energy usage, and low-carbon technology development to achieve carbon neutrality. In addition, efforts were made to improve communities quality of life, promote job creation, and foster a low-carbon society, promoting a sustainable world and society.



➤ Continuous advancement of SCGC GREEN POLYMER™

- Accelerated the development of the SCGC GREEN POLYMER™ innovation, with the sales target of 1,000,000 tons by 2030.
- Committed to achieve carbon neutrality by 2050 with a target of 20% reduction of greenhouse gas emissions by 2030 (from the base year of 2021) via the “Low Waste, Low Carbon” strategy. Actions included upgrading or modifying processes and equipment to enhance energy efficiency, replacing fossil fuels with clean energy, investing in technologies that do not release carbon dioxide into the atmosphere, applying circular economy principles throughout the value chain, and engaging in carbon offset activities.
- Collaborated with IHI, a leading Japanese company specializing in machinery production for power plants and construction industries, to demonstrate a pilot plant for testing Carbon Dioxide Capture and Utilization (CCU) technology to convert CO₂ to light olefins.
- Studied and co-developed with global technology leaders in renewable chemistry to produce PLGA polymer, a carbon-negative plastic using carbon dioxide as raw material.
- Promoted the circular economy in communities and young generation via the newly launched Nets Up model

at Rayong Province, aiming to repurpose discarded fishing nets into an innovative recycled material called Marine Materials. Meanwhile, the ongoing Upcycling Milk Pouches Project, in collaboration with network partners to increase the capacity of milk pouch collection and transportation, has brought back over 1.6 million milk pouches from 1,850 schools across 50 provinces to the recycling process.

- Reduced inequality through community enterprise development and various forms of support to the surrounding communities. Last year, SCGC helped the surrounding communities in Rayong to generate an income of 56 million baht, and those in Vietnam to generate an income of 10 million baht with 12 undergraduate scholarships granted.

- Restored ecosystems and reduced carbon dioxide emission through the “Plant-Cultivate-Protect” campaign to promote terrestrial and mangrove reforestation with accumulated 2,000 rai plantation, absorbing over 10,000 tons of carbon dioxide equivalent. SCGC’s water management initiative to build dams and reforestation in Khao Yaida Mountain in collaboration with surrounding communities has promoted terrestrial ecosystem restoration and created Payments for Ecosystem Services (PES) of almost 200 million baht while absorbing 0.7 million tons of carbon dioxide per year. Additionally, The Sea Saver project promoted marine ecosystem restoration by creating fish homes, increasing biodiversity, installing floating litter traps that have collected nearly 87 tons of marine debris, and conducting beach clean-up activities that have removed over 3 tons of waste.



The current global boiling situation and other environmental crises have been a continuous concern for producers and consumers worldwide. One of solutions that SCGC has dedicatedly developed to address this concern and make a difference for a better world is SCGC GREEN POLYMER™ which encompasses material innovations that focus on efficient resource utilization (REDUCE), promote recyclable packaging solution (RECYCLABLE), decrease plastic waste via high-quality recycling process (RECYCLE), and use renewable raw materials (RENEWABLE). These efforts and innovations contribute to the long-term reduction of greenhouse gas emissions. We have continuously expanded our high-quality recycling plastic business in Europe and received a positive collaboration from many local organizations to jointly overcome this crisis. We are committed to the development of eco-friendly SCGC GREEN POLYMER™ innovation, with the sales target of 1 million tons by 2030.”



Mr. Chokchai Montreemornchet
Circular Economy Business Director, SCGC



SUSTAINABILITY SOLUTIONS FOR A BRIGHTER PLANET



Convenient and easy-to-use packaging that requires fewer resources, yet remains strong, durable, and reusable

Green packaging solutions



(Packaging Business)

Packaging innovation for sustainable living elevating low-carbon society

SCGP is an integrated packaging solutions provider in the region and fosters quality growth. This was achieved through adopting cautious approaches and pursuing expansion strategy of cooperation with business partners in order to increase sales, enlarge the customer base, and branch into new businesses and markets, supporting a wide range of customers' demands. SCGP also works closely with customers to develop packaging solutions and innovation, which catered to new demands and trends. Furthermore, SCGP has improved production processes to achieve operational excellence through knowledgeable and skilled personnel and an emphasis on Environmental, Social, and Governance (ESG) framework, resulting in customer and consumer conveniences, healthy lifestyles, pleasant societies, and sustainable environment.

Business Challenges

Packaging demands in ASEAN recovered strongly due to the expansion of domestic consumption and tourism in the region, especially in the consumer goods such as food, beverage, and daily products. On the other hand, ASEAN exports were still impacted by the global economic situation. This is especially true when exporting to Europe and the US, which are the main export markets for ASEAN products, specifically for luxury goods and durable goods such as electronics, clothes, and shoes. For the ASEAN region, packaging paper continues to face pricing pressure.

Operating Results

SCGP's total revenue from sales was 129,398 million baht, a decrease of 11% compared to the previous year. This was due to lower sales volume and lower export prices of packaging paper, which encountered pricing pressures in ASEAN, as well as the impact of the Chinese economic stagnation. EBITDA was 17,778 million baht, a decrease of 8% compared to the previous year, and the profit for the year was



2023 Results

Revenue from Sales

129,398 million baht

a decrease of 11%
from the previous year

EBITDA

17,778 million baht

a decrease of 8%
from the previous year

Profit

5,248 million baht

a decrease of 10%
from the previous year



Financial Information

(Million baht)

	2023	2022	2021	2020	2019
Information from statement of financial position					
Current assets	60,272	60,154	69,186	62,919	35,383
Assets	198,561	197,280	206,824	172,429	139,513
Liabilities	96,112	74,313	84,524	62,588	76,697
Shareholders' equity	102,449	122,967	122,300	109,841	62,816
Information from income statement					
Revenue from sales	129,398	146,068	124,223	92,786	89,070
Costs and expenses	123,978	139,298	115,100	85,148	83,147
Profit for the year ¹	5,248	5,801	8,294	6,457	5,268
EBITDA ²	17,778	19,413	21,164	16,884	15,159

¹ Profit for the year attributable to owners of the Company.

² Profit before finance costs, income tax expense, depreciation and amortization and including dividends from associates.

5,248 million baht, a decrease of 10% compared to the previous year due to lower sales volume and prices. On the other hand, the profit margin remained consistent with the previous year as a result of SCGP's continuous efforts on cost reduction and commitment towards operational excellence.

Business Adaptation to Address Situation in 2023

Finance

- Received Green Loan support worth a total of 3,000 million baht over a period of 5 years from MUFG Bank, Bangkok Branch, to invest in projects aligned with the Green Financing Framework, reinforcing ESG mission and a significant step towards collaborative growth and sustainability in the ASEAN region.

- Managed cash and Capital Expenditure (CAPEX) budgets meticulously, focusing on growth strategies with partners and expanding production bases in multiple countries to produce goods that meet the needs of customers in various industries, helping to diversify risks and mitigate impacts of external uncertainties.

Business

- Acquired 100% shares in Law Print & Packaging Management Limited, a prominent packaging service provider in the UK, to expand sales channels and SCGP's customer networks. It focuses on pet food products, a fast-growing market in the UK and Europe. This investment improves SCGP's performance on the entire supply chain, leading to increased revenue shares from current and future customers.

- Acquired 85% shares in Bicappa Lab S.r.L. through Deltalab, S.L., a subsidiary company in which SCGP holds 85% shares. Bicappa Lab S.r.L., a medical supplies & labware manufacturer specialized in pipette tips based in Italy. This was done in order to enhance Deltalab's business through backward integration.

- Acquired 70% shares in Starprint Vietnam Joint Stock Company (SPV), a renowned offset folding carton manufacturer from Vietnam, in order to support steadily increasing demands of box packaging in Vietnam. Offset printing services and high-quality cartons were introduced to the supply chain, allowing the already integrated packaging solutions of SCGP to meet customer demands on a broader scale.



➤ SCGP acquired shares in Law print & Packaging Management Limited, aiming to target the rapidly growing pet food market in the United Kingdom and across Europe



➤ SCGP acquired shares in Bicappa through Deltalab, entering medical supplies & labware business



Human resource

- Encouraged continuous self-development of employees as per the SCGP Learning Framework to ensure that their capabilities were ready to grow with the Company sustainably, and were up-to-date and able to overcome new challenges, including fast-paced demand, evolving lifestyles of consumers, and new environments. Also ensured that employees possess knowledge, functional competencies, and leadership competencies through various forms of learning and through the 70:20:10 learning model.
- Enabled employees to choose their futures with the principle of “Design your career, design your life” and to improve themselves through an “inner drive”. Employees could design their careers through competency assessments and compare the results with positions in the organization, which in turn helped employees envision their own career paths.
- Boost up+ Program provided a learning opportunity for self-improving employees with the freedom to choose any course, whether it is related or unrelated to their duties, and within a designated budget (1,500 baht/person/year). Self-improvements can be in the form of attending training programs, seminars, workshops, or online courses that take place domestically or overseas.





Product & innovation

- Signed a Joint Development Agreement with Origin Materials to develop a world-class innovation with advanced technology by converting eucalyptus wood into Bio-PTA (Bio-Purified Terephthalic Acid), which can be used to manufacture bio-based plastics; achieving a sustainable packaging solution for application in various industries.

- Signed MOU between Charoen Pokphand Foods Public Company Limited (CPF) and SCGP for innovations in pulp and polymer-based packaging to come up with green polymer-based plastic solutions in CPF that are eco-friendly, clean, and safe for consumers.

- Encouraged development collaboration on “Sustainable Packaging” and invited over 40 allied local and overseas companies to share their opinions and experiences with the ultimate goal of implementing eco-friendly packaging throughout the entire process of “SCGP Circularity in Action: Pursuit of Packaging Sustainability”.

- Developed a safe foodservice packaging solutions, “Fest by SCGP”, by taking advantage of the demands of the food manufacturing industry. The main component consists of fibers from eucalyptus trees which are fast-growing plants that are renewable and economical and they compose naturally. Products include, Fest Fresh Pak, which are paper trays for frozen food and Fest Redi Pak which are paper trays for ready-to-eat meal.

- Developed “HOLIS by SCGP” dietary supplements, such as: HOLIS by SCGP CHO-LESS Cap with the main component, Jiaogulan powder, researched and developed by SCGP; HOLIS by SCGP PROBIO ACTIVE PLUS combining 3 main components

- prebiotics, probiotics, and postbiotics; and HOLIS by SCGP Active Collagen Jelly containing Collagen Dipeptide Type I imported from Japan, Sakura extract, 3 types of blood orange extract, and bamboo mushroom powder from the research and development of SCGP.

Conduct Business Following ESG Direction for Sustainability

- SCGP values the importance of achieving 25% greenhouse gas reduction by 2030 compared with the base year 2020, covering operations in Thailand and abroad. It also has set a target to achieve Net Zero emissions (Scope 1 and 2) by 2050 as part of the joint effort to limit the rising of average global temperature not exceeding 1.5 Degrees Celsius in accordance with the Paris Agreement. Furthermore, SCGP intends to reduce water withdrawal by 35% by 2025, compared with Business As Usual (BAU) levels recorded in the base year 2014. In order to achieve these desired outcomes, we are committed to careful control of operations under good governance processes following international guidelines. In addition, SCGP has reduced industrial waste while increasing the ratio of recycled paper and recyclable plastic packaging with the target to accomplish 100% recyclable, reusable, or compostable packaging by 2030.

- Passed the Dow Jones Sustainability Index (DJSI) participation requirements by S&P Global as a result of the 2023 Corporate Sustainability Assessment (CSA) in the Containers & Packaging Industry. Based on the announcement of results on December 8, 2023, SCGP received a total score of 85, representing the top 1% of the Containers & Packaging Industry.

- Underwent the 2023 SET ESG Rating sustainability evaluation and was placed in the AAA group. The Company also received 2 SET Awards for 2 consecutive years in the category of the Best Innovative Company Awards from the Business Excellence Awards group and the Best Sustainability Awards from the Sustainability Excellence Awards group for sustainable development from the Stock Exchange of Thailand. This reflected SCGP’s commitment to conducting business in line with ESG framework to increase the Company’s resilience and sustainability.

- Received a plaque as the Climate Action Leading Organization (CALO) with outstanding assessment result. The assessment was made by the Thailand Carbon Neutral Network (TCNN), part of the Thailand Greenhouse Gas Management Organization (Public Organization).

- SCGP, collaborated with community volunteers and government agencies, planted trees in “SCGP Plant the Trees to Beat the Heat Project” in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen provinces, where the plants are located. A total of 62,549 trees have been planted and conserved to enhance carbon dioxide absorption and archive area, aiming to pass on a sustainable world to future generations.

- Collaborated with business partners to provide, such as MCOT, Ichitan, UNIQLO (Thailand) and Thailand Post Co., Ltd. knowledge and to gather used paper to recycle for sustainable management.

- Promoted the Circular Economy principles to expand waste management projects in communities for the fourth consecutive year through the “SCGP Zero Waste Community” project. This year, a total of 46 communities participated, helping to reduce community waste by over 1,505 tons. As of now, this project has successfully established zero waste role model communities in 143 communities, with a target to expand to 183 communities by 2030.



SCGP develops technologies and innovations to address environmental changes, aiming to foster business growth and create sustainability for the world. For instance, in managing its production processes, SCGP applies Machine Learning and Artificial Intelligence (AI) to reduce energy consumption, and utilizes biofuel. Additionally, solar cells have been installed in all plants to serve as alternative energy sources. In terms of recycling, SCGP has enhanced its efforts to reduce residues from production processes, maximizing benefits. This includes using advanced technology to transform plastic materials mixed with paper wastes, such as adhesive tapes or packaging films, into “plastic pellets” that can be reused as raw materials. These initiatives have been implemented in both Thailand and Indonesia.



Mr. Surasak Amawat
Technology and Digital Platform Director, SCGP



SIGNIFICANT DEVELOPMENTS

DURING 2021 – 2023 ARE AS FOLLOWS:

Year 2023

Cement-Building Materials Business

- The Board of Directors' Meeting of SCC, has resolved to approve the restructuring of the group of subsidiaries by designating SCG Decor Company Limited (“SCG Decor”) as the flagship company of the SCC group to undertake the manufacturing business of floor tiles, wall tiles, and sanitary ware in both Thailand and abroad. The portion of the newly issued ordinary shares to be offered in the IPO (“IPO Shares”) will not exceed 26.83 percent of the paid-up capital of SCGD after the capital increase and the offering of IPO Shares. SCG Decor will purchase the shares from all shareholders of the Company who accept the Tender Offer at a price of 2.40 baht per share. Then, COTTO will be delisted from SET upon the completion of the tender offer and initial public offering of SCGD. With this regards, SCGD set the final price of the newly issued ordinary shares of SCGD in the Initial Public Offering (IPO) at 11.50 baht per share (the “Final Price of Newly Issued Ordinary Shares”) and set the final swap ratio as payment for the tender offer of all shares of COTTO which is calculated based on the Final Price of Newly Issued Ordinary Shares of SCGD equivalent to 4.7917 ordinary shares of COTTO (with a par value of 1.00 baht per share) to 1 newly issued ordinary share of SCGD (with a par value of 10.00 baht per share). SCGD entered its first day of trading on the Stock Exchange of Thailand on December 20, 2023. SCGD intends to use proceeds raised through the IPO for investment in business development and expansions, maintenance of assets and improvement of manufacturing and operation, and preparation for future mergers and acquisitions, financial restructuring, working capital, debt repayment (in case there are remaining proceeds from the IPO), as well as for other purposes.

- Business merger between SCG Logistics Management Co., Ltd. (SCGL), a subsidiary of the Company, and JWD

InfoLogistics Public Company Limited (JWD) by swapping 35,031,000 ordinary shares in SCGL, which are held by SCG Cement-Building Materials Co., Ltd. (SCG CBM) and SCG Distribution Co., Ltd. (SCG Distribution), with 776,806,301 newly issued ordinary shares in JWD, accounting for a total value of 18,659 million baht (24.02 baht per share). SCG CBM and SCG Distribution have successfully completed the swap of their ordinary shares in SCGL with the newly issued ordinary shares in SCGJWD Logistics Public Company Limited (SCGJWD) (formerly JWD InfoLogistics Public Company Limited). Following the completion of the transaction, SCG CBM and SCG Distribution hold 42.89 percent of JWD. The purpose of this transaction is to develop a complete range of logistics services and become ASEAN’s leading logistics and supply chain solutions provider.

SCGC (Chemicals Business)

- SCGC has entered into a joint-venture agreement with Denka Company Limited in EV Battery Value Chain, to establish a joint-venture company and produce and sale of acetylene black (Acetylene Black), a conductive material used in EV lithium-ion batteries and high voltage power transmission cables of offshore wind farm and other related applications. Denka held a 60% stake while SCGC held remaining 40% in a joint-venture respectively. The joint-venture has been successfully established under the name Denka SCGC Advanced Materials Co., Ltd. with registered capital of 7,258.56 million baht (or approximately 200 million US dollars) located in Rayong province, Thailand with the production capacity of approximately 11,000 tons per annum. The facility is expected to be completed within the first half of 2026. The total investment is approximately 14,800 million baht (or approximately 400 million US dollars).

- SCGC has obtained approval from the Office of the Securities and Exchange Commission of Thailand (SEC)

on April 12, 2023, to extend the IPO approval period until October 4, 2023, and cannot be further extended, in accordance with the relevant Notifications of the Capital Market Supervisory Board. In this regard, the Company has considered the suitability of the IPO and the listing of SCGC shares on the Stock Exchange of Thailand by taking into account relevant factors and the readiness of both Thai and foreign capital market investors to take on a sizeable IPO of a Thai company at this time as well as external circumstances such as the economic situation and energy crisis; hence, the Company has decided that it may not be appropriate to proceed with the IPO at this time. The Company intends to proceed with SCGC IPO in due course after the situations have improved, including re-submitting an application for the IPO approval as well as a registration statement and draft prospectus (Filing) to the SEC. The Company will further update the significant progress regarding such proceeding to investors and stakeholders accordingly.

- Texlore Company Limited (TEXPLORE), a wholly-owned subsidiary of SCG Chemicals Public Company Limited (SCGC) has entered into a joint-venture agreement with RATCH Group Public Company Limited (RATCH) to establish a new company “RATCHTEX Company Limited” (RATCHTEX) to produce and sales in the business of solar PV floating systems, with registered capital of 1 million baht. Thus, TEXPLORE will hold a 40% stake while RATCH will hold 60% stake in RATCHTEX, respectively. This joint venture is in-line with SCGC’s strategy to elevate its High Value-Added portfolio to capture the megatrends by utilizing service and solutions technologies and innovations to enhance the capability and efficiency of energy solutions business portfolio.

- Thai Polyethylene Company Limited (TPE), a wholly-owned subsidiary of SCGC has entered into a joint venture agreement with Braskem S.A. through its subsidiaries Braskem Netherlands B.V. and Braskem Europe GmbH (Braskem) to establish a joint venture company that produces bio-ethylene (Green-Ethylene from ethanol). SCGC will hold a 49% stake in the joint venture, while Braskem will hold the other 51% stake.

The joint venture establishment will be completed upon the regulatory requirement and other conditions clearance from the relevant authorities. Green-Ethylene from this joint venture will be delivered to SCGC’s downstream plants to produce Green-Polyethylene (Green-PE) which is characterized with negative carbon footprint and embraced by consumers in packaging and finished products globally. The joint-venture company’s facilities will be in Map Ta Phut, Rayong, Thailand, while additional financial details of this investment is expected in 2024 upon Final Investment Decision (FID).

SCGP (Packaging Business)

- Acquired 100% of shares in Law Print & Packaging Management Limited (Law Print), 100% stake acquisition in Law Print & Packaging Management Limited (Law Print), a prominent packaging solution provider based in Stockport, United Kingdom. Payment for this 100% stake is the immediate 11.1 million GB pounds (approximately 490 million baht). This transaction is made through SCGP Solutions (Singapore) Pte. Ltd. (SCGPSS), a wholly-owned subsidiary of SCGP. Law Prints’ key capabilities are dedicated to catering to the needs of customers, especially in pet food industry, with detailed analysis for in-depth understanding of the evolving packaging requirements. This M&P transaction would enlarge SCGPs’ sales channels and customer networks with concentration on the premium market of fast-growing pet food manufacturers in the UK and across Europe and lead to an increase in SCGP’s wallet share within Law Print’s existing and future clients.

- Acquired 85% of shares in Bicappa Lab S.r.L (Bicappa), a renowned medical supply & labware manufacturer specializing in pipette tips products based in Roletto, Italy. Payments for the 85% stake is equal to total of 3.2 million euros (approximately 123 million baht). This transaction is through Deltalab, S.L. (“Deltalab”), 85% owned subsidiary of SCGP. This M&P investment would strengthen Deltalab through backward integration with their largest supplier of pipette tips which is the pivotal premium margin products in Deltalab’s comprehensive labware portfolio. Bicappa is one of the major-size

manufacturers of pipette tips in Europe with automated production and precision mold designs. This advancement will enable Deltalab to promptly expand into pipette tips business while also effectively accessing the know-how of conductive polymer injection technology (for auto-pipetting) and advance automated operation. Other synergies would also include sales expansion of other Deltalab's medical supply and labware products into Bicappa's clientele base.

- Acquired 70% shares in Starprint Vietnam Joint Stock Company (SPV), the Offset Folding Carton Packaging Manufacturer in Vietnam. Payment for the 70% stake is immediately 676.1 billion Vietnamese dong, (approximately 979 million baht). This transaction will be made through SCGP Solutions (Singapore) Pte. Ltd. (SCGPSS), which is a wholly-owned subsidiary of SCGP. SPV is a leading offset folding carton packaging manufacturer in Vietnam, with combined capacity of 16,500 tons of offset printing per year and 8 million pieces of rigid boxes per year. This transaction will enhance SCGP's packaging solutions capabilities to serve enlarging customer base in Vietnam and ASEAN while reinforcing chain integration across the region.

Year 2022

Cement-Building Materials Business

- Approved a merger between SCG Logistics Management Company Limited (SCGL) and JWD Infologistics Public Company Limited (JWD) through a share swap between the shares held by SCG Cement and Building Materials Business (SCG-CBM) and SCG Distribution Company Limited (SCG Distribution) in the amount not exceeding 35,031,000 shares and not exceeding 776,806,301 new ordinary shares of JWD for a total value of 18.66 billion baht (at 24.02 baht per share). After the completion of the merger transaction, JWD will change its name to SCGJWD Logistics Public Company (SCGJWD). The purpose of this transaction is to develop a complete range of logistics services and become the ASEAN leading logistics and supply chain solutions provider.

- Established Zifisense Asia Company Limited, a joint venture company in which Nexter Living Company Limited (Nexter Living) held a 55% stake and Xiamen ZIFiSense InfoTech Company Limited (ZIFiSense) held a 45% stake with a registered capital of 22 million baht. The joint venture company engages in selling and developing IoT products and platforms for smart building, smart industrial, smart logistics, and new business area in ASEAN. The establishment of Zifisense Asia aligned with the mission and strategy of Nexter Living.

- Global House International Company Limited (GBI), a joint venture company with 50% stake held by the Siam Cement Public Company Limited (SCC), acquired 628,146,900 common shares from Caturkarda Depo Bangunan Tbk (CKDB), accounting for 9.25% of the total shares outstanding, at 482 Indonesian rupiahs/ share for 303 billion Indonesian rupiahs, equaling to approximately 713 million baht. Following the transaction, GBI now holds 22% stake in CKDB. CKDB is a leading Indonesian retailer of building material, decorative, hardware, construction, renovation, and decorative house/garden products under the brand Depo Bangunan. This investment will support SCG's strategic expansion of its retail business in ASEAN.

SCGC (Chemicals Business)

- Completed the 70% acquisition in Sirplaste-Sociedade Industrial de Recuperados de Plástico, S.A. (Sirplaste), the largest manufacturer of high-quality recycled polymers or post-consumer resin (PCR) in Portugal. This investment was made by SCG Chemicals Trading (Singapore) Pte. Ltd., a wholly-owned subsidiary of SCG Chemicals Public Company Limited (SCGC). A total payment of 29.6 million euros (approximately 1,078 million baht) would be made on the date of signing.
- Acquired a 60% stake in Recycling Holding Volendam B.V. (Kras), a leading waste recycling company in the Netherlands, for a total value of 55.1 million euros (approximately 2.1 billion baht). Kras is capable of securing good quality 160,000 and 120,000 tons of plastic waste and paper per year, respectively, which will be further processed in the circular economy value chain.

In addition, Kras has a subsidiary in high-quality polymers recycling business with a capacity of 9,000 tons per year and plans to double the capacity output in 2023. This investment is linked to SCGC's green polymers growth pillar and enables the Company to further its reach in the end-to-end plastic recycling business.

- Approved an investment project to establish A.J. Plast (Vietnam) Limited (AJVN), a joint venture between SCGC and A.J. Plast Public Company Limited, who hold a stake of 45% and 55%, respectively, to produce Biaxially-oriented Polyethylene Terephthalate (BoPET) facilities in Vietnam. This particular BOPET investment is through SCGC by means of capital investment in AJVN, maintaining SCGC's shareholding proportion in AJVN at 45%. The total equity value is 22.7 million US dollars (approximately 851 million baht), of which SCGC's 45% equity investment is 10.2 million US dollars (approximately 383 million baht). The expected commercialization is in the first half of 2024.

- Entered into a joint venture agreement with Denka Company Limited (Denka) in Japan to set up a company involved with the production and supply of acetylene black, a conductive material used in Electric Vehicle (EV) lithium-ion. Denka will hold a majority stake of 60% in the joint venture while the remaining 40% stake will be held by SCGC. With a production capacity of 11,000 tons per year, the joint venture company will be set up in Rayong, Thailand, and it is scheduled to begin production in 2025. The detail of the investment is expected in early 2023, once the Final Investment Decision (FID) has been made.

- Securities and Exchange Commission (SEC) granted approval for the issuance of SCGC's debentures: 1/2565 and 2/2565 with total amounts not exceeding 60 billion baht. The first offering for sale is for the holders of SCC224A who are individual investors, the holders of the other debentures of SCC or the holders of SCG Packaging Public Company Limited who are individual investors, and other individual investors. The second offering for sale is for institutional investors and/or high-net-worth juristic persons, excluding private funds owned by individual investors.

- Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand approved the application for the initial public offering (IPO) of SCG Chemicals Public Company Limited (SCGC) and the listing of the shares of SCGC on the Stock Exchange of Thailand (SET) in the form of a holding company ("Plan to List Shares in SET"). The portion of the shares to be offered for sale in the IPO would not exceed 25.2% of SCGC's paid-up capital after its capital increase and issuance and offering for sale in the IPO. The proceeds will be used by SCGC for investment business expansion both in Thailand and overseas, for financial restructuring, for working capital, and for other purposes.

SCGP (Packaging Business)

- Invested in the production capacity expansion of corrugated carton by an additional 75,000 tons per year through Thai Containers Group Company Limited with the commercial start-up expected to begin in early 2024. The investment was aimed at enhancing SCGP's manufacturing capability to cater for the growing demand for corrugated carton amid the continual recovery of the Thai economy.

- Acquired a 100% stake in Peute Recycling B.V. (Peute) in the Netherlands, an international packaging materials recycling company covering both recovered paper and plastic. This investment will increase SCGP's capability of material recycling business and expand its material sourcing network to accommodate the growing needs of customers and consumers.

- Acquired a 90.1% stake in Jordan Trading Inc., a trader of recovered paper based in New York, USA.

- Conducted a project to expand the flexible packaging business of Prepack Thailand Company Limited (Prepack) in Thailand through the acquisition of flexible packaging assets from Cyber Print Group Company Limited (Cyber), a multi-type printing and packaging service provider in Thailand. The investment increased the total production capacity of Prepack by 12%.

- Issued and offered debentures to the public (Public Offering) twice on August 1, 2022, and December 1, 2022, in the total amount of 10 billion baht. The offering was

under the Medium-Term Note (MTN) filing for a two-year term in the amount of not exceeding 40 billion baht at any time (revolving basis) as approved by the Extraordinary General Shareholders' Meeting 2/2562 on November 25, 2019. The proceeds will be used for loan repayment, investments, and the working capital of the Company.

Year 2021

Cement-Building Materials Business

- Established a new company in the Philippines, which will provide international forwarding logistics services, fleet management services, and warehouse management system services, as part of SCG's strategy to expand logistics business across ASEAN. The total value of this investment is 10.4 million Philippine pesos (approximately 7.8 million baht). SCG Logistics Management Company Limited holds a 100% equity stake in the new company.

- Nexter Ventures Company Limited (Nexter Ventures), a wholly owned subsidiary of SCG, has completed the acquisition of a 9.90% stake in Team Consulting Engineering Public Company Limited (TEAMG). This was done via the purchase of 67,328,800 common shares in TEAMG, or 9.90% of total shares outstanding, at 2.54 baht per share, equal to a transaction size of approximately 171 million baht. TEAMG principally engages in providing integrated engineering, environmental, and project management consulting services to diversified industries. Its platform complements SCG's Cement and Building Materials Business which focuses on developing and offering solutions to serve customers' needs. This acquisition will enable joint collaboration and the creation of innovative solutions such as environmentally-friendly construction technologies (Green Construction Solution) to help reduce construction waste, optimize budget, and shorten construction period.

- SCG International India PVT. LTD. (SCG INTL INDIA) has entered into a joint venture agreement with Big Bloc Construction Limited (BCL) to engage in the production and sale of lightweight concrete blocks and panels with a total capacity of approximately 2.6 million square meters in Gujarat, India, where construction is a large

growth industry. SCG INTL INDIA will hold a 48% equity stake in the joint venture, while the remaining 52% stake will be held by BCL. The total value of this project is 891 million Indian rupees (approximately 410 million baht). Plant construction is expected to be completed within one year, followed by commercial startup.

- Global House International Company Limited has completed its investment in a 12.75% stake in PT Caturkarda Depo Bangunan Tbk (CKDB). This was done via the subscription of 865,653,100 new common shares, at 482 Indonesian rupiahs/share for 418 billion Indonesian rupiahs, equal to approximately 981 million baht. CKDB is a leading Indonesian retailer of building material, decorative, hardware, construction, renovation, and decorative house/garden products under the brand Depo Bangunan. This investment would support SCG's strategic expansion of retail business in ASEAN.

SCGC (Chemicals Business)

- Began and completed trial run in Q1/21 demonstration plant for advanced recycling. With a proprietary technology and capacity of 4,000 tons per year, the demonstration plant is designed to produce renewable feedstock using post-consumer plastics as raw materials. Once produced, the renewable feedstock was supplied to the Chemicals Business and utilized in the production of olefins. The plant was operated by Circular Plas Co., Ltd., a joint venture between REPCO Maintenance Company Limited (a wholly-owned subsidiary in the Chemicals Business), and GRD Energy Company Limited, each holding an equity stake of 60% and 40%, respectively with the total registered capital of 165 million baht.

- Completed construction of the capacity debottlenecking project of Map Ta Phut Olefins Company Limited (MOC), increasing olefins capacity by 350,000 tons per year. The plant started trial run in Q1/21 and running at full production capacity in May 2021. The project would provide MOC with enhanced feedstock flexibility. Furthermore, by using the latest technology, the project is considered a highly energy-efficient "Green Process" at a lower investment cost.

- Entered into a share purchase agreement through a subsidiary in Singapore, SCG Chemical Trading (Singapore) Pte. Ltd., to acquire a 70% stake in a recycling business, Sirplaste on April 27, 2022. The existing shareholders of Sirplaste agreed to retain 30% ownership and manage the business together with the Chemicals Business. Chemical Business Sirplaste operates the largest plastic recycling business in Portugal, with a production capacity of 36,000 tons per year, to manufacture products sold to domestic customers in Portugal and Europe. The investment in Sirplaste would enable the Company to enter into the plastics recycling business and create opportunities to develop and grow the capacity relating to recycling technologies and expand sales channels in the European market.

- Subscribed to the equity rights issuance of PT Chandra Asri Petrochemical Tbk (CAP) of 434 million US dollars (or approximately 14.26 billion baht) to maintain a 30.57% stake in CAP. The first investment totaled 327 million US dollars with the Company planning to invest the remaining amount of 107 million US dollars, pending CAP's approval of its final investment decision in CAP's second petrochemical complex (CAP2) project by 2022. This strategic investment in CAP is aimed at expanding the petrochemical business in Indonesia, a country with the largest petrochemical market in ASEAN and with high growth potential.

- Increased stake to 54.2% in Bangkok Synthetics Company Limited (BST), a leading producer of mixed C-4 products such as butadiene, nitrile latex, and synthetic rubber. BST's products are used in the production of goods that meet megatrends such as medical gloves and fuel-saving green tires.

SCGP (Packaging Business)

- Acquired 100% of shares in Go-Pak UK Limited (Go-Pak), a leading provider of foodservice packaging solutions for takeaway and ready-to-eat food and beverage businesses in the UK, Europe, and North America, with headquarters in the UK and production bases in Southern Vietnam.

- Acquired 70% of shares in Duy Tan Plastics Manufacturing Corporation Joint Stock Company (Duy Tan), a leading rigid packaging manufacturer in Vietnam. The majority of the Company's customers are multinational corporations and owners of consumer goods in rapidly growing countries.

- Acquired an additional 20% of shares in Visy Packaging (Thailand) Limited, resulting in SCGP's stake in Visy increasing from 80% to 100%. The 7th thermoform production line was added with related warehouse, resulting in an increase of 347 million pieces, or approximately 15-20% depending on SCGP's product mix at a specific point of time.

- Acquired 75% of shares in Intan Group, one of Indonesia's corrugated container manufacturers with both domestic and multinational customers in the food, beverage, and FMCG industries.

- Acquired 85% of shares in Deltalab, the medical supplies and labware specialist company registered in Spain. This investment is in line with the megatrends in health care and the growing tendency toward an aging society.

- Invested in pressboard capacity expansion of foodservice packaging by additional 1,615 million pieces per year at the Ratchaburi plant in Thailand and Binh Duong plant in Vietnam, and expanded molded pulp packaging production capacity by additional 223 million pieces per year at the Kanchanaburi plant in Thailand with operations expected to begin up by Q2/22. Both investments are aimed at increasing our capabilities for future market expansion and to capture the growing demand for food service packaging, especially from overseas.

- Invested in the new packaging paper production complex in the north of Vietnam for Vina Kraft Paper Company Limited (VKPC), which is in the process of Environmental Impact Assessment and expected to be commissioned in 2025.

NATURE OF BUSINESS

Revenue Structure

Unit: Million baht

Business unit ¹	2023					2022 ³					2021				
	Revenue from sales	Other income	Total revenue	Sale breakdown (%)	Equity in associates ²	Revenue from sales	Other income	Total revenue	Sale breakdown (%)	Equity in associates ²	Revenue from sales	Other income	Total revenue	Sale breakdown (%)	Equity in associates ²
Cement-Building Materials Business	189,348	16,988	206,336	36.78	1,525	204,048	2,174	206,222	32.23	1,682	182,529	1,785	184,314	31.27	1,511
SCGC (Chemicals Business)	191,482	1,863	193,345	36.58	3,592	236,587	3,975	240,562	41.12	4,928	238,390	790	239,180	44.23	11,577
SCGP (Packaging Business)	129,398	1,123	130,521	24.70	39	146,068	1,464	147,532	25.34	55	124,223	2,532	126,755	23.44	57
Others	1,368	15,621	16,989	1.94	3,265	1,505	12,808	14,313	1.31	4,037	219	12,615	12,834	1.06	4,398
Total Consolidated	499,646	28,886	528,532	100.00	8,419	569,609	12,683	582,292	100.00	10,703	530,112	10,594	540,706	100.00	17,543

Remarks: Financial figures are classified according to business unit before intersegment elimination.

- ¹ Details of the subsidiaries and holding percentage of each business unit are disclosed in “Part 11 List of subsidiaries, joint ventures, associates and other companies of which their operations are significant”.
- ² Share of profit of joint ventures and associates is recognized by using equity method.
- ³ The figures for the year 2022 are presented after the restructuring of Cement-Building Materials Business to Others.

Key Operations of Each Business Unit

Cement-Building Materials Business

Cement-Building Materials Business, which consists of cement, building materials and distribution business, focuses on developing High Value Added (HVA) products & services and aims to be the market leader both in Thailand and ASEAN. The Business’s main products are categorized into four product groups: cement, building materials, ceramic, and sanitary ware & fitting.



Key information

Capacity and main products

• Grey cement (Thailand)	23	Tons per year
• Grey cement (Outside Thailand)	10.5	Tons per year
• Ready-mixed concrete	789	Plants
• Roofing products	62.7	Million sq.m per year
• Ceiling/ board/ wood substitutions (Thailand)	108.1	Million sq.m per year
• Floor and wall ceramic tiles	187.2	Million sq.m per year
• Sanitary ware	2.3	Million pieces per year
• Fitting	1.7	Million pieces per year

Brand

- Portland cement: SCG
- Mixed/ Masonry cement, Mortar cement, Decorative cement, Tile Adhesive cement, and Tiger and Cement Chemical products (Domestic) and SCG (International)
- Portland and mixed cement: K-Cement (Cambodia)
- Ready-mixed concrete: CPAC (Domestic and Laos), SCG (Cambodia, Myanmar), Jayamix by SCG and CPAC (Indonesia)
- Fireclay bricks and special refractory: SRIC
- Compacting wall system: Tiger
- Precast and Post tension: CPAC
- Fully precast concrete system: Consulting services from design to construction: CPAC Green Solution
- Structural design by digital technology: CPAC BIM
- Lightweight Concrete and Panel: Q-CON and SCG
- Roof tiles, roofing accessories and structure: SCG
- Wood substitute products: SCG
- Fiber cement board and Cement board for Ceiling, wall and floor: SCG
- Thermal and acoustic insulations: SCG
- Concrete blocks, concrete floor tiles and concrete decorative wall tiles: SCG
- Concrete Fence: SCG
- SCG Solar Rooftop Solution for residential and industrial
- SCG Solar Floating, SCG Solar Farm, SCG Solar Carport
- SCG Smart Building Solution: SCG Air Scrubber, SCG Bi-ion
- Fresh Air Ventilation System : SCG Active Air Quality
- Ventilation System: SCG Active Air Flow
- Home building service: SCG HEIM
- Roof installation and improvement Service: SCG
- Home Improvement and renovation service: HOMESMILE
- Comprehensive consulting service for eco-friendly buildings with international standards: SCG Building and Living Care Consulting
- SCG Modular Bathroom
- Ceramic floors and wall tiles: COTTO, SOSUCO, CAMPANA, Prime, KIA and Mariwasa
- Sanitary ware, faucets, sanitary fittings: COTTO, SOSUCO, Prime, KIA and Mariwasa

Key information

- One-stop Service Solutions for floor and wall tiles, sanitary ware, faucets, sanitary fittings: COTTO LIFE
- SPC (Stone Plastic Composite) vinyl tiles and LVT (Luxury Vinyl Tiles: LT by COTTO
- Installation of ceramic tiles: C'TIS
- Building materials flagship retail store: SCG HOME Experience
- Building material active omni-channel retail: SCG HOME
- Ceramic tile stores: Klang Ceramic (Thailand), CTM (Ceramic Tiles and More (the Philippines), and Belanja (Indonesia)
- Logistics and delivery services: SCG Logistics and SCG Express
- Import/export service: SCG International

Strengths

- A leading producer of cement and building material products in ASEAN
- Adopt sustainable development framework in defining in the Business's vision, strategies, policies and operations
- Rigorous in-house R&D efforts to create innovative products and services
- Integrating customer journey in home improvement and renovation through SCG HOME active omni-channel which conveniently connects customers with different channels with one single ID. A digital platform is implemented to facilitate and connect home owner to contractors and designers

SCG Decor Strengths

- A leader in decor surfaces and bathroom in ASEAN
- A wide range of famous brands encompassing all customer groups and multiple product lines that have gained wide acceptance across ASEAN
- Expertise of the design and development teams allows for the development of products that meet the needs of customers and other High Value Added (HVA) products
- Excellence in quality and a broad array of products backed by advanced production process and technology
- Multiple accessibilities to customers via comprehensive distribution channels across the region and the Business's own retail stores
- A business that achieves sustainable growth with eco-friendly products and production processes aligning with the Environment, Society, and Governance (ESG) framework
- Focus on streamlining work and production processes by using substitute energy such as solar energy and waste heat from the manufacturing process to generate electricity in addition to using alternative energy and enhancing operational efficiency by employing robotic technology as well as automation and digital technology

Key information

Major business policies

- Carry out efforts to conserve natural resources and the environment, reduce CO₂ emissions and resource consumption, and constantly take part in activities beneficial to social and community development
- Develop new products to answer customers' application needs and add value to products and services through innovations and ongoing development of one-stop services and solutions
- Create and develop Active Omni-channel and ecosystems which integrate online to offline (retail outlets) platforms along with other related platforms such as design, search, hire for handyman services, etc.

1. Product or service features

Products and services are primarily classified as follows:

Cement

1. Portland cement
2. Mixed cement
3. Mortar cement
4. Decorative cement
5. Tile adhesive cement
6. Ready mixed-concrete
7. Fireclay bricks and special refractory
8. Compacting wall system
9. Precast, fully precast and post tension
10. Green construction solutions from design through to construction

Building materials

11. Aerated Lightweight Concrete (ALC)
12. Roof tiles (fiber cement roof, concrete roof, ceramic roof, metal roof, and translucent roof), roof truss and accessories
13. Fiber cement board and cement board for ceiling, wall and floor
14. Wood substitute products
15. Landscape products (paving block, paving tile, wall tile and fence)
16. Thermal and acoustic insulation
17. Solar rooftop solution for residential and industrial
18. Solar floating, solar farm, solar carport
19. Ventilation system
20. Fresh air ventilation system
21. Modular bathroom

22. Energy management and air pollution treatment in building (Air scrubber, Smart thermostat, Wireless monitoring, Bi-ion, Chiller)

Ceramic

23. Floor tiles
24. Wall tiles

Other decorative surfaces

25. SPC (Stone Plastic Composite) vinyl tiles
26. LVT (Luxury Vinyl Tiles)

Sanitary ware & faucets

27. Sanitary ware such as automatic one-piece toilet, two-piece wall hung/ floor mounting toilet, automatic toilet
28. Wash basin
29. Urinal/ bidet
30. Other accessories such as jacuzzi bathtub, double-sliding round corner shower enclosure, bathroom mirror with shelf and cabinet
31. Faucets
32. Showers
33. Flush valves
34. Accessories such as hand-held bidet sprayer, towel rack, toilet tissue holder, handrail for toilet
35. Spare parts

Other products and services

36. Logistics service
37. Import/export services
38. Disposal of industrial waste



➤ SCG air scrubber, an innovative energy-efficient waste air treatment system

39. Other products and services such as roofing, ceiling and wall solutions, and home product and service centers
40. Consultancy service specializing in green buildings in line with international standards
41. Home building service
42. Home improvement and renovation service/ Roof installation and improvement service
43. Retails offering products and services for tiles, floor and wall ceramic tiles, sanitary ware, faucets, and bathroom accessories
44. Home and building material retails
45. Consultancy service on all structural work from design to construction
46. Digital platforms for structural design
47. Fixing service and bathroom solution
48. Ceramic tile installation service

2. Market and competition

(1) Policy and market features of main products and services

- Policy and market features

1) Competitive strategy

- CBM conducts its business with the vision of sustaining its operations in accordance with ESG

standards that focus on Environmental, Social, and Governance through the elevation of the ASEAN construction industry by promoting construction innovations and green technologies, in response to the growing trend of green construction practices. This includes the production of Low Carbon Cement, which has gained significant popularity. Cement and Green Solutions Business has been actively replacing Portland Cement with Low Carbon Cement. In 2023, the production of Low Carbon Cement in place of Portland Cement increased to 63% from 41% in the previous year. Furthermore, adopting new, efficient, and green technologies, such as the CPAC Ultra Bridge Solution for ultra-thin high-performance concrete bridges and the CPAC 3D Printing Solution for flexible design, has reduced construction time, labor costs, material use, and waste. Additionally, SCG has grown its Green Circularity Business by creating value from waste materials and utilizing them to their fullest potential. This approach not only helps reduce production costs but also lowers greenhouse gas emissions.

To address the changing needs of a new generation of environmentally-conscious consumers, the business has developed innovative tiles that minimize resource usage. The “Eco Collection” tiles are produced by reusing waste to ensure zero waste. The effort reduces resource consumption by 80% and CO₂ emissions from transportation by 75%, which is equivalent to planting 944 large trees. Additionally, 25% of water is reused in the production process. This collection is free from volatile organic compounds and heavy metals. They are eco-friendly tiles of the year under the green COTTO logo which symbolizes green products.

- The business emphasizes developing High Value Added (HVA) products and services with advanced technology to differentiate and respond to customers’ needs as well as contribute to the growth of construction industry. Efforts included carrying out continuous products improvement through R&D and developing eco-friendly products to reduce natural resource consumption. With its own research and development function, the business is able to develop and enhance the quality of products and services in order to meet customer requirements in each segment and adapt to the rapidly changing construction industry. For example, Low Carbon Cement (SCG Hybrid Cement), Tiger Plastering Cement, SCG Precast Cement, Tiger Mortar Xpert Formula (crack resistant), CPAC Low Carbon Concrete, CPAC Super Series Concrete, concrete for specific areas such as CPAC Marine Concrete, CPAC Saline Soil Resisting Concrete.

We continue to innovate in building materials, elevating living environment standards by developing energy-saving solutions, enhancing environmental hygiene, and increasing safety at home and building through smart technologies. Examples of these innovations include “SCG Bi-ion,” an ion-based air disinfection system that eliminates airborne pathogens, including dust

particles; the energy-saving and improve indoor air quality “SCG Air Scrubber,” which can reduce air conditioning energy consumption by 20-30% in non-residential building such as convention centers, shopping malls, hotels, and hospitals. Over 240 locations have installed these systems. “SCG Solar Roof Solutions” features the unique ‘Solar Fix’ installation system by SCG, preventing roof leaks from solar panel installations on roof tiles. “SCG Active Air Quality” ensures clean air inside homes by preventing pollution and pathogens from entering, filtering out PM2.5 particles by up to 99%, thus protecting indoor air from dust and pathogens. The business also offers the AIR ION innovation which is an air purification tile that traps up to 89% of PM2.5 particles by releasing negative ions at a level of 3,000 ions/cm³ to capture dust in the air which help to increase fresh air during a day without using electricity. The Hygienic Tile helps to prevent and inhibit the growth of bacteria by incorporating silver nanoparticles into the tile texture. Smart flexible vinyl floor tiles, the latest flooring material innovation including Stone Plastic Composite (SPC) and Luxury Vinyl Tiles (LVT), are manufactured using advanced technology to ensure flexibility for maximum application efficiency. The vinyl flooring gives the realistic look of wood grain and offers water – resistance, easy maintenance, and quick, easy installation. Other products using hygienic technology include touchless sanitary ware with a self-elimination of bacteria by 99% within 24 hours, and automatic faucets with a beautiful design and high efficiency. The main development concept for COTTO sanitary ware and faucets spans 5 aspects: convenience, safety, worthiness, reliability, and satisfaction with a beautiful design to deliver “Hygienic Innovations” to customers.

- The business continuously increases energy efficiency in its production process by boosting clean energy use, substituting fossil fuels to reduce greenhouse gas emissions, and mitigating

energy price volatility risks. The business has embraced Renewable Energy (RE) sources, including Waste Heat Power Generation (WHG), solar power energy, and Alternative Fuels (AF), to replace fossil fuels, with alternatives including biomass from agricultural waste, energy plants, and Refuse-Derived Fuel (RDF). Additionally, the business uses supplementary cementitious materials as substitutes for clinker in the cement production process. Moreover, the business has a team of experts (Cement Business Solution Team) to provide consultancy and give SCG logo as the certification to our business partners to increase their competitiveness, enhance efficiency and effectiveness in the production process, quality control, and cost management. They also provide suggestions and solutions to problems related to product usage. Our business partners can also report problems directly to the Business' Complaint Center.

SCG Decor strategy

- (1) Expand Bathroom Business to ASEAN by leveraging the strength and leadership position of the decor surfaces business.
- (2) Fortify Leading Position of Decor Surfaces business in ASEAN in both of products and distribution channels.
- (3) Expand to related products and services to reinforce leadership in providing total solution in decor surfaces and bathroom businesses through the collaboration with strategic partners in ASEAN.
- (4) Maximize Profit through production and supply chain optimization including (i) business sourcing to fulfill the product portfolio to serve customers' demand due to the Company's expertise in research and development and quality control and (ii) utilization of the factories in Vietnam and their cost advantage to be an export base and (iii) efficiency enhancement towards a Smart & Green, to maintain leadership in the ASEAN region.
- (5) Grow Sustainably with Green Products and Processes.

2) Customer features and target groups

- Cement products are sold to affiliate companies to use as raw material for other downstream businesses such as concrete roofs and precast. Additionally, the product are sold to various SCG customers, including dealers, building material shops, ready mix concrete producers, and major contractors.
- Ready-mixed concrete products are sold to real estate developers, contractors, home owners, project owners, and entrepreneurs.
- Construction solutions are offered to developers, home owners, and large, medium, and small entrepreneurs.
- Building material products are classified based on pricing and targeted customer groups in different areas. Emphasis is to put on design, technology, and eco-friendliness to add value to products and meet the needs of all customer groups.
- Ceramic products can be classified into two customer segments: middle-to-lower and middle-to-upper segments.
- Sanitary ware and faucets are continuously developed to cater to 5 market segments:
 - New Built Market
 - Renovate Market
 - Replacement Market
 - Fixing & Maintenance Market
 - Restoration Market



 Expanding smart living solutions to ensure better living that promotes energy conservation, well-being, and safety



- ▶ Prompt Plus, an online ordering platform for building materials that allows dealers to deliver the products to retailers quickly and conveniently, and to offer retailers a comprehensive range of promotions



- ▶ SCG Home dedicated to simplify customers' home building experience by offering a diverse range of quality building materials, decorative products, and hardware

3) Channel of distribution

- The Business's domestic distribution has a strong distribution network of over 500 dealers nationwide. Several platforms have been developed to enhance distribution efforts and a variety of product offerings. For example, Prompt Plus helps increase efficiency in selling products to small dealers and Rakmao platform offers a diverse range of products to cater to the needs of contractors and purchasing teams for construction projects.
- SCG Home retail business has developed franchise and online stores to connect customers'

experience in selecting home and living products through Active Omni-channel. A distribution center was set up to ensure fast delivery to the retail stores, coupled with logistic management ensure delivery efficiency with improved cost competitiveness.

- Besides, the Business has developed distribution and retail business in other ASEAN countries such as Indonesia, Cambodia, Vietnam, Myanmar, and the Philippines as well as invested with business partners who have expertise in each country.
- For distribution in other regions, the Business operates through SCG International Corporation Co., Ltd. for import and export of products and raw materials for customers in various industries across the world, and also expanded to South Asia, the Middle East, and Africa (SAMEA) to accommodate the growth in business and construction sector industry in the region.

Policy and market features of main products and services

Currently, the Business has five grey cement plants in Thailand: 1) Ta Luang plant 2) Khao Wong plant 3) Kaeng Khoi plant (Saraburi) 4) Thung Song plant (Nakhon Si Thammarat) 5) Lampang plant (Lampang), with a total production capacity of 23 million tons. The Business has the largest production capacity in Thailand compared to other domestic cement producers.

For building materials group, the Business operates plants in Saraburi, Nakhon Pathom, Lampang, Lamphun, Chonburi, Khon Kaen, Nakhon Ratchasima, and Nakhon Si Thammarat to produce roof, ceiling and wall products. For overseas marketing, the Business has expanded its operation activities for cement and housing products in 6 countries in ASEAN: Indonesia, Cambodia, Laos, Vietnam, the Philippines, and Myanmar as well as export globally. Last year, the Business focused on improving distribution channel in destination countries to increase number of products and strengthen the overall distribution channel.

Regarding the ceramic business, there are local production bases for floor and wall tiles in Saraburi and regional plants in the Philippines, Indonesia, and Vietnam with a total capacity of 187.2 million square meters per year. Moreover, the Business is the leader in the domestic market for sanitary ware and fittings, and aims to be widely acceptance in the global market.

The key policy and main marketing strategy are as follows;

1) Promote low carbon cement usage standards with SCG Hybrid Cement in response to the growing environment concern trend in the construction industry and entrepreneurs by reducing greenhouse gas emissions along with taking care of the environment and resources. The Business has engaged the government authorities and private sectors to support environment-friendly products with an aim to achieve Net Zero Emission target by 2050. The Business is a member of Global Cement and Concrete Association (GCCA) in hope to raise living standard for the customers and enhancing Green Building standards by reducing CO₂ emissions from the production process, increasing the use of alternative fuels, and strengthening the concrete structures.

2) Expand the mortar market under Tiger brand in the Premium segment, such as general plastering mortar Xpert formula and mortar for Lightweight brick Xpert formula by focusing on the requirement of local developers and related parties across the country. These products have key features that reduce the chance of cracks, reduce repair works, save budget and time as well as improve the quality of life of the residents.

3) Increase market base of decorative cement under the “Tiger Decorative” brand, which is for floor and wall decoration to serve customers who demand unique and outstanding decoration by expanding to the renovation segment with Tiger Decor Polymer cement loft wall, and loft floor and colored cement. The Business has also enlarged its business opportunities in decorative products and services through its online channels with a professional service team to build desired loft walls for customers.

4) Develop the construction market with CPAC Green Solutions such as CPAC 3D Printing Solution, CPAC Ultra Bridge Solution, CPAC Floor Solution, and CPAC FillGood Solution. The solutions have been developed to meet various application needs, leveraging digital technology. For example, CPAC Drone Solution is an innovation for the assessment of the overall construction area using drones to collect information on the elevation and overall terrain which are analyzed to map the project. The technology can be adapted in multiple industries and can lower the rate of construction error, enhance the efficiency of land usage, increase safety, and decrease construction time. The data will be subsequently sent to CPAC BIM to manage construction projects which allows all stakeholders to understand the construction ecosystem in every step from the design and monitor the speed of construction to ensure that it is in line with the project’s target. Moreover, once the project is delivered, the data gained from the system can be used for the management of the next project. The system also lowers the rate of rejects, rework, and waste.



5) Research and develop a smart ventilation system and indoor air quality control system for better living standards in Thailand with innovation that combines Passive Stack Ventilation and a ventilation system using a solar powered fan with a smart control to provide optimum cooling comfort and reduce the build-up of heat during the day. Furthermore, new products have been developed to improve indoor air quality (Well Air System) with a smart control of humidity, temperature, CO₂ and VOCs, by controlling and monitoring the air quality in an air-conditioned room to keep it healthy.

6) Launch new building material innovations that meet functional and design needs. The “SCG Metal Roof” with NoiseTECH technology that reduces rain noise by up to 12 decibels compared to standard metal sheets. Using digital printing technology, the “SCG EXCELLA Cresta” ceramic roof offers distinctive natural stone patterns. Exterior fiber cement walls, “SCG WOOD-D,” mimic the pattern and colors of natural wood through digital printing technology, offering a durable alternative to real wood.

7) Research and develop products to meet the needs of consumers, such as AIR ION, air purification tiles, capable of trapping PM2.5 dust up to 89% and adding fresh air 24 hours a day without using electricity by releasing negative ions at a level of 3,000 ions/cm³ to catch dust in the air, provided that 40% of the room has installed AIR ION tiles. Hygienic Tile has the properties to prevent and inhibit the growth of bacteria by incorporating silver nanoparticles. The results are certified under the Japanese Industrial Standard JIS Z-2801.

8) Conduct R&D on ECO Collection tiles by combining advanced technology and concern for nature in the development of environmentally-friendly products, services, and solutions to deliver home decorative materials that can match every lifestyle and increase quality of life for society, community, and the environment under the COTTO brand and the COTTO Green logo. This indicates the eco-friendly products that reaffirm our commitment to taking care of the world and the environment from the inception of the product through to undergoing the Circular Economy process to sustain resource consumption and pass on to the future.



➤ Hygienic Tile inhibits the growth of bacteria throughout its useful life by incorporating silver nanoparticles into the tile texture to release silver ions, capable of killing up to 90% of bacteria

SCG Decor

SCGD offers a broad array of ceramic tiles, sanitary ware, faucets and multiple famous brands that have gained wide acceptance in both domestic and international markets. The products address the needs of every segment of customers. Moreover, SCGD is committed to driving development and sales of High Value Added (HVA) products by launching a wide range of new products in response to the demand of each consumer groups. Examples include wellness products such as Anti-virus and Anti-bacteria Tiles, smart products equipped with automation such as Smart Toilet, or environmentally-friendly products such as products using recycled components or reducing water use. The products are offered under the strong and well-known brands such as COTTO, SOSUCO, and CAMPANA in Thailand, PRIME in Vietnam, Mariwasa in the Philippines, and KIA in Indonesia.

- Domestic market and competition

The domestic demand for cement and building materials in 2023 remained stable from the previous year, attributable mainly to the government investment and expenditures and the modest recovery of the tourism sector. However, the increasingly high household debt coupled with droughts that affected the farmers' income and purchasing power, high interest and inflation rates, and strict loan criteria put a downward pressure on the growth of households and the private sector. Moreover, the business sector was also impacted by the volatile energy prices in response to the global situation.

Amid the challenges in the market, the Business was determined to develop products and strategies in consistence with customer needs and manage energy cost and fuels by using renewable energy and fuel substitutes to reduce impact of the volatile energy prices.

Ceramic demand in domestic market improved from last year amid multiple uncertainties such as high energy cost and rising inflation rates. However, Thailand's reopening plan to welcome visitors resulted in high purchasing power in some major cities.

SCG Decor

In 2023, the global and ASEAN economies were impacted by multiple situations such as the Russia-Ukraine conflict, the Israel-Hamas war, and prolonged Middle East war which brought on volatile energy prices, and high interest and inflation rates as well as Vietnam's real estate market turmoil had negative impact on production cost and overall shrinking purchasing power.

For marketing, the Business emphasized the operational strategy to maintain its leadership position. The focus was on developing the quality of products and services through constant development and innovation of new products, fostering good relationship with customers, enhancing customers' competitiveness, and reducing cost. The efforts also extended to expanding the distribution network to reach all customer groups to offer them maximum satisfaction with the Business's products and services and facilitate customers' convenient accessibility to the products.

- Regional market and competition

The ASEAN market for cement and building products recovered more slower than expected. Vietnam and Cambodia were affected by the slowdown of construction and property sector, coupled with high household debt resulting in dampened demand for cement and building materials. The Philippines was hard hit by the rising interest and inflation rates coupled with price cutting of building materials in the domestic market. However, the building material market in Indonesia improved from the previous year as a result of the economic recovery.

The Cement-Building Materials Business has actively transformed its business in ASEAN in response to the economic slowdown and changing consumer behavior. It focuses on developing High Value Added (HVA) products and solutions that address customers' pain points and expanding distribution channels through Active Omni-Channel retail that integrates online and

offline nationwide. The Business prioritized maintaining competitive cost position and adjusting the price in accordance with the rising production cost to cope with the challenge. The Business is also committed to conducting business in line with sustainable development approach.

3. Products and services procurement

(A) Product procurement feature

Type	Local/Foreign (%)	Remark
Main raw materials		
Limestone	100/0	Own supply sources and self-operated
Shale	100/0	Own supply sources and long-term contracts with contractors
Sand	100/0	Own supply sources kept as reserve. Currently buy from external suppliers
Clay	100/0	Own supply sources and currently have long-term contracts with contractors
Copper slag	0/100	Buy from external suppliers
Gypsum	100/0	Currently buy from external suppliers and partly operate from own sources
Kraft paper	10/90	Currently buy from international vendors and partly from SCG affiliates
Fuel		
Lignite	50/50	Self-operate from its supply sources and buy from external suppliers
Petroleum coke	0/100	Buy from external suppliers
Coal	0/100	Buy from external suppliers
Bunker oil	100/0	Buy from external suppliers
Biomass	100/0	Buy from external suppliers

Type	Local/Foreign (%)	Remark
China clay	100/0	Local supplier
Ball clay	100/0	Local supplier
Tank trim set	0/100	Oversea supplier
Seat & cover	0/100	Oversea supplier
Brass ingot	80/20	Local and oversea supplier
Zinc ingot	100/0	Local suppliers obtaining the materials from overseas

(B) Product procurement feature of SCG Decor

Type	Local/Foreign (%)	Remark
Main raw materials		
Sand	90/10	Buy from external suppliers and own supply sources in Vietnam
Clay and ball clay	98/2	Buy from external suppliers and own supply sources in Thailand
China clay	99/1	Buy from external suppliers
Brass ingot	100/0	Buy from external suppliers
Fuel		
Coal	100/0	Buy from external suppliers
LNG	100/0	long-term contracts with suppliers
Biomass	100/0	Buy from external suppliers

For other materials, the Business has long-term contracts with many raw material producers both domestic and foreign. The Business will not rely on any single supplier to prevent shortage of raw materials.

(C) Environmental protection

Sustainable development in business operations

The Cement-Building Materials Business realizes the importance of Circular Economy and has implemented it in business operations with focus on 3 directions:

1. Develop green products & solutions that provide benefits or meet the customer' desire more directly under the brand "SCG Green Choice".

2. Drive the Circular Economy system in the construction business throughout the value chain through a network of cooperation with the Circular Economy in Construction Industry (CECI).

3. Up-cycle or recycle waste into raw materials (Waste to Value).

- Develop green products & solutions that provide benefits or meet the needs of customers more directly. The Cement and Building Materials Business has certified more products and services under the SCG Green Choice label and developed new products to meet the needs of customers in 3 areas: energy saving and global warming (Climate Resilience & Energy Conservation), natural resources efficiency and extending service life (Circularity), and promoting good hygiene (Well-Being). In 2023, the number of SCG Green Choice products increased from 153 products to 167 products.
- The Circular Economy in Construction Industry (CECI): CECI has expanded to include 36 organizations, encompassing the whole value chain and extended the Circular Economy concept in the construction industry to all sectors as well as educational institutions through organizing National Engineering conference. Other joint initiatives included the use of leftover lightweight bricks from the construction site of One Bangkok project to use as sound barriers at the tunnel wall of One Bangkok's entrance. The leftover lightweight bricks of over 200 tons were recycled into sand substitutes, water treatment substances, and used as sound barrier materials covering 1,850 sq.m. Additionally, the King Bridge Tower was a prototype project of CECI that involved collaborative efforts from the design process, procurement, and construction, using BIM as a design tool to reduce resource use, waste at site, and saving construction time. For its part, SCG serves as consultant on building Model Circular Economy (CE), and implementing CE in the project. The project has currently completed the design process and entered the construction phase. A total of 20 CE solutions under joint consideration for use in the King Bridge Tower were compiled. SCG solution used in the project is Modular Toilet from CPAC which helps reduce concrete waste by 388 tons.

- Create value from waste by transforming it into products (Waste to Value). The Business has partnered with internal and external agencies to add value to waste and reduce natural resource consumption by managing waste in alignment with the Circular Economy principles.
- Use sediment from ceramic tile production, totaling 1,200 tons/ year to produce Ratchaburi water jars, enabling the jars to boast a different pattern from using natural materials. This creates artistic uniqueness and adds value to the products.

4. Undelivered projects or high valued purchase agreements

None

SCGC (Chemicals Business)

Production process

SCG olefins plants use naphtha as the main feedstock for our Naphtha crackers. Our petrochemical production process consists of four key stages as follows;

Stage 1. Sourcing supply of feedstock

The production of olefins involves the utilization of various feedstocks, including natural gas condensate (product from gas separation plant) and naphtha derived from an oil refinery. Furthermore, advancements in technology have enabled the use of biomass sources such as sugarcane, tapioca, and palm in the production process, which has led to the development of bio-plastics. SCGC relies on naphtha as the primary feedstock, which is imported from the Middle East and sourced from domestic suppliers.

To ensure flexibility and cost-effectiveness, the olefins crackers at SCGC have been designed to accommodate different types of feedstocks usage. This includes the utilization of LPG, raffinate, and condensate when their prices are more competitive compared to naphtha.

Stage 2: Upstream petrochemical products

After feeding feedstock into a naphtha cracker, the produced products are classified into two distinct chains based on their molecular structure:

1. The olefins chain such as ethylene, propylene, and mixed C4 (Hydrocarbon compounds with four carbon atoms).

The aromatics chain such as benzene, toluene, and xylene, which are utilized as raw materials and chemical compounds for the manufacturing of various petrochemical products, including styrene.

Stage 3: Intermediate petrochemical products

This stage is the production of intermediate petrochemical products by utilizing one or more upstream petrochemical products, which can be a combination of products from the olefins chain and aromatics chain as raw materials for production. The intermediate petrochemical products in this stage are Vinyl Chloride and Styrene Monomer. These intermediate products serve as crucial raw materials for the manufacturing of downstream petrochemical products.

Stage 4. Downstream petrochemical products

Petrochemical products are derived from the utilization of intermediate petrochemical products. These downstream products serve as raw materials for the production of finished goods and as feedstocks or solvents in other downstream industries. The range of downstream petrochemical products includes polymer resins and synthetic rubbers or elastomers.

1. Polymer resins form the main products of SCGC and are extensively used in various downstream products industries such as packaging, automobiles, building materials, medical devices, and consumer products. The primary main polymer resin products include Polyethylene (PE), Polypropylene (PP), and Polyvinyl Chloride (PVC). The vinyl chain employs a fabrication process to convert PVC into finished products such as construction pipes, water pipes, agricultural pipes, electrical wire and signal cable conduits, rain gutters, and window and door profiles.

2. Synthetic rubbers or elastomers. These include products include Styrene Butadiene Rubber (SBR), Butadiene Rubber (BR) used as raw material in automobile tires and parts as well as other consumer goods. Nitrile Butadiene Latex (NBL) is used in the production of medical rubber gloves, as well as industrial and household rubber gloves.

SCGC is committed to the new product development process both in terms of High Value Added (HVA) products & new application development. This process focuses on the creation of High Value Added (HVA) products and the exploration of new applications by collaborating with customers, including converters and brand owners to develop products that meet their specific needs and requirements. The success of this collaborative process leads to the creation of new product groups that not only generate revenue but also drive innovation within the business.

1. Nature of product or service

Products/service	Product features	End products
1. Olefins		
1.1 Olefins	Upstream products for petrochemicals including ethylene and propylene are main feedstocks for polyolefins, polyvinyl chloride and polystyrene. Olefins' by-products are mixed C4, benzene, toluene, which are feedstocks for SCGC associates companies	Main feedstock for SCGC downstream business
1.2 Olefins by-products	By-products from steam cracking process that uses naphtha as feedstock	
1.2.1 Mixed C4	A primary feedstock for producing butadiene and B1 which are used as feedstocks for MTBE, and further refined to produce nitrile latex	Butadiene Rubber – BR, Styrene Butadiene Rubber – SBR, Acrylonitrile Butadiene Styrene – ABS, etc.
1.2.2 Benzene	Used to produce other polymer resins	Polystyrene – PS, Polycarbonate – PC, SBR, ABS, Styrene Acrylonitrile – SAN, Phenol, Epoxy, etc.
1.2.3 Toluene	Used as a solvent and for the production of other aromatics substances of higher value	Paraxylene, benzene and other compounds such as Polyurethanes (PU)
1.2.4 Mixed xylene	Categorized into three main types: 1) P-xylene, which is used to produce Polyethylene Terephthalate (PET) resins and polyester fibers; 2) O-xylene, which is used to produce plasticizer to increase the plasticity of PVC; and 3) M-xylene, which is used as a solvent	Polyethylene Terephthalate (PET) resins and polyester fibers, plasticizer, and solvent
1.2.5 Pygas	A by-product from the thermal cracking process. A higher quantity will result with the use of naphtha or gas oils as feedstock. Pygas contains a mixture of hydrocarbons with 5 to 9 carbon atoms, and a high aromatics content	Pygas can be further extracted for aromatics products

Products/service	Product features	End products
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2. Polyolefin and related products

2.1 High Density Polyethylene (HDPE)	In the rigid form, Good flowability, easy formation, and high resistance to chemicals	Pipes, wires and cables, milk bottles, shampoo bottles, cosmetics bottles, lubricant containers, bottle crates, fruit crates, trash bins and shopping bags
2.2 Medium Density Polyethylene (MDPE)	Good drop and shock resistance, stable formation, and low temperature resistance	Cooler boxes, water tanks, water treatment tanks, playground equipment
2.3 Linear Low Density Polyethylene (LLDPE)	High stiffness, high tensile strength, and high puncture resistance	Industrial and agricultural films, plastic rice bags
2.4 Low Density Polyethylene (LDPE)	Clarity, good adhesion strength, high stiffness and high shrinkage	Flexible packaging (coating), aseptic packaging
2.5 Polypropylene (PP)	High toughness, high impact resistance, and high heat resistance	Electrical appliances, packaging, automotive parts, battery cases, film, woven plastic bags, PP bags, electronic appliances and furniture
2.6 Polyethylene Compound	Polymer resins that are blended with other additives to improve its properties, such as pressure resistance and UV resistance	High pressure pipes, large-sized pipes for water work systems and gas pipe systems, mining pipes and pontoons

3. Polyvinyl Chloride (PVC) and related products

3.1 PVC resin	PVC is classified as thermo-plastic which can be melted or subjected to pressure many times without destroying the original structure. It can be shaped many times, but must be mixed with other additives to form a product with various properties according to user needs	Various finished products made from PVC
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Products/service	Product features	End products
3.2 PVC compound	It comes in the form of resin or compound blended with other additives to improve its properties such as impact resistance, plasticity, heat stability, etc., resulting in weather-resistant, flame retardant, high-weight, and rust-free material	Cable jackets, pipes and fittings, window and door profiles
3.3 Finished products	It can be shaped many times, but must be mixed with other additives to form a product with various properties according to the user needs	A wide variety of applications including pipes and fittings, door and window profiles and rain gutters, and other building materials

4. Others i.e. recycling business, services and solutions business

4.1 Post-Consumer Recycled Resin (PCR)	Plastic resins are produced using high quality mechanical recycling method. The plastic waste is sorted and cleaned before recycling	A wide range of plastic products such as bottles, garbage bags, merchandise bags
4.2 Jetty & Tank terminal	Storage services for various petrochemical gases and liquids such as naphtha olefins, benzene, and mixed xylene as well as transportation services for raw materials and products between pipelines and terminals using its own jetties and tanks for companies under SCG Group	
4.3 Services and solutions	The services and solutions include coating for industrial furnaces, industrial inspection robots, digital asset solutions, technology licensing, and floating solar farms	

2. Market and competition

(1) Policy and market features of main products and services

- Policy and market features

In general, the petrochemical industry is characterized by producing commodity products that are subject to price volatility cycle. The business has thus set forth policies and strategies to differentiate its products from competitors and increase competitiveness as follows:

1.1) Competitive strategy

- High Value Added products

The business has implemented a competitive strategy focused on the development and production of High Value Added (HVA) products. This strategy aims to enhance product quality and serve customer specific requirements. To achieve this, the business has made consistent investments in research and development capabilities and efficiency. Presently, the establishment of the i2P (Idea to Product) Center in Rayong province has been used to show the business's innovative products and services, that receiving positive feedback from both domestic and international visitors. This has resulted in over 100 collaborative ideas for product development. Furthermore, the business has placed



▶ Lightweight carbonated soft drink caps that maintain strength and toughness despite using less plastics

significant emphasis on the development and sales of HVA polymers that cater to the requirements of durable products and align with the principles of the circular economy.

In 2023, sales of High Value Added (HVA) products accounted for 39% of the total sales. The breakdown of these sales is as follows:

1. High Value Added products:
 - Food and Beverage business: Polymer resins produced from SMX™ technology for high impact-resistant packaging, lightweight bottle caps, high quality PCR resins for recycled packaging, recyclable packaging solutions that increase recycling efficiency, flexible packaging, and Retort pouch, etc.
 - Building and infrastructure business
 - Building sector: Insulation for power cables and telecommunication cables, water tanks from rotational molding, PVC pipes and fittings, plastic doors and windows.
 - Infrastructure: Large HDPE pipes for water work systems, mining and natural gas industries, insulation for power cables and fiber optic cables.
 - Other specialty: Polymer resins for medical equipment, kayaks and farming as well as SMX™ technology polymer for Intermediate Bulk Containers (IBC) with high strength and chemical resistance.
 - Automotive business: Interior and exterior automotive parts and battery cases.
 - Electrical Appliances business: Parts for refrigerators and washing machines.
2. High Value Added Services:
 - Industrial Furnace Coating service: Coating for refineries, petrochemical and steel industries.
 - Robotics Inspection service: Carburization Inspection Robot (CiBot™), Tank Inspection Robot, and Aerial Visual Inspection Robot.
 - Technology Licensing: License of HDPE production process, license of functional material CIERRA™.
 - SCGC Floating Solar Solutions.

The business aims to further increase sales portion of High Value Added products to reduce the impact of business volatility in the down cycle while enhancing the overall competitiveness of the business.

1.2) Cooperation with customers: service, further development of new products, and supply chain management

Based on our belief that “service is the heart of selling”, the business has developed Customer Relationship Management (CRM) which is designed to gather and analyze customer requirements to accurately and timely respond to their needs. Customer complaints are recorded and solved systematically and sustainably using our CRM system.

Moreover, the business resolves to provide technical advice on plastics conversions, engage in collaboration with customers to co-create values from the development of products and services that better satisfy customers’ latent needs, develop and expand the network of business (business matching), host seminars or business panels to provide both business and technical information to increase customer’s competency for their sustainable growth. Apart from emphasizing accuracy of the delivery, the business also engages in continuous improvement to enhance the service efficiency in order to match the customers’ business operations which vary by segment.

1.3) Price and cost

The business focuses on value creation for customers, business partners, and stakeholders, including technology development and innovation creation. As both the domestic and export prices of chemical products move in line with global market prices, the business aims to create premium by offering high quality products, services, and innovations in response to customer needs in order to remain competitive in the market.

In terms of cost management, the business also places importance on sustaining competitive cost position. As the petrochemical industry requires high investment, the business has to constantly expand the plant capacities and improve productivity to achieve

economies of scale with lowest investment cost per ton. The business’s upstream and downstream integration also provides significant competitiveness. The business adopts the Integrated Business Excellence (IBE) system which helps reducing loss in production time, bringing about higher plant productivity, cost reduction, improved product lines management and ability to set product prices to serve customer needs. The business also utilizes Total Productivity Management (TPM), which emphasizes equipment maintenance, production efficiency, and reduction in machine downtime and cost. By following the TPM concept, the business was awarded Advanced Special Award for TPM Achievement from the Japan Institute of Plant Maintenance for achievement in production efficiency enhancement, machine downtime reduction, energy conservation, accident and environmental impact reduction, as well as in the development of the employees’ capabilities.

The business also employs digital technology, Artificial Intelligence (AI) and advanced Information Technology (IT) in business processes and operations and in the e-Business platform, such as e-Procurement, Warehouse Management, Advanced Process Control, Advanced Planning and Scheduling, Ready Plastic, Customer Relationship Management (CRM), and electronic Delivery Paper (e-DP), Blockchain for Procure-to-Pay (B2P), and Digital Commerce Platform (DCP) to achieve best-in-class efficiency and customer satisfaction. With RPA (Robotic Process Automation), the business is able to improve efficiency by automating repetitive manual tasks using robotic software. Moreover, it has developed Smart Online Fault Analysis (SmartOFA), which can estimate risk and also send out alerts before potential problems occur. This helps reduce maintenance cost and reduce opportunity loss from machinery breakdown.

1.4) Product quality management system and product quality

One of the business’s main policies is to produce safe and high quality products without any effects on the environment and communities and to focus on occupational health and workplace safety. The business

has adopted Total Quality Management (TQM), which emphasizes customer and quality. Therefore, it integrated and used Risk Management Policy and ISO system with TQM and TPM as one quality management system, resulting in the business being certified by the various international quality systems, namely ISO 9001, ISO 13485, GPM, ISO 14001, ISO 16949, OHSAS and TIS 18001. The business also applied ISO 17025, leading to product assurance in both quality and safety throughout the process, such as procurement, production, storage, and logistics. Moreover, the business has supported research and development to constantly improve and create its products with quality and safety to truly meet customers' needs in various product applications.

1.5) Management

The business focuses on the development of a value chain management (Value Chain Optimization) to allow it to manage operations quickly and accurately according to market volatility. Every month, the business will prepare a forward-looking plan and planning work that is linked throughout the value chain encompassing production and sales, demand and supply of goods and raw materials, as well as new products under development to increase the time to adjust according to market situations and customer needs for the most effective planning. There is also a measurement of the results of such plans for improvement of future planning.

The business places high importance on cultural transformation to shape the continuous improvement of employee mindsets. Also, the business selects high potential employees to work full-time on improvement projects.

The business elevates strategic workforce planning, starting from assessing the needs and readiness of human resources in terms of numbers, capability, and traits that are vital to business operations, readying them for business development both today and tomorrow. The business also aligns enterprise's goals to those of the employees, using the new Performance Management System (PMS) and creates an organizational culture that promotes common understanding. Added to this is the

development of a better performance evaluation between supervisors and subordinates, as well as the development of necessary skills for executives, enabling them to be role models for employees to work collaboratively in an efficient manner.

The business enhances the efficiency of the Enterprise Resource Planning (ERP) system through the integration of all department systems to quickly respond to customers. The system consists of various functions, such as order forecast, sales and logistics planning, and inventory management.

Furthermore, the business invites world-class consultants with expertise in supply chain management to co-develop and continuously improve its supply chain management with the emphasis on visibility of supply chain as a whole. In addition, the business also extends the Business Continuity Management (BCM) system to all of its subsidiaries for ongoing customer responsiveness in case of emergency.

(2) Customer features and target groups

The business has rearranged target customers into groups of businesses in order to directly respond to customer needs, which can be classified as the building and infrastructure business, automotive part business, food and beverages business, electrical appliance business, and packaging business.

As its customers are mostly small and fragmented, the business aims to diversify the customer base into more diverse segments and regions to reduce the risk from depending on a limited number of customers. However, the business has also collaborated with global leading players in order to be leader in technology to best respond to end user needs in advance.

(3) Channel of distribution

In 2023, the Company domestic and export sales of polyolefins accounted for 46% and 54%, respectively. Domestic and export sales of PVC were 64% and 36%, respectively. The business has expanded the distribution channel by setting up ReadyPlastic, an e-Commerce platform mainly for non-prime polyolefin polymer, accounting for 40% of the total sales.

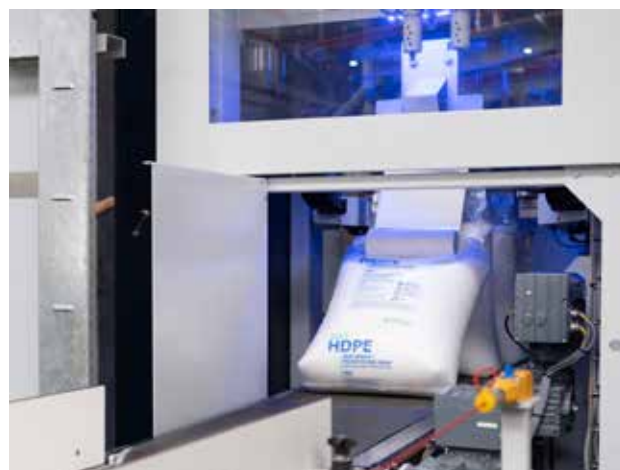
- **Domestic**

Domestic customers of polyolefins can be categorized into 2 groups: customers who convert and sell in domestic market represent 94% of the total domestic sales whereas those who convert and export (re-export customers) represent the remaining 6%. For PVC, sales come from customers who convert and sell in the domestic market only.

- **Export**

The business mainly exports to the Asia-Pacific region. Products are distributed directly to end-users or local distributors so that customer needs are satisfied efficiently. The proportion for the polyolefin export market is 60% in Southeast Asia, 17% in East Asia, 6% in South Asia, and 17% in other regions whereas 75% of PVC is exported to Southeast Asia, 18% to South Asia, and the remaining 7% to other regions. In 2023, the business exported around 1 million tons comprising 0.80 million tons of polyolefins and 0.2 million tons of PVC. By diversifying its export destinations to 120 countries, the business was able to avoid risks from political or economic changes in a particular country.

In addition, by having global based customers, the business is able to manage export products quantities for profit optimization as prices may differ depending on the market conditions of each country.



➤ High quality plastic resins from LSP, an integrated petrochemical complex in Vietnam

3. Products or services procurement

(A) Product procurement feature

The business has 2 olefins plants and 9 polyolefins plants located in Map Ta Phut Industrial Estate, Rayong Province, and PVC plants and related product of 21 plants located in Thailand, Vietnam, Indonesia Cambodia, and Myanmar. Another Vietnam’s Petrochemical Complex that has completed its construction and is expected to be commercial operation in early 2024. These also including subsidiaries’ company. Nameplate capacities are displayed below:

Company	Manufacture/ Product/Service	Capacity (Ton/Year)	Year first operated	% Shareholding
Thailand		6,406,000		
1. Rayong Olefins	Ethylene	900,000	2542	68
	Propylene	450,000		
2. Map Ta Phut Olefins	Ethylene	1,200,000	2553	67
	Propylene	850,000		

Company	Manufacture/ Product/Service	Capacity (Ton/Year)	Year first operated	% Shareholding
3. Thai Polyethylene	HDPE 1	140,000	2532	100
	HDPE 2	170,000	2540	
	HDPE 3	220,000	2544	
	HDPE 4	450,000	2553	
	LLDPE	140,000	2543	
	LDPE	150,000	2548	
	PP 1	140,000	2536	
	PP 2	180,000	2540	
	PP 3	540,000	2553	
4. SCG ICO POLYMERS	MDPE Compound	85,000	2556	87
5. Thai Plastics and Chemicals	PVC Resin 5-9	530,000	2533	100
	VCM Profile 1-2	590,000	2533	
6. Nawaplastic Industries	PVC Pipe and Fittings Profile 1-2	204,000 21,000	2513	100
7. TPC Paste Resin	PVC Paste Resin	36,000	2536	100
Vietnam		3,229,000		
8. Binh Minh Plastics Joint Stock Company (BMP)	Plastic Pipe and Fittings	150,000	2520	55
9. TPC Vina Plastic and Chemicals Corporation	PVC Resin 1-2	200,000	2540	70
10. Viet-Thai Plastchem	PVC Compound	17,000	2537	72
11. Chemtech	XPLE	12,000	2548	100
12. Long Son Petrochemicals	Ethylene	950,000	The petrochemical complex will begin full commercial operations in early 2024	100
	Propylene	400,000		
	HDPE	500,000		
	LLDPE	500,000		
	PP	400,000		
	Butadiene	100,000		

Company	Manufacture/ Product/Service	Capacity (Ton/Year)	Year first operated	% Shareholding
Indonesia		141,000		
13. PT. TPC Indo Plastic & Chemicals	PVC Resin	120,000	2541	100
14. Berjaya Newaplastic Indonesia	PVC Pipe and Fittings	21,000	2562	51
Cambodia		18,000		
15. Nawaplastic	PVC Pipe and Fittings	18,000	2559	60
Myanmar		16,000		
16. Grand Nawaplastic	PVC Pipe and Fittings	16,000	2559	80
Service				
17. Map Ta Phut Tank Terminal	Jetty and Tank Terminal	- ¹	2541	82
18. Rayong Pipeline	Pipe Transportation	-	2541	92
19. Rayong Engineering and Plant Services	Engineering and Plant Service	-	2544	100
Recycle Business				
20. Sirplaste- Sociedade Industrial de Recuperados de Plastico, S.A.	Plastic recycling plant	45,000	2517	70
21. KRAS	Plastic waste sourcing Paper waste sourcing	160,000 120,000	2494	60
22. REKS	Plastic recycling plant	9,000	2562	45

Remark:

¹ The four piers have deadweight tonnages of 100,000 tons, 80,000 tons 20,000 tons, and 10,000 tons, respectively.

In 2023, the olefins plant had a capacity utilization rate of 86%, the polyolefins plant had a capacity utilization rate of 76%, and the polyvinyl chloride plant had a capacity utilization rate of 95% of the total production capacity of each product.

The Long Son Petrochemicals (LSP) project is the first fully integrated petrochemical complex in Vietnam. This petrochemical complex is expected to provide business competitiveness as it will fully integrate SCGC's upstream petrochemical plants with downstream units, and offer economies of scale and flexibility in choosing feedstocks between propane and naphtha for cost optimization. The combined production capacity for ethylene and propylene is expected to reach approximately 1.35 million tons per year. The total production capacity for downstream polyolefins is expected to be close to that of its olefins plant. Aside from adopting world-class production technology, LSP has invested in its supporting facilities, which include a port facility and other utilities.

Moreover, LSP is located approximately 100 kilometers from Ho Chi Minh City, which is the main marketplace and economic center of the country, and LSP also has direct access to deep seashore and national highways, and is located in close proximity to a large international container port, facilitating the export of its polymer products.

The budgeted of LSP project is approximately U.S.\$ 5.4 billion. The LSP petrochemical complex is scheduled to start full commercial operations in early 2024.

(B) Raw material procurement

1) Olefins production

The key raw material in olefins production is naphtha, which is procured from domestic oil refineries. In addition, the business has designed its plants to be able to use other alternative feedstocks such as LPG, raffinate, and condensate if the cost of production is lower, the more competitive. In 2023, the product accounted for approximately 34% of total demand. The remaining 66% was mostly imported from Middle Eastern countries. The business had long-term contract for raw material with main suppliers both domestically and internationally.

2) Polyolefins production

The key raw material in polyolefins production is olefins. The business has olefins purchasing contracts with olefins producers in SCGC's subsidiaries for 1,865,000 tons per year while the rest of the olefins production is sold to joint ventures and external customers who are the business olefins plant shareholders. Moreover, the business is also able to procure more olefins from PTT Global Chemical PLC. (PTTGC) or import from overseas.





➤ Marine materials repurposed from discarded fishing nets which will be further processed into upcycled products

3) PVC production

The key raw material in PVC production is Vinyl Chloride Monomer (VCM). The business can produce VCM to fulfill all demand from its domestic PVC production. For its production facilities in Indonesia and Vietnam, the business obtains VCM from the Thailand production base and additional overseas imports. For EDC for VCM production, all of it is imported.

- Sustainable development approach

SCGC operates business with policies that support sustainable development by placing importance on the environment and communities to create harmonious living among industry, the environment, and communities through eco-friendly management. SCGC is the first company in Thailand to achieve Eco Factory certification on 100% of its production facilities in 2015. The business has also engaged several sectors to develop Eco Community, Eco School, and Eco Temple, with the final aim of becoming Eco Industrial Town, in accordance with the government's policies to develop environmentally-friendly industries and build awareness of resource optimization, waste management and safety in community. Moreover, the business has extended its internal waste sorting model to surrounding communities

linking residences, temples, schools, and waste banks under the campaign of Zero-waste Community, creating collaboration among stakeholders. Added to this was the development of an application named KoomKah for waste bank management.

SCGC has collaborated with various organizations and network of partners to undertake marine protection missions, as well as global cooperation with The Ocean Cleanup, Alliance to End Plastic Waste (AEPW), and Ellen MacArthur Foundation to work together to sustainably solve waste problems, especially in the ocean and move forward to tackle marine debris problem with the SCGC-DMCR Litter Trap from HDPE-Bone, a new innovation upgraded from the first model by using a special-grade plastic, resulting in higher efficiency of waste collection, UV resistance, and service life. Moreover, the litter trap is recyclable, in line with the circular economy concept.

In collaboration with the Ministry of Natural Resources and Environment and several organizations and network partners, SCGC has carried out the Nets Up project designed to turn old fishing nets to marine materials. As part of the project, the old nets will enter the purchasing system of community waste banks via the KoomKah application before being recycled into high quality recycled plastic resins and further developed into marine materials. The materials will be used to produce value-added products such as fabric in the textile industry, packaging, sports shoes, automotive parts, electrical appliances, etc.

Also, SCGC has educated youths in sorting and collecting plastic waste from the origin through the Upcycling Milk Pouches project by washing and drying the school milk bags, and then collecting the bags as LLDPE plastic that can be sold and reused as a material to produce recycled chairs, which are well-designed and durable in alignment with the government's BCG Economy (Bio-Circular-Green Economy).

4. Undelivered projects on high valued purchase agreements

None

SCGP (Packaging Business)

SCGP together with its subsidiaries is a leading comprehensive packaging solution provider in ASEAN. The Company produces a variety of innovative products and services while committing to sustainable development principles. SCGP consists of three main businesses: 1) Integrated Packaging Business, 2) Fibrous Business, and 3) Recycling Business and Others.

Key information	
Capacity	Integrated packaging business <ul style="list-style-type: none"> Fiber packaging 1,380,000 Tons per year Packaging paper 4,600,000 Tons per year Flexible packaging 1,006 Million square meters per year Rigid packaging 143,000 Tons per year Medical supplies and labware 850 Million pieces per year
	Fibrous business <ul style="list-style-type: none"> Pulp 598,447 Tons per year Printing & writing paper 445,791 Tons per year Foodservice packaging 8,797 Million pieces per year
	Recycling business and others <ul style="list-style-type: none"> Packaging materials recycling business 2,200,000 Tons per year
	Integrated packaging business <ul style="list-style-type: none"> Fiber packaging Packaging paper Consumer and performance packaging Rigid packaging Flexible packaging Medical supplies and labware
	Fibrous business <ul style="list-style-type: none"> Pulp and paper products Foodservice packaging Plantation and bio-based solutions
	Recycling business and others <ul style="list-style-type: none"> Recycled paper Recycled plastic Other businesses such as investments

Key information

Brands

- Packaging and supplies for mailing and shipping solutions: Doozy
- Life style products, furniture, and household products: Doozy by SCGP, Plaxury, DUY TAN member of SCGP, MATSU, Talopa, Oneplas
- Medical Supplies and Labware: Deltalab member of SCGP
- Supplements: HOLIS by SCGP
- Personal hygiene products: ALMIND by SCGP
- Foodservice packaging: Fest by SCGP, Go-rPET, edenware
- Printing and writing paper: Idea by SCGP, Supreme by SCGP, Green Read by SCGP, Spring, Ultimate, Delight
- Fertilizer, eucalyptus plants, and agriculture equipment: Ku Din
- Packaging: Green Carton

Strengths

- A leading comprehensive packaging solutions provider in Southeast Asia.
- Established a long-standing partnership with customers. Recognized by Multinational Companies (“MNCs”) and other blue chip companies in the region.
- Strong capabilities in packaging design and R&D which enable the Company to offer innovative products and solutions to respond to the diverse needs of customers.
- Vertical integration business model enables the Company to strengthen operational efficiencies, cost competitiveness, security of supplies, and optimized resource allocation.
- A leading proponent of sustainability through Circular Economy principles with emphasis on Environmental, Social, and Governance (ESG) aspects.

Major business policies

- Strengthen customers’ brands and their supply chain efficiency through innovating renewable products and services.
- Continuously expand the business both domestically and internationally and enhance the diversity of its product offerings and customer base to capture macroeconomic growth and an increase in consumer expenditures in the region.
- Proactively commit to pursuing sustainable development and pioneering the Circular Economy principles in ASEAN.

Business development policies

- Strive for quality growth through Merger and Partnership (M&P), and Organic Expansion.
- Commit to being a leader in integrated packaging solutions and becoming top-of-mind for customers through innovative products and services development as well as designing solutions to meet megatrends such as e-Commerce.
- Adopt technology to achieve continual operational excellence.
- Conduct business following sustainable development in accordance with the ESG (Environmental, Social, Governance) aspects.



1. Product or service features

Packaging Business is a leading integrated packaging solutions provider in Thailand and Southeast Asia with a vertically integrated business model starting from pulp production to the manufacturing of printing and writing paper, packaging paper, and fiber packaging. SCGP also manufactures packaging for horizontal diversification industries. This allows the business to effectively allocate resources and control production costs, promote a strong supply chain, and efficiently control the quality and innovations from the first step of production, which can add value to the products. Additionally, SCGP also produces flexible packaging, rigid packaging, foodservice packaging, and medical supplies and labware. The business consists of three major businesses as follows:

- **Integrated packaging business**

The key products are packaging paper, industrial bags, shopping bags, paper cores, processed and finished products, gypsum liners, coated duplex boards, and a wide variety of fiber packaging, logistics packaging, folding cartons, event and exhibition displays, lifestyle products, consumer and performance packaging, flexible packaging, rigid packaging, medical supplies and labware, and total packaging design solutions.

- **Pulp and paper business**

The key products are foodservice packaging, pulp, and paper products. The pulp produced is an essential raw material for various types of paper such as printing & writing

paper, which can be used by printing houses to print magazines, booklets, textbooks, and copy paper, specialty industrial paper such as paper for labels, release liners, furniture products, medical & hygiene paper, and including a various types of paper used as foodservice products such as boxes, plates, cutlery, bowls, cups, etc. which are produced from natural pulp and polymer.

- **Recycling business and others**

This business deals with procuring and distributing recovered paper and recovered plastic materials in Europe and the U.S. The investment has increased capabilities in the recycling of packaging materials. In addition, it has enabled the business to directly attain raw materials from those sources, along with expanding the SCGP procurement network to enhance the resilience of the packaging businesses from raw material sources, upstream and downstream production, through to the integrated packaging solutions.

2. Market and competition

(A) Marketing of main products and services

- Policy and market features

1) Marketing strategy

SCGP strives to become an integrated packaging solutions provider with a variety of products to fully meet the packaging demands of various manufacturers, for example, fiber packaging, logistics packaging, folding cartons, event & exhibition displays, and lifestyle



products. The production capacities have been developed and broadened to cover flexographic pre-printing, offset printing, and digital printing, catering to the diverse demands for packaging including consumer and performance packaging, flexible packaging, rigid packaging, and medical supplies and labware.

SCGP has set up a network of recycling centers in Thailand, Vietnam, the Philippines, and Indonesia. Moreover, the Company has expanded into the international recycled packaging market through merger and partnership with Peute Recycling B.V. (Peute) in the Netherlands and Jordan Trading Inc. (Jordan) in the U.S. The ability to gather and manage the recycling of packaging materials effectively in these countries adds to the cost advantage and stabilizes the business supply chain.

SCGP has made inroads into medical supplies and labware through investment in Deltalab and Bicappa, which have customer bases and manufacturing facilities in Spain and Italy. This is in response to the changing consumer behavior trends toward health and wellness. The investment has elevated SCGP's service capabilities to a world-class level and provided important opportunities to leverage knowledge in the manufacturing of related products. This has laid solid foundations for the business expansion plan related to healthcare and medical products in the Asia-Pacific region.

For the packaging design service, SCGP continues to develop designer teams to work proactively with their expertise and capabilities in comprehensive design service, including product logo design, product labeling, display booths, printing media, and packaging. SCGP has a network of production sites across Thailand and Southeast Asia, ensuring customer confidence that excellent goods and services will be consistently delivered without interrupting their production lines.

In addition, to respond to the high demands of its customers, SCGP prioritizes the development of innovative product solutions and aims to continuously improve the quality of its products and services. The development of innovative product solutions is a key strategy for SCGP in enhancing its capabilities. This includes "High Strength" paper, which is a thinner packaging paper with the same strength, allowing customers to save production costs and reduce resource usage.

SCGP continues to focus on developing high-quality and environmentally friendly products that meet various international standards and regulations such as Green Label, which certifies products that are environmentally friendly and meet high-quality standards compare to other products with the same functions, as well as SCG Green Choice, among others.

Additionally, SCGP promotes the production and sales of wood, pulp, paper, and packaging that are certified by FSC™ Certification, which is a standard for responsible forest management and ensures that the wood used in the production of paper and packaging materials comes from well-managed forests. This certification certifies that SCGP products are made from raw materials and processes that meet FSC™ standards for the entire processes, from sourcing of raw materials, to production processes, as well as the sales, and delivery. The SCGP FSC™ products certified products include FSC™ 100%, FSC™ Controlled wood, FSC™ Recycled 100%, and FSC™ Mix. Thus, consumers can rest assured that SCGP products are environmentally-friendly and fully committed to social responsibility.

SCGP's foodservice products are hygienic and safe food packaging that can be in direct contact with the food, in line with Food Direct Contact standards. Their development derives from attention to the health and safety of consumers. Demand has been steadily growing from both chain restaurants and food delivery businesses, along with global environmental awareness. SCGP is committed to developing high-quality products that meet consumer needs through the selection of high-quality raw materials, packaging structure designs, and the use of the production processes certified by international standards such as GMP and BRC. SCGP's foodservice packaging products are designed to be a new alternative packaging that meet all consumers' application needs. Currently, Fest® food packaging comprises four main categories: Fest Choice, Fest Bio, Fest Daily, and Fest Chill, targeting domestic and ASEAN markets.

2) Customer features, distributions, and channels of distribution

Integrated packaging business

Fiber-based packaging

Channel: SCGP's production facilities are strategically located in different areas that are close to customers' factories, as the proximity of factories to customers is one of the success factors. SCGP has formulated strategies to assist customers by (1) procuring and distributing products quickly and consistently, (2) reducing cost and delivering time from a production sites to customers, and (3) providing prompt communication and access to the services. In addition, SCGP has established a dedicated team to support Multinational Company (MNC) customers. In order to respond to customer needs with the highest efficiency, this dedicated team is responsible for gathering customer needs for further development and offering integrated packaging products and service solutions. With production sites located throughout Thailand, Vietnam, and Indonesia, SCGP can rapidly respond to multinational customers in all regions.

- Industry, competition, and trends

1) Integrated packaging business

In 2023, the demand for corrugated containers grew 1.1% compared to the previous year due to an increase



in domestic consumption coupled with a recovery in the service sector, especially tourism. On the other hand, exports saw a decline prompted by a weakening demand of from key trading partners due to sluggish economic conditions, higher inflations, and geopolitical conflicts in multiple regions. The impact spilled over to the global trade, especially key export markets such as U.S. and Europe.

In the ASEAN market, the demand for corrugated containers in Indonesia in 2023 dropped 6% from the previous year, This can be attributed to high interest rates and inflation that affected consumers' purchasing power, leading to a decrease in demand. At the same time, exports of durable products, as well as textiles and clothing, to Europe and the U.S. decreased amid the economic slowdown.

Likewise, the demand for corrugated containers in Vietnam fell by 5.7% in 2023 due to a decline in exports, especially durable products. This was compounded by the stagnation of the Vietnamese real estate market, which put downward pressure on consumer purchasing power and the country's overall economy.

The demand for corrugated containers in the Philippines decreased by 17.7% from the previous year due to dampened demand triggered by high interest rates, as well as a decline in domestic consumption and exports.

The international conflicts and economic slowdown of SCGP's major trade partners are likely to continue, which could bring both opportunities and challenges to SCGP.

2) Fibrous business

Pulp and paper

In 2023, global demand for bleached chemical pulp increased by 3% from 2022. The favorable contributing

factors included the recovery of economic activities following the easing of COVID-19 restrictions in China early in the year, resulting in higher demand for pulp from paper and packaging manufacturers. However, demand for pulp from manufacturers in Europe and the U.S. declined due to their sluggish economies.

For dissolving pulp, demand rose from the previous year, thanks to the growing demand from rayon fiber manufacturers in China after relaxation of COVID-19 restrictions.

In 2023, the overview of printing & writing paper in Thailand saw a 3% decline in demand compared to last year as several businesses have adopted electronic media in response to consumers' changing lifestyles and working processes. This has pressured demand for printing & writing paper, resulting in its decline.

Foodservice packaging

Demand for foodservice packaging in 2023 improved from 2022 in Europe and the U.S., fueled by strong growth in the service sector, especially tourism and restaurants. At the same time, demand for environmentally-friendly foodservice packaging continued to grow boosted by the policy of large fast food chains to use environmentally-friendly packaging. On the other end, changing consumer behaviors toward online food delivery, which has grown steadily, propelled the rising demand for foodservice packaging.

3. Product and service procurement

(A) Product procurement features - Integrated packaging business

Fiber packaging

Raw Material Type: Packaging paper is the main raw material for fiber packaging.

Source: Packaging paper from Siam Kraft Industry Co., Ltd., a subsidiary of SCGP.

Obstacles: Raw materials management is efficient. Supply is adequate and of desired quality. Pricing is in accordance with market price to support cost fairness and competitiveness.

Packaging paper

Raw Material Type: Recovered paper (treated into recycled pulp and produced as packaging paper), starch, and virgin pulp.

Source: Recovered paper from the Company's 86 recycling centers throughout ASEAN and imports from quality sources in the EU, the U.S., Japan, and Australia. As for virgin pulp, all virgin pulp from wood chips comes from the Company's eucalyptus plantations, local contract farmer network, and imports. All of the imported pulp shall be certified by the FSC™.

Obstacles: With the scale of business and long experience in operating recycling centers, the Company has established local networks in several areas, as well as creating good relationships with recovered paper traders. This secures the Company's stable raw material sources and stable cost. In addition, the Company has expanded to international recycled packaging market through merger and partnership with the Netherlands Peute Recycling B.V. (Peute) and the US Jordan Trading Inc. (Jordan). These efforts have increased the Company's ability to secure recovered paper from multiple major sources. These advantages help mitigate risk of price volatility and shortages of recovered paper in the global market from several external factors, such as government restrictions on the import-export of recovered paper.

Consumer and performance packaging

Raw Material Type: Polymer, resin, film polymer, and other raw materials are used to produce medical supplies and labware.

Source: Polymer and resin, such as Linear-Low Density Polyethylene (LLDPE), Low-Density Polyethylene (LDPE), High-Density Polyethylene (HDPE), Polypropylene (PP), and Polyethylene Terephthalate (PET), are sourced from reputable regional and international suppliers. SCGP manufactures some of LLDPE and sources the rest from reputable regional and international suppliers.

Obstacles: Prices of raw materials are highly volatile. However, the Company has implemented price adjustment mechanisms that adjust the prices according to the indices of raw material prices.

Fibrous business

Raw Material Type: wood chips (to be processed into pulp), chemicals, starch, and water.

Source: Wood chips from SCGP's plantation and contract farmer networks all over Thailand, which account for 42% of the Company's supplies. The remaining are sourced from other farmers in Thailand.

Obstacles: Some of the pulp needs to be imported with approximately 30-45 days lead time.

(b) Environmental impact

The increasingly severe global warming and climate emergency that have adversely impacted the environment, leading to numerous natural disasters such as droughts, and floods prompted by rising sea levels. As well, the ecosystems including some plant and animals species are at risk for becoming extinct whereas biodiversity is facing grave threats. To address the issues, SCGP gives importance to reducing greenhouse gas emissions (Scope 1 and 2) by 25% within 2030 compared to the base year 2020 for its businesses in Thailand and overseas. The Business has also set the target to achieve Net Zero Greenhouse Gas Emissions (Scope 1 and 2) by 2050 as part of the concerted efforts to limit global temperature rise to 1.5°C in accordance with the Paris Agreement. Apart from this, SCGP has taken aim at reducing water consumption by 35% within 2025 compared to the base year 2014 through continued supervision and operations in conformance with international standards to realize the target. This runs concurrently with the efforts to reduce industrial waste, increase proportion of recycling consumers' used paper, and increase proportion of recyclable plastic packaging. To this end, SCGP resolves to design packaging through cocreation with customers to ensure that 100% of the packaging can be recyclable, reused, or decomposable by 2030.

SCGP is committed to reducing environmental impacts in there key aspects: energy and climate change management, water management, and industrial waste management. Details are as follows:

Energy and climate change management

SCG has set the target to reduce greenhouse gas emissions (Scope 1 and 2) by 25% within 2030 compared to the base year 2020 for its businesses in Thailand and

overseas. At present, has achieved a 19.5% greenhouse gas emission reduction through the following activities:

- Improving efficiency and streamlining work process and equipment help reduce energy use by 79,743 kilojoules per year, resulting in a reduction of 8,146 tons of carbon equivalent per year.
- Increasing the use of biomass energy achieves a reduction of 696,275 tons of carbon equivalent per year. The use of biogas has also been extended to the paper plants in Thailand and the Philippines, achieving a greenhouse gas emission reduction of 13,759 tons of carbon equivalent per year.
- The solar power plant installation project has been expanded to reach a capacity of 49.5 megawatts. Currently, the solar power plant installations in Thailand and overseas amounts to a capacity output of 9.7 megawatts, reducing 9,228 tons of carbon equivalent per year.
- In compliance with the Natural Climate Solution (NCS), SCGP has teamed with government agencies and communities to plant trees since 2020 to provide green spaces to absorb and store carbon dioxide from the air. In 2023, 1,154,609 trees were planted in SCG's plants and neighboring areas in different provinces, adding to a cumulative total of 2,283,284 trees. For its part, Siam Forestry Co., Ltd., entrusted with collecting data, was certified for carbon storage in 31,770 rais of economic tree plantation, achieving a reduction of 152,181 tons of carbon equivalent per year by SGS (Thailand) Co., Ltd.
- SCGP constantly monitors and assesses possible risks that may happen to the business and establishes preventive measures to handle any arising situations under the assessment of the risk management working team and the energy and climate change working team. The efforts will be approved by the Chief Executive Officer for information disclosure in alignment with Task Force on Climate-Related Financial Disclosures (TCFD).

Water management

SCGP has set a target to reduce use of external water by 35% within 2025 compared to the base year 2014 in line with the 3Rs (Reduce, Reuse, Recycle) concept with the focus on maximizing water use efficiency in the manufacturing process. At present, the Company manages to reduce the use of external water by 28.6% compared to the base year 2014 and recycle 17% of the total external water. Central to the activities are as follows:

- SCGP resolves to enhance water use efficiency by analyzing the water use cycle from the beginning to the end of the production process and find means to improve water use by consolidating production technology, improving machinery, and retrofitting new equipment to maximize water use efficiency in production.
- SCGP has implemented advanced high-efficiency biological wastewater treatment to ensure the quality of water meets the prescribed standards and has installed real-time water quality monitoring system to allow for on-line monitoring.
- SCGP adopts integrated water management method by using Aqueduct tools of WRI to identify and devaluate water stress in the areas where SCGP operates across ASEAN and jointly analyze water situations to asses risks in terms of water quantity, water quality, regulatory and

reputational risks. Added to this are preparing a water situation model, forecasting quantity of external water sources in connection with Business Continuity Management (BCM) to create a Business Continuity Plan (BCP) for water utilities, and keeping track or water situations and devising a water resource management approach with the government, public, and industry.

Industrial waste management

SCGP has undertaken industrial waste management continuously aligning with the 3Rs (Reduce, Reuse, Recycle) concept and the Circular Economy principles. Efforts include reducing waste at source, managing both hazardous and non-hazardous as much as possible by benchmarking the measures or standards stipulated by the government or international organizations with the focus on continuity and improvement. Emphasis, is also placed on research and development of innovations to reuse or recycle waste into value-added products. SCGP's production process in Thailand generates zero waste to landfills while 100% of waste sent for management is recycled and used as energy.

4. Undelivered projects on high valued purchase agreements

None



RISK MANAGEMENT

1. Risk Management Plan and Policy

SCG has given utmost importance to risk management across the organization amid the changing internal and external factors potentially affecting the Company's operations and efforts to achieve its business goals. SCG has established systematic enterprise risk management aligned with international standards, based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO ERM-2017) framework. Integrating risk management into business operations has enabled SCG to adjust and manage risk within its risk appetite promptly when faced with obstacles or unforeseen situations such as the COVID-19 pandemic, the Russia-Ukraine conflict, and global concern over the spreading of the Israel-Hamas war. At the same time, the Company is constantly vigilant for business opportunities from such risks to increase competitiveness. SCG pledges to create long-term business growth following the good governance principles by incorporating the Environmental, Social and Governance (ESG) framework factor in establishing the mission and strategies in line with the ESG 4 Plus approach, encompassing "Set Net Zero - Go Green - Reduce Inequality - Embrace Collaboration with adherence to fairness and transparency" and by setting forth ESG risk as part of the enterprise risk management. The continued commitment to tangible sustainability risk management in 2023 resulted in SCG achieving the highest score from the Dow Jones Sustainability Indices (DJSI) in the Construction Materials category. The Company has remained in the world's top three for 14 consecutive years. Apart from that, SCG has been recognized by other leading global sustainability indices including the ESG Risk Ratings for ESG Industry Top Rated

for Industrial Conglomerate from Morningstar Sustainalytics, and the MSCI ESG Ratings with an AA tier (Leader) for the Construction Materials Industry from Morgan Stanley Capital International (MSCI). The recognitions reflect SCG's robust business growth and its commitment to sustainable social and environmental development.

1.1 Risk management structure and responsibilities

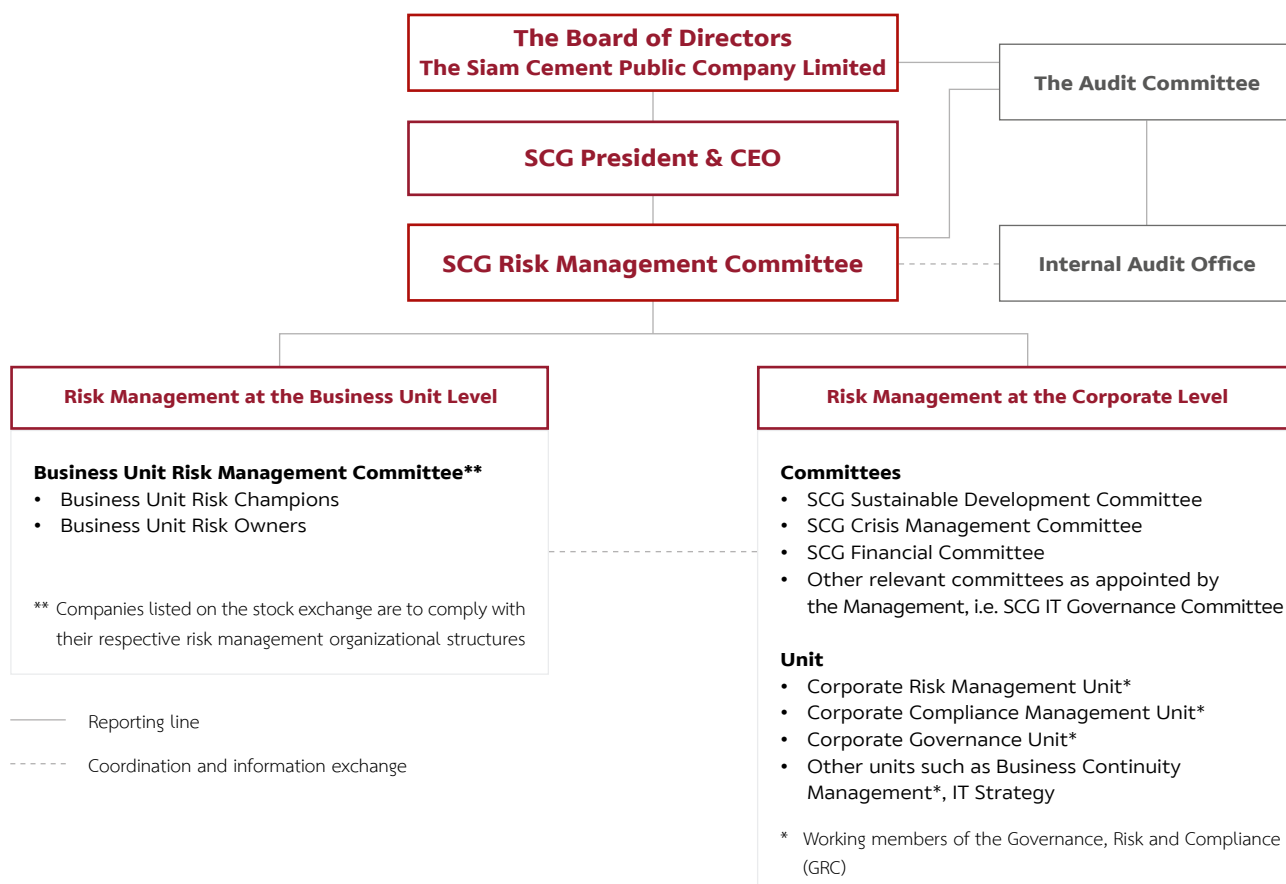
The Board of Directors and the Audit Committee

The Board of Directors is responsible for overseeing risk management. The Audit Committee, on behalf of the Board of Directors establishes risk management policies and oversees the risk management process and practice of SCG. The Audit Committee also evaluates the risk management system to ensure the efficiency and effectiveness, including the risk identification, assessment, and management. Added to this is entrusting the Management with responsible for the risk management of SCG and reporting the outcomes to the Audit Committee and the Board of Directors respectively on a quarterly basis.

Internal Audit Office

The Internal Audit Office is responsible for conducting an audit of the first line (operating units) and the second line (management level, risk management, compliance and other supporting functions) to provide assurance on the efficiency and effectiveness of risk management. It also reports the outcomes to the Audit Committee, provides consultation, and communicates the Audit Committee's opinions and recommendations to the first and second lines for improvement.

Enterprise risk management organizational structure



SCG Risk Management Committee (As of December 31, 2023)

SCG Risk Management Committee consists of the SCG President & CEO, SCG Top Executives, which include top executives of the Chemicals Business and the Cement and Building Materials Business, for a total of 17 committee members. The SCG President & CEO serves as the Chairman of the SCG Risk Management Committee with the following core roles and responsibilities:

- 1) Determine risk management structure and assign accountabilities for risk management.
- 2) Consider and approve the risk management framework and process in alignment with the operating strategies and environment of the Company and ensure that the risk level is in line with risk appetite.
- 3) Review the SCG risk profile and monitor enterprise risk management to ensure compliance with the Company's risk control guidelines and strategies.

- 4) Report the SCG risk profile and risk management to the Audit Committee for review prior to proposing to the Board of Directors on a quarterly basis.

In 2023, the SCG Risk Management Committee held 5 times with the meeting attendance as shown below to keep track of and opined on such issues as SCG risk assessment results, plans, and progress in management of such risks, strategic planning of companies that fall in performance warning criteria, and acknowledgment of analysis of the economic outlook and risks of SCG's strategic countries in ASEAN. The Committee also acknowledged and opined on SCG's material medium-term risks and action plan 2024 for GRC (Governance, Risk, Compliance) as well as approved the communication guidance on compliance with the SCG Code of Conduct which applies to both local and overseas businesses. The communication progress will be followed up periodically. In addition, the Committee acknowledged the situation regarding the conflict between Israel and Hamas. They discussed the scenarios, impacts, opportunities, and management plans associated with this conflict.

Attendance of the SCG Risk Management Committee meetings for January 1-December 31, 2023

Number of
meeting attendance

Chairman and committee

Mr. Roongrote Rangsiyopash	5/5
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Committee

Mr. Thammasak Sethaudom	4/5
Mr. Nithi Patarachoke	5/5
Mr. Paramate Nisagornsen	5/5
Mr. Wiroat Rattanachaisit	5/5
Mr. Surachai Nimlaor (Effective September 1, 2023)	1/2
Mr. Yuttana Jiamtragan	5/5
Mrs. Chantanida Sarigaphuti	5/5
Mr. Chana Poomee	4/5
Mr. Aree Chavalitcheewingul	5/5
Mr. Tanawong Areeratchakul	4/5
Mr. Sakchai Patiparnpreechavud	5/5
Mr. Mongkol Hengrojanasophon	5/5
Mr. Suracha Udomsak	5/5
Mr. Kulachet Dharachandra	2/5
Mr. Chatri Eamsobhana (Effective July 1, 2023)	3/3

Committee and secretary

Ms. Chayaporn Dilokwatanakoon	5/5
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1.2 Risk management process and tools

SCG integrated risk management into three primary areas: strategic risk management, investment project risk management, and operational risk management, implementing tools in each step of the risk management process as follows:

Risk identification: SCG has classified possible risks into 8 categories (Risk Universe) to help risk owners identify risk and define such categories as a common risk language in line with the approach to business sustainability which considers both sustainability-related risks and opportunities in creating value throughout the value chain in the long term for the business, society and the environment in accordance with the International Sustainability Standards Board (ISSB).

Risk assessment and prioritization: Risk appetite has been defined to include financial impact and non-financial impact such as confidence in the Company/ Corporate image, compliance with laws and regulations, etc. A risk map is also created in the form of a 5x5 risk matrix, based on the likelihood and severity impact of the risks. The risks are then classified and prioritized according to three levels: low, medium, and high. Moreover, SCG has adopted sensitivity analysis and scenario analysis to evaluate the severity of the impact.

Risk response and mitigation measures: The establishment of principles are defined to manage the risks that need to be reduced to an acceptable level, for example, reducing a high-level risk to a medium or low-level risk by preparing a mitigation plan.

Risk monitoring and reporting: A risk register has been established to record all relevant information needed for risk management. Also, a Risk Assessment System (RAS) application was developed to help facilitate and expedite the risk management process, allowing the Company to identify and assess risk profile, prepare risk response and mitigation plan, define key risk indicators, and monitor progress in risk management. The implementation enables all involved parties in the organization to keep track of risk management promptly and continuously, and create a database for incorporating other technologies in performing foreseen risk analysis. SCG has set forth that risk reporting to SCG Risk Management Committee is undertaken on a quarterly basis.

1.3 Risk culture

SCG is committed to enhancing a strong risk culture throughout the organization by having top executives communicate the significance of risk management, act as role models in managing risks, and establishing practical guidelines on effective risk management implementation. Common risk language, risk appetite, risk assessment criteria, and the roles and responsibilities of each risk owner has also been defined and established. Moreover, SCG has encouraged each company to include risk management as part of the agenda in key meetings and promote experience sharing across departments and companies to communicate the practice guidelines and benefits of risk management on an ongoing basis. Apart from that, risk management has been integrated as a component of training and development programs for directors, top executives, and employees. In addition,

digital learning and workshops were developed to educate on and review the meaning or significance of risk management, enabling analysis, assessment, and risk management within responsibilities, as well as understanding the overall impact on the organization. SCG also stresses the importance of business management in line with the Governance Risk and Compliance (GRC) approach and has implemented various tools for employees to realize its importance and practice it. Examples include establishing the GRC Helpline where employees can seek the experts' advice on GRC-related issues, defining SCG GRC Expected Behaviors for employees at each level, and preparing the MD GRC Guidebook, a manual that gathers the best practices, case studies, and material issues of critical functions such as laws and regulations, accounting, finance, internal controls, and business continuity management to enable executives to perform their tasks more efficiently and effectively. Added to this are embedding questions about the Integrated GRC concept in the Ethics e-Testing, preparing digital learning materials as well as conducting PR media and activities to promote employees' understanding throughout the year.

2. Business Risk Factors

In 2023, SCG identified and assessed the organization's key risks and prepared the risk management plan to minimize any potential impacts and ensure the Company to accomplish the goals in alignment with the strategic plan, factoring the risks based on the Environmental, Social, and Governance (ESG) framework and consistent with SCG risk assessment process.

2.1. Risks affecting the Company's or subsidiaries' business

2.1.1 Strategic risks

Risks from Management of Strategies to Align with Changing Business Landscapes

Risk events

At present, several key factors are shaping the business strategy of organizations. These factors include the growing environmental awareness, advancements in technology and innovations, changes in population structure, and shifts in economic power. An organization must adapt its strategy in response to the changing situations. On the other hand, the organization also has the opportunity to gain new competitive advantages from these changes, such as the following:

- The global community is committed to tackling the climate crisis e.g. reduction in fossil fuel consumption.
- The working-age population is on a downward trend whereas the ageing-people is on the rise, leading to trends in health and well-being.
- Technology has developed by leaps and bounds and become an integral part of business operation and people's daily life.
- There has been a global shift in economic power from the advanced economies to the emerging market countries such as China, India, Brazil, Indonesia, and others.



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Mitigations

- Review the business strategy of every business unit, taking into consideration internal and external factors, together with trends in the economy, society, politics, technology, industry, and other related issues to define targets and prepare short-term (annual plan) and medium-term plans. Also included is constantly monitoring the results and trends of various factors to adjust the strategies in response to changing circumstances.
- Drive long-term growth with new businesses in line with the ESG 4 Plus framework such as SCG Cleanergy, is an end-to-end clean energy business that is designed in response to the changing business landscapes toward environmental responsibility.
- Transform into a digital organization by adopting external innovations, supporting employees' potential development to enable them to leverage or build new businesses, and employing Artificial Intelligence (AI) and machine learning for data analysis to enhance capabilities and minimize risks for SCG.

Chemicals Business:

- Closely monitor and assess the market situation impacts, and prepare a risk management plan in advance to reduce impacts from production cost due to the volatile feedstock and energy prices, manufacturing and sales. Efforts include entering into a hedge contract to offset the risk of any adverse price movements; integrating supply chains of companies under the Chemicals Business both domestically and overseas to enhance production efficiency and operational flexibility; and adopting digital technology to increase competitiveness in production cost and services.

Risk events

Mitigations

- Maintain operational standards and leadership in High Value Added (HVA) products and services and seek business opportunities through constant research and development of technology for products and services, especially in the fast-growing markets which are consistent with the major global trends such as solutions related to energy, automotive, health, infrastructure, packaging, and eco-friendly products. These solutions add value to plastic products, maximize resource efficiency, and maintain international quality standards.

Cement-Building Materials Business:

- Develop environmentally friendly products and services such as low-carbon cement that reduces CO₂ emissions in the production process, ultra-high performance concrete, and mortar for 3D printing to reduce resource use in construction.
- Develop innovations to enable home residents to live safely, conveniently and save energy in line with the megatrends toward health and safety. For example, SCG Active AIR Quality, an innovation that can filter and prevent PM2.5, germs, viruses, and pollution from entering the home; SCG HVAC Air Scrubber, an innovative waste air treatment system to lower air-conditioner's cooling load and reduce energy consumption in large space; and SCG Solar Roof, the solution that provides a one-stop installation service for solar panels on the roofs to reduce cost in the households and small businesses.
- Restructure business under SCG Décor by merging the décor surfaces business and sanitary ware business in Thailand, Vietnam, the Philippines, and Indonesia to open up opportunities for expanding the sanitary ware business and leverage the strengths of the décor surfaces business in Thailand across the ASEAN region. The effort also enables a more efficient supply chain management in production and procurement.

Risks from Human Resources Management to Accommodate Business Growth and Change

Risk events

SCG's business expansion in Thailand and overseas in Asia and other regions such as Europe, the advancement into new businesses like clean energy, a shift in business model, new work patterns, and changing external factors could lead to risks of not having adequate personnel with appropriate knowledge and skills to adapt to these.



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Mitigations

- SCG has always prioritized the core value of “Belief in the Value of the Individual” and consistently reviews its efforts to ensure employees to align with the human rights and social context principles on Diversity, Equity, and Inclusion.
- Focus on workforce preparation and capability acceleration to continuously develop employees via reskilling and upskilling with an emphasis on future capability solutions that address customer needs. The Company offers courses that support employees' work and cater to the changing business landscape, aiming to maximize efficiency and courses that encourage the exploration of new opportunities. Apart from updating the contents of flagship programs in response to the evolving changes, the Company has implemented a learning management platform to enable employees to learn anywhere and anytime.
- Recognize the importance of strengthening future talent acquisition by organizing career roadshows, fostering networks with leading universities in Thailand and overseas, and providing scholarships to students in China and India to strengthen the strategic candidate pools.
- Adopt digital technology to enhance efficiency in the job application. Examples include adding more application channels through websites and social media platforms, implementing online interviews, and utilizing AI to screen applications. These efforts help to save time for both the Company and applicants, enabling the Company to rapidly and conveniently recruit candidates that align with the business needs.

Risk events

Mitigations

- Emphasis on promoting employee experience and well-being, taking care of employees in all dimensions including physical, mental, financial, and social aspects along with providing knowledge and consultancy, exchanging views, and others on an ongoing basis. Additionally, SCG offers new policies and benefits that address employees' wide-ranging needs such as a hybrid workplace model which combines in-office and remote work, full-time and project-based employment, and flexible benefits that allow employees to choose the benefits surf their needs.
- Conduct an annual employee engagement survey in compliance with the DJSI standards and the General Data Protection Regulation (GDPR) & Personal Data Protection Act (PDPA) to voice their employee's opinions and provide valuable insight for driving change within the organization for a better future.

2.1.2 Operational risks

Risks Associated with Occupational Health and Workplace Safety, Transportation, and Road Safety

Risk events

SCG's business encompasses product manufacturing, service provision, and transportation both domestic and international. These business undertakings may pose risks to the occupational health and safety of employees and business partners. SCG has given importance to the good quality of life for all stakeholders to achieve zero fatal accidents for employees and business partners in the workplace, or during travel and transportation, zero work-related diseases and illnesses each year, and aiming to zero lost-time incidents in 2024.



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Mitigations

- Elevate all subsidiaries of SCG in Thailand and overseas to comply with the SCG Safety Framework and move toward implementation with understanding as Execution with Know Why.
- Ensure strict adherence to the SCG Safety Framework by implementing individual Safety Performance Assessment Programs (SPAP) in each company, subject to annual evaluation and certification by representatives at both the business and corporate levels. The results will be used to identify areas for improvement and implement preventive measures. The assessment by third parties as external compliance audits are also required at least every two years.

Risk events

Mitigations

- Elevated SCG Occupational Health and Safety Standard, Life-saving Rules, and developed a series of standards in response to new business models to ensure the highest safety level, for example, Safety Management for Service Solutions Standard, Safety Management for Solar Business Standard, Road Safety Corporate Standard, and Operational Discipline to prevent, eliminate, and reduce accidents for local companies. In addition, Goods Transportation Safety Standard has been expanded to SCG's overseas subsidiaries and customers' territories to achieve the zero accidents and fatalities target. The effort also extends to reduce the number of accidents outside work hours.
- Adopt digital technology to enhance work efficiency in response to the Company's growing businesses such as Health Management System to reduce risks from work-related accidents, illness, and diseases.
- Foster engagement and promote the quality for identification and management of risks by employees themselves to build a corporate-wide safety culture.
- Apply a safety assessment system through Performance Management System (PMS) to define common goals and implement the safety policy into practice tangibly.
- Communicate lessons learned from incidents problem rapidly and comprehensively to stimulate solving and prevent recurrence with reviewing the safety measures to ensure their appropriateness with the risks and their ability to adapt to changes in each business.

Human Rights Risks

Risk events

SCG is committed to conducting business ethically with adherence to responsibility for society and all stakeholders. In line with this commitment, the Company realizes the importance of respecting human rights, treating everyone according to the human rights principles, and avoiding any violations. SCG extends its efforts to encompass its own operations and activities and those of its suppliers and business partners in the business value chain, and joint ventures.

In 2023, the focus on human rights, specifically in health and safety, necessitated the implementation of preventive measures, risk management, and continuous monitoring.



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Mitigations

- Announce Human Rights Policy in alignment with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles (UNGP) on Business on Human Rights, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work (ILO).
- Implement the human rights due diligence process, encompassing identifying issues and assessing human rights risks and evaluations actual or potential impacts, defining and implementing appropriate mitigation measures, tracking the results of the mitigation measures, and communicating the outcomes of risk management.
- Monitor and examine human rights performance by setting targets and key performance indicators, track and review the performance, and disclose the risk assessment and performance results according to the key performance indicators annually.
- Provide training programs and communicate fundamental knowledge of human rights to employees at all levels to raise their awareness over human rights issues such as harassment, discrimination, diversity, and inclusion through various channels i.e. email, signage, video. Ethics e-Testing is conducted annually to test employees' comprehension of human rights issues.
- Establish the GRC Helpline and the whistleblowing system with an efficient mechanism to consider facts and conduct investigations into complaints. In case there is a violation of human rights, appropriate remedial measures will be determined to mitigate the impact.

Risk events

Mitigations

- Develop measures for preventing and managing risks related to human rights in the year 2023 regarding health and safety (details in the Sustainable Development Report for the year 2023).

Risks from Natural Resources and Environmental Management

Risk events

The continuous growth of the global population leads to increased demand for resources which has adverse impact on the environment from human activities. This has depleted the already scarce natural resources and caused environmental degradation. As a consequence, it is essential that the utilization of resources takes into account economic, social, and environmental stability to ensure sustainable resource use. As SCG's business is in the industry that makes use of natural resources in production, the Company may face risks associated with insufficient raw materials for sustainable production in the future.



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Mitigations

- SCG operates in line with ESG 4 Plus approach to achieve ESG sustainability, while also embracing the Circular Economy concept throughout the production process to maximize resource efficiency and reduce energy consumption. The Company also drives innovations to obtain new products or materials which feature similar or superior properties and can be reused or recycled. Notably, SCG has developed low-carbon cement with a reduced clinker cement content, and CIERRA™ Functional Materials, which are specialized additives that adjust plastic properties to enable the use of the same material with different characteristics to replace the use of multiple materials, making it easy for recycling.
- Cooperate with the business, government, and consumer sectors to leverage the SCG Circular Way concept to achieve sustainable growth collectively. For example, the collaboration between Chemicals Business and Global House to convert used plastic in stores and distribution hubs of Global House into eco-friendly plastic bags. As well, business partners in the Circular Economy in Construction Industry (CECI) and SCG, as a consultant, have joined in the KingBridge Tower project, using the Building Information Modeling (BIM) as a tool in the design, procurement, and construction process to reduce resources use, minimize construction waste and shortens construction time.

2.1.3 Financial risks

Risks from Foreign Currency Fluctuation

Risk events

In 2023, the US dollar maintained its strength as the Federal Reserve raised its benchmark interest rate in an effort to control inflation. Interest rates are expected to remain high throughout 2024 before gradually declining later in the year. In the meantime, Thailand and several ASEAN countries are still faced with economic volatility triggered by the global economic slowdown and geopolitical conflicts, resulting in significant fluctuation in the value of the dollar and other currencies. As SCG's business activities are involved with currency exchange rates such as export of products and import of raw materials in foreign currencies; import of machinery, equipment, and technology; and operations in different countries, foreign currency fluctuation could affect the Company's business operations.



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Mitigations

- Arrange a monthly SCG Financial Committee meeting to consider and make decisions regarding suitable financial tools based on the specific situation. Also, implement natural hedge measure to manage revenues and expenses in foreign currencies, and also consider the use of financial instruments for hedging against currency risks in investment projects as deemed appropriate.
- Keep closely monitoring exchange rate trends, engage in discussions with analysts, and assess the direction of the Thai baht against the US dollar, using fundamentals data, technical factors, and machine learning to develop a model to forecast exchange rates.

Risks from Rising Economic Volatility That May Impact Ability to Service Future Payment Obligations

Risk events

SCG has continuously expanded its business and investment both in Thailand and overseas, using working capital from its business operation as well as loans from financial institutions and the issuance of debentures. The Company is obligated to pay principal and interest according to the agreed terms and date. However, the gradual economic recovery following the COVID-19 pandemic, the global and Thai economies have encountered a multitude of challenges e.g. climate emergency, divergent monetary policies of each country, and escalation

Mitigations

- Increase profitability by driving Green Innovations and developing environmentally friendly products, services, and solutions in high demand to address the world's megatrends.
- Reduce energy costs and tightly control expenditures.
- Ensure working capital at an appropriate level by managing the inventory level consistency with the market demand and taking caution in extending credit to mitigate the risk of bad debts.

Risk Events

of geopolitical tensions, intensify the volatility of the world's economy. Despite its robust financial stability, the increasing uncertainties could affect SCG's revenues to come in lower than anticipated. The material discrepancy may affect the Company's future payment plan.



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Mitigations

- Take prudent consideration when making investment with a focus on businesses with high growth potential, such as the partnership with Denka Company Limited, Japan in electric vehicle battery industry. At the same time, investment projects that are not urgent are stalled.
- Develop strategies to cope with uncertain situations promptly by using scenario planning.

2.1.4 Governance risks

Image and Reputation Risks against Target Setting

Risk events

SCG considers organizational reputation as a crucial factor that can enhance the positive image of products and services, build new customer bases, create confidence among the organization's stakeholders including customers, business partners, and investors, and foster strong relationships between the organization and communities where it operates. A long-standing good reputation can enable the organization to successfully overcome challenging situations, whereas target setting provides a clear direction for the organization. However, while working toward the target, the obstacles encountered along the way may pose challenges to accomplish targets which could affect confidence in the organization.



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Mitigations

- Elevate business operations in accordance with the sustainable development approach to the ESG 4 Plus strategy whereby the targets are divided into short and long-term targets which are distributed to all core businesses. Metric targets have been put in place to track performance and set as Key Performance Indicators (KPIs) for each business unit. The successful attainment of each business unit's goals will ultimately contribute to the achievement of the organization's objectives.
- Support employees to incorporate Integrated GRC principles into the work process, enabling collaboration efficiently to achieve the target with a focus on risk management, compliance with rules and regulations both internally and externally. The Board of Directors and top management play a crucial role in providing oversight and guidance, scoring as role models for best practices.

Compliance Risks from Changes in Rules, Laws, and Regulations

Risk events

Risks of non-compliance or inadequate compliance with changes in rules, laws, and regulations may affect a negative impact on the Company's reputation or lead to penalties, fines, or loss of business opportunities.



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Mitigations

- Establish the SCG Compliance Policy and communicate to all SCG employees regarding their compliance. SCG Code of Conduct has also been implemented to provide good practice guidelines on business operations based on SCG's 4 Core Values for all SCG employees to uphold and guide their performance of duties appropriately. They are considered an integral part of employees' rules and regulations.
- Closely monitor and report changes in government policies, laws, rules, and regulations in the countries where SCG operates. Added to this is the fostering of networks with the government and private sector entities in Thailand and overseas to ensure that the operations remain in strict compliance with relevant laws and regulations.
- Develop and improve a comprehensive for sending system to send and receiving information on new laws/revamped laws that accommodate license overview and law overview to enable SCG employees to comply accordingly, accurately, and timely, and minimize the risks associated with non-compliance.
- Expand the utilization of Compliance Management System (CMS) to overseas operations to reduce risks associated with non-compliance with relevant laws, rules, and regulations.
- Regularly review the SCG Code of Conduct to align with updated laws and regulations and develops the "Ethics e-Testing," based on SCG 4 Core Values, Anti-Corruption Policy, Human Rights Policy, Compliance Policy, Anti-Trust Policy, Insider Trading Policy, Information Disclosure Policy and SCG e-Policy.
- Communicate effectively risk management and control practices in accordance with the Three Lines Model to SCG employees at all levels to prevent non-compliance with laws and regulations.

Governance Risks from Business Expansion

Risk events

As part of SCG's business growth strategies, the Company aims to expand its investments continuously in both domestic and international markets across all business sectors through mergers or the setting up of new companies. A substantial number of subsidiaries may give rise to governance concerns, such as the inconsistent implementation of the SCG Code of Conduct and adherence to good business practices based on SCG 4 Core Values among newly established subsidiaries. This could impact creditability and corporate image of SCG.



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Mitigations

- Establish a policy for appointing personnel to serve as directors and management positions of subsidiaries to ensure effective governance, businesses management and compliance with SCG's policies, goals, vision, medium-term business plans, and growth strategy.
- Establish the subsidiary's Delegation of Authority and Articles of Association in alignment with SCG practices to enable directors and executives to oversee and ensure that a managing director of each subsidiary seeks consent or approval from the Board of Directors or shareholders prior to making major investments or making decisions that could have a significant impact on the organization's financial status and performance.
- Incorporate integrated GRC into every business activity to minimize risks and increase effectiveness and efficiency in governance practice.
- Require all SCG employees to comply with the principles and guidelines prescribed in SCG's Code of Conduct and take Ethics e-Testing annually.

2.2 Emerging risks

Risks from Impacts of Geopolitical Wars in Multiple Regions on the Global Economy, Energy Cost, Inflation, Safety of Employees, and Supply Chain Disruption

Risk events

In 2023, which was a year marked by heightened geopolitical tensions with two cascading events: the Russia-Ukraine war, and the Israel and Hamas conflict. It is difficult to predict when either will end. In case of the Israel-Hamas conflict, if it escalates into broader regional war, this could potentially lead to a global economic crisis, such as higher oil and natural gas prices, inflation which is expected to continue easing will worsen. Likewise, interest rates which anticipated to gradually decline in 2024, may remain high or rise, causing higher financial costs for businesses relying on loans. This can be compounded by disruption of the supply chain triggered by precarious transportation and lower employment. Despite SCG's strong financial stability, a significant increase in uncertainties could potentially deviate business revenues from targets.



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Mitigations

- Closely monitor the situations and build a network of geopolitical experts locally and overseas to obtain up-to-date information to timely develop risk management and business continuity plans.
- Conduct scenario analysis and use tools like scenario planning to identify and assess likelihood and impacts that could affect SCG's operations and prepare response plans accordingly.
- Attempt to reduce energy costs and increase utilization of clean energy in place of fossil fuels with fluctuating prices such as solar energy and biomass energy. Additionally, explore new sources of clean energy such as Napier grass, which is an energy crop.
- Review investment projects by stalling non-urgent projects and focusing on projects with high growth potential in response to the global megatrends and aims to increase profitability.

Chemicals Business:

- Implement measures to streamline production processes, enhancing flexibility and efficiency. For example, upgrading facilities to accommodate for the use of naphtha, the main feedstock in production, with a wider quality range, exploring additional raw material sources to expand procurement options, and securing supply raw materials for production.
- Coverage of financial tools and digital technologies to support decision-making in managing raw material costs, production, and sales in response to the market situations.
- Adhere strictly to SCG's policy and guidelines on procurement and selection of suppliers/business partners and credit policies for sales to customers.

Risk events

Mitigations

- Analyze business impacts based on the scenario forecasting to proactively plan for various potential futures and implement effective risk management strategies.
- Create opportunities and business advantages through studying investment prospects and developing new technologies for sustainability. For instance, focus on manufacturing High Value Added (HVA) products and services in response to the world's megatrends and offer high growth potential, and continued expansion of customer base into new markets to ensure flexible sales management and mitigate risks associated with uncertainties.

Cement-Building Materials Business:

- Streamline production process to accommodate the use of biomass energy derived from agricultural waste and Refuse Derived Fuel (RDF) and invest in projects designed to use heat waste from the production process to conserve energy as well as projects to generate solar power within SCG plants to reduce electricity costs and greenhouse gas emissions.
- Emphasize the development of products and services under the Green Choice label, which enable consumers to select products that provide energy saving, resource conservation extended product lifespan and health safety. Notable examples include SCG Stay Cool Insulator, which contains a minimum of 80% recycled content and substitutes 100% use of sand; SCG Solar Roof Solutions, which saves energy and mitigates global warming; and Active AIRflow™ System, which ventilates and transfers heat out of the home and vents in the attic, reducing air-conditioning cost by at least 10%.

Risks from Transition toward Low-carbon Economy

Risk events

The impacts of global warming and climate emergency on the environment, society, and economy have become increasingly severe every year. All sectors have been urged to collaboratively address greenhouse gas emissions tangibly, driving the government and business sectors to set their sights on pursuing Net Zero targets for themselves. Moreover, the Company's stakeholders including investors, debtors, customers, and business partners have also recognized sustainable business operations by driving business toward a low-carbon business model such as using clean technology, recycling natural resources in the value chain more efficiently, developing climate-related technologies that could replace the existing work processes and technologies that emit greenhouse gases.

SCG conducts business in numerous countries, manufacturing and supplying products in Thailand and exporting to countries globally. It also operates in the industries that rely heavily on energy and raw materials derived from natural resources.

Therefore, the Company is faced with challenges from additional future rules and regulations prescribed by governments to mitigate environmental issues. Examples include environmental taxation based on carbon emissions from the production process, carbon border adjustment mechanism, and carbon footprint calculation criteria that may be used to set stricter industrial standards in multiple industries.

Other challenges include shifts in consumer behavior and market trends toward a preference for products and services from manufacturers with low carbon, as well as plastic or packaging that is compostable, reusable, and recyclable. There are also challenges from higher operating costs during the initial stages of investments in low carbon and green technologies.

Mitigations

- Set a long-term goal to reduce greenhouse gas emissions by 25% in 2030 (compared to the base year of 2020) for direct GHG emissions (Scope 1) and indirect GHG emissions from energy consumption (Scope 2) together with setting a Net Zero emission target for Scope 1 and Scope 2 emissions by 2050.
- Enhance processes and equipment by leveraging technology to increase energy efficiency along with conducting research and developing technology to reduce GHG emissions such as using waste heat from the cement production process to generate electricity.
- Reduce energy sources that emit greenhouse gases and increase the use of alternative energy such as biomass derived from agricultural waste and RDF to replace fossil fuels in the manufacturing process.
- Advance into the integrated energy transition solutions business for residential markets, factories, and industrial estates with SCG Solar Roof Solutions and SCG Cleanergy, develop the smart grid platform for electricity trading, and establish a customer base that spans both the government and business sectors.
- Establish national and international networks to drive and expand the development and adoption of Carbon Capture, Utilization, and Storage (CCUS) technology as well as the development of hydrogen energy. SCG has also participated in the Saraburi Sandbox initiative as Thailand's foremost climate-friendly model city, which drives its economy with green industries, sustainable agriculture, and eco-tourism.

Risk events

If the Company could not timely transform business models, the impacts from these risks may affect SCG's corporate image and reputation, as well as a rise in production, financing, and operating costs from taxation and depreciation of assets that exert environmental impacts.



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Mitigations

- Carry out projects related to Natural Climate Solutions (NCS), which are initiatives to limit the impacts of global warming in accordance with the international agreement to reduce carbon emissions, in collaboration with the Ministry of Natural Resources and Environment.
- Set a target to grow 3 million rais of forest, equivalent to reducing 5 million tons of carbon dioxide by 2050, and build 150,000 check dams to restore natural balance.
- Develop products, services, and solutions in accordance with the circular economy principles, especially low-carbon products which help reduce GHG emissions across the value chain with the goal of increasing the proportion of SCG Green Choice products to 67% by 2030. Also, the Chemicals Business strives to ensure maximum resource efficiency with products under the brand of SCGC Green Polymer with the goal to increase sales of SCGC Green Polymer products to 200,000 tons and 1,000,000 tons per year by 2025 and 2030, respectively.

Risks from Climate Emergency That Lead to More Severe and Frequent Natural Disasters

Risk events

Global warming and climate emergency have resulted in catastrophic impacts on humans and businesses in the form of natural disasters such as severe storms and increased frequency of flooding have caged significant damage, while a severe drought affects cropping areas and reducing water supply for use in the production process, and the rising ground temperatures have increased the risk and spread of wildfires.

Mitigations

- Monitor and assess risks from extreme weather events along with formulating a contingency plan and business continuity plan, and preparing an action plan in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), which include overseeing processes, devising risk management strategies, and defining goals and key performance indicators.

Risk events

SCG has tens of thousands of employees and vast quantities of assets such as factories, machinery, equipment, inventories, etc. in many countries which may face the potential risk and disruption caused by natural disasters. Other challenges include rising costs from securing additional production supplies such as alternative water sources as well as health safety risks associated with smoke and pollution that can pose harm to employees and stakeholders.



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Mitigations

- Collaborate with the government, business, and industrial sectors to play an integral role in planning and management of water and natural disaster-related issues, both local and on a disasters at national levels. For example, The Company has partnered with the agencies involved in promoting water management development projects in eastern provinces such as the reservoir project in Chanthaburi and the projects in the northeast such as Nong Wai Dam.
- Strictly comply with the water management policy through reducing water consumption, treating and reusing/recycling wastewater, and replenishing water in the production process. Additionally, implement a business continuity plan to ensure businesses can continue in the event of natural disasters.
- Develop an IT system to link water-related data with the involved government agencies and Multi-Hazard Early Warning System to analyze a situation and alert the relevant units to be ready for undertaking management efforts.

Data Security Risks from the Evolving Cyber Attacks

Risk events

SCG has employed digital technology to enhance business capabilities in terms of speed and efficiency in its operations, across various areas such as production, distribution, inventory management, raw material procurement, sales, data analysis, customer relations management, accounting and finance, and other operations. The Company acknowledges the cybersecurity risks associated with these systems, considering the emergence of numerous new forms of cyberattacks. These threats have the potential to

Mitigations

- Establish SCG IT Governance Committee to oversee and prescribe policies and regulations concerning the use of information and communication technology of SCG (i.e. SCG e-Policy) in alignment with the ISO 27001 for all SCG employees to consistently adhere to. In addition, the Cybersecurity Governance Committee is tasked with overseeing the IT security complies with the business operation direction and established policy.

Risk events

result in data breaches, data loss, or system malfunctions, which could impact business operations, lead to financial losses, affect credibility and corporate image.



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Mitigations

- Assess cyber risks of the computer system controlling industrial production, service provision, and other work processes and prepare a cybersecurity risk mitigation plan that covers the key areas of SCG's operations in Thailand and overseas. Examples include implementing multi-factor authentication for critical information access to the organization, and installing Security Operation Center (SOC) to enable the Company to react to the threats promptly. Other efforts include separating the network of the industrial control system and the office system.
- Continuously promote awareness of the use of technology among employees through various training programs and other activities such as organizing Cybersecurity Awareness Month to ensure employees have the knowledge and understanding of the effective use of technology and to protect businesses from cyber threats. The Company also conducted a self-phishing email simulation drill to test employee's awareness and identify areas for improved cybersecurity training. These drills help determine the training topics that employees need a better understanding of, allowing for improved communication with the target audience. A test on employee awareness and understanding about the SCG e-Policy is also organized on an annual basis.
- Develop a Disaster Recovery Plan to handle emergencies, enabling users to continue working through a backup site. The Company has also prepared cyber incident response plan based on the NIST Cybersecurity Framework by the National Institute Standards and Technology, and cyberattack communication flow. Regular drills of the plans are carried out to prevent business interruptions from cyberattacks.

Risk events

Mitigations

- Perform penetration testing where a cybersecurity expert attempts to find and exploit vulnerabilities in the Company's computer system to improve weaknesses and reduce risk from cyberattacks.
- Appoint SCG Data Protection Officer to monitor SCG business operations provide recommendations according to related laws, establish SCG Personal Data Protection Policy, and implement data protection tools such as preparing relevant legal documents and implementing privacy management software.

2.3 Investment risks for shareholders

Risks from the Company Having a Major Shareholder Holding More Than 25% of Total Shares

Risk events

The Company has a major shareholder holding more than 25% of the shares. At a shareholders' meeting, such shareholder has the power to veto or block special resolutions in the cases stipulated by the Company's Articles of Association or relevant laws to require not less than three-fourths of the total number of shareholders present at the meeting and entitled to vote. Moreover, the director representing the major shareholder may influence significantly approvals.



Governance

Mitigations

- SCG Corporate Governance consists of a number of sub-committees including the Audit Committee, the Governance and Nomination Committee, the Remuneration Committee, and the CSR Committee for Sustainable Development. Each Committee has a clearly defined scope of responsibility and authority, making performance of their duties of a high standard and opening-up for inspection.
- The Company's Board of Directors comprises at least 9 directors and no more than 15, with at least half of whom are independent directors. Currently, the Board consists of 15 members, with 9 of whom are independent directors, representing 64% of the Board. The Company has defined the qualifications of an independent director that allows the director to make collective decisions freely, oversee the interests of every shareholder equitably, prevent any conflicts of interest, and exercise his power to balance items for a resolution.

Risk events**Mitigations**

- SCG has prescribed practice guidelines and procedures for the consideration and approval of connected transactions, interconnected transactions or transactions that may involve conflicts of interest. Namely, any director or executive who has a vested interest in a specific agenda item shall abstain from the consideration and approval of such items and transparently disclose the information to shareholders.

2.4 Risk of investing in foreign securities (if the issuer is a foreign company)

None

SUSTAINABILITY PERFORMANCE IN 2023

Sustainability Structure and Management Approach

SCG has formulated a corporate governance structure to support operations in accordance with good corporate governance principles, decision-making based on efficient and accurate information and overseeing to ensure all the directors and executives perform their duties with responsibilities, prudence, and integrity in compliance with laws, regulations, shareholder's resolutions as well as the established policies or approaches for the mutual benefits of the Company, shareholders, and involved stakeholders. As such, SCG has prepared "SCG Corporate Governance principle" which compiled bodies of knowledge and practices relevant to organizational management and guidelines with adherence to virtues, ethics, and social responsibility to provide framework for organizational management and business operations along with constantly developing to become a corporate governance model in line with SCG vision.

SCG has established the SCG Sustainable Development Committee which is in charge of formulating sustainable development policies, goals, strategies, and operational approach to sustainability, taking into account external factors affecting the business, and impact of the business and its value chain on the externality, both risks and opportunities. The efforts are undertaken by three sub-committees including Environment Excellence Committee, Social Excellence Committee, and Governance & Economic Excellence Committee; and two sub-committees on implementing strategies and ESG materiality including Climate Change and Energy Committee, and Health & Safety Committee. In addition, each core business unit has established its own Sustainable Development Committee to integrate SCG's sustainable development goals, strategies, and approaches into their operational plans, making them suitable for each business and consistent throughout SCG both in a short- and long-term.

The SCG Sustainable Development Committee has met quarterly to review enterprise materiality based on

the concept of Double and Dynamic Materiality and oversee management in alignment with the ESG 4 Plus throughout the value chain according to international standards such as ISSB, S&P Global, CDP, MSCI, and Sustainalytics. The Company also focuses on expanding collaboration with leading organizations both locally and internationally, for example, World Business Council for Sustainable Development (WBCSD), United Nations Global Compact (UNGC), Global Compact Network Thailand (GCNT), Global Cement and Concrete Association (GCCA), Thai Cement Manufacturers Association (TCMA), the Federation of Thai Industries, The Chamber of Commerce among many others.

Commitment to Achieving SDGs

SCG realizes that the UN Sustainable Development Goals (SDGs) are the international blueprint which all sectors need to help drive and take action toward achieving peace and prosperity for humanity and the world both present and in the future. As such, the business sector has a key role to play in driving society toward achieving sustainable development goals. In prioritizing SDGs, SCG has analyzed and assessed the impact of SDGs and targets to the business activities as regards materiality and potential of SCG to expedite the accomplishment of the goals and create maximum positive impacts on the economy, society, and the environment.

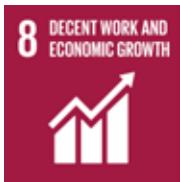
Key Sustainable Development Goals for the Business



Take care of good health and safety in the workplace by implementing control measures for work-related risks and instilling enterprise total safety culture to ensure healthy lives and promote well-being for all.



Promote and increase the use of renewable energy and enhance energy efficiency through the use of the best available technology, reducing reliance on fossil fuels, and increasing the use of alternative energy.



Promote inclusive and sustainable business growth with the emphasis on quality employment together with fair, equitable, decent work for all.



Give importance to using innovation and technology to elevate operations, increase long-term business competitiveness, and promote inclusive and sustainable Industrial development.



Apply the Circular Economy principles to business operations to increase resource efficiency, reduce risks from future shortages of resources, and minimize environmental impacts.



Resolve to swiftly adapt and take actions in different dimensions to reduce greenhouse gas emissions, and foster the synergistic collaboration of all sectors to enhance the capabilities of society and the community to tackle the climate emergency and its possible impacts.

The Sustainable Development Goals for a Better World



Stress the importance of resolving inequality issues, using SCG’s potential to provide greater educational opportunities, occupations, and access to healthcare services to people in society.



Pledge to make cities and communities pleasant, safe, and resilient to change sustainably.



Conserve and sustainably use the oceans, seas, and marine resources and give importance to protecting and reducing marine pollution as well as managing and conserving marine and coastal ecosystems.



Promote sustainable use of ecosystems to protect ecosystems and biodiversity.



Attach significance to promoting a fair and peaceful society, a key contributing foundation for sustainable development.



Strive to foster partnerships to drive operations in all sustainable development dimensions.

Strive Towards Transition to Low-carbon Society in Accordance with ESG Approach

SCG has set the target to achieve Net Zero Greenhouse Gas Emissions (Scope 1 and 2) by 2050 (Net Zero 2050) and expedite the business to transition to a low-carbon economy and become part of the global society in dealing with crisis upon crisis. Putting in place corporate governance with focus on fairness, transparency, and traceability, SCG commits to inculcating the Company’s 4 core values which have been passed down from one generation to another, namely, Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual, and Concern for Social Responsibility. The effort is in accordance with ESG framework, which is a vital tool in creating long-term business growth through operations in alignment with the ESG 4 Plus strategy including Net Zero - Go Green-Reduce Inequality-Enhance Collaboration - Plus Trust through transparency. The goals are to create collaboration with all sectors in solving crisis to achieve tangible results and to foster strength to neighboring communities and society in every operation of SCG.

Energy transition

SCG has joined Science Based Targets initiative (SBTi) dedicated to stimulating organizations and businesses to set near- and long-term targets in reducing greenhouse gas emissions in line with science-based pathways in an attempt to limit global temperature rise to 1.5°C by 2050 in accordance with the Paris Agreement. In 2023, SBTi, approved SCG's near-term scope 1 and scope 2 targets to reduce greenhouse gas emissions by 25% within 2030 compared to the base year 2020 and to reduce scope 3 emissions from sales of fossil fuels to outside customers by 25% within 2031 compared to the base year 2021.

As a consequence, SCG is committed to developing innovations to support the transition to clean and sustainable energy and cooperating with business partners and suppliers to reduce scope 3 emissions. Examples include an investment and partnership with Rondo Energy, a clean-energy startup in the United States. With Rondo technology, wind and solar can be converted into heat and stored in Rondo's Heat Battery which uses refractory bricks produced by the Siam Refractory Industry Co., Ltd. (SRIC) as its storage component. The Heat Battery can provide an alternative energy source for the industry by replacing the fossil heat, which helps reduce greenhouse gas emissions in the industrial sector. SCG plans to adopt Rondo technology in 2024 and apply it to the industries making use of heat or steam in their production processes.

At the same time, SCG has provided trading of electricity on smart grid service to effectively manage clean energy, facilitate the purchase and sales of excessive electricity, and exchange information about the trading of carbon credits. In 2023, Smart Grid Solutions were installed to manage solar power at 11 plants of Saha Union Group with combined capacities of 7,854,600 units (kWh) per year, resulting in a reduction of 3,776 tons carbon equivalent per year.

In an attempt to push the Net Zero 2050 target, SCG joined forces with its suppliers to organize the Supplier Day in 2023 to communicate with business partners and suppliers about collecting their data on greenhouse gas emissions. The event evolved into Supply Chain Decarbonization in 2023 to drive greenhouse gas

management throughout the value chain. In July 2023, SCG organized a Climate Change Supplier Engagement workshop with the objective of capacity building on climate change awareness, mitigation as well as GHG data collection and reporting throughout the supply chain.

Low carbon products

SCG is the first member of Thai Cement Manufacturer Association (TCMA) to successfully develop and supply hydraulic cement under the name SCG Hybrid Cement, which maintains higher compressive strength than other ordinary structural cement despite a reduced use of clinkers from 92% to 87%. Moreover, its production process utilizes 30% less resources and energy, resulting in a reduction of 50 kg. carbon dioxide equivalent per ton due to the use of less clinkers and alternative energy.

SCG in cooperation with TCMA and 25 network organizations has taken aim at producing hydraulic cement that can contribute to a reduction of 1 million tons carbon dioxide equivalent.

In response to the issues of growing amount of plastic waste and the incineration of plastic waste which cause greenhouse gas emissions, SCGC (Chemicals Business) has driven research and development of SCGC Green Polymer™, the eco-friendly plastics, applying the Circular Economy principles to efficiently address the application needs and contribute to environmental conservation through 4 solutions: Reduce, Recyclable, Recycle, and Renewable. Chief among them are SMX™ Technology that helps strengthen resins and save raw materials in manufacturing, and High Quality PCR Resin in which used plastics from households are sorted before going through the recycling process to yield post consumer recycled resins, thereby emitting 70% less carbon than the use of HDPE. SCGC has taken aim at selling 1 million tons of SCGC Green Polymer™ per year by 2030.

Every SCG's business realizes the importance of reducing the use of fossil fuels to minimize carbon footprint by utilizing clean energy such as solar energy continuously. For example, in 2023, SCGP (Packaging Business) employed at least 15% of solar energy in the

manufacture of corrugated containers, reducing 5,983 tons of carbon dioxide equivalent per year. Moreover, the Company is committed to research and development of low-carbon products by reducing resource consumption and recapturing waste for reuse aligning with the Circular Economy principles, and supporting more products to be certified an eco-friendly label.

Saraburi Sandbox: Creating a low-carbon city with a Public-Private-People- Partnership (4P) model

The challenges from the transition to low-carbon society as well as the country's aim to achieve Net Zero target in accordance with the Paris Agreement and Nationally Determined Contributions (NDCs) gave rise to Saraburi Sandbox, Thailand's first low-carbon city initiative in 2023, building on a Public-Private-People-Partnership (4P) Model. With support from all sectors including government, business, society, and the public, Thailand Cement Manufacturers Association (TCMA) along with the Federation Thai Industries, Saraburi Provincial Chapter, and 20 network partners under support of 7 Ministries signed a memorandum of understanding on "Synergizing Efforts to Manage Climate Change to Enable Thailand to Achieve Net Zero Target through Public-Private-People-Partnership (4P)". The goals are to develop Saraburi Sandbox to allow all sectors to work together, learn about success and failure factors as well as limitations, leading to a revision of laws, rules, and regulations to enable transition to low-carbon society efficiently and in a timely manner.

SCG has taken a part in driving Saraburi Sandbox aligning with the action plan to reduce greenhouse gas emissions in Thailand in 5 facets: 1) Green Logistics and Energy Transition to transform Saraburi into a logistics hub that links with all regions across Thailand and enable all people to gain access to clean energy; 2) turn wastes into value to create their value through the 'Circular Economy principles' by exploiting waste management technology and innovations to convert community wastes into refuse derived fuels for use as alternative energy at cement plants and other industrial plants in Saraburi to create income in the community and reduce burning of agricultural residues; 3) Green Industry and

Eco-products to stimulate the production of low-carbon cement products and investment in Carbon Capture Utilization Storage (CCUS) technology to allow the use of carbon dioxide to add value to industrial processes; 4) Low-carbon Agriculture to create stable and sustainable occupations for farmers in the areas by encouraging farmers to do farming according to the Bio-Circular-Green Economy (BCG) model such as promoting Napier grass as energy crop and alternate wetting and drying for rice production to reduce methane emissions and efficient water consumption; and 5) Green Spaces in which SCG and the Community Forest Committee built on the success from the Conserving Water from Mountain to Mighty River project to establish 38 community forests planting and restoration networks across Saraburi, and fostering collaborating with all sectors to make Saraburi a sustainable ecotourism destination.

The key success factor of Saraburi Sandbox initiative is the integration of responsibilities and good governance through the partnership of the government, business, society, and the public to modernize a traditional industrial and agricultural city into Thailand's first low-carbon city.

"Collaborative Actions for sustainability" joining forces to drive change and create a culture of taking social and environmental responsibility

In response to the goal to make Saraburi a model low-carbon city, SCG has adopted the concept of the Conserving Water from Mountain to Mighty River project, which has proven successful in fostering a sense of ownership and continued commitment to propelling the sustainable growth of the project as an example in building collaboration to promote transition to low-carbon society. To that end, SCG has resolved to spur community engagement to raise a better quality of life. The efforts include supporting farmers to set up a community enterprise to grow Napier grass to generate income from selling the grass to industrial plants for use as alternative energy in place of fossil fuels. Added to this is promoting alternate wetting and drying rice production which helps increase yields by 10-15%,

reduce fertilizer and chemical costs by 8-13%, save water by 50%, and most importantly, reduce methane emissions by 80%. Apart from this, SCG has provided constant support for conservation of community forests in Saraburi. Currently, the Saraburi community forest network has set up a total of 38 community forests, spanning over 9,600 rai to conserve biodiversity and maintain ecological balance.

Also, SCG in cooperation with the Ministry of Natural Resources and Environment, the Faculty of Veterinary Science, Chulalongkorn University, and the network partners initiated the “Love the Sea” project. As the operator of the project, the Earth Agenda Foundation

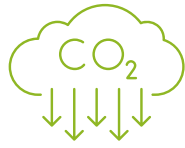
has used CPAC 3D Printing Solution technology to create artificial reefs as coral grounds. The “reef homes” are made of environmentally-friendly materials which will be placed on the seabed as coral grounds for coral larvae and for marine habitats. So far, 397 sets of reef homes have been placed in different locations nationwide.

Since its founding in 1913, SCG has been relentless in its commitment to becoming a leader in ASEAN and driving business to achieve sustainable growth in line with the ESG to create advancement in every society and community where we operate with passion of each and everyone of us to bring “betterment” under the promise “Passion for Better”.

Sustainability Performance in 2023



Environment



GHG Scope 1 & 2 Emissions Reduction

(compared with the base year of 2020)

7.16 million tons carbon dioxide

20.91%

2023 Target



Alternative Fuels

24.46%



Dust Emission Reduction*

(compared with BAU at the base year of 2020)

7.70%



Use of Recycled and Renewable Materials*

8.55

million tons



SCGP Products are Recyclable, Reusable, or Compostable

99.70%



Social



Number of Fatality Work-Related Injury from Workplace, Travelling and Transportation

employee/contractor

1/6 case

2023 Target



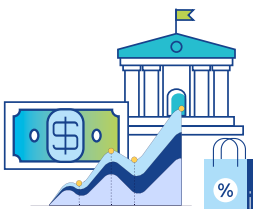
Lost Time Injury Frequency Rate

employee/contractor

0.276/0.231

cases/1,000,000 hours worked

2023 Target



Governance & Economic



"SCG Green Choice" Products and Services

54.10%

of revenue from sales

2023 Target



Circular Economy Products

32.86%

of revenue from sales



High Value Added Products and Services HVA

33.6%

of revenue from sales



Sales volume

218,000 tons





Water Withdrawal Reduction

(compared with BAU at the base year of 2014)

38.75

million cubic meter

24.09%



Recycled Water

13.14%



Achieve 2023 Target



Not Achieve 2023 Target

* For Thailand Operations



Hazardous Waste to Landfill*

0 ton

2023 Target



0 ton



Non-Hazardous Waste to Landfill*

0 ton

2023 Target



0 ton



Environmental Expense and Investment*

3,928

million baht

0.78%

of revenue from sales



Tree Plantation

11,832 rai



Occupational Illness Frequency Rate

employee

0.000

cases/1,000,000 hours worked

2023 Target



0 case



Logistics Drivers Trained from "SCG Skills Development School"

15,355

persons



Social Contribution

397

million baht



Females in all Management Positions

30.6%



Number of Check Dam

120,000

units



Human Rights Violation

1 case



0 case



Promoting Water Management for Community

2,382

households



Reduce Social Inequalities

20,997

persons

2023 Target



5,000 persons



Carbon Label Certified

575

items



Research and Innovation Spending

6,701 million baht

1.3%

of revenue from sales



2023 Target



100%

Suppliers Processed through ESG Risk Assessments

100%

of suppliers with procurement spend over million baht



Green Procurement Purchased

9,726

million baht



ESG Investment

5,295

million baht



Contributions to Organizations

27.81

million baht



Employees Learned and Passed Ethics e-Testing

100%

Social Responsibility

SCG considers organizations to be morally obliged to take responsibility in mitigating adverse social and environmental impacts including global boiling, which has brought about calamities such as climate emergency, wildfires, flooding, and drought as well as poverty and inequality, which have caused a multitude of challenges in economic, educational, and public health dimensions.

These challenges by all means affect people's quality of life and way of living. To address the issues, SCG is committed to taking care of the environment and society with adherence to transparency in tandem with the ESG frameworks. To realize the goals, SCG has adjusted its business strategy to foster a low-carbon society and reduce inequality through promoting education, developing occupational skills, and creating well-being. This runs concurrent with motivating the community and society to understand the problems, learn, and adjust accordingly in an attempt to grow, achieve self-reliance, and pass on sustainability to future generations.

Joining forces to maintain environmental balance and mitigate the effects of global boiling

SCG has accelerated efforts to foster collaboration with all sectors to reduce the impacts of global boiling through the Conserving Environments from the Mountain through the Sea project. The goal is to manage water in all areas, upstream, midstream, and downstream, spanning mountainous terrains, plateaus, and seas, to address the problems of droughts and flooding as well as restore ecological balance in each area. The efforts

have continued since the launch of the project in 2007 with the construction of check dams in Lampang's degraded forest land. To date, over 120,000 check dams across the country have been built, which have helped restore forest, store water, and absorb carbon dioxide.

The midstream water management has helped ameliorate droughts and flooding through an engagement process to enable people in the community to truly understand water management in their areas. For its part, SCG has supported tools for community water management such as monkey cheeks (temporary water retention ponds), interconnected ponds, underground dams, stop logs, ponds, and solar water pumps to store and distribute water systematically from the original water sources and to connect ponds and natural water sources. In 2023, the efforts have fostered co-ownership with 2,382 households in 8 provinces, enabling them to have water for consumption and agricultural use all year round, in the process generating a stable stream of income and becoming self-reliant sustainably.



➤ Conserving Environments from the Mountain through the Sea project in collaboration to restore the environment, taking care of it from upstream to downstream.



➤ Mae Luang Ple (Mrs. Arnansri Kaewlerdrakul), village headman of Ban Mae Daet Noi, Kalayaniwattana District, Chiang Mai Province has been dedicated to tackling droughts and improving the quality of life for people in the community. Based on the knowledge gained from learning about water management from Hydro Informatics Institute (Public Organization), the Utokapat foundation, and SCG.

In downstream areas, planting sea meadows plays a key role in mitigating global boiling. Seagrasses, in particular, can hold up to 35 times as much carbon dioxide as tropical forests. Seagrass meadows are important ecosystems that maintain coastal balance, foster an abundance of mangrove forests and coral reefs, and sustain the biodiversity of coastal ecosystems. In 2023, SCG joined forces with the communities and network partners to **plant 20 rais of seagrasses and 1,459 rais of mangroves**. In total, **the efforts to plant and restore land forests amounted to 10,353 rais**.

Furthermore, SCG has teamed with its network partners to revive coastal ecosystems in an attempt to restore abundance to the sea, boost biodiversity, and solve the problems of coral reefs being destroyed as a result of dumping trash into the sea, collecting corals for commercial purposes, careless tourism, and coral breaching. To that end, SCG, in collaboration with the Ministry of Natural Resources and Environment, the Faculty of Veterinary Science, Chulalongkorn University, and the Earth Agenda Foundation placed **397 artificial coral reefs** to provide a foundation for coral larvae. The artificial reefs are produced using **CPAC 3D Printing Solution** which is friendly to marine life and is nearly natural.

The survey of biodiversity in the area of Mai Thon Island in Phuket found that the density of coral larvae 115.43 ± 44.18 colonies per base, and the number of coral families rose from 4 to 9.



➤ Placing coral houses in the areas of Maiton Island, Racha Yai Island at Phuket Province, Samae San Island, Sak Island at Chonburi Province, and Saket Island at Rayong Province.



➤ Sunma (Ms. Rasita Phrakong), a leader of Mod Tanoi youth group, was born and raised in a fishing village in the Kantang district of Trang province. She has gathered together a group of friends and kids in Ban Mod Tanoi to take care of the environment in the neighborhood by planting seagrasses and mangroves and cleaning up beach litters to enable villagers in Ban Mod Tanoi to continue fishing sustainably.

Low-carbon community to play a part in global boiling mitigation

In 2023, building on **the Low-carbon Community project**, the Siam Cement (Thung Song) Co., Ltd., teamed with **Ban Rai Nuea Community** and **Ban Wang Khri of Nakhon Si Thammarat**, and **Ban Mod Tanoi Community of Trang** to raise awareness and play a part in mitigating the effects of global boiling by participating in various activities designed to reduce greenhouse gas emissions. Chief among them were waste management, tree planting to increase green space, the practice of organic farming, use of renewable energy, and reduction in transportation which align with the Low Emission Support Scheme (LESS) of Thailand Greenhouse Gas Management Organization (Public Organization). Efforts will be expanded to other communities surrounding SCG plants to reduce greenhouse gas emissions efficiently and sustainably.



➤ Low-carbon Community: The Hearty Smile Youths is a youth group in Ban Wang Khri, Nakorn Si Thammarat that adopts a sustainable approach by achieving self-reliance, collecting recyclable waste, separating waste, and turning waste into income.

Reducing inequality and not leaving anyone behind

SCG resolves to reduce inequality in society without leaving anyone behind, especially vulnerable groups that are less adaptable to change including farmers, people in communities, the elderly, youths as well as SMEs and workers affected by the transition to low-carbon society. In 2023, the endeavors to mitigate the effects of inequality focused on three facets: creating educational opportunities, improving job security, and enhancing well-being, helping mitigate the impact of inequality on 20,997 persons.

Education To provide educational opportunities for students to realize their dreams, SCG has granted Sharing the Dream scholarships in Thailand, Vietnam, Indonesia, the Philippines, Cambodia, and Laos. These non-binding scholarships are designed to provide support for well-behaved students with attention to education and a volunteer mindset. Also, SCG offers scholarships and supports youth potential development in disciplines in high demand in the labor market through “**Learn to Earn**”. Under this project, the SCG Foundation and network partners have leveraged the learning to survive concept to open new perspectives to young people, enabling them to learn to cope with challenges brought about by the rapidly-changing circumstances, and develop knowledge as well as essential hard skills and social skills. Also needed are future skills that are



▶ Ning (Ms. Lattita Wongchai), a recipient of Sharing the Dream scholarship in Laos said receiving this scholarship has freed her from having to work to pay for educational expenses, allowing her to put all her energy and focus into doing well in her classes with confidence and graduate with honors. She has realized her dream, working as an academic in the training, advertising, and dissemination division of the Lao Securities Commission Office.

predicted to be in high demand in the future job market such as programmers, nursing assistants, dental assistants and community care worker.



▶ Sharing the Dream Scholarship in Indonesia



➤ Mae Nai (Mrs. Areeporn Suya) is the owner of Maimorn Farm in Chiang Rai, a cafe amid the rice fields that has opened for business for eight years. The cafe was the dream of Mae Nai's daughter which has been realized by the mother who wished to see her daughter return to their hometown.

Careers SCG resolves to reduce poverty and inequality through the Power of Community project by providing training to allow the locals to have sustainable occupations and adopt the Sufficiency Economy principles in their daily lives. The goals of the project extend to inspiring the community to value and develop their potential, processing local products to add more value, studying potential customers and markets before producing and distributing the products, managing risks, creating immunity, sustaining stable occupations, and achieving sustainable self-reliance. In 2023, the project provided training to over 1,000 participants in 14 provinces nationwide, generating 4-5 times more income. It also created jobs for 4,100 persons and passed on the knowledge to 35,500 people to earn a living. The endeavors have enabled the communities to share their knowledge, expand a network of strong communities, and serve as models for other communities.



➤ Knot (Mr. Ronnachai Charoensuk) was once a daily wage worker who could not earn enough to feed the family. After undergoing training with Q-Chang Academy and becoming a service provider on the Q-Chang platform, he now enjoys a better quality of life and a happy family.

Apart from that, the focus also extended to creating jobs in the SCG business value chain. For example, **Q-Chang, a home & living digital platform, is dedicated to elevating the skills of technicians and handymen through skill training by Q-Chang Academy.** A total of **1,826 technicians** and handymen have undergone the skills development where they learned new skills (upskilling) or learned new skills to do a different job (reskilling) to ensure a better future.

Taksa Pipat School (SCG drivers skills development school) in cooperation with network partners strives to develop driving skills and reduce road accidents through multiple programs such as a truck driving course which created jobs for 872 unemployed and discharged conscripts. The school also provided an emergency vehicle and ambulance driving course for 1,300 attendees.



➤ Taksa Pipat School provides driving courses for different kinds of truck to help the unemployed find employment as a means to reduce social inequality.

Well-being To enable the vulnerable groups to access public health services, SCG collaborated with the Reoriented Holistic Health Services Delivery Institute and Yuenyen Social Enterprise to provide opportunities for people to gain access to the healthcare system efficiently under **the Digital Doctors: Telemonitoring and Telemedicine to Offer Remote Treatment of Patients project** via DoCare, a health and safety telemonitoring solution with an automatic health data collection system, and the telemedicine technology. The project was piloted in 5 provinces: Lopburi, Phetchabun, Udon Thani, Ratchaburi, and Bangkok.

cataract surgery to patients. A cataract is a medical condition which has over 26,000 patients on the surgery waiting lists each year. The initiative aims at providing comprehensive and equitable treatment to needy cataract patients who have no access to treatment, enabling them to do activities in daily life without being a burden upon others.



➤ The Digital Doctors project features innovation that allows a bed-ridden patient to talk and consult with a doctor in real time, making the patient feel relaxed and gain confidence in the treatment.

SCG carried out the **“Happy and Healthy”** project in collaboration with the Crown Property Bureau and network partners, taking a team of ophthalmologists equipped with advanced medical equipment to provide



➤ Patients receiving treatment for cases such as eye exams, cataract, and dental care from a mobile medical unit in the Happy and Healthy project.

SCG revived the Bueng Bang Sue community from a slum community without public utilities to new stable homes, totaling 133 units. Last year, collaborate with General Sundhara Kongsompong Foundation (AD 1991) to contribute an artificial football turf and manage space for the community for a game of football and other recreational activities. The goals were to raise the quality of life and create advantage-free time to keep people in the community away from drugs.



➤ Restoring Bueng Bang Sue in collaborative efforts of all sectors by turning it into an artificial soccer pitch for children in the community to develop a better quality of life.

Promoting Ethics and Transparency in Business Operations

SCG has conducted business in accordance with the Business Philosophy, which all employees strictly uphold. The Company is committed to disclosing information with transparency in alignment with the internationally accepted ESG Reporting Frameworks & Standards to create confidence among stakeholders in SCG's business operations. The Company has motivated employees at all levels both in Thailand and overseas to comply with SCG's **Governance, Risk and Compliance (GRC)** principles, realize and understand their work goals, be able to assess and know the risks, and practice **SCG Supplier Code of Conduct** through internal communications.

In 2023, SCG administered Ethics e-Testing for the ninth consecutive year. The e-Testing encompassed knowledge of ethics, SCG's 4 Core Values, Code of Conduct,

and Anti-Corruption Policy. The objectives ensured that employees at all levels learned and understood how to comply with the policy according to their roles, duties, and responsibilities. SCG also provided support to **the Thai Chamber of Commerce Business Ethics Standard Test Awards (TCC BEST Awards)** for the twentieth consecutive year to promote sustainable business growth by operating business with adherence to ethics and good corporate governance.

SCG firmly believes that taking part in addressing environmental problems and reducing social inequality with genuine concern for social benefits and continued operation with knowledge and understanding together with promoting social and community engagement can contribute to a better world to live in and a strong society for generations to come.



Environmental Accounting Report

In 2023, SCG incurred environmental expenses, which are costs associated with environmental protection, prevention, control, and mitigation of impacts from operations in Thailand, amounting to a total of 2,913 million baht. These expenses include treatment and reduction of pollution such as air pollution, water pollution, and waste management, totaling 1,622 million baht or 56% of the total environmental expenses. Additionally, expenses related to resource management, such as recycling costs, energy production from Waste Heat Generators, or crushing scrap for reuse, amounted to 1,048 million baht or 36% of the total environmental expenses. Furthermore, there were expenses for environmental administration, green procurement, remediation, environmental research and development, and other environmental expenses.

Regarding environmental investment in 2023, SCG invested in a series of environmental projects in Thailand totaling 1,015 million baht. This investment was allocated

to Cement-Building Materials Business, amounting to 617 million baht; SCGP (Packaging Business), totaling 345 million baht; and SCGC (Chemicals Business), amounting to 52.73 million baht. Key environmental projects were as follows:

Cement-Building Materials Business invested in solar farm and solar rooftop projects, installing alternative fuel feeding systems, improving the efficiency of bag filter, installing a Continuous Emission Monitoring System (CEMS) for mercury emission, and setting up biomass fuel systems.

SCGC (Chemicals Business) invested in hydro turbine to reduce energy consumption at cooling towers, gas turbine generator from ven gas, improve de-hydrocarbon efficiency during turnaround to reduce VOCs.

SCGP (Packaging Business) invested in automated product conveyance systems, setting up a recycled plastic pellet plant, installing an anaerobic treatment system, implementing water reuse systems, and establishing dust prevention systems around wood chip piles.



Environmental accounting report table

Environmental information	Year 2023 (Million baht)
1. Environmental expense	2,913
1.1 Treatment and reduction of environmental pollution expense	1,622
1.1.1 Water pollution prevention expense	1,017
1.1.2 Air pollution prevention expense	260
1.1.3 Waste disposal expense	305
1.1.4 Other pollution prevention expense	40
1.2 Resource circulation expense	1,048
1.3 Environment administrative expense	126
1.3.1 Measurement expense	97
1.3.2 Environment training expense	3
1.3.3 Environment permit/license/consultant expense	23
1.3.4 Environmental insurance premium	0
1.3.5 Other administrative expense	3
1.4 Remediation expense	15
1.5 Environmental research and development expense	2
1.6 Green procurement expense	98
1.7 Other environmental expense	2
2. Environmental investment	1,015

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

1. Operating Results and Financial Status of The Siam Cement Public Company Limited and Its Subsidiaries

1.1 Business overview

SCG’s revenue from sales decreased mainly from Chemicals product prices and the deconsolidation of SCG Logistics, while profit for the year increased from the fair value adjustment of investments in the first half of 2023.

In 2023, SCG’s revenue from sales registered at 499,646 million baht, a decrease of 12% from the previous year, mainly from Chemicals product prices and the deconsolidation of SCG Logistics from subsidiaries to investment in associate, following SCGJWD Logistics merger transaction. EBITDA dropped 13% from the previous year to 54,143 million baht. Profit for the year registered at 25,915 million baht, an increase of 21% from the previous year, mainly from the gains from the fair value adjustments in SCG Logistics, following SCGJWD Logistics merger and investment in other businesses amounted to 14,822 million baht. Profit excluding extra items would have been 13,307 million baht, decreasing 40% from the previous year.

Share of profit of joint ventures and associates accounted for using equity method amounted to 8,419 million baht, a decrease of 2,284 million baht from the previous year with details as follows:

- Chemicals associates: Share of profit amounted to 3,592 million baht, decreased 1,336 million baht from the previous year.
- Other associates: Share of profit amounted to 4,827 million baht, decreased 948 million baht from the previous year.

Total dividends received in 2023 was 11,536 million baht, a decrease of 35% or 6,283 million baht from the

previous year, details as follows: a) 8,204 million baht from “Associated” companies (20% - 50% stake), and b) 3,332 million baht from “Other” companies (less than 20% stake).

Continued solid financials, with cash and cash under management amounted to 68,064 million baht as at December 31, 2023, while amounted 95,402 million baht as at December 31, 2022, mainly due to proactive loan repayment to minimize interest cost. CAPEX and investments amounted to 38,555 million baht during the year.

1.2 Operating results of strategic business segments

Cement-Building Materials Business

In 2023, revenue from sales registered at 189,348 million baht, decreasing 7% from the previous year mainly from deconsolidation of SCG Logistics as well as regional demand. EBITDA registered at 15,878 million baht, decreasing 14% from the previous year. Profit for the year registered at 13,410 million baht or increased 170% from the previous year mainly from the gains from fair value adjustments in SCG Logistics, following SCGJWD Logistics merger, of 11,956 million baht. Profit excluding extra items would be 3,668 million baht or decreased 34% from the previous year.

By business segments, the results are as follows:

- SCG Cement and Green Solutions Business Revenue from Sales was 85,845 million baht, decreasing 2% from the previous year, when EBITDA was 8,978 million baht or decreased 19% from the previous year.
- SCG Smart Living Business Revenue from Sales registered at 24,897 million baht, increasing 4% from the previous year, and EBITDA was 2,843 million baht or increased 24% from the previous year.

- SCG Decor Revenue from Sales registered at 28,312 million baht, decreasing 6% from the previous year, while EBITDA was 3,263 million baht or increased 18% from the previous year.
- SCG Distribution and Retail Business Revenue from Sales registered at 126,941 million baht, decreasing 6% from the previous year, and EBITDA was 698 million baht or decreased 44% from the previous year.

In 2023, amidst challenges in different aspects including global economic uncertainty, fluctuating energy costs, as well as global warming and pollution that affects customers' living, Cement-Building Materials Business has adapted to cope with the challenges focusing on developing technology and green innovation solutions, offering construction and living solutions that are more environmentally friendly in response to customer needs. In addition, the business has aimed to reduce costs through the use of alternative energy sources and fuels in order to enhance sustainable business operations. Additionally, the business prioritized the investments to align with current situation and the Company's strategies, such as research and development projects for Low Carbon Product, as well as efficiency improvement initiatives for cost reduction.

SCGC (Chemicals Business)

In 2023, revenue from sales was 191,482 million baht, decreasing 19% from the previous year, from lower product prices. EBITDA decreased 23% from the previous year to 13,696 million baht and EBITDA from operations was 8,332 million baht or increased 24% due to product optimization. Profit for the year was 589 million baht, decreasing 90% from the previous year due to lower product spread and lower equity income from associates.

SCGC has adjusted its strategies to cope with various challenges by increasing flexibility in raw material sourcing, adjusting production and sales plans according to market conditions, and optimizing polyolefins production and sales. Additionally, SCGC has enhanced operational efficiency through digital technology and Artificial Intelligence (AI) for operational time and cost reduction, as well as controlling expenses and reviewing

investment priorities to maintain financial stability. SCGC continues to maintain its leadership in ASEAN through the commercial startup of Vietnam's first fully-integrated petrochemicals complex (LSP project), which is expected to fully start in early 2024.

In addition, SCGC is advancing the development and sales of SCGC Green Polymer™ and expanding into the recycling business, reflecting ESG principles through investments and collaborations with partners to expand business scope and production capacity, which will create business growth opportunities to enhance SCGC's competency in the future.

SCGP (Packaging Business)

In 2023, revenue from sales registered at 129,398 million baht, or decreased 11% from the previous year. EBITDA registered at 17,778 million baht, or decreased 8% from the previous year. Profit for the year registered at 5,248 million baht, or decreased 10% from the previous year.

The overall packaging industry in ASEAN showed signs of recovery in 2023 despite challenges such as slugging purchasing power due to high-interest rates, especially in developed countries, and the slow recovery of Chinese economy. SCGP has tackled the challenges by implementing strategies to generate growth through Merger & Partnership (M&P) and expanding packaging-related businesses. Besides, SCGP aims to explore opportunities in other high-potential businesses while continuously developing packaging innovations and solutions, enhancing supply chain integration, and implementing proactive plans to cope with uncertainties. This is accompanied by driving the business through ESG 4 Plus principle to achieve Net Zero (Scope 1 and 2) target in 2050.

1.3 Financial status

Assets

Continued solid financials, with cash and cash under management of 68,064 million baht.

Total assets of SCG as at December 31, 2023, was 893,601 million baht, with a decrease of 1% from the previous year. Key components of total assets were property, plant and equipment at 47%, current assets

at 24%, investments in joint ventures and associates at 16% and other non-current assets at 13%. Ranking of asset values by business segments are SCGC (Chemicals Business), Cement-Building Materials Business, and SCGP (Packaging Business), respectively.

Current assets: amounted to 217,214 million baht as at December 31, 2023, with a decrease of 13% from the previous year, comprising largely of inventories, trade and other current receivables, cash and cash equivalents, and investments in short-term debt instruments. At December 31, 2023, SCG's working capital was 97,529 million baht with inventory turnover period was 75 days.

Cash and cash under management: amounted to 68,064 million baht as at December 31, 2023, a decrease of 27,338 million baht from the previous year, mainly from proactive loan repayment to minimize interest cost and the CAPEX and investments of 38,555 million baht during the year.

Investments in joint ventures and associates: amounted to 140,239 million baht as at December 31, 2023, an increase of 21,265 million baht from the previous year with the following reasons:

- Increased from the merger of SCG Logistics and SCGJWD Logistics by swapping ordinary shares 18,659 million baht, and a change in status to investment in the joint venture of BetterBe, amounted to 1,953 million baht.
- Increased from share of net profit of investments using equity method amounted to 8,419 million baht, attributed to earnings from the chemicals business.
- Decreased from dividends received amounted to 8,204 million baht mainly from the chemicals associates' dividend income.

Property, plant and equipment: amounted to 424,344 million baht as at December 31, 2023, decreasing 708 million baht from the previous year mainly from depreciation and a change in status of SCG Logistics from subsidiaries to investment in the associate, following SCGJWD Logistics merger, while increased from the project constructions and CAPEX and investments during the year.

Liabilities and shareholders' equity

Total liabilities as at December 31, 2023, amounted to 452,004 million baht which slightly decreased from the previous year, mainly due to proactive loan repayment to minimize interest cost, while increasing from liabilities related to put options, which grant the right to buy or sell the remaining ordinary shares (Put/ Call options) with existing shareholders of certain subsidiaries from business acquisitions. Finance costs in 2023 were 10,297 million baht, an increase of 2,774 million baht from the previous year. This corresponded to the average cost of interest in 2023 which was 3.5%, higher than 2022 which was 3.0%.

Net debt (interest-bearing debt less cash and cash under management) of SCG as at December 31, 2023, decreased 677 million baht from the previous year to 269,521 million baht. EBITDA generation of 54,143 million baht while significant cash outflow during 2023 amounted to 65,042 million baht, comprising CAPEX and Investments of 38,555 million baht, dividend payments of 8,089 million baht, interest payment of 13,306 million baht and corporate tax of 5,092 million baht.

At the end of year 2023, SCG had significant commitments and contingent liabilities including commitments for purchase of raw material contracts, construction and installation of machinery, information technology services, rental and service agreements, currency forward contracts, currency swap contracts, raw material and energy hedging contracts and interest rate swap contracts that had been disclosed in note 26 Financial instruments and note 27 Commitments and contingent liabilities of the financial report 2023.

Shareholders' equity as at December 31, 2023, amounted to 441,597 million baht, comprising equity attributable to owners of the Company of 363,962 million baht, book value 303.3 baht per share, and non-controlling interests of 77,635 million baht.

1.4 Taxes to government and local government authorities

Unit : Million baht	Year	Country					The Philippines	Consolidated
		Thailand	Vietnam	Indonesia	Cambodia			
Revenue from sales *	2022	433,813	55,454	45,037	8,756	6,564	569,609	
	2023	383,456	44,019	34,157	7,324	5,444	499,646	
Profit (loss) before tax **	2022	10,367	2,721	(535)	1,400	305	11,672	
	2023	22,912	(1,395)	(2,423)	544	(462)	23,736	
Reported tax expense (income)	2022	3,345	674	140	328	77	4,650	
	2023	7,221	894	(187)	211	13	8,045	
Effective tax rate (%) ***	2022	32%	25%	N/A	23%	25%	40%	
	2023	32%	N/A	8%	39%	N/A	34%	
Headline CIT tax rate (%)		20%	20%	22%	20%	25%	N/A	
Cash taxes paid	2022	6,440	637	479	216	147	8,103	
	2023	3,418	824	152	321	89	5,092	
Cash tax rate (%)	2022	62%	23%	N/A	15%	48%	69%	
	2023	15%	N/A	N/A	59%	N/A	21%	
Additional information : Total liability of taxes to government and local government authorities								
Corporate income tax	2022	4,498	819	253	316	89	6,072	
	2023	4,165	905	53	190	9	5,546	
Property tax	2022	198	1	6	0.1	29	246	
	2023	200	1	14	0.2	89	320	
Specific business tax	2022	7	0.4	6	0.1	30	49	
	2023	23	0.5	4	0.1	33	71	
Other taxes	2022	24	218	48	0.6	4	297	
	2023	19	144	45	2.3	1	216	
Total taxes	2022	4,727	1,038	312	317	153	6,664	
	2023	4,408	1,050	115	193	132	6,153	

* Revenue from sales base on countries in which SCG operates

** Represent profit before share of profit of joint ventures and associates and income tax expense

*** Calculated from reported tax expense (income) divided by profit before tax

In 2023, SCG recognized income tax expenses amounted to 8,045 million baht in consolidated financial statement and the calculated effective tax rate was 34%. The higher tax rate comparing to the corporation income tax rate in each country was mainly from some companies had loss for this year and was not recorded deferred tax asset. Total tax paid to government and local government authorities for the year 2023 amounted to 6,153 million baht.

1.5 Financial ratios

SCG's financial ratios remain solid.

In 2023, current ratio registered at 1.1 times which decreased from 1.9 times from the previous year, net debt to EBITDA ratio registered at 5.0 times, increasing from 4.3 times from the previous year while net debt to EBITDA ratio (excluding projects under construction) registered at 1.9 times, same as the previous year, and net debt to equity ratio registered at 0.6 times, same as the previous year.

SCG's gross profit margin was 14.7%, an increase of

1.0% from the previous year and net profit margin was 4.5%, an increase of 1.5% from the previous year mainly from the gains from fair value adjustments in SCG Logistics, following SCGJWD Logistics merger. SCG's return on equity was 7.0%, an increase of 1.2% from the previous year and return on total assets was 2.9%, an increase of 0.5% from the previous year. SCG's return on fixed assets was 13.1%, an increase of 0.9% from the previous year. However, without construction in progress, SCG's return on fixed assets would be 22.1%, an increase of 2.6% from the previous year.

From the financial position and performance of 2023, the Board of Directors considered proposing the Annual General Meeting of Shareholders for approval of 2023 dividend payment of 6.0 baht per share, representing a dividend payout ratio of 28% of consolidated profit for the year or 54% of profit excluding extra items. SCG has already paid an interim dividend of 2.5 baht per share on August 25, 2023. The final dividend will be paid at the amount of 3.5 baht per share on April 23, 2024.

1.6 The ability of asset management

The credit term granted by SCG was 15-120 days. As at December 31, 2023, the trade receivable amounting to 53,400 million baht was net of allowance for expected credit loss amounting to 2,202 million baht. The outstanding overdue amounts of accounts receivable have credit guarantees amounting to 3,213 million baht as disclosed in note 7 Trade receivables of the financial report 2023.

In 2023, SCG has no significant deteriorated or obsolete inventories as disclosed in note 8 Inventories of the financial report 2023.

1.7 Liquidity and adequacy of capital

At the end of year 2023, SCG had cash and cash equivalents amounted 43,602 million baht, a decrease of 13,928 million baht from previous year. As a consequence of cash flows provided by operating activities amounted 44,008 million baht. Meanwhile, cash flows used in investing activities amounted to 10,631 million baht mainly from investment activities and CAPEX while proceeds from sale of investment and dividend received. Moreover, cash flows used in financing activities was 46,586 million baht mainly from repayment from long-term borrowings, dividends paid to shareholder and interest and other finance costs paid.

Regarding the liquidity ratios, SCG registered a current ratio of 1.1 times while the cash flow liquidity was 0.3 times. SCG's cash cycle was 37 days (average collection period + inventory turnover period - average payment period). The cash flows and liquidity ratios ensured that SCG possessed adequate liquidity for business operation, ability of making payment, compliance with the loan conditions, as well as obtaining additional source of

funds, and accompanying with overdraft lines with several banks amounting to approximately 13,649 million baht and long-term undrawn credit facilities totaling equivalent to 4,324 million baht as disclosed in note 16 Interest-bearing liabilities of the financial report 2023.

1.8 CAPEX and Investment

In 2023, CAPEX and Investment amounted to 38,555 million baht, of which 48% from Chemicals Business, 22% was from Packaging Business, 19% from Cement-Building Materials Business, and 11% from others. The spending was mainly from fully integrated petrochemicals complex (LSP project). The expected CAPEX plan in 2024 would be around 40,000 million baht, with emphasis on Green.

1.9 R&D spending and innovation development

In 2023, SCG invested 6,701 million baht in R&D of technology and innovation, representing 1.3% of total revenue from sales. We aim to develop comprehensive innovations that creates significant business impact and champion environmental responsibility, including Product and Service Innovation, Process Innovation, and Business Model Innovation.

SCG put emphasis on developing innovation strategy both short-term and long-term business strategies by aligning innovation portfolio of products and services with the Company's strategy, aiming to respond quickly to customer needs. Furthermore, to increase the speed of technology development and commercialization, SCG has driven innovation via Buy-Borrow-Build concept as follows:

Buy: refers to the process of acquiring technology from external sources to develop innovations and business for SCG. This is achieved through investments to obtain the technology or by purchasing it from developers, experts, or owners of such knowledge via Corporate Venture Capital (CVC) named "AddVentures". The Company invests in Venture Capital Fund and a high-potential startups with capabilities both in Thailand and globally, with investments in digital companies, EV (Electric Vehicle), ESG, renewable energy business, and technology initiatives aimed at carbon reduction.

Borrow: entails the cultivation and innovation by selectively incorporating or adopting existing technologies

from various external organizations beyond SCG to extend and amplify as tools in the creation of innovations for responding promptly to customer needs. SCG solidified collaboration with top universities, research institutes, and leading ecosystems both in Thailand and other countries with the concept of Open Innovation; for example, MOU with Tsinghua University Science Park (TUSpark) in China through TUSpark WHA in Thailand, MOU with Thailand-Nordic countries Innovation Unit (TNIU), and collaboration with Trade and Economic Affairs of Finland Embassy in Bangkok, collaboration with Chinese Institute of Sciences (CAS), which altogether will nourish opportunities for SCG to co-create breakthrough solutions and enable SCG to access world-class technologies and innovations.

Build: refers to the establishment of expertise, development of foundational technology, and leveraging the knowledge, expertise, capabilities, and experiences of internal personnel and various resources of SCG.

Recent examples of SCGC (Chemicals Business) continued to develop its innovative green polymer, 'SCGC GREEN POLYMER™', which has been well embraced by the global market, as indicated by increasing sales of 218,000 tons this year with the goal of producing one million tons per year of green polymer within 2030. Furthermore, there has been a development in cutting-edge recycling technology to transform post-consumer plastic into feedstock, or naphtha derived from recycled naphtha. This is utilized in the production of olefins and polyolefins, essential components for manufacturing polymers. This process is carried out through the subsidiary company, "CirPlas," with a focus on creating a sustainable and modern approach to plastic recycling. SCGC has innovated plastic pellets to meet the needs of Electric Vehicles (EV). The plastic pellets are not only durable but also lighter than conventional ones. This makes them particularly suitable for electric cars designed to be lightweight. The reduced weight contributes to energy efficiency in driving, resulting in decreased greenhouse gas emissions.

SCG Cement and Green Solutions Business has developed Low Carbon Cement, with an expansion of exports to the United States and Malaysia. Additionally, a carbon assessment platform named KITCARBON has been

developed for the construction industry. This platform aids in calculating the Embodied Carbon of projects, providing in-depth information beneficial for designing construction processes and material selection. KITCARBON aims to reduce environmental impact through informed decision-making in construction practices.

SCG Smart Living Business has shown continuous growth to develop smart solutions aimed to meet the demands of modern living, focusing on energy efficiency, good health, protection from PM2.5, and overall safety. SCG has introduced the SCG Air Scrubber to address these needs. Additionally, to address residential energy consumption, SCG Metal Roof - Comfort Snap Lock series have been developed as an innovative roofing solution. This technology helps mitigate external noise, provides insulation against heat, and enhances energy efficiency within homes. Moreover, there is a focus on improving home services, including more efficient renovation and remodeling, such as the installation of solar roof systems under the Homesmile service.

SCG Cleanergy Business aims to address this issue of the continuous rise in energy costs, thus a comprehensive solution has been developed as an end-to-end solar energy solution. This includes electricity generation, installation, and ongoing maintenance throughout the lifespan of the system. The goal is to help alleviate energy cost challenges for large-scale businesses. The energy solutions provided are diverse, ranging from farm installations to floating systems, as well as roof installations tailored to the available open spaces that customers have. Additionally, there is a smart grid-enabled energy trading service. This service facilitates the buying and selling of surplus electricity when production exceeds its own consumption.

SCGP (Packaging Business) has fostered growth and expanded into high-potential business sectors, particularly in the fields of medical equipment materials, food packaging, and the development of Bio-Solution; which is global innovation by using eucalyptus to produce plastics as alternatives to conventional plastics. The proof of concept and experimental testing phases have been accomplished with success.

SCG focuses on the whole process of Intellectual Property management (IP management) and incorporates

it as a part of business strategy, starting from IP Creation from the early stage of R&D, access to technology licensing of business partners and startups, IP Protection for infringement risk management, to IP Commercialization that will increase the business value of IP utilization. At the end of 2023, SCG has 889 active registered patents, which include 485 invention patents, 149 petty patents, and 255 product design patents.

Continuous investment in R&D and Innovation is the key to increasing SCG's competitive advantages. SCG has raised High Value Added Products & Services (HVA) to sale revenue in response to the fast-changing market. In 2023, SCG had revenue from sales of High Value Added (HVA) products and services that amounted to 167,691 million baht, representing 34% of total revenue from sales as a result of this reclassification.

2. Sustainability

SCG strives to lead change by implementing ESG 4 Plus which composes of Net Zero, Go Green, Reduce Inequality and Embrace Collaboration while harnessing good governance and building trust through Transparency. This key strategy will make SCG's business and its the ecosystem resilient as well as positions the Company to capture future business opportunities.

2.1 Net Zero

In 2023, SCG's absolute GHG emissions (Scope 1 and 2) was 27.08 million-ton CO₂, compared to 34.24 million-ton CO₂ in 2020 accounting for 20.9% reduction, which accumulated GHG emissions reduction puts SCG on track to achieve our 2030 target with better progress than the Science Based Target initiatives (SBTi)'s suggestion of GHG emissions reduction of 2.5% per year. Assuming normalized capacity utilization, the annual GHG emissions would have been approximately 30.67 million-ton CO₂.

In addition, SCG promptly transformed its business strategy in order to continue growth and increase new opportunities by focusing on increasing the proportion of using wider range of alternative fuel such as biomass and Refuse-Derived Fuel (RDF), also renewable energy. As a result, in 2023, SCG has reached alternative energy utilization at 24% by all businesses and 40% by cement

operations in Thailand along with achieved internal renewable power capacity of 229 megawatts.

2.2 Go green

SCG has consistently developed low-carbon products under Green Choice label that are environmentally friendly as well as helps reduce greenhouse gas emissions. This enables consumers to select products that not only meet their concerns but also ensure good quality of life. SCG targets revenue from Green Choice products to account for 2/3 of total sales revenue by 2030. In 2023, Revenue from Sales of Green Choice products was 270,716 million baht, accounting for 54% of total Revenue from sales and can reduced 950,000-ton CO₂.

2.3 Reduce inequality

SCG has been committed to generate employment and income stability by enhancing skills and capabilities, offering educational opportunities, and enhancing overall well-being since 2022. This endeavor aims to positively influence the lives of 50,000 individuals by 2030. As of end of 2023, SCG has successfully impacted 32,743 individuals, contributing to the reduction of inequality.

In 2023, SCG has generated a total of 8,934 job opportunities. This achievement was made by collaboration with various organizations and communities to enhance the workforce's skills and capabilities to meet market demands and supporting access to funding sources for enhancing liquidity and fostering business growth for entrepreneurs and SMEs. Besides, SCG has contributed to uplifting the health well-being by supporting the access to healthcare services for 7,586 individuals as well as the provision of educational opportunities to children and youths totaling 4,477 persons.

2.4 Enhance collaboration

SCG joined hands with external partners including academic departments, research institutes, startups, as well as public and private sectors to accelerate green innovations for low carbon transition. There are highlighted collaborative innovation activities in 2023; for example,

- Coordinating with alliances from various sectors such as the Ministry of Interior, Ministry of Energy, The Federation of Thai Industries, Chamber of Commerce of Thailand, Government agencies in Saraburi province, and Thai Cement Manufacturers Association to create a net zero emission model area. “Saraburi Sandbox: Low Carbon City” uses the Public-Private-People-Partnership (4P) model to accelerate cooperation from all parties and drive concrete operations. The “PPP-Saraburi Sandbox: Low Carbon City” is modeled as a representative of Thailand, using the low-carbon city model as a use case for reducing greenhouse gas emissions in each sector in accordance with the Thailand NDC roadmap and aim to expand the project to other provinces.
- Joining hands with Thailand’s Foreign Joint Chamber of Commerce, Thai Chamber of Commerce, the Federation of Thai Industries, and its partners to hold the 11th yearly ESG Symposium 2023 “ESG Symposium 2023: Accelerating Changes towards Low Carbon Society” on October 5, 2023. Besides, more than 500 individuals gathered opinions from all relevant sectors, including the government, private sector, and civil society to formulate and present the action plan “Accelerating Changes Towards a Low Carbon Society” to the Prime Minister in four directions: 1) Participation in the development of the Saraburi Sandbox to establish the first low-carbon model city in Thailand, 2) Accelerating efforts for circular economy, 3) Transition to clean energy, and 4) Leave no one behind. Especially vulnerable groups lacking resources, knowledge, and an understanding of adaptation.
- Collaborating with the Thai Cement Manufacturers Association (TCMA) in Saraburi province, along with various partners from different sectors, to showcase the potential at the 28th United Nations Climate Change Conference (COP28) held in Dubai, United Arab Emirates, from November 30 to December 12, 2023. With approximately 70,000 attendees, the event featured a model of collaborative efforts developed as a key strategy to reduce greenhouse gas emissions effectively. A detailed action plan was presented, focusing on innovative environmental initiatives under the Public-Private-People Partnership (PPP) framework, specifically employing an area-based approach in Saraburi province. This approach serves as a miniature model for Thailand, providing insights into both the factors contributing to success and the challenges in reducing greenhouse gas emissions. The collaboration aims to transform Saraburi into Thailand’s first low-carbon city, led by the provincial governor. The initiative emphasizes collaborative efforts and mutual supervision, promoting active participation from all stakeholders at every level, including public, private, and people.
- The project aims to establish connections between relevant industries through pilot programs, facilitating the success of the Thailand NET ZERO Cement and Concrete Roadmap by 2050, aligning with Thailand’s Nationally Determined Contributions (NDC) for reducing greenhouse gas emissions. Under the PPP-Saraburi Sandbox, the project is divided into five aspects: Accelerating Energy Transition, Fostering Green Industry & Green Product, Turning Waste to Value, Promoting Green Agriculture, and Increasing Green Space.

2.5 Good governance

In accordance with SCG’s commitment to sustainability best practice, the Company has embedded ESG in its governance and business practices. In 2023, SCG was endorsed by S&P Global to be listed in Dow Jones Sustainability Indices (DJSI) as a global sustainable company in the category of DJSI World and DJSI Emerging Markets for 20 consecutive years. In addition, the Company was accepted as a leader in sustainability, achieving the position of a company assessed within the top 1% with the highest scores in the construction materials industry group.

3. Significant Financial Information

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2023, 2022 and 2021

Million baht

Assets	2023	%	2022	%	2021	%
Current assets						
Cash and cash equivalents	43,602	4.9	57,530	6.3	35,993	4.2
Investments in short-term debt instruments	20,272	2.3	32,329	3.6	31,617	3.7
Trade and other current receivables	70,559	7.9	74,459	8.2	78,951	9.2
Short-term loans	130	0.0	161	0.0	200	0.0
Inventories	80,631	9.0	83,162	9.2	83,121	9.6
Other current assets	2,004	0.2	2,374	0.3	1,760	0.2
Non-current assets classified as held for sale	16	0.0	35	0.0	1,374	0.2
Total current assets	217,214	24.3	250,050	27.6	233,016	27.1
Non-current assets						
Investments in debt instruments	6,035	0.7	6,372	0.7	1,080	0.1
Investments in equity instruments	15,342	1.7	16,569	1.8	17,628	2.1
Investments in joint ventures and associates	140,239	15.7	118,974	13.1	118,870	13.8
Other non-current receivables	3,328	0.4	2,216	0.2	2,196	0.3
Long-term loans	1,297	0.1	142	0.0	105	0.0
Investment property	2,554	0.3	2,295	0.3	2,124	0.2
Property, plant and equipment	424,344	47.5	425,052	46.9	410,708	47.7
Goodwill	47,327	5.3	47,368	5.2	46,737	5.4
Other intangible assets	22,345	2.5	22,693	2.5	19,652	2.3
Deferred tax assets	4,717	0.5	5,206	0.6	4,525	0.5
Other non-current assets	8,859	1.0	9,553	1.1	4,460	0.5
Total non-current assets	676,387	75.7	656,440	72.4	628,085	72.9
Total assets	893,601	100.0	906,490	100.0	861,101	100.0

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2023, 2022 and 2021

Million baht

Liabilities and shareholders' equity	2023	%	2022	%	2021	%
Current liabilities						
Bank overdrafts and short-term borrowings						
from financial institutions	35,414	4.0	36,252	4.0	39,262	4.6
Trade and other current payables	59,691	6.7	59,783	6.6	75,026	8.7
Current portion of long-term borrowings	11,980	1.3	4,508	0.5	4,618	0.5
Current portion of lease liabilities	2,224	0.2	2,343	0.3	2,255	0.3
Current portion of debentures	65,397	7.3	24,915	2.7	39,932	4.6
Short-term borrowings	307	0.0	383	0.0	324	0.0
Corporate income tax payable	2,630	0.3	2,197	0.2	2,758	0.3
Other current liabilities	24,602	2.8	1,936	0.2	4,212	0.5
Total current liabilities	202,245	22.6	132,317	14.5	168,387	19.5
Non-current liabilities						
Long-term borrowings	60,898	6.8	94,607	10.4	76,164	8.8
Lease liabilities	11,758	1.3	11,184	1.2	10,432	1.2
Debentures	149,607	16.7	190,054	21.1	130,127	15.1
Deferred tax liabilities	11,246	1.3	8,765	1.0	8,327	1.0
Non-current provisions for employee benefits	12,697	1.4	13,262	1.5	14,541	1.7
Other non-current liabilities	3,553	0.5	3,877	0.4	3,115	0.4
Total non-current liabilities	249,759	28.0	321,749	35.6	242,706	28.2
Total liabilities	452,004	50.6	454,066	50.1	411,093	47.7
Shareholders' equity						
Share capital						
Authorized share capital	1,600		1,600		1,600	
Issued and paid share capital	1,200	0.1	1,200	0.1	1,200	0.2
Other surpluses	1,705	0.2	3,179	0.4	3,467	0.4
Retained earnings						
Appropriated						
Legal reserve	160	0.0	160	0.0	160	0.0
General reserve	10,516	1.2	10,516	1.2	10,516	1.2
Unappropriated	373,595	41.8	352,820	38.9	348,558	40.5
Other equity interest	(23,204)	(2.6)	-	-	-	-
Other components of shareholders' equity	(10)	(0.0)	6,380	0.7	1,790	0.2
Total equity attributable to owners of the Company	363,962	40.7	374,255	41.3	365,691	42.5
Non-controlling interests	77,635	8.7	78,169	8.6	84,317	9.8
Total shareholders' equity	441,597	49.4	452,424	49.9	450,008	52.3
Total liabilities and shareholders' equity	893,601	100.0	906,490	100.0	861,101	100.0

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated income statement

For the year ended 31 December 2023, 2022 and 2021

Million baht

	2023	%	2022	%	2021	%
Revenue from sales	499,646	100.0	569,609	100.0	530,112	100.0
Cost of sales	(426,199)	(85.3)	(491,339)	(86.3)	(421,000)	(79.4)
Gross profit	73,447	14.7	78,270	13.7	109,112	20.6
Other income	28,886	5.8	12,683	2.3	10,594	2.0
Profit before expenses	102,333	20.5	90,953	16.0	119,706	22.6
Distribution costs	(31,880)	(6.4)	(36,213)	(6.4)	(32,313)	(6.1)
Administrative expenses	(33,310)	(6.7)	(33,560)	(5.9)	(30,484)	(5.7)
Other expenses	(3,110)	(0.6)	(1,985)	(0.3)	(4,058)	(0.8)
Total expenses	(68,300)	(13.7)	(71,758)	(12.6)	(66,855)	(12.6)
Profit from operations	34,033	6.8	19,195	3.4	52,851	10.0
Finance costs	(10,297)	(2.1)	(7,523)	(1.3)	(6,758)	(1.3)
Share of profit of joint ventures and associates accounted for using equity method	8,419	1.7	10,703	1.8	17,543	3.3
Profit before income tax	32,155	6.4	22,375	3.9	63,636	12.0
Tax expense	(8,045)	(1.6)	(4,650)	(0.8)	(8,900)	(1.7)
Profit for the year	24,110	4.8	17,725	3.1	54,736	10.3
Profit (loss) attributable to						
Owners of the Company	25,915	5.2	21,382	3.7	47,174	8.9
Non-controlling interests	(1,805)	(0.4)	(3,657)	(0.6)	7,562	1.4
	24,110	4.8	17,725	3.1	54,736	10.3
Basic earnings per share (in Baht)						
Attributable to owners of the Company	21.60		17.82		39.31	

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of comprehensive income

For the year ended 31 December 2023, 2022 and 2021

Million baht

	2023	2022	2021
Profit for the year	24,110	17,725	54,736
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements	(3,838)	(1,007)	17,272
Gain (loss) on cash flow hedges	(998)	4,248	(131)
Loss on measurement of financial assets	(12)	(4)	(64)
Share of other comprehensive income of joint ventures and associates accounted for using equity method	(476)	1,496	2,370
Income tax relating to items that will be reclassified subsequently to profit or loss	2	4	10
Total items that will be reclassified subsequently to profit or loss	(5,322)	4,737	19,457
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (Loss) on investments in equity instruments measured at fair value	(1,445)	(389)	1,645
Gain on remeasurements of defined benefit plans	194	1,459	880
Share of other comprehensive income of joint ventures and associates accounted for using equity method	(115)	(205)	147
Income tax relating to items that will not be reclassified subsequently to profit or loss	241	(213)	(495)
Total items that will not be reclassified subsequently to profit or loss	(1,125)	652	2,177
Other comprehensive income for the year, net of tax	(6,447)	5,389	21,634
Total comprehensive income for the year	17,663	23,114	76,370
Total comprehensive income attributable to			
Owners of the Company	19,785	28,051	65,902
Non-controlling interests	(2,122)	(4,937)	10,468
	17,663	23,114	76,370

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2023, 2022 and 2021

Million baht

	2023	2022	2021
<i>Cash flows from operating activities</i>			
Profit for the year	24,110	17,725	54,736
<i>Adjustments for</i>			
Tax expense	8,045	4,650	8,900
Depreciation and amortization	29,740	29,461	28,835
Loss on inventories devaluation	1,608	1,013	759
Non-current provisions for employee benefit expense	1,079	1,077	1,260
Loss (gain) on foreign currency exchange	38	378	(117)
Share of profit of joint ventures and associates accounted for using equity method	(8,419)	(10,703)	(17,543)
Dividend income	(3,332)	(4,563)	(1,697)
Interest income	(2,151)	(1,224)	(1,047)
Finance costs	10,297	7,523	6,757
Loss on impairment of assets	1,598	654	3,933
Gain on fair value adjustment and others	(18,238)	(287)	(3,240)
Cash flows generated from operations			
before changes in operating assets and liabilities	44,375	45,704	81,536
<i>Decrease (increase) in operating assets</i>			
Trade and other current receivables	190	5,778	(21,111)
Inventories	731	(1,389)	(24,793)
Other assets	(1,158)	(62)	(1,207)
Net decrease (increase) in operating assets	(237)	4,327	(47,111)

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2023, 2022 and 2021

Million baht

	2023	2022	2021
<i>Increase (decrease) in operating liabilities</i>			
Trade and other current payables	5,714	(12,434)	14,815
Non-current provisions for employee benefits	(1,192)	(918)	(888)
Other liabilities	(190)	1,143	282
Net increase (decrease) in operating liabilities	4,332	(12,209)	14,209
Net cash flows generated from operations	48,470	37,822	48,634
Income tax paid	(4,462)	(8,103)	(9,834)
Net cash flows provided by operating activities	44,008	29,719	38,800
<i>Cash flows from investing activities</i>			
Cash divested from sale of subsidiaries	(440)	-	-
Acquisition of subsidiaries, net of cash acquired	(1,352)	(9,570)	(14,477)
Proceeds from sale of interests in joint ventures and associates	513	1,707	13
Acquisition of interests in joint ventures and associates	(1,542)	(1,681)	(13,186)
Proceeds from sale of equity and debt instruments of other entities	79,898	29,362	79,234
Acquisition of equity and debt instruments of other entities	(67,969)	(33,528)	(68,504)
Proceeds from sale of property, plant and equipment	830	765	286
Acquisition of property, plant and equipment	(32,023)	(38,065)	(58,007)
Acquisition of intangible assets	(1,928)	(1,866)	(2,471)
Proceeds from repayment of loans (payment for loans), net	281	(1)	(132)
Dividends received	11,597	18,836	10,796
Interest received	2,134	1,094	1,049
Income tax paid from sale of investments	(630)	-	-
Net cash flows used in investing activities	(10,631)	(32,947)	(65,399)

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2023, 2022 and 2021

Million baht

	2023	2022	2021
<i>Cash flows from financing activities</i>			
Proceeds from changes in ownership interests in subsidiaries that do not result in a loss of control	2,669	850	1,153
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	(49)	(37)	(2,371)
<i>Proceeds from (payments of) borrowings</i>			
Proceeds from (payments of) bank overdrafts and short-term borrowings, net	(578)	(2,467)	14,276
Proceeds from long-term borrowings	25,488	21,420	40,823
Payments of long-term borrowings	(49,924)	(5,852)	(17,804)
Payments of lease liabilities	(2,813)	(2,961)	(2,985)
Proceeds from issuance of debentures	24,897	84,949	45,401
Redemption of debentures	(24,881)	(39,988)	(49,917)
Net increase (decrease) in borrowings	(27,811)	55,101	29,794
Dividends paid			
Dividends paid to owners of the Company	(5,400)	(19,199)	(20,398)
Dividends paid to non-controlling interests	(2,689)	(2,856)	(3,514)
Total dividends paid	(8,089)	(22,055)	(23,912)
Interest and other finance costs paid	(13,306)	(9,460)	(7,902)
Net cash flows provided by (used in) financing activities	(46,586)	24,399	(3,238)
Net increase (decrease) in cash and cash equivalents	(13,209)	21,171	(29,837)
Effect of exchange rate changes on cash and cash equivalents	(719)	366	1,431
Cash and cash equivalents at beginning of the year	57,530	35,993	64,399
Cash and cash equivalents at end of the year	43,602	57,530	35,993

Financial Ratios of The Siam Cement Public Company Limited and its Subsidiaries

		Consolidated Financial Statements		
		2023	2022	2021
Liquidity Ratio				
Current Ratio	(Times)	1.1	1.9	1.4
Quick Ratio	(Times)	0.6	1.1	0.8
Cash Flow Liquidity	(Times)	0.3	0.2	0.2
Accounts Receivable Turnover	(Times)	8.9	9.5	10.0
Collection Period	(Days)	41	39	36
Inventory Turnover	(Times)	14.2	16.1	16.5
Inventory Turnover Period	(Days)	26	23	22
Accounts Payable Turnover	(Times)	12.2	12.8	11.6
Payment Period	(Days)	30	29	31
Cash Cycle	(Days)	37	33	27
Profitability Ratio				
Gross Profit Margin	(%)	14.7	13.7	20.6
Net Profit Margin*	(%)	4.5	3.0	9.8
Return on Equity	(%)	7.0	5.8	13.7
Efficiency Ratio				
Return on Total Assets	(%)	2.9	2.4	5.9
Return on Fixed Assets	(%)	13.1	12.2	19.6
Assets Turnover	(Times)	0.6	0.7	0.7
Financial Policy Ratio				
Debt to Equity Ratio	(Times)	1.0	1.0	0.9
Net Debt to Equity	(Times)	0.6	0.6	0.5
Interest Coverage Ratio	(Times)	5.3	8.2	13.6
Cash Flow Adequacy	(Times)	0.5	0.9	1.1
Interest bearing debt to EBITDA	(Times)	6.2	5.9	3.3
Net debt to EBITDA**	(Times)	5.0	4.3	2.6
Dividend Payout Ratio***	(%)	27.8	44.9	47.1

Note:

* Net Profit Margin = Profit for the year attributable to owners of the Company and non-controlling interests / Total revenue

** Net debt to EBITDA = Total debt (interest-bearing), less cash and cash under management / EBITDA

*** Proportion of dividends for 2023 is 54.1% of profit excluding extra items.

(Profit excluding extra items = Profit for the year exclude non-recurring items of business which are non-cash)

LIST OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER COMPANIES OF WHICH THEIR OPERATIONS ARE SIGNIFICANT

Name	Principal business / Products	Location (Head office /Factory)
SCG Cement and Green Solutions Business Subsidiaries		
1 The Concrete Products and Aggregate Co., Ltd.	Holding company / Management service	Bangkok
2 SCG Cement Co., Ltd.	Holding company / Production and distribution of electricity / Research and management service	Bangkok
3 The Siam Cement (Kaeng Khoi) Co., Ltd.	Cement, dry mortar and ready mixed concrete	Saraburi
4 The Siam Cement (Ta Luang) Co., Ltd.	Cement, dry mortar, white cement and ready mixed concrete	Saraburi
5 The Siam Cement (Thung Song) Co., Ltd.	Cement, dry mortar and ready mixed concrete	Nakhon Si Thammarat
6 The Siam Cement (Lampang) Co., Ltd.	Cement, dry mortar and ready mixed concrete	Lampang
7 Q Mix Supply Co., Ltd.	Ready-mixed concrete	Bangkok
8 Silathai Sanguan (2540) Co., Ltd.	Aggregates	Khon Kaen
9 Silasanon Co., Ltd.	Aggregates	Saraburi
10 PT SCG Pipe and Precast Indonesia	Concrete products	Indonesia
11 PT Semen Lebak	Cement	Indonesia
12 PT SCG Readymix Indonesia	Ready-mixed concrete	Indonesia
13 PT CPAC Surabaya	Ready-mixed concrete	Indonesia
14 Khammouane Cement Co., Ltd.	Cement	Lao PDR
15 Vietnam Construction Materials Joint Stock Company	Cement	Vietnam
16 Song Gianh Cement Joint Stock Company	Cement	Vietnam
17 Mien Trung Cement One Member Company Limited	Cement	Vietnam
18 Danang Cement One Member Company Limited	Cement	Vietnam
19 Phu Yen Cosevco Cement Company Limited	Cement	Vietnam
20 The Siam Refractory Industry Co., Ltd.	Refractory	Bangkok
21 Eco Plant Services Co., Ltd.	Technical services and plant installation	Saraburi
22 SCI Eco Services Co., Ltd.	Industrial waste disposal	Bangkok / Saraburi / Nakhon Si Thammarat
23 CPAC Construction Solution Co., Ltd.	Construction solution	Bangkok

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

** No issuance of share for the Limited Liability Company incorporated in Vietnam
The capital contribution is as stipulated in the investment certificate of the invested company

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2555-5000	66-2555-5003	Ordinary shares	104	10,416	100
66-2586-3060-1	66-2586-3072	Ordinary shares	178	7,132	100
66-3624-0000-98	66-3624-0099	Ordinary shares	6	625	100
66-3628-8900	66-3633-4710	Ordinary shares	6	575	100
66-3621-8400					
66-7553-8222	66-7553-8111	Ordinary shares	35	700	100
66-5423-7500	66-5423-7501	Ordinary shares	94	589	100
66-2022-7800	-	Ordinary shares	8	800	100
66-4335-8031	66-4335-8033	Ordinary shares	0.5	54	100
66-2555-5000	66-2555-5003	Ordinary shares	3	280	100
(6221) 799-3068	(6221) 799-2208	Ordinary shares	15	466	100
(6221) 798-3751	(6221) 791-80919	Ordinary shares	0.04	1,193	100
(6221) 797-1190	(6221) 797-1090	Ordinary shares	12	365	100
(6231) 732-1512	(6231) 732-1512	Ordinary shares	1	43	100
(856) 51-628-000	-	Ordinary shares	32	11,188	100
		Preferred shares	0.06	21	
(84) 52-6262-666	(84) 52-6268-666	Ordinary shares	363	5,505	100
(84) 232-3535-098	(84) 232-3535-071	Ordinary shares	226	3,284	100
(84) 236-3780-329	(84) 511-3784-139	**	-	23	100
(84) 511-3481-302	(84) 511-3481-302	**	-	15	100
(84) 57-3790-178	-	**	-	15	100
66-2586-3230	66-2586-2982	Ordinary shares	3	300	100
66-3628-9103	66-3628-1212	Ordinary shares	0.5	50	100
66-2962-7295-7	66-2962-7298	Ordinary shares	2	187	100
66-2555-5595	-	Ordinary shares	4	19	100

Name	Principal business / Products	Location (Head office /Factory)	
24	Buu Long Industry and Investment Joint Stock Company	White cement, tile grout, tile fix and skim coat	Vietnam
25	PT Semen Jawa	Cement	Indonesia
26	Mawlamyine Cement Limited	Cement	Myanmar
27	Kampot Cement Co., Ltd.	Cement	Cambodia
28	CPAC Cambodia Co., Ltd.	Ready-mixed concrete	Cambodia
29	SCG Myanmar Concrete and Aggregate Co., Ltd.	Ready-mixed concrete and related products	Myanmar
30	Green Conservation Solution Co., Ltd.	Municipal solid waste management service and use refuse derived fuel as alternative energy	Bangkok
31	PT Pion Quarry Nusantara	Aggregates	Indonesia
32	PT Tambang Semen Sukabumi	Limestone quarry	Indonesia
33	Kampot Land Co., Ltd.	Land investment	Cambodia
Joint ventures, associates and other companies			
34	BIMobject (Thailand) Co., Ltd. ***	Digital platform	Bangkok
35	CPAC SB&M Lifetime Solution Co., Ltd. ***	Repairing and maintenance product and service	Bangkok
36	Anhui Conch-SCG Refractory Co., Ltd.	Refractory	China
37	Asia Cement Public Company Limited	Cement	Bangkok
SCG Smart Living Business Subsidiaries			
38	SCG Cement-Building Materials Co., Ltd.	Holding company	Bangkok
39	MRC Roofing Co., Ltd.	Holding company	Bangkok
40	Cement Thai Gypsum Co., Ltd.	Holding company	Bangkok
41	The Siam Fibre-Cement Co., Ltd.	Holding company	Bangkok
42	Cement Thai Ceramics Philippines Holdings, Inc.	Holding company	The Philippines
43	Cement Thai Gypsum (Singapore) Pte. Ltd.	Holding company	Singapore
44	SCG Roofing Co., Ltd.	Concrete and ceramic roof tiles	Nakhon Pathom / Saraburi / Lamphun / Khon Kaen / Nakhon Si Thammarat/ Chon Buri
45	Siam Fibre Cement Group Co., Ltd.	Fiber cement products, roofing ceiling wall floor and decorative materials	Saraburi / Lampang / Nakhon Si Thammarat

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

** No issuance of share for the Limited Liability Company incorporated in China
The capital contribution is as stipulated in the investment certificate of the invested company

*** The subsidiaries under definition of the Securities Exchange of Thailand ACT B.E. 2535

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
(84) 251-3965-475	(84) 251-3965-478	Ordinary shares	4	56	99
(6221) 350-9491	(6221) 350-9704	Ordinary shares	348	11,352	98
(959) 796-093-056	-	Ordinary shares	0.8	12,814	96
(959) 978-757-519					
(855) 17-222-966	-	Ordinary shares	13	4,275	92
(855) 12-222-102	-	Ordinary shares	0.002	128	90
(959) 783-914-137	-	Ordinary shares	0.06	207	80
(959) 783-914-139					
66-2586-3333	66-2586-2979	Ordinary shares	2	185	74
(6221) 797-1190	(6221) 797-1090	Ordinary shares	0.005	16	49
(6221) 350-9491	(6221) 350-9704	Ordinary shares	62	164	48
(855) 77-532-123	-	Ordinary shares	0.001	0.2	45
66-63270-4665	-	Ordinary shares	0.3	31	92
66-81750-6874					
66-2555-5595	-	Ordinary shares	0.4	35	51
(86) 553-839-9877	(86) 553-839-9888	**	-	816	30
66-2641-5600	-	Ordinary shares	778	3,892	10
66-2586-3333	66-2586-2961	Ordinary shares	976	24,392	100
66-2586-3333	66-2555-0001	Ordinary shares	30	2,994	100
66-2586-3333	66-2586-2761	Ordinary shares	114	2,457	100
66-2586-3333	66-2586-2761	Ordinary shares	110	11,000	100
(632) 717-6901	(6343) 778-2934	Ordinary shares	434	355	100
(65) 6297-9661	(65) 6297-9662	Ordinary shares	7	143	100
66-2586-3333	-	Ordinary shares	14	1,430	100
66-5433-7301-5	66-5433-7300	Ordinary shares	22	2,230	100

Name	Principal business / Products	Location (Head office /Factory)
46 SCG Landscape Co., Ltd.	Concrete paving block, fence and wall tiles	Bangkok / Saraburi / Chon Buri / Khon Kaen / Nakhon Si Thammarat / Lamphun
47 Siam Fiberglass Co., Ltd.	Insulation and glass wools and translucent roof sheet	Saraburi
48 SCG Concrete Roof (Vietnam) Co., Ltd.	Concrete roof tiles	Vietnam
49 Prime - Ngoi Viet Joint Stock Company	Ceramics roof tiles	Vietnam
50 SCG Concrete Roof (Cambodia) Co., Ltd.	Concrete roof tiles	Cambodia
51 PT SCG Lightweight Concrete Indonesia	Light-weight concrete	Indonesia
52 Nexter Living Co., Ltd.	Elder safety product	Bangkok
53 SCG Building and Living Care Consulting Co., Ltd.	Consulting and building design	Bangkok
54 SCG Living and Housing Solution Co., Ltd.	Living and housing solutions	Bangkok
55 PT Karya Makmur Kreasi Prima	Ceramics retail shops	Indonesia
56 Saraburirat Co., Ltd.	Concrete paving tiles, terrazo tiles and wall tiles	Saraburi
57 PT Surya Siam Keramik	Ceramic floor tiles	Indonesia
58 Quality Construction Products Public Company Limited	Autoclaved aerated concrete blocks, reinforced wall panels, floor panels and lintels for construction uses	Phra Nakhon Si Ayutthaya
59 Q-Con Eastern Co., Ltd.	Autoclaved aerated concrete blocks, reinforced wall panels, floor panels and lintels for construction uses	Rayong
60 Zifisense Asia Co., Ltd.	Import and distribution	Bangkok
61 Panel World Co., Ltd.	Cement-bonded particleboard	Samut Sakhon
62 SCG-Sekisui Sales Co., Ltd.	Construction and interior service	Bangkok
63 PT Siam-Indo Gypsum Industry	Gypsum boards	Indonesia
64 PT Siam-Indo Concrete Products	Fiber cement roof tiles	Indonesia
Associates and other companies		
65 Sekisui-SCG Industry Co., Ltd.	Modular housing components	Saraburi
66 Mariwasa Holdings, Inc.	Holding company	The Philippines
67 The Siam Gypsum Industry Co., Ltd.	Holding company	Bangkok
68 The Siam Gypsum Industry (Saraburi) Co., Ltd.	Gypsum boards, product derived from gypsum and plaster	Saraburi
69 The Siam Gypsum Industry (Songkhla) Co., Ltd.	Gypsum boards, product derived from gypsum and plaster	Songkhla
70 PT M Class Industry	Clay roof tiles	Indonesia
71 Finfloor S.p.A.	Holding company	Italy

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Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-6822	66-2586-6800	Ordinary shares	3	290	100
66-3637-3441-4	66-3637-3445-6	Ordinary shares	13	205	100
(84) 274-3767-581-4	(84) 274-3767-686	**	-	235	100
(84) 211-3597-703	-	Ordinary shares	25	350	100
(855) 23-454-3888	-	Ordinary shares	0.1	43	100
(6226) 7861-0362	(6226) 7861-0360	Ordinary shares	4	1,253	100
66-2030-1000	66-2586-2250	Ordinary shares	6	630	100
66-2586-4444	-	Ordinary shares	0.5	46	100
66-2586-3333	-	Ordinary shares	4	412	100
(6221) 797-1190	(6221) 797-1090	Ordinary shares	10	23	91
66-2586-6822	66-2586-6800	Ordinary shares	1	96	83
(6221) 5397-091	(6221) 5397-094	Ordinary shares	0.01	87	80
66-3525-9131-4	66-3525-9130	Ordinary shares	400	400	61
66-3865-0512-5	66-3895-6469	Ordinary shares	59	590	61
66-2030-1000	-	Ordinary shares	0.2	6	56
66-3447-3067-70	66-3447-3063	Ordinary shares	2	245	55
66-2586-1323	66-2586-4364	Ordinary shares	8	825	51
(6221) 8832-0028	(6221) 8832-0036	Ordinary shares	0.03	306	50
(6226) 743-2140	(6225) 743-2149	Ordinary shares	0.03	446	50
66-3637-3478	66-3637-3480	Ordinary shares	23	2,325	49
(632) 717-6901	(6343) 778-2934	Ordinary shares	248	235	40
66-2555-0055	66-2555-0001-6	Ordinary shares	2	150	29
66-3621-8200	66-3621-8201	Ordinary shares	5	470	29
66-7420-0400	66-7420-0401	Ordinary shares	1	120	29
(6202) 6743-6888	(6221) 539-7094	Ordinary shares	34	222	28
(39) 05-3684-0111	(39) 05-3684-0322	Ordinary shares	11	429	5

Name	Principal business / Products	Location (Head office /Factory)
SCG Decor Subsidiaries		
72	SCG Decor Public Company Limited (Formerly: SCG Building Materials Co., Ltd.)	Holding company Bangkok
73	Prime Group Joint Stock Company	Holding company Vietnam
74	Prime Trading, Import and Export One Member Limited Liability Company	Marketing and sales of floor and wall ceramic tiles Vietnam
75	Prime Pho Yen Joint Stock Company	Floor ceramic tiles Vietnam
76	Prime - Yen Binh Joint Stock Company	Wall ceramic tiles Vietnam
77	Prime - Tien Phong Joint Stock Company	Floor and wall ceramic tiles Vietnam
78	Prime - Vinh Phuc Joint Stock Company	Floor and wall ceramic tiles Vietnam
79	Prime - Truong Xuan Joint Stock Company	Water heater and mechanical Vietnam
80	SCG Ceramics Public Company Limited	Floor and wall ceramic tiles and industrial estate Bangkok
81	Sosuco Ceramic Co., Ltd.	Floor and wall ceramic tiles Saraburi
82	SUSUNN Smart Solution Co., Ltd.	Engineering solution provider Saraburi
83	The Siam Sanitary Fittings Co., Ltd.	Faucets and fittings Bangkok / Nakhon Ratchasima
84	Siam Sanitary Ware Co., Ltd.	Holding company Bangkok
85	Siam Sanitary Ware Industry Co., Ltd.	Sanitary ware Bangkok / Saraburi
86	Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Sanitary ware Bangkok / Saraburi
87	Prime Dai An Joint Stock Company	Procurement of raw materials for manufacturing ceramic tiles Vietnam
88	PT KIA Keramik Mas	Ceramic roof tiles Indonesia
89	PT Keramik Indonesia Assosiasi, Tbk.	Floor and wall ceramic tiles Indonesia
90	Prime Dai Viet Joint Stock Company	Floor and wall ceramic tiles Vietnam
91	Prime Thien Phuc Joint Stock Company	Sand mine and industrial estate Vietnam
92	Prime Phong Dien Joint Stock Company	Manufacture of materials Vietnam
93	Prime Dai Loc Joint Stock Company	Floor and wall ceramic tiles Vietnam
94	Mariwasa-Siam Ceramics, Inc.	Floor and wall ceramic tiles The Philippines
95	Prime Hao Phu Joint Stock Company	Exploration and processing materials Vietnam
96	SCG Ceramics – Ly Heng Chhay (Cambodia) Co., Ltd.	Distribute floor tiles, wall tiles and bathroom Cambodia
97	Prime Dai Quang Joint Stock Company	Manufacture packaging for ceramic tiles Vietnam
Associate		
98	Noritake SCG Plaster Co., Ltd.	Manufacture and distribute of molding plaster and jointing products Saraburi

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

** No issuance of share for the Limited Liability Company incorporated in Vietnam
The capital contribution is as stipulated in the investment certificate of the invested company

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-3333	66-2586-2761	Ordinary shares	1,650	16,500	73
(84) 211-3888-987	-	Ordinary shares	101	1,413	73
(84) 211-3888-987	-	**	-	420	73
(84) 280-3866-632	-	Ordinary shares	15	210	73
(84) 211-3888-987	-	Ordinary shares	13	182	73
(84) 211-3888-174	-	Ordinary shares	12	168	73
(84) 211-3866-637	-	Ordinary shares	25	350	73
(84) 211-3726-552	-	Ordinary shares	6	84	73
66-2586-3333	66-2587-2118	Ordinary shares	5,963	5,963	73
66-3637-6300	66-3637-6319	Ordinary shares	0.008	800	73
66-3637-6100	-	Ordinary shares	1	100	73
66-2973-5040-54	66-4433-5583	Ordinary shares	2	200	73
66-2973-5040-54	66-2551-3512	Ordinary shares	0.8	60	72
66-2973-5040-54	66-3626-3522	Ordinary shares	2	200	72
66-2973-5040-54	66-3637-3664	Ordinary shares	2	160	72
(84) 211-3888-987	-	Ordinary shares	3	35	70
(6221) 386-2322	(6221) 386-2253	Ordinary shares	2,926	2,162	68
(6221) 386-2322	(6221) 386-2253	Ordinary shares	14,929	5,603	68
(84) 211-3845-238	-	Ordinary shares	13	182	66
(84) 211-3888-987	-	Ordinary shares	5	70	66
(84) 211-3888-987	-	Ordinary shares	3	35	66
(84) 235-3509-999	-	Ordinary shares	30	414	66
(632) 717-6901	(6343) 778-2934	Ordinary shares	800	558	62
(84) 211-3888-987	-	Ordinary shares	3	35	51
(855) 11-826-211	-	Ordinary shares	0.006	19	44
(84) 235-3761-666	-	Ordinary shares	2	28	41
66-3637-3578-82	66-3637-3577	Ordinary shares	4	405	7

Name	Principal business / Products	Location (Head office /Factory)	
SCG Distribution & Retail Business			
Subsidiaries			
99	SCG Distribution Co., Ltd.	Holding company / Domestic distribution	Bangkok
100	SCG Cement-Building Materials Vietnam Limited Liability Company	Cement distribution	Vietnam
101	SCG Distribution and Retail (Cambodia) Co., Ltd.	Building materials distribution	Cambodia
102	SCG International Corporation Co., Ltd.	International trading	Bangkok
103	SCG International Australia Pty. Ltd.	International trading	Australia
104	SCG International China (Guangzhou) Co., Ltd.	International trading	China
105	SCG International Hong Kong Limited	International trading	Hong Kong
106	SCG International (Philippines) Corporation	International trading	The Philippines
107	SCG International USA Inc.	International trading	The United States
108	PT SCG International Indonesia	International trading	Indonesia
109	SCG International Laos Co., Ltd.	International trading	Lao PDR
110	SCG Marketing Philippines Inc.	International trading	The Philippines
111	SCG International (Malaysia) Sdn. Bhd.	International trading	Malaysia
112	SCG International (Cambodia) Co., Ltd.	International trading	Cambodia
113	SCG International Middle East Trading L.L.C	International trading	The United Arab Emirates
114	SCG International Vietnam Co., Ltd.	Logistics service, international trading and domestic distribution	Vietnam
115	SCG International Corporation Vietnam Co., Ltd.	International trading	Vietnam
116	SCG International India Private Limited	International trading	India
117	SCG International Bangladesh Company Limited	International trading	Bangladesh
118	Myanmar CBM Services Co., Ltd.	Business services	Myanmar
119	Nexter Digital and Solution Co., Ltd.	Business services	Bangkok
120	PT Living Platform Indonesia	Home service platform	Indonesia
121	SCG Experience Co., Ltd.	Product / Solution sales and rental service	Bangkok
122	SCG Retail Holding Co., Ltd.	Holding company	Bangkok
123	PT Kokoh Inti Arebama Tbk.	Building materials distribution	Indonesia
124	Unify Smart Tech Joint Stock Company	Information technology service	Vietnam
125	SCG Home Retail Co., Ltd.	Franchise - retail business	Bangkok
126	SCG Builk One Philippines, Inc.	Provide digital platform service for the construction business	The Philippines
127	SCG Home Vietnam Co., Ltd.	Home decoration	Vietnam
128	SCGT Automobile Co., Ltd.	Holding company	Bangkok
129	Rudy Technology Co., Ltd.	Business services	Bangkok
130	SCG-Boonthavorn Holding Co., Ltd.	Holding company	Bangkok

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The capital contribution is as stipulated in the investment certificate of the invested company

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-3333	66-2586-5454	Ordinary shares	275	16,452	100
(84) 93-3558-096	-	**	-	47	100
(855) 17-222-966	-	Ordinary shares	0.1	35	100
66-2586-2222	66-2586-2251	Ordinary shares	4	400	100
(61) 2-9439-1441	-	Ordinary shares	0.2	5	100
(86) 20-8365-2559	-	**	-	113	100
(852) 3466-6535	(852) 3743-6807	Ordinary shares	45	220	100
(632) 7369-6505	-	Ordinary shares	0.5	38	100
(1) 310-323-2194	(1) 310-324-9528	Ordinary shares	0.1	36	100
(6221) 576-4167	-	Ordinary shares	0.01	24	100
(856) 21-454-596-7	-	Ordinary shares	0.1	58	100
(632) 501-8634	(632) 501-8635	Ordinary shares	2	133	100
(632) 501-8630	-	-	-	-	-
(60) 3-5632-0168	(60) 3-5632-0158	Ordinary shares	2	14	100
(855) 23-990-401-5	-	Ordinary shares	0.0001	1	100
(971) 50-450-0270	-	Ordinary shares	5	51	100
(84) 83-526-9001	(84) 83-526-9009	**	-	64	100
(84) 83-526-9001	(84) 83-526-9009	**	-	41	100
(91) 12-4400-6413	-	Ordinary shares	2	95	100
(880) 17-8765-9249	-	Ordinary shares	0.09	33	100
(951) 966-2014	(951) 966-2014	Ordinary shares	0.02	66	100
66-2586-6950	-	Ordinary shares	37	187	100
(6285) 73-148-0984	-	Ordinary shares	0.1	35	100
66-2101-9922	66-2101-9920	Ordinary shares	5	500	100
66-2586-3333	-	Ordinary shares	41	4,099	100
(6221) 797-1190	(6221) 797-1090	Ordinary shares	981	350	91
(84) 90-5559-562	-	Ordinary shares	0.5	7	90
66-2657-1116	-	Ordinary shares	10	985	81
(632) 501-8634	(632) 501-8635	Ordinary shares	2	16	76
(84) 211-3888-386	-	**	-	357	73
66-2586-1402	66-2586-2203	Ordinary shares	15	146	67
66-9714-0166-9	-	Ordinary shares	1	12	61
66-2657-1116	-	Ordinary shares	9	895	51

Name	Principal business / Products	Location (Head office /Factory)
131 Mingalar Motor Co., Ltd.	Dealer	Myanmar
132 SCG-Boonthavorn (Cambodia) Co., Ltd.	Home decoration and related product store	Cambodia
Joint ventures, associates and other companies		
133 Global House International Company Limited ***	Holding company	Bangkok
134 Siam Smart Data Co., Ltd. ***	Holding company	Bangkok
135 Siam Cement Big Bloc Construction Technologies Private Limited	Autoclaved aerated concrete blocks	India
136 Survey Marine Services Co., Ltd.	Land rental	Bangkok
137 SCG Logistics Lao Co., Ltd.	Logistics service	Lao PDR
138 SCG Logistics Management (Cambodia) Co., Ltd.	Logistics service	Cambodia
139 SCGJWD Academy Co., Ltd. (Formerly: SCG Skills Development Co., Ltd.)	Logistics skills development school for SCG business partners	Saraburi
140 SCGJWD Logistics Public Company Limited	Logistics service	Bangkok
141 AutoLogic Co., Ltd.	Yard management and related service	Bangkok
142 JWD Transport (Thailand) Co., Ltd.	In-land and overseas transportation services	Bangkok
143 Pacific Logistics Pro Co., Ltd.	Transportation service	Samut Sakhon
144 Benjaporn Land Co., Ltd.	Lease of land and buildings	Bangkok
145 JWD Pacific Land Co., Ltd.	Warehousing service	Bangkok
146 Gillion Co., Ltd.	Land rental service	Bangkok
147 DataSafe Co., Ltd.	Record and information management	Chachoengsao
148 Dynamic IT Solutions Co., Ltd.	Selling and installation of electronics devices, software applications and network services	Bangkok
149 JWD Asia Co., Ltd.	Logistics service, transportation and warehouse management, port and packing services	Bangkok
150 JWD Asia Holding Private Ltd.	Holding company	Singapore
151 Pacific Cold Storage Co., Ltd.	Cold storage and transportation services	Samut Sakhon
152 JWD Pacific Co., Ltd	Cold storage service	Bangkok
153 JVK International Movers Co., Ltd.	Packing, domestic and overseas moving services	Bangkok
154 JVK Indochina Movers (Vietnam) Co., Ltd.	Transportation service	Vietnam
155 Global Food Service Network Co., Ltd.	Holding company	Bangkok
156 DataSafe (Cambodia) Ltd.	Record and information management	Cambodia
157 JWD Art space Co., Ltd.	Art gallery services	Cambodia
158 JWD Express Co., Ltd.	Transportation service	Cambodia
159 VNS Transport Co., Ltd.	Transportation service	Samut Prakan
160 SCGJWD Trading Co., Ltd.	Logistics service	Bangkok

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*** The subsidiaries under definition of the Securities Exchange of Thailand ACT B.E. 2535

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
(951) 751-494-041	-	Ordinary shares	0.01	166	50
(855) 99-888-956	-	Ordinary shares	12	381	41
66-2586-3333	66-2586-5454	Ordinary shares	35	3,283	66
66-2586-3021	66-2586-2391	Ordinary shares	0.2	211	51
(91) 26-1246-3261	(91) 26-1246-3264	Ordinary shares	10	44	48
66-2296-1490-2	66-2296-1494	Ordinary shares	0.4	37	48
(856) 20-9149-4545	-	Ordinary shares	0.1	13	43
(855) 23-966-206	(855) 23-966-205	Ordinary shares	0.07	23	43
66-3672-4377	66-3672-4378	Ordinary shares	0.7	70	43
66-2710-4000	-	Ordinary shares	1,811	906	43
66-2710-4000	-	Ordinary shares	0.5	50	43
66-2710-4000	-	Ordinary shares	1	116	43
66-3411-7899	-	Ordinary shares	0.4	40	43
66-2710-4000	-	Ordinary shares	7	750	43
66-3411-7899	-	Ordinary shares	1	160	43
66-2710-4000	-	Ordinary shares	0.5	5	43
66-2710-4050	-	Ordinary shares	0.7	75	43
66-2710-4040	-	Ordinary shares	0.2	14	43
66-2710-4000	-	Ordinary shares	10	1,010	43
66-2710-4000	-	Ordinary shares	37	868	43
66-3411-7899	-	Ordinary shares	9	936	43
66-3411-7899	-	Ordinary shares	2	250	43
66-2710-4000	-	Ordinary shares	0.4	44	43
66-2710-4000	-	Ordinary shares	0.07	2	43
66-2710-4000	-	Ordinary shares	3	237	43
66-2710-4050	-	Ordinary shares	0.001	4	43
66-2710-4060	-	Ordinary shares	0.9	79	43
66-2710-4000	-	Ordinary shares	0.4	40	43
66-2755-3321	-	Ordinary shares	0.05	5	43
66-2710-4000	-	Ordinary shares	0.4	36	43

Name	Principal business / Products	Location (Head office /Factory)
161 Green Siam Resources Corporation	Baling business	The Philippines
162 Siam Saison Co., Ltd.	Financial service	Bangkok
163 Siam Global House Public Company Limited	Building materials and home improvement products distribution	Roi Et
164 Siam Validus Capital Company Limited	Crowdfunding platform	Bangkok
165 SV Money Co., Ltd.	Commercial lending service	Bangkok
166 Prosper Logistics Joint Stock Company	Holding company	Vietnam
167 JPK Cold Storage Co., Ltd.	Cold storage service	Bangkok
168 PT Catur Sentosa Adiprana Tbk	Modern retail business and distributor of construction materials	Indonesia
169 PT Catur Mitra Sejati Sentosa	Modern retail business	Indonesia
170 PT Catur Sentosa Berhasil	Modern retail business	Indonesia
171 PT Catur Sentosa Anugerah	Distribution	Indonesia
172 JWD Health Connex Co.,Ltd.	Logistics service and medical transportation management service	Bangkok
173 PT Caturaditya Sentosa	Distribution	Indonesia
174 MeSpace Self Storage Co., Ltd.	Self storage service	Bangkok
175 Storeguard Co., Ltd	Self storage service	Bangkok
176 EM Logistics & Warehousing Pte. Ltd.	Holding company	Singapore
177 JWD Asia Logistics (Cambodia) Co., Ltd.	Logistics service, transportation and warehouse management, port and packing services	Cambodia
178 Chi Shan Long Feng Food Co., Ltd.	Food services	Taiwan
179 JWD Bok Seng Logistics (Thailand) Co., Ltd.	Domestic and overseas moving services	Bangkok
180 SCG Logistics Philippines, Inc.	Logistics service	The Philippines
181 SCG-PSA Holdings Co., Ltd.	Holding company	Bangkok
182 SCG-Shwe Me Logistics (Myanmar) Co., Ltd.	Logistics service	Myanmar
183 Jumbo Barges and Tugs Co., Ltd.	Transportation by lighter	Bangkok
184 Jumbo Barges (Cambodia) Co., Ltd.	Transportation by lighter	Cambodia
185 JCM Logistics and Warehousing Pte. Ltd.	Holding company	Singapore
186 PT Catur Logamindo Sentosa	Distribution	Indonesia
187 Thai Connectivity Terminal Co., Ltd.	Shipping port	Samut Prakan
188 Bangkok Interfreight Forwarding Co., Ltd.	Logistics service	Samut Prakan
189 JWD ASIA Logistics (Myanmar) Co., Ltd.	Storage and transportation service	Myanmar
190 JDMS Logistics Joint Stock Company	Holding company	Vietnam
191 SCG Nichirei Logistics Co., Ltd.	Cold chain	Bangkok
192 PT SCG Barito Logistics	Logistics service	Indonesia
193 Global House (Cambodia) Company Limited	Building materials and home improvement products distribution	Cambodia

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Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
(632) 501-8631	(632) 501-8631	Ordinary shares	13	95	40
66-2586-3021	66-2586-2391	Ordinary shares	0.3	300	36
66-4351-9597	66-4351-1492	Ordinary shares	5,002	5,002	33
66-2026-6574	-	Ordinary shares	13	129	33
66-2026-6574	-	Ordinary shares	3	30	33
66-2710-4000	-	Ordinary shares	8	118	32
66-2710-4000	-	Ordinary shares	2	104	32
(6221) 566-8801	(6221) 566-9445	Ordinary shares	5,683	1,324	31
(6221) 5420-4999	(6221) 5421-7375 (6221) 5421-7383	Ordinary shares	8,000	1,617	31
(6221) 580-0757	(6221) 580-0758	Ordinary shares	130	300	31
(6221) 619-7255	(6221) 619-0009	Ordinary shares	0.08	185	31
66-2710-4000	-	Ordinary shares	0.6	30	30
(6221) 4682-6456-58	(6221) 4682-6455	Ordinary shares	0.003	7	28
66-2710-4088	-	Ordinary shares	2	241	27
66-2710-4088	-	Ordinary shares	0.04	5	27
66-2710-4000	-	Ordinary shares	0.4	64	26
66-2710-4000	-	Ordinary shares	0.5	16	26
66-2710-4000	-	Ordinary shares	15	156	26
66-2710-4000	-	Ordinary shares	0.3	34	26
(639) 989-675-994	-	Ordinary shares	2	11	26
66-2586-4173	66-2586-6904	Ordinary shares	3	256	26
(959) 43-083-164	-	Ordinary shares	2	58	24
66-2872-3014-5	66-2872-3016	Ordinary shares	5	457	24
(855) 23-966-206	(855) 23-966-205	Ordinary shares	0.001	0.2	24
0-2710-4000	-	Ordinary shares	1	27	23
(6227) 445-2010	(6227) 445-2011	Ordinary shares	0.002	3	22
66-2754-4501-9	66-2754-4513	Ordinary shares	1	63	22
66-2754-4501-9	66-2754-4513	Ordinary shares	0.02	2	22
66-2710-4000	-	Ordinary shares	0.9	29	22
66-2710-4000	-	Ordinary shares	1	14	21
66-2706-1710	-	Ordinary shares	8	803	21
(6221) 530-7970	(6221) 530-7971	Ordinary shares	4	103	21
(855) 23-232-232	(855) 23-232-231	Ordinary shares	0.002	521	18

Name	Principal business / Products	Location (Head office /Factory)
194 PT Catur Hasil Sentosa	Modern retail business	Indonesia
195 Pacific M Cold Storage Co., Ltd.	Cold storage service	Samut Sakhon
196 PT Caturadiluhur Sentosa	Distribution	Indonesia
197 PT Eleganza Tile Indonesia	Distribution	Indonesia
198 MeSpace Self Storage (Ramindra) Co., Ltd.	Self storage service	Bangkok
199 PT Kusuma Kemindo Sentosa	Distribution	Indonesia
SCGC (Chemicals business)		
Subsidiaries		
200 SCG Chemicals Public Company Limited	Holding company	Bangkok
201 Thai Polyethylene Co., Ltd.	Polyethylene and polypropylene	Rayong
202 Thai Plastic and Chemicals Public Company Limited	PVC	Bangkok
203 PT TPC Indo Plastic and Chemicals	PVC	Indonesia
204 TPC Paste Resin Co., Ltd.	PVC paste resins	Bangkok
205 Nawaplastic Industries Co., Ltd.	PVC pipe and fittings	Bangkok
206 Nawa Intertech Co., Ltd.	Molding products	Rayong
207 Total Plant Service Co., Ltd.	Holding company	Rayong
208 Vina SCG Chemicals Co., Ltd.	Holding company	Bangkok
209 Long Son Petrochemicals Co., Ltd.	Integrated petrochemical company	Vietnam
210 WTE Company Limited	Holding company	Bangkok
211 SCG Chemicals (Singapore) Pte. Ltd.	Holding company	Singapore
212 Tuban Petrochemicals Pte. Ltd.	Holding company	Singapore
213 Hexagon International, Inc.	Holding company	The United States
214 SCG Chemicals Trading Singapore Pte. Ltd.	International trading	Singapore
215 Chemtech Co., Ltd.	Plastic compound	Vietnam
216 Rayong Engineering & Plant Service Co., Ltd.	Engineering and plant service	Rayong
217 Protech Outsourcing Co., Ltd.	Engineering and plant service	Rayong
218 Repco Maintenance Co., Ltd.	Engineering and plant service	Rayong
219 REPCO NEX (Vietnam) Company Limited	Engineering and plant service	Vietnam
220 RIL 1996 Co., Ltd.	Industrial estate	Rayong
221 Texlore Co., Ltd.	Chemical technology services	Bangkok
222 SMH Co., Ltd.	Research and development and technology service	Bangkok
223 SENFI Norway AS	Holding company	Norway
224 Norner AS	Research and development	Norway
225 Norner Research AS	Research institute	Norway
226 SCGN AS	Technology service and licensing	Norway
227 Xplore S.R.L.	Research and development	Italy

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** No issuance of share for the Limited Liability Company incorporated in Vietnam / Italy

The capital contribution is as stipulated in the investment certificate of the invested company

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
(6272) 132-057	(6272) 132-058	Ordinary shares	0.001	2	17
66-3411-7899	-	Ordinary shares	1	100	17
(6271) 1564-5723-29	(6271) 1564-5730	Ordinary shares	0.01	23	16
(6221) 566-6360	(6221) 568-2081	Ordinary shares	0.03	58	16
66-2710-4088	-	Ordinary shares	0.2	10	14
(6221) 565-3736	(6221) 566-9443	Ordinary shares	1,500	37	13
(6221) 5694-2213	(6221) 560-2025				
66-2586-1111	66-2586-5561	Ordinary shares	11,445	114,453	100
66-3868-3393-7	66-3868-3398	Ordinary shares	52	5,190	100
66-2586-4235	66-2827-7273	Ordinary shares	875	875	100
(6231) 395-2945	(6231) 395-2944	Ordinary shares	0.03	1,020	100
66-2827-7272	66-2827-7273	Ordinary shares	3	333	100
66-2555-0888	66-2586-2929	Ordinary shares	4	400	100
66-3889-2190-9	66-3889-2200	Ordinary shares	0.4	40	100
66-2827-7272	66-2827-7273	Ordinary shares	12	1,180	100
66-2586-5435	-	Ordinary shares	798	79,813	100
(84) 283-911-8660	-	**	-	82,374	100
66-2586-3333	-	Ordinary shares	0.8	84	100
(65) 6221-5368	-	Ordinary shares	38	804	100
(65) 6297-9661	-	Ordinary shares	112	2,349	100
66-2586-4444	-	Ordinary shares	2	67	100
(65) 6221-5368	(65) 6221-5346	Ordinary shares	1	23	100
(84) 650-3784-992	(84) 650-3784-993	**	-	103	100
66-3868-5040-8	66-3891-1309	Ordinary shares	0.05	5	100
66-3868-2632-3	66-3868-2633	Ordinary shares	0.01	1	100
66-3893-7000	66-3803-5380	Ordinary shares	2	215	100
66-2586-3333	-	**	-	11	100
66-3893-7010	66-3803-5575	Ordinary shares	11	1,100	100
66-2586-4779	66-2586-5453	Ordinary shares	0.01	1	100
66-2586-4859	66-2586-6277	Ordinary shares	2	244	100
(47) 3557-8000	(47) 3557-8124	Ordinary shares	0.006	3	100
(47) 3557-8001	(47) 3557-8125	Ordinary shares	0.001	0.1	100
(47) 3557-8002	(47) 3557-8126	Ordinary shares	0.001	0.1	100
(47) 3557-8003	(47) 3557-8127	Ordinary shares	0.001	0.1	100
(39) 08-1674-051	-	**	-	1	100

Name	Principal business / Products	Location (Head office /Factory)
228 SENFI UK Limited	Research and development	The United Kingdom
229 SENFI Swiss GmbH	Marketing service	Switzerland
230 SENFI Ventures Company Limited	Holding company	Bangkok
231 Rayong Pipeline Co., Ltd.	Rights of pipe rack use	Rayong
232 SCGC ICO Polymers Company Limited (Formerly: SCG ICO Polymers Company Limited)	Rotomolding compound	Bangkok
233 Map Ta Phut Tank Terminal Co., Ltd.	Tank and terminal service	Rayong
234 Grand Nawaplastic Myanmar Co., Ltd.	PVC pipe and fittings	Myanmar
235 Viet-Thai Plastchem Co., Ltd.	PVC compound	Vietnam
236 TPC Vina Plastic and Chemical Corporation Ltd.	PVC	Vietnam
237 Sirplaste - Sociedade Industrial de Recuperados de Plástico, S.A.	Plastic recycling	Portugal
238 Rayong Olefins Co., Ltd.	Raw materials for plastic resins	Rayong
239 Map Ta Phut Olefins Co., Ltd.	Raw materials for plastic resins	Rayong
240 Nawaplastic (Cambodia) Co., Ltd.	PVC pipe and fittings	Cambodia
241 Circular Plas Company Limited	Plastic recycling	Rayong
242 Recycling Holding Volendam B.V.	Plastic recycling	The Netherlands
243 Kras Investments B.V.	Plastic recycling	The Netherlands
244 Krasgroup Vastgoed B.V.	Plastic recycling	The Netherlands
245 Kras Belgium B.V.	Plastic recycling	Belgium
246 Kras Asia Ltd.	Plastic recycling	Hong Kong
247 Kras Gemert B.V.	Plastic recycling	The Netherlands
248 Kras Hoek van Holland B.V.	Plastic recycling	The Netherlands
249 Kras Polymers B.V.	Plastic recycling	The Netherlands
250 Kras Recycling B.V.	Plastic recycling	The Netherlands
251 PT Nusantara Polymer Solutions	Trading	Indonesia
252 Binh Minh Plastics Joint Stock Company	PVC pipe and fittings	Vietnam
253 North Binh Minh Plastics Limited Company	PVC pipe and fittings	Vietnam
254 PT Berjaya Nawaplastic Indonesia	PVC pipe and fittings	Indonesia
255 Kation Power Co., Ltd.	Plant service	Bangkok
256 Flowlab & Service Co., Ltd.	Calibration service	Rayong
257 REKS L.L.C.	Plastic recycling	Kosovo
Associates and other companies		
258 SCG Plastics (China) Co., Limited ***	Trading	Hong Kong
259 SCG Plastics (Shanghai) Co., Ltd. ***	Trading	China

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

** No issuance of share for the Limited Liability Company incorporated in Vietnam / China

The capital contribution is as stipulated in the investment certificate of the invested company

*** The subsidiaries under definition of the Securities Exchange of Thailand ACT B.E. 2535

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-4444	-	Ordinary shares	1	43	100
66-2586-4444	-	Ordinary shares	0.0003	1	100
66-2586-3333	-	Ordinary shares	5	450	100
66-3893-7065	66-3803-5381	Ordinary shares	4	400	92
66-2586-2649	66-2586-5561	Ordinary shares	4	380	87
66-3868-9471-2	66-3891-1955	Ordinary shares	7	700	82
(959) 863-3988	-	Ordinary shares	0.7	273	80
(84) 650-3710-993	(84) 650-3740-065	**	-	75	72
(84) 83-8234-730	(84) 83-8234-725	**	-	1,013	70
(351) 244-870-070	(351) 244-870-071	Ordinary shares	0.8	147	70
66-3868-5040-8	66-3868-5036	Ordinary shares	108	10,820	68
66-3893-7000	-	Ordinary shares	225	22,520	67
(855) 23-882-072	(855) 23-885-172	Ordinary shares	0.5	179	60
66-2586-3333	-	Ordinary shares	2	190	60
(31) 29-936-3827	-	Ordinary shares	0.0006	2	60
(31) 29-936-3827	-	Ordinary shares	0.0001	0.004	60
(31) 29-936-3827	-	Ordinary shares	0.0009	0.7	60
(31) 29-936-3827	-	Ordinary shares	0.002	0.7	60
(32) 34-820-841	-	Ordinary shares	0.01	0.05	60
(852) 35-807-365	-	Ordinary shares	0.01	0.05	60
(31) 29-936-3827	-	Ordinary shares	0.008	22	60
(31) 49-236-3666	-	Ordinary shares	0.0009	3	60
(31) 29-936-3827	-	Ordinary shares	0.0001	0.004	60
(31) 29-936-3827	-	Ordinary shares	0.001	1	60
(6221) 535-5678	(6221) 536-79185	Ordinary shares	1	23	55
(84) 83-9690-973	(84) 83-9606-814	Ordinary shares	82	1,123	55
(84) 321-3967-868	(84) 321-3967-869	**	-	213	55
(6221) 2956-6526-28	(6221) 2956-6529	Ordinary shares	0.1	151	51
66-2539-7268	66-2539-7431	Ordinary shares	2	20	51
66-3891-1321-2	66-3891-1381	Ordinary shares	0.02	4	51
(383) 4817-0170	-	Ordinary shares	3,701	158	45
(852) 2544-9991	(852) 2544-9992	Ordinary shares	0.1	4	60
(86) 216-888-6091	(86) 216-888-6092	**	-	25	60

Name	Principal business / Products	Location (Head office /Factory)
260 Bangkok Synthetics Co., Ltd. ***	Raw materials for synthetic rubber	Bangkok
261 BST Elastomers Co., Ltd. ***	Synthetic rubber	Bangkok
262 A.J. Plast (Vietnam) Company Limited	Packaging film	Vietnam
263 Siam Styrene Monomer Co., Ltd.	Raw materials for polystyrene	Rayong
264 Siam Synthetic Latex Co., Ltd.	Synthetic latex	Rayong
265 Siam Polyethylene Co., Ltd.	Polyethylene	Rayong
266 Siam Polystyrene Co., Ltd.	Polystyrene	Rayong
267 Rayong Terminal Co., Ltd.	Tank and terminal service	Rayong
268 PT Siam Maspion Terminal ***	Tank and terminal service	Indonesia
269 Braskem Siam Company Limited	Raw materials for bio ethylene	Bangkok
270 Thai MMA Co., Ltd.	Raw materials for acrylic	Rayong
271 Grand Siam Composites Co., Ltd.	Polypropylene compound	Rayong
272 Thai MFC Co., Ltd.	Melamine compound	Rayong
273 Siam Tohcello Co., Ltd.	Packaging film	Rayong
274 RATCHTEX Company Limited	Floating photovoltaic power system	Nonthaburi
275 Denka SCGC Advanced Materials Co., Ltd.	Acetylene black	Rayong
276 PT Trans-Pacific Polyethylene Indonesia	Polyethylene	Indonesia
277 PT Trans-Pacific Polyethylindo	Polyethylene	Indonesia
278 Riken (Thailand) Co., Ltd.	PVC compound	Bangkok
279 PT Chandra Asri Pacific Tbk. (Formerly: PT Chandra Asri Petrochemical Tbk.)	Integrated chemical manufacture and infrastructure company	Indonesia
280 Chandra Asri Trading Company Pte. Ltd.	Trading	Singapore
281 PT Chandra Asri Alkali	Inorganic basic chemical	Indonesia
282 PT Chandra Daya Investasi	Management consultant	Indonesia
283 Mitsui Advanced Composites (Zhongshan) Co., Ltd.	Polypropylene compound	China
284 Da Nang Plastic Joint Stock Company	PVC pipe	Vietnam
285 PT Krakatau Daya Listrik	Electricity industry and service	Indonesia
286 Binh Minh Viet Trading Investment Real Estate Joint Stock Company	Real estate business	Vietnam
287 Circular Plastics Holding B.V.	Plastic recycling	The Netherlands
288 Circular Plastics Alliance B.V.	Plastic recycling	The Netherlands
289 Circular Plastics B.V.	Plastic recycling	The Netherlands
290 PT Krakatau Sarana Energi	Electricity industry and service	Indonesia

SCGP (Packaging business)

Subsidiaries

291	SCG Packaging Public Company Limited	Holding company	Bangkok
292	Jordan Trading Inc.	Packaging materials recycling	The United States

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The capital contribution is as stipulated in the investment certificate of the invested company

*** The subsidiaries under definition of the Securities Exchange of Thailand ACT B.E. 2535

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2679-5120	66-2679-5119	Ordinary shares	12	1,173	54
66-2679-5120	66-2679-5119	Ordinary shares	21	525	54
66-2586-3333	-	**	-	857	50
66-3867-3000	66-3868-3991	Ordinary shares	48	1,189	50
66-3867-3000	66-3868-3991	Ordinary shares	59	5,789	50
66-3867-3000	66-3868-3991	Ordinary shares	45	4,366	50
66-3867-3000	66-3868-3991	Ordinary shares	10	995	50
66-3891-3133	66-3869-3134	Ordinary shares	14	1,325	50
(6231) 395-2945-8	(6231) 353-3218	Ordinary shares	0.01	327	50
66-2586-3333	-	Ordinary shares	0.08	76	49
66-3891-1700	66-3868-4855	Ordinary shares	56	5,590	47
66-3868-4241	66-3868-4255	Ordinary shares	0.6	64	46
66-3868-3760	66-3891-4250	Ordinary shares	2	200	45
66-3301-0525	66-3301-0506	Ordinary shares	0.6	406	45
66-2794-9999	-	Ordinary shares	0.1	1	40
66-3893-7011	-	Ordinary shares	0.003	1,815	40
(6221) 574-5880	-	Ordinary shares	0.2	472	39
(6221) 574-5880	-	Ordinary shares	0.07	337	39
66-2501-1054	66-2501-1198	Ordinary shares	1	120	35
(6221) 530-7950	(6221) 530-8930	Ordinary shares	86,512	62,055	31
(6221) 530-7950	-	Ordinary shares	5	152	31
(6221) 530-7950	-	Ordinary shares	0.0007	23	31
(6221) 530-7950	-	Ordinary shares	0.5	2,205	21
(86) 760-533-2138	(86) 760-389-8880	Ordinary shares	15	596	20
(84) 36-3714-460	(84) 36-3714-561	Ordinary shares	2	31	16
(6225) 431-5001	-	Ordinary shares	1,292	3,773	15
(84) 83-9690-973	(84) 83-9606-814	Ordinary shares	21	288	14
(31) 29-738-0300	-	Ordinary shares	0.3	0.1	13
(31) 29-738-0300	-	Ordinary shares	0.002	0.07	13
(31) 29-738-0300	-	Ordinary shares	0.001	0.04	13
(6225) 439-3232	-	Ordinary shares	0.2	59,814	10
66-2586-3333	66-2586-2164	Ordinary shares	4,293	4,293	72
(845) 338-5379	-	Ordinary shares	0.0001	31	75

Name	Principal business / Products	Location (Head office /Factory)
293 SCGP Solutions Co., Ltd.	Holding company	Bangkok
294 Precision Print Co., Ltd.	Fiber-based packaging	Samut Sakhon
295 Siam Kraft Industry Co., Ltd.	Packaging paper	Bangkok / Kanchanaburi / Ratchaburi
296 SCG Paper Energy Co., Ltd.	Energy and utilities	Bangkok / Ratchaburi
297 SCGP Solutions (Singapore) Pte. Ltd.	Holding company	Singapore
298 SCGP Rigid Plastics Co., Ltd.	Holding company	Bangkok
299 SCGP Rigid Packaging Solutions Pte. Ltd.	Holding company	Singapore
300 International Healthcare Packaging Co., Ltd.	Holding company	Bangkok
301 Vexcel Pack Co., Ltd.	Rigid packaging	Rayong
302 Law Print & Packaging Management Limited (UK)	Flexible packaging	The United Kingdom
303 Law Print & Packaging Management Limited (IE)	Flexible packaging	Ireland
304 Go-Pak UK Limited	Foodservice packaging	The United Kingdom
305 Go-Pak Vietnam Limited	Foodservice packaging	Vietnam
306 Go-Pak Paper Products Vietnam Co., Ltd.	Foodservice packaging	Vietnam
307 SKIC International Co., Ltd.	Holding company	Bangkok
308 Peute Recycling B.V.	Holding company	The Netherlands
309 Peute Papierrecycling B.V.	Packaging materials recycling	The Netherlands
310 Peute Plasticrecycling B.V.	Packaging materials recycling	The Netherlands
311 Peute Investments B.V.	Holding company	The Netherlands
312 Infiniplast B.V.	Packaging materials recycling	The Netherlands
313 Peute Recycling International B.V.	Holding company	The Netherlands
314 Peute UK Limited	Packaging materials recycling	The United Kingdom
315 Peute Portugal, Unipessoal Lda	Packaging materials recycling	Portugal
316 Peute Recycling Spain S.L.	Packaging materials recycling	Spain
317 Invenique Co., Ltd.	Asset and intellectual property management service	Bangkok
318 SCGP Excellence Training Center Co., Ltd.	Training and seminar	Bangkok
319 Thai Cane Paper Public Company Limited	Packaging paper	Kanchanaburi
320 Deltalab Global, S.L.	Holding company	Spain
321 Deltalab, S.L.	Medical supplies and labware	Spain
322 Keylab, S.L.U.	Medical supplies and labware	Spain
323 Nirco, S.L.	Medical supplies and labware	Spain
324 Envases Farmaceuticos, S.A.	Medical supplies and labware	Spain
325 Equilabo Scientific, S.L.U.	Medical supplies and labware	Spain
326 Sanilabo, S.L.U.	Medical supplies and labware	Spain
327 United Pulp and Paper Co., Inc.	Packaging paper	The Philippines
328 Bicappa Lab S.r.L.	Medical supplies and labware	Italy

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

** No issuance of share for the Limited Liability Company incorporated in Vietnam / Italy
The capital contribution is as stipulated in the investment certificate of the invested company

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-3333	66-2586-2164	Ordinary shares	2	170	72
66-2105-4477	66-3445-2339	Ordinary shares	3	33	72
66-2586-3333	66-2586-2164	Ordinary shares	35	3,450	72
66-2586-3333	66-2586-2164	Ordinary shares	9	890	72
66-2586-3333	66-2586-2164	Ordinary shares	1,327	31,227	72
66-2586-3333	66-2586-2164	Ordinary shares	62	4,403	72
66-2586-3333	66-2586-2164	Ordinary shares	361	8,900	72
66-2586-3333	66-2586-2164	Ordinary shares	34	3,361	72
66-3895-8200	66-3895-0078	Ordinary shares	5	497	72
(44) 16-1440-7302	(44) 16-1440-7304	Ordinary shares	0.0001	0.005	72
(44) 16-1440-7302	(44) 16-1440-7304	Ordinary shares	0.0001	0.004	72
(44) 14-5428-5400	(44) 14-5428-5401	Ordinary shares	8	318	72
(84) 274-3815-148	(84) 274-3815-150	**	-	14	72
(84) 274-3866-368	-	**	-	11	72
66-2586-3333	66-2586-2164	Ordinary shares	34	112	72
(31) 78-621-4488	-	Ordinary shares	0.0002	1	72
(31) 78-621-4488	-	Ordinary shares	0.00004	1	72
(31) 78-621-4488	-	Ordinary shares	0.02	1	72
(31) 78-621-4488	-	Ordinary shares	0.000001	44	72
(31) 78-621-4488	-	Ordinary shares	0.000001	44	72
(31) 78-621-4488	-	Ordinary shares	0.02	1	72
(31) 78-621-4488	-	Ordinary shares	0.03	1	72
(31) 78-621-4488	-	Ordinary shares	0.000001	2	72
(34) 952-567-009	-	Ordinary shares	0.003	0.1	72
66-2586-3333	66-2586-2164	Ordinary shares	2	207	72
66-2586-3876	66-2586-4507	Ordinary shares	1	49	72
66-3461-5800	66-3461-5899	Ordinary shares	358	3,583	71
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	5	200	61
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	4	141	61
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	0.05	2	61
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	0.2	40	61
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	0.01	2	61
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	0.0003	1	61
(34) 93-699-5000	(34) 93-699-4512	Ordinary shares	0.006	0.2	61
(632) 870-0100	(632) 870-0409	Ordinary shares	200	1,462	54
		Preferred shares	1,108	4,105	
(39) 01-2154-2775	(39) 01-2154-2913	**	-	0.4	52

Name	Principal business / Products	Location (Head office /Factory)
329 Thai Containers Group Co., Ltd.	Fiber-based packaging	Bangkok / Ratchaburi / Samut Prakan / Pathum Thani
330 Thai Containers Khonkaen Co., Ltd.	Fiber-based packaging	Khon Kaen
331 Thai Containers Rayong Co., Ltd.	Fiber-based packaging	Rayong
332 New Asia Industries Co., Ltd.	Fiber-based packaging	Vietnam
333 Alcamax Packaging (Vietnam) Co., Ltd.	Fiber-based packaging	Vietnam
334 AP Packaging (Hanoi) Co., Ltd.	Fiber-based packaging	Vietnam
335 Packamex (Vietnam) Co., Ltd.	Fiber-based packaging	Vietnam
336 Orient Containers Co., Ltd.	Fiber-based packaging	Samut Sakhon
337 PT Indoris Printingdo	Fiber-based packaging	Indonesia
338 PT Indocorr Packaging Cikarang	Fiber-based packaging	Indonesia
339 Starprint Vietnam JSC	Fiber-based packaging	Vietnam
340 TCG Solutions Pte. Ltd.	Holding company	Singapore
341 Vina Kraft Paper Co., Ltd.	Packaging paper	Vietnam
342 Duy Tan Plastics Manufacturing Corporation Joint Stock Company	Rigid packaging	Vietnam
343 Duy Tan Long An Co., Ltd.	Rigid packaging	Vietnam
344 Duy Tan Precision Mold Co., Ltd.	Rigid packaging	Vietnam
345 Duy Tan Binh Duong Plastics Co., Ltd.	Rigid packaging	Vietnam
346 Mata Plastic Co., Ltd.	Rigid packaging	Vietnam
347 Phoenix Pulp & Paper Public Company Limited	Foodservice packaging / Pulp and paper products	Bangkok / Khon Kaen
348 Thai Paper Co., Ltd.	Foodservice packaging / Pulp and paper products	Bangkok / Ratchaburi
349 The Siam Forestry Co., Ltd.	Forestry products	Bangkok / Kanchanaburi
350 Panas Nimit Co., Ltd.	Forestry products	Bangkok
351 Thai Panason Co., Ltd.	Forestry products	Bangkok
352 Thai Panadorn Co., Ltd.	Forestry products	Bangkok
353 Thai Panaram Co., Ltd.	Forestry products	Bangkok
354 Suanpa Rungsaris Co., Ltd.	Forestry products	Bangkok
355 Siam Panawes Co., Ltd.	Forestry products	Bangkok
356 Thai Panaboon Co., Ltd.	Forestry products	Bangkok
357 Thai Wanabhum Co., Ltd.	Forestry products	Bangkok
358 Interpress Printers Sendirian Berhad	Foodservice packaging	Malaysia
359 PT Primacorr Mandiri	Fiber-based packaging	Indonesia
360 Bien Hoa Packaging Joint Stock Company	Fiber-based packaging	Vietnam
361 PT Fajar Surya Wisesa Tbk.	Packaging paper	Indonesia

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** No issuance of share for the Limited Liability Company incorporated in Vietnam

The capital contribution is as stipulated in the investment certificate of the invested company

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-5991	66-2586-4723	Ordinary shares	33	3,344	50
66-2586-3333	66-2586-2164	Ordinary shares	0.2	150	50
66-2586-3333	66-2586-2164	Ordinary shares	0.7	650	50
(84) 83-7294-160	(84) 83-7293-028	**	-	345	50
(84) 650-3743-031	(84) 65-0378-2816	**	-	607	50
(84) 32-0375-3862	(84) 32-0375-2868	**	-	248	50
(84) 83-7291-030	(84) 83-7291-031	**	-	220	50
66-3488-3422-4	66-3488-3421	Ordinary shares	74	740	50
(6221) 596-0772-3	(6221) 596-0774	Ordinary shares	0.02	55	50
	(6221) 596-3076				
(6221) 893-6868	(6221) 893-6565	Ordinary shares	0.5	308	50
(84)-25-1393-6921	-	Ordinary shares	6	89	50
66-2586-3333	66-2586-2164	Ordinary shares	175	4,047	50
(848) 268-0240-2	(848) 268-0239	**	-	8,126	50
(84) 28-3876-2222	(84) 28-3876-2225	Ordinary shares	170	2,433	50
(84) 28-3876-2222	(84) 28-3876-2225	**	-	1,073	50
(84) 28-3876-2222	(84) 28-3876-2225	**	-	186	50
(84) 28-3876-2222	(84) 28-3876-2225	**	-	118	50
(84) 28-3876-2222	(84) 28-3876-2225	**	-	14	50
66-2586-3333	66-2586-2164	Ordinary shares	236	2,365	50
		Preferred shares	10	98	
66-2586-3333	66-2586-2164	Ordinary shares	78	7,770	50
66-2586-3333	66-2586-2164	Ordinary shares	2	184	50
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	50
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	50
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	50
66-2586-3333	66-2586-2164	Ordinary shares	0.02	2	50
66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	50
66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	50
66-2586-3333	66-2586-2164	Ordinary shares	0.03	3	50
(60) 35-542-1716	(60) 35-542-1703	Ordinary shares	76	608	49
		Preferred shares	28	226	
(6221) 596-2345	(6221) 596-2000	Ordinary shares	0.1	294	49
(84) 251-3836-121	(84) 251-3832-939	Ordinary shares	13	165	48
(6221) 344-1316	(6221) 345-7643	Ordinary shares	2,478	2,713	40

Name	Principal business / Products	Location (Head office /Factory)
362 PT Dayasa Aria Prima	Packaging paper	Indonesia
363 PT Indonesia DIRTAJAYA Aneka Industri Box	Fiber-based packaging	Indonesia
364 PT Bahana Buana Box	Fiber-based packaging	Indonesia
365 PT Rapipack Asritama	Fiber-based packaging	Indonesia
366 TC Flexible Packaging Co., Ltd.	Holding company	Bangkok
367 Tin Thanh Packing Joint Stock Company	Flexible packaging	Vietnam
368 Prepack Thailand Co., Ltd.	Flexible packaging	Samut Sakhon / Samut Songkhram / Rayong
369 SCGP-T Plastics Co., Ltd.	Holding company	Bangkok
370 Tawana Container Co., Ltd.	Fiber-based packaging	Samut Prakan
371 Conimex Co., Ltd.	Rigid packaging	Samut Prakan
Associates		
372 Siam Toppan Packaging Co., Ltd.	Fiber-based packaging	Samut Prakan
373 ReUse SAS	Packaging materials recycling	France
374 P&S Holdings Corporation	Holding company	The Philippines
375 Siam Nippon Industrial Paper Co., Ltd.	Specialty paper	Bangkok
376 Packworks Co., Ltd.	Fiber-based packaging	Bangkok
377 Sahagreen Forest Co., Ltd.	Energy and utilities	Kamphaeng Phet
Others		
Subsidiaries		
378 Cementhai Holding Co., Ltd.	Holding company	Bangkok
379 Cementhai Property (2001) Public Company Limited	Holding company	Bangkok
380 Property Value Plus Co., Ltd.	Land business and land lease service	Bangkok
381 SCG Accounting Services Co., Ltd.	Accounting, financial and tax services	Bangkok
382 SCG Legal Counsel Limited	Legal consultant	Bangkok
383 CTO Management Co., Ltd.	Marketable securities investment	Bangkok
384 Cementhai Captive Insurance Pte. Ltd.	Insurance	Singapore
385 SCG Cleanergy Co., Ltd.	Manufacturing and sales the electricity from renewable energy and energy consultant service	Bangkok
386 SCG Cleanergy Inter Holding Co.,Ltd. (Formerly: Megatric Co., Ltd.)	Manufacturing and sales the electricity from renewable energy	Bangkok
387 T-Volt Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok
388 NP Watt Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok
389 CN Watt Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
(6221) 344-1316	(6221) 345-7643	Ordinary shares	2,012	4,574	40
(6231) 395-1910	(6231) 3951-906	Ordinary shares	9	207	38
(6229) 1686-234	(6229) 1690-243	Ordinary shares	3	71	38
(6221) 8973-115	(6221) 8973-116	Ordinary shares	7	150	38
66-2586-5991	66-2586-4723	Ordinary shares	21	2,108	38
(84) 72-3779-747	(84) 72-3779-750	Ordinary shares	17	254	38
66-3444-0600-5	66-3444-0606-7	Ordinary shares	3	322	38
		Preferred shares	0.9	90	
66-2586-3333	66-2586-2164	Ordinary shares	4	386	37
66-2324-0781	66-2324-0079	Ordinary shares	3	300	36
66-2738-0305	66-2326-6275	Ordinary shares	4	420	28
66-2709-3110-7	66-2324-0336	Ordinary shares	5	500	35
(33) 47-509-5181	(33) 47-571-2713	Ordinary shares	0.01	4	32
(632) 870-0100	(632) 870-0409	Ordinary shares	28	263	29
66-2586-3333	66-2586-2164	Ordinary shares	11	1,100	23
66-2114-3638	-	Ordinary shares	0.02	2	21
66-5585-8033	66-5585-8031	Ordinary shares	19	190	13
66-2586-2104	66-2586-2008	Ordinary shares	0.01	1	100
66-2586-2104	66-2586-2008	Ordinary shares	7	72	100
66-2586-2104	66-2586-2008	Ordinary shares	22	2,248	100
66-2586-3333	66-2586-2398	Ordinary shares	0.5	5	100
66-2586-5777	66-2586-2976	Ordinary shares	0.2	15	100
66-2586-3333	66-2587-2157	Ordinary shares	25	380	100
(65) 6922-8500	(65) 6220-8142	Ordinary shares	0.3	34	100
66-2586-3333	66-2587-2157	Ordinary shares	263	3,547	100
66-2586-3333	66-2587-2157	Ordinary shares	5	29	100
66-2586-3333	66-2587-2157	Ordinary shares	0.05	0.5	100
66-2586-3333	66-2587-2157	Ordinary shares	55	138	100
66-2586-3333	66-2587-2157	Ordinary shares	0.05	0.5	100

Name	Principal business / Products	Location (Head office /Factory)
390 BNN Energy Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok
391 SCG Learning Excellence Co., Ltd.	Training service	Bangkok
392 SCG HR Solutions Co., Ltd.	Consulting in business and human resource management and training service	Bangkok
393 SCG Vietnam Co., Ltd.	Management consulting service	Vietnam
394 PT SCG Indonesia	Management consulting service	Indonesia
395 SCG Express Co., Ltd.	Logistics service	Bangkok
396 SCG Digital Private Limited (Formerly: Oitolabs Technologies Private Limited)	Information Technology service	India
397 Nexter Ventures Co., Ltd.	Holding company	Bangkok
398 BIIC Co., Ltd. (Formerly: Bangsue Industry Co., Ltd.)	Provide products and services on online platform	Bangkok
399 BIT Innovation Company Limited	Wholesale of telephone and telecommunications equipment	Bangkok
400 SCG Marketplace Holding Company Limited	Holding company	Bangkok
401 Add Ventures Capital Co., Ltd.	Venture capital	Bangkok
402 Add Ventures Capital International Co., Ltd.	Overseas venture capital	Bangkok
403 A.I. Technology Co., Ltd.	Industrial materials and machine	Pathum Thani
404 Cleanergy ABP Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok
405 Jieng Cleanergy Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok
406 Siam GNE Solar Energy Co., Ltd.	Manufacturing and sales the electricity from renewable energy	Bangkok
Joint ventures, associates and other companies		
407 Kaset Inno Co., Ltd. ***	Agricultural service and solution	Pathum Thani
408 CMT Energy Co., Ltd. ***	Manufacturing and sales the electricity from renewable energy	Bangkok
409 CLP Power Co., Ltd. ***	Manufacturing and sales the electricity from renewable energy	Bangkok
410 Voltsync Solution Co., Ltd. ***	Manufacturing and sales the electricity from renewable energy	Bangkok
411 Power C.E. Co., Ltd. ***	Manufacturing and sales the electricity from renewable energy	Bangkok
412 SG Solar Co., Ltd. ***	Manufacturing and sales the electricity from renewable energy	Bangkok

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

** No issuance of share for the Limited Liability Company incorporated in Vietnam

The capital contribution is as stipulated in the investment certificate of the invested company

*** The subsidiaries under definition of the Securities Exchange of Thailand ACT B.E. 2535

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-3333	66-2587-2157	Ordinary shares	0.05	0.5	100
66-2586-3333	66-2586-2684	Ordinary shares	0.2	20	100
66-2586-3333	-	Ordinary shares	0.05	5	100
(84) 83-526-9011-13	-	**	-	16	100
(6221) 576-1646	-	Ordinary shares	0.09	26	100
66-2239-8999	66-2168-3230	Ordinary shares	1	1,463	100
(91) 80-6743-1100	-	Ordinary shares	4	17	100
66-2586-3333	66-2586-5625	Ordinary shares	4	361	100
66-2586-3333	-	Ordinary shares	4	303	100
66-2586-3333	-	Ordinary shares	0.6	55	100
66-2586-4299	-	Ordinary shares	20	1,960	100
66-2586-3333	-	Ordinary shares	12	305	100
66-2586-3333	-	Ordinary shares	21	2,118	100
66-2159-8600	66-2979-4531	Ordinary shares	0.5	50	51
66-2710-3400	66-2379-4257	Ordinary shares	2	55	51
66-2586-3333	66-2587-2157	Ordinary shares	1	14	51
66-2586-5684	66-2586-6284	Ordinary shares	0.3	32	50
66-2909-0300	-	Ordinary shares	0.7	70	61
66-2586-3333	66-2587-2157	Ordinary shares	17	43	60
66-2586-3333	66-2587-2157	Ordinary shares	12	29	60
66-2586-3333	66-2587-2157	Ordinary shares	70	175	60
66-2586-3333	66-2587-2157	Ordinary shares	74	184	60
66-2080-4499	66-2080-4455	Ordinary shares	5	47	50

Name	Principal business / Products	Location (Head office /Factory)
413 BetterBe Marketplace Co., Ltd. ***	Home and living marketplace platform	Bangkok
414 PT Renos Marketplace Indonesia ***	Home and living marketplace platform	Indonesia
415 Siam Kubota Corporation Co., Ltd.	Agricultural machinery	Pathum Thani
416 Kubota Cambodia Co., Ltd.	Agricultural machinery	Cambodia
417 Kubota Lao Sole Co., Ltd.	Agricultural machinery	Lao PDR
418 Siam Kubota Metal Technology Co., Ltd.	Cast iron	Chachoengsao
419 Siam Kubota Leasing Co., Ltd.	Leasing	Pathum Thani
420 Kubota Leasing (Cambodia) Plc.	Leasing	Cambodia
421 Thai Engineering Products Co., Ltd.	Automotive parts	Pathum Thani
422 IT One Co., Ltd.	Technical services	Bangkok
423 Lysando AG	Research and development	Liechtenstein
424 Toyota Motor Thailand Co., Ltd.	Automotives	Samut Prakan
425 Siam Yamato Steel Co., Ltd.	Structural steel	Rayong
426 The Siam Nawaloha Foundry Co., Ltd.	Cast iron	Saraburi
427 The Nawaloha Industry Co., Ltd.	Cast iron	Saraburi
428 Siam AT Industry Co., Ltd.	Automotive parts	Chon Buri
429 Aisin Takaoka Foundry Bangpakong Co., Ltd.	Cast iron	Chon Buri
430 Siam Toyota Manufacturing Co., Ltd.	Automotive engines and automotive parts	Chon Buri

* Directly and indirectly holding through the Company, subsidiaries, joint ventures, associates and other companies

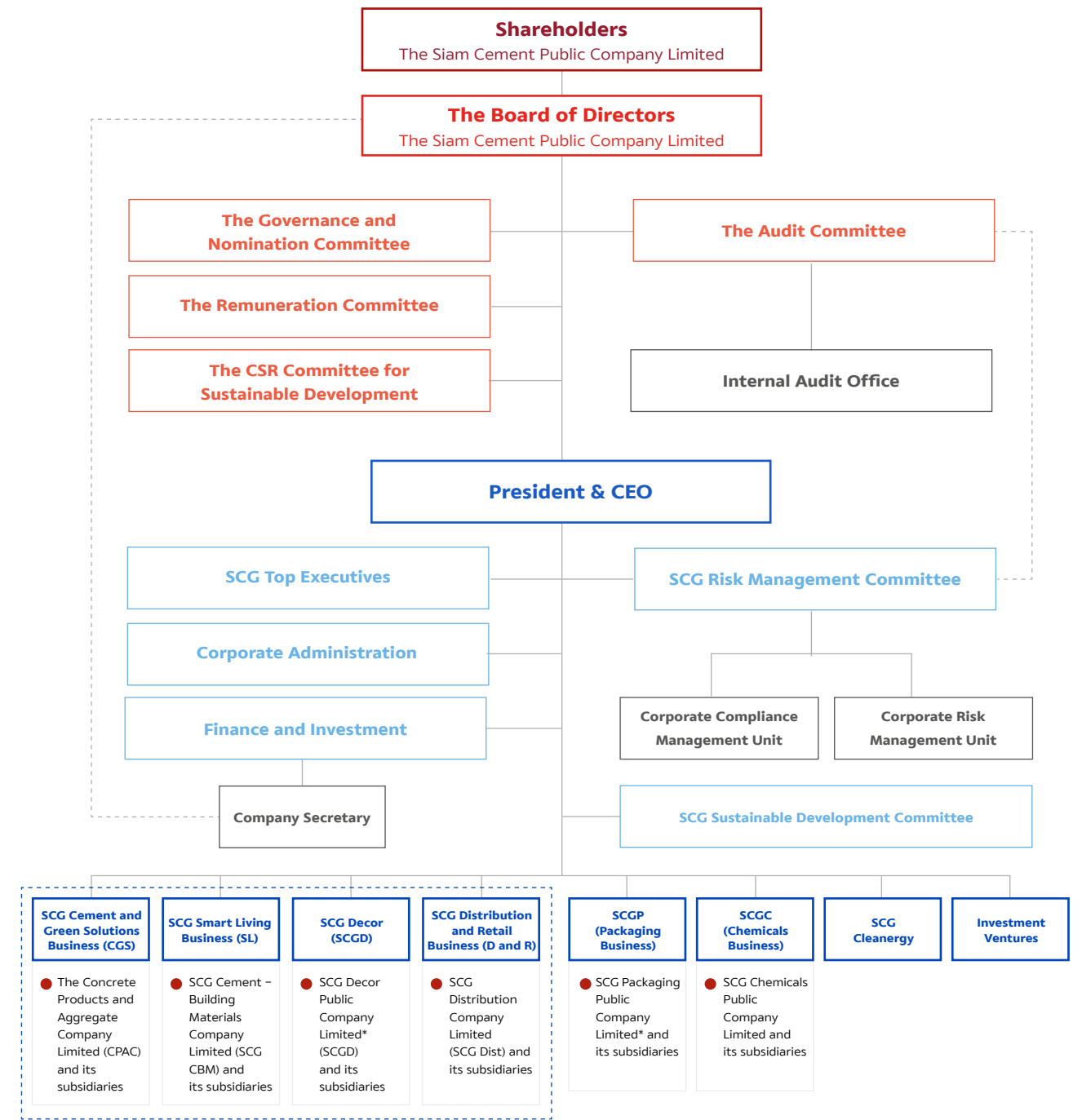
*** The subsidiaries under definition of the Securities Exchange of Thailand ACT B.E. 2535

Telephone	Facsimile	Type of shares	Number of paid-up shares (Million shares)	Issued and paid-up shares (Million baht)	Total direct / Indirect holding * (Percent)
66-2586-4111	66-2586-4017	Ordinary shares	156	3,125	50
(6221) 8051-1688	-	Ordinary shares	968	229	50
66-2909-0300-1	66-2909-1698	Ordinary shares	31	2,739	40
(855) 23-971-133	-	Ordinary shares	0.001	38	40
(856) 21-454-944	-	Ordinary shares	0.3	30	40
66-3885-5115	66-3885-5110	Ordinary shares	9	900	40
66-2909-0300	66-2909-1697	Ordinary shares	80	2,000	40
(855) 23-901-475	-	Ordinary shares	0.2	598	40
66-2529-3518-22	66-2529-1677	Ordinary shares	0.9	85	30
66-2271-5111	-	Ordinary shares	0.8	80	20
(423) 262-5753	(423) 262-5752	Ordinary shares	1	43	18
66-2386-1000	66-2386-1883	Ordinary shares	8	7,520	10
66-3868-3723-30	66-3868-3200	Ordinary shares	30	3,000	10
66-3628-8300	66-3628-8309	Ordinary shares	3	308	10
66-3633-6531-4	66-3622-3209	Ordinary shares	3	300	5
66-3845-4266-8	66-3845-4266	Ordinary shares	2	240	5
66-3845-4671-7	66-3845-4670	Ordinary shares	5	475	5
66-3821-3451-5	66-3874-3310	Ordinary shares	29	2,850	4



12

SHAREHOLDING STRUCTURES OF THE SIAM CEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



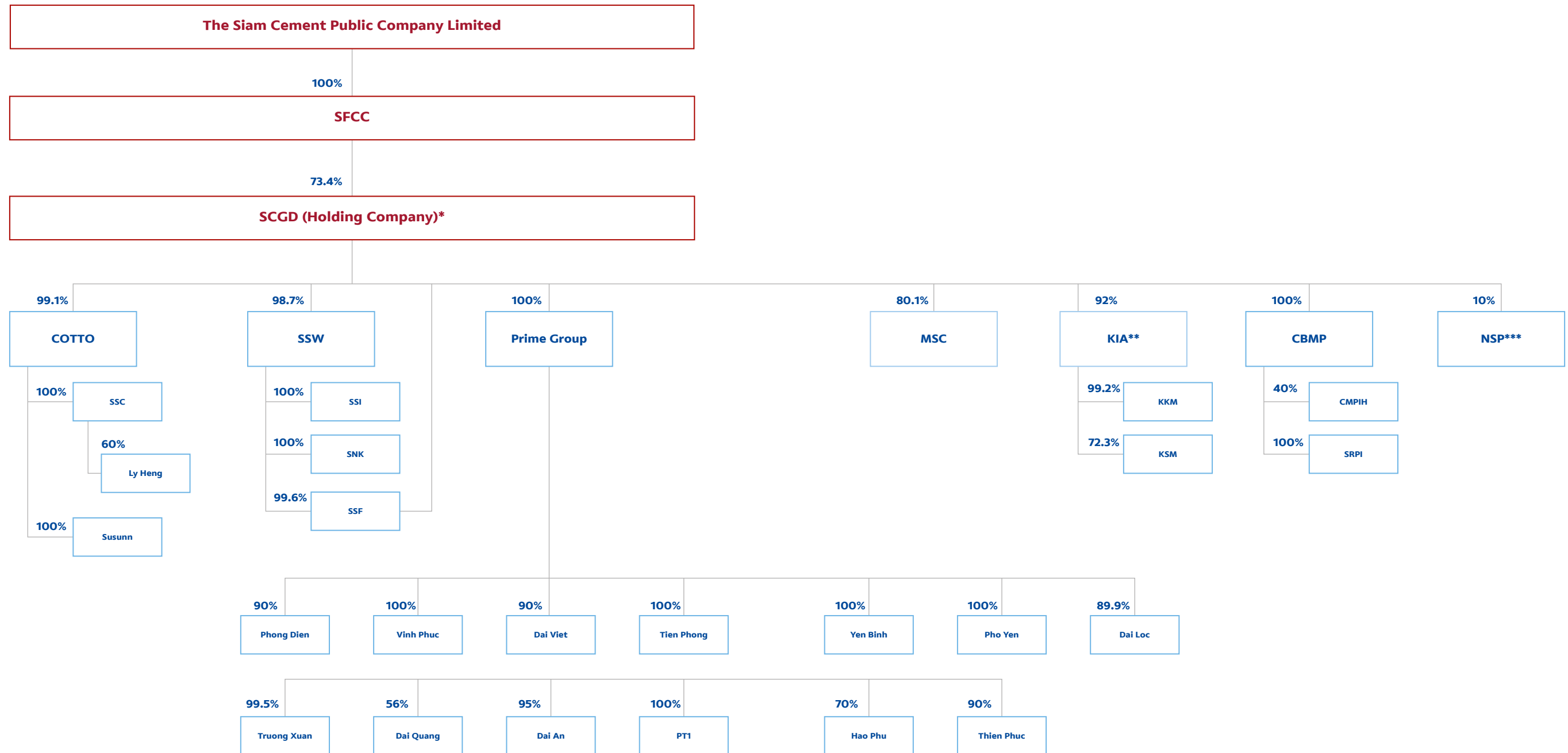
--- Reporting Line

As of January 1, 2024

--- Used to be in Cement-Building Materials Business

● Companies that operate core businesses and oversee the management of subsidiaries and affiliate companies within their business units

* A Listed Company on The Stock Exchange of Thailand



Remarks:

- * A Listed Company on The Stock Exchange of Thailand
- ** A Listed Company on Indonesia Stock Exchange
- *** Associated Company

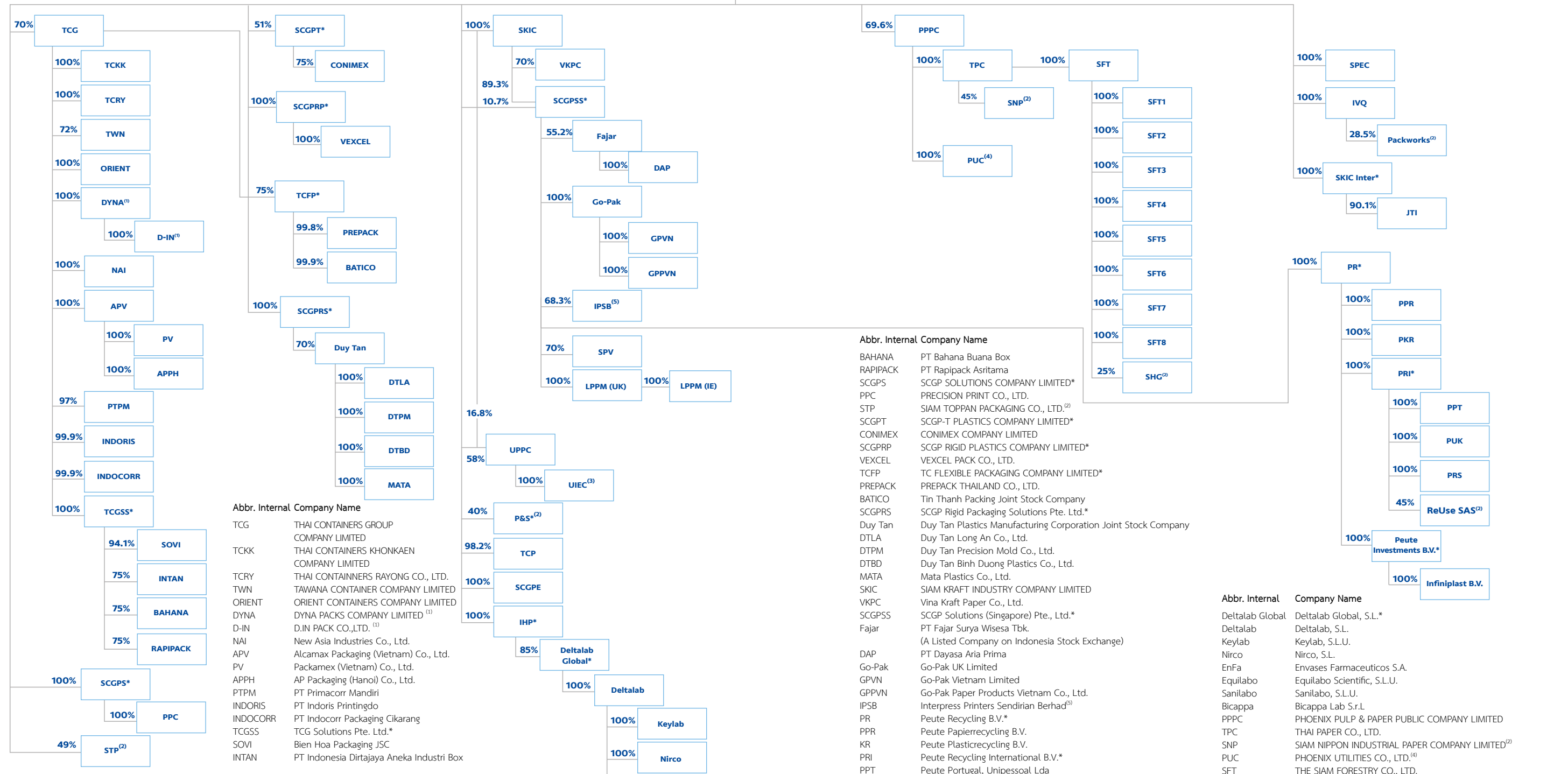
Abbr. Internal

SFCC	The Siam Fibre-Cement Company Limited
SCGD*	SCG Decor Public Company Limited
COTTO	SCG Ceramics Public Company Limited
SSC	Sosuco Ceramic Company Limited
SUSUNN	Susunn Smart Solution Company Limited
Ly Heng	SCG Ceramics – Ly Heng Chhay (Cambodia) Company Limited
SSW	Siam Sanitary Ware Company Limited
SSI	Siam Sanitaryware Industry Company Limited
SNK	Siam Sanitaryware Industry (Nongkae) Company Limited
SSF	Siam Sanitary Fittings Company Limited
MSC	Mariwasa-Siam Ceramics, Inc.
Prime Group	Prime Group Joint Stock Company
Phong Dien	Prime Phong Dien Joint Stock Company
Vinh Phuc	Prime - Vinh Phuc Joint Stock Company
Dai Viet	Prime Dai Viet Joint Stock Company
Tien Phong	Prime - Tien Phong Joint Stock Company

Abbr. Internal

Yen Binh	Prime - Yen Binh Joint Stock Company
Pho Yen	Prime Pho Yen Joint Stock Company
Dai Loc	Prime Dai Loc Joint Stock Company
Truong Xuan	Prime - Truong Xuan Joint Stock Company
Dai Quang	Prime Dai Quang Joint Stock Company
Dai An	Prime Dai An Joint Stock Company
PT1	Prime Trading, Import and Export One Member Limited Liability Company
Hao Phu	Prime Hao Phu Joint Stock Company
Thien Phuc	Prime Thien Phuc Joint Stock Company
KIA**	PT Keramika Indonesia Assosiasi, Tbk
KKM	PT KIA Keramik Mas
KSM	PT KIA Serpih Mas
CBMP	SCG Cement-Building Materials Philippines
CMPIH	CMPIH Holdings, Inc.
SRPI	SCG Roofing Philippines
NSP***	Noritake SCG Plaster Company Limited

SCG Packaging Public Company Limited



Abbr. Internal Company Name

TCG	THAI CONTAINERS GROUP COMPANY LIMITED
TCKK	THAI CONTAINERS KHONKAEN COMPANY LIMITED
TCRY	THAI CONTAINERS RAYONG CO., LTD.
TWN	TAWANA CONTAINER COMPANY LIMITED
ORIENT	ORIENT CONTAINERS COMPANY LIMITED
DYNA	DYNA PACKS COMPANY LIMITED ⁽¹⁾
D-IN	D.IN PACK CO.,LTD. ⁽¹⁾
NAI	New Asia Industries Co., Ltd.
APV	Alcamax Packaging (Vietnam) Co., Ltd.
PV	Packamex (Vietnam) Co., Ltd.
APPH	AP Packaging (Hanoi) Co., Ltd.
PTPM	PT Primacorr Mandiri
INDORIS	PT Indoris Printingdo
INDOCORR	PT Indocorr Packaging Cikarang
TCGSS	TCG Solutions Pte. Ltd.*
SOVI	Bien Hoa Packaging JSC
INTAN	PT Indonesia Dirlajaya Aneka Industri Box

Abbr. Internal Company Name

BAHANA	PT Bahana Buana Box
RAPIPACK	PT Rapipack Asritama
SCGPS	SCGP SOLUTIONS COMPANY LIMITED*
PPC	PRECISION PRINT CO., LTD.
STP	SIAM TOPPAN PACKAGING CO., LTD. ⁽²⁾
SCGPT	SCGP-T PLASTICS COMPANY LIMITED*
CONIMEX	CONIMEX COMPANY LIMITED
SCGPRP	SCGP RIGID PLASTICS COMPANY LIMITED*
VEXCEL	VEXCEL PACK CO., LTD.
TCFP	TC FLEXIBLE PACKAGING COMPANY LIMITED*
PREPACK	PREPACK THAILAND CO., LTD.
BATICO	Tin Thanh Packing Joint Stock Company
SCGPRS	SCGP Rigid Packaging Solutions Pte. Ltd.*
Duy Tan	Duy Tan Plastics Manufacturing Corporation Joint Stock Company
DTLA	Duy Tan Long An Co., Ltd.
DTPM	Duy Tan Precision Mold Co., Ltd.
DTBD	Duy Tan Binh Duong Plastics Co., Ltd.
MATA	Mata Plastics Co., Ltd.
SKIC	SIAM KRAFT INDUSTRY COMPANY LIMITED
VKPC	Vina Kraft Paper Co., Ltd.
SCGPSS	SCGP Solutions (Singapore) Pte., Ltd.*
Fajar	PT Fajar Surya Wisesa Tbk. (A Listed Company on Indonesia Stock Exchange)
DAP	PT Dayasa Aria Prima
Go-Pak	Go-Pak UK Limited
GPVN	Go-Pak Vietnam Limited
GPPVN	Go-Pak Paper Products Vietnam Co., Ltd.
IPSB	Interpress Printers Sendirian Berhad ⁽³⁾
PR	Peute Recycling B.V.*
PPR	Peute Papierrecycling B.V.
KR	Peute Plasticrecycling B.V.
PRI	Peute Recycling International B.V.*
PPT	Peute Portugal, Unipessoal Lda
PUK	Peute UK Limited
PRS	Peute Recycling Spain S.L.
-	ReUse SAS ⁽²⁾
-	Peute Investment B.V.*
-	Infiniplast B.V.
SPV	Starprint Vietnam Joint Stock Company
LPPM (UK)	Law Print & Packaging Management Limited (UK)
LPPM (IE)	Law Print & Packaging Management Limited (IE)
UPPC	United Pulp and Paper Co., Inc.
UIEC	United Industrial Energy Corporation ⁽³⁾
P&S	P&S Holdings Corporation ⁽²⁾
TCP	THAI CANE PAPER PUBLIC COMPANY LIMITED
SCGPE	SCG PAPER ENERGY COMPANY LIMITED
IHP	INTERNATIONAL HEALTHCARE PACKAGING COMPANY LIMITED*

Abbr. Internal Company Name

Deltalab Global	Deltalab Global, S.L.*
Deltalab	Deltalab, S.L.
Keylab	Keylab, S.L.U.
Nirco	Nirco, S.L.
EnFa	Envases Farmaceuticos S.A.
Equilabo	Equilabo Scientific, S.L.U.
Sanilabo	Sanilabo, S.L.U.
Bicappa	Bicappa Lab S.r.L
PPPC	PHOENIX PULP & PAPER PUBLIC COMPANY LIMITED
TPC	THAI PAPER CO., LTD.
SNP	SIAM NIPPON INDUSTRIAL PAPER COMPANY LIMITED ⁽²⁾
PUC	PHOENIX UTILITIES CO., LTD. ⁽⁴⁾
SFT	THE SIAM FORESTRY CO., LTD.
SFT1	SIAM PANAWES COMPANY LIMITED
SFT2	SUANPA RUNGSARIS COMPANY LIMITED
SFT3	PANAS NIMIT COMPANY LIMITED
SFT4	THAI PANABOON COMPANY LIMITED
SFT5	THAI PANARAM CO., LTD.
SFT6	THAI PANADORN CO., LTD.
SFT7	THAI PANASON COMPANY LIMITED
SFT8	THAI WANABHUM CO., LTD.
SHG	SAHAGREEN FOREST CO., LTD. ⁽²⁾
SPEC	SCGP EXCELLENCE TRAINING CENTER COMPANY LIMITED
IVQ	INVENIQUE COMPANY LIMITED
Packworks	PACKWORKS CO., LTD. ⁽²⁾
SKIC Inter	SKIC INTERNATIONAL COMPANY LIMITED*
JTI	Jordan Trading Inc.

Remarks: *Holding Company

(1) DYNA and D-IN transferred the entire business to ORIENT on November 1, 2020 and registered the dissolution of the Company with the Department of Business Development, Ministry of Commerce on December 22, 2020. It is currently in the process of liquidation.

(2) Associated company.

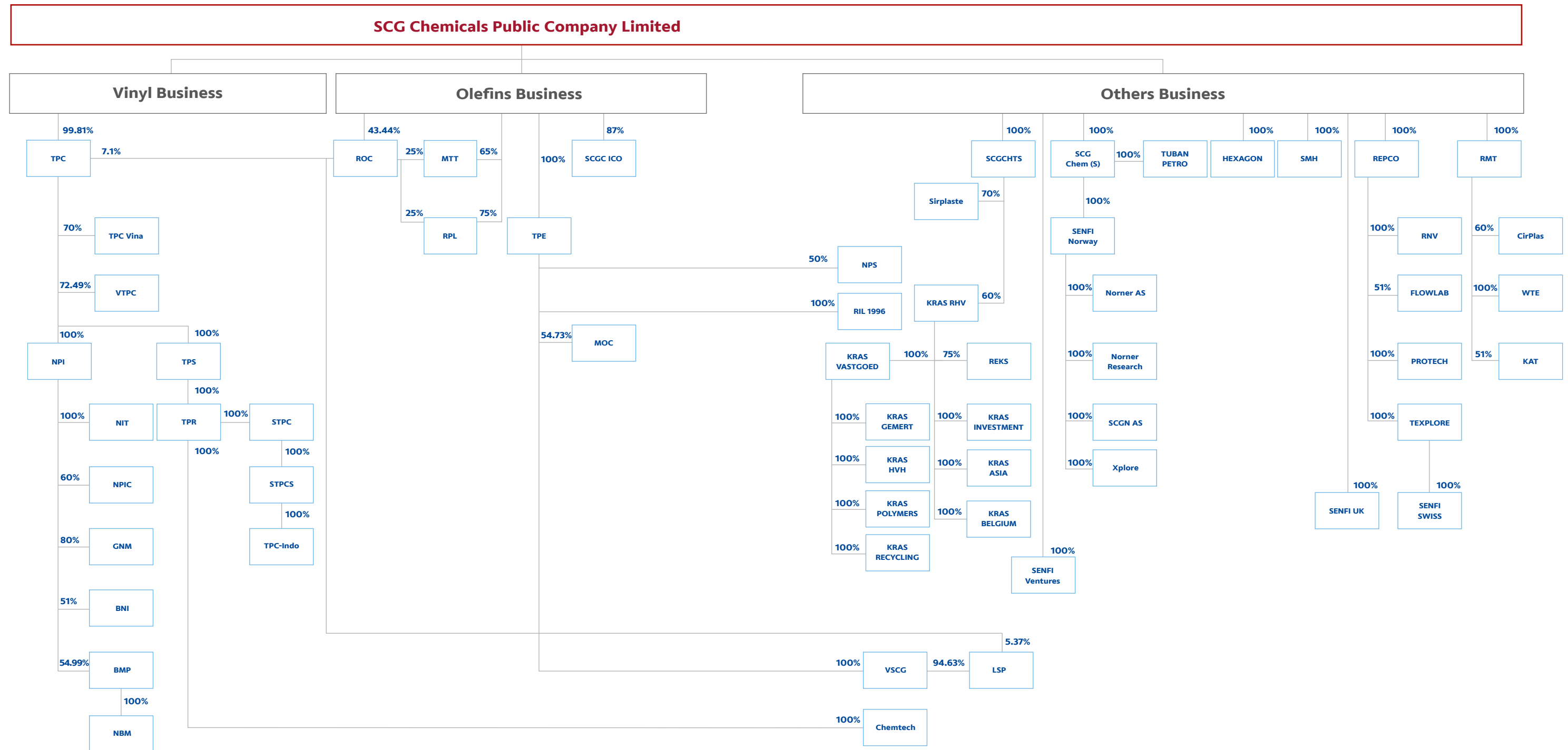
(3) UIEC registered the termination of its business on April 24, 1997.

(4) PUC transferred the entire business to PPPC on October 1, 2021 and registered the dissolution of the Company with the Department of Business Development, Ministry of Commerce on December 20, 2021. It is currently in the process of liquidation.

(5) SCGPSS has 68.3% of IPSB's total voting rights as some of the shares that SCGPSS holds in IPSB are net preferred shares with no voting rights.

(6) Sanilabo registered the dissolution of the Company with the Commercial registry on December 27, 2023. It is currently in the process of transferring the entire business to Equilabo and Nirco.

(7) The Siam Cement Public Company Limited is the shareholder of SCG Packaging Public Company Limited with 72.12% shareholding.



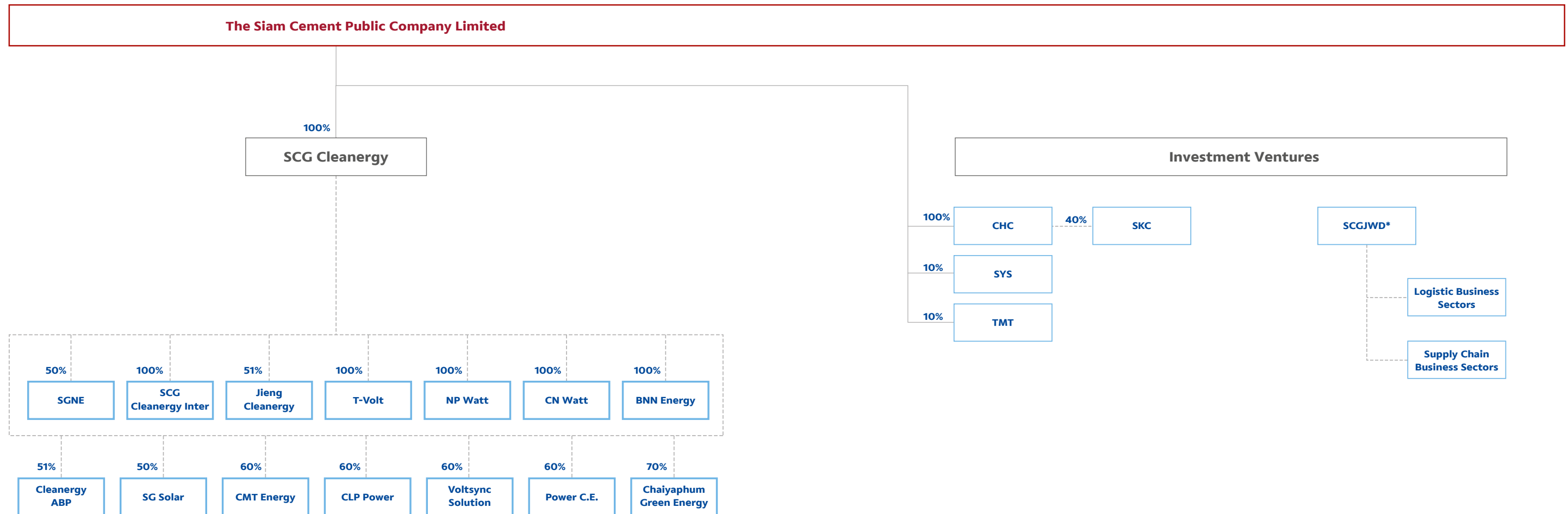
Abbr. Internal	Company Name
BMP	Binh Minh Plastics Joint Stock Company (A Listed Company on Ho Chi Minh Stock Exchange)
BNI	PT Berjaya Nawaplastic Indonesia
Chemtech	Chemtech Co., Ltd.
CirPlas	Circular Plas Co., Ltd.
FLOWLAB	Flowlab & Service Co., Ltd.
GNM	Grand Nawaplastic Myanmar Co., Ltd.
HEXAGON	Hexagon International, Inc.
KAT	Kation Power Co., Ltd.
KRAS RHV	Recycling Holding Volendam B.V.
KRAS VASTGOED	Krasgroup Vastgoed B.V.
KRAS BELGIUM	Kras Belgium B.V.
KRAS GEMERT	Kras Gemert B.V.
KRAS HVH	Kras Hoek Van Holland B.V.
KRAS POLYMERS	Kras Polymers B.V.
KRAS RECYCLING	Kras Recycling B.V.

Abbr. Internal	Company Name
KRAS INVESTMENT	Kras Investment B.V.
KRAS ASIA	Kras Asia Ltd.
LSP	Long Son Petrochemicals Co., Ltd.
MOC	Map Ta Phut Olefins Co., Ltd.
MTT	Map Ta Phut Tank Terminal Co., Ltd.
NBM	North Binh Minh Plastics Limited Company
NIT	Nawa Intertech Co., Ltd.
Norner AS	Norner AS
Norner Research	Norner Research AS
NPI	Nawaplastic Industries Co., Ltd.
NPIC	Nawaplastic (Cambodia) Co., Ltd.
NPS	PT Nusantara Polymer Solutions
PROTECH	Protech Outsourcing Co., Ltd.
REKS	REKS L.L.C
REPCO	Rayong Engineering & Plant Service Co., Ltd.
RIL 1996	RIL 1996 Co., Ltd.

Abbr. Internal	Company Name
RMT	Repco Maintenance Co., Ltd.
RNV	REPCO NEX (Vietnam) Company Limited
ROC	Rayong Olefins Co., Ltd.
RPL	Rayong Pipeline Co., Ltd.
SCG Chem (S)	SCG Chemicals (Singapore) Pte. Ltd.
SCGC ICO	SCGC Ico Polymers Co., Ltd.
SCGC HTS	SCG Chemicals Trading Singapore Pte. Ltd.
SCGN AS	SCGN AS
SENFI Norway	SENFI Norway
SENFI SWISS	SENFI Swiss GmbH
SENFI UK	SENFI UK Limited
SENFI Ventures	SENFI Ventures Co., Ltd.
Sirplaste	SIRPLASTE - SOCIEDADE INDUSTRIAL DE RECUPERADOS DE PLÁSTICO S.A.
SMH	SMH Co., Ltd.
STPC	Siam TPC Co., Ltd.

Abbr. Internal	Company Name
STPCS	Siam TPC (Singapore) Pte. Ltd.
TEXPLORE	Texplore Co., Ltd.
TUBAN PETRO	Tuban Petrochemicals Pte. Ltd.
VSCG	Vina SCG Chemicals Co., Ltd.
VTPC	Viet-Thai Plastchem Co., Ltd.
WTE	WTE Company Limited
Xplore	Xplore S.R.L.

* The Siam Cement Public Company Limited is the shareholder of SCG Chemicals Public Company Limited with a 100% shareholding



Abbr.	Company Name
SCG Cleanergy	SCG Cleanergy Co., Ltd.
SGNE	Siam GNE Solar Energy Co., Ltd.
SCG Cleanergy Inter	SCG Cleanergy Inter Holding Co., Ltd.
Jieng Cleanergy	Jieng Cleanergy Co., Ltd.
T-Volt	T-Volt Co., Ltd.
NP Watt	NP Watt Co., Ltd.
CN Watt	CN Watt Co., Ltd.
BNN Energy	BNN Energy Co., Ltd.
Cleanergy ABP	Cleanergy ABP Co., Ltd.
SG Solar	SG Solar Co., Ltd.
CMT Energy	CMT Energy Co., Ltd.
CLP Power	CLP Power Co., Ltd.
Voltsync Solution	Voltsync Solution Co., Ltd.
Power C.E.	Power C.E. Co., Ltd.
Chaiyaphum Green Energy	Chaiyaphum Green Energy Co., Ltd.
CHC	Cementhai Holding Co., Ltd.
SKC	Siam Kubota Corporation Co., Ltd.
SYS	Siam Yamato Steel Co., Ltd.
TMT	Toyota Motor Thailand Co., Ltd.
SCGJWD*	SCGJWD Logistics Public Company Limited

- Remarks:**
- 1). SCG Cleanergy means SCG Cleanergy Company Limited which is composed of 14 companies (8 subsidiary companies and 6 associated companies). Details are shown in List of subsidiaries, joint ventures, and associates of each SCC business unit in Chapter 11.
 - 2). Investment Ventures means investment ventures of SCG, which has subsidiary companies manage joint ventures, associated companies, and other significant companies such as Cementhai Holding Company Limited, including investing in joint ventures and associated companies such as SCGJWD* (SCGJWD Logistics Public Company Limited).
SCGJWD* is an associated company which is a listed company on The Stock Exchange of Thailand, there are SCG Cement-Building Materials Co., Ltd. and SCG Distribution Co., Ltd. hold 29.7% and 13.2% of shares, respectively. More details in the SCGJWD Annual Report.

Disclosure of the shareholding structure in this chapter means to show the details of shareholding structure of SCC's group of company as at December 31, 2023 and to be compliance with the Notification of the Capital Market Supervisory Board Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares and the Notification of the Securities and Exchange Commission Re: The Consideration of the size of the Company in relation to the Granting of Permission for a Business by holding shares in other companies (holding company) for Offering of Newly Issued Shares.

SECURITIES AND SHAREHOLDERS

The Company's Securities

- Registered Capital: 1,600 million baht.
- Issued and fully paid share capital: 1,200 million baht, comprising 1,200 million ordinary shares.
- Ordinary shares at 1 baht par value per share (At the Annual General Meeting of Shareholders held on March 26, 2003, the shareholders unanimously approved to change the par value of ordinary shares of the Company from 10 baht per share to 1 baht per share. The Company registered the change with the Ministry of Commerce on April 17, 2003).
- The Company does not issue other types of shares, except from ordinary shares.

Shareholders

First 10 major shareholders (as of December 31, 2023)

No.	Shareholders	No. of ordinary shares	% of total shares
1.	HIS MAJESTY KING MAHA VAJIRALONGKORN PHRA VAJIRAKLAOCHAOUHUA	403,647,840	33.64
2.	THAI NVDR CO., LTD.	108,406,362	9.03
3.	SOCIAL SECURITY OFFICE	52,169,050	4.35
4.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	35,406,611	2.95
5.	STATE STREET EUROPE LIMITED	21,777,467	1.81
6.	RANDERY BARAH MAKAN CO., LTD.	15,405,600	1.28
7.	SCG FOUNDATION	13,347,300	1.11
8.	THE BANK OF NEW YORK MELLON	12,155,296	1.01
9.	MR. SAK NANA	7,982,400	0.67
10.	SIAM CEMENT GENERAL MANAGER FOUNDATION	7,647,800	0.64

Remark:

Thai NVDR Co., Ltd. (Thai NVDR) is a subsidiary owned by the Stock Exchange of Thailand (SET) and regarded as listed securities in the Stock Exchange of Thailand, SET who is responsible for issuing and selling Non-Voting Depository Receipts (NVDRs) to investors, and investing the money gained from selling the NVDRs in the SET. The service is offered to all, irrespective of the number of securities held or the holder's nationality. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares but there are no voting rights for NVDR holders. Further information regarding Thai NVDR Co., Ltd. can be found at www.set.or.th.

As of November 10, 2023, the major NVDR holders were:

No.	Shareholders	No. of ordinary shares	% of total shares
1.	STATE STREET EUROPE LIMITED	22,688,067	1.89
2.	STATE STREET BANK AND TRUST COMPANY	15,430,483	1.29
3.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	11,774,688	0.98

The majority of shareholders (As of December 31, 2023)

No.	Shareholders	No. of ordinary shares	% of total shares
1.	HIS MAJESTY KING MAHA VAJIRALONGKORN PHRA VAJIRAKLAOCHAOUHUA	403,647,840	33.64
2.	CPB EQUITY CO., LTD.	980,200	0.08

Remark: Among major shareholders, the Company does not have any shareholding agreement.

Minority shareholders (As of February 9, 2023)

The total number of Minority Shareholders (Free float) is 63,187 equivalents to 66.23%.

Foreign limit

The Company has imposed limitations on the number of shares which can be held by the foreigners (Foreign Limit) at 25% of the fully paid-up capital. As of December 31, 2022, the Company declared that 11.05% of the fully paid-up capital shares are held by the foreigners.

Issuance of Other Securities

Debenture

The Siam Cement Public Company Limited issued 8 series of debentures valuing 140,000 million baht as follows:

Lots of debentures	Total issue amount (Million baht)	Outstanding debenture (Million baht)	Maturity date	Coupon rate (%)	Credit rating
2/2017	10,000	10,000	August 30, 2024	2.97	A
1/2020	25,000	25,000	April 1, 2024	2.80	A
2/2020	25,000	25,000	November 1, 2024	2.80	A
1/2021	15,000	15,000	April 1, 2025	2.65	A
2/2021	25,000	25,000	October 1, 2025	2.65	A
1/2022	15,000	15,000	October 1, 2026	3.25	A
1/2023	15,000	15,000	April 1, 2027	3.10	A
2/2023	10,000	10,000	October 1, 2027	3.35	A
Total	140,000	140,000			

Remark: On November 28, 2023, Fitch Rating (Thailand) Co., Ltd. has downgraded senior unsecured rating of debentures of The Siam Cement Public Company Limited to A (tha) from A+ (tha). The outlook is stable.

Information on the utilization of proceeds from debenture offering

In 2023, the Company issued 2 debentures (No. 1/2023 and No. 2/2023). The objectives of proceeds utilization were as follows:

Lots of debenture	Objectives of proceeds utilization	Approximate amount utilized	Approximate period of proceeds utilization	Details
1/2023	Repayment of loans or debts incurred by the issuance of debentures	15,000 million baht	April 3, 2023	The issuer uses the proceeds from this debenture issuance to redeem SCC234A, its maturing debenture.
2/2023	Repayment of loans or debts incurred by the issuance of debentures	10,000 million baht	November 1, 2023	The issuer uses the proceeds from this debenture issuance to redeem SCC23NA, its maturing debenture.

Dividend Policy

The Company has a dividend payout policy to the shareholders at 40%-50% of the consolidated net profit. However, when reviewing the dividend payout for any potential changes for the respective period, the Company may take into account all irregular situations, and uncontrollable factors, accordingly.

In 2023, the consolidated profit for the year amounted to 25,915 million baht, resulting in the retained earnings for appropriation at the ordinary general meeting of shareholders on March 27, 2024, the Board of Directors

resolved to declare the annual dividends at 6.00 baht per share or equal to 28% of profit for the year as per consolidated financial statements and is calculated as 54% of profit for the year excluding extra items.

For dividend policy of mostly subsidiaries which are 100% owned by the Company, the Company takes into consideration their operating results, financial structure, financial position and investment plan, with no policy of transferring the interests.

Detail of dividend distribution in the past 5 years

Year	Interim dividends (Baht/share)	Final dividends (Baht/share)	Annual dividends (Baht/share)	Dividend payout ratio on net profit (%)
2019	7.00	7.00	14.00	52*
2020	5.50	8.50	14.00	49
2021	8.50	10.00	18.50	47
2022	6.00	2.00	8.00	45
2023	2.50	3.50	6.00	28**

Remarks: Net profit represents profit for the year attributable to owners of the Company.

Profit excluding extra items represents profit for the year exclude non-recurring items of business which are non-cash.

* Proportion of dividends is 49% on profit excluding recognition of severance pay adjustment from the Labor Protection ACT B.E. 2562.

** Proportion of dividends is 54% on profit for the year excluding extra items.

CORPORATE GOVERNANCE POLICY



SCG strives to be a role model in corporate governance, incorporating this commitment into the SCG Vision. The conviction is that SCG’s corporate governance ensures ‘fairness and transparency,’ delivering long-term economic value for shareholders, inspiring confidence in all stakeholders, and enhancing the Company’s competitiveness to achieve sustainable growth.

The Governance and Nomination Committee, assigned by the Board of Directors, is responsible for supervising corporate governance affairs at SCG. This includes formulating policies and guidelines, as well as monitoring the activities of the Board of Directors and Executives to ensure their adherence to SCG’s corporate governance policies. The Committee also monitors and evaluates compliance with the corporate governance policy as well as reviews related guidelines to ensure

their alignment with business operations and corporate governance practices at national and international levels on a yearly basis. Moreover, corporate governance is specified as one of the items on the agenda at the Board of Directors Meeting.

SCG firmly upholds and complies with the principles of corporate governance both locally and internationally. Examples include the Principle of Good Corporate Governance for Listed Companies of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as the Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors (IOD). Added to this are the internationally-recognized benchmarks, such as ASEAN Corporate Governance Scorecard (ACGS) and DJSI Sustainability Assessment. The Governance and Nomination Committee is tasked with considering proposals from relevant executives for the establishment and implementation of policies and guidelines. These proposals are then presented to the Board of Directors for approval. Issues that have not yet been established as policies or implemented are to be reported by the Executives to the Governance and Nomination Committee for annual review.

The Company has amassed knowledge and management practices that have been transmitted through generations, demonstrating alignment with corporate governance principles. These principles have been systematized into the “SCG Corporate Governance Principles”, initially published in 2003 and most recently updated in 2022. This includes “SCG Code of Conduct”, which were consolidated in 1987 and last revised in 2021.



Details of SCG Corporate Governance Principles can be found on the website:
<https://scc.listedcompany.com/cg.html>

Results of the Evaluation on Corporate Governance and the Awards in 2023



Rated “Excellent” in the Corporate Governance Report of Thai Listed Companies (CGR) 2023, carried out by the Thai Institute of Directors Association (IOD).



Scored a full score of 100 in the evaluation of the quality of Annual General Meeting of Shareholders for the year 2023 (AGM checklist) of listed companies by the Thai Investors Association.



Listed in “SET ESG Rating 2023” rated AAA for the 9th consecutive year in 2023 by the Stock Exchange of Thailand.



Received the Sustainability Awards of Honor for the 6th consecutive year at SET Awards 2023, hosted by the Stock Exchange of Thailand. This award is presented to listed companies with outstanding sustainability practices.



Won the Thailand Corporate Excellence Awards 2023, hosted by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University for having received the highest votes from top executives in the following categories:

- Leadership Excellence
- Innovation Excellence
- Human Resource Management Excellence, for the 21th consecutive year
- Sustainable Development Excellence by SCG Cement-Building Materials Co., Ltd.
- Product/ Service Excellence by SCG Ceramics Public Company Limited.

Policies and Guidelines for the Board of Directors Shareholders and Stakeholders

SCG has established policies and guidelines for the Board of Directors, shareholders, and stakeholders in line with the eight principles of good corporate governance for listed companies in 2017, or the Corporate Governance Code (CG Code) recommended by the Securities and Exchange Commission (SEC). The key points can be summarized as follows:

Principle 1 establish clear leadership role and responsibilities of the board

The Board of Directors understands and recognizes its role and responsibilities in establishing SCG's business strategies and policies with accountability, prudence, and integrity in the best interest of the Company on the basis of social and environmental responsibility as follows:

1. Acting in a best interest of shareholders (Fiduciary Duty) by observing the following four main practices:
 - Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
 - Performing its duties with faithfulness and honesty (Duty of Loyalty).
 - Performing its duties in compliance with laws, objectives, Company's Articles of Association, the resolution of the board of directors, and resolutions of shareholders' meetings (Duty of Obedience).
 - Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).
2. Directing SCG's visions, missions, and business strategies, subject to annual revision and approval, to create value to SCG, customers, stakeholders, and society as a whole in a sustainable manner.
3. Directing the Company's operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care, prudence, and integrity to preserve the best interests of the Company with fairness to all stakeholders.

4. Overseeing and developing SCG's corporate governance to keep it consistent with international standards to provide guidelines for business operations while ensuring compliance and serving as a role model in complying with the principles of good corporate governance and SCG Code of Conduct.

Principle 2 define objectives that promote sustainable value creation

The Board of Directors is responsible for reviewing major operating plans, budgets, business goals, and business policies and enhancing the capabilities of SCG to reach a globally competitive level. It is also in charge of controlling the executives' administration to ensure consistency with such plans, budgets, business goals, and business policies and advance the best interest of the Company, its subsidiaries, and shareholders. The Management is tasked with the formulation of strategies and operating plans in accordance with SCG's objectives and targets, taking into account environmental factors, opportunities, and risk appetite. It is also responsible for reviewing SCG's medium-term objectives, goals, and strategies in the next 3-5 years and establishing the materiality assessment process.

Principle 3 strengthen board effectiveness

The Definition and review of the structure of the board of directors

The Board of Directors has defined and reviewed the structure of the Board of Directors, the number of directors, the proportion of independent director as well as Board diversity and director qualifications, including knowledge, expertise, experience, and specializations to ensure alignment with SCG's business operations; as well as appointed sub-committees to assist and support the board's discharge of duties.

Board nomination and appointment guidelines

The Governance and Nomination Committee is responsible for nominating qualified candidates for directorship and independent directorship to create a director pool. The committee reviews the list of qualified

candidates proposed by shareholders, Directors, and those from IOD who possess knowledge and expertise in areas desired by SCG, in accordance with the Board Skills Matrix. This process is carried out without limitations or distinctions related to gender, age, race, nationality, religion, place of birth, country of origin, culture, and ethical practices. The Board Skills Matrix is reviewed annually to ensure alignment with SCG's business strategies and practices.

Policy on director qualifications and nomination

At the recommendation of the Governance and Nomination Committee, the Board of Directors has developed a Policy on Director Qualifications and Nomination. This policy aims to ensure alignment with the CG Code of SEC, as well as other practices in line with stakeholders' expectations. These include guidelines from the IOD, criteria from the Dow Jones Sustainability Indices (DJSI), and other rating agencies. The policy emphasizes the importance of the nomination process regarding gender diversity, the proportion of independent directors, and the enhancement of knowledge, expertise, and experience in environmental and social aspects of the business. This is aligned with the principles of ESG and involves an annual review and update of the policy and guidelines as needed. Furthermore, the policy outlines criteria for the re-nomination of directors for subsequent terms. In such cases, the Governance and Nomination Committee should consider the performance of the incumbent directors in their roles. The policy and guidelines are subject to annual review and updates to ensure their relevance and effectiveness.



Details of Policy on Director Qualifications and Nomination can be found on the website: <https://scc.listedcompany.com/cg.html>

Independent directors

The Company recognizes that independent directors play a vital role in good corporate governance as they not only ensure that the Company's operations are in the best interest of the Company and shareholders but

also reflect proper checks and balances. To this end, the Company has established qualifications for its independent directors, which are more stringent than the requirements of the Office of Securities and Exchange Commission. The qualification requirements are reviewed by the Board of Directors annually to ensure suitability and alignment with good corporate governance practices. The Company mandates that at least half of the total number of directors be independent directors.

Currently, the Board of Directors consists of 9 independent directors as follows: Mr. Chumpol NaLamlieng, Mr. Prasarn Trairatvorakul, Mr. Pasu Decharin, Mrs. Parnsiree Amatayakul, Mr. Cholanat Yanaranop, Mr. Thapana Sirivadhanabhakdi, Mr. Suphachai Chearavanont, Mrs. Nuntawan Sakuntanaga, and Ms. Jareeporn Jarukornsakul, thus accounting for over half of the Board of Directors.

Qualifications of independent directors of SCC

(As per the Charter of the Board of Directors, revised July 26, 2019).

SCC's qualifications for independent directors are as follows:

1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, including shares held by related persons of such independent director.
2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.

4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its 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 becoming an independent director.

The term “business relationship” in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or 20 million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its 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 becoming an independent director.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be 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 becoming an independent director.

7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.

9. Shall be able to attend meetings of the Board of Directors and make independent judgment.

10. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company’s operations.

11. Shall be able to look after the interests of all shareholders equally.

12. Shall be able to prevent conflicts of interest.

13. Shall not have been convicted of violating security or stock exchange laws, financial institution laws, life insurance laws, general insurance laws, anti-money laundering laws or any other financial law of a similar nature, whether Thai or foreign, by an agency with authority under that certain law. Such wrongful acts include those involved with unfair trading in shares or perpetration of deception, fraud or corruption.

After being appointed as an independent director with all qualification items 1-13 specified above, such independent director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person which may have a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In case the appointed independent director is the person who has or used to have a business relationship, or provision of professional services at a value exceeding the specified amount under items 4 or 6, the Company shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that the Company has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with Section 89/7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the relevant information is disclosed in the notice of shareholders' meeting under the agenda of the appointment of an independent director.

In 2023, none of the nine independent directors were involved in any business or provided professional services exceeding the specified value, as outlined in the Notification of the Capital Market Supervisory Board regarding the Application for and Approval of the Offer for Sale of Newly Issued Shares. Nevertheless, Mr. Thapana Sirivadhanabhakdi, Mr. Suphachai Chearavanont, and Ms. Jareeporn Jarukornsakul had business relations with SCG, amounting to more than 20 million baht. Upon reviewing the candidate's qualifications for directorship and independent directorship in relation to the Public Limited Companies Act and consideration in accordance with Section 89/7 of the Securities and Exchange Act, the Board of Directors was of the view that the business relations would not affect the independent directors' ability to fulfill their

duties nor their independence of opinion. Therefore, the qualification requirements for independent directorship regarding restrictions related to the candidate's previous or existing business relations were relaxed by the power of the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (Amended).

In this regard, the qualification requirements for Mr. Suphachai Chearavanont and Ms. Jareeporn Jarukornsakul were informed to and relaxed by the Annual General Meeting of Shareholders on March 30, 2022, and for Mr. Thapana Sirivadhanabhakdi was informed to and relaxed by the Annual General Meeting of Shareholders on March 29, 2023.

Furthermore, Mr. Thapana Sirivadhanabhakdi and Ms. Jareeporn Jarukornsakul held directorships in companies that might be considered to have a similar nature of business and could be deemed competitors of the Company. Shareholders were informed of these directorships prior to their appointments, as required. However, such competition was deemed insignificant to the business of SCG and its subsidiaries, aligning with the qualifications of independent directors. Therefore, it is considered that they possess the complete qualifications to serve as independent directors.

Nomination and selection process of new directors

As leaders of the organization, directors have crucial roles, duties, and responsibilities. To ensure that the nomination and selection of directors follow clearly defined steps and are characterized by systematicity, transparency, and alignment with the Company's policy on director qualifications and nomination as well as SCG Corporate Governance Principle so as to obtain candidates who with qualifications, expertise, skills, and experiences in accordance with the Company's strategies, the Board of Directors, on the suggestion of the Governance and Nomination Committee, has formulated the nomination and selection process of new directors in writing, consisting of four major steps: planning, nomination, selection, and election. The timeframe of each step has also been defined.

Rules and procedures for the election of directors

1. Prior to the Annual General Meeting of Shareholders, the Governance and Nomination Committee proposes to the Board the names of persons to replace directors to be retired by rotation. The nominees will then be listed for consideration for election during the Meeting. All shareholders have an equal right to propose other candidates. Authority to select directors' rests with shareholders.

2. A shareholder shall have one vote for each share he holds or represents.

3. At the election of Directors, the shareholders shall vote for each individual candidate nominated for Directors, but not exceeding the number of Directors required for that election. The vote shall not be distributed.

4. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman of the Meeting shall cast the deciding vote.

Performance assessment and knowledge enhancement

1. Board performance assessment

The Company has stipulated a performance assessment and a review of the performance Assessment Process of the Board of Directors and Sub-committees at least once a year on a yearly basis. The assessment is divided into two types, namely the performance assessment of the Board of Directors as a whole and the self-assessment. On top of this is the performance appraisal of the Chairman of the Board of Directors. The Board of Directors then analyzes and summarizes the results of the assessment to formulate measures to further enhance the efficiency of the Board of Directors.

Performance assessment process

As for the performance assessment of the Board of Directors as a whole and self-assessment, the Governance and Nomination Committee is tasked with reviewing the

performance assessment forms for the Board of Directors and the Sub-committees, the performance assessment form of the Chairman, and information needs questionnaires used to enhance the knowledge and performance of the directors; and proposing these forms to the Board of Directors for review.

The Corporate Secretary Office distributes the assessment forms to each director for assessing the performance of the Board of Directors and the sub-committees in which he serves. Afterward, the Corporate Secretary Office summarizes and presents the results of the performance assessment to the Governance and Nomination Committee and the Board of Directors for acknowledgment, which is subsequently submitted to the sub-committees.

Results of board performance assessment in 2023 performance assessment of Board of Directors

1) Assessment of the board as a whole

The major assessment topics consisted of 1) board structure, qualifications, and composition; 2) roles and responsibilities, such as business oversight in accordance with SCG Corporate Governance Principle, oversight of internal control, promotion of innovation development, promotion of policies on social and environmental responsibilities, and personnel development and succession plan; and 3) board meeting attendance.

2) Self-assessment of the director's performance

The major assessment topics consisted of knowledge and expertise, and contribution as the director.

The board performance for the year 2023 was rated in both the assessment of the board as a whole and self-assessment as "suitable".

Performance assessment of Sub-committees

The four sub-committees are namely the Audit Committee, the Governance and Nomination Committee, the Remuneration Committee, and the CSR Committee for Sustainable Development. The following performance assessments are prescribed for each sub-committee:

1) Assessment of a sub-committee as a whole

The major assessment topics consisted of 1) the structure, qualifications, and composition of the sub-committee; 2) the roles and responsibilities according to the charter of the sub-committee; and 3) meetings of the sub-committee.

2) Self-assessment of the director's performance

The major assessment topics consisted of knowledge and expertise, and contribution as a member of the sub-committee.

The performance of the four sub-committees for the year 2023 was rated in both the assessment of the board as a whole and self-assessment as "suitable".

The Board of Directors also provided their opinions and recommendations to promote and enhance the overall efficiency of the board. This includes increasing knowledge and understanding of the Company's new businesses. Additionally, the board emphasized the importance of enhancing knowledge and adopting global ESG principles for business operations. The Company will use the assessment results to develop future governance plans.

Performance assessment of the board by independent external consultant

In addition to the annual performance assessment of the Board of Directors both as a whole and self-assessment, the Board of Directors has also introduced a policy subjecting itself to a performance assessment by independent external consultants to develop guidance for enhanced efficiency and to ensure compliance with the CG Code stipulated by SEC and DJSI's governance assessment guidelines. The assessments were conducted in 2015, 2018, and 2021.

In the most recent instance, the Board of Directors, at the suggestion of the Governance and Nomination Committee, selected Aon Solutions (Thailand) Co., Ltd. as its independent external consultant to perform the annual board performance assessment in order to evaluate its structure, roles and responsibilities and ensure that the performance of the Board of Directors was in accordance with international corporate governance standards and widely accepted best

practices. The opinions and recommendations of the consultant would then be used to improve the operational plans of the Board of Directors in various areas.

2. The assessment of the President & CEO and SCG top executives

The Board of Directors and the Remuneration Committee assess the performance of the President & CEO based on the Company's operating results, implementation of the Board's policies, and the overall socio-economic circumstances. The Remuneration Committee will then consider the appropriate remuneration for the President & CEO and top executives of SCG and propose such amount to the Board taking into account the following information regarding the current and previous years:

- 1) The business unit's operating results are based on percentage of EBITDA on operating assets. The target EBITDA percentage for each business unit of SCG shall be set forth each year for assessment and comparison purposes.
- 2) The operating results of the business unit compared to those of other companies in the same industry, both locally and internationally.
- 3) The capability to develop the business unit and improve operational efficiency for each business unit each year. In addition, a survey on manager-level employees' opinions regarding the President & CEO and the top executives is included in the Remuneration Committee's consideration.

3. Development of directors and top executives

The SEC's Corporate Governance Code includes a guideline stating that the Board of Directors should ensure that both the Board as a whole and individual directors understand their roles and responsibilities, the nature of the business, the Company's operations, and relevant laws. It also encourages all directors to enhance their skills and knowledge regularly. Additionally, SCG's Charter of the Board of Directors specifies that it is the

Board’s duty to continually develop its knowledge and competency through relevant training sessions, courses related to directorial duties, or seminars that enhance their knowledge. Since 2011, SCG has initiated forums for exchanging experiences and ideas between the Board of Directors and senior executives, along with qualified external individuals.

To ensure that the Company’s directors and Executives, including those of SCG’s business units, possess continuous knowledge, understanding, and awareness of the current global economic situation, there have been regular discussions with extensive exchange of ideas. Valuable insights have been received from guest speakers to compare and develop SCG’s current business strategies.

Furthermore, SCG supports the directors and Top Executives in attending seminars and beneficial courses to enhance their performance. There are regular meetings for exchanging opinions with various committees and high-level executives from different organizations. These include courses organized by SCG’s training department and those overseen by governmental or independent organizations, such as the Director Certification Program by IOD. All these efforts aim to bring knowledge and experience to further develop the organization.

In-House directors seminars in 2023

Date	Topic	Speaker
Seminars for the directors		
February 17, 2023	Inflation Reduction Act (IRA)	Expert from Standard Chartered Bank, USA
June 28, 2023	Generative AI	Academic from Chulalongkorn University and experts from Accenture, Thailand

Seminars for the audit committee

April 26, 2023	Internal Audit 4.0	Director, Risk Advisory, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
November 17, 2023	<ul style="list-style-type: none"> • ESG Governance: Oversight through the audit committee lens • Task Force on Climate-related Financial Disclosures (TCFD) for audit committee perspective 	<ul style="list-style-type: none"> • Advisory Partner, Head of Practice, KPMG Phoomchai Business Advisory Co., Ltd. • Regional CEO, Asia, ERM-SIAM Co., Ltd.

Development activities and training attended by each director in 2023

Name-Surname	Details of development and consultation
1. Air Chief Marshal Satitpong Sukvimol	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG
2. Mr. Chumpol NaLamlieng	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG Shared his vision and visited the business of SCG in Vietnam
3. Mr. Kasem Watanachai	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG Attended the seminar on Generative AI
4. Lieutenant Colonel Somchai Kanchanamanee	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG Attended the seminar on Generative AI
5. Police Colonel Thumnithi Wanichthanom	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG
6. Mr. Prasarn Trairatvorakul	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY Shared his vision on “Growth Prospect and Investment Landscape of Indonesia” and visited the business of SCG Packaging in Indonesia Attended the seminar on Inflation Reduction Act (IRA) Attended the seminar on Generative AI The speaker at the Chairman Forum seminar on “Leadership Amidst Volatility and Distrust” organized by the Stock Exchange of Thailand in collaboration with the Securities and Exchange Commission and the Thai Institute of Directors
7. Mr. Pasu Decharin	<ul style="list-style-type: none"> Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY Attended the seminar on Internal Audit 4.0 Attended the seminar on ESG Governance: Oversight through the Audit Committee Lends and Task Force on Climate-related Financial Disclosures (TCFD) for Audit Committee Perspective Attended the seminar on Inflation Reduction Act (IRA) Attended the seminar on Generative AI

Name-Surname	Details of development and consultation
8. Mrs. Parnsiree Amatayakul	<ul style="list-style-type: none"> • Shared her vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG • Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY • Attended the seminar on Internal Audit 4.0 • Attended the seminar on ESG Governance: Oversight through the Audit Committee Lends and Task Force on Climate-related Financial Disclosures (TCFD) for Audit Committee Perspective
9. Mr. Cholanat Yanaranop	<ul style="list-style-type: none"> • Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG • Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY • Shared his vision and visited the business of SCG in Vietnam • Attended the seminar on Inflation Reduction Act (IRA) • Attended the seminar on Generative AI
10. Mr. Thapana Sirivadhanabhakdi	<ul style="list-style-type: none"> • Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG • Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY • Attended the seminar on Inflation Reduction Act (IRA) • Shared his vision on Sustainability Expo 2023 “Thailand Supply Chain Network CEO PANEL: Green energy is key to sustainability”
11. Mr. Suphachai Chearavanont	<ul style="list-style-type: none"> • Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG • Shared his vision on the seminar and exhibition “The Standard Economic Forum 2023: Chasing the Future Thai Economy,” with the theme The Future of Education transforming the landscape of Thai education to keep pace with the future, organized by The Standard. • Shared his vision on Sustainability Expo 2023 “Thailand Supply Chain Network CEO PANEL: Green energy is key to sustainability” • Shared his vision in “Connect the Dots for Sustainability” organized by the Thai Chamber of Commerce • Shared his vision in SUSTAINABILITY FORUM 2024, on the topic “Lessons and Learns: Ways toward Sustainability”, organized by Bangkok Biz News
12. Mrs. Nuntawan Sakuntanaga	<ul style="list-style-type: none"> • Shared her vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG • Attended the seminar on Inflation Reduction Act (IRA) • Attended the seminar on Generative AI • Attended the seminar on ESG Governance: Oversight through the Audit Committee Lends and Task Force on Climate-related Financial Disclosures (TCFD) for Audit Committee Perspective

Name-Surname

Details of development and consultation

13. Ms. Jareeporn Jarukornsakul

- Shared her vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG
- Attended the seminar on Inflation Reduction Act (IRA)
- Attended the seminar on Generative AI
- The speaker for the seminar “Company Visit: Mission to the Sun for Sustainable Growth” organized by the Thai Institute of Directors

14. Mr. Roongrote Rangsiyopash

- Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG
- Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY
- Shared his vision and visited the business of SCG in Vietnam
- Attended the seminar on Generative AI
- Attended the seminar on Russia-Ukraine War and Potential Nuclear Conflict
- Shared his vision on the seminar and exhibition “The Standard Economic Forum 2023: Chasing the Future Thai Economy,” with the theme The Future of Education transforming the landscape of Thai education to keep pace with the future, organized by The Standard.
- Shared his vision on Sustainability Expo 2023 “Thailand Supply Chain Network CEO PANEL: Green energy is key to sustainability”

15. Mr. Thammasak Sethaudom

- Shared his vision and provided consultation on the Medium-Term Plans (MTPs) of every business of SCG
- Attended ESG Symposium 2023: ACCELERATING CHANGES TOWARDS LOW CARBON SOCIETY
- Shared his vision on “Growth Prospect and Investment Landscape of Indonesia” and visited the business of SCG Packaging in Indonesia
- Attended the seminar on Inflation Reduction Act (IRA)
- Attended the seminar on Russia-Ukraine War and Potential Nuclear Conflict
- Shared the economic vision in “the Southern region and adapting business to capture customer interest” and “Energy Transition, transitioning towards clean energy, and achieving Net Zero following the ESG 4 Plus framework” on Suthichai Live channel



The directors' profiles and experiences align with the Global Industry Classification Standard (GICS) Level 1 Classification. More information can be found in “Attachment 1 Information of Directors, Executives, Chief Officers in Accounting and Finance and Company Secretary” from <https://scc.listedcompany.com/ar.html>

Director induction

The Company established a Director Induction Program for new directors to facilitate their prompt performance of duties. The corporate secretary was commissioned to coordinate the work in the three following areas based on the Orientation Program:

- 1) To compile necessary information for directors to ensure their compliance with laws, rules, and regulations related to directors.
- 2) To provide important information essential for the directors' performance of duty, such as the Memorandum of Association and the Articles of Association, a summary of operating results, a summary of SCG corporate governance principles, and other relevant handbooks, for use as quick references.
- 3) To arrange for a meeting with the Chairman and directors and the executives or head of each function to stay informed and make queries about SCG's business in depth.

Principle 4 ensure effective CEO and people management

To ensure that a proper mechanism is in place for the nomination and development of Top Executives and executive officers, the duties of the Board of Directors are as follows:

1. Reviewing Top executive development plans and the succession plan for the President & CEO and the Top Executives while overseeing to ensure the effective performance assessment of Top Executives on an annual basis and determining appropriate remuneration in line with the Company's operating results to provide both short-term and long-term incentives.
2. Encouraging the top executives to attend seminar and courses beneficial to the fulfillment of their duties as well as exchange ideas with the executives of different organizations.

Nomination and succession plan for top executive positions at SCG

SCG has implemented a proper and transparent nomination process for key management positions at all

levels to ensure that all Top Executives perform their duties independently from major shareholders and other stakeholders. The succession plan for the President & CEO and top executives is conducted by the Remuneration Committee and considered by the Board of Directors. SCG's nomination process evaluates individuals based on their characteristics, knowledge, and abilities to manage operations according to the organization's suitable strategy (Organizational Capability) in the future. This includes having integrity and a proven track record, along with receiving personalized development plans. The process involves assigning mentors, challenging tasks, job rotations, and supporting participation in courses offered by leading global institutions. This aims to develop leadership skills in various aspects of management and prepare individuals for succession according to the predefined timeline.

Principle 5 nurture innovation and responsible business

For promoting innovation that creates value for its shareholders together with benefits for its related party and the environment, in support of sustainable growth of the Company, the duties of the Board of Directors are as follows:

1. Overseeing and supporting the creation of innovations that generate value for SCG while creating benefits for all stakeholders. Take responsibility for society and the environment, including overseeing the allocation and management of resources to be efficient and effective.
2. Overseeing and monitoring IT management and the implementation of the IT security system.
3. Overseeing and monitoring the implementation of the Company's strategies; overseeing and monitoring of each business unit's and SCG's overall performance by requiring their performance reports periodically; and setting policies to develop and improve the business operations with concern for safety, hygiene, social and environmental responsibility and development of SCG's employees.

Role of stakeholders

SCG has consistently adhered to its philosophy of ethical business conduct and corporate social responsibility as well as carried out its business to jointly create values with all stakeholders for mutual and sustainable benefits. This practice is overseen by the Board of Directors to ensure compliance with laws and regulations and adherence to SCG Corporate Governance Guidelines, SCG Sustainable Development Guidelines, SCG Code of Conduct, and other relevant policies, as well as protection of such rights and stringent equitable treatment.

The Board of Directors formally wrote the Stakeholder Engagement Policy in 2010 to serve as clear guidelines for employees on business conduct, and create long-term added values for shareholders. Subsequently, the Board of Directors approved the formulation of engagement policy and guidelines for 12 stakeholder groups in a formal written form, which serve as a clear guidance for employees on engaging each stakeholder group.

The Company reviewed and revision of engagement policy and guidelines for each stakeholder group to ensure more comprehensive policy, strategies, guidelines, and management procedures. In addition to help enhance the brand and competitive advantages, adding value to the Company by demonstrating its commitment to stakeholders.



Details of Stakeholder Engagement Policy can be found on the website: <https://scc.listedcompany.com/cg.html>

The examples of an activity aimed at fostering positive relationships with stakeholders

SCC shareholder activities



SCG recognizes the importance of fostering good relations with shareholders. As a result, since 2010, the Company has continuously hosted a range of activities that are beneficial to society, culture, and the environment as well as opened up opportunities for shareholders to visit the sites of the Company’s core business units. For the year 2021, due to the ongoing spread of COVID-19, the Company is concerned about the health of shareholders and, in compliance with government guidelines, has decided to suspend activities.

Nevertheless, in 2022, as the COVID-19 situation began to ease, the Company organized activities for ordinary shareholders. Shareholders were invited to participate in the event “Visit SCG Chemicals Public Company Limited (SCGC)’s ESG Operations” and engage in activities with the community enterprise at the RIL Industrial Estate in Rayong on November 3, 2022. The purpose of this event was to inform shareholders who expressed interest in participating in activities for 2021-2022 about the sustainable business practices according to the ESG guidelines. The focus was on the Circular Economy in both the production process and collaboration with the surrounding community. It also highlighted waste management strategies and involved activities with local community enterprises.

In 2023, the Company organized two activities for ordinary shareholders. The first activity involved taking shareholders to visit the SCG Home Experience and SCG Heim at the Crystal Design Center (CDC) on the Ekkamai-Ramintra Expressway Road. The visits took place on six occasions (July 5, 6, 12, 18, and September 6-7, 2023). This allowed shareholders to explore products, solutions,

and innovative technologies used in product development. The visits also included a tour of the SCG Heim model house. For the second activity, shareholders were taken to visit the innovation of thermal media battery storage for industrial use by The Siam Refractory Industry Co., Ltd. This included a visit to the Floating Solar project, which generates electricity from solar energy for industrial use. The Company also participated in activities with the community around the Tha Luang factory in Saraburi. This event was organized for shareholders who expressed interest in participating in activities for 2022-2023.

SCG debenture club activities and privileges



Since 2000, SCG has consistently demonstrated its commitment to debenture holders through a vast array of activities and privileges. A summary of the activities carried out in 2023 is given below:

- Seminar activities featuring highly qualified speakers to provide knowledge, perspectives, and insights on various topics. These include seminars such as “Economic Directions in Thailand for the year 2023” and “Ideological Thinking towards Nirut Sirijanya’s Lifestyle.” Additionally, workshops were organized, such as “Making Look-Choop Workshop” and “Plate Painting Workshop”.
- SCG Smiling Creative Workshop for Society, including the activity “Joyful Sitting Cushion” where additional seating accessories were created to help reduce impact or discomfort for people with disabilities using wheelchair shares. The cushions were donated to Disabilities

Thailand Association in Nonthaburi. Another activity was the “Refreshing Water Bottle Sleeve,” providing accessories to hold bottles or water canisters to enhance convenience for individuals using wheelchair shares. The items were donated to patients using wheelchair shares at the Sirindhorn National Medical Rehabilitation Institute.

- The SCG Debenture Club for Schools Project: SCG and its debenture holders raised over 3.12 million baht in 2023 to purchase school supplies and improve of hygiene for small and medium-sized elementary schools in Nong Bua Lamphu Three beneficiary schools include Banthamchanginplang School, Nonsawangbowonwittaya School, and Bannongwaengkhum School.
- The Gala Dinner held annually, extends an invitation to the top 100 debenture investors, along with their accompanying guests, to dine with the SCG Executives. The event serves as an expression of gratitude for the trust and confidence shown by these high-value investors in the Company and its subsidiaries. During the dinner, there are updates on the Company’s business and investment status.
- Other activities include concerts, domestic and international travel events, and special activities designed for the children of major debenture holders known as the Young Generation (YG). These activities aim to strengthen positive relationships between the Company and the heirs of its debenture holders.

SCG Debenture Club members are also eligible for exclusive discounts from business partners, such as Tops, Au Bon Pain, Samitivej Hospital, Bumrungrad International Hospital, Bangchak Petrol Stations, and B2S. More discounts on products and services by SCG and its leading business partners can be found on SCG Debenture Club mobile application and web application. These activities and privileges bear testament to the significance that SCG has consistently attached to its debenture holders and society at large.

Principle 6 effective risk management and internal control

To ensure that the Company and subsidiaries have effective and appropriate risk management and internal control systems and comply with applicable laws and standards. The duties of the Board of Directors are as follows:

1. The Board of Directors has approved the SCG Risk Management Policy to provide a clear framework for managing risks within SCG. This policy outlines the operational procedures for a well-defined risk management process that aligns with good corporate governance principles and complies with international standards. The Board is responsible for overseeing and ensuring the effectiveness of the risk management systems. Additionally, the systems are reviewed and assessed periodically, particularly in response to changes in risk levels.

2. Establishing the Audit Committee to review compliance with policies, rules, laws, regulations, and requirements of regulatory agencies, promote the development of the financial reporting and accounting system to meet international standards, and review internal control, internal auditing, and risk management systems to ensure their prudence, suitability, currency, and efficiency. The Audit Committee can act and exercise independent judgment in the interest of the Company.

3. Establishing SCG Risk Management Committee, responsible for defining the risk management structure, policy, strategies, and frameworks, monitoring risk assessment performance, approving risk management plans to ensure that SCG has suitable risk management, and reporting to the Audit Committee.

4. Encouraging staff at all levels to be conscious of ethics and morality and comply with SCG's principles of corporate governance, Code of Conduct and the Anti-corruption policy while overseeing the proper internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.

5. Monitoring and managing any potential conflicts of interest between the Company, the Executives,

the Board of Directors, or shareholders as well as overseeing to prevent misuse of SCG's assets and the entering into inappropriate transactions with persons connected with SCG.

6. Establishing an internal audit office that can operate efficiently and independently to oversee and audit the efficiency of SCG's risk management system and internal control as well as report to the Audit Committee for consideration.

Principle 7 ensure disclosure and financial integrity

The duties of the Board of Directors are as follows:

1. Overseeing and monitoring the Company's liquidity and debt service coverage together with emergency plans and mechanisms in case of problems arising.

2. Overseeing and monitoring to ensure that the preparation of financial statements and disclosure of material information are accurate, sufficient, and timely and are in compliance with the relevant regulations and guidelines.

Disclosure and transparency

SCG recognizes the importance of information disclosure because it greatly affects decision-making by investors and stakeholders. It is necessary, therefore, to define and administer measures concerning the disclosure of information, both financial and non-financial. Information shall be complete, sufficient, transparent, reliable, and up-to-date.

SCG has defined a Disclosure Policy in writing to provide guidelines for all employees since 2008, and revised under the resolution of the Board of Directors to keep it in alignment with the current laws and best practices of SEC and SET. In addition, SCG has developed a Disclosure Guideline for material information. These efforts not only enable SCG employees and relevant units to disclose information correctly but also assure shareholders, investors, and all stakeholders that SCG is committed to the accurate and transparent disclosure

of information in compliance with the laws and in an equitable manner. Details of the policy and guidelines are published on the Company's website for all stakeholders and the public.

Furthermore, the Disclosure Checklist was developed, revised, and disseminated to relevant units for use in self-assessment of their standards to work efficiently and in compliance with the Disclosure Policy, which would further promote the sustainability of SCG's disclosure practices.

SCG is committed to strictly obeying the law, regulations, and obligations mandated by SEC, SET, and other relevant government bodies. Regular amendment takes place to ensure accurate information disclosure and to guarantee SCG's transparency in conducting business. For example,

- Compiling reports as required by laws related to directors and chief executives and submit such reports to the SEC and the relevant regulatory agencies.
- Establishing a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or its subsidiaries according to the criteria and reporting procedures prescribed by the Company.
- Establishing guideline for the declaration of intention to purchase and sell the Company's securities.
- Establishing a policy requiring all the directors to disclose/report their securities trading to the Board of Director's meeting and prescribing the directors and executives to report their holdings of the debentures and ordinary shares in the Company and its subsidiaries, as well as the ordinary shareholdings of their spouses, partners in a de facto relationship, and minor children, to the Board of Directors every quarter. They are also required to report the number of shares they hold at the beginning of the year and at year-end together with the number of those traded during the year in Form 56-1 One Report.

- Publishing Notice of Annual General Meeting of Shareholders and Annual Report within 120 days after each financial year-end.
- Publishing minutes of the latest and previous Annual General Meeting of Shareholders on the Company's website.
- Disclosing detailed information on the operations and investment structure of subsidiaries, associates, joint ventures, and other companies.
- Disclosing the date of the director's appointment in the Company's Form 56-1 One Report.
- Revealing significant investment projects and relevant impacts of the projects via the SET link of the Stock Exchange of Thailand and SCG website to ensure that shareholders, investors, the press, and related parties are kept informed of information accurately, extensively, and transparently.

Information distribution channels

SCG places great importance upon transparency and full disclosure of significant financial, operational, and other relevant information, so that it is accurate, complete, and timely. In addition to fulfilling legal and SET reporting requirements, SCG has established its own broad infrastructure of dissemination channels to reach interested parties. These communications channels include:

- The Investor Relations Department, which is responsible for direct communication with both local and international investors.
- Issuing press releases on quarterly performance results, as well as announcing important investment projects and activities of SCG regularly for investors, analysts, and the media.
- Conducting initiatives to communicate policies and operational guidelines to employees.
- Organizing company visits and plant tours in a format adapted to the prevailing circumstances for shareholders, investors, analysts, NGOs, communities, the media, and other stakeholders.

- Disseminating news through various media formats, such as press releases, news images, articles, advertisements, and various social media platforms.
- Regular media updates, including Form 56-1 One Report, sustainability reports, and social media.
- Utilizing electronic channels for communication with employees, including the SCG Intranet Portal, email, and social media.

Principle 8 ensure engagement and communication with shareholders

The Board of Directors is responsible for ensuring that shareholder participation in key decisions of SCG, respect for shareholder rights, and fair and transparent treatment of majority and minority shareholders as well as all stakeholders. The Board of Directors is also tasked with overseeing the establishment of processes and channels for whistleblowing and effective complaint handling, through which all stakeholders may contact/report potential issues directly to the Board of Directors.

SCG's policy is to provide support to every shareholder, including institutional investors, to ensure that shareholders, both as investors and owners of the Company, are entitled to all basic rights meeting widely accepted and reliable standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to attend Shareholders Meetings, the right to propose in advance the Meeting agenda, the right to nominate a person to be a director, the right to express opinions independently, and the right to make decisions on important affairs of the Company, e.g., the election of directors, the appointment of auditors and fixing of the audit fee, approval of significant transactions influencing the Company's direction, as well as amendment of Memorandum of Association and Articles of Association of the Company.

Annual general meeting of shareholders 2023

The Company conducted its annual shareholders' meeting for 2023 in a Physical Meeting format on March 29, 2023, at the Athenee Crystal Hall on the 3rd floor of The Athenee Hotel Bangkok. The venue is conveniently located near Wireless Road and is not far from the Ploen Chit BTS Skytrain station, facilitating easy accessibility. The Board of Directors prepared to facilitate the convenient exercise of shareholder rights in various aspects. Examples include:

- To ensure that each shareholder receives clear and ample information with sufficient time for review before the shareholder meeting, the Company provides a detailed description of the date and time of the meeting, venue, each agenda item, and the opinion of the Board of Directors. A notice of the meeting and accompanying attachments, including the registration form, necessary documents and evidence for attendance, proxy procedures, as well as registration and proxy forms, in both Thai and English, will be published on the Company's website more than 30 days before the meeting. Shareholders will receive these documents not less than 21 days prior to the meeting.
- Providing an opportunity for them to appoint a representative, e.g., an independent director or any other person to act as proxy, using one of the proxy forms attached to the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce allow shareholders to exercise their voting rights as they wish. Also attached is a profile of independent directors proposed by the Company to serve as proxies for shareholders.
- For institutional or foreign investors who authorize custodians in Thailand to keep and safeguard their shares, the Company will arrange for the documents and evidence required prior to attending the Meeting well in advance to facilitate registration on the date of the Meeting.

- Enabling a shareholder or shareholders holding shares amounting to no less than 10% of the total number of shares sold, to submit a request directing the Board of Directors to call an extraordinary general meeting of shareholders to comply with the Public Limited Companies Act.
- Providing an opportunity for shareholders to propose agenda items and nominate individuals for election as directors in advance between August 1 - November 30, 2022. During this period, no shareholder proposed any agenda items or nominated individuals for the meeting.
- Providing opportunities for the shareholders to submit questions related to items on the agenda or other information prior to the Meeting to the telephone, fax, the email address corporatesecretary@scg.com or to the Company's address until March 28, 2023.
- Assigning independent representatives from the auditor to check vote counting throughout the Meeting with the shareholders' right protection volunteer from Thai Investors Association serving as an observer.
- Providing English language interpreters for the convenience of foreign shareholders attending the meeting.
- Before the commencement of the meeting, the Company clarified the shareholders' rights in accordance with the Company's regulations, the procedural aspects of the meeting, and the methods for exercising voting rights. The agenda for the 2023 Annual General Meeting of Shareholders was deliberated chronologically, as presented in the invitation letter sent to shareholders before the meeting. No changes were made to the order, and there were no requests for additional agenda items beyond those specified in the invitation letter.
- Using a barcode system for registration based on the reference number already included in the registration form and proxy form to ensure convenience for shareholders and facilitate the registration. In addition, in the case of the appointment of another person as a proxy, the Company facilitated the affixing of the stamp duty on all proxy forms registered at the document check counter. The Company's officers were available at all times to help during the registration. Registration for the Meeting started no less than two hours prior to the Meeting.
- To ensure transparency and verifiability, the Company provided voting cards for each agenda item. Details of the voting process and procedures are recorded in the minutes of the Shareholders' Meeting on every occasion.
- Disclosing the voting results and resolutions for each agenda item at the 2023 Annual General Meeting of Shareholders to the public via SETLink and the Company's website after the Meeting ended.
- Preparing the minutes of the Shareholders' Meeting completely encompassing all material information: names of Directors and the Executives attending the Meeting, voting procedure, resolutions of the Meeting, voting results for each agenda item, key questions, clarification, and shareholders' comments. The Company prepared the Minutes of the 2022 Annual General Meeting of Shareholders within 14 days from the date of the meeting, posted the minutes on the Company's website and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce as stipulated by the law and also published on the website www.scg.com under "Shareholder Information".

- Following the Annual General Meeting of Shareholders, the Governance and Nomination Committee will consider the questions and suggestions made by shareholders and propose them to the Board of Directors to determine appropriate response measures and improve the next shareholders' meeting. For the 2023 Annual General Meeting of Shareholders, the suggestions made by the shareholders were considered by the Board of Directors for consideration. The response measures were determined as follows:

Topic	Shareholders' suggestions	Action
Channel for the sale of debenture	Proposing to issue the debenture of SCG to the shareholders through the mobile wallet application "Paotang" due to significant interest.	Taken under advisement
Publication of financial report	Propose the Company to print the full version of the financial statements report for convenience in studying the information.	Taken under advisement



Details about the minutes of Annual General Meeting of shareholders for the year 2023 can be found on https://scc.listedcompany.com/shareholder_meeting.html

Code of Conduct

SCG code of conduct

SCG is a leading company group that has been in business for over 100 years. Founded in 1913 under a Royal Decree of His Majesty King Vajiravudh (King Rama VI) of Chakri Dynasty as one of Thailand’s first companies, SCG has continued its operation to this day, in the reign of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun (King Rama X) of Chakri Dynasty (hold approximately 33.6%), as a well-recognized model of good corporate governance for many other organizations.

SCG owes its current prosperity, success, and stability to its ethical business conduct and core values, which the Board of Directors, the Executives, and employees at all levels have adopted in strict adherence “SCG Code of Conduct” namely:

Adherence to fairness	Dedication to excellence
Belief in the value of the individual	Concern for social responsibility

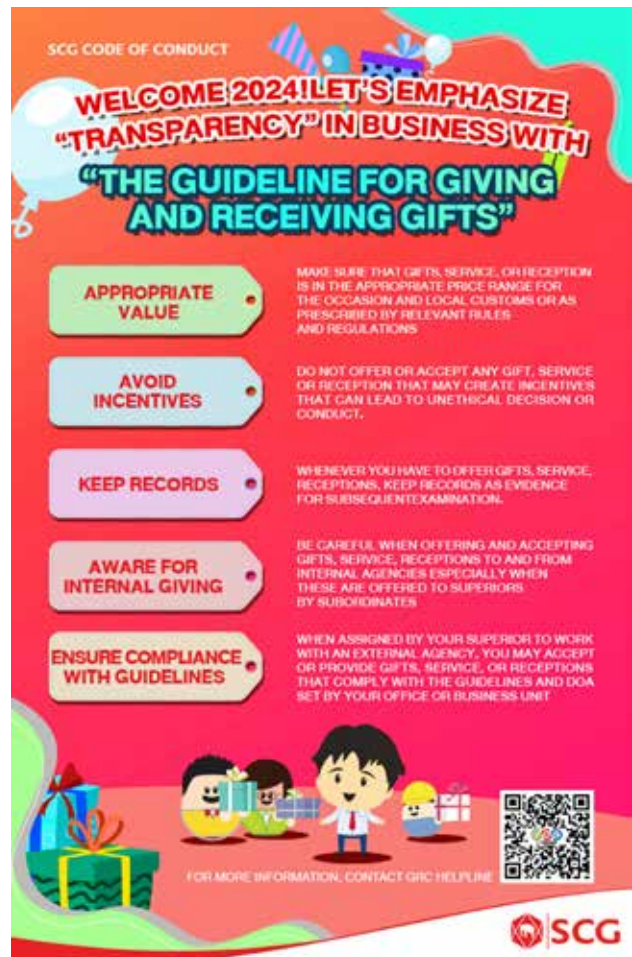
In 1987, the Board of Directors compiled the practices which have been valued and adhered to for over 100 years in a formal written document called the “Siam Cement Group Code of Ethics”, currently known as SCG Code of Conduct, to serve as guidelines that were aligned with SCG’s philosophies with the Company’s directors serving as role models. SCG employees must also conduct themselves as good citizens in countries where SCG operates to create value and maximize benefits for the Company. It has been constantly updated to better correspond with the evolution of SCG and suit the shifting economic and social climate.

To ensure that SCG Code of Conduct is suitable and consistent with both national and international corporate governance principles and can be readily applied by all employees both at home and overseas, the Board of Directors has approved a regular review of the principles and practices therein as well as brought together divisions with expertise in each area of corporate governance and tasked them with improving and recommending good

practices. In addition, opinions have been garnered from SCG employees overseas to ensure the completeness, currency, and applicability of the current SCG Code of Conduct.

SCG published an e-Book version of SCG Code of Conduct on its website and translated it into local languages for personnel in Indonesia, Vietnam, Cambodia, and Lao PDR. SCG Code of Conduct was also communicated to employees, with the goal of enabling proper application among overseas subsidiaries to suit the context of each country and company.

SCG has also instituted SCG Whistleblowing System as well as GRC Helpline for providing consultancy regarding compliance with SCG Code of Conduct. The working team comprises the top management in business units responsible for relevant matters, each of whom is tasked with monitoring the performance results and providing counsel on relevant matters. In addition, the Company has established channels through which employees can voice their opinions and make inquiries about SCG Code of Conduct and operations, which is accessible on the intranet at all times.



SCG has also exchanged its knowledge and experience regarding SCG Code of Conduct as well as the development of SCG's guidelines for corporate governance with interested companies and organizations both in the government and private sectors to support and raise awareness about ethical business conduct, fair treatment of stakeholders, and corporate social responsibility.

Promoting awareness of good corporate governance and GRC (Governance, Risk, and Compliance) principles

The Board of Directors and Top Executives promote the fostering of corporate governance and SCG Code of Conduct knowledge and awareness and encourage the use of GRC principle in understanding the targets of assignments, in fostering risk awareness and conducting risk assessments, and in complying with relevant rules to ensure strict adherence among all personnel. To this end, the Company regularly organizes activities for employees at all levels through media from their first day of employment and has included it as one of the key factors in the annual employee evaluation. This is to ensure that SCG's business operations are guided by fairness and transparency, in line with the ESG 4 Plus approach.

In addition, the Company has organized activities to promote awareness and understanding of SCG Code of Conduct and GRC principles through various communication channels. These include internal media such as the GRC Intranet website, SCG Code of Conduct Intranet, and GRC VOICE e-Newsletter. The Company has also utilized e-Learning platforms and expanded communication channels for employees to inquire about information through email, among other means.

Investor relations code of conduct

The Company has compiled this Investor Relations Code of Conduct to establish guidelines for correct and proper practices to which Investor Relations Officers (IROs) can adhere. The Code of Conduct details fundamental principles regarding information disclosure, inside information protection, fair and equitable treatment of stakeholders, and integrity, all of which are consistent with SCG Corporate Governance Principle and form a basis on which added value can be created and on which the Company can inspire confidence in its shareholders, investors, the general public, and stakeholders.

SCG supplier code of conduct

SCG has drawn up SCG Supplier Code of Conduct to ensure an accurate understanding among SCG suppliers. The Code serves as guidelines for SCG suppliers in cooperating with the Company in becoming good corporate citizens and in adhering to good corporate governance, guided by the interests of society and the environment. The Code of Conduct also serves as mutual standards for business conduct and SCG suppliers are required to sign an SCG Supplier Code of Conduct acknowledgment statement before conducting business with the Company. SCG Supplier Code of Conduct was revised most recently in 2022 to cover all relevant rules and international standards and ensure consistency with ESG-driven sustainable business practices.



Details of SCG Code of Conduct can be found on the website: <https://scc.listedcompany.com/cg.html>

The Review of the SEC's Corporate Governance Code (CG Code) Implementation

As suggested by the Governance and Nomination Committee, the Board of Directors has considered the implementation of the CG Code issued by SEC regarding the roles and responsibilities of the governing board. The Board of Directors has deliberately reviewed the principles set forth in the CG Code and recognized the benefits and significance of adopting the CG Code, which focuses on integrating social and environmental issues into corporate governance with the goal of creating value for sustainable development.

For principles not readily applicable to the Company's business, the Board of Directors has formulated replacement measures and recorded them as part of the Board's resolution to be reviewed on a yearly basis. In 2023, two major areas not yet on par with CG Code were as follows:

1. The chairman of the board is not an independent director.

The current Chairman of the Board was nominated by major shareholders. However, SCG had put in place replacement measures for the requirement stipulated in CG Code, namely by having 9 independent directors, which accounted for over half of the total number of directors, and by appointing one of the independent directors as the vice chairman. In addition, the Board of Directors has clearly specified the duties of the chairman so that emphasis is placed on the interests of the Company, shareholders, and stakeholders, and all directors are allowed to freely discuss matters and make recommendations in board meetings. In addition, all board members are required to assess the performance of duties of the Chairman on a yearly basis.

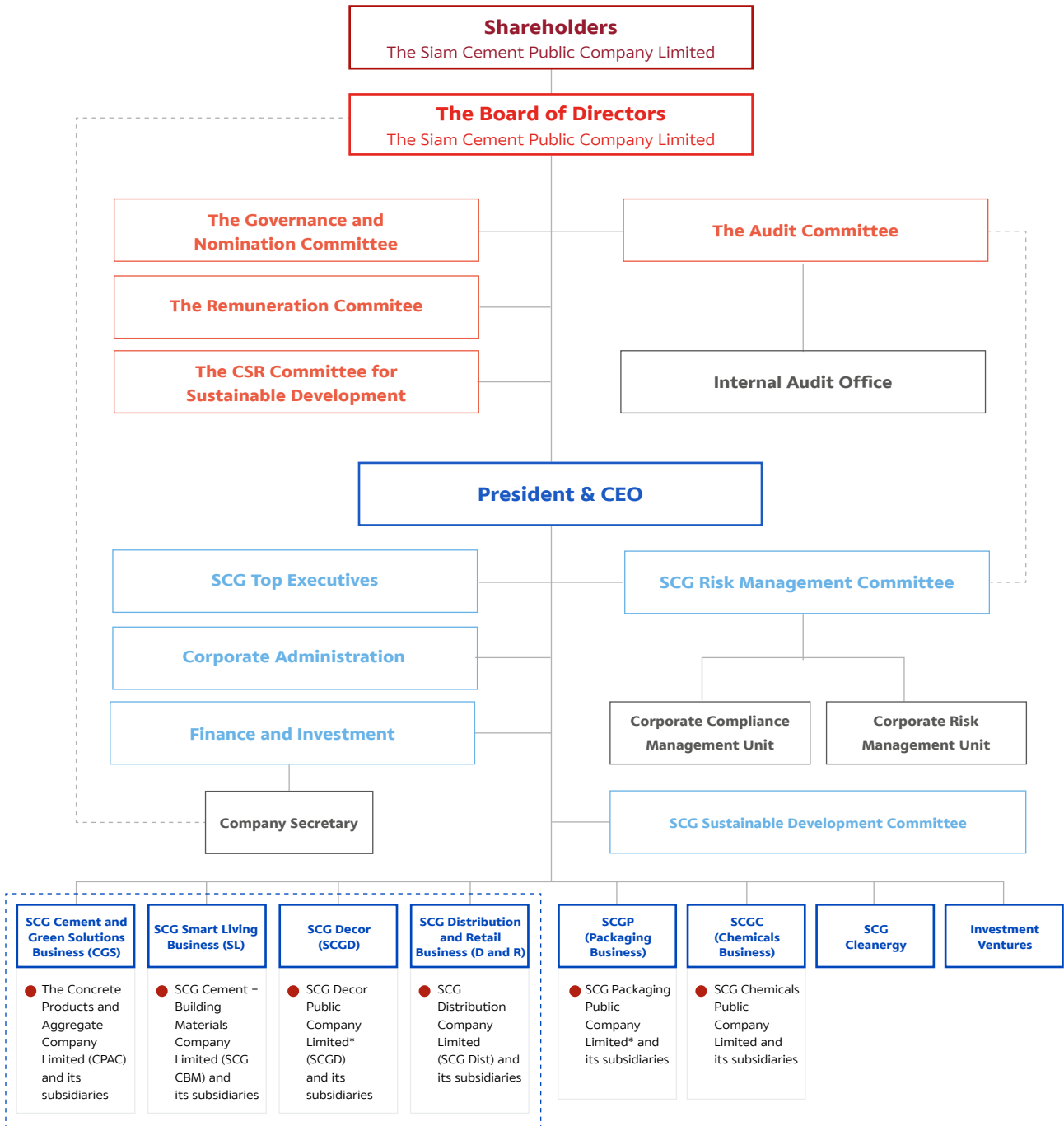
2. The tenure of an independent director exceeds a cumulative term of nine years.

In case that each independent director holds the position of independent director for more than nine consecutive years, he or she is re-elected to hold such position in excess of nine consecutive years based on the reasons and necessities as proposed by the Company. The Board of Directors deliberates on the independence of the director if the re-election is deemed appropriate.

Major Changes and Development in Governance Policies and Guidelines in 2023

This appears under Chapter 16 Report of Key Governance Performance.

CORPORATE GOVERNANCE STRUCTURE



----- Reporting Line

As of January 1, 2024

----- Used to be in Cement-Building Materials Business

● Companies that operate core businesses and oversee the management of subsidiaries and affiliate companies within their business units

* A Listed Company on The Stock Exchange of Thailand

Structure of the Board of Directors

The Board of Directors comprises respected, knowledgeable, and competent persons who are suitable for the Company and are responsible for drawing up corporate purposes and objectives and collaborating with the Top Executives in making both short-term and long-term operating strategies and policies, financial

policy, risk management policy, and organizational overview, including annually reviewing the Company's important policies and plans. The Board plays a crucial role in allocating important resources to meet the objectives as well as overseeing, monitoring and assessing the performance of the Company and Top Executives on an independent basis.

Information of the Board of Directors (As of January 1, 2024)

No.	Name-Surname	Position
1.	Air Chief Marshal Satitpong Sukvimol	Chairman, Member of the CSR Committee for Sustainable Development
2.	Mr. Chumpol NaLamlieng	Vice Chairman and Independent Director, Chairman of the Governance and Nomination Committee
3.	Mr. Kasem Watanachai	Director, Chairman of the CSR Committee for Sustainable Development
4.	Lieutenant Colonel Somchai Kanchanamanee	Director, Member of the CSR Committee for Sustainable Development
5.	Police Colonel Thumnithi Wanichthanom	Director, Member of the CSR Committee for Sustainable Development
6.	Mr. Prasarn Trairatvorakul	Independent Director, Chairman of the Remuneration Committee
7.	Mr. Pasu Decharin	Independent Director, Chairman of the Audit Committee, Member of the Governance and Nomination Committee
8.	Mrs. Parnsiree Amatayakul	Independent Director, Member of the Audit Committee, Member of the Remuneration Committee
9.	Mr. Cholanat Yanaranop	Independent Director, Member of the Remuneration Committee
10.	Mr. Thapana Sirivadhanabhakdi	Independent Director, Member of the Remuneration Committee
11.	Mr. Suphachai Chearavanont	Independent Director
12.	Mrs. Nuntawan Sakuntanaga	Independent Director, Member of the Audit Committee
13.	Ms. Jareeporn Jarukornsakul	Independent Director, Member of the Governance and Nomination Committee
14.	Mr. Roongrote Rangsiyopash	Director, Member of the Governance and Nomination Committee, Member of the CSR Committee for Sustainable Development
15.	Mr. Thammasak Sethaudom	President & CEO of SCG

Remark:

Directors No. 15 Mr. Thammasak Sethaudom was appointed as Director, effective March 29, 2023, replacing Mr. Kan Trakulhoon who retired by rotation at the 2023 Annual General Meeting of Shareholders. Moreover, as of January 1, 2024, Mr. Thammasak Sethaudom has assumed the position of President & CEO, succeeding Mr. Roongrote Rangsiyopash.

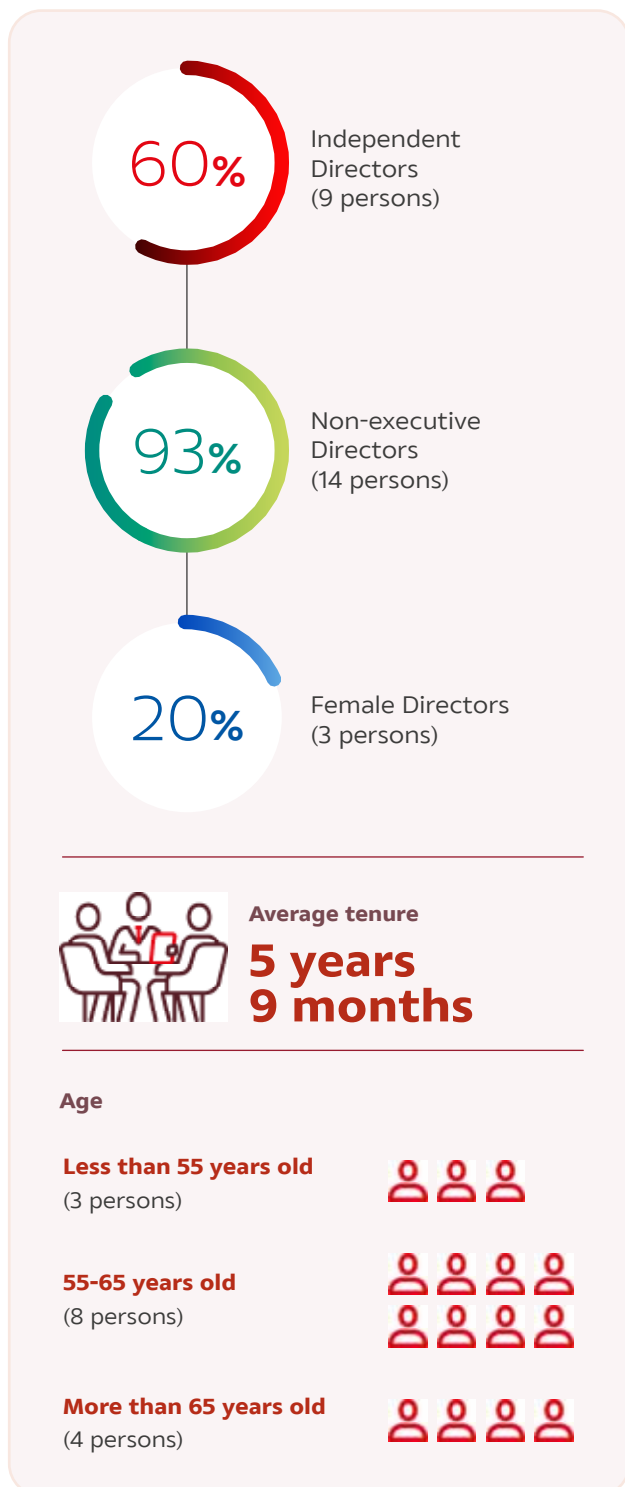


Further details can be found in "Attachment 1 Information of Directors, Executives, Chief Officers in Accounting and Finance and Company Secretary" from <https://scc.listedcompany.com/ar.html>

Authorized directors to bind the Company

The directors authorized to sign for and with binding effect on the Company are any 2 of the 6 directors, namely Mr. Kasem Watanachai or Mr. Chumpol NaLamlieng or Mr. Prasarn Trairatvorakul or Mr. Cholanat Yanaranop or Mr. Roongrote Rangsiyopash, or Mr. Thammasak Sethaodom jointly signing their names together.

Composition of the Board of Directors



Board skills matrix

The Board of Directors includes knowledgeable and experienced individuals in diverse areas, ensuring alignment with the Company’s objectives and strategies, as follows:

Skills, experience, knowledge, and expertise in specific areas that are beneficial to the Company	Total (Person)
SCG’s core businesses or core industries	7
International affairs	10
Crisis management	9
Law	1
Marketing	9
Accounting or financial literacy	9
Finance such as financial landscape/ payment system	9
Technology/information technology/ cyber security	7
Human capital management	13
Corporate governance	15
Environmental management	5
Social management	6

Roles and Responsibilities of the Board of Directors and Chairman

The Board of Directors of the Company has roles and responsibilities in formulating strategies and policies for the Company’s business operations. The Chairman of the Board and each director perform their duties with a sense of responsibility, vigilance, diligence, and integrity for the maximum benefit of the Company, based on social and environmental responsibility. They strive to act justly towards all stakeholders under the principles of good corporate governance, aligning with SCG ESG 4 Plus.



Further details of Roles and Responsibilities of the Board of Directors appears under Chapter 14 Corporate Governance Policy and Charter of the Board of Directors can be found on the website: <https://scc.listedcompany.com/cg.html>

Authority of the Board of Directors

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board Charter, and the Shareholders' Meeting resolutions. Such matters include defining delegation of authority, defining and reviewing corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, material connected transactions, merger and acquisition, corporate spin-off, and joint venture deals.

Separation of the Roles of the Board of Directors and the Executives

The Company has defined clear roles and responsibilities for the Board of Directors and the Executives in accordance with the Company's Delegation of Authority Manual. The Board shall be responsible for establishing the policies and overseeing the Management's implementation of those policies. The Executives, on the other hand, shall be responsible for implementing the policies formulated by the Board, and ensuring that these are carried out as planned. Therefore, the Chairman and the President & CEO of the Company shall be different person, and each must be nominated and elected by the Board in order to ensure their appropriateness. Furthermore, the Board is responsible for establishing a succession plan covering the Top Executives, which is subject to annual review. For this agenda, the Board meeting shall be arranged without the presence of the Executive Director.

The Chairman shall not be a member of the Executives and shall not participate in the Management of SCG's business; nor shall the Chairman be authorized to sign binding agreements on behalf of the Company. This is to clearly define separate roles between governance of the Company's overall policy, and business management. The Executives is authorized to manage the Company's operations in accordance with the policies set by the Board; take responsibility for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan; manage human resources in line with the prescribed policy; resolve problems or conflicts that affect the Company; and maintain effective communication with the stakeholders.

Directors' Term of Office

Term duration

The Company's Articles of Association stipulates the director's term of office in accordance with the Public Limited Companies Act B.E. 2535 that at the Annual General Meeting of Shareholders each year, one-third of the total directors shall retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third shall retire from the office. In choosing those directors who retire, the length of service on the board shall be considered, so that those who have served longest are most eligible to retire. The number of years in office shall be in compliance with laws on retirement by rotation. As the current Board comprises 15 members, 5 directors are due to retire by rotation each year. However, once retired, they are eligible for re-election as directors.

Consecutive terms of an independent director

An independent director shall be in the office at the maximum of three consecutive terms, starting from the first day of qualified independence and each term shall be due on the date of Annual General Meeting of Shareholders. The Board of Directors may nominate the retiring director for re-election if his/her independence is deemed appropriate subsequent to consideration of the Board.

Policy on Directors' and Top Executives' Directorship in Organizations outside SCG

Limitation of the number of listed companies in which a director may hold directorship

This policy aims to protect the Company's best interests as it helps ensure that directors have time sufficient to fulfill their duties. The Board of Directors has agreed to prescribe that each director should hold directorship in a maximum of four other listed companies apart from SCG on The Stock Exchange of Thailand. The Board of Directors has followed this policy strictly. In addition, SCG has a guideline in case the President & CEO is appointed as the director of another company. The matter must be proposed to the Board of Directors for approval.

Policy and guidelines on SCG top executives' directorship in organizations outside SCG

The Board of Directors has established a policy allowing the President & CEO and the Company's management to hold a directorship in companies that are not SCG subsidiaries and associates or spend the Company work hours carrying out directorships for the following three external organizations:

- 1) Governmental organizations that are not established for the benefit of a political party, in which their service represents their cooperation with the authorities and contribution to the general public.

- 2) Private organizations that are established for the benefit of the general public such as the Federation of Thai Industries, the Thai Chamber of Commerce, the Thailand Management Association, etc.
- 3) Private organizations that are established for trading purpose but present no conflicts of interest with SCG and do not consume time to the extent that it is disadvantageous to the Company.

As for management employees, the proposal must be submitted for approval in accordance with the Company Delegation of Authority, in which case the proposal will be reviewed with consideration to the Company's intent to ensure that its employees demonstrate determination and effort, and dedicate their working hours to their duties at the Company to the best of their ability, as well as adhere to the Code of Conduct regarding conflicts of interest, whereby employees do not engage in a conduct that constitutes a competition with the Company's business. The approval of directorships or the use of the Company's working hours on duties in external organizations/ companies depends on the Company's judgment and is reviewed on a case-by-case basis. In this regard, the Company has informed relevant management employees of the aforementioned policy and process.

Sub-committees

The Board of Directors has established several Sub-committees, namely the Audit Committee, the Governance and Nomination Committee, the Remuneration Committee, and the CSR Committee for Sustainable Development. Each of these committees is responsible for specific areas and reports directly to the Board for consideration or acknowledgment. To formalize these roles and responsibilities, the Company has implemented the Charter of the Board of Directors and Charters for each sub-committee, outlining their duties, responsibilities, and terms of office. Furthermore, the Board of Directors retains the authority to form additional sub-committees to address specific situations as deemed appropriate.

Scope of Duties

Sub-committees	Scope of duties
The Audit Committee	The Committee is responsible for reviewing financial reports, internal control, internal audit, as well as ensuring compliance with operational standards according to policies, regulations, laws, practices, and requirements of regulatory bodies. Promoting the development of financial reporting and accounting systems to international standards and maintaining a modern and efficient risk management system.
The Governance and Nomination Committee	The Committee is responsible for proposing, revising, and overseeing the Company's corporate governance matters. Additionally, it is tasked with nominating qualified individuals for directorship to replace those retiring by rotation, as appropriate. Furthermore, the Committee evaluates the performance system of the Board of Directors and monitors and studies changes and trends in the remuneration of the Board of Directors.
The Remuneration Committee	The Committee is responsible for reviewing the succession plan for the Company's President & CEO and the Top Executives, monitoring and studying changes and trends in the remuneration of SCG Top Executives to suggest remuneration policies that can motivate these executives to lead the Company toward success as well as to retain competent and ethical employees.
The CSR Committee for Sustainable Development	The Committee is responsible for establishing policies and guidelines on CSR activities for sustainable development.



Details of Charters for each sub-committee can be found on the website: <https://scc.listedcompany.com/cg.html>

The Audit Committee

The Audit Committee comprises three independent directors with widely recognized expertise and experience in accounting or finance. They possess sufficient knowledge and experience to review the reliability of financial statements. The Audit Committee acts independently and expresses opinions accordingly.

Name-Surname	Position in the committee	Number of meetings (Time)
1. Mr. Pasu Decharin	Chairman	8/8
2. Mrs. Parnsiree Amatayakul	Member	8/8
3. Mrs. Nuntawan Sakuntanaga	Member	8/8

The Internal Audit Office Director serves as secretary.

The Governance and Nomination Committee

The Governance and Nomination Committee comprises four directors, including three independent directors. The chairman of the committee is also an independent director.

Name-Surname	Position in the committee	Number of meetings (Time)
1. Mr. Chumpol NaLamlieng	Chairman	6/6
2. Mr. Pasu Decharin	Member	6/6
3. Ms. Jareeporn Jarukornsakul	Member	6/6
4. Mr. Roongrote Rangsiyopash	Member	1/1

The Company Secretary serves as secretary.

Remark:

Mr. Roongrote Rangsiyopash was appointed as member of the Governance and Nomination Committee on August 16, 2023.

The Remuneration Committee

The Remuneration Committee comprises four directors, including three independent directors. The chairman of the committee is also an independent director.

Name-Surname	Position in the committee	Number of meetings (Time)
1. Mr. Prasarn Trairatvorakul	Chairman	6/6
2. Mrs. Parnsiree Amatayakul	Member	6/6
3. Mr. Cholanat Yanaranop	Member	6/6
4. Mr. Thapana Sirivadhanabhakdi	Member	6/6

Vice President-Corporate Administration serves as secretary.

The CSR Committee for Sustainable Development

The CSR Committee for Sustainable Development comprises 8 members, 5 of whom are the Company's directors and 3 of whom are members of the Management.

Name-Surname	Position in the committee	Number of meetings (Time)
1. Mr. Kasem Watanachai	Chairman	4/4
2. ACM. Satitpong Sukvimol	Member	4/4
3. Lt. Col. Somchai Kanchanamanee	Member	3/4
4. Pol. Col. Thumnithi Wanichthanom	Member	4/4
5. Mr. Roongrote Rangsiyopash	Member	2/4
6. Mr. Chana Poomee	Member	3/3
7. Mr. Chaovalit Ekabut	Member	2/4
8. Mr. Yuttana Jiamtragan	Member	3/4

The Enterprise Brand Management Office Director serves as secretary.

Remark:

Mr. Thammasak Sethaudom and Mr. Paramate Nisagornsen were appointed as members of the CSR Committee for Sustainable Development on January 25, 2024.



Details of sub-committees' performances in 2023 can be found in "Attachment 6 Report of the Audit Committee and Reports of the Other Sub-committees" from <https://scc.listedcompany.com/ar.html>

Name-Surname	The Siam Cement PLC						Affiliated Companies					
	Ordinary share (Shares)			Debentures (Units)			Ordinary share (Shares)			Debentures (Units)		
	As of January 1, 2023	As of December 31, 2023	Increase/ (Decrease) during fiscal year	As of January 1, 2023	As of December 31, 2023	Increase/ (Decrease) during fiscal year	As of January 1, 2023	As of December 31, 2023	Increase/ (Decrease) during fiscal year	As of January 1, 2023	As of December 31, 2023	Increase/ (Decrease) during fiscal year
12. Mrs. Nuntawan Sakuntanag Related person(s)	-	-	-	-	-	-	-	-	-	-	-	-
13. Ms. Jareeporn Jarukomsakul Related person(s)	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Roongrote Rangsiyopash Related person(s)	30,000	30,000	-	113,000	121,000	8,000	-	30,000*****	30,000*****	7,000**	7,000**	-
15. Mr. Thammasak Sethaudom Related person(s)	-	-	-	-	-	-	-	-	-	15,000*****	15,000*****	-

Remarks:

- The Siam Cement Public Company Limited has a registered capital of 1,600,000,000 baht and paid-up capital of 1,200,000,000 baht. (1,200,000,000 shares).
 - According to the Public Limited Companies Act, an “affiliated company” means a public limited company with a relationship to a private company, a public limited company, or companies in the following manners:
 - Any company that has the authority to control the appointment and removal of directors with full management authority or that has majority management authority.
 - Holds more than 50% of issued shares.
- * Ordinary Share of SCG Packaging Public Company Limited ** Debenture of SCG Packaging Public Company Limited
*** Ordinary Share of SCG Chemicals Public Company Limited **** Debenture of SCG Chemicals Public Company Limited
***** Ordinary Share of SCG Decor Public Company Limited
- Related person(s) are as defined by SEC’s regulation. Ordinary shares of a company held by the directors include those held by spouses, de facto partners, and minors.
 - The Public Limited Companies Act requires divulging the ordinary shares and debentures in the Company and in affiliated companies held solely by a Board member as an individual.
 - In compliance with SCG’s Insider Trading Policy, dated July 26, 2023.
 - The Siam Cement Public Company Limited debentures and SCG Packaging Public Company Limited debentures are 1,000 baht per unit.
 - The number of SCG’s debentures at the book closing date of December 18, 2023.
 - Affiliated companies are (1) SCG Packaging Public Company Limited, as of the book closing date of December 19, 2023 (2) SCG Chemicals Public Company Limited, as of the book closing date of December 18, 2023 and (3) SCG Decor Public Company Limited, as of the book closing date of December 18, 2023.

SCG Top Executives

(As of January 1, 2024)



Mr. Thammasak Sethaudom
President & CEO and President,
Cemethai Holding Company Limited



Mr. Paramate Nisagornsen
Vice President-Corporate
Administration



Mrs. Chantanida Sarigaphuti
Vice President-Finance and
Investment & CFO



Mr. Chana Poomee
Chief Sustainability Officer



Mr. Wiroat Rattanachaisit
President, SCG Smart Living Business
President, SCG Distribution and
Retail Business



Mr. Surachai Nimlaor
President, SCG Cement and
Green Solution Business



Mr. Tanawong Areeeratchakul
Chief Executive Officer & President,
Chemicals Business



Mr. Sakchai Patiparnpreechavud
Chief Commercial Officer,
Executive Vice President-Vinyl Chain,
Chemicals Business
Country Director-Vietnam, SCG



Mr. Mongkol Hengrojanasophon
Chief Operations Officer, Executive
Vice President-Olefins Chain (Thailand),
Chemicals Business



Mr. Suracha Udomsak
Chief Innovation Officer, Executive
Vice President-New Business,
Chemicals Business



Mr. Kulachet Dharachandra
Executive Vice President-Olefins Chain
(Vietnam), Chemicals Business



Mr. Chatri Eamsobhana
Chief Financial Officer,
Chemicals Business



Further details can be found in "Attachment 1 Information of Directors, Executives, Chief Officers in Accounting and Finance and Company Secretary" from <https://scg.listedcompany.com/ar.html>

The Company's Chief Officers in Accounting and Finance

Corporate accounting director

Mr. Pichit Leelaphantmetha, Corporate Accounting Director, has been assigned to oversee SCG's accounting policies, control accounting and the preparation of financial statements, and ensure that SCG's accounting transactions are executed efficiently in relevant regulations, requirements, and criteria.

Corporate Finance Excellence Director

Ms. Rawiporn Wongbuddhapitak, Corporate Finance Excellence Director, has been assigned to ensure that the financial management of SCG and its subsidiaries is in compliance with SCG's financial policies.



Further details can be found in "Attachment 1 Information of Directors, Executives, Chief Officers in Accounting and Finance and Company Secretary" from <https://scg.listedcompany.com/ar.html>

Report of Changes in Securities Holdings of Executives, Spouses or De Facto Partners and Minors under SEC's Definitions

Name-Surname	Ordinary shares of the Siam Cement Public Company Limited (Shares)					
	As of January 1, 2023		As of December 31, 2023		Increase/ (Decrease) during fiscal year	
	Executive	Related person(s)*	Executive	Related person(s)*	Executive	Related person(s)*
1. Mr. Thammasak Sethaudom	-	-	-	-	-	-
2. Mr. Paramate Nisagornsen	-	-	-	-	-	-
3. Mrs. Chantanida Sarigaphuti	-	-	-	-	-	-
4. Mr. Chana Poomee	5,800	500	5,800	500	-	-
5. Mr. Wiroat Rattanachaisit	-	-	-	-	-	-
6. Mr. Surachai Nimlaor	300	-	300	-	-	-
7. Mr. Tanawong Areeratchakul	-	-	-	-	-	-
8. Mr. Sakchai Patiparnpreechavud	-	-	-	-	-	-
9. Mr. Mongkol Hengrojanasophon	2,000	-	2,000	-	-	-
10. Mr. Suracha Udomsak	-	-	-	-	-	-
11. Mr. Kulachet Dharachandra	-	-	-	-	-	-
12. Mr. Chatri Eamsobhana	-	10,000	-	10,000	-	-
13. Mr. Pichit Leelaphantmetha	-	-	-	-	-	-
14. Ms. Rawiporn Wongbuddhapitak	-	-	-	-	-	-

Remarks:

- The Siam Cement Public Company Limited has a registered capital of 1,600,000,000 baht and paid-up capital of 1,200,000,000 baht. (1,200,000,000 shares).
- In reference to the Notification of Capital Market Supervisory Board No. Tor Chor 72/2564, "Executives" shall mean the manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.
- SCG executives according to the Notification of Capital Market Supervisory Board comprise the above-mentioned 14 members.
- Related person: According to relevant laws and criteria, ordinary shares of a company held by the directors and executives include those held by spouses, de facto partners, and minors.
- No. 13 and No. 14 are the Company's chief officers in accounting and finance.

Remunerations for the Directors and the Top Executives

The Governance and Nomination Committee is assigned by the Board of Directors to consider proposing the remuneration methods and processes for members of the Board, the Sub-committees as well as continually keep up with the changes and possibilities in regard to the remuneration for the Board and the Top Executives to propose for the Board's consideration.

Remunerations of the Directors

Policy on the Remuneration for the Board and its Sub-committees

The appropriate remuneration for members of the Board and Sub-committees is set at rates comparable to those of leading companies listed in the SET, and other top companies in the same industries. Remuneration for the Board is also considered based on SCG's operating results, before being proposed for approval in the Shareholders' Meeting in accordance with the Articles of Association of the Company.

In the 11th Annual General Meeting of Shareholders held on Wednesday, March 24, 2004, a resolution was passed concerning the remuneration and bonuses of directors. Monthly remuneration for all directors was set at 1,800,000 baht, to be distributed among the directors in such manner that they themselves may consider appropriate. Regarding bonuses, permission was granted for the Board itself to determine the appropriate amount, but the amount cannot exceed 0.5% of total dividends paid to shareholders, and should be apportioned among the directors in such manner they themselves may consider appropriate. This took effect

Remuneration for the Sub-committees

The Board of Directors passed a resolution to remunerate members of the Sub-committees on the basis of a fixed fee and attendance fee, as follows:

Unit: baht/ person

Sub-committee	Position	Annual fixed fee	Meeting allowance
The Audit Committee	Chairman	180,000	45,000
	Member	120,000	30,000
The Governance and Nomination Committee/ The Remuneration Committee	Chairman	150,000	37,500
	Member	100,000	25,000

Remark:

The CSR Committee for Sustainable Development is not entitled to remuneration.

from the day the resolution was passed by a vote of the shareholders and remained in effect until the Shareholders' Meeting determined otherwise. The bonus for directors will be considered based on the growth of profits of the Company. In addition to monetary remuneration, the Company does not grant other privileges to the directors.

As for remuneration for the Sub-committees, the Board of Directors is entitled to set the remuneration for each Sub-committee according to Clause 40 of the Company's Articles of Association. However, to ensure transparency in tune with good corporate governance, the Board of Directors resolved that all forms of remuneration for the Directors shall be disclosed at the Annual General Meeting of Shareholders and added to the regular agenda for approval. The 2023 Annual General Meeting of Shareholders (the 30th Meeting) held on March 29, 2023, resolved to approve the retention of the remuneration of Directors and Sub-committee members.

Apportionment of Board Remuneration and bonuses

Monthly remuneration

The Board of Directors passed a resolution to pay the chairman a 1.5 portion, or 174,194 baht per month, and the other 14 board members one portion, or 116,129 baht per month.

Directors' bonuses

The Board of Directors passed a resolution to grant the chairman a bonus of 1.5 portions, and each of the other board members will receive bonuses of one portion each, as approved in the Shareholders' Meeting.

Board of Directors Remuneration for 2023 (January 1-December 31, 2023)

Unit: baht

Name-Surname	The Board of Directors	The Audit Committee	The Governance and Nomination Committee	The Remuneration Committee	Directors' bonuses**	Total
1. ACM. Satitpong Sukvimol	2,090,328.00	-	-	-	4,064,512.90	6,154,840.90
2. Mr. Chumpol NaLamlieng*	1,393,548.00	-	375,000.00	-	2,709,641.94	4,478,189.94
3. Mr. Kasem Watanachai	1,393,548.00	-	-	-	2,709,641.94	4,103,189.94
4. Lt. Col. Somchai Kanchananamee	1,393,548.00	-	-	-	2,709,641.94	4,103,189.94
5. Pol. Col. Thumnithi Wanichthanom	1,393,548.00	-	-	-	2,709,641.94	4,103,189.94
6. Mr. Prasarn Trairatvorakul*	1,393,548.00	-	-	375,000.00	2,709,641.94	4,478,189.94
7. Mr. Pasu Decharin*	1,393,548.00	540,000.00	250,000.00	-	2,709,641.94	4,893,189.94
8. Mrs. Parnsiree Amatayakul*	1,393,548.00	360,000.00	-	250,000.00	2,709,641.94	4,713,189.94
9. Mr. Cholanat Yanaranop*	1,393,548.00	-	-	250,000.00	2,709,641.94	4,353,189.94
10. Mr. Thapana Sirivadhanabhadi*	1,393,548.00	-	-	250,000.00	2,709,641.94	4,353,189.94
11. Mr. Suphachai Chearavanont*	1,393,548.00	-	87,771.74	-	2,709,641.94	4,190,961.68
12. Mrs. Nuntawan Sakuntanaga*	1,393,548.00	360,000.00	-	-	2,709,641.94	4,463,189.94
13. Ms. Jareeporn Jarukornsakul*	1,393,548.00	-	250,000.00	-	2,709,641.94	4,353,189.94
14. Mr. Roongrote Rangsiyopash	1,393,548.00	-	59,510.87	-	2,709,641.94	4,162,700.81
15. Mr. Thammasak Sethaudom	1,052,653.19	-	-	-	497,237.57	1,549,890.76
Director who retired by rotation at the 2023 Annual General Meeting of Shareholders						
Mr. Kan Trakulhoon	340,894.81	-	-	-	2,212,404.37	2,553,299.18
Total	21,600,000.00	1,260,000.00	1,022,282.61	1,125,000.00	41,999,500.06	67,006,782.67

Remarks:

* Independent Director.

** The directors' bonuses paid in 2023 consisted of the bonus payment based on the final dividend of the year 2022 paid to shareholders on April 25, 2023, and the interim dividend of the year 2023 paid on August 25, 2023.

- Director No. 1 is the Chairman of the Board and serves as a director in the Company's subsidiary that is its core business, namely SCG Chemicals Public Company Limited, for which the remuneration is disclosed under "Remuneration for the Directors of SCGC".
- Director No. 2 is the Chairman of the Governance and Nomination Committee and serves as the Chairman of the Board and an independent director in the Company's subsidiary that is its core business, namely SCG Chemicals Public Company Limited, for which the remuneration is disclosed under "Remuneration for the Directors of SCGC".
- Director No. 5 is a director in the Company's subsidiary that is its core business, namely SCG Packaging Public Company Limited, for which the remuneration is disclosed under "Remuneration for the Directors of SCGP".
- Director No. 6 is the Chairman of the Remuneration Committee and serves as the Chairman of the Board and an independent director in the Company's subsidiary that is its core business, SCG Packaging Public Company Limited, for which the remuneration is disclosed under "Remuneration for the Directors of SCGP".
- Director No. 7 is the Chairman of the Audit Committee.

- Directors No. 9-11 serve as directors in the Company’s subsidiary that is its core business, namely SCG Chemicals Public Company Limited, for which the remuneration is disclosed under “Remuneration for the Directors of SCGC”.
- Director No. 14 was appointed as member of the Governance and Nomination Committee on August 16, 2023, replacing Director No. 11. and serves as the director in the Company’s subsidiary that is its core business, namely SCG Chemicals Public Company Limited, for which the remuneration is disclosed under “Remuneration for the Directors of SCGC”.
- Director No. 15 is a Director, effective March 29, 2023, and serves as the director in the Company’s subsidiary that is its core business, namely SCG Packaging Company Limited, for which the remuneration is disclosed under “Remuneration for the Directors of SCGP”.

Remuneration of President & CEO, and the Top Executives

Policy on Top Executive Remuneration

The Board and the Remuneration Committee assess the performance of the President & CEO based on the Company’s operating results, the implementation of the Board’s policies, and the overall socio-economic circumstances. Subsequently, the Remuneration Committee considers the appropriate remuneration for the President & CEO and Top Executives of SCG and proposes such amounts to the Board for approval, taking into account information regarding the current and previous years:

1. The business unit’s operating results based on percentage of EBITDA on operating assets. The target EBITDA percentage for each business unit of SCG shall be set forth each year for assessment and comparison purposes.
2. The operating results of the business unit compared to those of other companies in the same industry, both locally and internationally.
3. The executive’s capability to develop the business units and improve operational efficiency for each business unit each year and to lead the Company in meeting the ESG performance and sustainability goals which are set both in the short and long term, both with respect to the environment, such as greenhouse gas emission reduction, energy and resource consumption reduction, water withdrawal reduction, zero waste to landfill, revenue from sales of eco value products and services, and with respect to society, such as health and safety goals.

In addition, the results of an opinion survey of management-level employees towards the President & CEO and Top Executives were also used in the consideration of the Remuneration Committee.

Remuneration of the Top Executives in 2023

The total remuneration for 12 executives, including the President & CEO, whose office was held during 2023, in the form of salaries, bonuses, variable pay, and others amounted to 168,628,346 baht. For 2023, the Company made contributions of 15,803,320 baht to the provident fund for the executives as the employees of the Company.

The Company’s claw back provision is following the Securities and Exchange Act B.E 2535. Under section 89/7, it is stated that the board of directors, executives, and associates under SEC’s Definitions should perform their duties with full responsibilities as well as cautiousness and integrity, and comply according to the law, the Company’s objectives, the Company’s Articles of Association, and resolutions of the board of directors and shareholder’s meeting. In case that the Board of Directors, executives and associates under SEC’s Definitions have conducted any act against the section 89/7, the Company may reclaim the incentives back to the Company according to the section 89/18 and 89/19 (Claw Back Provision).

Information of Directors and Executives of Major Subsidiaries of the Core Businesses (As of December 31, 2023)

* Listed Company on the Stock Exchange of Thailand

◆ Executive Director ✓ Director ✕ Executive

Name-Surname	Subsidiaries					
	CPAC	SCG CBM	SCGD*	SCG Dist	SCGP*	SCGC
1. ACM. Marshal Satitpong Sukvimol						✓
2. Mr. Chumpol NaLamlieng						✓
3. Pol. Col. Thumnithi Wanichthanom					✓	
4. Mr. Prasarn Trairatvoraku					✓	
5. Mr. Cholanat Yanaranop						✓
6. Mr. Thapana Sirivadhanabhakdi						✓
7. Mr. Suphachai Chearavanont						✓
8. Mr. Roongrote Rangsiyopash	◆		✓			✓
9. Mr. Thammasak Sethaodom	◆	✓	✓	✓	✓	
10. Mr. Paramate Nisagornsen	◆	◆		◆		
11. Mrs. Chantanida Sarigaphuti	◆	✓		✓		
12. Mr. Chana Poomee		◆				
13. Mr. Wiroat Rattanachaisit	◆	◆	✓	✓		
14. Mr. Tanawong Areeratchakul						◆
15. Mr. Sakchai Patiparnpreechavud						✕
16. Mr. Mongkol Hengrojanasophon						✕
17. Mr. Suracha Udomsak						✕
18. Mr. Kulachet Dharachandra						✕
19. Mr. Chatri Eamsobhana						✕
20. Mr. Nithi Patarachoke	◆	◆	✓	✓		
21. Mr. Wichet Chuchaeu	◆					
22. Mr. Yuttana Jiamtragan		✓				
23. Mr. Chaovalit Ekabut			✓			
24. Mr. Lucksananoi Punkrasamee			✓			
25. Mr. Pakorn Matrakul			✓			
26. Mrs. Sirivipa Supantanet			✓			
27. Mr. Winid Silamongkol						✓
28. Mr. Rapee Sucharitakul						✓
29. Mr. Kitipong Urapeepatanapong					✓	✓
30. Mrs. Siriluck Rotchanakitumnuai						✓

Name-Surname	Subsidiaries					
	CPAC	SCG CBM	SCGD*	SCG Dist	SCGP*	SCGC
31. Mr. Tos Chirathivat						✓
32. Mrs. Kaisri Nuengsigkapan					✓	
33. Mr. Chalee Chantanayingyong					✓	
34. Mrs. Pongpen Ruengvirayudh					✓	
35. Mr. Vanus Taepaisitphongse					✓	
36. Mr. Vibul Tuangsitthisombat					✓	
37. Mrs. Suphajee Suthumpun					✓	
38. Mr. Thirapong Chansiri					✓	
39. Mr. Numpol Malichai			◆			
40. Mr. Kitipong Phocharanon			✘			
41. Mr. Jakkrit Suwansilp			✘			
42. Mr. Chaiyaporn Supanya			✘			
43. Mr. Smithi Kosicharoen			✘			
44. Mrs. Voranun Sodanin			✘			
45. Mr. Thirawat Poonkarnjanaroj				◆		
46. Mr. Joshua Wasawit Pas				✘		
47. Mr. Wichan Jitpukdee					◆	
48. Mr. Wichan Charoenkitsupat					✘	
49. Mr. Jakjit Klomsing					✘	
50. Mr. Karan Tejasen					✘	
51. Mr. Suchai Korprasertsri					✘	
52. Mr. Danaidej Ketsuwan					✘	
53. Mr. Sompob Witworrasakul					✘	
54. Mrs. Rungtip Trikomol					✘	
55. Mrs. Nattha Buranawit	✘	✘		✘		
56. Mrs. Wassana Torrungruang						✘



Further details can be found in “Attachment 2 Information of Directors of Major Subsidiaries of the Core Businesses” from <https://scc.listedcompany.com/ar.html>

Remunerations for the Directors of Major Subsidiaries of the Core Businesses

Remunerations for the Directors of CPAC, SCG CBM and SCG Dist

The Top Executives assigned to be directors of CPAC, SCG CBM and SCG Dist shall not subject to remuneration paid for being the directors as they have already served as the Top Executives of SCG.

Remunerations for the Directors of SCGD (January 1–December 31, 2023)

Unit: baht

Name-Surname	The Board of Directors	The Audit and Risk Management Committee	The Nomination, Remuneration and Corporate Governance Committee	Total
1. Mr. Roongrote Rangsiyopash	-	-	-	-
2. Mr. Nithi Patarachoke	-	-	-	-
3. Mr. Thammasak Sethaudom	-	-	-	-
4. Mr. Wiroat Rattanachaisit	-	-	-	-
5. Mr. Numpol Malichai	-	-	-	-
6. Mr. Chaovalit Ekabut	667,143.00	-	90,000.00	757,143.00
7. Mr. Lucksananoi Punkrasamee	747,143.00	484,445.00	-	1,231,588.00
8. Mrs. Sirivipa Supantanet	667,143.00	346,667.00	-	1,013,810.00
9. Mr. Pakorn Matrakul	667,143.00	346,667.00	90,000.00	1,103,810.00
Total	2,748,572.00	1,177,779.00	180,000.00	4,106,351.00

Remarks:

- Directors No. 1-5 serve as SCG executives or employees and do not receive remuneration in their capacity as directors of company or as members of sub-committees.
- Directors No. 5-9 have been appointed as directors of SCGD, effective on February 10, 2023.

Remuneration for the Directors of SCGP (January 1–December 31, 2023)

Unit: baht

Name-Surname	The Board of Directors	The Audit Committee	The Corporate Governance and Nomination Committee	The Remuneration Committee	Directors' Bonuses**	Total
1. Mr. Prasarn Trairatvorakul*	1,800,000.00	-	-	-	1,544,000.00	3,344,000.00
2. Mr. Thammasak Sethaudom	1,200,000.00	-	-	310,000.00	1,030,000.00	2,540,000.00
3. Pol. Col. Thumnithi Wanichthanom	1,200,000.00	-	-	-	1,030,000.00	2,230,000.00
4. Mrs. Kaisri Nuengsigkapien*	1,200,000.00	510,000.00	-	-	1,030,000.00	2,740,000.00
5. Mr. Chalee Chantanayingyong*	1,200,000.00	340,000.00	-	-	1,030,000.00	2,570,000.00
6. Mrs. Pongpen Ruengvirayudh*	1,200,000.00	340,000.00	-	-	1,030,000.00	2,570,000.00
7. Mr. Kitipong Urapeepatanapong*	1,200,000.00	-	300,000.00	-	1,030,000.00	2,530,000.00
8. Mr. Vanus Taepaisitphongse*	1,200,000.00	-	-	435,000.00	1,030,000.00	2,665,000.00
9. Mr. Vibul Tuangsitthisombat*	1,200,000.00	-	-	310,000.00	1,030,000.00	2,540,000.00
10. Mrs. Suphajee Suthumpun*	1,200,000.00	-	220,000.00	-	1,030,000.00	2,450,000.00
11. Mr. Thiraphong Chansiri	1,200,000.00	-	190,000.00	-	1,030,000.00	2,420,000.00
12. Mr. Wichan Jitpukdee	1,200,000.00	-	-	-	1,030,000.00	2,230,000.00
Total	15,000,000.00	1,190,000.00	710,000.00	1,055,000.00	12,874,000.00	30,829,000.00

Remarks:

* Independent Director.

** The directors' bonuses paid in 2023 consisted of the bonus payment based on the dividend of the year 2022 paid to shareholders on April 24, 2023 and the interim dividend of the year 2023 paid on August 22, 2023.

- Director No. 1 is the Chairman of the Board of Directors.
- Director No. 4 is the Chairman of the Audit Committee.
- Director No. 7 is the Chairman of the Corporate Governance and Nomination Committee.
- Director No. 8 is the Chairman of the Remuneration Committee.

Remuneration for the Directors of SCGC (January 1–December 31, 2023)

Unit: baht

Name-Surname	The Board of Directors	The Audit and Risk Management Committee	ESG Committee	The Remuneration Committee	Total
1. Mr. Chumpol NaLamlieng*	1,800,000.00	-	-	-	1,800,000.00
2. Mr. Roongroate Rangsiyopash	1,200,000.00	-	-	300,000.00	1,500,000.00
3. ACM. Satitpong Sukvimol	1,200,000.00	-	-	-	1,200,000.00
4. Mr. Winid Silamongkol*	1,200,000.00	450,000.00	-	-	1,650,000.00
5. Mr. Raphee Soojaritkoon*	1,200,000.00	300,000.00	-	-	1,500,000.00
6. Mrs. Siriluk Rotchanakitumnuai*	1,200,000.00	300,000.00	-	-	1,500,000.00
7. Mr. Cholanat Yanaranop*	1,200,000.00	-	345,000.00	-	1,545,000.00
8. Mr. Kitipong Urapeepatanapong*	1,200,000.00	-	250,000.00	-	1,450,000.00
9. Mr. Tos Chirathivat*	1,200,000.00	-	-	220,000.00	1,420,000.00
10. Mr. Suphachai Chearavanont*	1,200,000.00	-	-	190,000.00	1,390,000.00
11. Mr. Thapana Sirivadhanabhakdi*	1,200,000.00	-	220,000.00	-	1,420,000.00
12. Mr. Tanawong Areeratchakul	1,200,000.00	-	-	-	1,200,000.00
Total	15,000,000.00	1,050,000.00	815,000.00	710,000.00	16,375,000.00

Remarks:

- * Independent Director.
- Director No. 1 is the Chairman of the Board of Directors.
- Director No. 2 is the Chairman of the Remuneration Committee.
- Director No. 4 is the Chairman of the Audit and Risk Management Committee.
- Director No. 7 is the Chairman of the ESG Committee.

Remuneration for the Executives of Major Subsidiaries of the Core Businesses

1. Monetary remuneration, such as monthly salary, bonus, and variable pay.
2. Benefit-in-kind, such as provident fund contributions.

Details of the remuneration for the executives of major subsidiaries of the core businesses are as follows:

Unit: baht

Subsidiaries	Total monetary remuneration	Benefit-in-kind
CPAC	140,839,300	12,996,360
SCG CBM	60,309,418	5,788,640
SCG Dist	23,968,437	2,436,330
SCGD	35,660,000	3,470,000
SCGP	82,409,000	7,204,170
SCGC	94,157,950	8,866,689

Remark:

The above-mentioned the remunerations included those of the presidents and vice presidents of major subsidiaries of the core businesses, which are the same information of Remuneration of the Top Executives.

Human resources

In 2023, The Siam Cement PLC operates three core businesses, namely Cement-Building Materials, Packaging, and Chemicals. 43% of the employees are affiliated with the Cement-Building Materials Business, aligning with the number of its operational facilities and the industry nature, which requires greater workforce than the other businesses, followed by 39% for the Packaging Business and 14% for the Chemicals Business. SCG analyzes and formulates its manpower plans by taking into consideration

its short-term and long-term business directions. Given its strategy of overseas expansion, SCG's policy is to employ local people in the countries where it makes investments and promote their career advancement. As a result, SCG is seeing an increasing proportion of international employees alongside investment expansion.

At the end of 2023, The Siam Cement PLC and companies under Corporate Administration (CA) and Finance & Investment (FI) had 2,551 employees, while the total number of SCG employees was 55,578.

Unit: person

Business units	Thai	Overseas	Total
The Siam Cement PLC and companies under Corporate Administration (CA) and Finance & Investment (FI)	2,469	82	2,551
Cement-Building Materials Business	14,532	9,246	23,778
Packaging Business	8,724	12,705	21,429
Chemicals Business	4,984	2,836	7,820
Total	30,709	24,869	55,578

Human rights respect and protection

SCG has always adhered to a code of business ethics, respected, and upheld human rights through corporate governance practices. It also strives to operate its businesses within an ethical framework that is consistently developed to ensure suitability and complies with the laws of every country where it operates as well as relevant international standards, such as the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In 2023, SCG's human rights practices continued to be recognized by both international and national assessors, such as DJSI, and won a Human Rights Award from the Ministry of Justice for a fourth consecutive year.

SCG has been operating within the framework of human rights, which includes its Business Value Chain, and Joint Venture, as follows:

- Revising the Human Rights Policy and the Diversity and Inclusion Policy to ensure currency and alignment with current social issues and context.
- Organizing Human Rights Due Diligence Process to indicate and assess risk, set up protective and relief measures, follow up results, and communicate risk management results.
- Monitoring and assessing the Human Rights operations by establishing objectives and indicators with consistent evaluation.
- Providing Complaint System to manage and respond to complaints, as well as Relief Procedures to properly alleviate the situation.
- Communicating and providing Human Rights knowledge for SCG's employees and related stakeholders.

Employee care

Remuneration management

SCG places great emphasis on remuneration management in order to attract talents and high-potential recruits as well as boost the morale of the staff so as to retain capable employees and drive

them to successfully fulfill their duties, The Company has also put in place a job value assessment process for the jobs at different levels in the organization and established a suitable remuneration structure that is competitive with other companies in the same industry or located in the vicinity as well as a performance assessment system that is guided by fairness and equitability within the organization and takes into account communication between employees, their superiors, and the Company of relevant expectations, action plans, and the organization's shared goals. Remuneration is offered in the following forms: salaries, position-dependent work-related allowances, bonuses, variable pays, and other benefits.

SCG's remuneration management takes into consideration not only its annual performance, such as sales generation, net profit, and EBITDA, but also its long-term performance, such as business expansion plans, profit growth rates, market shares, and performance in operational efficiency improvement and sustainable development, in order to ensure the Company's sustainable growth.

Employee benefits management

SCG has prescribed a benefit management policy and relevant guidelines in its human resources management regulations, protocols, and guidelines to provide support and assistance related to healthcare and wellbeing for employees, facilitate their performance of duties, and elevate their quality of life as appropriate for employees at each level. The policy and guidelines are regularly reviewed to ensure compatibility with changes.

In 2023, SCG prioritized the cultivation of Employee Experience and Well-being over the span of working life, with important principles as follows:

- Implementing Hybrid Work Policy, both at regular offices and at other places, for full-time and specifically designated work, to accommodate the new generations' lifestyle and diverse needs and balance the employees' work-life integration.
- Supporting employee well-being in every aspect from physical, mental, financial, to social, by

providing knowledge and advice in finance, physical and mental healthcare, discussions, and other social activities.

- Providing flexible benefits that allow employees to choose and determine their own welfare and benefits to meet their personal needs, such as medical benefits, health check-ups, exercise activities, and prescription glasses.

Long-term employee care

SCG puts a premium on career advancement management and keeping employees informed of their career path, which is a crucial factor in building their motivation and bond with the organization. Career advancement plans are regularly developed by employees and their supervisors. Long-term benefits for employees include provident funds, financial management courses, healthcare, retirement preparedness programs, and retired employee clubs, all of which ensure that employees have a good quality of work life and have retirement plans that guarantee their financial stability and health.

Employee development

Although the situation of the COVID-19 pandemic has improved, SCG's business operation and expansion both in Thailand and ASEAN countries have been directly affected by the worsening persistent environmental issues, which have been given priority by both government sectors and private sectors globally, as well as the continuous increase of fuel prices due to the ongoing Russian Invasion of Ukraine. Thus, SCG has enhanced its employee development strategies, which are the heart of organization driving, to escalate new body of knowledge and essential work skills that correlate to business strategies, and to modify learning formats to correspond with the current situation.

SCG has made adjustment to content and learning formats to meet with the current business situation, emphasizing more on the 70 which are on-the-job training, hand-on experience, and project assignment, such as ESG Leadership Program for future leaders of SCG, SCG Marketing Boot Camp for SCG's marketing

professional groups, Management Development Program (MDP), and Management Acceleration Program (MAP) for management level employees. Furthermore, upskilling and reskilling are encouraged among employees at all levels varied by their duties with primary focus on future skills and soft skills that will push forward the organization's strategies including data analytics for decision making, IoT, Chat GPT, advance digital marketing, generative AI, growth mindset for success, and critical thinking.

Moreover, SCG has designed and developed its own Learning Management System (LMS) to create a new channel for employees to learn from anywhere, at any time. In the system, internal and external digital contents are provided in various modules covering from soft side management, technical knowledge, to leadership, such as safety & environment, marketing & sale, engineering, supply chain, operation, and SCG people.

Besides, SCG's employees have consistently formulated Individual Development Plan on LMS to use as an annual guideline that corresponds with the business direction and action plan, with support from the Human Resources Committee and supervisors in finding learning solutions and development procedures through project assignment, digital learning, coaching, as well as classrooms and workshops organized by both internal and external experts.

In 2023, the average number of training days for each employee stood at 16 days. The expense for both internal and external employee learning and development amounted to 772 million baht.

Human resource management in other aspects

SCG has applied human resource management strategies that are appropriate to the current situation and correspond with its business strategies, by focusing on talent acquisition, workforce preparation and capacity building, developing performance management alignment, increasing efficiency of HR operation excellence, shared serviced expansion, and best practice sharing, as well as advancing several digital systems to provide a consistent support for human resource management.

Other Key Information

Secretary to the Board of Directors

The Board appointed Mr. Worapol Jennapar as the secretary to the Board of Directors responsible for providing advice to the Board regarding the performance of duties in compliance with the law, preparing the minutes of the Board's meetings, and attending every Board's meeting. He is deemed appropriate by the Board since he is highly knowledgeable and experienced, especially in legal matters, allowing him to provide appropriate advice to the Board regarding compliance with the laws, rules, regulations and the SCG Corporate Governance Policy.

Company Secretary

The Board appointed Mrs. Pattarawan Tunsakul as the Company Secretary and assistant secretary to the Board of Directors responsible for organizing the meetings of the Board, Sub-committees, and shareholders. The Company Secretary is also in charge of preparing the minutes of the Board's meetings, the minutes of the shareholders' meetings, and annual registration statements, as well as preparing and filing documents as stipulated by law and as assigned.

She is deemed appropriate by the Board since she is knowledgeable in managing corporate secretarial work, having served as the director of the corporate secretary office, which supports the corporate secretarial work involving compliance with laws, rules and regulations as well as overseeing and supervising works in regard to the SCG Corporate Governance Policy.

In addition, the Company consistently encourages the Company Secretary to undergo training and development in areas such as law, accounting, or corporate secretarial work. In 2023, the Company Secretary participated in the "Training on Techniques for the Preparation of Shareholders' Meeting Invitations in Compliance with Relevant Standards," organized by IOD. Additionally, she also served as a speaker to share knowledge and experience in corporate secretarial work with other listed companies. This includes participating in programs such as the Company Secretary Program and Company Reporting Program offered by IOD to promote corporate governance.



Further details can be found in "Attachment 1 Information of Directors, Executives, Chief Officers in Accounting and Finance and Company Secretary" from <https://scc.listedcompany.com/ar.html>

Head of Internal Audit

The Company has the Internal Audit Office which is directly to the Audit Committee. The Internal Audit Office has responsible for corporate governance, risk management, compliance and internal control, building trust and providing consulting independently, effectively and efficiently. The Audit Committee meeting no. 122th (5/2018) held on October 2, 2018, resolved to appoint Mr. Pitaya Chanboonmi as Internal Audit Director of Internal Audit Office effective from November 1, 2018

Head of compliance and legal

Mr. Kitti Tangjitrmaneesakda, Managing Director - SCG Legal Counsel Limited which is a subsidiary of the Company, is appointed as the Chairman of Compliance Management Committee, responsible for proposing policies, strategies and supervising the Company and its subsidiaries to comply with related rules and laws as well as creating knowledge, understanding, communication and raising awareness.



Further details can be found in "Attachment 3 Information of Head of Internal Audit and Head of Compliance and Legal" from <https://scc.listedcompany.com/ar.html>

Investor Relations

The Company's Investor Relations communicates with institutional investors, retail investors, shareholders, analysts and relevant government bodies on an equal and fair basis. In 2023, SCG organized various activities in order that the President & CEO, and Vice Presidents could meet investors, institutional investors, and analysts on a regular basis and present the operating results, financial statements and position, management discussion and analysis, and industry trends to them. The investor relations activities conducted are summarized below:

- Hosting 4 analyst conferences and press conferences quarterly in a Hybrid Meeting format. The main focus is on conducting meetings in a Physical Meeting format to enhance the efficiency of communication and interaction with investors.
- Domestic roadshows and virtual conferences for the Executives to meet with domestic institutional investors to offer relevant explanations, communicate with them, and create an accurate understanding regarding SCG's business approach and general information. A total of 22 such events, comprising 36 conferences, were held.
- Conducting 53 Non-deal roadshows and conferences, comprising 144 meetings, held both in person and virtually to engage with domestic and international investors.
- Participating in the Opportunity Day, hosted by the Stock Exchange of Thailand, every quarter, totaling 4 times. In addition, Investor Relations Department has organized Knowledge Sharing sessions to help investors better understand the company's business, strategies, and products, such as Green Polymer.
- Preparing SET Company Snapshot presenting business performances, strategies, and other business-related information every quarter, totaling 4 times.

The investor relations activities in 2023 emphasized the Physical Meeting format both in Thailand and abroad to enhance effective communication with investors and build confidence in both the short and long term. One-on-one meetings, group meetings, and conference calls were conducted, allowing investors to inquire about the company's business conduct and strategies. Investors' inquiries were also regularly addressed via email and telephone.

Should there be any need for additional information, shareholders can directly contact the Investor Relations Department via these channels:

Address: 1 Siam Cement Road, Bangsue, Bangkok, 10800
Tel.: 0-2586-4299 Email: invest@scg.com

Audit fees

The Audit Committee has considered and reviewed the process of selecting the Company's auditor and its subsidiaries based on various factors i.e. reputation, potential, working standards, experiences and expertise, efficiency procedures and digital tools, familiar with company businesses including their commitment before presenting to the Board of Directors for their consideration and propose to the Annual General Meeting of Shareholders for the appointment of the auditors and audit fees every year.

In 2022, the Audit Committee resolved to select KPMG Phoomchai Audit Ltd., (KPMG) to be the audit firm for the Company and its subsidiaries for the years 2023-2027 and fixed their audit fee for the next 5 years due to the readiness in both quality standards and the audit fee, along with an understanding of the company's business. KPMG is able to provide guidance and offer in-depth insights derived from audits to create value-added as well as continuously provide beneficial knowledge on various matters to the Company.

In this regard, KPMG in Thailand and KPMG member firms in overseas and its auditors do not have any relationships or interests involving the Company, management, or major shareholders, including their related persons.

For the fiscal year 2023, The Siam Cement Public Company Limited and its subsidiaries paid for audit fees amounting to 94.81 million baht to KPMG in Thailand and KPMG member firms in overseas, which the auditors worked for, and to persons or businesses related to the auditors and audit firm. This audit fee amount excluded the remuneration paid by associates.

Audit fees for the year 2023

1. Audit fees of the Company for the year 2023 totaling 2.78 million baht.

Audit fees

1. Annual audit fee for the Company's financial statements	282,000	Baht
2. Annual audit fee for consolidated financial statements, and quarterly review fee for the financial statements of the Company and consolidated financial statements	2.50	Million baht

Total audit fees of the Company 2.78 Million baht

2. Audit fees of the Company's subsidiaries have audited by KPMG in Thailand and KPMG member firms in overseas, the fees of which are borne by each subsidiary totaling 92.03 million baht as follows:

Audit fees of the subsidiaries

1. Audit fees of the Company's subsidiaries in Thailand		
- Number of subsidiaries	142	Companies
- Amount	34.32	Million baht
2. Audit fees of the Company's subsidiaries in overseas		
- Number of subsidiaries	109	Companies
- Amount	57.71	Million baht

Total audit fees of subsidiaries 92.03 Million baht

Non-audit fees

The subsidiaries paid for tax consulting, reviewing compliance with the conditions of Thai government's Board of Investment Promotion Certificate and other services amounted to 13.60 million baht, to the audit firm and persons or businesses related to the auditors and the audit firm.

REPORT OF KEY CORPORATE GOVERNANCE PERFORMANCE

Major Developments in Governance Policies and Guidelines in 2023

1. Reviewing the Charter of the Board of Directors and the Charters of the Sub-committees to improve the scope of duties in accordance with current regulatory, so that a director shall serve the same term of office in the sub-committee and in the Board of Directors.

2. Reviewing the Insider Trading Policy and setting the guideline that directors and executives must declare their intention to conduct a securities transaction at least one business day in advance to the Company Secretary, who was assigned by the Board of Directors to collect the information. Moreover, the Declaration of Intention to Purchase and Sell the Company's Securities Form shall be distributed to the directors and executives in advance.

3. Appointing the Company's representatives to be directors and executives of subsidiaries operating core business subject to shareholding proportion, in order to ensure that the subsidiaries adhere to the Company's policies, objectives, vision and strategies, and to effectively achieve the same goal.

4. Encouraging the organization of seminars for sub-committees and subsidiaries operating core business to support directors' work and ensure that subsidiaries understand the same goal.

5. Supporting the Ethics e-Testing and e-Policy e-Testing regarding morality, SCG values, ethics and the Company's anti-corruption policy, including communicating e-Policy to employees in Thailand and overseas.

6. Supporting the ESG Symposium 2023 in Thailand and ESG Symposium in Indonesia to create sustainable collaboration in regional level and accelerate the achievement of Net Zero and Reduce Inequality according to ESG 4 Plus.

Directors' nomination, development, and performance assessment

This appears under Chapter 14 Corporate Governance Policy "Principle 3 Strengthen Board Effectiveness".

Directors' meetings

It is the duty of each member of the Board to consistently attend the Board's meetings to stay informed of SCG's operations and make decisions. The Board holds at least 8 scheduled meetings per year, the schedules of which are arranged in advance every year and submitted to each director at the end of the preceding year so all the directors can arrange their schedule for the meetings. In addition, special meetings might be held to consider urgent matters.

At the meetings, the Chairman and the President & CEO of the Company jointly set agenda items and determine which agenda items are related to the meetings. Every individual member of the Board is entitled to propose agenda items.

To keep up with technological advances and ensure effective management, the Board of Directors reviewed the Board of Directors' Meeting Attendance Policy and e-Meeting Rules for the Board of Directors' meetings in accordance with relevant rules and disclosed in Form 56-1 One Report.

Prior to each meeting, all members received the agenda and supporting documents not less than 3 days prior to the date of the meeting which is considered in accordance with the law.

When considering matters presented to the Board, the Chairman of the Board, as the Chairman of the meetings, presides over and duly conducts the meetings. All members of the Board are allowed to express their opinions independently. Resolutions are passed with a majority vote, whereby one director is eligible for one vote. A director with a vested interest in the issue under consideration or a director ineligible to vote shall be excused and/or abstain from voting. In case of a tied vote, the chairman of the meeting will cast his vote to reach a resolution.

SCG Executives are allowed to attend the Board's meetings to provide useful information to the Board, and to learn directly about the Board's initiatives and policies for effective implementation. However, the executives are not allowed to attend the meeting for certain agenda items which are reserved only for the Board of Directors or for non-executive directors in order to ensure independence of consideration.

In addition, the Board attaches significance to the prudent, fair, and transparent management of conflicts of interest of the concerned parties and requires that all relevant information be fully disclosed. Any director who may be deemed to have a vested interest in the matter under consideration must not be involved in the decision process.

After the meeting, the Company secretary is responsible for preparing the minutes for all directors. The minutes must then be approved as the first agenda item of the following meeting of the Board, which is duly signed by the Chairman or the Chairman of the meeting. Directors may make comments, corrections, or additions to ensure maximum accuracy and completeness. After approval, minutes of the meeting are stored securely as confidential documents in the corporate secretary's office together with all the documents relating to the meeting agenda, which are backed up electronically to facilitate data searches.

For the months in which the Board of Directors meeting is not held, all directors are continuously informed of the operating results. The Company submits to the director relevant documents, together with information about any significant developments that occurred during the month, in order to keep them informed.

In addition, the Company holds a meeting between non-executive director, without the executives present both after the Company's annual medium-term business plan meeting and when necessity arises in order to discuss various significant issues and problems concerning management, such as the Board member selection and the succession plan for the executives, to allow non-executive directors to express their opinions independently. In 2023, a non-executive meeting was held on August 27, 2023.



Attendance of the Board of Directors meetings for 2023

Name-Surname	Meeting (Number of meetings attended/ number of meeting)					
	Board of Directors' meeting				Annual general meeting	
	January 1 - December 31, 2023				March 29, 2023	
	Number of meetings		Type of meeting		Total	
Meeting	%	In person	Via electronic media	Meeting	%	
1. ACM. Satitpong Sukvimol	9/9	100	9/9	-	1/1	100
2. Mr. Chumpol NaLamlieng	9/9	100	9/9	-	1/1	100
3. Mr. Kasem Watanachai	7/9	78	7/9	-	1/1	100
4. Lt. Col. Somchai Kanchanamane	9/9	100	8/9	1/9	1/1	100
5. Pol. Col. Thumnithi Wanichthanom	9/9	100	9/9	-	1/1	100
6. Mr. Prasarn Trairatvorakul	9/9	100	9/9	-	1/1	100
7. Mr. Pasu Decharin	9/9	100	9/9	-	1/1	100
8. Mrs. Parnsiree Amatayakul	9/9	100	9/9	-	1/1	100
9. Mr. Cholanat Yanaranop	9/9	100	9/9	-	1/1	100
10. Mr. Thapana Sirivadhanabhadi	9/9	100	5/9	4/9	1/1	100
11. Mr. Suphachai Chearavanont	6/9	67	4/9	2/9	0/1	0
12. Mrs. Nuntawan Sakuntanaga	9/9	100	8/9	1/9	1/1	100
13. Ms. Jareeporn Jarukornsakul	9/9	100	7/9	2/9	1/1	100
14. Mr. Roongrote Rangsiyopash	9/9	100	9/9	-	1/1	100
15. Mr. Thammasak Sethaudom	6/6	100	6/6	-	-	-
Director who retired by rotation at the 2023 Annual General Meeting of Shareholders						
Mr. Kan Trakulhoon	3/3	100	3/3	-	1/1	100
% Meeting Attendance	96				93	

Remark:

According to the Company's policy, at least 80% of the Board of Directors should attend the Board's meetings each year and each director should attend at least 75% of the meetings for the entire year (excluding directors appointed or retired during the year). Such meetings include those held via electronic means.

Directors' remuneration

This appears under Chapter 15 Corporate Governance Structure "Remunerations for Directors and Top Executives."

Oversight of the Company's subsidiaries and associates

In 2019, at the suggestion of the Governance and Nomination Committee, the Board of Directors

formulated the policy for the appointment of directors and executives to subsidiaries," based on CG Code issued by SEC. The appointment of directors and executives of a subsidiary to oversee and manage its operation is a key governance mechanism that ensures the subsidiary complies with SCG's policy, goals, vision, medium-term business plans, and strategic growth plans efficiently.

The policy for the appointment of directors and executives to subsidiaries

The appointment of directors and executives to a subsidiary should be carried out with due consideration to ensure that the appointed person is qualified and knowledgeable and possesses work ethics, a sense of responsibility, and leadership qualities, all of which will enable them to manage the subsidiary efficiently, create long-term returns and added value for shareholders, inspire confidence in all stakeholders, promote proper auditing and the system of checks and balances in the subsidiary, as well as support the sustainable implementation of the company's policies.

The authority to appoint directors and executives to subsidiaries

The Board of Directors has assigned the President & CEO of SCG and/or the President & CEO of each of SCG's core businesses to appoint and transfer the Company's representative to the Board or an executive position in a subsidiary as deemed appropriate. Such an appointment or transfer shall be in compliance with relevant conceptual frameworks and the aforementioned policy and shall be reported to the Board of Directors as stipulated in the authority manual.

The roles and responsibilities of the persons appointed as directors or executives in subsidiaries

- 1) Ensuring that the subsidiary complies with relevant laws, regulations, and Articles of Association; has a good management system; and adheres to SCG's corporate governance principle, code of conduct, anti-corruption policy, as well as other policies of the Company and those that are in alignment with the policies of the Company.
- 2) Providing guidance to ensure that the direction of the subsidiary's strategies, policies, and business plans is consistent with that of the Company and promoting the adoption of innovation and technology to enhance the competitiveness of the subsidiary.

- 3) Reporting the operating results and performance of the subsidiary to the Company with accuracy, completeness, and timeliness, especially material items that may affect the financial status and the operating results of the subsidiaries as well as any transactions other than those arising in the ordinary course of business that may significantly affect the subsidiary.
- 4) Overseeing the business operation of the subsidiary to ensure efficiency and manage returns on investment in the subsidiary appropriately.

The Company oversees the disclosure of financial information and operating results; connected transactions between subsidiaries and/or associates and related parties; disposal or acquisition of assets; or complete and accurate material transactions are in compliance with the rules and procedures stipulated by the announcement of the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

In addition to the authority manual, the Audit Committee, in fulfilling the role of a supervisor, is responsible for assessing the effectiveness of the oversight, risk management, and the internal control systems of the subsidiaries and associates with SCG's representatives in the management. The auditing is planned based on the risk of each company and includes the auditing and assessment of the Company's internal control systems, efficiency, and effectiveness of operations, and financial statements.

Furthermore, the Audit Committee has resolved for the subsidiaries and associates to implement as a preventative measure against errors a business self-audit system, which can be adjusted to suit the environment of each company, with emphasis on a holistic assessment, in order to create added values to the organizations. To this effect, the companies and the Audit Office jointly perform risk assessment, formulate the internal control system and risk warning signals, and produce risk-monitoring reports. In the presence of risk shifting, the internal control system must be modified to

accommodate such a change. In addition, as suggested by SCG Risk Management Committee, the Audit Committee has set forth compliance measures for innovation-related businesses to be applied to projects that require indicators, such as OKR imposed on businesses under regular circumstances prior to a review on relevant matters.

The key to effective and efficient operational management between the Company and other business partners is the agreement on mutual understanding concerning issues, such as separation of duty in management, the scope of authority, fair division of profit for all concerned parties. To that effect, SCG generated a Shareholders' Agreement which stipulates the Company to respect the rights of its business partners with all due fairness and cooperates fully with the partners to ensure successful operations of the joint ventures.



Details of the policy for the appointment of directors and executives to subsidiaries can be found on the website: <https://scc.listedcompany.com/cg.html>

Preventing conflicts of interest

The Company recognizes the importance of the prudent, fair, and transparent management of conflicts of interests of related persons, namely the Board of Directors, SCG top executives, and employees. To this end, the Board of Directors has established conflict of interest prevention guidelines in writing and included them as a topic in SCG Code of Conduct to ensure that SCG employees are aware of and strictly follow them. In 2022, the Board of Directors continued to monitor and supervise the implementation of policies and guidelines on conflicts of interest as detailed below.

- SCG issues communications and raises awareness on conflict of interest prevention among employees at all levels through infographics distributed via SCG's intranet as well as conducts Ethics e-Testing on a regular basis on this topic.
- Directors, Top Executives, and their related persons are required to file a report with the Company stating their interests in the management of the

Company or a subsidiary when they first take the office. They must also file a report should there be any changes in their interests and at every year end. The Company Secretary shall deliver a copy of such report to the Chairman and Chairman of the Audit Committee within seven days upon the receipt of the report in compliance with the Securities and Exchange Act B.E. 2535 and to use such information for monitoring and preventing any conflict of interests.

- At a Board of Directors' meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and Executives make decisions in a fair, independent, transparent, and equitable manner for the utmost benefit of shareholders and the Company.
- In case the connected transaction requires shareholders' approval, shareholders with a vested interest must abstain from voting on such agenda item as stipulated by law and the Company's regulations.



Details of conflict of interest prevention guidelines are provided in the 'SCG Code of Conduct,' which can be found on the website: <https://scc.listedcompany.com/cg.html>

Insider information control

The Company has established measures to prevent misuse of insider information as well as guidelines for data recording, reporting, and storage in writing, both of which have been incorporated into SCG Code of Conduct and Regulations for Employees. The Insider Trading Policy involving the use of information that could reasonably be expected to affect the value of the Company's share was also formulated with the approval of the Board of Directors. The relevant measures are as follows:

Blackout period measurement

The Company established a measure prohibiting the directors, executives, and employees of the offices

relating to insider information including their spouse or cohabiting couple and minor children knowing insider information from trading in the securities (securities subject to disclosure include shares, convertibles, share warrants, futures, and derivatives underlined by the share of a listed company) and derivatives of the Company or other listed companies during a period of one (1) month before disclosure of any quarter and annual financial statements and within 24 hours after such disclosure. Other measures include reporting of any changes in shareholding of directors and executives as stipulated by Securities and Exchange Commission (SEC) and reporting to the Board of Directors' meeting on a regular basis. Aside from the aforementioned measures, the Company has defined "Guidelines on the management of insider information that can impact the Company's share price", stipulating how to properly manage and handle insider information, and regularly communicate the guidelines to employees to minimize the risks associated with the misuse of such information.

Guideline for the declaration of intention to purchase and sell the Company's securities

In 2023, the Board of Directors established the guideline that directors and executives must declare their intention to conduct a securities transaction at least one business day in advance to the Company Secretary, who was assigned by the Board of Directors to collect the information. Moreover, the Declaration of Intention to Purchase and Sell the Company's Securities Form shall be distributed to the directors and executives in advance and issued a letter to directors, executives, employees, and other related persons informing them of the blackout period, during which they are prohibited from trading the securities of SCG, listed companies under SCG, and other listed companies related to insider information. No securities trading by SCG's directors or executives were reported during the blackout period.



Details of Insider Trading Policy can be found on the website: <https://scc.listedcompany.com/cg.html>

Anti-corruption Efforts

SCG recognizes the importance of fighting corruption and has formulated the Anti-corruption Policy, approved by the Board of Directors and the Audit Committee and subject to regular review. The policy was revised to improve clarity and alignment with current business situation as well as to provide a guideline for business operations and corresponds with one of SCG's 4 Core Values, "Adherence to Fairness," which refers to "integrity, transparency, accountability, and equitable treatment to all concerned parties in a respectful, sincere, friendly, and fair manner."

Due to SCG's continuous pursuit of Anti-corruption Policy, the Siam Cement Public Company Limited has been recognized as a certified company by Thai Private Sector Collective Action Against Corruption (CAC). It was first certified on July 5, 2013 and has since been continuously recertified, most recently on March 31, 2022. Furthermore, SCG's subsidiaries that are listed companies have also received the status of certified companies.

According to the notification of the National Anti-corruption Commission (NACC) called "Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials, and Agents of Public International Organization," SCG has regularly emphasized and cultivated an awareness of actions that might lead to any corruption risks, by consistently analyzing indicators in corruption risk assessment, which is considered one of the compliance risks. The Company's Board of Directors has approved an operation in accordance with the NACC's notification, in agreement with the Audit Committee, and the President & CEO of SCG has communicated such matter via "Message from CEO" to all employees. SCG's Top Executives have also accentuated this subject on a regular basis to reinforce the Tone at the Top culture.



Details of Anti-corruption Policy can be found on the website: <https://scc.listedcompany.com/cg.html>



In addition, SCG has established a proactive and preventive system and prescribed risk mitigation and control measures, responsible persons, monitoring measures, as well as methods for reviewing and evaluating risk management, which serve as corruption prevention guidelines for SCG employees at all levels, with the Internal Audit Office consistently entrusted with the oversight of the assessment, providing recommendations, and monitoring of good governance practices and compliance with the SCG Code of Conduct and Anti-corruption Policy in each audit period.

In 2023, to continuously cultivate awareness and understanding among employees at all levels and bring about the actual implementation of the Company's Anti-corruption Policy in accordance with the notification of NACC, SCG carried out the following activities:

- Revised SCG Code of Conduct to improve its alignment with current operations and added examples of correct conduct. In addition, SCG produced the Code of Conduct in Indonesian, Vietnamese, Khmer, and Laotian as well as

established a learning plan which was communicated to employees at all levels to ensure that they understand and can apply the code of conduct as appropriate to the context of each country.

- Distributed and communicated understanding of the SCG Code of Conduct, Anti-corruption Policy, and Anti-corruption Guideline that accommodated business transformations, relevant rules, and regulations among employees at all levels through various channels, including e-mail and the SCG Intranet Portal.
- Broadened knowledge and understanding among employees at all levels about responsibility and accountability awareness in good risk management and internal control regarding anti-corruption, as well as disseminated important case studies of corruption reflecting the Three Lines Model.

- SCG raised awareness of acts that could potentially lead to corruption risks, impact, and damage. In addition, an “Anti-corruption Compliance Assessment Form” was created for units involving high risks, such as project procurement, project sales, government affairs, and engineering units. The assessment form defined indicators/ signs of the corruption risks as well as provided solutions for risk mitigation and control both for system and employee operations, so as to enable operators and supervisors of the unit to analyze risks involved by themselves, apply control methods correctly, and use self-assessment results to improve subsequent operation plans to enhance efficiency. In addition, appropriate internal controls and penalties according to the Company’s regulations and NACC’s notifications were also communicated to employees.
 - Organized employees’ Ethics e-Testing for the 9th consecutive year. The testing was divided into 3 levels, corresponding with employees’ duties and responsibilities, and regarding SCG’s Core Values, Code of Conduct, and Anti-corruption Policy. In 2023, the revision was made, and the test items were adjusted for high-risk professional groups. Questions about environment, health, and safety were also added in line with SCG’s ESG 4 Plus. 100% of the participating SCG’s employees obtained a passing score. Furthermore, the answers given and common mistakes were analyzed and communicated to enhance accurate understanding.
 - Various training courses on compliance with the Corporate Governance and the Anti-corruption Policy, such as the New Employee Orientation Course and the Business Concept Development Course, have been organized to reinforce SCG’s corporate culture.
 - A whistleblowing system has been established to provide channels for reporting violations of the law and non-compliance with SCG’s rules, regulations, Code of Conduct, and Anti-corruption Policy. Processes have also been put in place to investigate, track, control, and rectify reported incidents.
 - SCG fostered an understanding of anti-corruption efforts through IA Letter, which was sent to all employees via e-mail, and developed a consultation system for SCG Code of Conduct and Anti-Corruption Policy, accessible via GRC Helpline banner on SCG Intranet Portal.
 - SCG extended its anti-corruption efforts to its suppliers and revised its Supplier Code of Conduct to encourage all parties to collaborative practice good citizenship and make concrete commitments to community, social, and environmental governance beyond legal and regulatory requirements. SCG also encouraged key suppliers to participate in the CAC SME Certification Program by Thai Private Sector Collective Action Against Corruption.
- In addition, the Internal Audit Office assesses and monitors compliance with SCG Code of Conduct and Anti-corruption Policy and reports to the Audit Committee at each meeting. In 2023, no cases of corruption were found in SCG.

Whistleblowing

SCG has established the Whistleblowing Policy and regularly reviews its suitability in order to demonstrate the emphasis it places on good corporate governance and provide opportunities for employees and stakeholders to report or inform on any violations or irregularities in any area related to SCG’s business operations such as corporate governance, ethical practices, corruption, financial transactions, Code of Conduct, and compliance with legal requirements, regulations, or Anti-corruption Policy, through dedicated channels provided. This is to ensure that complaints are investigated according to the process specified in the SCG Whistleblowing Policy Guidelines and reported to the Audit Committee and the Board of Directors. In addition, information on the complaint filing process and channels is clearly published on the Company’s website.

To assure complainants or informants that such reporting or provision of information will not adversely impact them, SCG has established a mechanism for protecting and relieving the distress that might occur to the informant from unjust treatment, such as abuse and threats as well as ensures confidentiality and provides protection to informants in accordance with the Whistleblowing Policy. The Internal Audit Office, which is responsible for data security, has designated a separate encrypted server to ensure all data is stored independently with restricted access only to relevant parties.

SCG has communicated to employees and stakeholders about SCG Whistleblowing System, which supports complaint filing both in Thai and English as well as in Vietnamese, Indonesian, and Khmer access at all times and accommodates both verbal reports and written reports via e-mail or post. The channels are as follows:

Internal report submission

For internal report submission, SCG employees can file a report to either specify their names or remain anonymous through SCG Whistleblowing System, accessible to all SCG employees via SCG Intranet Portal. The complainant can direct their complaints to any of the following:

- Trusted supervisors
- Director of the Corporate Human Resources Office
- Director of Internal Audit Office
- Company Secretary
- Any Director of the Company

They may do so either verbally or in writing via post or e-mail to the aforementioned individual, or submit an e-mail to the independent directors at ind_dir@scg.com.

External parties

For external parties, complaints can be filed at SCG Whistleblowing System on www.scg.com. Informants are required to identify their names and can direct their complaints to any of the following:

- Corporate Secretary Office
- Internal Audit Office
- An Independent Director
- Audit Committee

Or submit the complaint in the form of a formal document to any of the aforementioned parties.

Informants can keep track of their complaint investigation through a dedicated system, which is a vital mechanism for corruption control and prevention.

In 2023, a total of 55 cases involving non-compliance with laws, the Company’s regulations, policies, SCG 4 Core Values, and Code of Conduct, were filed through SCG Whistleblowing System by external parties and employees, as summarized below.

1. Total number of investigated cases: 54 cases (including 14 pending cases from the previous year).

The investigated cases involving corruption or non-compliance with the corporate governance policy can be divided as follows:

	Cases
Anti-corruption Policy	None
Antitrust Policy	None
Human Rights	1 Case
Conflict of Interest	6 Cases
Environmental Policy	None
Other issues of SCG Code of Conduct	None
Company Regulations	18 Cases

2. Damages and disciplinary actions

- Damages cost its insignificant
- Disciplinary actions
 - Employment termination 14 Employees (discharge/dismissal)
 - Others 41 Employees

3. All relevant parties conducted risk assessments based on the complaints, established or improved control points, revised practices, and formulated prevention guidelines to enhance the effectiveness of operations and compliance.

Additionally, SCG regularly assesses the risks of fraud and non-compliance with rules, regulations, and Code of Conduct by First-line operators, with the Internal Audit Office responsible for assessing the efficiency and effectiveness of risk assessment and internal controls and reporting its findings to the Audit Committee on a regular basis. In addition, SCG also consistently cultivates an organizational culture and raises awareness among its employees, with the top executives serving as role models.

Report of the Audit Committee 's Performance in 2023

In 2023, the Audit Committee convened a total of 8 meetings, all of which were attended by all members of the committee. The activities of the Audit Committee in the previous year, which have been disclosed, include the following:

1. Review of Financial Statements
2. Review of Connected Transactions, Acquisition and Disposition Transactions, and Transactions that might result in Conflicts of Interest
3. Review of Corporate Governance
4. Review of Risk Management Assessment
5. Review of Compliance
6. Review of Internal Control System
7. Internal Audit
8. Review of Fraud Investigations
9. Appointment of the External Auditor and Review of the Audit Fee for 2024

Report of the Other Sub-committees' Performance in 2023

In 2023, the Company disclosed details of the meetings and activities of the Governance and Nomination Committee, the Remuneration Committee, and the CSR Committee for Sustainable Development.



Further details can be found in "Attachment 6 Report of the Audit Committee and Reports of the Other Sub-committees" from <https://scc.listedcompany.com/ar.html>

INTERNAL CONTROL AND CONNECTED TRANSACTION

1. Internal Control

Opinion of the Board of Directors regarding the Company's internal control system

At the meeting of the Board of Directors No. 268 (9/2023) on November 29, 2023, with 9 independent directors in attendance, three of whom were members of the Audit Committee, the Board of Directors conducted an evaluation of the Internal Control System of the Company and its subsidiaries according to the internal control adequacy evaluation form of The Securities and Exchange Commission (SEC), which adhered to the framework of COSO 2013 (Committee of Sponsoring Organization of Treadway Commission). After reviewing all five components: Internal Control, Risk Assessment, Operational Control, Information and Communications System, and Monitoring System, the Board found no significant insufficiencies and concluded that the internal control system of the Company and its subsidiaries was adequate and appropriate; that the Company and subsidiaries had arranged for sufficient personnel to operate efficiently in accordance with laws, regulations, policies, and Code of Conduct all the way to various guidelines; and, finally, that there was an adequate operational control and monitoring system in place to protect the assets of the Company and its subsidiaries from improper or unauthorized use by Directors or Executives as well as to prevent transactions with persons who may have conflicts of interest and related parties.

SCG has instilled in its management team, supervisors, and staff an awareness of the significance of good corporate governance, risk management, corporate compliance, and internal control, and has ensured sufficient personnel and utilization of the appropriate information technology systems to aid in the effective and efficient implementation of the internal control system.

In 2023, the Board of Directors promoted the development of various tools to keep up with the changing nature of risks in order to establish a proactive and preventive system for business operations and further enhance the internal control system from the previous years, as follows.

1. Proactive and preventive system

SCG has expanded investments both domestically and abroad. A key factor in its success and sustainability growth is employee ethics and integrity. Aside from organizing training and seminars to foster ethics and integrity among employees, SCG has also developed a Proactive and Preventative System, which involves the following:

1.1 SCG Code of Conduct Handbook has been reviewed and revised to include more examples to improve clarity, coverage, and consistency with relevant policies, domestic and international good corporate governance practices, and current business operations. SCG Code of Conduct has also been made available in Indonesian, Vietnamese, Khmer, and Laotian, along with a learning plan to enable employees at all levels to better understand and apply the practices as appropriate to the context of each country.

1.2 The Ethics e-Testing and e-Policy e-Testing were annually reviewed and conducted for a ninth and seventh consecutive year, respectively, to instill knowledge and awareness in employees at all levels and ensure that they are able appropriately apply and put into practice SCG's 4 Core Values, Anti-Corruption Policy, and SCG e-Policy. In 2023, the test items were adjusted for high-risk professional groups, such as procurement, government affairs, and sales and marketing. All SCG employees who took the test obtained a passing score. In addition, the answers given were also

analyzed, so that common misunderstandings among employees could be rectified. The tests are reviewed every year to ensure they are up to date with potential risks. In addition to SCG Code of Conduct and SCG Anti-corruption Policy, the test covers the Personal Data Protection Act (PDPA), Integrated Governance, Risk, and Compliance (Integrated GRC) and SCG's ESG 4 Plus concept.

1.3 The Three Lines Model, which is an internationally accepted approach, is employed as a framework for the operations of all related parties, consisting of the Governing Body, the Management, operations employees, and the Internal Audit Office. In executing the Three Lines Model, the Management, as the First Line, plays an essential role in propelling the model towards success, from implementing the policies issued, performing risk assessment, and establishing measures for control, monitoring, and evaluation, all the way to coordinating information sharing with the Internal Audit Office. Aside from this, SCG has cultivated awareness through various methods, such as assigning the First Line at the highest level of the Company or unit the responsibility of communicating with personnel and holding workshops on the execution of policies, with the Management Team closely overseeing the First Line and Second Line and conducting two-way communication with the Governing Body.

1.4 Communication, lectures, and seminars regarding "Case Studies on Corruption and Non-compliance with Laws, Regulations, Policies, and Code of Conduct," as well as new cautions and emerging risks from employees' behaviors and work operations, were organized. Such case studies were derived from both internal and external sources, as a result of new working formats driven by digital technology to raise awareness among employees and prevent the Company from any incidents.

1.5 An assessment of the internal control system, which includes operational and information technology systems, has been conducted to review its adequacy and appropriateness for SCG's business operations. Good practices have also been recommended, while a proactive and preventive system has been established to reduce risks in business operations.

2. Integrated Governance, Risk, and Compliance (Integrated GRC)

SCG has continuously proceeded with Governance, Risk, and Compliance (GRC), and raised to international standards of Integrated GRC to enhance efficiency and effectiveness, as well as to reduce redundant work from governance, strategy formulation, risk management, and result monitoring. In 2023, Data Integration was continuously put into practice by disclosing information necessary to operations between departments on the same database for continuity and facilitation of SCG's overall operations and for the development of internal control systems for more effectiveness in operating and decision making. Through direct communication from Top Executives, all employees were encouraged to put GRC in practice for the sustainability of the business. SCG GRC e-Learning was also organized for employees to access and acquire knowledge with more convenience. The GRC Helpline was made available via the SCG Intranet Portal and on mobile phones as a channel for employees both in Thailand and overseas to inquire experts about appropriate procedures of Governance, Risk, and Compliance. Furthermore, the ESG Guideline on MD Guidebook was created for SCG's Executives to disseminate the ESG practice under the framework of the Three Lines Model. The operations were reviewed to ensure compliance with Best Practice Guidelines for the Audit Committee to Prevent and Suppress Inappropriate Behaviors of Listed Companies, issued by the Office of the Securities and Exchange Commission. Consequently, the company achieved an "Excellent" rating in the Corporate Governance Report of Thai Listed Companies for the year 2022. This rating highlights the organization's ability to foster sustainable growth and transparency in alignment with the ESG 4 Plus strategy.

3. Corporate governance and compliance with relevant regulations

SCG has continued to implement the Compliance Policy and Guideline rigorously and consistently by utilizing the Compliance Management System (CMS) to ensure that compliance is efficient and effective, starting with laying a foundation, building a body of knowledge, and



developing understanding and awareness among the First Line operators on a regular basis to prevent risk from non-compliance. Accordingly, the Compliance Department serves as the Second Line, supervising and supporting the integration of CMS, including giving counsel, imposing control measures to prevent risk from non-compliance with any laws or regulations, and providing a delivery and distribution system, as well as evaluating new laws or amendments for employees to adhere to in an accurate and timely manner.

In 2023, apart from operating in accordance with its pivotal policies such as Antitrust Policy, Insider Trading Policy, and Disclosure Policy, SCG also continuously monitored relevant laws affecting its business operation, by developing and adjusting a delivery and distribution system of new laws and amendments that supported information updates on license overview and law overview. In addition, the Legal Compliance Guideline for Electricity Generation Business from Renewable Energy was provided, along with the use of the Compliance Chatbot for inquiry responses and the international application of CMS.

4. Anti-corruption efforts

The Board of Directors has passed a resolution approving the Anti-corruption Policy that determines appropriate definitions, responsibilities, guidelines, and measures to prevent corruption in any activities of SCG. The Anti-corruption Policy is required to be revised annually to ensure clarity and adequacy for business operations and to be communicated to all employees for awareness and practice. Further details of the Anti-corruption Policy are available on www.scg.com.

In 2013, SCG was certified by the Committee of Thai Private Sector Collective Action Against Corruption, and re-certified for the 4th consecutive time on March 31, 2022 (re-certification is required every 3 years). SCG has continued to carry out concrete anti-corruption actions, such as producing the Anti-corruption Guideline in compliance with ISO 19600. This is to provide a systematic approach for the First Line subsidiaries or departments with high corruption risk, while the Second Line departments offer support and counsel, and the Internal Audit Office acts as the Third Line, evaluating efficiency and effectiveness in accordance with Anti-corruption Policy to reassure the Management, the Audit Committee, and the Board of Directors. In the meantime, the President & CEO of SCG has communicated with employees at all levels to operate in compliance with the notification of the National Anti-Corruption Commission (NACC). The Management-level employees (high-level First Line) are obliged to assess risk, impose appropriate measures, establish communication, and comply with Anti-corruption Policy, while the Internal Audit Office produces the Anti-corruption Compliance Checklist for high-risk departments to evaluate and formulate preventive and control measures for corruption risk and for auditors to use as an operational guideline in internal control assessment. Several workshops have been organized to raise awareness among employees at all levels. Moreover, SCG has extended its anti-corruption boundary even further by supporting its suppliers to join the Thai Private Sector Collective Action Against Corruption's CAC SME Certification.

5. Business self-audit

The Audit Committee, as the supervisor of SCG's internal control, passed a resolution to introduce business self-audit in order to instill a proactive prevention mindset against constantly evolving risks, consistent with the COSO 2013 Framework for Internal Control, which details the roles and responsibilities in implementing the Three Lines Model. The Internal Audit Office, along with supporting units and the Business Self-Audit Team (Second Line), has established operational guidelines for acting as consultants to First Line operators in assessing business risks and the sufficiency and effectiveness of the internal control system. The team also shares success cases in order to maximize operational efficiency and reduce redundancy in the development of the Proactive and Preventative System for operators, thus enabling a prompt response to the risks of today's rapidly changing business landscape.

6. Governance of information technology, information security, and communication networks

6.1 SCG has appointed an SCG IT Governance Working Group to establish policies and regulations on the use of information and communication technology (SCG e-Policy) in accordance with ISO/IEC27001 including evaluating and monitoring operations to ensure security in information technology. All SCG employees adhere to in a consistent manner. In 2023, the following additional actions were taken:

- Three operational standards and procedures were adjusted, including: 1) Vulnerability Scanning Standard; 2) Data Classification and Handling Standard; and 3) Security Risk Acceptance Procedure.
- Organizational guidelines were practiced in a variety of cyber threat simulations to improve the readiness and efficiency of operations.

6.2 SCG appointed the working group supporting overseas personal data protection compliance and the SCG Personal Data Protection Steering Committee in Indonesia to govern its overseas subsidiaries and manage personal data in accordance with SCG's Personal Data Protection Policy and related laws in each country.

6.3 SCG appointed the Information Security Management Committee in accordance with the ISO/EC27001 standard to govern and establish operational information security policy, as well as to ensure that relevant internal and external employees appropriately adhere to such policy, assessed by the Internal ISMS Audit.

6.4 SCG IT Governance Guidelines were edited to tighten internal control in correspondence with current operational approaches.

6.5 The use of Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and IA Data Lake was promoted in improving risk analysis efficiency and reducing fieldwork to the minimum required.

6.6 Seminars on IT security awareness and personal data protection were organized to foster awareness of cybersecurity and personal data protection.

6.7 SCG required all employees to pass the e-Policy test with the score of 100% to ensure their acknowledgment, awareness, understanding, and proper application of the Company's policies.

7. Development and promotion of the use of data analytics

SCG has implemented a variety of Information Technology Systems to promptly and timely detect unusual signals. The Internal Audit Office has produced reports by using Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and IA Data Lake in auditing, and delivered them to other departments as a tool to analyze, monitor, correct errors, and determine preventive measures, such as Predictive Audit of Customer Credit, Sanction Audit Screening Tools, Cyber Threat Notification Tools, SAP Internal Control Monitoring Tools, Vulnerability Scanner Tools, and Cookie Consent Checker, for faster and more efficient data analytics. In addition, SCG has promoted and encouraged auditors to become competent in digital technology and use acquired techniques in Data Analytics through the Learnathon and Data Analytics Hackathon Activities, which were organized for the 5th consecutive year. Auditors were asked to present a project under the concept of digital technology integration in auditing or in delivery to operators for monitoring and supervising purposes.

8. Whistleblowing system

The Board of Directors has approved and revised the Whistleblowing Policy for improved clarity and has consistently improved SCG Whistleblowing System to ensure employees and external stakeholders have access to the system at all times. Any suspected non-compliance with corporate governance principles, SCG Code of Conduct, rules, regulations, laws, and Anti-Corruption Policy as well as fraud committed by personnel can be reported, for employees, either verbally or via SCG Intranet Portal, and for external stakeholders via www.scg.com at all times. The report can be either in Thai, English, Vietnamese, Indonesian, and Khmer. Written reports can be submitted either via post or e-mail. SCG has laid out clear procedures for the intake of reports, from confidential gathering of evidence and establishing of a fact-finding working group and investigation committee to the sanctioning and the reporting of investigation results. Furthermore, the whistleblower can follow up on the results through the system. As such, this system will further promote ethical business conduct and sustainable development. In terms of security, two-factor authentication as well as a separate server independent from other operations with restricted access only to relevant parties are used to maintain security and prevent the leakage of information to parties involved as



well as ensure confidentiality and protect the whistleblower in accordance with the Whistleblowing Policy.

Internal control monitoring

In 2023, the Internal Audit Office conducted 268 audit projects according to the risk-based internal audit plan approved by the Audit Committee on November 11, 2022. The Internal Audit Office conducted an evaluation on the sufficiency of the internal control system and followed up on measures taken to address the issues discovered, as well as monitored the internal control process to ascertain that the Company had an internal control system in place with which to oversee the operations of the Company and its subsidiaries in order to protect its assets from improper or unauthorized use by Directors or Executives as well as sufficient controls for transactions with persons who may have conflicts of interest and related parties. The findings were presented to the Audit Committee for consideration and approval and subsequently reported to the Board of Directors on a quarterly basis.

In 2023, no material deficiencies in the internal control system were found. The Internal Audit Office also followed up on the action taken to improve and address the minor issues discovered in the internal control system and found that the Management Team had resolved all internal control issues completely according to suggestions. Additionally, the Company's Auditor, KPMG Phoomchai Audit Company Limited, reported that it found no material flaws which had an impact on the Company's financial statements.

Opinion of the audit committee

The Audit Committee provided its opinions on the Company's Good Corporate Governance, Risk and, Compliance in 2023, as detailed in Attachment 6: The Audit Committee's Report

Director of the office of internal audit

The Audit Committee resolved to approve the appointment of Mr. Pitaya Chanboonmi as the Director of the Internal Audit Office, with the primary responsibility of performing the duties of the Company's internal auditor and preparing reports and suggestions for the

Management Team to make improvements in accordance with the Company's plans and internal control policies.

The Audit Committee considered the qualifications of Mr. Pitaya Chanboonmi and concluded that they were appropriate and sufficient to qualify him to perform such duties, as the candidate had the appropriate qualifications, degree, operational experience, and training to supervise operations. A summary of the qualifications, degree, and operating experience of the Director of the Internal Audit Office can be found in Attachment 3.

The consideration and approval of the appointment, removal, and transfer of the Director of the Internal Audit Office must be approved by the Audit Committee.

2. Related-party Transactions and Connected Transactions

The Board of Directors places emphasis on the approval of related-party transactions, connected transactions, or transactions that may cause conflicts of interest. SCG Code of Conduct has set forth a policy regarding such transactions as follows:

Connected transactions between the Company and its subsidiaries

SCG comprises a large number of companies whose businesses are bound to conduct transactions with one another in such ways as providing services, trading raw materials and products, or providing financial support, technical assistance, human resources, etc. In doing business or performing duties that related to such matter, all employees and parties concerned are required to comply with the law, the rules and regulations of government agencies, regulatory bodies, or other agencies, as well as the Delegation of Authority Manual, in addition to any criteria or conditions prescribed by local communities.

Transactions with outside entities

In undertaking transactions with outside entities, the Company shall proceed in compliance with the requirements and procedures prescribed by law, regulations of government agencies, and SCG policies. The Company shall also obtain approval for such transactions strictly in accordance with the Delegation of Authority Manual, and

shall act in accordance with the terms and conditions agreed upon with honesty, transparency and accountability. The Company shall also avoid making transactions that may adversely impact or damage SCG or outside parties.

The Company has established the Stakeholder Engagement Policy and stakeholder engagement guidelines, which specify that the Company shall adhere to frameworks for fair competition and consider a proper and fair purchase price, taking into account the reasonability of the price, quality and service obtained. The Company must be able to provide a reasonable explanation upon examination.

Furthermore, the Company has established guidelines and procedures for considering and granting approval for connected transactions, related transactions, or transactions with potential conflict of interest, to protect the Company's best interests. The Management shall disclose any conflict of interest to the Company in advance, and the Company shall then review the transactions. For transactions that need approval, the Management shall propose such transactions to the Board of Directors or at the Shareholders' Meetings and shall disclose the information to investors in a transparent manner. Under no circumstances shall the directors or management concerned be allowed to participate in the process of considering the approval of those transactions.

Policy and trends of future connected transactions

Future connected transactions are transactions that are conducted as part of the ordinary course of business and subject to negotiation in accordance with the price mechanism of the. No special benefit will accrue to either companies or relevant individuals from connected transactions.

Connected transactions

As a policy, the Company strictly complies with the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, as well as the laws, regulations, notifications or orders relating to the execution of related transactions.

Details of significant connected transactions between the Group and a company or a person which/who may have a potential conflict. ¹

Type of transaction / Connected companies / Relationship	Total direct / Indirect holding (%)	Amount (Million baht)			Pricing policy
		2023	2022	2021	

1. Transactions with joint ventures and associates (Businesses that are significantly influenced by the Company and its subsidiaries through share acquiring)

1.1 Joint ventures and associates in Cement and Building Materials Business

Sales to the Group		2,982	3,065	3,379	Market price applied with third party transactions
The Siam Gypsum Industry (Saraburi) Co., Ltd.	29	2,148	2,141	2,454	
Sekisui-SCG Industry Co., Ltd.	49	334	411	409	
The Siam Gypsum Industry (Songkhla) Co., Ltd.	29	298	295	295	
Noritake SCG Plaster Co., Ltd.	7	167	150	155	
Purchases from the Group		2,529	3,194	2,867	Market price applied with third party transactions
Siam Global House Public Company Limited	33	1,603	2,224	2,023	
The Siam Gypsum Industry (Saraburi) Co., Ltd.	29	627	631	676	
The Siam Gypsum Industry (Songkhla) Co., Ltd.	29	132	130	84	
Service income charged to the Group		8,299	47	55	Market price applied with third party transactions
SCG Logistics Management Co., Ltd. ²	43	5,203	-	-	
SCGJWD Logistics PCL	43	1,853	-	-	
PT SCG Barito Logistics ²	21	493	-	-	
SCG Logistics Lao Co., Ltd. ²	43	473	-	-	
SCG Logistics Management (Cambodia) Co., Ltd. ²	43	178	-	-	
Service expenses and others charged by the Group		516	267	271	Market price applied with third party transactions
SCG Logistics Management Co., Ltd. ²	43	201	-	-	
Borrowings from the Group (as at December 31)		209	275	294	Agreed interest rate

1.2 Associates in SCGC (Chemicals Business)

Sales to the Group *		12,164	16,990	15,146	Market price applied with third party transactions
Siam Polyethylene Co., Ltd.	50	6,181	7,315	7,059	* Most transactions are from selling goods to subsidiaries as follows:
Bangkok Synthetics Co., Ltd.	54	2,527	2,907	2,706	Thai Polyethylene Co., Ltd.
PT Chandra Asri Pacific Tbk. (Formely: PT Chandra Asri Petrochemical Tbk.)	31	1,915	2,375	2,085	PT Nusantara Polymer Solutions
Siam Synthetic Latex Co., Ltd.	50	1,387	1,736	1,320	
Purchases from the Group **		37,484	49,703	46,797	Market price applied with third party transactions
Siam Polyethylene Co., Ltd.	50	15,760	18,615	18,410	** Most transactions are from purchasing goods from subsidiaries as follows:
Bangkok Synthetics Co., Ltd.	54	5,531	6,307	6,052	Map Ta Phut Olefins Co., Ltd.
Grand Siam Composites Co., Ltd.	46	4,625	5,388	4,557	Rayong Olefins Co., Ltd.
Siam Synthetic Latex Co., Ltd.	50	4,305	6,042	4,992	Thai Polyethylene Co., Ltd.
Siam Styrene Monomer Co., Ltd.	50	3,914	7,177	7,170	
Thai MMA Co., Ltd.	47	1,935	2,559	2,411	
Riken (Thailand) Co., Ltd.	35	905	1,317	1,419	
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	20	288	654	854	

¹ List the details by companies with transaction value greater than or equal to 0.03% of Net Tangible Asset (NTA)

² Change the status from a subsidiary to an associate in February 2023

Type of transaction / Connected companies / Relationship	Total direct / Indirect holding (%)	Amount (Million baht)			Pricing policy
		2023	2022	2021	
Service income charged to the Group		10	26	3	Market price applied with third party transactions
Service expenses and others charged by the Group		3,801	4,423	2,303	Market price applied with third party transactions
Bangkok Synthetics Co., Ltd.	54	2,442	2,257	320	
Thai MMA Co., Ltd.	47	532	509	474	
Grand Siam Composites Co., Ltd.	46	196	333	370	
Siam Polyethylene Co., Ltd.	50	119	129	119	
Siam Synthetic Latex Co., Ltd.	50	116	123	96	
Denka SCGC Advanced Materials Co., Ltd.	40	95	-	-	
PT Chandra Asri Pacific Tbk. (Formerly: PT Chandra Asri Petrochemical Tbk.)	31	89	824	710	
Borrowings from the Group (as at December 31)		46	29	7	Agreed interest rate

1.3 Associates in SCGP (Packaging Business)

Sales to the Group		280	342	237	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	23	210	227	144	
Purchases from the Group		588	757	510	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	23	331	507	259	
Siam Toppan Packaging Co., Ltd.	35	222	222	223	
Service income charged to the Group		37	27	26	Market price applied with third party transactions
Service expenses and others charged by the Group		26	53	49	Market price applied with third party transactions

1.4 Joint ventures and associates in Others

Sales to the Group					
Siam Kubota Corporation Co., Ltd.	40	844	1,186	1,386	Market price applied with third party transactions
Purchases from the Group		16	25	80	Market price applied with third party transactions
Service income charged to the Group		789	914	961	Market price applied with third party transactions
IT One Co., Ltd.	20	756	868	939	
Service expenses and others charged by the Group		1,342	1,546	2,376	Market price applied with third party transactions
Siam Kubota Corporation Co., Ltd.	40	1,206	1,478	2,307	
Borrowings from the Group (as at December 31)		1,169	-	-	Agreed interest rate
BetterBe Marketplace Co., Ltd. ³	50	1,150	-	-	

2. Transactions with Other Companies of Which SCC's Executives Hold Director Titles

Sales to the Group		2,183	2,152	2,252	Market price applied with third party transactions
Siam Yamato Steel Co., Ltd.	10	2,140	2,149	2,252	
Mr. Aree Chavalitcheewingul / Director					
Mr. Yuttana Jiamtragan / Director					

³ Change the status from a subsidiary to a joint venture in May 2023

Type of transaction / Connected companies / Relationship	Total direct / Indirect holding (%)	Amount (Million baht)			Pricing policy
		2023	2022	2021	
Purchases from the Group		241	644	321	Market price applied with third party transactions
Siam Yamato Steel Co., Ltd.	10	122	143	209	
Mr. Aree Chavalitcheewingul / Director					
Mr. Yuttana Jiamtragran / Director					
Service income charged to the Group		13	29	8	Market price applied with third party transactions
Service expenses and others charged by the Group		487	545	490	Market price applied with third party transactions
Siam Yamato Steel Co., Ltd.	10	375	412	393	
Mr. Aree Chavalitcheewingul / Director					
Mr. Yuttana Jiamtragran / Director					

3. Transactions with Other Companies Which Have Directors or Major Shareholders or Controlling Persons in Common ⁴

Sales / Service income charged to the Group		1,365	1,238	642	Market price applied with third party transactions
The Deves Insurance Public Company Limited		1,068	745	473	
CP ALL Public Company Limited		176	232	-	
Purchases / Service expenses and others charged by the Group		2,967	2,703	1,184	Market price applied with third party transactions
Thai Oil Public Company Limited		1,143	1,231	78	
The Deves Insurance Public Company Limited		764	151	458	
CP Aextra Public Company Limited		178	225	-	
Thai Beverage Energy Company Limited		158	112	2	
Beer Thai (1991) Public Company Limited		116	207	252	
Thai Union Group Public Company Limited		93	137	57	
Interest paid to the Group		132	52	52	Agreed interest rate
The Siam Commercial Bank Public Company Limited		98	12	24	
Interest received from the Group		2,018	807	256	Agreed interest rate
Bangkok Bank Public Company Limited		1,233	444	120	
The Siam Commercial Bank Public Company Limited		785	363	136	
Service fee and others charged to the Group		132	149	101	Contract rate
The Siam Commercial Bank Public Company Limited		118	116	64	
Deposits of the Group (as at December 31)		9,667	7,857	5,936	Agreed interest rate
The Siam Commercial Bank Public Company Limited		5,539	3,763	3,409	
Bangkok Bank Public Company Limited		4,128	4,094	2,527	
Loans to the Group (as at December 31)		22,270	32,117	21,626	Agreed interest rate
Bangkok Bank Public Company Limited		16,578	18,369	10,981	
The Siam Commercial Bank Public Company Limited		5,692	13,748	10,645	

⁴ Conforming to the instruction manual of form 56-1 One Report preparation and disclosure these transactions since the first year of relationship

Type of transaction / Connected companies / Relationship	Total direct / Indirect holding (%)	Amount (Million baht)			Pricing policy
		2023	2022	2021	
Forward exchange contracts (as at December 31)		15,464	14,766	14,996	Contract rate
The Siam Commercial Bank Public Company Limited		12,516	11,739	12,449	
Bangkok Bank Public Company Limited		2,948	3,027	2,547	

LEGAL DISPUTES

The Case of the Theft of Company Property (Form of Ordinary Share Certificates) and Fraud to the Company's Shareholder by an Ex-employee

In the first quarter of 2009, the Company lodged a complaint in criminal case against an ex-employee for theft (form of ordinary share certificate) and the forgery of 672,000 Company's ordinary share certificates. In the second quarter of 2009, the Company was notified by the Civil Court that the heirs and the estate administrator of the shareholder whose shares were forged ("Plaintiff") filed a civil lawsuit against the Company and relevant individuals and juristic persons for compensation. At present, the case has reached the final judgment.

In the fourth quarter of 2011, the Civil Court had the judgment that the ex-employee committed a tort against the Plaintiff and ordered him to return the shares or pay the shares prices with interest until the payment was fully made, together with the dividend which the Plaintiff should have received. In addition, the court also decided that the Company, as the employer, shall be jointly liable to the Plaintiff. The Company and the Plaintiff have appealed the judgment of the Civil Court to the Appeal Court.

On April 29, 2014, the Appeal Court has made a decision on the case, ordering (i) the ex-employee who committed a tort to return shares of the Company to the Plaintiff or to pay the Plaintiff the share price at the last trading price of the Company's shares on the date of payment, which shall not be less than 314.38 baht per share, together with dividends and an interest until the date of payment, and (ii) the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly responsible with the ex-employee. On July 23, 2014, the Company has appealed the

judgment of the Appeal Court to the Supreme Court and lodged amendment of the Plaintiff's appellate motion to the Supreme Court on September 30, 2014. Consequently, on December 22, 2015, the Supreme Court has upheld the judgment of the Appeal Court. Therefore, the Company has recorded the provision for compensation for the amount which the Company is expected to be liable, in the statement of financial position as of December 31, 2015, of 201 million baht (December 31, 2014: 349 million baht).

On January 21, 2016, the Company has fully made compensation to the Plaintiff by returning the shares with the ordinary share certificates and making payment of dividends both from the shares prior to the commencement of a civil lawsuit with interest thereon and from the commencement date of a civil lawsuit including any costs and expenses paid for court procedure, accounting for Baht 319 million in total. Later on, Thailand Securities Depository Co., Ltd., the co-defendant, has filed a petition to the Supreme Court for an interpretation on the judgment. On November 21, 2017, the Supreme Court has already ordered the mentioned petition to be dismissed. In December 2018, the Company has filed a civil lawsuit against the ex-employee and Thailand Securities Depository Co., Ltd. for recourse.

On March 8, 2019, the Central Labour Court has made the judgment ordering the ex-employee, the offender committed the tort, to compensate the Company in the amount of 149 million baht together with the interest at the rate of 7.5% per annum. There was no appeal from both sides against the Central Labour Court's judgment; therefore, the judgment was final and it is currently under the civil execution procedure.

For the court case for recourse Thailand Securities Depository Co., Ltd., the Civil Court has made the judgment on December 4, 2019, ordering Thailand Securities Depository Co., Ltd. to make the repayment to the Company in the amount of 62.55 million baht together with the interest at the rate of 7.5% per annum. On June 4, 2020, Thailand Securities Depository Co., Ltd. has filed for an appeal against the Civil Court's judgment and on August 6, 2020, the Company has filed a counter appeal against the appeal of Thailand Securities Depository Co., Ltd. On February 23, 2021, the Appeal Court affirmed the decision made by the Civil Court. Currently, Thailand Securities Depository Co., Ltd. has filed a petition to the Supreme Court. Thailand Securities Depository Co., Ltd. has filed the request for petition to the Supreme Court on June 4, 2021, and the Company has filed the objection to such request of Thailand Securities Depository Co., Ltd on July 9, 2021. On April 19, 2022, the Supreme Court has then ordered the receipt of such petition whereas the Company lodged amendment of the appellate motion to the Supreme Court of Thailand Securities Depository Co., Ltd. on June 21, 2022. Currently, the case is under the review of the Supreme Court.

On February 14, 2024, the Supreme Court has issued the verdict ordering Thailand Securities Depository Co., Ltd. to make a payment to the Company in the amount of Baht 62.55 million together with the interest at the rate of 7.5% per annum, calculating from January 21, 2016, to April 10, 2021, and with the interest at the rate of 5% from April 11, 2021 (the date when the default interest rate has been amended) onwards until the payment is made in full. The case is now final.

Operation suspension of Mawlamyine Cement Limited (MCL) in Myanmar and update of the arbitration award

Since October 2020, Mawlamyine Cement Limited ("MCL"), a joint venture company incorporated in Myanmar between SCG Cement Co., Ltd. ("SCG Cement") and Pacific Link Cement Industry Ltd. ("PLCI"), has suspended its production due to lack of limestone, the

main raw material for cement manufacturing process. The cause has occurred from the failure to amicably resolve dispute between SCG Cement and PLCI. SCG Cement, therefore, has filed the claim to an arbitration pursuant to the Joint Venture Agreement with PLCI.

On December 20, 2022, the Arbitrators unanimously decided in favor of SCG Cement, stating that the Joint Venture Agreement executed by the parties on November 14, 2012 ("2012 Joint Venture Agreement") is valid and binding, and ordering PLCI to comply with the terms of the 2012 Joint Venture Agreement as follows, i.e. to use its best endeavours to obtain a grant of the Concession in MCL's name, to register an agreement on substantially identical terms to those of the Land Lease Agreement with the relevant authorities, and to pay SCG Cement for cost and damages in the sum of 7,969,375.06 USD with interest of 5.33% per annum.

On September 5, 2023, Mawlamyine District Court has refused the enforcement of the arbitral award requested by SCG Cement and on October 31, 2023, SCG Cement has appealed the said refusal to Mon State High Court. Later, on January 23, 2024 Mon State High Court has dismissed the appeal application of SCG Cement. Therefore, SCG Cement will file a civil revision suit to the Union Supreme Court accordingly.

Claim from the Indonesian government authorities against PT Keramika Indonesia Assosiasi, Tbk. ("KIA") and its subsidiaries

At late 2022, PT Keramika Indonesia Assosiasi, Tbk. ("KIA"), a subsidiary company whose shares are listed in the Indonesia Stock Exchange, received a notification from Indonesian government authorities informing that KIA and its subsidiary, PT KIA Serpih MAS ("KSM"), had a liability towards a government authority totaling approximately 3,000 million baht. This liability was referred to the debts and obligations of a minority shareholder, the founder of KIA ("KIA Founder"), with no relation to the Company who received financial aid from the Indonesian government for the bank which the KIA Founder owned during 1998.

As a result of the incident, the Indonesian government authority has suspended KIA, KSM and PT KIA Keramik Mas (“KKM”) from entering the registration system with the Ministry of Law and Human Rights of Republic of Indonesia (“MOLHR”), which is a system used for submitting changes or additions to article of association and other registered corporate information of companies in Indonesia.

In the past, KIA entered into loan agreements with number of banks, including the bank owned by KIA Founder (the loan value from such bank is approximately 740 million baht). When the Indonesian government authority took control of such bank, the government authority transferred the loan debt between KIA and the bank to third party. This loan was subsequently transferred multiple times until 2008 KIA’s general meeting of shareholders had approved the conversion of the loan into equity by issuing new shares (Series B) to creditors of KIA at that the time. Those creditors, consequently, became the new controlling shareholders of KIA.

In 2011, SCG Decor Public Company Limited (“SCGD”) had acquired those Series B shares of KIA through the Indonesia Stock Exchange. Before acquiring the shares, SCGD engaged a reputable local legal advisor to conduct due diligence and from the due diligence exercise, there was no record showing that KIA had any liability towards Indonesian government authorities nor that KIA’s shares were encumbered or pledged to any government authorities.

To protect the rights of KIA, KKM and the shareholders of both companies, KIA and KKM have filed lawsuits against the government authorities as per details below.

On November 17, 2023, KIA filed an administrative lawsuit to the Jakarta State Administrative Court against the relevant Indonesian Government agencies, namely (i) Director of State Assets Management of the Ministry of Finance of the Republic of Indonesia, (ii) Directorate General of State Assets of Ministry of Finance of the Republic of Indonesia, (iii) Head of DKI Jakarta Branch Committee for State Receivable Affairs, and (iv) Executive Head of Task Force for Handling State Collection Rights for Bank Indonesia Liquidity Assistance (“Head of Satgas BLBI”), to request for the alleged liabilities to be declared invalid and revoked.

Later, on December 6, 2023, KIA has filed an administrative lawsuit to the Jakarta State Administrative Court against the relevant Indonesian Government agencies, namely Head of Satgas BLBI and the Minister of Law and Human Rights of the Republic of Indonesia (“Minister of LHR”), to request for its access to the MOLHR administration system be unblocked. Besides that, KKM, on the same day, has also filed an administrative lawsuit to the Jakarta State Administrative Court against the Head of Satgas BLBI and the Minister of LHR to request for KKM’s access to the MOLHR administration system be unblocked.

REFERENCES

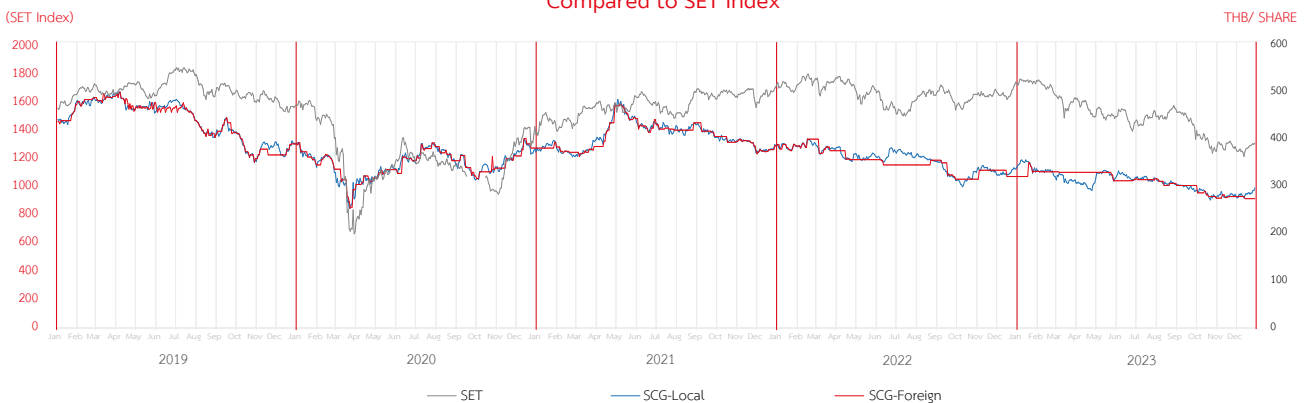
Securites Registrar	Thailand Securities Depository Company Limited
Address	14 th Floor, The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Dindaeng, Bangkok, 10400
Tel.	66-2009-9999
Fax	66-2009-9991
E-mail	SETContactCenter@set.or.th
Website	www.set.or.th/tsd
Auditor	KPMG Phoomchai Audit Ltd. Ms. Sureerat Thongarunsang (Certificated Public Accountant No. 4409) or Ms. Pornthip Rimdusit (Certified Public Accountant No. 5565) or Mr. Songchai Wongpiriyaporn (Certified Public Accountant No. 10996)
Address	1 Empire Tower 50 th –51 st Floors, South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120
Tel.	66-2677-2000
Fax	66-2677-2222
Legal Advisor	SCG Legal Counsel Limited
Address	1 Siam Cement Road, Bangsue, Bangkok, 10800
Tel.	66-2586-5777 or 66-2586-5888
Fax	66-2586-2976
Trustee of Debenture Holder	Bank of Ayudhya Public Company Limited
Address	Capital Financial Markets and Payments Operations Department 1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok, 10120
Tel.	66-2296-3582
Fax	66-2683-1298
Website	http://www.krungsri.com



INVESTOR INFORMATION

Name	The Siam Cement Public Company Limited	Contacts
Stock Code	SCC (Listed on the Stock Exchange of Thailand - SET)	Corporate Headquarters
Registration No.	0107537000114	Tel. 66-2586-3333, 66-2586-4444
Type of Business	Holding Company	Fax 66-2586-2974
Website	www.scg.com	e-mail: info@scg.com
Year of Establishment	1913	Corporate Secretary Office
First Trade Date	April 30, 1975	Tel. 66-2586-6098
Headquarter Address	1 Siam Cement Road, Bangsue, Bangkok, 10800	Fax 66-2586-3007
Registered Capital	1,600 million baht	e-mail: corporatesecretary@scg.com
Paid-up Capital	1,200 million baht Comprised of 1,200 million ordinary shares	Investor Relations Department
Par value	1 baht par value	Tel. 66-2586-4299
Preferred Share	None	e-mail: invest@scg.com
Fiscal Year	January 1-December 31 of each year	Enterprise Brand Management Office
Shareholders	His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua and CPB Equity Co., Ltd. hold 33.8% of shares while the remaining shares are held by other institutional and individual shareholders.	Tel. 66-2586-3777
		Fax 66-2586-2974
		e-mail: ebmo@scg.com
		Independent Directors as Minority Shareholders' Representative
		Fax 66-2586-3007
		e-mail: ind_dir@scg.com

5 Years Share Prices (2019-2023)
Compared to SET Index



FINANCIAL STATEMENTS **2023**



REPORT ON THE BOARD OF DIRECTORS’ RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of The Siam Cement Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company’s external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor’s report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk

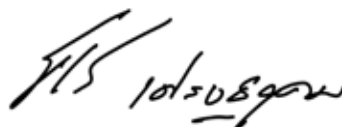
management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company’s assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee’s views are reported in its report in the Company’s annual report.

The Board is confident that the internal control system and the internal audit of the Siam Cement Public Company Limited and its subsidiaries represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.

Air Chief Marshal



Satitpong Sukvimol
Chairman



Mr. Thammasak Sethaudom
President & CEO of SCG

CONSOLIDATED FINANCIAL
STATEMENTS OF THE SIAM CEMENT
PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES





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ชั้น 50 เอ็มไพร์ ทาวเวอร์
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Independent auditor's report

To the Shareholders of The Siam Cement Public Company Limited

Opinion

I have audited the consolidated financial statements of The Siam Cement Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated 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 is relevant to my audit of the consolidated 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 judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



The acquisitions of business	
Refer to Notes 3 (a) and 4 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2023, the Group acquired overseas companies in Packaging Business and engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition.</p> <p>The accounting for the business acquisition is material and complex, which requires management to make significant judgments in identifying and determining the fair values of assets acquired and liabilities assumed from the business acquisition based on uncertain assumptions. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • inquiry of management about the nature and objective of the business acquisitions, inspecting share transfer agreements and relevant minutes of meetings of management in order to understand significant terms and conditions, including the features relevant to the acquisition accounting; • assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from the business acquisitions with reference to the operating environment, my knowledge of the acquired businesses and industry, and other information obtained during the audit; • evaluating the appropriateness of identifying assets acquired and liabilities assumed from the business acquisitions by management and the consideration transferred to the seller, examining the relevant purchase and disbursement documents, and testing the mathematical accuracy of the calculation of goodwill; • consulting with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach; • evaluating the independence and professional competence of the independent appraisers engaged by the Group; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.



The impairment testing of goodwill and property, plant and equipment	
Refer to Notes 3 (m), 11 and 13 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Business risk arising from internal and external factors causes the management to pay more attention to impairment testing of goodwill arising from business acquisitions, especially from the acquisition of overseas businesses. Besides this, according to the financial reporting standard, the Group performs impairment testing on goodwill derived from business combinations on an annual basis or whenever an indication of impairment exists. The management also assessed the indication leading to the impairment testing of property, plant and equipment of the Group by focusing on businesses that consistently performed below expectations.</p> <p>Due to the materiality of carrying amounts of certain assets, management's judgments and estimation are required in determining recoverable amount of cash generating unit, in particular the forecasting of future cash flows from the business plan, the forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining an understanding of the relevant business plan, the management's identification of cash generating unit and impairment indicators, impairment testing procedures and the calculation of the recoverable amount; • evaluating the appropriateness of cash generating unit and impairment indicators identified by management, assessing the reasonableness of the key assumptions used in determining the recoverable amount, such as cash flow forecasts, long-term growth rates and discount rates by comparing with market situations and the operating environment, industry knowledge and other information obtained during the audit and evaluating the reasonableness of the forecasting of financial performances by comparing historical estimations to the actual operating results, including sensitivity analysis in order to assess the effect of changes in the key assumption by management; • evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.

Emphasis of Matter

I draw attention to Note 4, the Group acquired businesses in the United Kingdom, Italy and Vietnam during the year ended 31 December 2023 and engaged an independent appraiser to determine the fair values of the identifiable assets acquired and liabilities assumed from the business acquisition. As at the reporting date, the appraisal has not yet been completed. Therefore, the determination of the fair values was determined provisionally and is subject to adjustment. My opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated 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 consolidated financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 TSAs 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 consolidated financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2024

Consolidated statement of financial position

As at 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

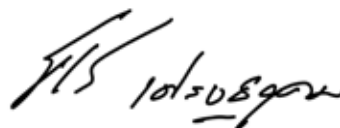
Assets	Note	2023	2022
		<i>(in thousand Baht)</i>	
Current assets			
Cash and cash equivalents	6, 26	43,601,784	57,529,745
Investments in short-term debt instruments	26	20,272,343	32,329,136
Trade and other current receivables	5, 7, 26	70,558,763	74,458,988
Short-term loans	5, 26	130,181	161,139
Inventories	8	80,631,029	83,162,051
Other current assets		2,004,395	2,373,260
Non-current assets classified as held for sale		15,993	35,177
Total current assets		217,214,488	250,049,496
Non-current assets			
Investments in debt instruments	26	6,034,465	6,371,541
Investments in equity instruments	26	15,341,808	16,569,218
Investments in joint ventures and associates	9	140,239,498	118,974,491
Other non-current receivables		3,328,037	2,216,685
Long-term loans	5, 26	1,296,754	141,633
Investment property	10	2,554,138	2,294,637
Property, plant and equipment	11	424,343,789	425,051,529
Goodwill	13	47,327,262	47,368,134
Other intangible assets	13	22,345,377	22,692,661
Deferred tax assets	14	4,716,491	5,205,704
Other non-current assets		8,858,525	9,554,065
Total non-current assets		676,386,144	656,440,298
Total assets		893,600,632	906,489,794

On behalf of the Board of Directors

Air Chief Marshal



Satitpong Sukvimol
Chairman



Mr. Thammasak Sethaudom
President & CEO of SCG

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

Consolidated statement of financial position

As at 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

Liabilities and shareholders' equity	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts and short-term borrowings			
from financial institutions	<i>15, 16, 26</i>	35,414,096	36,251,866
Trade and other current payables	<i>5</i>	59,690,894	59,783,047
Current portion of long-term borrowings	<i>5, 15, 16, 26</i>	11,979,840	4,508,041
Current portion of lease liabilities	<i>5, 15, 16, 26</i>	2,224,400	2,342,436
Current portion of debentures	<i>15, 16, 26</i>	65,396,427	24,915,176
Short-term borrowings	<i>5, 15, 16, 26</i>	306,906	383,409
Corporate income tax payable		2,630,454	2,197,132
Other current liabilities	<i>26</i>	24,601,822	1,935,304
Total current liabilities		202,244,839	132,316,411
<i>Non-current liabilities</i>			
Long-term borrowings	<i>5, 15, 16, 26</i>	60,898,581	94,607,266
Lease liabilities	<i>5, 15, 16, 26</i>	11,757,513	11,183,975
Debentures	<i>15, 16, 26</i>	149,607,643	190,053,882
Deferred tax liabilities	<i>14</i>	11,245,926	8,764,963
Non-current provisions for employee benefits	<i>17</i>	12,697,475	13,262,248
Other non-current liabilities		3,552,015	3,876,612
Total non-current liabilities		249,759,153	321,748,946
Total liabilities		452,003,992	454,065,357

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

Consolidated statement of financial position

As at 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

Liabilities and shareholders' equity	Note	2023	2022
<i>(in thousand Baht)</i>			
Shareholders' equity			
Share capital			
<i>Authorized share capital</i>			
<i>(1,600 million ordinary shares, par value at Baht 1 per share)</i>		1,600,000	1,600,000
<i>Issued and paid share capital</i>			
<i>(1,200 million ordinary shares, par value at Baht 1 per share)</i>		1,200,000	1,200,000
Other surpluses	4	1,704,627	3,179,178
Retained earnings			
<i>Appropriated</i>			
Legal reserve	18	160,000	160,000
General reserve		10,516,000	10,516,000
<i>Unappropriated</i>		373,595,302	352,819,995
Other equity interest	26	(23,203,660)	-
Other components of shareholders' equity		(10,510)	6,379,789
Total equity attributable to owners of the Company		363,961,759	374,254,962
Non-controlling interests		77,634,881	78,169,475
Total shareholders' equity		441,596,640	452,424,437
Total liabilities and shareholders' equity		893,600,632	906,489,794

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

Consolidated income statement

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

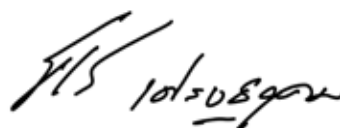
	<i>Note</i>	2023	2022
<i>(in thousand Baht)</i>			
Revenue from sales	5	499,645,707	569,608,696
Cost of sales	5	(426,198,793)	(491,339,272)
Gross profit		73,446,914	78,269,424
Other income	4, 5, 20	28,885,709	12,683,515
Profit before expenses		102,332,623	90,952,939
Distribution costs	21	(31,880,163)	(36,212,914)
Administrative expenses	22	(33,310,177)	(33,560,001)
Other expenses	11	(3,108,847)	(1,985,157)
Total expenses		(68,299,187)	(71,758,072)
Profit from operations		34,033,436	19,194,867
Finance costs		(10,297,408)	(7,523,074)
Share of profit of joint ventures and associates accounted for using equity method	9	8,418,817	10,703,091
Profit before income tax		32,154,845	22,374,884
Tax expense	24	(8,044,668)	(4,650,349)
Profit for the year		24,110,177	17,724,535
Profit (loss) attributable to			
Owners of the Company		25,914,983	21,382,351
Non-controlling interests		(1,804,806)	(3,657,816)
		<u>24,110,177</u>	<u>17,724,535</u>
Basic earnings per share (in Baht)			
Attributable to owners of the Company		21.60	17.82

On behalf of the Board of Directors

Air Chief Marshal



Satitpong Sukvimol
Chairman



Mr. Thammasak Sethaudom
President & CEO of SCG

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

Consolidated statement of comprehensive income

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Profit for the year		24,110,177	17,724,535
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements		(3,838,506)	(1,006,753)
Gain (loss) on cash flow hedges	26	(997,872)	4,248,006
Loss on measurement of financial assets		(11,771)	(3,528)
Share of other comprehensive income of joint ventures and associates accounted for using equity method	9	(476,566)	1,495,694
Income tax relating to items that will be reclassified subsequently to profit or loss	24	2,355	3,613
Total items that will be reclassified subsequently to profit or loss		(5,322,360)	4,737,032
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on investments in equity instruments measured at fair value		(1,444,727)	(388,863)
Gain on remeasurements of defined benefit plans	17	193,469	1,458,570
Share of other comprehensive income of joint ventures and associates accounted for using equity method	9	(114,954)	(204,484)
Income tax relating to items that will not be reclassified subsequently to profit or loss	24	241,014	(212,762)
Total items that will not be reclassified subsequently to profit or loss		(1,125,198)	652,461
Other comprehensive income for the year, net of tax		(6,447,558)	5,389,493
Total comprehensive income for the year		17,662,619	23,114,028
Total comprehensive income attributable to			
Owners of the Company		19,784,618	28,051,404
Non-controlling interests		(2,121,999)	(4,937,376)
		<u>17,662,619</u>	<u>23,114,028</u>

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

	Other components of shareholders' equity													
	Retained earnings					Share of other comprehensive income of joint ventures and associates accounted for using equity method								
	Appropriated		Unappropriated			Gain (loss) on measuring financial assets (in thousand Baht)	Gain (loss) on investments in equity instruments measured at fair value	Gain (loss) on joint ventures and associates	Share of other comprehensive income of joint ventures and associates	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity	
Balance at 1 January 2022	1,200,000	3,467,105	160,000	10,516,000	348,557,913	(6,567,974)	(131,172)	(1,483)	7,825,979	664,366	1,789,716	365,690,734	84,317,613	450,008,347
Transactions with owners, recorded directly in shareholders' equity														
Contributions by and distributions to owners														
Dividends	-	-	-	-	(19,199,249)	-	-	-	-	-	-	(19,199,249)	(2,720,546)	(21,919,795)
Total contributions by and distributions to owners	-	-	-	-	(19,199,249)	-	-	-	-	-	-	(19,199,249)	(2,720,546)	(21,919,795)
Changes in ownership interests in subsidiaries														
Changes that do not result in a loss of control	-	(287,927)	-	-	-	-	-	-	-	-	-	(287,927)	815,318	527,391
Changes that result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	-	-	694,466	694,466
Total changes in ownership interests in subsidiaries	-	(287,927)	-	-	-	-	-	-	-	-	-	(287,927)	1,509,784	1,221,857
Total transactions with owners, recorded directly in shareholders' equity	-	(287,927)	-	-	(19,199,249)	-	-	-	-	-	-	(19,487,176)	(1,210,762)	(20,697,938)
Comprehensive income for the year														
Profit or loss	-	-	-	-	21,382,351	-	-	-	-	-	-	21,382,351	(3,657,816)	17,724,535
Other comprehensive income	-	-	-	-	2,078,980	433,565	4,248,006	86	(1,296,339)	1,204,755	4,590,073	6,669,053	(1,279,560)	5,389,493
Total comprehensive income for the year	-	-	-	-	23,461,331	433,565	4,248,006	86	(1,296,339)	1,204,755	4,590,073	28,051,404	(4,937,376)	23,114,028
Balance at 31 December 2022	1,200,000	3,179,178	160,000	10,516,000	352,819,995	(6,134,409)	4,116,834	(1,397)	6,529,640	1,869,121	6,379,789	374,254,962	78,169,475	452,424,437

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

	Retained earnings										Other components of shareholders' equity				
	Appropriated					Unappropriated					Share of other comprehensive income of				
	Issued and paid share capital	Other surpluses (deficits)	Legal reserve	General reserve		Other equity interest	Exchange differences on translating financial statements	Gain (loss) on cash flow hedges	Loss on measuring financial assets	Gain (loss) on equity instruments measured at fair value	Investments in joint ventures and associates accounted for using equity method	Total other components of shareholders' equity	Total attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Balance at 1 January 2023	1,200,000	3,179,178	160,000	10,516,000	352,819,995	-	(6,134,409)	4,116,834	(1,397)	6,529,640	1,869,121	6,379,789	374,254,962	78,169,475	452,424,437
Transactions with owners, recorded directly in shareholders' equity															
Dividends	-	-	-	-	(5,399,610)	-	-	-	-	-	-	-	(5,399,610)	(2,663,341)	(8,062,951)
Total contributions by and distributions to owners	-	-	-	-	(5,399,610)	-	-	-	-	-	-	-	(5,399,610)	(2,663,341)	(8,062,951)
Changes in ownership interests in subsidiaries															
Changes that do not result in a loss of control	-	(1,491,592)	-	-	-	-	-	-	-	-	-	-	(1,491,592)	4,123,862	2,632,270
Changes that result in an acquisition or a loss of control	-	17,041	-	-	-	-	-	-	-	-	-	-	17,041	126,884	143,925
Total changes in ownership interests in subsidiaries	-	(1,474,551)	-	-	-	-	-	-	-	-	-	-	(1,474,551)	4,250,746	2,776,195
Total transactions with owners, recorded directly in shareholders' equity	-	(1,474,551)	-	-	(5,399,610)	-	-	-	-	-	-	-	(6,874,161)	1,587,405	(5,286,756)
Put options	-	-	-	-	-	(23,203,660)	-	-	-	-	-	-	(23,203,660)	-	(23,203,660)
Comprehensive income for the year															
Profit or loss	-	-	-	-	25,914,983	-	-	-	-	-	-	-	25,914,983	(1,804,806)	24,110,177
Other comprehensive income	-	-	-	-	259,934	-	(3,484,555)	(977,872)	(9,417)	(1,295,617)	(602,838)	(6,390,299)	(6,130,365)	(317,193)	(6,447,558)
Total comprehensive income for the year	-	-	-	-	26,174,917	-	(3,484,555)	(977,872)	(9,417)	(1,295,617)	(602,838)	(6,390,299)	19,784,618	(2,121,999)	17,662,619
Balance at 31 December 2023	1,200,000	1,704,627	160,000	10,516,000	373,595,302	(23,203,660)	(9,618,964)	3,118,962	(10,814)	5,234,023	1,266,283	363,961,759	77,634,881	441,596,640	

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

Consolidated statement of cash flows

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the year		24,110,177	17,724,535
<i>Adjustments for</i>			
Tax expense		8,044,668	4,650,349
Depreciation and amortization		29,740,095	29,461,123
Loss on inventories devaluation		1,607,594	1,012,941
Non-current provisions for employee benefit expense		1,079,116	1,076,800
Loss on foreign currency exchange		38,438	377,547
Share of profit of joint ventures and associates accounted for using equity method		(8,418,817)	(10,703,091)
Dividend income		(3,332,464)	(4,563,475)
Interest income		(2,150,766)	(1,223,693)
Finance costs		10,297,408	7,523,074
Loss on impairment of assets		1,597,536	654,259
Gain on fair value adjustment and others	4	(18,237,286)	(286,747)
Cash flows generated from operations		44,375,699	45,703,622
before changes in operating assets and liabilities		44,375,699	45,703,622
<i>Decrease (increase) in operating assets</i>			
Trade and other current receivables		189,905	5,778,038
Inventories		731,460	(1,389,147)
Other assets		(1,158,235)	(62,274)
Net decrease (increase) in operating assets		(236,870)	4,326,617

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

Consolidated statement of cash flows

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Increase (decrease) in operating liabilities</i>			
Trade and other current payables		5,713,942	(12,433,524)
Non-current provisions for employee benefits		(1,192,380)	(918,273)
Other liabilities		(189,890)	1,143,086
Net increase (decrease) in operating liabilities		4,331,672	(12,208,711)
Net cash flows generated from operations		48,470,501	37,821,528
Income tax paid		(4,462,061)	(8,102,597)
Net cash flows provided by operating activities		44,008,440	29,718,931
<i>Cash flows from investing activities</i>			
Cash divested from sale of subsidiaries		(439,864)	-
Acquisition of subsidiaries, net of cash acquired	4	(1,352,431)	(9,569,828)
Proceeds from sale of interests in joint ventures and associates		513,108	1,707,228
Acquisition of interests in joint ventures and associates		(1,542,380)	(1,680,768)
Proceeds from sale of equity and debt instruments of other entities		79,898,368	29,362,211
Acquisition of equity and debt instruments of other entities		(67,968,741)	(33,528,751)
Proceeds from sale of property, plant and equipment		829,495	764,819
Acquisition of property, plant and equipment		(32,022,957)	(38,065,147)
Acquisition of intangible assets		(1,928,461)	(1,865,869)
Proceeds from repayment of loans (payment for loans), net		281,327	(1,096)
Dividends received		11,597,317	18,836,464
Interest received		2,134,395	1,093,809
Income tax paid from sale of investments		(630,333)	-
Net cash flows used in investing activities		(10,631,157)	(32,946,928)

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

Consolidated statement of cash flows

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>			
Proceeds from changes in ownership interests			
in subsidiaries that do not result in a loss of control	4	2,669,123	849,505
Payments of changes in ownership interests in subsidiaries			
that do not result in a loss of control		(48,764)	(36,715)
<i>Proceeds from (payments of) borrowings</i>			
Payments of bank overdrafts and			
short-term borrowings, net		(578,162)	(2,467,118)
Proceeds from long-term borrowings		25,487,843	21,419,431
Payments of long-term borrowings	15	(49,924,336)	(5,851,695)
Payments of lease liabilities		(2,812,912)	(2,961,319)
Proceeds from issuance of debentures		24,896,993	84,949,167
Redemption of debentures		(24,881,176)	(39,987,504)
Net increase (decrease) in borrowings		(27,811,750)	55,100,962
Dividends paid			
Dividends paid to owners of the Company		(5,399,610)	(19,199,249)
Dividends paid to non-controlling interests		(2,689,067)	(2,855,465)
Total dividends paid		(8,088,677)	(22,054,714)
Interest and other finance costs paid		(13,305,944)	(9,459,583)
Net cash flows provided by (used in) financing activities		(46,586,012)	24,399,455
Net increase (decrease) in cash and cash equivalents		(13,208,729)	21,171,458
Effect of exchange rate changes on cash and cash equivalents		(719,232)	365,446
Cash and cash equivalents at beginning of the year		57,529,745	35,992,841
Cash and cash equivalents at end of the year		43,601,784	57,529,745
<i>Supplementary information for cash flows</i>			
Income tax paid for the year		(5,092,394)	(8,102,597)
Non-cash from investing and financing transactions at end of the year			
Account payables from purchase of assets		4,114,835	7,575,946
Accrued investments		554,765	567,804
Liabilities related to put options		22,313,049	-

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

Notes to the financial statements

For the year ended 31 December 2023

The Siam Cement Public Company Limited and its Subsidiaries

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These notes form an integral part of the consolidated financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 22 February 2024.

1 General information

The Siam Cement Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The Company and its subsidiaries, the “Group”, is an industrial group which operates core businesses of Cement-Building Materials Business, Chemicals Business (SCGC) and Packaging Business (SCGP).

Details of the subsidiaries, which have significant operations and were included in the consolidated financial statements, are as follows:

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
<i>Cement-Building Materials Business</i>		<i>Cement-Building Materials Business</i>	
<i>- SCG Cement and Green Solutions</i>		<i>- SCG Cement and Green Solutions</i>	
The Concrete Products and Aggregate Co., Ltd.	100	Phu Yen Cosevco Cement Company Limited	
SCG Cement Co., Ltd.	100	(Incorporated in Vietnam)	100
The Siam Cement (Kaeng Khoi) Co., Ltd.	100	The Siam Refractory Industry Co., Ltd.	100
The Siam Cement (Ta Luang) Co., Ltd.	100	Eco Plant Services Co., Ltd.	100
The Siam Cement (Thung Song) Co., Ltd.	100	SCI Eco Services Co., Ltd.	100
The Siam Cement (Lampang) Co., Ltd.	100	CPAC Construction Solution Co., Ltd.	100
Q Mix Supply Co., Ltd.	100	Buu Long Industry and Investment Joint Stock Company	
Silathai Sanguan (2540) Co., Ltd.	100	(Incorporated in Vietnam)	99
Silasanon Co., Ltd.	100	PT Semen Jawa	
PT SCG Pipe and Precast Indonesia		(Incorporated in Indonesia)	98
(Incorporated in Indonesia)	100	Mawlamyine Cement Limited	
PT Semen Lebak		(Incorporated in Myanmar)	96
(Incorporated in Indonesia)	100	Kampot Cement Co., Ltd.	
PT SCG Readymix Indonesia		(Incorporated in Cambodia)	92
(Incorporated in Indonesia)	100	CPAC Cambodia Co., Ltd.	
PT CPAC Surabaya		(Incorporated in Cambodia)	90
(Incorporated in Indonesia)	100	SCG Myanmar Concrete and Aggregate Co., Ltd.	
Khammouane Cement Co., Ltd.		(Incorporated in Myanmar)	80
(Incorporated in Lao PDR)	100	Green Conservation Solution Co., Ltd.	74
Vietnam Construction Materials Joint Stock Company		PT Pion Quarry Nusantara	
(Incorporated in Vietnam)	100	(Incorporated in Indonesia)	49
Song Gianh Cement Joint Stock Company		PT Tambang Semen Sukabumi	
(Incorporated in Vietnam)	100	(Incorporated in Indonesia)	48
Mien Trung Cement One Member Company Limited		Kampot Land Co., Ltd.	
(Incorporated in Vietnam)	100	(Incorporated in Cambodia)	45
Danang Cement One Member Company Limited			
(Incorporated in Vietnam)	100		

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
<i>Cement-Building Materials Business - SCG Smart Living</i>		<i>Cement-Building Materials Business - SCG Smart Living</i>	
SCG Cement-Building Materials Co., Ltd.	100	Nexter Living Co., Ltd.	100
MRC Roofing Co., Ltd.	100	SCG Building and Living Care Consulting Co., Ltd.	100
Cementthai Gypsum Co., Ltd.	100	SCG Living and Housing Solution Co., Ltd.	100
The Siam Fibre-Cement Co., Ltd.	100	PT Karya Makmur Kreasi Prima (Incorporated in Indonesia)	91
Cementthai Ceramics Philippines Holdings, Inc. (Incorporated in the Philippines)	100	Saraburirat Co., Ltd.	83
Cementthai Gypsum (Singapore) Pte. Ltd. (Incorporated in Singapore)	100	PT Surya Siam Keramik (Incorporated in Indonesia)	80
SCG Roofing Co., Ltd.	100	Quality Construction Products Public Company Limited	61
Siam Fibre Cement Group Co., Ltd.	100	Q-Con Eastern Co., Ltd.	61
SCG Landscape Co., Ltd.	100	Zifisense Asia Co., Ltd.	56
Siam Fiberglass Co., Ltd.	100	Panel World Co., Ltd.	55
SCG Concrete Roof (Vietnam) Co., Ltd. (Incorporated in Vietnam)	100	SCG-Sekisui Sales Co., Ltd.	51
Prime - Ngoi Viet Joint Stock Company (Incorporated in Vietnam)	100	PT Siam-Indo Gypsum Industry (Incorporated in Indonesia)	50
SCG Concrete Roof (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100	PT Siam-Indo Concrete Products (Incorporated in Indonesia)	50
PT SCG Lightweight Concrete Indonesia (Incorporated in Indonesia)	100		
<i>Cement-Building Materials Business - SCG Decor</i>		<i>Cement-Building Materials Business - SCG Decor</i>	
SCG Decor Public Company Limited (Formerly: SCG Building Materials Co., Ltd.)	73	Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	72
Prime Group Joint Stock Company (Incorporated in Vietnam)	73	Prime Dai An Joint Stock Company (Incorporated in Vietnam)	70
Prime Trading, Import and Export One Member Limited Liability Company (Incorporated in Vietnam)	73	PT KIA Keramik Mas (Incorporated in Indonesia)	68
Prime Pho Yen Joint Stock Company (Incorporated in Vietnam)	73	PT Keramik Indonesia Assosiasi, Tbk. (Incorporated in Indonesia)	68
Prime - Yen Binh Joint Stock Company (Incorporated in Vietnam)	73	Prime Dai Viet Joint Stock Company (Incorporated in Vietnam)	66
Prime - Tien Phong Joint Stock Company (Incorporated in Vietnam)	73	Prime Thien Phuc Joint Stock Company (Incorporated in Vietnam)	66
Prime - Vinh Phuc Joint Stock Company (Incorporated in Vietnam)	73	Prime Phong Dien Joint Stock Company (Incorporated in Vietnam)	66
Prime - Truong Xuan Joint Stock Company (Incorporated in Vietnam)	73	Prime Dai Loc Joint Stock Company (Incorporated in Vietnam)	66
SCG Ceramics Public Company Limited	73	Mariwasa-Siam Ceramics, Inc. (Incorporated in the Philippines)	62
Sosuco Ceramic Co., Ltd.	73	Prime Hao Phu Joint Stock Company (Incorporated in Vietnam)	51
SUSUNN Smart Solution Co., Ltd.	73	SCG Ceramics – Ly Heng Chhay (Cambodia) Co., Ltd. (Incorporated in Cambodia)	44
The Siam Sanitary Fittings Co., Ltd.	73	Prime Dai Quang Joint Stock Company (Incorporated in Vietnam)	41
Siam Sanitary Ware Co., Ltd.	72		
Siam Sanitary Ware Industry Co., Ltd.	72		

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
<i>Cement-Building Materials Business</i>		<i>Cement-Building Materials Business</i>	
<i>- SCG Distribution & Retail</i>		<i>- SCG Distribution & Retail</i>	
SCG Distribution Co., Ltd.	100	SCG International Corporation Vietnam Co., Ltd. (Incorporated in Vietnam)	100
SCG Cement-Building Materials Vietnam Limited Liability Company (Incorporated in Vietnam)	100	SCG International India Private Limited (Incorporated in India)	100
SCG Distribution and Retail (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100	SCG International Bangladesh Company Limited (Incorporated in Bangladesh)	100
SCG International Corporation Co., Ltd.	100	Myanmar CBM Services Co., Ltd. (Incorporated in Myanmar)	100
SCG International Australia Pty. Ltd. (Incorporated in Australia)	100	Nexter Digital and Solution Co., Ltd.	100
SCG International China (Guangzhou) Co., Ltd. (Incorporated in China)	100	PT Living Platform Indonesia (Incorporated in Indonesia)	100
SCG International Hong Kong Limited (Incorporated in China)	100	SCG Experience Co., Ltd.	100
SCG International (Philippines) Corporation (Incorporated in the Philippines)	100	SCG Retail Holding Co., Ltd.	100
SCG International USA Inc. (Incorporated in the United States)	100	PT Kokoh Inti Arebama Tbk. (Incorporated in Indonesia)	91
PT SCG International Indonesia (Incorporated in Indonesia)	100	Unify Smart Tech Joint Stock Company (Incorporated in Vietnam)	90
SCG International Laos Co., Ltd. (Incorporated in Lao PDR)	100	SCG Home Retail Co., Ltd.	81
SCG Marketing Philippines Inc. (Incorporated in the Philippines)	100	SCG Builk One Philippines, Inc. (Incorporated in the Philippines)	76
SCG International (Malaysia) Sdn. Bhd. (Incorporated in Malaysia)	100	SCG Home Vietnam Co., Ltd. (Incorporated in Vietnam)	73
SCG International (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100	SCGT Automobile Co., Ltd.	67
SCG International Middle East Trading L.L.C (Incorporated in the United Arab Emirates)	100	Rudy Technology Co., Ltd.	61
SCG International Vietnam Co., Ltd. (Incorporated in Vietnam)	100	SCG-Boonthavorn Holding Co., Ltd.	51
		Mingalar Motor Co., Ltd. (Incorporated in Myanmar)	50
		SCG-Boonthavorn (Cambodia) Co., Ltd. (Incorporated in Cambodia)	41
<i>Chemicals Business (SCGC)</i>		<i>Chemicals Business (SCGC)</i>	
SCG Chemicals Public Company Limited	100	WTE Company Limited	100
Thai Polyethylene Co., Ltd.	100	SCG Chemicals (Singapore) Pte. Ltd. (Incorporated in Singapore)	100
Thai Plastic and Chemicals Public Company Limited	100	Tuban Petrochemicals Pte. Ltd. (Incorporated in Singapore)	100
PT TPC Indo Plastic and Chemicals (Incorporated in Indonesia)	100	Hexagon International, Inc. (Incorporated in the United States)	100
TPC Paste Resin Co., Ltd.	100	SCG Chemicals Trading Singapore Pte. Ltd. (Incorporated in Singapore)	100
Nawaplastic Industries Co., Ltd.	100	Chemtech Co., Ltd. (Incorporated in Vietnam)	100
Nawa Intertech Co., Ltd.	100	Rayong Engineering & Plant Service Co., Ltd.	100
Total Plant Service Co., Ltd.	100		
Vina SCG Chemicals Co., Ltd.	100		
Long Son Petrochemicals Co., Ltd. (Incorporated in Vietnam)	100		

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
<i>Chemicals Business (SCGC)</i>		<i>Chemicals Business (SCGC)</i>	
Protech Outsourcing Co., Ltd.	100	Rayong Olefins Co., Ltd.	68
Repco Maintenance Co., Ltd.	100	Map Ta Phut Olefins Co., Ltd.	67
REPCO NEX (Vietnam) Company Limited (Incorporated in Vietnam)	100	Nawaplastic (Cambodia) Co., Ltd. (Incorporated in Cambodia)	60
RIL 1996 Co., Ltd.	100	Circular Plas Company Limited	60
Texplora Co., Ltd.	100	Recycling Holding Volendam B.V. (Incorporated in the Netherlands)	60
SMH Co., Ltd.	100	Kras Investments B.V. (Incorporated in the Netherlands)	60
SENF I Norway AS (Incorporated in Norway)	100	Krasgroup Vastgoed B.V. (Incorporated in the Netherlands)	60
Norner AS (Incorporated in Norway)	100	Kras Belgium B.V. (Incorporated in Belgium)	60
Norner Research AS (Incorporated in Norway)	100	Kras Asia Ltd. (Incorporated in China)	60
SCGN AS (Incorporated in Norway)	100	Kras Gemert B.V. (Incorporated in the Netherlands)	60
Xplora S.R.L. (Incorporated in Italy)	100	Kras Hoek van Holland B.V. (Incorporated in the Netherlands)	60
SENF I UK Limited (Incorporated in the United Kingdom)	100	Kras Polymers B.V. (Incorporated in the Netherlands)	60
SENF I Swiss GmbH (Incorporated in Switzerland)	100	Kras Recycling B.V. (Incorporated in the Netherlands)	60
SENF I Ventures Company Limited	100	PT Nusantara Polymer Solutions (Incorporated in Indonesia)	55
Rayong Pipeline Co., Ltd.	92	Binh Minh Plastics Joint Stock Company (Incorporated in Vietnam)	55
SCGC ICO Polymers Company Limited (Formerly: SCG ICO Polymers Company Limited)	87	North Binh Minh Plastics Limited Company (Incorporated in Vietnam)	55
Map Ta Phut Tank Terminal Co., Ltd.	82	PT Berjaya Nawaplastic Indonesia (Incorporated in Indonesia)	51
Grand Nawaplastic Myanmar Co., Ltd. (Incorporated in Myanmar)	80	Kation Power Co., Ltd.	51
Viet-Thai Plastchem Co., Ltd. (Incorporated in Vietnam)	72	Flowlab & Service Co., Ltd.	51
TPC Vina Plastic and Chemical Corporation Ltd. (Incorporated in Vietnam)	70	REKS L.L.C. (Incorporated in Kosovo)	45
Sirplaste - Sociedade Industrial de Recuperados de Plástico, S.A. (Incorporated in Portugal)	70		
<i>Packaging Business (SCGP)</i>		<i>Packaging Business (SCGP)</i>	
SCG Packaging Public Company Limited	72	SCGP Solutions (Singapore) Pte. Ltd. (Incorporated in Singapore)	72
Jordan Trading Inc. (Incorporated in the United States)	75	SCGP Rigid Plastics Co., Ltd.	72
SCGP Solutions Co., Ltd.	72	SCGP Rigid Packaging Solutions Pte. Ltd. (Incorporated in Singapore)	72
Precision Print Co., Ltd.	72	International Healthcare Packaging Co., Ltd.	72
Siam Kraft Industry Co., Ltd.	72	Vexcel Pack Co., Ltd.	72
SCG Paper Energy Co., Ltd.	72		

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
<i>Packaging Business (SCGP)</i>		<i>Packaging Business (SCGP)</i>	
Law Print & Packaging Management Limited (UK) (Incorporated in the United Kingdom)	72	Sanilabo, S.L.U. (Incorporated in Spain)	61
Law Print & Packaging Management Limited (IE) (Incorporated in Ireland)	72	United Pulp and Paper Co., Inc. (Incorporated in the Philippines)	54
Go-Pak UK Limited (Incorporated in the United Kingdom)	72	Bicappa Lab S.r.L. (Incorporated in Italy)	52
Go-Pak Vietnam Limited (Incorporated in Vietnam)	72	Thai Containers Group Co., Ltd.	50
Go-Pak Paper Products Vietnam Co., Ltd. (Incorporated in Vietnam)	72	Thai Containers Khonkaen Co., Ltd.	50
SKIC International Co., Ltd.	72	Thai Containers Rayong Co., Ltd.	50
Peute Recycling B.V. (Incorporated in the Netherlands)	72	New Asia Industries Co., Ltd. (Incorporated in Vietnam)	50
Peute Papierrecycling B.V. (Incorporated in the Netherlands)	72	Alcamax Packaging (Vietnam) Co., Ltd. (Incorporated in Vietnam)	50
Peute Plasticrecycling B.V. (Incorporated in the Netherlands)	72	AP Packaging (Hanoi) Co., Ltd. (Incorporated in Vietnam)	50
Peute Investments B.V. (Incorporated in the Netherlands)	72	Packamex (Vietnam) Co., Ltd. (Incorporated in Vietnam)	50
Infiniplast B.V. (Incorporated in the Netherlands)	72	Orient Containers Co., Ltd.	50
Peute Recycling International B.V. (Incorporated in the Netherlands)	72	PT Indoris Printingdo (Incorporated in Indonesia)	50
Peute UK Limited (Incorporated in the United Kingdom)	72	PT Indocorr Packaging Cikarang (Incorporated in Indonesia)	50
Peute Portugal, Unipessoal Lda (Incorporated in Portugal)	72	Starprint Vietnam JSC (Incorporated in Vietnam)	50
Peute Recycling Spain S.L. (Incorporated in Spain)	72	TCG Solutions Pte. Ltd. (Incorporated in Singapore)	50
Invenique Co., Ltd.	72	Vina Kraft Paper Co., Ltd. (Incorporated in Vietnam)	50
SCGP Excellence Training Center Co., Ltd.	72	Duy Tan Plastics Manufacturing Corporation Joint Stock Company (Incorporated in Vietnam)	50
Thai Cane Paper Public Company Limited	71	Duy Tan Long An Co., Ltd. (Incorporated in Vietnam)	50
Deltalab Global, S.L. (Incorporated in Spain)	61	Duy Tan Precision Mold Co., Ltd. (Incorporated in Vietnam)	50
Deltalab, S.L. (Incorporated in Spain)	61	Duy Tan Binh Duong Plastics Co., Ltd. (Incorporated in Vietnam)	50
Keylab, S.L.U. (Incorporated in Spain)	61	Mata Plastic Co., Ltd. (Incorporated in Vietnam)	50
Nirco, S.L. (Incorporated in Spain)	61	Phoenix Pulp & Paper Public Company Limited	50
Envases Farmaceuticos, S.A. (Incorporated in Spain)	61	Thai Paper Co., Ltd.	50
Equilabo Scientific, S.L.U. (Incorporated in Spain)	61	The Siam Forestry Co., Ltd.	50
		Panas Nimit Co., Ltd.	50
		Thai Panason Co., Ltd.	50

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
<i>Packaging Business (SCGP)</i>		<i>Packaging Business (SCGP)</i>	
Thai Panadom Co., Ltd.	50	PT Dayasa Aria Prima	
Thai Panaram Co., Ltd.	50	(Incorporated in Indonesia)	40
Suanpa Rungsaris Co., Ltd.	50	PT Indonesia DIRTAJAYA Aneka Industri Box	
Siam Panawes Co., Ltd.	50	(Incorporated in Indonesia)	38
Thai Panaboon Co., Ltd.	50	PT Bahana Buana Box	
Thai Wanabhumm Co., Ltd.	50	(Incorporated in Indonesia)	38
Interpress Printers Sendirian Berhad		PT Rapi-pack Asritama	
(Incorporated in Malaysia)	49	(Incorporated in Indonesia)	38
PT Primacorr Mandiri		TC Flexible Packaging Co., Ltd.	38
(Incorporated in Indonesia)	49	Tin Thanh Packing Joint Stock Company	
Bien Hoa Packaging Joint Stock Company		(Incorporated in Vietnam)	38
(Incorporated in Vietnam)	48	Pre-pack Thailand Co., Ltd.	38
PT Fajar Surya Wisesa Tbk.		SCGP-T Plastics Co., Ltd.	37
(Incorporated in Indonesia)	40	Tawana Container Co., Ltd.	36
		Conimex Co., Ltd.	28
<i>Others</i>		<i>Others</i>	
Cement Thai Holding Co., Ltd.	100	PT SCG Indonesia	
Cement Thai Property (2001) Public Company Limited	100	(Incorporated in Indonesia)	100
Property Value Plus Co., Ltd.	100	SCG Express Co., Ltd.	100
SCG Accounting Services Co., Ltd.	100	SCG Digital Private Limited	
SCG Legal Counsel Limited	100	(Formerly: Oitolabs Technologies Private Limited)	
CTO Management Co., Ltd.	100	(Incorporated in India)	100
Cement Thai Captive Insurance Pte. Ltd.		Nexter Ventures Co., Ltd.	100
(Incorporated in Singapore)	100	BIIC Co., Ltd.	
SCG Cleanergy Co., Ltd.	100	(Formerly: Bangsue Industry Co., Ltd.)	100
SCG Cleanergy Inter Holding Co., Ltd.		BIT Innovation Company Limited	100
(Formerly: Megatric Co., Ltd.)	100	SCG Marketplace Holding Company Limited	100
T-Volt Co., Ltd.	100	Add Ventures Capital Co., Ltd.	100
NP Watt Co., Ltd.	100	Add Ventures Capital International Co., Ltd.	100
CN Watt Co., Ltd.	100	A.I. Technology Co., Ltd.	51
BNN Energy Co., Ltd.	100	Cleanergy ABP Co., Ltd.	51
SCG Learning Excellence Co., Ltd.	100	Jieng Cleanergy Co., Ltd.	51
SCG HR Solutions Co., Ltd.	100	Siam GNE Solar Energy Co., Ltd.	50
SCG Vietnam Co., Ltd.			
(Incorporated in Vietnam)	100		

Details of the subsidiaries with insignificant operations that were included in the consolidated financial statements are as follows:

	Direct/ Indirect Holding (%)		Direct/ Indirect Holding (%)
Siam Mortar Co., Ltd.	100	SCG Plastics Co., Ltd.	100
CPAC Concrete Products (Cambodia) Co., Ltd. (Incorporated in Cambodia)	100	SCG Performance Chemicals Co., Ltd.	100
The Concrete Products and Aggregate (Vietnam) Co., Ltd. (Incorporated in Vietnam)	100	PT KIA Serpih Mas (Incorporated in Indonesia)	77
Cementthai Ceramics Co., Ltd.	100	SCG Roofing Philippines, Inc. (Incorporated in the Philippines)	73
SCG International Middle East DMCC (Incorporated in the United Arab Emirates)	100	Ceramic Research Institution (Incorporated in Vietnam)	73
Siam TPC Co., Ltd.	100	SCG Cement-Building Materials Philippines, Inc. (Incorporated in the Philippines)	73
Siam TPC (Singapore) Pte. Ltd. (Incorporated in Singapore)	100	United Industrial Energy Corporation (Incorporated in the Philippines)	54
SCG Holding Co., Ltd.	100	Dyna Packs Co., Ltd.	50
The Nawaloha Foundry Bangpakong Co., Ltd.	100	D-In Pack Co., Ltd.	50
The Siam Iron and Steel Co., Ltd.	100	Phoenix Utilities Co., Ltd.	50
Dhara Pipe Co., Ltd.	100		
SCG Corporation S.A. (Incorporated in Panama)	100		

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2022.

During 2023, the Group acquired the ordinary shares of Law Print & Packaging Management Limited, Bicappa Lab S.r.L. and Starprint Vietnam JSC. These companies are included in the Group's consolidated financial statements, as discussed in note 4.

2 Basis of preparation of the financial statements

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs"); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The Group has adopted International Tax Reform - Pillar Two Model Rules - Amendments to TAS 12 *Income Taxes*. The amendments provide a temporary mandatory exception for the recognition and disclosure of deferred tax accounting for the top-up tax, which is effective immediately, and accounts for a current tax when it is incurred.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The Group applies the acquisition method when the Group assesses that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognized as incurred.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest of investment in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income shall be recognized on the same basis as would be required if that interest was disposed of.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit or loss immediately.

Consideration transferred measured at fair value includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognized in profit or loss.

A contingent liability of the acquiree assumed in a business combination is recognized only if such a liability represents a present obligation that arises from a past event and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted or additional assets or liabilities are recognized during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

(b) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree when there is a change in the Group's interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition or consideration received from disposal is accounted for as other surplus or deficit in shareholders' equity.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss arising from loss of control in the subsidiary is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(c) *Investments in joint ventures and associates*

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognized investments in joint ventures and associates using the equity method in the consolidated financial statements. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include dividend income, the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealized gains arising from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(d) *Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) *Trade and other receivables*

A receivable is recognized when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost or first in first out principle which is considered based on appropriateness of type of inventory.

Cost comprises costs of purchase, costs of conversion or relevant direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

(g) Non-current assets classified as held for sale

Non-current assets 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 available for immediate sale in current condition and measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are no longer depreciated or amortized and any equity-accounted investee is no longer equity accounted.

(h) Investment property

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Group. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 46	years
Buildings and structures	5 - 40	years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(i) **Property, plant and equipment**

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 50	years
Buildings and structures		
- Cement-Building Materials Business	3 - 47	years
- Chemicals Business (SCGC)	5 - 30	years
- Packaging Business (SCGP)	5 - 40	years
- Others	5 - 50	years
Machinery and equipment		
- Cement-Building Materials Business	2 - 30	years
- Chemicals Business (SCGC)	3 - 30	years
- Packaging Business (SCGP)	3 - 30	years
Vehicles and equipment	3 - 20	years
Furniture, fixtures and office equipment	2 - 20	years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(j) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any assets.

(k) Other intangible assets

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalized only when it increases the future economic benefits.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Concession and license fees	Term of agreements
Software licenses	2 - 20 years
Customer contracts and relationship	5 - 26 years
Others	3 - 25 years

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(l) Leases

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

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Group has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group will estimate the assets' recoverable amounts. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Trade and other payables

Trade and other payables are stated at amortized cost.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to provident fund for the Group's employee are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurements is recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(q) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and rendering of services

Revenue from sales of goods is recognized at a point in time when the Group transfers control of the goods to customers, generally on delivery of the goods to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognize revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of the performance obligation or as the services are provided. The progress towards complete satisfaction is assessed based on either output or input methods.

For bundled packages, the Group recognizes revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from the sale of goods which is recognized at a point in time.

Customer loyalty programme

For customer loyalty programmes that the Group offers to customers, the consideration received is allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognized as contract liabilities and revenue is recognized when loyalty points are redeemed, the likelihood of the customer redeeming the loyalty points becomes remote or the points expire. The stand-alone selling prices of the points is estimated based on the discount provided to customers and the likelihood that the customers will redeem the points. The estimate is reviewed at the end of the reporting period.

Other income

Other income comprising dividend income, interest income and others is recognized on an accrual basis except dividend income which is recognized in profit or loss on the date on which the Group's right to receive the dividend is established.

Royalty fee income

Royalty fee income is recognized over the royalty term.

(2) Contract assets and liabilities

Contract assets are recognized when the Group has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration that usually occurs when the Group issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

(r) Expenses

Finance costs

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expenses

The Group offers certain qualifiable employees the option to take early retirement from the Group. The eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries, joint ventures and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(t) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign currency differences are recognized in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at fair value through other comprehensive income (FVOCI) and qualifying cash flow hedges to the extent the hedge is effective are recognized in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated to Thai Baht at the average rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognized in other comprehensive income, except to extent that the translation difference is allocated to non-controlling interest, accumulated and presented in other components of equity until disposal of the foreign operation.

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 to profit or loss as part of the gain or loss on disposal. 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.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation, recognized in other comprehensive income and presented in other components of equity until disposal of the foreign operation.

(u) *Financial instruments*

Classification and measurement

Debt securities issued by the Group are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivative are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date on which the Group's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

Derecognition and offset

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

Hedge accounting

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Hedges directly affected by IBOR reform

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the changes required by IBOR reform. For this purpose, the hedge designation is amended once the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedge item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

Cash flow hedges

The Group holds derivative financial instruments to hedge its interest rate risk exposures and designates certain derivatives as hedging instruments.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

For cash flow hedges, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

The hedge accounting is discontinued prospectively when the hedge instrument expires, is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge. For a hedge of a transaction that does not result in the recognition of a non-financial item, when hedge accounting for cash flow hedges is discontinued and the hedged future cash flows are expected to occur, the amount that have been accumulated in the hedging reserve are not reclassified to profit or loss until the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

Impairment of financial assets

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

The Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is the investment grade. The Group recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(v) *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 market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - e.g. the fair value of the consideration given or received.

(w) Business segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(x) Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

4 Acquisition of business, change in ownership interests in subsidiary and change in status of subsidiary

Year 2023

(a) Acquisitions

During 2023, the Group acquired the significant businesses as follows:

(1) Law Print & Packaging Management Limited, the United Kingdom

On 25 October 2023, a subsidiary under Packaging Business acquired 100% stake in Law Print & Packaging Management Limited ("Law Print"), a prominent packaging solution provider in the United Kingdom. This investment has a total consideration of Pound Sterling 11.1 million or equivalent to Baht 490 million.

Acquisition in Law Print is to enlarge the Group's sales channels and customer networks with concentration on fast-growing pet food manufacturers in the United Kingdom and across Europe. Moreover, further synergies would include the cross-selling of the Group's consumer packaging products to Law Print's clients, especially in multinational companies.

(2) Bicappa Lab S.r.L., Italy

On 26 October 2023, a subsidiary under Packaging Business acquired 85% stake in Bicappa Lab S.r.L. (“Bicappa”), a renowned medical supply and labware manufacturer specialized in pipette tips product in Italy. This investment has a total consideration of Euro 3.2 million or equivalent to Baht 123 million and has the agreement with existing shareholder which grant the right to buy or sell the remaining 15% stake. The pricing and exercise period are in accordance with the conditions specified in the agreement.

Acquisition in Bicappa is a backward integration with their supplier of pipette tips which is the pivotal products in the Group’s comprehensive labware portfolio. Moreover, this will enable the Group to promptly expand into pipette tips business while also effectively access the know-how of conductive polymer injection technology for auto-pipetting and this would also include sales expansion of other the Group’s medical supply and labware products into Bicappa’s clientele base.

(3) Starprint Vietnam JSC, Vietnam

On 18 December 2023, a subsidiary under Packaging Business acquired 70% stake in Starprint Vietnam JSC (“SPV”), an offset folding carton packaging manufacturer in Vietnam. This investment has a total consideration of Vietnamese Dong 676.1 billion or equivalent to Baht 979 million and has the agreement with existing shareholders which grant the right to buy or sell the remaining 5% stake. The pricing and exercise period are in accordance with the conditions specified in the agreement.

Acquisition in SPV will enhance the Group’s packaging solutions capabilities to serve enlarging customer base in Vietnam and ASEAN while reinforce chain integration. SPV will be the Group’s first rigid boxes facility in ASEAN and the Group’s first offset folding carton production in Vietnam.

For the above acquisitions, the Group has engaged independent appraisers to determine the fair values of net assets and liabilities acquired. As at 31 December 2023, the determination of the fair values has not been completed. Therefore, the Group has recognized the provisional fair value amounts in the consolidated statement of financial position as at 31 December 2023. The fair values of assets acquired and liabilities assumed and goodwill may be adjusted when the fair values are finally determined.

The Group will continue to review the fair values measured on a provisional basis during the measurement period. If there is any new additional information obtained within one year from the acquisition date and acknowledged facts that reflect on circumstances existing at the acquisition date, then the acquisition accounting will be adjusted.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	Fair value			Total
	Law Print	Bicappa	SPV	
		<i>(in million Baht)</i>		
Cash and cash equivalents	217	18	27	262
Trade and other current receivables	27	38	179	244
Inventories	14	1	240	255
Property, plant and equipment	19	22	92	133
Other non-current assets	2	-	37	39
Trade and other current payables	(27)	(15)	(126)	(168)
Interest-bearing liabilities	(16)	(4)	(105)	(125)
Other current liabilities	(11)	-	(13)	(24)
Other non-current liabilities	-	-	(12)	(12)
Net identifiable assets and liabilities	225	60	319	604
<i>Less non-controlling interests</i>	-	(9)	(96)	(105)
Recognized value of net assets acquired	225	51	223	499
Goodwill from business acquisition	265	72	756	1,093
Total consideration transferred	490	123	979	1,592
Cash acquired				(262)
Total consideration transferred - net				1,330

The assets, liabilities and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2023 since the acquisition date with total revenue from sales of Baht 51 million and profit for the period of Baht 6 million. Revenue from sales of these subsidiaries since 1 January 2023 to the respective acquisition dates amounted to Baht 1,473 million and profit for periods amounted to Baht 90 million.

The Group incurred acquisition costs totaling Baht 29 million which have been included in administrative expenses in the consolidated income statement.

Besides the acquisitions during 2023 as above, the Group had significant transactions related to the business acquisitions in 2022 as follows;

In the third quarter of 2023, the determination of the fair values of assets acquired and liabilities assumed from acquisition of Recycling Holding Volendam B.V. ("Kras"), the Netherlands, has been completed. The Group recorded the fair value adjustment of the assets acquired and liabilities assumed accordingly, mainly from an increase in other intangible assets of Baht 1,390 million, an increase in non-controlling interests of Baht 529 million and a decrease in goodwill of Baht 677 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

(b) Change in ownership interests in subsidiary

Business restructuring of ceramics tiles and sanitary wares of the Group's subsidiaries

On 29 March 2023, the Board of Directors' Meeting ("BOD") of the Company has resolved to approve the restructuring of the Group of subsidiaries by designating SCG Decor Company Limited ("SCGD") as the flagship company of the Group to undertake the manufacturing business of floor tiles, wall tiles, and sanitary ware in both Thailand and abroad. On 23 May 2023, the Extraordinary General Meeting of Shareholders of SCG Ceramics Public Company Limited ("COTTO") has approved the delisting of COTTO's shares from being shares listed on the Securities Exchange of Thailand (the "SET"). Besides, on 31 May 2023, the BOD's Meeting of the Company approved the plan to issue and offer newly issued ordinary share of SCGD as an initial public offering ("IPO") together with the listing of SCGD's ordinary shares on the SET. In addition, the BOD's Meeting of the Company approved SCGD to become a public limited company. On 7 June 2023, SCGD has become a public limited company and was renamed as SCG Decor Public Company Limited.

In the fourth quarter of 2023, SCGD offered the newly issued ordinary share totaling 439,100,000 shares, with an offering price of Baht 11.50 per share (a par value of 10 Baht per share). The offering shares of the IPO and the existing shareholders of COTTO and the Company totaling 235,504,690 shares, amounting to Baht 2,708 million. Additionally, the offering shares of COTTO's shareholders who accepted the tender offer for securities totaling 203,595,310 shares by setting the swap ratio as payment for the tender offer of COTTO's shares at 4.7917 ordinary shares of COTTO equivalent to 1 newly issued ordinary share of SCGD. The expenses directly attributable to the IPO of Baht 75 million. On 20 December 2023, SCGD's shares began trading on the SET as well as the SET officially delisted COTTO's shares as of that date.

The effect of the change in the Group's ownership interests in SCGD were as follows:

	<i>(in million Baht)</i>
Consideration received from non-controlling interests - net	2,633
Less carrying amounts of non-controlling interests transferred	(4,089)
Decrease in equity attributable to owners of the Group from the reduction of investments in SCGD	<u>(1,456)</u>

(c) Change in status of subsidiary

The merger of businesses between SCG Logistics Management Co., Ltd. and SCGJWD Logistics Public Company Limited (formerly: JWD InfoLogistics Public Company Limited)

At the Board of Directors' Meeting of the Company held on 26 October 2022, the directors approved the merger between SCG Logistics Management Co., Ltd. ("SCGL"), which is a subsidiary under Cement-Building Materials Business, and SCGJWD Logistics Public Company Limited ("SCGJWD") (formerly: JWD InfoLogistics Public Company Limited ("JWD")). Subsequently, on 14 February 2023, SCG Cement-Building Materials Co., Ltd. ("SCG CBM") and SCG Distribution Co., Ltd. ("SCG Distribution") have completely swapped between the ordinary shares of SCGL in the amount of 35,031,000 shares or 98.20%, at the price of Baht 532.63 per share, with the newly issued ordinary shares of SCGJWD in the amount of 776,806,301 shares, at the price of Baht 24.02 per share, accounting for a total value of Baht 18,659 million. In particular, this transaction has no cash proceeds. After the merger transaction by means of a share swap, the Group has held 42.89% in SCGJWD, resulting in SCGJWD being an associate of the Group.

The SCGL and its subsidiaries' financial statements have not been included in the Group's consolidated financial statements since the date when control was lost. The carrying amount of SCGL and its subsidiaries' net assets in the Group's consolidated financial statements on the date when control was lost was Baht 4,202 million. The Group recognized a decrease in non-controlling interests of Baht 511 million and a gain from fair value adjustment of investment in SCGL of Baht 14,968 million, which is included in other income in the consolidated income statement.

The Group remeasured the fair value of interest in SCGL at the date when control was lost based on contractually agreed price approximating to fair value based on the discounted cash flow method under an assumption that SCGL continues its current operation.

	<i>Note</i>	<i>(in million Baht)</i>
Fair value of the interest in subsidiary	9	18,659
<i>Less</i> carrying amounts of the interest in subsidiary		(3,691)
Gain from fair value adjustment of investment	20	<u>14,968</u>

Joint Venture between SCG Marketplace Holding Company Limited and Must Be Company Limited (Frasers Property Limited and Thai Beverage Public Company Limited Group) in BetterBe Marketplace Company Limited

At the Board of Directors' Meeting of the Company held on 27 July 2022, the directors approved the capital restructuring of BetterBe Marketplace Company Limited ("BetterBe"), which is a subsidiary of the Group, by offering the newly issued ordinary shares to Must Be Company Limited which is a company incorporated by Frasers Property Limited and Thai Beverage Public Company Limited Group after the completion of Condition Precedent and Due Diligence process. Subsequently, the Condition Precedent and Due Diligence process has been completed, resulting in the newly issued ordinary shares being accomplished. On 31 May 2023, BetterBe has issued the ordinary shares in the amount of 78,120,000 shares at the price of Baht 25 per share, accounting for a total value of Baht 1,953 million to Must Be Company Limited. Consequently, the Group has held 50% in BetterBe, resulting in BetterBe being a joint venture of the Group.

The BetterBe and its subsidiaries' financial statements have not been included in the Group's consolidated financial statements since the date when control was lost. The carrying amount of BetterBe and its subsidiaries' net liabilities in the Group's consolidated financial statements on the date when control was lost was Baht 913 million. The Group recognized a gain from fair value adjustment of investment of Baht 2,866 million, which is included in other income in the consolidated income statement.

The Group remeasured the fair value of interest in BetterBe at the date when control was lost based on contractually agreed price. For this price, the Group has engaged a financial advisor to assist in determining that the price is an approximating to fair value based on ongoing economic condition and E-commerce business outlook.

	<i>Note</i>	<i>(in million Baht)</i>
Fair value of the interest in subsidiary	9	1,953
<i>Add</i> carrying amounts of the interest in subsidiary		913
Gain from fair value adjustment of investment	20	<u>2,866</u>

Year 2022

During 2022, the Group acquired the significant businesses as follows:

(1) Sirplaste-Sociedade Industrial de Recuperados de Plástico, S.A., Portugal

On 5 April 2022, a subsidiary under Chemicals Business acquired 70% stake in Sirplaste-Sociedade Industrial de Recuperados de Plástico, S.A. (“Sirplaste”), the largest producer of high-quality recycled polymers or post-consumer resin (PCR) in Portugal. This agreement has a total consideration of Euro 29.6 million or equivalent to Baht 1,078 million. The partial payment has been paid amounting to Euro 28.3 million or equivalent to Baht 1,031 million and the remaining payment is expected to be paid in 2024.

The investment in Sirplaste is to support the growing recycled plastics market in the Europe, where Sirplaste has a cluster of multinational clients throughout Portugal and other European countries. In addition, the Group looks to synergize its compounding technology with that of Sirplaste’s deep client understanding for a quicker product improvement cycle.

(2) Peute Recycling B.V. and its subsidiaries, the Netherlands

On 15 July 2022, a subsidiary under Packaging Business acquired 100% stake in Peute Recycling B.V. (“Peute”), a packaging materials recycling of recovered paper and plastic registered in the Netherlands. This agreement has a total consideration of Euro 84.1 million or equivalent to Baht 3,104 million.

Acquisition in Peute is an expansion of business into the rapidly growing packaging material recycling business. This transaction would strengthen all levels of packaging business from raw material sources and production through to the offering of integrated packaging solutions to customers and improving sourcing capabilities.

(3) Recycling Holding Volendam B.V. and its subsidiaries, the Netherlands

On 22 November 2022, a subsidiary under Chemicals Business acquired 60% stake in Recycling Holding Volendam B.V. (“Kras”), a leading waste management company from the Netherlands. This agreement has a total consideration of Euro 55.1 million or equivalent to Baht 2,074 million.

This investment is linked to the Group’s green polymers growth pillar. Efforts are to be integrated into the recycling value chain that is an end-to-end ecosystem, from waste collector, plastic recyclers, and eventually to converters and brand owners in Europe.

(4) Others

On 2 September 2022, a subsidiary under Packaging Business acquired 90% and a subsidiary under Cement-Building Materials Business acquired 10%, totaling acquired 100% stake in Jordan Trading Inc. (“Jordan”), a trader and distributor of recovered paper registered in the United States and on 27 December 2022, a subsidiary under Packaging Business acquisition of flexible packaging assets from Cyberprint Group Co., Ltd. (“Cyber”), a multi-type printing and packaging service provider in Thailand, for a total consideration of Baht 421 million.

For the above acquisitions, the Group has engaged independent appraisers to assist determining the fair values of net assets and liabilities acquired. As at 31 December 2022, the determination of the fair values has been completed, and the carrying amount of the assets acquired and liabilities assumed were recorded accordingly. For Kras’s assets and liabilities acquired on 22 November 2022, the determination of the fair values has not been completed. Therefore, the Group has recognized the provisional fair value amounts in the consolidated statement of financial position as at 31 December 2022. The fair values of the assets acquired and liabilities assumed and goodwill may be adjusted when the fair values are finally determined.

The Group will continue to review the fair values measured on a provisional basis during the measurement period. If there is any new additional information obtained within one year from the acquisition date and acknowledged facts that reflect on circumstances existing at the acquisition date, then the acquisition accounting will be adjusted.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	Fair value				Total
	Sirplaste	Peute	Kras	Others	
	<i>(in million Baht)</i>				
Cash and cash equivalents	353	230	217	11	811
Trade and other current receivables	271	1,976	538	60	2,845
Inventories	221	54	146	36	457
Property, plant and equipment	809	307	557	278	1,951
Intangible assets	140	1,448	-	-	1,588
Other non-current assets	2	8	-	6	16
Trade and other current payables	(176)	(1,547)	(358)	(33)	(2,114)
Interest-bearing liabilities	(186)	(74)	(362)	(5)	(627)
Other current liabilities	(41)	(146)	(68)	-	(255)
Other non-current liabilities	(155)	(397)	-	-	(552)
Net identifiable assets and liabilities	1,238	1,859	670	353	4,120
<i>Less non-controlling interests</i>	<i>(371)</i>	<i>-</i>	<i>(268)</i>	<i>-</i>	<i>(639)</i>
Recognized value of net assets acquired	867	1,859	402	353	3,481
Goodwill from business acquisition	211	1,245	1,672	68	3,196
Total consideration transferred	1,078	3,104	2,074	421	6,677
Cash acquired					(811)
Total consideration transferred - net					5,866

The assets, liabilities and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2022 since the acquisition date with total revenue from sales of Baht 5,789 million and profit for the period of Baht 139 million. Revenue from sales of these subsidiaries since 1 January 2022 to the respective acquisition dates amounted to Baht 13,729 million and profit for periods amounted to Baht 447 million.

The Group incurred acquisition costs totaling Baht 185 million which have been included in administrative expenses in the consolidated income statement.

Besides the acquisitions during 2022 as above, The Group had significant transactions related to the business acquisitions in 2021 as follows;

In the first quarter of 2022, the determination of the fair values of assets acquired and liabilities assumed from acquisition of Deltalab, S.L. ("Deltalab"), Spain, has been completed. The Group recorded the fair value of the assets acquired and liabilities assumed accordingly, mainly from an increase of other intangible assets of Baht 2,105 million, and recognized a decrease in goodwill of Baht 1,770 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

Later in the second quarter of 2022, the Group has reached a final agreement with the former shareholder of Duy Tan Plastics Manufacturing Corporation Joint Stock Company ("Duy Tan"), Vietnam, which has been acquired, to pay the remaining amount of Vietnamese Dong 2,340 billion or equivalent to Baht 3,527 million. This resulted in an increase in the remaining of the provision of contingent consideration by Vietnamese Dong 394 billion or equivalent to Baht 582 million, which consists of the recognition an increase of goodwill of Baht 195 million and loss from estimate adjustment of Baht 387 million which presented in other expenses in the consolidated income statement. In July 2022, the Group has already paid the remaining amount to the former shareholder.

5 Related parties

Significant transactions with related parties for the years ended 31 December and the pricing policies were summarized as follows:

	2023	2022	Pricing policies
	<i>(in million Baht)</i>		
<i>Joint ventures and associates</i>			
Purchases	16,270	21,583	Market price
Services from transportation and other services	9,135	1,014	Market price
Revenue from sales	40,617	53,679	Market price
Revenue from transportation and other services	3,704	4,541	Market price
Management fees and other income	1,981	1,748	Mainly based on percentage of revenue from sales
Dividend income	8,204	13,256	Upon declaration
<i>Other related parties</i>			
Purchases	2,888	2,881	Market price
Services from transportation and other services	280	413	Market price
Revenue from sales	2,450	3,841	Market price
Revenue from transportation and other services	79	164	Market price
Management fees and other income	434	425	Mainly based on percentage of revenue from sales
Dividend income	3,317	4,464	Upon declaration

Balances as at 31 December with related parties were as follows:

	Note	2023	2022
		<i>(in million Baht)</i>	
<i>Trade receivables</i>			
Joint ventures and associates		4,456	4,464
Other related parties		390	495
Total	7	4,846	4,959
<i>Other current receivables</i>			
Joint ventures and associates		666	580
Other related parties		107	93
Total		773	673
<i>Short-term loans</i>			
Associates		130	161
<i>Long-term loans</i>			
<i>Current and non-current portion</i>			
Joint ventures and associates		1,294	142

Movements during the years on loans to related parties were as follows:

	2023	2022
	<i>(in million Baht)</i>	
<i>Short-term</i>		
At 1 January	161	197
Increase	1,150	90
Decrease	(1,180)	(127)
Currency translation differences	(1)	1
At 31 December	130	161
<i>Long-term</i>		
At 1 January	142	108
Increase	1,298	43
Decrease	(143)	(4)
Currency translation differences	(3)	(5)
At 31 December	1,294	142
	2023	2022
	<i>(in million Baht)</i>	
<i>Trade payables</i>		
Joint ventures and associates	2,720	1,701
Other related parties	130	221
Total	2,850	1,922
<i>Other current payables</i>		
Joint ventures and associates	989	412
Other related parties	45	25
Total	1,034	437
<i>Short-term borrowings</i>		
Associates	77	80
Other related parties	230	236
Total	307	316
<i>Long-term borrowings</i>		
<i>Current and non-current portion</i>		
Other related parties	32	21
<i>Lease liabilities</i>		
<i>Current and non-current portion</i>		
Associates	140	188
Other related parties	1,347	1,536
Total	1,487	1,724

The Board of Directors and key management compensation

	2023	2022
	<i>(in million Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	393	380
Post-employment benefits	83	39
Total	476	419

The Board of Directors and key management compensation comprises the remuneration paid to the directors of The Siam Cement Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

6 Cash and cash equivalents

	2023	2022
	<i>(in million Baht)</i>	
Cash on hand and at banks	34,297	49,859
Highly liquid short-term investments	9,305	7,671
Total	43,602	57,530

7 Trade receivables

<i>At 31 December</i>	<i>Note</i>	2023	2022
		<i>(in million Baht)</i>	
Related parties			
Within credit terms		4,778	4,769
Overdue:			
Less than 1 month		63	167
1 - 3 months		4	7
Over 3 - 12 months		-	11
Over 12 months		1	5
Total	5	4,846	4,959
Other companies			
Within credit terms		41,921	42,842
Overdue:			
Less than 1 month		3,836	3,820
1 - 3 months		1,353	1,915
Over 3 - 12 months		1,382	1,397
Over 12 months		2,264	2,081
		50,756	52,055
<i>Less allowance for expected credit loss</i>		<i>(2,202)</i>	<i>(1,829)</i>
Net		48,554	50,226
Total		53,400	55,185

The normal credit term granted by the Group is 15 - 120 days.

<i>Allowance for expected credit loss</i>	2023	2022
	<i>(in million Baht)</i>	
At 1 January	1,829	1,723
Acquisitions through business combinations	1	27
Addition	565	273
Reversal	(83)	(36)
Write-off	(96)	(135)
Decrease from losing control of subsidiary	(6)	-
Currency translation differences	(8)	(23)
At 31 December	2,202	1,829

As at 31 December 2023, the outstanding overdue amounts of trade receivables have credit guarantees amounting to Baht 3,213 million (2022: Baht 3,233 million).

8 Inventories

	2023	2022
	<i>(in million Baht)</i>	
Finished goods	30,910	31,577
Work in progress	5,956	4,930
Raw materials	21,788	24,961
Spare parts	11,163	9,455
Stores, supplies and others	8,648	9,567
Raw materials in transit	6,305	5,167
Total	84,770	85,657
<i>Less</i> allowance for decline in value	(4,139)	(2,495)
Net	80,631	83,162
Cost of inventories recognized as an expense in cost of sales	414,064	476,953
Write-down to net realizable value	3,499	2,559
Reversal of write-down	(2,597)	(1,823)
Changes in finished goods and work in progress	(359)	(858)
Raw materials and supplies used	243,050	269,420

9 Investments in joint ventures and associates

Movements for the years ended 31 December in investments in joint ventures and associates accounted for using the equity method were as follows:

	Note	2023	2022
		<i>(in million Baht)</i>	
At 1 January		118,974	118,870
Share of net profit of investments - equity method		8,419	10,703
Merger through share swap	4	18,659	-
Increase in investments		1,545	1,630
Dividend income		(8,204)	(13,256)
Change of the status to investment in joint venture and associate	4	1,953	107
Change of the status to investments in equity instruments		-	(400)
Decrease from losing control of subsidiary		(508)	-
Others		(599)	1,320
At 31 December		140,239	118,974

Investments in joint ventures and associates as at 31 December and dividends from these investments for the years then ended were as follows:

	Total direct /		Paid-up capital		Cost method		Equity method		Dividend income	
	indirect holding		2023	2022	2023	2022	2023	2022	2023	2022
	2023	2022	<i>(in million Baht)</i>							
	<i>(%)</i>									
Joint ventures										
Cement-Building Materials Business										
Global House International Company Limited	66 ⁽¹⁾	66 ⁽¹⁾	3,283	3,283	1,641	1,641	2,196	2,027	-	-
SCG Nichirei Logistics Co., Ltd.	21	50	-	770	-	393	-	423	-	-
Other companies			277	251	156	129	120	98	-	-
			3,560	4,304	1,797	2,163	2,316	2,548	-	-
Others										
BetterBe Marketplace Co., Ltd.	50	100	3,125	-	1,953	-	1,577	-	-	-
Chaiyaphum Green Energy Co., Ltd.	70 ⁽¹⁾	70 ⁽¹⁾	225	225	157	157	154	156	-	-
Power C.E. Co., Ltd.	60 ⁽¹⁾	60 ⁽¹⁾	184	184	110	110	105	109	-	-
Voltsync Solution Co., Ltd.	60 ⁽¹⁾	60 ⁽¹⁾	175	175	105	105	100	104	-	-
Other companies			188	159	103	88	82	82	-	-
			3,897	743	2,428	460	2,018	451	-	-
Investments in joint ventures			7,457	5,047	4,225	2,623	4,334	2,999	-	-

	Total direct /		Paid-up capital		Cost method		Equity method		Dividend income	
	indirect holding		2023	2022	2023	2022	2023	2022	2023	2022
	2023	2022	(in million Baht)							
<i>(%)</i>										
Associates										
Cement-Building Materials Business										
SCGJWD Logistics Public Company Limited	43	-	906	-	18,659	-	18,944	-	-	-
Siam Global House Public Company Limited	33	33	5,002	4,802	11,613	11,613	16,244	15,805	403	380
PT Catur Sentosa Adiprana Tbk	31	31	1,324	1,030	3,306	2,666	3,700	2,981	33	29
Anhui Conch-SCG Refractory Co., Ltd.	30	30	816	816	244	244	753	739	-	34
The Siam Gypsum Industry Co., Ltd.	29	29	150	150	46	46	733	678	92	99
Sekisui-SCG Industry Co., Ltd.	49	49	2,325	2,325	1,139	1,139	490	488	-	-
PT M Class Industry	28	28	222	222	106	106	96	94	-	-
Noritake SCG Plaster Co., Ltd.	7 ⁽¹⁾	10 ⁽¹⁾	405	405	34	34	57	55	-	-
China ASEAN Supply Chain Management Co., Ltd.	21	48	-	116	-	76	-	87	-	-
Other companies			595	549	249	225	143	132	-	2
			11,745	10,415	35,396	16,149	41,160	21,059	528	544
Chemicals Business (SCGC)										
PT Chandra Asri Pacific Tbk. (Formerly: PT Chandra Asri Petrochemical Tbk.)	31	31	62,055	62,157	28,761	28,761	34,102	35,197	303	110
Bangkok Synthetics Co., Ltd.	54 ⁽¹⁾	54 ⁽¹⁾	1,173	1,173	12,453	12,453	12,272	12,602	191	1,621
Siam Synthetic Latex Co., Ltd.	50	50	5,789	5,789	2,788	2,788	4,515	4,007	3,823	6,538
Siam Polyethylene Co., Ltd.	50	50	4,366	4,366	2,183	2,183	4,174	5,506	-	575
Thai MMA Co., Ltd.	47	47	5,590	5,590	2,571	2,571	2,914	3,064	375	1,048
Siam Styrene Monomer Co., Ltd.	50	50	1,189	1,189	594	594	1,877	1,797	-	145
Siam Polystyrene Co., Ltd.	50	50	995	995	493	493	1,096	1,090	77	236
Grand Siam Composites Co., Ltd.	46	46	64	64	167	167	905	845	346	374
Denka SCGC Advanced Materials Co., Ltd.	40	-	1,815	-	729	-	707	-	-	-
Riken (Thailand) Co., Ltd.	35	35	120	120	42	42	429	436	128	81
PT Siam Maspion Terminal	50	50	327	327	163	163	355	336	86	195
A.J. Plast (Vietnam) Company Limited	50	50	857	719	386	323	322	318	-	-
Siam Tohcello Co., Ltd.	45	45	406	406	266	266	276	274	19	18
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	20	20	596	596	119	119	138	208	16	93
Thai MFC Co., Ltd.	45	45	200	200	87	87	97	87	-	5
Other companies			400	323	153	104	145	117	-	1
			85,942	84,014	51,955	51,114	64,324	65,884	5,364	11,040
Packaging Business (SCGP)										
Siam Toppan Packaging Co., Ltd.	35	35	500	500	245	245	518	500	6	8
Siam Nippon Industrial Paper Co., Ltd.	23	23	1,100	1,100	495	495	357	341	-	-
Other companies			458	458	262	262	188	193	3	3
			2,058	2,058	1,002	1,002	1,063	1,034	9	11
Others										
Siam Kubota Corporation Co., Ltd.	40	40	2,739	2,739	1,120	1,120	28,588	27,203	2,196	1,565
Thai Engineering Products Co., Ltd.	30	30	85	85	76	76	693	702	13	-
Other companies			80	80	16	16	87	103	94	96
			2,904	2,904	1,212	1,212	29,368	28,008	2,303	1,661
Investments in associates			102,649	99,391	89,565	69,477	135,915	115,985	8,204	13,256
<i>Less</i> accumulated impairment losses							(10)	(10)		
Investments in associates - net			102,649	99,391	89,565	69,477	135,905	115,975	8,204	13,256
Investments in joint ventures and associates - net			110,106	104,438	93,790	72,100	140,239	118,974	8,204	13,256

(1) The Group has classified these companies as investments in joint ventures and associates in accordance with the shareholder agreement of such companies.

Summarized financial information for the Group’s interest in immaterial joint ventures and associates based on the amounts reported in the Group’s consolidated financial statements as follows:

	Joint ventures		Associates	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Carrying amount of interests in joint ventures and associates	4,334	2,999	135,905	115,975
The Group’s share of:				
- Profit for the year	(231)	200	8,650	10,503
- Other comprehensive income for the year	(3)	(1)	(589)	1,292
- Total comprehensive income for the year	(234)	199	8,061	11,795

In October 2023, SCG Chemicals Public Company Limited (“SCGC”) and Denka Company Limited have established Denka SCGC Advanced Materials Co., Ltd. (“DSAM”) through a joint venture to produce and sell acetylene black, a conductive material used in EV lithium-ion batteries and high-voltage power transmission cables of offshore wind farm. The Group has held 40% in DSAM which has a total registered capital of Baht 7,259 million. DSAM requested a 25% paid-up capital, equivalent to the Group portion of Baht 726 million. In January 2024, SCGC paid an additional share capital equivalent to Baht 567 million. The facility is expected to be completed within the first half of 2026.

Common stock dividend payment

In the second quarter of 2023, the Annual General Meeting of the Shareholders of Siam Global House Public Company Limited approved dividend payment for the year 2022 of cash dividend and common stock dividend with the date of dividend payment on 11 May 2023. The Group is entitled to receive common stock dividend of 66 million shares at the par value Baht 1 per share, totaling Baht 66 million.

10 Investment property

	Land and land improvements	Buildings and structures	Construction in progress	Total
	<i>(in million Baht)</i>			
Cost				
At 1 January 2022	1,898	862	119	2,879
Additions	12	11	-	23
Disposals	(14)	-	-	(14)
Transfers from property, plant and equipment	210	222	-	432
Currency translation differences	11	(11)	-	-
At 31 December 2022	2,117	1,084	119	3,320
Acquisitions through business combinations	-	2	-	2
Additions	4	-	-	4
Disposals	(3)	(22)	-	(25)
Decrease from losing control of subsidiary	-	(9)	-	(9)
Transfers from property, plant and equipment	366	86	-	452
Currency translation differences	(7)	(5)	-	(12)
At 31 December 2023	2,477	1,136	119	3,732
Accumulated depreciation and accumulated impairment losses				
At 1 January 2022	137	607	11	755
Depreciation charge for the year	10	35	-	45
Impairment losses	-	-	2	2
Disposals	(7)	-	-	(7)
Transfers from property, plant and equipment	8	224	-	232
Currency translation differences	3	(5)	-	(2)
At 31 December 2022	151	861	13	1,025
Depreciation charge for the year	8	28	-	36
Impairment losses	-	-	3	3
Disposals	-	(3)	-	(3)
Decrease from losing control of subsidiary	-	(2)	-	(2)
Transfers from property, plant and equipment	18	108	-	126
Currency translation differences	(4)	(3)	-	(7)
At 31 December 2023	173	989	16	1,178
Carrying amount				
At 31 December 2022	1,966	223	106	2,295
At 31 December 2023	2,304	147	103	2,554

The Group determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2023, the fair value was Baht 14,213 million (2022: Baht 11,824 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is the discounted cash flows and market approach.

11 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	<i>(in million Baht)</i>						
Cost							
At 1 January 2022	55,934	97,101	510,515	17,976	8,787	136,613	826,926
Acquisitions through business combinations	282	721	1,029	172	107	4	2,315
Additions	591	2,578	7,136	2,102	456	26,875	39,738
Disposals/written off	(315)	(1,137)	(8,165)	(1,851)	(486)	(22)	(11,976)
Transfers to investment property	(210)	(222)	-	-	-	-	(432)
Transfers in (out)	203	14,165	41,818	(164)	162	(56,436)	(252)
Currency translation differences	(391)	(843)	(3,492)	(70)	(48)	3,862	(982)
At 31 December 2022	56,094	112,363	548,841	18,165	8,978	110,896	855,337
Acquisitions through business combinations	45	100	277	14	7	57	500
Additions	719	3,522	6,638	1,790	535	23,654	36,858
Disposals/written off	(418)	(845)	(6,361)	(1,672)	(341)	(76)	(9,713)
Decrease from losing control of subsidiary	(1,280)	(1,880)	(1,619)	(4,380)	(163)	(42)	(9,364)
Transfers to investment property	(366)	(86)	-	-	-	-	(452)
Transfers in (out)	230	8,688	45,490	115	471	(55,095)	(101)
Currency translation differences	(122)	(739)	(2,381)	(4)	(12)	(346)	(3,604)
At 31 December 2023	54,902	121,123	590,885	14,028	9,475	79,048	869,461

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>(in million Baht)</i>							
<i>Accumulated depreciation and accumulated impairment losses</i>							
At 1 January 2022	15,122	53,337	327,884	12,457	7,389	29	416,218
Depreciation charge for the year	1,626	3,704	19,728	1,754	544	-	27,356
Impairment losses	8	119	498	-	4	5	634
Disposals/written off	(285)	(876)	(7,939)	(1,561)	(467)	-	(11,128)
Transfers to investment property	(8)	(224)	-	-	-	-	(232)
Transfers in (out)	(27)	175	(517)	233	10	-	(126)
Currency translation differences	(62)	(408)	(1,860)	(59)	(48)	-	(2,437)
At 31 December 2022	16,374	55,827	337,794	12,824	7,432	34	430,285
Depreciation charge for the year	1,516	3,955	21,387	1,508	566	-	28,932
Impairment losses	98	152	1,010	6	2	224	1,492
Disposals/written off	(268)	(642)	(6,113)	(1,293)	(322)	(24)	(8,662)
Decrease from losing control of subsidiary	(656)	(780)	(1,160)	(2,811)	(130)	-	(5,537)
Transfers to investment property	(18)	(108)	-	-	-	-	(126)
Transfers in (out)	(44)	97	338	(425)	34	-	-
Currency translation differences	(23)	(222)	(1,012)	(4)	(2)	(4)	(1,267)
At 31 December 2023	16,979	58,279	352,244	9,805	7,580	230	445,117
<i>Carrying amount</i>							
At 31 December 2022							
Owned assets	27,955	52,740	210,214	2,934	1,376	110,862	406,081
Right-of-use assets	11,765	3,796	833	2,407	170	-	18,971
At 31 December 2023							
Owned assets	27,056	57,914	237,813	1,879	1,685	78,818	405,165
Right-of-use assets	10,867	4,930	828	2,344	210	-	19,179

In 2023, the right-of-use assets of the Group has increased amounting to Baht 5,256 million (2022: Baht 3,670 million).

In 2023, the Group capitalized borrowing costs relating to the acquisition of the property, plant and equipment as part of the cost of construction in progress, amounting to Baht 3,428 million (2022: Baht 3,892 million), rates of interest capitalized at 1.00% to 5.89% per annum (2022: 0.60% to 6.44% per annum).

In 2023, the Group has recognized an impairment loss on property, plant and equipment totaling Baht 1,492 million which mainly came from Myanmar cement operations (2022: Baht 634 million), which is included in other expenses in the consolidated income statement.

For the purpose of impairment testing of property, plant and equipment of the Group where indicators occurred, the recoverable amount was based on the higher of its value in use, determined by discounting the future cash flows, or its fair value less costs of disposal.

For the recoverable amount measured using discounted cash flows, the Group used 5-year forecast discounted future cash flows forecasts, terminal values thereafter and discount rates derived from the weighted average cost of capital of the Group, which were based on estimates and judgments of the management. The Group engaged independent appraiser in determining the fair value of an asset measured its recoverable amount on the basis of fair value less costs of disposal and the fair value measurement was classified as a level 3 fair value.

In 2023, subsidiaries under Packaging Business revisited the residual lives of certain items of buildings and structures and machinery and equipment, which resulted in changes in the estimated useful lives of these assets. The Group estimated these assets would have useful lives of 15 to 40 years from the date of completion of construction and be available for use (previously, 5 to 25 years). As a result of the aforesaid extension of the useful lives of assets, the effect of these changes for the year ended 31 December 2023 was a decrease in depreciation expense of approximately Baht 514 million.

12 Leases

The Group leases land, buildings, vehicles and equipment both in Thailand and overseas. The rental due and rate are as specified in the contract.

<i>For the years ended 31 December</i>	2023	2022
	<i>(in million Baht)</i>	
<i>Amounts recognized in profit or loss</i>		
Depreciation of right-of-use assets:		
- Land and land improvements	961	1,007
- Buildings and structures	835	794
- Vehicles and equipment	1,061	1,190
- Others	364	391
Interest on lease liabilities	517	497
Expenses relating to short-term leases	429	494
Expenses relating to leases of low-value assets	455	411
Variable lease payments	2,493	2,219

Most of the variable lease payments are concrete mixer truck leases, the leases are valid for 1 year with extension options at the end of lease terms and payment terms are common.

	Goodwill	Other intangible assets				Total other intangible assets
		Software copyright patent and trademark	Development cost	Customer contracts and relationship	Concession and others	
<i>(in million Baht)</i>						
<i>Accumulated amortization and accumulated impairment losses</i>						
At 1 January 2022	2,918	8,950	-	289	3,843	13,082
Amortization charge for the year	-	1,372	-	477	479	2,328
Impairment losses	-	15	-	-	-	15
Disposals/written off	-	(253)	-	-	(27)	(280)
Transfers in (out)	-	(7)	-	-	5	(2)
Currency translation differences	-	(23)	-	(15)	(19)	(57)
At 31 December 2022	2,918	10,054	-	751	4,281	15,086
Amortization charge for the year	-	1,308	-	566	451	2,325
Impairment losses	-	89	-	-	13	102
Disposals/written off	-	(489)	-	-	(28)	(517)
Decrease from losing control of subsidiary	-	(878)	-	-	(4)	(882)
Transfers in (out)	-	(4)	-	1	7	4
Currency translation differences	-	(23)	-	10	(9)	(22)
At 31 December 2023	2,918	10,057	-	1,328	4,711	16,096
<i>Carrying amount</i>						
At 31 December 2022	47,368	7,948	3,141	6,636	4,968	22,693
At 31 December 2023	47,327	9,098	1,374	7,231	4,642	22,345

Amortization expenses of other intangible assets are included in cost of sales, distribution costs and administrative expenses in the consolidated income statement.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	2023	2022
	<i>(in million Baht)</i>	
Cement-Building Materials Business	12,086	12,488
Chemicals Business (SCGC)	5,382	6,161
Packaging Business (SCGP)	29,374	28,233
Others	485	486
Total	47,327	47,368

The recoverable amount was based on value in use, determined by discounting the future cash flows. The Group determined 5-year cash flows forecasts, terminal values thereafter and discount rates derived from the weighted average cost of capital of the Group, which were based on estimates and judgments of the management and considering historical data from both external and internal sources. The key assumptions used in the estimation of recoverable amount were discount rates, ranging from 4.40% to 7.63% (2022: 5.38% to 8.98%).

14 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statement of financial position as follows:

	2023	2022
	<i>(in million Baht)</i>	
Deferred tax assets	4,717	5,206
Deferred tax liabilities	(11,246)	(8,765)
Net	(6,529)	(3,559)

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2022	Credited (charged) to		Recognized in shareholders' equity	Increase through business combinations	Currency translation differences	At 31 December 2022
		profit or loss (note 24)	other comprehensive income				
<i>(in million Baht)</i>							
Deferred tax assets							
Loss carry forward	809	481	-	-	-	(31)	1,259
Investments	131	(25)	54	-	-	-	160
Property, plant and equipment	978	367	-	-	13	(6)	1,352
Non-current provisions for employee benefits	2,956	84	(300)	-	20	(17)	2,743
Others	843	222	(6)	-	-	(8)	1,051
Total	5,717	1,129	(252)	-	33	(62)	6,565
Deferred tax liabilities							
Investments	(2,622)	205	30	241	-	(1)	(2,147)
Property, plant and equipment	(5,269)	(37)	-	-	(233)	139	(5,400)
Others	(1,628)	(86)	-	-	(937)	74	(2,577)
Total	(9,519)	82	30	241	(1,170)	212	(10,124)
Net	(3,802)	1,211	(222)	241	(1,137)	150	(3,559)

	At 1 January 2023	Credited (charged) to		Recognized in shareholders' equity	Increase through business combinations	Decrease from losing control of subsidiaries	Currency translation differences	At 31 December 2023
		profit or loss (note 24)	other comprehensive income					
<i>(in million Baht)</i>								
Deferred tax assets								
Loss carry forward	1,259	325	-	-	-	(76)	(9)	1,499
Investments	160	-	19	-	-	-	-	179
Property, plant and equipment	1,352	(99)	-	-	-	(110)	10	1,153
Non-current provisions for employee benefits	2,743	62	(61)	-	3	(59)	(35)	2,653
Others	1,051	97	-	-	-	(8)	22	1,162
Total	6,565	385	(42)	-	3	(253)	(12)	6,646
Deferred tax liabilities								
Investments	(2,147)	(2,992)	268	34	-	-	1	(4,836)
Property, plant and equipment	(5,400)	(164)	-	-	(68)	49	(40)	(5,623)
Others	(2,577)	188	-	-	(304)	1	(24)	(2,716)
Total	(10,124)	(2,968)	268	34	(372)	50	(63)	(13,175)
Net	(3,559)	(2,583)	226	34	(369)	(203)	(75)	(6,529)

The United Kingdom Government announced a change in the corporate income tax rate from 19% to 25% (for the companies with profits over Pound Sterling 250,000). The change of corporate income tax rate will be effective from 1 April 2023 onwards. The Group has applied in the measurement of deferred tax assets and deferred tax liabilities, which made income tax expense increase amounting to Baht 124 million in the consolidated income statement for the year 2022.

The deductible temporary differences and unused tax losses that the Group has not recognized as deferred tax assets (liabilities) were as follows:

	2023	2022
	<i>(in million Baht)</i>	
Deductible temporary differences		
- Inventories	1,602	803
- Property, plant and equipment	5,630	3,922
- Non-current provisions for employee benefits	216	208
- Others	769	867
Unused tax losses	45,823	31,439
Total	54,040	37,239

The unused tax losses on which the Group has not recognized deferred tax assets are the tax losses which have not yet expired under tax legislation and will expire within 2029.

As at 31 December 2023 and 2022, no deferred tax liability has been recognized in respect of temporary differences associated with investments in subsidiaries, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such difference will not reverse in the foreseeable future.

15 Changes in liabilities arising from financing activities

Changes in significant liabilities arising from financing activities were as follows:

	Bank overdrafts and short-term borrowings	Long-term borrowings	Lease liabilities	Debentures	Total
<i>Note</i>	<i>(in million Baht)</i>				
At 1 January 2022	39,586	80,782	12,687	170,059	303,114
Changes from financing cash flows	(2,467)	15,568	(2,961)	44,961	55,101
New leases	-	-	3,656	-	3,656
Changes arising from obtaining subsidiaries	4	1	367	259	-
The effect of changes in foreign exchange rates	(485)	1,107	(114)	-	508
Other non-cash movement	-	1,291	-	(51)	1,240
At 31 December 2022	36,635	99,115	13,527	214,969	364,246

	Note	Bank overdrafts and short-term borrowings	Long-term borrowings	Lease liabilities (in million Baht)	Debentures	Total
At 1 January 2023		36,635	99,115	13,527	214,969	364,246
Changes from financing cash flows		(578)	(24,436)	(2,813)	16	(27,811)
New leases		-	-	4,993	-	4,993
Changes arising from obtaining subsidiaries	4	101	4	20	-	125
Change in ownership interests in subsidiaries with a change of control		(303)	(273)	(1,443)	-	(2,019)
The effect of changes in foreign exchange rates		(133)	238	(66)	-	39
Other non-cash movement		(1)	(1,770)	(236)	19	(1,988)
At 31 December 2023		35,721	72,878	13,982	215,004	337,585

On 29 November 2023, a subsidiary under Chemicals Business repaid long-term borrowings for petrochemical complex project in Vietnam to financial institutions before maturity, totaling US Dollars 1,289 million or equivalent to approximately Baht 46,338 million. The source of fund for the repayment came from convertible loans issued to the Group.

In February 2024, this subsidiary received a letter of acceptance from the relevant government agency regarding changes in schedule of loan repayment from the first repayment in May 2024 to November 2024. The new repayment period will end in May 2033.

16 Interest-bearing liabilities

	2023			2022		
	Secured	Unsecured	Total (in million Baht)	Secured	Unsecured	Total
<i>Current</i>						
Bank overdrafts and short-term borrowings from financial institutions	99	35,315	35,414	-	36,252	36,252
Short-term borrowings	-	307	307	-	383	383
Current portion of long-term borrowings	-	11,980	11,980	-	4,508	4,508
Current portion of lease liabilities	-	2,224	2,224	-	2,343	2,343
Current portion of debentures	-	65,397	65,397	-	24,915	24,915
	<u>99</u>	<u>115,223</u>	<u>115,322</u>	<u>-</u>	<u>68,401</u>	<u>68,401</u>
<i>Non-current</i>						
Long-term borrowings	182	60,716	60,898	-	94,607	94,607
Lease liabilities	-	11,758	11,758	-	11,184	11,184
Debentures	-	149,607	149,607	-	190,054	190,054
	<u>182</u>	<u>222,081</u>	<u>222,263</u>	<u>-</u>	<u>295,845</u>	<u>295,845</u>
Total interest-bearing liabilities	<u>281</u>	<u>337,304</u>	<u>337,585</u>	<u>-</u>	<u>364,246</u>	<u>364,246</u>

On 3 October 2023, SCG Packaging Public Company Limited signed a Green Loan agreement with a local financial institution amounting to Baht 3,000 million. Term of the loan is 5 years with a floating interest rate. This loan will be gradually drawn down for investment in projects that align with the Green Financing Framework.

As at 31 December 2023, the Group has overdraft lines with several banks amounting to approximately Baht 13,649 million (2022: Baht 10,974 million).

As at 31 December 2023, the Group has long term undrawn credit facilities totaling equivalent to Baht 4,324 million (2022: Baht 26,473 million).

In 2023, the average interest rates of long-term borrowings are 0.75% to 7.25% per annum (2022: 0.75% to 8.50% per annum).

Debentures

As at 31 December 2023, the Company and its subsidiaries have unsubordinated and unsecured debentures totaling Baht 215,500 million (2022: Baht 215,500 million) as follows:

Debentures no.	2023 (in million Baht)	2022	Interest rate (% p.a.)	Term	Maturity date
Debentures - The Siam Cement Public Company Limited					
2/2017	10,000	10,000	2.97	7 years	30 August 2024
1/2019	-	15,000	3.10	4 years	1 April 2023
2/2019	-	10,000	3.00	4 years	1 November 2023
1/2020	25,000	25,000	2.80	4 years	1 April 2024
2/2020	25,000	25,000	2.80	4 years	1 November 2024
1/2021	15,000	15,000	2.65	4 years	1 April 2025
2/2021	25,000	25,000	2.65	4 years	1 October 2025
1/2022	15,000	15,000	3.25	4 years	1 October 2026
1/2023	15,000	-	3.10	4 years	1 April 2027
2/2023	10,000	-	3.35	3 years 11 months	1 October 2027
	<u>140,000</u>	<u>140,000</u>			
Debentures - SCG Packaging Public Company Limited					
1/2021	5,500	5,500	2.65	3 years 8 months	1 December 2024
1/2022	5,000	5,000	2.80	2 years 10 months	1 June 2025
2/2022	5,000	5,000	3.50	4 years	1 December 2026
	<u>15,500</u>	<u>15,500</u>			
Debentures - SCG Chemicals Public Company Limited					
1/2022	30,000	30,000	2.75	4 years	1 April 2026
2/2022	10,200	10,200	2.77	3 years	8 September 2025
2/2022	11,800	11,800	3.25	5 years	8 September 2027
2/2022	1,800	1,800	3.39	6 years	8 September 2028
2/2022	4,100	4,100	4.00	10 years	8 September 2032
2/2022	2,100	2,100	4.14	12 years	8 September 2034
	<u>60,000</u>	<u>60,000</u>			
Total	215,500	215,500			
<i>Less</i> debentures held by a subsidiary and debenture issuing expenses					
	<u>(496)</u>	<u>(531)</u>			
Net	215,004	214,969			
<i>Less</i> current portion					
	<u>(65,397)</u>	<u>(24,915)</u>			
Net	149,607	190,054			

17 Non-current provisions for employee benefits

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Non-current provisions for employee benefits in the consolidated statements of financial position as at 31 December

	2023	2022
	<i>(in million Baht)</i>	
Post-employment benefits		
Legal severance payments plan	11,985	12,596
Pension	70	81
Other long-term employee benefits	493	456
Total non-current provisions for defined benefit plans	12,548	13,133
Other employee benefits	253	244
Total	12,801	13,377
Less plan assets of foreign subsidiaries	(104)	(115)
Total non-current provisions for employee benefits - net	12,697	13,262

Movements in the present value of non-current provisions for defined benefit plans

	2023	2022
	<i>(in million Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	13,133	14,417
<i>Included in profit or loss</i>		
Current service costs	624	690
Interest on obligation	397	327
Actuarial losses (gains)	21	(3)
Others	(19)	(4)
	1,023	1,010
<i>Included in other comprehensive income</i>		
Actuarial gains	(194)	(1,459)
Currency translation differences	(2)	(91)
	(196)	(1,550)
<i>Others</i>		
Benefits paid	(1,126)	(836)
Acquisitions through business combinations	-	96
Decrease from losing control of subsidiary	(284)	-
Others	(2)	(4)
	(1,412)	(744)
Non-current provisions for defined benefit plans at 31 December	12,548	13,133

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2023	2022
	<i>(in million Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	(4)	243
Financial assumptions	(352)	(1,932)
Experience adjustment	162	230
Total	(194)	(1,459)

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2023	2022
	<i>(%)</i>	
Discount rate *		
- Thailand	2.77 - 3.94	2.32 - 4.48
- Vietnam	3.17	5.16
- Indonesia	5.67 - 7.25	5.50 - 7.44
- Others	6.04 - 7.40	5.00 - 7.30
Salary increase rate	0.43 - 8.00	0.50 - 7.90
Employee turnover rate **	2.00 - 22.00	2.00 - 17.00
Mortality rate ***	50.00 of TMO2017	50.00 of TMO2017

* Market yields on government's bonds for legal severance payments plan and pension

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2023, the Group has the weighted-average duration for payment of long-term employee benefits approximately 6 - 27 years (2022: 7 - 29 years).

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2023	2022
	<i>(in million Baht)</i>	
Discount rate		
0.5% increase	(520)	(550)
0.5% decrease	562	594
Salary increase rate		
1.0% increase	1,142	1,176
1.0% decrease	(999)	(1,031)
Employee turnover rate		
10.0% increase	(264)	(275)
10.0% decrease	274	286

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

18 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

19 Business segment information

Segment information is presented in respect of the Group's business segments, based on the Group's management and internal financial reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

Cement-Building Materials Business

Cement-Building Materials Business consists of four core businesses:

(1) SCG Cement and Green Solutions business is a manufacturer of cement, ready-mixed concrete, and refractories. Green Solution Business that expands innovation and technology in environmentally friendly construction, and also Green Circularity Business that turns waste into value for industrial use.

(2) SCG Smart Living business is a manufacturer of building materials and system for construction e.g. roof, ceiling & wall, fiberglass insulation, wood substitute, landscape, lightweight concrete block, and wall system, including smart solutions for home and building e.g. energy management, etc.

(3) SCG Decor business is a manufacturer of floor tiles, wall tiles, sanitary wares, and fittings in Thailand and overseas.

(4) SCG Distribution & Retail business is a distributor and retailer of cement, building materials, and other home & living products to end-users through various channels including dealer networks and retail stores, etc. Additionally, the business also provides international supply chain solutions and invests in logistics business.

Chemicals Business (SCGC)

Manufacture and sale of olefins, polyolefins, vinyl and other chemical products.

Packaging Business (SCGP)

Comprehensive packaging solutions providers comprising of three main operating businesses (1) Integrated Packaging Chain; fiber packaging, packaging paper, consumer and performance packaging and medical supplies and labware (2) Fibrous Chain; foodservice packaging, and pulp and paper products and (3) Recycling Chain; packaging material recycling.

Others

Invest in New S-Curve businesses and jointly invest with leading companies in other businesses, mainly agricultural machine, automotive parts and components, steel, clean energy business and pertinent technologies, as well as automation system integration business, and other services.

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

The Group has presented additional information on revenue from sales and EBITDA on Cement-Building Materials Business, which consists of SCG Cement and Green Solutions, SCG Smart Living, SCG Decor and SCG Distribution & Retail.

Information relating to business segments for years ended 31 December was as follows:

	Total assets		Revenue from sales		EBITDA (1)	
	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>					
Consolidated SCG	893,601	906,490	499,646	569,609	54,143	61,912
<i>Business Segments</i>						
Cement-Building Materials Business (3)	234,602	227,289	189,348	204,048	15,878	18,548
Chemicals Business (SCGC)	389,603	387,154	191,482	236,587	13,696	17,745
Packaging Business (SCGP)	198,561	197,280	129,398	146,068	17,778	19,413
Others	383,450	380,358	1,368	1,505	7,275	8,117

	Profit		Depreciation and	
	for the year (2)		amortization	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Consolidated SCG	25,915	21,382	29,740	29,461
<i>Business Segments</i>				
Cement-Building Materials Business	13,410	4,960	10,742	11,453
Chemicals Business (SCGC)	589	5,901	9,265	7,694
Packaging Business (SCGP)	5,248	5,801	9,206	9,700
Others	8,337	7,625	728	854

- (1) Represents profit before share of profit of joint ventures and associates accounted for using equity method, finance costs, income tax expense, depreciation and amortization including dividends from associates and excluding gain from fair value adjustment of investments.
- (2) Represents profit for the year attributable to owners of the Company
- (3) Additional information on Cement-Building Materials Business

	Revenue from sales		EBITDA (1)	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
SCG Cement and Green Solutions	85,845	87,178	8,978	11,117
SCG Smart Living	24,897	23,850	2,843	2,296
SCG Decor	28,312	30,254	3,263	2,761
SCG Distribution & Retail	126,941	134,698	698	1,255

Operation results of business segments

	Cement-Building Materials Business		Chemicals Business (SCGC)		Packaging Business (SCGP)	
	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>					
Information from						
statements of financial position						
Current assets	73,234	76,249	68,241	71,581	60,272	60,154
Investments in joint ventures and associates	43,497	23,626	64,314	65,874	1,063	1,034
Property, plant and equipment	90,840	98,816	237,779	230,622	94,279	94,585
Other non-current assets	27,031	28,598	19,269	19,077	42,947	41,507
Total assets	234,602	227,289	389,603	387,154	198,561	197,280
Short-term borrowings	69,552	76,851	58,438	21,272	27,996	18,313
Other current liabilities	22,864	23,913	25,518	25,164	38,395	15,166
Long-term borrowings	3,754	4,495	118,037	145,287	21,117	31,856
Other non-current liabilities	9,458	7,474	6,385	6,083	8,604	8,978
Total liabilities	105,628	112,733	208,378	197,806	96,112	74,313
Shareholders' equity	128,974	114,556	181,225	189,348	102,449	122,967
Total liabilities and shareholders' equity	234,602	227,289	389,603	387,154	198,561	197,280
Supplementary information						
Increase in non-current assets	9,246	10,257	20,913	26,054	9,643	12,185

	Others		Intersegment Elimination		Consolidated SCG	
	2023	2022	2023	2022	2023	2022
<i>(in million Baht)</i>						
<i>Information from</i>						
<i>statements of financial position</i>						
Current assets	121,266	120,845	(105,799)	(78,779)	217,214	250,050
Investments in joint ventures and associates	31,386	28,459	(21)	(19)	140,239	118,974
Property, plant and equipment	3,403	2,842	(1,957)	(1,813)	424,344	425,052
Other non-current assets	227,395	228,212	(204,838)	(204,980)	111,804	112,414
Total assets	383,450	380,358	(312,615)	(285,591)	893,601	906,490
Short-term borrowings	62,317	29,434	(102,981)	(77,469)	115,322	68,401
Other current liabilities	3,280	3,457	(3,134)	(3,784)	86,923	63,916
Long-term borrowings	79,864	114,819	(509)	(612)	222,263	295,845
Other non-current liabilities	3,286	3,685	(237)	(316)	27,496	25,904
Total liabilities	148,747	151,395	(106,861)	(82,181)	452,004	454,066
Shareholders' equity	234,703	228,963	(205,754)	(203,410)	441,597	452,424
Total liabilities and shareholders' equity	383,450	380,358	(312,615)	(285,591)	893,601	906,490
<i>Supplementary information</i>						
Increase in non-current assets	1,063	565	-	-	40,865	49,061

	Cement-Building Materials Business		Chemicals Business (SCGC)		Packaging Business (SCGP)	
	2023	2022	2023	2022	2023	2022
<i>(in million Baht)</i>						
Information from						
income statements						
Revenue from sales						
External customers	182,042	190,977	190,272	235,104	125,964	142,023
Intersegment	7,306	13,071	1,210	1,483	3,434	4,045
Total revenue from sales	189,348	204,048	191,482	236,587	129,398	146,068
Cost of sales	(150,437)	(162,650)	(181,164)	(224,771)	(106,274)	(121,791)
Gross profit	38,911	41,398	10,318	11,816	23,124	24,277
Other income	16,988	2,174	1,863	3,975	1,123	1,464
Profit before expenses	55,899	43,572	12,181	15,791	24,247	25,741
Operating expenses	(36,323)	(37,021)	(13,114)	(16,780)	(15,684)	(16,039)
Profit (loss) before finance costs and income tax	19,576	6,551	(933)	(989)	8,563	9,702
Finance costs	(2,614)	(2,042)	(3,945)	(2,288)	(2,020)	(1,468)
Profit (loss) before income tax	16,962	4,509	(4,878)	(3,277)	6,543	8,234
Tax expense	(4,947)	(1,184)	(1,713)	(1,986)	(1,153)	(1,550)
Profit (loss) after income tax	12,015	3,325	(6,591)	(5,263)	5,390	6,684
Share of profit of joint ventures and associates accounted for using equity method	1,525	1,682	3,592	4,928	39	55
Profit (loss) for the year	13,540	5,007	(2,999)	(335)	5,429	6,739
Profit (loss) attributable to:						
Owners of the Company	13,410	4,960	589	5,901	5,248	5,801
Non-controlling interests	130	47	(3,588)	(6,236)	181	938
	13,540	5,007	(2,999)	(335)	5,429	6,739

	Others		Intersegment Elimination		Consolidated SCG	
	2023	2022	2023	2022	2023	2022
<i>(in million Baht)</i>						
Information from						
income statements						
Revenue from sales						
External customers	1,368	1,505	-	-	499,646	569,609
Intersegment	-	-	(11,950)	(18,599)	-	-
Total revenue from sales	1,368	1,505	(11,950)	(18,599)	499,646	569,609
Cost of sales	(1,004)	(1,238)	12,680	19,111	(426,199)	(491,339)
Gross profit	364	267	730	512	73,447	78,270
Other income	15,621	12,808	(6,709)	(7,738)	28,886	12,683
Profit before expenses	15,985	13,075	(5,979)	(7,226)	102,333	90,953
Operating expenses	(8,875)	(7,473)	5,696	5,555	(68,300)	(71,758)
Profit before finance costs and income tax	7,110	5,602	(283)	(1,671)	34,033	19,195
Finance costs	(1,809)	(1,825)	91	100	(10,297)	(7,523)
Profit before income tax	5,301	3,777	(192)	(1,571)	23,736	11,672
Tax expense	(222)	(207)	(10)	277	(8,045)	(4,650)
Profit after income tax	5,079	3,570	(202)	(1,294)	15,691	7,022
Share of profit of joint ventures and associates accounted for using equity method	3,265	4,037	(2)	1	8,419	10,703
Profit for the year	8,344	7,607	(204)	(1,293)	24,110	17,725
Profit (loss) attributable to:						
Owners of the Company	8,337	7,625	(1,669)	(2,905)	25,915	21,382
Non-controlling interests	7	(18)	1,465	1,612	(1,805)	(3,657)
	8,344	7,607	(204)	(1,293)	24,110	17,725

Geographical segment

The Group has expanded its investment and operation in foreign countries. All significant revenue from sales and non-current assets on the basis of geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical segment information

	Revenue from sales		Non-current assets	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Thailand	284,016	311,729	207,808	216,106
Vietnam	44,554	59,059	194,391	186,825
Indonesia	36,958	50,887	51,441	51,510
Others	134,118	147,934	42,931	42,966
Total	499,646	569,609	496,571	497,407

Major customer

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

20 Other income

	<i>Note</i>	2023	2022
		<i>(in million Baht)</i>	
Gain from fair value adjustment of investment from change in status of subsidiaries	4	17,834	-
Dividend income from investments in equity instruments		3,332	4,563
Interest income from financial institutions		2,151	1,224
Management fee income		1,965	2,019
Gain on sale of investments and assets		972	945
Gain on financial instruments measured at fair value		888	2,090
Others		1,744	1,842
Total		28,886	12,683

21 Distribution costs

	2023	2022
	<i>(in million Baht)</i>	
Freight	17,042	21,564
Salary, welfare, personnel and employee development expenses	6,890	6,664
Sales promotion and advertising expenses	3,034	3,003
Depreciation and amortization expenses	981	869
Commission expenses	561	796
Others	3,372	3,317
Total	31,880	36,213

22 Administrative expenses

	2023	2022
	<i>(in million Baht)</i>	
Salary, welfare, personnel and employee development expenses	19,798	19,605
Depreciation and amortization expenses	3,270	3,508
IT fees and outside wages	3,182	3,082
Idle capacity costs	1,035	1,079
Tax license fees and others	998	1,265
Professional fees	994	1,272
Publication and donation	792	1,012
Others	3,241	2,737
Total	33,310	33,560

23 Employee benefit expenses

	2023	2022
	<i>(in million Baht)</i>	
Salaries and wages	40,576	41,869
Welfares and others	5,710	5,167
Contribution to defined contribution plans	2,226	2,274
Contribution to defined benefit plans	1,023	1,010
Early retirement expenses	655	412
Total	50,190	50,732

The Group has provident fund plans to provide retirement and gratuity benefits to employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 2% to 13% of the members' basic salaries, depending on the length of employment.

24 Income tax

	Note	2023 (in million Baht)	2022
Income tax recognized in profit or loss			
Current tax			
Current tax		5,599	5,873
Over provided in prior years		(137)	(12)
		<u>5,462</u>	<u>5,861</u>
Deferred tax			
Movement in temporary differences	14	2,583	(1,211)
Total		<u>8,045</u>	<u>4,650</u>
Income tax recognized in other comprehensive income			
Losses on measurement of financial assets		(2)	(3)
Losses on investments in equity instruments measured at fair value		(285)	(81)
Gains on remeasurement of defined benefit plans		44	293
Total	14	<u>(243)</u>	<u>209</u>
Reconciliation of effective tax rate			
		2023	2022
	Rate	(in million	Rate
	(%)	Baht)	(%)
			(in million
			Baht)
Profit before income tax expense		32,155	22,375
Share of profit of joint ventures and associates accounted for using equity method		(8,419)	(10,703)
		<u>23,736</u>	<u>11,672</u>
Income tax using the Thai corporation tax rate	20	4,747	2,334
Effect of different tax rates in foreign jurisdictions		(39)	121
Gain from fair value adjustment of investment from change in status of subsidiaries		(3,012)	-
Income not subject to tax		(902)	(586)
Tax privileges		(837)	(393)
Expenses deductible at a greater amount		(140)	(114)
Expenses not deductible for tax purposes and others		857	808
Tax losses		4,925	3,703
Current tax		<u>5,599</u>	<u>5,873</u>
Over provided in prior years		(137)	(12)
Movement in temporary differences		2,583	(1,211)
Income tax expense	34	<u>8,045</u>	<u>4,650</u>

25 Dividends

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2023				
Annual dividend 2022	29 March 2023	25 April 2023	2.00	2,400
Interim dividend 2023	26 July 2023	25 August 2023	2.50	3,000
Total			4.50	5,400
2022				
Annual dividend 2021	30 March 2022	26 April 2022	10.00	12,000
Interim dividend 2022	27 July 2022	26 August 2022	6.00	7,199
Total			16.00	19,199

26 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<i>(in million Baht)</i>								
At 31 December 2023								
Financial assets								
Cash and cash equivalents	-	-	43,602	43,602				
Investments in short-term debt instruments								
- Deposit with financial institutions	-	-	12,334	12,334				
- Funds	5,052	2,886	-	7,938	-	7,938	-	7,938
Trade receivables	-	-	53,400	53,400				
Loans to	-	-	1,427	1,427				
Derivative assets	465	3,466	-	3,931	-	3,931	-	3,931
Investments in debt instruments								
- Deposit with financial institutions	-	-	201	201	-	201	-	201
- Funds	-	3,989	-	3,989	-	3,989	-	3,989
- Convertible preferred stock and others	1,732	-	113	1,845	-	114	1,732	1,846
Investments in equity instruments	-	15,342	-	15,342	279	-	15,063	15,342
Total financial assets	7,249	25,683	111,077	144,009				
Financial liabilities								
Bank overdrafts and short-term borrowings	-	-	35,721	35,721				
Trade payables	-	-	36,502	36,502				
Liabilities related to put options	-	-	22,313	22,313				
Long-term borrowings	-	-	72,878	72,878				
Lease liabilities	-	-	13,982	13,982				
Debentures	-	-	215,004	215,004	-	216,868	-	216,868
Derivative liabilities	360	-	-	360	-	360	-	360
Total financial liabilities	360	-	396,400	396,760				

	Carrying amount			Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2022								
Financial assets								
Cash and cash equivalents	-	-	57,530	57,530				
Investments in short-term debt instruments								
- Deposit with financial institutions	-	-	13,485	13,485				
- Funds	3,022	15,822	-	18,844	-	18,844	-	18,844
Trade receivables	-	-	55,185	55,185				
Loans to	-	-	303	303				
Derivative assets	704	4,032	-	4,736	-	4,736	-	4,736
Investments in debt instruments								
- Deposit with financial institutions	-	-	315	315	-	315	-	315
- Funds	-	5,229	-	5,229	-	5,229	-	5,229
- Convertible debentures and others	708	-	120	828	-	118	708	826
Investments in equity instruments	-	16,569	-	16,569	526	-	16,043	16,569
Total financial assets	4,434	41,652	126,938	173,024				
Financial liabilities								
Bank overdrafts and short-term borrowings	-	-	36,635	36,635				
Trade payables	-	-	33,182	33,182				
Long-term borrowings	-	-	99,115	99,115				
Lease liabilities	-	-	13,527	13,527				
Debentures	-	-	214,969	214,969	-	218,020	-	218,020
Derivative liabilities	615	13	-	628	-	628	-	628
Total financial liabilities	615	13	397,428	398,056				

In the first quarter of 2023, the Group invested in a mutual fund with an asset management company amounting to Baht 5,000 million which is measured at FVTPL with an average return rate of approximately 1.7% per annum and holding period of approximately 1 year.

As at 31 December 2023, investments in debt instruments measured at FVOCI are mainly in private funds which are managed by 2 independent asset management companies (“AMCs”). The AMCs have invested in debt securities which had high liquidity and rating as investment grade with return rates from 1.33% to 3.38% per annum (31 December 2022: 0.53% to 3.05% per annum).

The Group has agreements which grant the right to buy or sell the remaining ordinary shares (Put/Call options) with existing shareholders of certain subsidiaries from business acquisitions. The pricing and exercise period are in accordance with the conditions specified in the agreements. In the second quarter of 2023, the Group recognized the right to buy or sell the remaining 44.48% of the ordinary shares of a subsidiary under Packaging Business with the present value of the exercise price, as a financial liability in the consolidated statement of financial position of the Group because the possibility of the option being exercised is probably determined. As at 31 December 2023, this financial liability amount was approximately Baht 22,313 million. The right can be exercised from June 2024 onwards.

Financial instruments measured at fair value

The Group determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investments in debt instruments which are simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.
- Derivative assets and liabilities such as forward exchange contracts and commodity contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts. The fair value of interest rate swap is calculated from the difference between the present value of future cash flows based on the yield curve of the contractual interest rate and the expected interest rate based on observable market for similar financial instruments.

The Group determined Level 3 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investments in equity instruments and investment in convertible preferred stock which are not actively traded in market were calculated using valuation techniques based on the latest reporting net assets adjusted by relevant factors. This was because the equity instruments were not listed on any stock exchange and there were no recent observable arm's length transactions in the instruments.

Financial instruments measured at amortized cost

The Group determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

(b) Financial risk management policies

Risk management framework

The Group's Finance Committee has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Group's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Group's Finance Committee monitors financial status and reports regularly to the Group's Management Committee.

(1) Credit risk

Credit risk is the risk of Group's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(1.1) Cash and cash equivalents and derivatives

The Group's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Group considers having low credit risk.

(1.2) Investment in debt instruments

The Group's credit risk is limited by investing only in high liquidity and credibility debt instruments.

(1.3) Trade receivables

The Group's credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before credit limit, credit term and trade terms are offered. In case of sales exceeding the limits, it must be approval by authorized person.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables and contract assets are disclosed in note 7.

(2) Liquidity risk

The Group oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates (% p.a.)	After 1 year			Total
		Within 1 year	but within 5 years	After 5 years	
Year 2023					
Bank overdrafts and short-term borrowings from financial institutions	1.85 - 9.00 SOFR plus 1.25 Cost of Funds plus (0.65 - 1.75) MLR minus 1 EURIBOR plus (0.50 - 2.75)	35,414	-	-	35,414
Short-term borrowings	3.05 , 3.25	307	-	-	307
Long-term borrowings from financial institutions	0.75 - 4.75 MLR minus 1.75 THOR plus 0.70 - 2.70 SOFR plus Credit Adjustment Spread plus (2.10 - 2.40) EURIBOR plus (0.75 - 5.50)	11,980	44,088	16,810	72,878
Lease liabilities	0.87 - 18.00	2,713	7,468	7,989	18,170
Debentures	2.65 - 4.14	65,405	143,507	6,200	215,112
Total		115,819	195,063	30,999	341,881
Less deferred interest - lease liabilities and debentures issuing expenses					(4,296)
Net					337,585

	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
Year 2022					
Bank overdrafts and short-term borrowings from financial institutions	0.84 - 7.02 MOR / MMR plus 0.85 Cost of fund plus (0.65 - 4.20) LIBOR plus (0.85 - 7.20) BOE plus 1.80	36,252	-	-	36,252
Short-term borrowings	1.10 - 5.00	383	-	-	383
Long-term borrowings from financial institutions	0.75 - 8.50 MLR minus (2.60 - 4.75) LIBOR plus (1.25 - 1.75) JIBOR plus (1.15 - 1.30) Cost of fund plus 0.65 THBFIX plus (1.01 - 1.10) EURIBOR plus (0.90 - 1.50)	4,508	41,032	53,575	99,115
Lease liabilities	0.87 - 18.00	2,744	5,877	8,403	17,024
Debentures	2.65 - 4.14	24,915	182,182	8,000	215,097
Total		68,802	229,091	69,978	367,871
Less deferred interest - lease liabilities and debentures issuing expenses					(3,625)
Net					364,246

(3) Market risk

The Group has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(3.1) Interest rate benchmark reform

As a result of the interest rate benchmark reform and the cessation of LIBOR in the second quarter of 2023, the Group undertook amendments to the contractual terms with the counterparties. The outstanding contracts with interest rates that reference LIBOR and THBFIX with maturity date after 30 June 2023 have been transitioned to SOFR, THOR, or alternative benchmark rates as appropriate. Nevertheless, the amendments would not have material impact to the Group's financial risk and consolidated financial statements.

(3.2) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Group has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Group manages that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Group has significant foreign currency risk from foreign currency assets and liabilities were as follows:

	2023		2022	
	US Dollars	Vietnamese Dong (in million Baht)	US Dollars	Vietnamese Dong
Trade and other receivables	15,920	383	15,087	1,297
Interest-bearing liabilities	(5,704)	(2)	(6,229)	(7)
Trade and other payables	(11,239)	(857)	(10,875)	(4,197)
Net statement of financial position exposure	(1,023)	(476)	(2,017)	(2,907)
Forward exchange purchase contracts	13,725	-	11,682	-
Forward exchange selling contracts	(10,012)	-	(6,859)	-
Net exposure	2,690	(476)	2,806	(2,907)

As at 31 December 2023, the Company has foreign currency deposits and entered into a forward exchange selling contract to hedge against risk in the entire amount amounting to US Dollars 30 million or equivalent to Baht 1,022 million. The contract will be due within January 2024.

Cross currency swap

The Group has entered into cross currency swap contracts with a foreign bank to hedge against the risk arisen from payment on long-term borrowings of US Dollars 39 million or equivalent to Baht 1,339 million, whereby exchanging currency from US Dollars to functional currency. These contracts will be due within January 2027.

Sensitivity analysis

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	<i>Movement (%)</i>	<i>Strengthening (in million Baht)</i>	<i>Weakening</i>
<i>2023</i>			
US Dollars	1	(27)	27
Vietnamese Dong	1	5	(5)
<i>2022</i>			
US Dollars	1	(28)	28
Vietnamese Dong	1	29	(29)

(3.3) Interest rate risk

Interest rate risk is the risk that caused from future movements in market interest rates that will affect the results of the Group's operations and its cash flows certainty. The Group is exposed to interest rate risk which mainly came from its borrowings from financial institution. The Group mitigates this risk by entering into interest rate swap contracts in order to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	<i>2023</i>	<i>2022</i>
	<i>(in million Baht)</i>	
<i>Financial instruments with variable interest rates</i>		
Financial assets	2,376	1,437
Financial liabilities	(94,922)	(107,786)
Net statement of financial position exposure	(92,546)	(106,349)
Interest rate swaps contracts	45,030	47,327
Net exposure	(47,516)	(59,022)

Interest rate swap contracts

The Group has entered into interest rate swap contracts with local banks to hedge against the risk of interest on long-term borrowings of Baht 640 million, whereby exchanging floating interest rates with fixed interest rates at 1.50% per annum. These contracts will be gradually due within February 2027.

The Group has entered into interest rate swap contracts with a foreign bank to hedge against the risk of interest on long-term borrowings of US Dollars 39 million or equivalent to Baht 1,339 million, whereby exchanging floating interest rates with fixed interest rates at 0.27% per annum. These contracts will be due within January 2027.

The Group has entered into interest rate swap contracts with foreign banks to hedge against the risk of interest on long-term borrowings of US Dollars 1,258 million or equivalent to Baht 43,051 million, whereby exchanging floating interest rates with average fixed interest rates at 1.54% per annum. These contracts will be due within November 2027.

Cash flow sensitivity analysis for variable-rate financial instruments

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss and other components of shareholders' equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Other components of shareholders' equity	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in million Baht)</i>			
2023				
Financial instruments with variable interest rate	(636)	636	-	-
Interest rate swaps	160	(160)	290	(290)
Cash flow sensitivity (net)	(476)	476	290	(290)
2022				
Financial instruments with variable interest rate	(367)	367	-	-
Interest rate swaps	27	(27)	446	(446)
Cash flow sensitivity (net)	(340)	340	446	(446)

(4) Cash flow risk

The Group entered into interest rate swaps and commodity swaps that are designated as cash flow hedges. The Group recognized the effective portion of changes in the fair value in OCI and accumulated this amount in the hedging reserve in other components of shareholder's equity. For the year ended 31 December 2023, the Group has recognized an increase in the fair value amounting to Baht 681 million (2022: Baht 4,248 million), transfer to cost of property, plant and equipment amounting to Baht 1,358 million (2022: none) and transfer to the consolidated income statement amounting to Baht 321 million (2022: none). Therefore, as at 31 December 2023, the balances of the cash flow hedge reserve were profitable amounting to Baht 3,119 million (31 December 2022: Baht 4,117 million). The Group has no changes in the fair value of the ineffective portion.

27 Commitments and contingent liabilities

As at 31 December, the Group had:

	2023	2022
	<i>(in million Baht)</i>	
(a) Bank guarantees issued by banks to government, state enterprises and private sectors	2,706	2,727
(b) Unused letters of credit	628	1,840
(c) Commitments		
- for purchase of raw material contracts	46,275	38,955
- for rental and service agreements	3,883	4,487
- for construction, installation of machinery contracts and others	7,596	13,054

Commitment for construction and installation of machinery contracts included engineering, procurement, and construction of petrochemical complex in Vietnam amounting to US Dollars 22 million and Vietnamese Dong 438 billion, total equivalent to approximately Baht 1,355 million. *(31 December 2022: US Dollars 57 million and Vietnamese Dong 1,317 billion, total equivalent to approximately Baht 3,896 million).*

- (d) The Company entered into the service agreements with two local companies. Those companies will provide information and technology outsourcing services to the Group. The commencement price is approximately Baht 3,500 million. The agreements period is for 3 years and 5 years with the commencement date in June 2023.
- (e) In the years 2018 and 2021, subsidiaries under Chemicals Business have entered into the contracts for purchasing raw materials and utilities from local and oversea companies with the supply period of 10 - 15 years for each contract. Both parties are obligated to supply and take such raw materials and utilities at the price, quantity and conditions specified in the contract.
- (f) In the first quarter of 2009, the Company lodged a complaint in criminal case against an ex-employee for theft (form of ordinary share certificate) and the forgery of 672,000 Company's ordinary share certificates. In the second quarter of 2009, the Company was notified by the Civil Court that the estate administrator and the heirs of the shareholder whose shares were forged ("Plaintiff") filed a civil lawsuit against the Company and relevant individuals and juristic persons for compensation. At present, the case has reached the final judgment.

On 22 December 2015, in which the Supreme Court has made the judgment ordering the ex-employee, the offender committed a tort against the Plaintiff, to return the shares or to pay the cash for the share price at the last trading price of the Company's shares on the date of payment, which shall not be less than Baht 314.38 per share, together with dividends and an interest until the date of payment, and ordering the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly liable with the ex-employee. Therefore, the Company has recorded the provision for compensation for the amount which the Company is expected to be liable, in the statement of financial position as at 31 December 2015 of Baht 201 million.

On 21 January 2016, the Company has fully made compensation to the Plaintiff by returning the shares with the ordinary share certificates and making payment of dividends both from the shares prior to the commencement of a civil lawsuit with interest thereon and from the commencement date of a civil lawsuit including any costs and expenses paid for court procedure, accounting for Baht 319 million in total. Later on, Thailand Securities Depository Co., Ltd., the co-defendant, has filed a petition to the Supreme Court for an interpretation on the judgment. On 21 November 2017, the Supreme Court has already ordered the mentioned petition to be dismissed. In December 2018, the Company has filed a civil lawsuit against the ex-employee and Thailand Securities Depository Co., Ltd. for recourse. On 8 March 2019, the Central Labour Court has made the judgment ordering the ex-employee, the offender committed the tort, to compensate the Company in the amount of Baht 149 million together with the interest at the rate of 7.5% per annum. There was no appeal from both sides against the Central Labour Court's judgment; therefore, the judgment was final and it is currently under the civil execution procedure. For the court case for recourse Thailand Securities Depository Co., Ltd., the Civil Court has made the judgment on 4 December 2019 ordering Thailand Securities Depository Co., Ltd. to make the repayment to the Company in the amount of Baht 62.55 million together with the interest at the rate of 7.5% per annum. On 4 June 2020, Thailand Securities Depository Co., Ltd. has filed for an appeal against the Civil Court's judgment and on 6 August 2020, the Company has filed a counter appeal against the appeal of Thailand Securities Depository Co., Ltd. On 23 February 2021, the Appeal Court affirmed the decision made by the Civil Court. Thailand Securities Depository Co., Ltd. has filed the request for petition to the Supreme Court on 4 June 2021 and the Company has filed the objection to such request of Thailand Securities Depository Co., Ltd. on 9 July 2021. On 19 April 2022, the Supreme Court accepted the petition of Thailand Securities Depository Co., Ltd. Later, the Company has submitted the counter petition on 21 June 2022. On 14 February 2024, the Supreme Court has issued the verdict ordering Thailand Securities Depository Co., Ltd. to make a payment to the Company in the amount of Baht 62.55 million together with the interest at the rate of 7.5% per annum, calculating from 21 January 2016 to 10 April 2021, and with the interest at the rate of 5% per annum from 11 April 2021 (the date when the default interest rate has been amended) onwards until the payment is made in full. The case is now final.

28 Capital Management

The management of the Group has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Group considers to have a strong financial foundation. Therefore, the Group focuses on investing in projects that have good rates of return, maintaining appropriate working capital and having sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and to maintain the confidence of shareholders, investors, creditors and other stakeholders.

29 Others

- (a) In October 2020, Mawlamyine Cement Limited (“MCL”), a joint venture company incorporated in Myanmar between SCG Cement Co., Ltd. (“SCG Cement”) and Pacific Link Cement Industry Ltd. (“PLCI”), has temporarily suspended its production due to lack of limestone, the main raw material for cement manufacturing process. The cause has occurred from the failure to amicably resolve dispute between SCG Cement and PLCI. SCG Cement has filed the claim to an arbitration pursuant to the Joint Venture Agreement with PLCI. The arbitration proceeded by the International Chamber of Commerce - Singapore is completed. On 21 December 2022, SCG Cement received the arbitral award dated 20 December 2022 stating unanimous result ordering that PLCI to comply with the terms of Joint Venture Agreement. On 30 May 2023, SCG Cement has submitted to the Myanmar Court an application for the enforcement of an arbitration award. On 5 September 2023, Mawlamyine District Court refused to recognize the arbitral award. On 31 October 2023, SCG Cement has submitted an appeal to the order of Mawlamyine District Court. This case is in the appeal procedure of Mon State High Court.
- (b) SCG Chemicals Public Company Limited (“SCGC”) has applied to extend the initial public offering (“IPO”) timeline and already received an approval from the Securities and Exchange Commission on 12 April 2023 to extend the IPO timeline until 4 October 2023 and cannot be further extended, in accordance with the relevant Notification of the Capital Market Supervisory Board. In particular, the Company has considered the suitability of the IPO and listing of SCGC shares on the Stock Exchange of Thailand by taking relevant factors into account, it may not be appropriate to proceed with the IPO at this time.

30 Events after the reporting period

- (a) On 23 January 2024, the Board of Directors of SCG Packaging Public Company Limited approved to issue and offer the debenture No. 1/2024 on 1 April 2024, in the amount of not exceeding Baht 5,000 million and the additional greenshoe of not exceeding Baht 100 million. Term of the new debenture is 3 years and 8 months with fixed interest rate at 3.40% per annum. The objective is for investment and/or working capital for business operations.
- (b) At the Board of Directors’ Meeting of the Company held on 24 January 2024, the directors approved the following matters:
 - (1) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2023 at the rate of Baht 6.00 per share, totaling approximately Baht 7,200 million. An interim dividend of Baht 2.50 per share was paid on 25 August 2023, as disclosed in note 25. The final dividend will be at the rate of Baht 3.50 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 4,200 million and is scheduled for payment on 23 April 2024. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 27 March 2024.
 - (2) To issue and offer the debenture No. 1/2024 amounting to Baht 20,000 million on 1 April 2024 to replace the debenture No. 1/2020 amounting to Baht 25,000 million to be due for redemption. Term of the new debenture is 4 years with a fixed interest rate at 3.40% per annum.

31 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for accounting periods beginning on or after 1 January 2024 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the consolidated financial statements of these revised TFRSs and expected that there will be no material impact on the consolidated financial statements in the year of initial application. Except for TAS 12 *Income Taxes*, the Group is in the process of assessing the impact of the minimum top-up tax in the countries where the Group operates.

FINANCIAL STATEMENTS OF
THE SIAM CEMENT PUBLIC
COMPANY LIMITED





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Independent auditor's report

To the Shareholders of The Siam Cement Public Company Limited

Opinion

I have audited the financial statements of The Siam Cement Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2023, the income statement, the statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 Company 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 is 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 judgment, 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.



Impairment testing of investments in subsidiaries and associates	
Refer to Notes 3 (j) and 6 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The management assessed the impairment indicators of investments in subsidiaries and associates given rise to impairment testing by focusing on the business that its performance was below expectations. The impairment testing of investments in subsidiaries and associates highly involves management judgments in identifying whether there are impairment indicators on the investment, including estimating the recoverable amount of the investment, in particular the forecasting of future cash flows derived from financial budget of the subsidiaries and associates, expected growth rates and discount rate for those future cash flows, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining understanding of the management’s identification of impairment indicators and impairment testing procedures; • evaluating the reasonableness of impairment indicators of a possible impairment to investments in subsidiaries and associates and testing the reasonableness of the key assumptions used in determined the recoverable amount of investments in subsidiaries and associates for which there was an indication of impairment which included cash flow forecasts, long-term growth rates and discount rates, by comparing with recent performance and trend analysis, and comparing with market situations and operating environment, industry knowledge and other information obtained during the audit, including evaluating the reasonableness of the forecasting of financial performance by comparing historical estimation to the actual operating results; • evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor’s report thereon.

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 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



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 TFRSs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 TSAs 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 TSAs, I exercise professional judgment 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 Company'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 Company'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 Company 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.



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, actions taken to eliminate threats or safeguards applied.

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.

A handwritten signature in blue ink, appearing to read 'Sureerat'.

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2024

Statement of financial position

As at 31 December 2023

The Siam Cement Public Company Limited

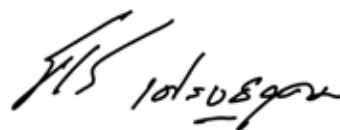
Assets	Note	2023	2022
<i>(in thousand Baht)</i>			
Current assets			
Cash and cash equivalents	5, 19	10,878,668	22,211,969
Investments in short-term debt instruments	19	3,619,466	19,279,307
Other current receivables	4	1,996,237	1,811,907
Short-term loans	4, 19	100,201,364	72,833,880
Other current assets		105,092	224
Total current assets		116,800,827	116,137,287
Non-current assets			
Investments in debt instruments	19	3,988,669	5,228,737
Investments in equity instruments	19	10,599,999	10,347,227
Investments in subsidiaries and associates	6	209,046,194	206,849,363
Investment property	7	1,844,603	1,875,149
Property, plant and equipment	8	2,142,152	2,224,623
Intangible assets	10	1,092,967	1,302,255
Other non-current assets		764,630	751,173
Total non-current assets		229,479,214	228,578,527
Total assets		346,280,041	344,715,814

On behalf of the Board of Directors

Air Chief Marshal



Satitpong Sukvimol
Chairman



Mr. Thammasak Sethaudom
President & CEO of SCG

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

Statement of financial position

As at 31 December 2023

The Siam Cement Public Company Limited

Liabilities and shareholders' equity	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Other current payables	4	805,539	821,499
Accrued interest expense		964,888	951,179
Current portion of lease liabilities	19	29,922	41,126
Current portion of debentures	19	59,993,198	25,000,000
Short-term borrowings	4, 19	3,936,110	6,517,260
Corporate income tax payable		-	133,135
Other current liabilities		82,794	77,683
Total current liabilities		<u>65,812,451</u>	<u>33,541,882</u>
<i>Non-current liabilities</i>			
Lease liabilities	19	62,871	37,271
Debentures	19	79,943,196	114,937,290
Deferred tax liabilities	11	1,262,392	1,229,485
Non-current provisions for employee benefits	13	1,186,738	1,158,886
Other non-current liabilities	4	554,965	663,557
Total non-current liabilities		<u>83,010,162</u>	<u>118,026,489</u>
Total liabilities		<u>148,822,613</u>	<u>151,568,371</u>

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

Statement of financial position

As at 31 December 2023

The Siam Cement Public Company Limited

Liabilities and shareholders' equity	Note	2023	2022
<i>(in thousand Baht)</i>			
Shareholders' equity			
Share capital			
<i>Authorized share capital</i>			
<i>(1,600 million ordinary shares, par value at Baht 1 per share)</i>			
		<u>1,600,000</u>	<u>1,600,000</u>
<i>Issued and paid share capital</i>			
<i>(1,200 million ordinary shares, par value at Baht 1 per share)</i>			
		1,200,000	1,200,000
Retained earnings			
<i>Appropriated</i>			
Legal reserve	14	160,000	160,000
General reserve		10,516,000	10,516,000
<i>Unappropriated</i>			
		179,584,130	175,466,946
Other components of shareholders' equity		<u>5,997,298</u>	<u>5,804,497</u>
Total shareholders' equity		<u>197,457,428</u>	<u>193,147,443</u>
Total liabilities and shareholders' equity		<u>346,280,041</u>	<u>344,715,814</u>

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

Income statement

For the year ended 31 December 2023

The Siam Cement Public Company Limited

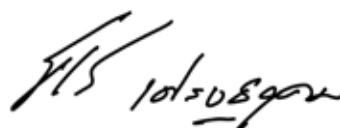
	Note	2023	2022
<i>(in thousand Baht)</i>			
Income			
Dividend income	4	9,224,634	29,070,048
Intellectual property income, management fees for administration, and service income	4	7,121,643	7,265,569
Interest income	4	3,173,558	2,534,718
Other income	4	<u>1,253,053</u>	<u>1,768,869</u>
Total income		20,772,888	40,639,204
Expenses			
Administrative expenses	15	(7,005,054)	(5,871,357)
Finance costs	4	<u>(4,136,140)</u>	<u>(4,158,589)</u>
Total expenses		<u>(11,141,194)</u>	<u>(10,029,946)</u>
Profit before income tax		9,631,694	30,609,258
Tax expense	17	<u>(113,678)</u>	<u>(354,507)</u>
Profit for the year		<u>9,518,016</u>	<u>30,254,751</u>
Basic earnings per share (in Baht)		<u>7.93</u>	<u>25.21</u>

On behalf of the Board of Directors

Air Chief Marshal



Satitpong Sukvimol
Chairman



Mr. Thammasak Sethaudom
President & CEO of SCG

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

Statement of comprehensive income

For the year ended 31 December 2023

The Siam Cement Public Company Limited

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Profit for the year		9,518,016	30,254,751
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Loss on measurement of financial assets		(11,771)	(3,528)
Income tax relating to items that will be reclassified subsequently to profit or loss	17	<u>2,354</u>	<u>706</u>
Total items that will be reclassified subsequently to profit or loss		(9,417)	(2,822)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on investments in equity instruments measured at fair value		252,773	(788,544)
Gain (loss) on remeasurements of defined benefit plans	13	(1,528)	39,734
Income tax relating to items that will not be reclassified subsequently to profit or loss	17	<u>(50,249)</u>	<u>149,762</u>
Total items that will not be reclassified subsequently to profit or loss		200,996	(599,048)
Other comprehensive income for the year, net of tax		<u>191,579</u>	<u>(601,870)</u>
Total comprehensive income for the year		<u><u>9,709,595</u></u>	<u><u>29,652,881</u></u>

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

Statement of changes in shareholders' equity

For the year ended 31 December 2023

The Siam Cement Public Company Limited

	Retained earnings			Other components of shareholders' equity			Total shareholders' equity
	Issued and paid share capital	Appropriated	Unappropriated	Gain (loss) on measuring financial assets (in thousand Baht)	Gain (loss) on investments in equity instruments measured at fair value	Total other components of shareholders' equity	
Balance at 1 January 2022	1,200,000	160,000	10,516,000	1,425	7,181,374	7,182,799	182,693,811
Transactions with owners, recorded directly in shareholders' equity							
<i>Contributions by and distributions to owners</i>							
Dividends	-	-	-	-	-	-	(19,199,249)
Total contributions by and distributions to owners	-	-	-	-	-	-	(19,199,249)
Comprehensive income for the year							
Profit or loss	-	-	-	-	-	-	30,254,751
Other comprehensive income	-	-	-	(2,822)	(1,375,480)	(1,378,302)	(601,870)
Total comprehensive income for the year	-	-	-	(2,822)	(1,375,480)	(1,378,302)	29,652,881
Balance at 31 December 2022	1,200,000	160,000	10,516,000	(1,397)	5,805,894	5,804,497	193,147,443
Balance at 1 January 2023	1,200,000	160,000	10,516,000	(1,397)	5,805,894	5,804,497	193,147,443
Transactions with owners, recorded directly in shareholders' equity							
<i>Contributions by and distributions to owners</i>							
Dividends	-	-	-	-	-	-	(5,399,610)
Total contributions by and distributions to owners	-	-	-	-	-	-	(5,399,610)
Comprehensive income for the year							
Profit or loss	-	-	-	-	-	-	9,518,016
Other comprehensive income	-	-	-	(9,417)	202,218	192,801	191,579
Total comprehensive income for the year	-	-	-	(9,417)	202,218	192,801	9,709,595
Balance at 31 December 2023	1,200,000	160,000	10,516,000	(10,814)	6,008,112	5,997,298	197,457,428

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

Statement of cash flows

For the year ended 31 December 2023

The Siam Cement Public Company Limited

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	9,518,016	30,254,751
<i>Adjustments for</i>		
Tax expense	113,678	354,507
Depreciation and amortization	552,494	609,400
Non-current provisions for employee benefit expense	171,155	102,743
Loss (gain) on foreign currency exchange	(297)	364
Dividend income	(9,224,634)	(29,070,048)
Interest income	(3,173,558)	(2,534,718)
Finance costs	4,136,140	4,158,589
Gain on sale of investments, sales of assets, fair value adjustment and others	<u>(755,607)</u>	<u>(1,527,812)</u>
Cash flows generated from operations		
before changes in operating assets and liabilities	<u>1,337,387</u>	<u>2,347,776</u>
<i>Decrease (increase) in operating assets</i>		
Other current receivables	(173,713)	980,998
Other assets	<u>(13,235)</u>	<u>740</u>
Net decrease (increase) in operating assets	<u>(186,948)</u>	<u>981,738</u>
<i>Increase (decrease) in operating liabilities</i>		
Other current payables	116,437	(79,337)
Non-current provisions for employee benefits	(142,277)	(60,100)
Other liabilities	<u>(113,811)</u>	<u>(185,656)</u>
Net decrease in operating liabilities	<u>(139,651)</u>	<u>(325,093)</u>
Net cash flows generated from operations	1,010,788	3,004,421
Income tax received (paid)	<u>105,605</u>	<u>(323,932)</u>
Net cash flows provided by operating activities	<u>1,116,393</u>	<u>2,680,489</u>

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

Statement of cash flows

For the year ended 31 December 2023

The Siam Cement Public Company Limited

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>			
Proceeds from sale of a subsidiary and associates	6	311,001	1,270,793
Proceeds from capital return of a subsidiary	6	-	9,367,867
Payments of investments in subsidiaries	6	(2,196,831)	(4,813,838)
Proceeds from sale of equity and debt instruments of other entities		79,346,048	16,418,810
Acquisition of debt instruments of other entities		(62,494,537)	(38,274,145)
Proceeds from sale of investment property		525,000	-
Acquisition of property, plant and equipment, and intangible assets		(312,154)	(130,776)
Proceeds from repayment of loans (payments for loans) to related parties, net	4	(27,367,484)	46,766,497
Dividends received		9,234,315	29,740,616
Interest received		3,120,833	2,511,896
Income tax paid from sale of investments		(464,463)	-
Net cash flows provided by (used in) investing activities		(298,272)	62,857,720
<i>Cash flows from financing activities</i>			
<i>Proceeds from (payments of) borrowings</i>			
Payments of short-term borrowings from related parties, net	4	(2,581,150)	(64,035)
Payments of lease liabilities		(45,348)	(67,346)
Proceeds from issuance of debentures		25,000,000	15,000,000
Redemption of debentures		(25,000,000)	(40,000,000)
Net decrease in borrowings		(2,626,498)	(25,131,381)
Dividends paid to owners of the Company		(5,399,610)	(19,199,249)
Interest and other finance costs paid		(4,125,314)	(4,338,587)
Net cash flows used in financing activities		(12,151,422)	(48,669,217)
Net increase (decrease) in cash and cash equivalents		(11,333,301)	16,868,992
Cash and cash equivalents at beginning of the year		22,211,969	5,342,977
Cash and cash equivalents at end of the year		10,878,668	22,211,969
<i>Supplementary information for cash flows</i>			
Income tax paid for the year		(358,858)	(323,932)

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

Notes to the financial statements

For the year ended 31 December 2023

The Siam Cement Public Company Limited

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 22 February 2024.

1 General information

The Siam Cement Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The Company holds investments in the following core business segments: Cement-Building Materials Business, Chemicals Business (SCGC) and Packaging Business (SCGP).

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

The preparation of financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for using the cost method less accumulated impairment losses. Dividend income is recognized in profit or loss on the date on which the Company’s right to receive the dividend is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains or losses on disposal of the investments are recognized in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(c) Other receivables

A receivable is recognized when the Company has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

(d) Non-current assets classified as held for sale

Non-current assets 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 available for immediate sale in current condition and measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are no longer depreciated or amortized.

(e) Investment property

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Company. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20 years
Buildings and structures	20, 40 years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(f) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 years
Buildings and structures	5, 20, 40, 50 years
Machinery and equipment	5, 10, 20 years
Vehicles and equipment	5 years
Furniture, fixtures and office equipment	3, 5, 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(g) Intangible assets

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalized only when it increases the future economic benefits.

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

License fee	Term of agreements
Software licenses	3, 5, 10 years
Others	5, 10, 25 years

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(h) Leases

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Company has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

(i) Lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Company is an intermediate lessor, the Company classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease.

The Company recognizes finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

The Company recognizes lease payments received under operating leases in profit or loss on a straight-line basis over the respective lease terms as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

(j) *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company will estimate the assets' recoverable amounts. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) *Trade and other payables*

Trade and other payables are stated at amortized cost.

(l) *Employee benefits*

Defined contribution plans

Obligations for contributions to provident fund for the Company's employee are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurements is recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits or when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(n) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax.

Service fee income

Intellectual property income, management fees for administration and service income are recognized over the terms of agreement and as the services are provided.

Other income

Other income comprising dividend income, interest income and others is recognized on accrual basis except dividend income which is recognized in profit or loss on the date on which the Company's right to receive the dividend is established.

(2) Contract assets and liabilities

Contract assets are recognized when the Company has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Company is entitled to, less allowance for expected credit loss. The contract assets are classified as receivables when the Company has an unconditional right to receive consideration that usually occurs when the Company issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognizes the related revenue.

(o) Expenses

Finance costs

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expenses

The Company offers certain qualifiable employees the option to take early retirement from the Company. The eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance.

(p) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(q) *Foreign currencies transactions*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign currency differences are recognized in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at fair value through other comprehensive income (FVOCI) are recognized in other comprehensive income.

(r) *Financial instruments*

Classification and measurement

Debt securities issued by the Company are initially recognized when they are originated. Other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivative are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date on which the Company's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

Derecognition and offset

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

Impairment of financial assets

The Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt instruments measured at FVOCI and lease receivables.

The Company recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or account receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is the investment grade. The Company recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(s) 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 market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price, and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(t) **Related parties**

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

4 Related parties

Significant transactions with related parties for the years ended 31 December and the pricing policies were summarized as follows:

	2023	2022	Pricing policies
	<i>(in million Baht)</i>		
<i>Subsidiaries</i>			
Dividend income	5,737	24,429	Upon declaration
Intellectual property income, service income and other income	5,482	5,635	Based on percentage of revenue from sales and comparable cost plus method
Interest income	2,293	2,352	Contract interest rate
Interest expense	80	25	Contract interest rate
Service fees and others	723	433	Comparable cost plus method
<i>Joint ventures and associates</i>			
Dividend income	199	195	Upon declaration
Intellectual property income, management fees for administration, service income and other income	1,466	1,366	Based on percentage of revenue from sales and comparable cost plus method
Service fees and others	117	111	Upon agreed contract
<i>Other related parties</i>			
Dividend income	3,289	4,446	Upon declaration
Management fees for administration, service income and other income	411	401	Based on percentage of revenue from sales and comparable cost plus method

Balances as at 31 December with related parties were as follows:

	2023	2022
	<i>(in million Baht)</i>	
<i>Other current receivables - Current accounts</i>		
Subsidiaries	1,230	1,059
Joint ventures and associates	333	282
Other related parties	79	63
Total	<u>1,642</u>	<u>1,404</u>
 <i>Short-term loans - Promissory Note</i>		
Subsidiaries	<u>100,201</u>	<u>72,834</u>

Movements during the years on short-term loans to related parties were as follows:

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	72,834	119,600
Increase	44,367	30,188
Decrease	(17,000)	(76,954)
At 31 December	<u>100,201</u>	<u>72,834</u>

Other current payables and other non-current liabilities

Current accounts

Subsidiaries	80	98
Associates	40	12
Total	<u>120</u>	<u>110</u>

Advance received from software licenses

Subsidiaries	390	533
Joint ventures and associates	20	17
Other related parties	5	5
Total	<u>415</u>	<u>555</u>

Short-term borrowings - Promissory Note

Subsidiaries	<u>3,936</u>	<u>6,517</u>
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Movements during the years on short-term borrowings from related parties were as follows:

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	6,517	6,581
Increase	11,456	7,282
Decrease	(14,037)	(7,346)
At 31 December	<u>3,936</u>	<u>6,517</u>

The Board of Directors and key management compensation

	2023	2022
	<i>(in million Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	212	213
Post-employment benefits	<u>56</u>	<u>11</u>
Total	<u>268</u>	<u>224</u>

The Board of Directors and key management compensation comprises the remuneration paid to the directors of The Siam Cement Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

5 Cash and cash equivalents

	2023	2022
	<i>(in million Baht)</i>	
Cash on hand and at banks	9,857	18,212
High liquid short-term investments	<u>1,022</u>	<u>4,000</u>
Total	<u>10,879</u>	<u>22,212</u>

6 Investments in subsidiaries and associates

Movements for the years ended 31 December in investments in subsidiaries and associates accounted for using the cost method were as follows:

	2023	2022
	<i>(in million Baht)</i>	
At 1 January	206,849	211,451
Acquisitions and additional investments	2,197	4,814
Return on capital	-	(9,369)
Change of the status to investment in equity instrument	-	(47)
At 31 December	<u>209,046</u>	<u>206,849</u>

Investments in subsidiaries and associates as at 31 December and dividends from these investments for the years then ended were as follows:

	Total holding		Cost		Dividend income	
	2023	2022	2023	2022	2023	2022
	(<i>%</i>)		<i>(in million Baht)</i>			
<i>Subsidiaries</i>						
Cement-Building Materials Business	100	100	63,883	63,720	1,875	9,818
Chemicals Business (SCGC)	100	100	121,001	121,001	-	10,587
Packaging Business (SCGP)	72	72	17,363	17,363	1,858	2,012
Others	100	100	6,914	4,880	2,004	2,012
Investments in subsidiaries			209,161	206,964	5,737	24,429
<i>Associates</i>						
Investments in associates			137	137	199	195
Investments in subsidiaries and associates			209,298	207,101	5,936	24,624
<i>Less</i> accumulated impairment losses			(252)	(252)	-	-
Investments in subsidiaries and associates - net			209,046	206,849	5,936	24,624

In year 2022, SCG Cement-Building Materials Co., Ltd. called for the payment of the remaining share capital amounting to Baht 2,136 million, the Company paid for the capital increase in Property Value Plus Co., Ltd. amounting to Baht 1,428 million and paid for the remaining share capital and the capital increase in SCG Cleanergy Co., Ltd. amounting to Baht 1,250 million.

In the third quarter of 2022, the Company sold partial shares in 3 associates which had been classified as non-current assets held for sale totaling Baht 1,270 million. Consequently, the status of these investments were changed from investments in associates to investments in equity instruments and recognized a gain before tax totaling Baht 1,081 million included in other income in the income statement.

In the fourth quarter of 2022, a subsidiary under Cement-Building Materials Business registered its dissolution with the Ministry of Commerce on 23 December 2022. This company returned partial capital to the Company amounting to Baht 9,368 million. Currently, this company is in the process of liquidation.

In 2023, SCG Cleanergy Co., Ltd., which is a subsidiary, called for the partial payment of share capital totaling to Baht 2,034 million.

7 Investment property

	Land and land improvements	Buildings and structures <i>(in million Baht)</i>	Total
Cost			
At 1 January 2022	1,619	638	2,257
Transfers from property, plant and equipment	-	136	136
Transfers to property, plant and equipment	-	(25)	(25)
At 31 December 2022	1,619	749	2,368
Additions	4	-	4
Disposals	(3)	(22)	(25)
At 31 December 2023	1,620	727	2,347
Accumulated depreciation			
At 1 January 2022	107	248	355
Depreciation charge for the year	-	13	13
Transfers from property, plant and equipment	-	130	130
Transfers to property, plant and equipment	-	(5)	(5)
At 31 December 2022	107	386	493
Depreciation charge for the year	-	12	12
Disposals	-	(3)	(3)
At 31 December 2023	107	395	502
Carrying Amount			
At 31 December 2022	1,512	363	1,875
At 31 December 2023	1,513	332	1,845

The Company determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2023, the fair value was Baht 8,584 million (2022: Baht 6,278 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is the discounted cash flows and market approach.

Leases (as a lessor)

The leases of investment property are classified as operating leases in term of which the Company does not transfer any risks and rewards of ownership to the lessee. The leases of the Company contain land and land improvements and buildings and structures with the periods of 1 to 3 years. The subsequent renewals are negotiated with the lessee. The rental income from the leases is fixed under the contract for all investment property.

Maturity of lease payment received under operating lease as at 31 December were as follows:

	2023	2022
	<i>(in million Baht)</i>	
Within 1 year	162	161
After 1 year but not more than 5 years	300	402
Total	462	563

8 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	<i>(in million Baht)</i>						
Cost							
At 1 January 2022	1,024	3,280	1,254	178	658	4	6,398
Additions	27	6	16	40	7	38	134
Disposals/written off	(68)	(3)	-	(56)	(14)	-	(141)
Transfers from investment property	-	25	-	-	-	-	25
Transfers to investment property	-	(136)	-	-	-	-	(136)
At 31 December 2022	983	3,172	1,270	162	651	42	6,280
Additions	1	25	3	65	20	33	147
Disposals/written off	(29)	(4)	-	(56)	(9)	(22)	(120)
Transfers in (out)	-	-	26	-	-	(26)	-
At 31 December 2023	955	3,193	1,299	171	662	27	6,307
Accumulated depreciation and accumulated impairment losses							
At 1 January 2022	829	1,892	667	89	608	-	4,085
Depreciation charges for the year	25	66	67	38	22	-	218
Disposals/written off	(68)	(3)	-	(39)	(13)	-	(123)
Transfers from investment property	-	5	-	-	-	-	5
Transfers to investment property	-	(130)	-	-	-	-	(130)
At 31 December 2022	786	1,830	734	88	617	-	4,055
Depreciation charges for the year	13	62	58	39	14	-	186
Disposals/written off	(23)	(2)	-	(42)	(9)	-	(76)
At 31 December 2023	776	1,890	792	85	622	-	4,165

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>(in million Baht)</i>							
Carrying amount							
At 31 December 2022							
Owned assets	164	1,342	536	1	28	42	2,113
Right-of-use assets	33	-	-	73	6	-	112
At 31 December 2023							
Owned assets	154	1,303	507	2	31	27	2,204
Right-of-use assets	25	-	-	84	9	-	118

In 2023, the right-of-use assets of the Company has increased amounting to Baht 74 million (2022: Baht 65 million).

9 Leases

Most of the Company's lease contracts are land and vehicles, which term are 2 to 5 years and 30 years. The rental is payable periodically prepaid.

For the years ended 31 December	2023	2022
	<i>(in million Baht)</i>	
Amounts recognized in profit or loss		
Depreciation of right-of-use assets:		
- Land and land improvements	8	18
- Buildings and structures	1	1
- Vehicles and equipment	39	38
- Furniture, fixtures and office equipment	4	6
Interest on lease liabilities	3	2
Expenses relating to short-term leases	35	36
Expenses relating to leases of low-value assets	44	35

10 Intangible assets

	Software licenses	Development cost (in million Baht)	Others	Total
Cost				
At 1 January 2022	3,291	49	662	4,002
Additions	33	31	21	85
Disposals/written off	(117)	-	-	(117)
Transfers in (out)	16	(16)	-	-
At 31 December 2022	3,223	64	683	3,970
Additions	140	59	5	204
Disposals/written off	(298)	(18)	(20)	(336)
Transfers in (out)	25	(25)	-	-
At 31 December 2023	3,090	80	668	3,838
Accumulated amortization and accumulated impairments losses				
At 1 January 2022	2,262	-	144	2,406
Amortization charge for the year	332	-	47	379
Disposals/written off	(117)	-	-	(117)
At 31 December 2022	2,477	-	191	2,668
Amortization charge for the year	307	-	47	354
Impairment losses	38	-	-	38
Disposals/written off	(298)	-	(17)	(315)
At 31 December 2023	2,524	-	221	2,745
Carrying amount				
At 31 December 2022	746	64	492	1,302
At 31 December 2023	566	80	447	1,093

Amortization expenses of other intangible assets are included in administrative expenses in the income statement.

11 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

	2023	2022
	<i>(in million Baht)</i>	
Deferred tax assets	343	327
Deferred tax liabilities	(1,605)	(1,556)
Net	(1,262)	(1,229)

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2022	<u>Credited (charged) to</u> other profit or loss comprehensive income <i>(note 17)</i> <i>(in million Baht)</i>		Recognized in shareholders' equity	At 31 December 2022
<i>Deferred tax assets</i>					
Investments in subsidiaries	50	-	-	-	50
Provisions for employee benefits	243	11	(9)	-	245
Others	33	(2)	1	-	32
Total	326	9	(8)	-	327
<i>Deferred tax liabilities</i>					
Investments in debt and equity instruments	(1,794)	(56)	157	187	(1,506)
Others	(14)	(36)	-	-	(50)
Total	(1,808)	(92)	157	187	(1,556)
Net	(1,482)	(83)	149	187	(1,229)

	At 1 January 2023	<u>Credited (charged) to</u> other profit or loss comprehensive income <i>(note 17)</i> <i>(in million Baht)</i>		At 31 December 2023
<i>Deferred tax assets</i>				
Investments in subsidiaries	50	-	-	50
Provisions for employee benefits	245	16	(8)	253
Others	32	5	3	40
Total	327	21	(5)	343
<i>Deferred tax liabilities</i>				
Investments in debt and equity instruments	(1,506)	3	(51)	(1,554)
Others	(50)	(1)	-	(51)
Total	(1,556)	2	(51)	(1,605)
Net	(1,229)	23	(56)	(1,262)

12 Changes in liabilities arising from financing activities

Changes in significant liabilities arising from financing activities were as follows:

	Short-term borrowings	Lease liabilities (in million Baht)	Debentures	Total
At 1 January 2022	6,581	97	164,931	171,609
Changes from financing cash flows	(64)	(67)	(25,000)	(25,131)
New leases	-	48	-	48
Other non-cash movement	-	-	6	6
At 31 December 2022	6,517	78	139,937	146,532
Changes from financing cash flows	(2,581)	(45)	-	(2,626)
New leases	-	60	-	60
Other non-cash movement	-	-	(1)	(1)
At 31 December 2023	3,936	93	139,936	143,965

13 Non-current provisions for employee benefits

The Company operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Non-current provisions for employee benefits in statements of financial position as at 31 December

	2023 (in million Baht)	2022
Post-employment benefits		
Legal severance payments plan	1,161	1,136
Other long-term employee benefits	26	23
Total	1,187	1,159

Movements in the present value of non-current provisions for defined benefit plans

	2023	2022
	<i>(in million Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	1,159	1,156
<i>Included in profit or loss</i>		
Current service costs	58	56
Interest on obligation	34	23
Non-current provisions for defined benefit plans transfer from the related parties	78	24
Actuarial losses	1	-
	<u>171</u>	<u>103</u>
<i>Included in other comprehensive income</i>		
Actuarial losses (gains)	2	(40)
<i>Others</i>		
Benefits paid	<u>(145)</u>	<u>(60)</u>
Non-current provisions for defined benefit plans at 31 December	<u>1,187</u>	<u>1,159</u>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2023	2022
	<i>(in million Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	-	55
Financial assumptions	(33)	(108)
Experience adjustment	35	13
Total	<u>2</u>	<u>(40)</u>

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2023	2022
	<i>(%)</i>	
Discount rate *	3.31 - 3.40	2.76 - 2.93
Salary increase rate	0.60 - 4.16	1.15 - 5.62
Employee turnover rate **	2.00 - 15.00	2.00 - 10.00
Mortality rate ***	50.00 of TMO2017	50.00 of TMO2017

* Market yields on government's bond for legal severance payments plan

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2023, the Company has the weighted-average duration for payment of long-term employee benefits approximately 13 years (2022: 13 Years).

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2023	2022
	<i>(in million Baht)</i>	
Discount rate		
0.5% increase	(56)	(55)
0.5% decrease	60	59
Salary increase rate		
1.0% increase	123	116
1.0% decrease	(107)	(102)
Employee turnover rate		
10.0% increase	(25)	(24)
10.0% decrease	26	25

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

14 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

15 Administrative expenses

	2023	2022
	<i>(in million Baht)</i>	
Salary, welfare, personnel and employee development expenses	3,859	3,217
IT fees	969	629
Depreciation and amortization expenses	543	600
Publication	330	391
Professional fees	284	272
Outside wages	228	219
Others	792	543
Total	<u>7,005</u>	<u>5,871</u>

16 Employee benefit expenses

	2023	2022
	<i>(in million Baht)</i>	
Salaries and wages	3,028	2,578
Welfares and others	264	179
Contribution to defined contribution plans	248	217
Contribution to defined benefit plans	169	103
Early retirement expenses	35	40
Total	<u>3,744</u>	<u>3,117</u>

The defined contribution plans comprise provident funds established by the Company for its employee. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 2% to 13% of the members' basic salaries, depending on the length of employment.

17 Income tax

	Note	2023 (in million Baht)	2022
Income tax recognized in profit or loss			
Current tax			
Current tax		136	272
Under provided in prior years		1	-
		<u>137</u>	<u>272</u>
Deferred tax			
Movement in temporary differences	11	(23)	83
Total		<u>114</u>	<u>355</u>
Income tax recognized in other comprehensive income			
Losses on measurement of financial assets		(2)	(1)
Gains (losses) on investments in equity instruments measured at fair value		50	(157)
Gains on remeasurement of defined benefit plans		-	8
Total	11	<u>48</u>	<u>(150)</u>

Reconciliation of effective tax rate

	2023		2022	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		9,632		30,609
Income tax using the Thai corporation tax rate	20	1,926	20	6,122
Income not subject to tax		(1,837)		(5,799)
Expenses deductible at a greater amount		(8)		(6)
Expenses not deductible for tax purposes and others		55		(45)
Current tax		<u>136</u>		<u>272</u>
Under provided in prior years		1		-
Movement in temporary differences		(23)		83
Income tax expense	1.1	<u>114</u>	1.2	<u>355</u>

18 Dividends

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2023				
Annual dividend 2022	29 March 2023	25 April 2023	2.00	2,400
Interim dividend 2023	26 July 2023	25 August 2023	2.50	3,000
Total			<u>4.50</u>	<u>5,400</u>
2022				
Annual dividend 2021	30 March 2022	26 April 2022	10.00	12,000
Interim dividend 2022	27 July 2022	26 August 2022	6.00	7,199
Total			<u>16.00</u>	<u>19,199</u>

19 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Total	Fair value		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost		Level 2	Level 3	Total
<i>(in million Baht)</i>							
At 31 December 2023							
Financial assets							
Cash and cash equivalents	-	-	10,879	10,879			
Investments in short-term debt instruments							
- Deposit with financial institutions	-	-	733	733			
- Funds	-	2,886	-	2,886	2,886	-	2,886
Short-term loans	-	-	100,201	100,201			
Derivative asset	8	-	-	8	8	-	8
Investments in debt instruments	-	3,989	-	3,989	3,989	-	3,989
Investments in equity instruments	-	10,600	-	10,600	-	10,600	10,600
Total financial assets	8	17,475	111,813	129,296			
Financial liabilities							
Short-term borrowings	-	-	3,936	3,936			
Lease liabilities	-	-	93	93			
Debentures	-	-	139,936	139,936	141,450	-	141,450
Total financial liabilities	-	-	143,965	143,965			

	Carrying amount			Fair value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 2	Level 3	Total
<i>(in million Baht)</i>							
At 31 December 2022							
Financial assets							
Cash and cash equivalents	-	-	22,212	22,212			
Investments in short-term debt instruments							
- Deposit with financial institutions	-	-	444	444			
- Funds	3,013	15,822	-	18,835	18,835	-	18,835
Short-term loans	-	-	72,834	72,834			
Investments in debt instruments	-	5,229	-	5,229	5,229	-	5,229
Investments in equity instruments	-	10,347	-	10,347	-	10,347	10,347
Total financial assets	3,013	31,398	95,490	129,901			
Financial liabilities							
Short-term borrowings	-	-	6,517	6,517			
Lease liabilities	-	-	78	78			
Debentures	-	-	139,937	139,937	141,946	-	141,946
Total financial liabilities	-	-	146,532	146,532			

As at 31 December 2023, investments in debt instruments measured at FVOCI are mainly in private funds which are managed by 2 independent asset management companies (AMCs). The AMCs have invested in debt securities which had high liquidity and rating as investment grade with return rates from 1.33 % to 3.38 % per annum (2022: 0.53 % to 3.05 % per annum).

Financial instruments measured at fair value

Since the majority of the financial assets and liabilities classified as short-term and borrowings are bearing interest at rates closed to current market rate, the management believes that as at 31 December 2023 and 2022, the carrying amount of the Company's financial instruments does not materially differ from their aggregate fair value.

The Company determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investments in debt instruments which are simple over-the-counter securities based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.
- Derivative asset which is forward exchange contract was calculated using the rates initially quoted by the Company's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contract.

The Company determined Level 3 fair values for investments in equity instruments which are not actively traded in market calculated by using valuation techniques based on the latest reporting net assets adjusted by relevant factors. This was because the equity investments were not listed on any stock exchange and there were no recent observable arm's length transactions in the instruments.

Financial instruments measured at amortized cost

The Company determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

Debentures

As at 31 December 2023, the Company has unsubordinated and unsecured debentures totaling Baht 140,000 million (2022: Baht 140,000 million) as follows:

Debentures no.	2023 (in million Baht)	2022 (in million Baht)	Interest rate (% p.a.)	Term	Maturity date
2/2017	10,000	10,000	2.97	7 years	30 August 2024
1/2019	-	15,000	3.10	4 years	1 April 2023
2/2019	-	10,000	3.00	4 years	1 November 2023
1/2020	25,000	25,000	2.80	4 years	1 April 2024
2/2020	25,000	25,000	2.80	4 years	1 November 2024
1/2021	15,000	15,000	2.65	4 years	1 April 2025
2/2021	25,000	25,000	2.65	4 years	1 October 2025
1/2022	15,000	15,000	3.25	4 years	1 October 2026
1/2023	15,000	-	3.10	4 years	1 April 2027
2/2023	10,000	-	3.35	3 years 11 months	1 October 2027
Total	140,000	140,000			
<i>Less debenture issuing expenses</i>	<i>(64)</i>	<i>(63)</i>			
Net	139,936	139,937			
<i>Less current portion</i>	<i>(59,993)</i>	<i>(25,000)</i>			
Net	79,943	114,937			

(b) Financial risk management policies

Risk management framework

The Company's Finance Committee has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Company's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Company's Finance Committee monitors financial status and reports regularly to the Company's Management Committee.

(1) Credit risk

Credit risk is the risk of the Company's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(1.1) Cash and cash equivalent and derivatives

The Company's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Company considers having low credit risk.

(1.2) Investments in debt instruments

The Company's credit risk is limited by investing only in high liquidity and credibility debt instruments.

(1.3) Guarantees

As at 31 December 2023, the Company has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary.

(2) Liquidity risk

The Company oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Company's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of loans receivable and interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

Loans receivable

	Effective interest rates (% p.a.)		Within 1 year (in million Baht)	
	2023	2022	2023	2022
Short-term loans to related parties	3.25	3.25	100,201	72,834

Interest-bearing financial liabilities

	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years (in million Baht)	Total
Year 2023				
Lease liabilities	1.21 - 3.09	32	65	97
Short-term borrowings from related parties	0.94 and 1.00	3,936	-	3,936
Debentures	2.65 - 3.35	<u>60,000</u>	<u>80,000</u>	<u>140,000</u>
Total		<u>63,968</u>	<u>80,065</u>	<u>144,033</u>
Less deferred interest - lease liabilities and debentures issuing expenses				<u>(68)</u>
Net				<u>143,965</u>
Year 2022				
Lease liabilities	1.21 - 2.71	43	39	82
Short-term borrowings from related parties	0.25 and 0.35	6,517	-	6,517
Debentures	2.65 - 3.25	<u>25,000</u>	<u>115,000</u>	<u>140,000</u>
Total		<u>31,560</u>	<u>115,039</u>	<u>146,599</u>
Less deferred interest - lease liabilities and debentures issuing expenses				<u>(66)</u>
Net				<u>146,533</u>

(3) *Market risk*

The Company has the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Company has foreign currency risk arisen from the fluctuation of foreign exchange rate from services and IT service charges which are denominated in foreign currencies.

As at 31 December, the Company has significant foreign currency risk from US Dollars currency assets and liabilities were as follows:

	2023	2022
	<i>(in million Baht)</i>	
Other receivables	126	99
Other payables	<u>(26)</u>	<u>(12)</u>
Net statement of financial position exposure	<u>100</u>	<u>87</u>

As of December 31, 2023, the Company has foreign currency deposits and entered into a forward exchange selling contract to hedge against risk in the entire amount amounting to US Dollars 30 million or equivalent to Baht 1,022 million. The contract will be due within January 2024.

(3.2) Interest rate risk

Interest rate risk is the risk that caused from future movements in market interest rates that will affect the results of the Company's operations and its cash flows certainty. The Company has interest rate risk from its borrowings and loans.

<i>Exposure to interest rate risk at 31 December</i>	2023	2022
	<i>(in million Baht)</i>	
<i>Financial instruments with variable interest rates</i>		
Financial assets	100,201	72,834
Financial liabilities	<u>(3,936)</u>	<u>(6,517)</u>
Net statement of financial position exposure	<u>96,265</u>	<u>66,317</u>

20 Commitments and contingent liabilities

As at 31 December, the Company had:

	2023	2022
	<i>(in million Baht)</i>	
(a) Guarantees on loans of a subsidiary	44,326	69,328
(b) Bank guarantees issued by banks to government, state enterprises and private sectors	101	58
(c) Commitments		
- for rental agreements and service agreements	133	217
- for construction and improvement of office building and implementation project	-	9
- for title sponsor agreement and others	34	114
(d) The Company entered into the service agreements with two local companies. Those companies will provide information and technology outsourcing services to the Company and affiliates. The commencement price is approximately Baht 3,500 million. The agreements period is for 3 years and 5 years with the commencement date in June 2023.		
(e) In the first quarter of 2009, the Company lodged a complaint in criminal case against an ex-employee for theft (form of ordinary share certificate) and the forgery of 672,000 Company's ordinary share certificates. In the second quarter of 2009, the Company was notified by the Civil Court that the estate administrator and heirs of the shareholder whose shares were forged ("Plaintiff") filed a civil lawsuit against the Company and relevant individuals and juristic persons for compensation. At present, the case has reached the final judgment.		

On 22 December 2015, in which the Supreme Court has made the judgment ordering the ex-employee, the offender committed a tort against the Plaintiff, to return the shares or to pay the cash for the share price at the last trading price of the Company's shares on the date of payment, which shall not be less than Baht 314.38 per share, together with dividends and an interest until the date of payment, and ordering the Company, as employer, Thailand Securities Depository Co., Ltd., and relevant persons to be jointly liable with the ex-employee. Therefore, the Company has recorded the provision for compensation for the amount which the Company is expected to be liable, in the statement of financial position as at 31 December 2015 of Baht 201 million.

On 21 January 2016, the Company has fully made compensation to the Plaintiff by returning the shares with the ordinary share certificates and making payment of dividends both from the shares prior to the commencement of a civil lawsuit with interest thereon and from the commencement date of a civil lawsuit including any costs and expenses paid for court procedure, accounting for Baht 319 million in total. Later on, Thailand Securities Depository Co., Ltd., the co-defendant, has filed a petition to the Supreme Court for an interpretation on the judgment. On 21 November 2017, the Supreme Court has already ordered the mentioned petition to be dismissed. In December 2018, the Company has filed a civil lawsuit against the ex-employee and Thailand Securities Depository Co., Ltd. for recourse. On 8 March 2019, the Central Labour Court has made the judgment ordering the ex-employee, the offender committed the tort, to compensate the Company in the amount of Baht 149 million together with the interest at the rate of 7.5% per annum. There was no appeal from both sides against the Central Labour Court's judgment; therefore, the judgment was final and it is currently under the civil execution procedure. For the court case for recourse Thailand Securities Depository Co., Ltd., the Civil Court has made the judgment on 4 December 2019 ordering Thailand Securities Depository Co., Ltd. to make the repayment to the Company in the amount

of Baht 62.55 million together with the interest at the rate of 7.5% per annum. On 4 June 2020, Thailand Securities Depository Co., Ltd. has filed for an appeal against the Civil Court's judgment and on 6 August 2020, the Company has filed a counter appeal against the appeal of Thailand Securities Depository Co., Ltd. On 23 February 2021, the Appeal Court affirmed the decision made by the Civil Court. Thailand Securities Depository Co., Ltd. has filed the request for petition to the Supreme Court on 4 June 2021 and the Company has filed the objection to such request of Thailand Securities Depository Co., Ltd. on 9 July 2021. On 19 April 2022, the Supreme Court accepted the petition of Thailand Securities Depository Co., Ltd. Later, the Company has submitted the counter petition on 21 June 2022. On 14 February 2024, the Supreme Court has issued the verdict ordering Thailand Securities Depository Co., Ltd. to make a payment to the Company in the amount of Baht 62.55 million together with the interest at the rate of 7.5% per annum, calculating from 21 January 2016 to 10 April 2021, and with the interest at the rate of 5% per annum from 11 April 2021 (the date when the default interest rate has been amended) onwards until the payment is made in full. The case is now final.

21 Capital Management

The management of the Company has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Company considers to have a strong financial foundation. Therefore, the Company focuses on investing in projects that have good rate of return, maintaining appropriate working capital, and having a sufficient cash reserve and an appropriate investment structure to have a firm operating business in the future and to maintain the confidence of shareholders, investors, creditors, and other stakeholders.

22 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 24 January 2024, the directors approved the following matters:

- (1) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2023 at the rate of Baht 6.00 per share, totaling approximately Baht 7,200 million. An interim dividend of Baht 2.50 per share was paid on 25 August 2023, as disclosed in note 18. The final dividend will be at the rate of Baht 3.50 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 4,200 million and is scheduled for payment on 23 April 2024. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 27 March 2024.
- (2) To issue and offer the debenture No. 1/2024 amounting to Baht 20,000 million on 1 April 2024 to replace the debenture No. 1/2020 amounting to Baht 25,000 million to be due for redemption. Term of the new debenture is 4 years with a fixed interest rate at 3.40% per annum.

23 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for accounting periods beginning on or after 1 January 2024 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application. Except for TAS 12 *Income Taxes*, the Company is in the process of assessing the impact of the minimum top-up tax in the countries where the Company's investment operates.

APPENDIX

Attachment 1	Information of Directors, Executives, Chief Officers in Accounting and Finance and Company Secretary
Attachment 2	Information of Directors of Major Subsidiaries of the Core Businesses
Attachment 3	Information of Head of Internal Audit and Head of Compliance and Legal
Attachment 4	Assets Used in Operations
Attachment 5	SCG Corporate Governance Principles, SCG Policies, SCG Code of Conduct, SCC Supplier Code of Conduct and Investor Relations Code of Conduct
Attachment 6	Report of the Audit Committee, Report of the Corporate Governance Committee, Report of the Remuneration Committee and Report of the CSR Committee for Sustainable Development



Please find more details of the Company's information from the attachment which are on website www.scg.com*

* In case this Annual Report (Form 56-1 One Report) references information is disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report.

passion for better



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