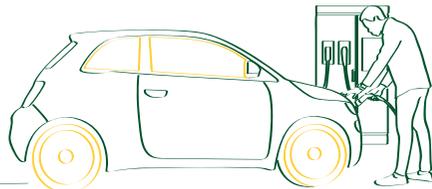


Annual Registration Statement/
Annual Report 2022 (Form 56-1 One Report)
Chememan Public Company Limited



MOVING TOWARDS

Fulfillment of Life.





MOVING **TOWARDS** >

quality of life





MOVING **TOWARDS** >

the world's leading lime producer





MOVING **TOWARDS** >

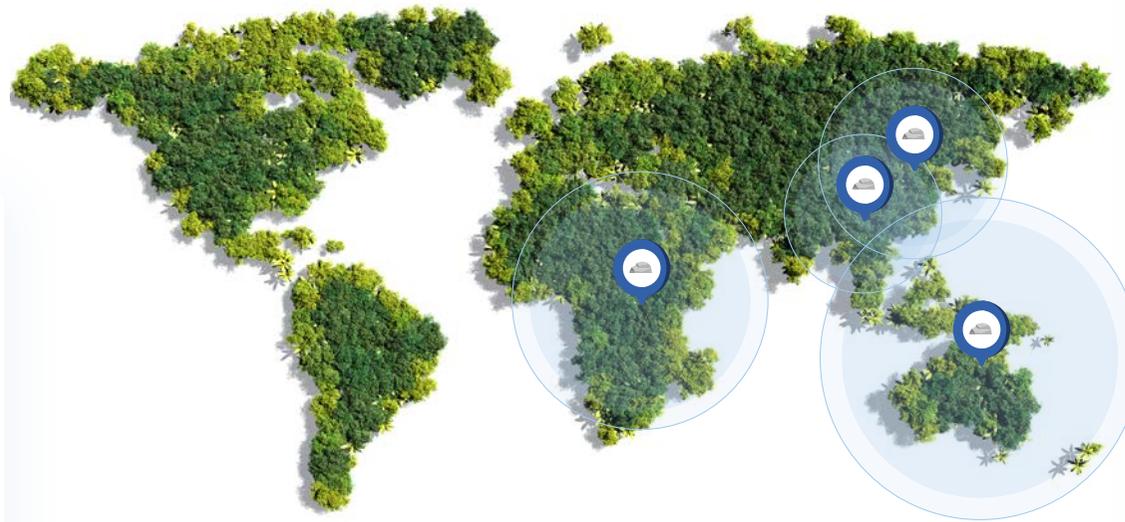
sustainable growth

To be one of the world's leading lime companies

Total Installed Production Capacity 2022

1,000,000

tons per year



Australia >



Hope Valley Distribution Center

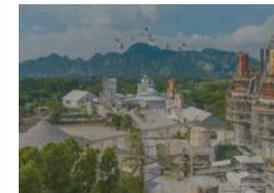
Thailand >



Tubkwang Quarry



Kangkoi Plant



Prabuddhabaht Plant



Rayong Plant

India >



Siriman Chemicals India Plant



Easternbulk Lime Products Plant

Vietnam >



Hoanh Bo Quarry



Ha Long QN Lime Plant

A Day in Life

Lime is a basic chemical with extensively uses in a wide range of industries and immense benefits to humans. Involvement of lime in our daily life is much more than we ever realize.



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Message from Chairman and Chief Executive Officer

Chememan Public Company Limited (“Chememan” or the “Company”) turns 20 years old in 2023. The Company and its employees wish to thank its customers, suppliers, business partners, financiers, shareholders, and other stakeholders for your continued support throughout this successful journey. In its first full year of operations, the Company achieved approximately Baht 300 million of revenues. In 2022, Chememan reported total revenues of over THB 3,800 million with more than 1 million tons of annual production capacity, production bases in Thailand, Vietnam and India, and one modern and automated distribution center in Australia.

Chememan has achieved its goal to become the largest lime company in the Asia-Pacific region after two decades. The Company is now ready to take the next step forward to become one of the world’s largest lime players by making additional people, systems, efficiency, and business investments in the fast-growing Asia-Pacific region.

We Worked Hard To Navigate Through A Perfect Storm

Last year’s macroenvironment was highly volatile - COVID restrictions, the effects of the Russia-Ukraine war, high commodity costs, especially energy costs, tight supply chain conditions, and difficulty in hiring workers after COVID restrictions were lifted. As a result of these issues, the global economy suffered

hyperinflation and many central banks raised interest rates quickly. Thus, a global economic slowdown was inevitable.

We Performed Well Under Difficult Circumstances.

Under tough business conditions, the Company reported its highest ever total revenues of Baht 3,876 million and Baht 152 million of net profits attributable to its shareholders. In total, Chememan sold over 800,000 tons of lime products to over 300 customers in the Asia-Pacific region.

Even though the Company initiated many production cost optimization initiatives, its gross margins decreased to 32.9% due to significantly higher than expected increases in



M.L. Chandchutha Chandratat

Chairman of the Board of Directors

Mr. Adisak Lowjun

Chief Executive Officer

energy costs. Adjusted earnings before interest, taxes, depreciation, and amortization (Adjusted EBITDA)* rose 28.1% to Baht 745 million.

The Company's strategies in 2022 were to reduce operating risks, deleverage the balance sheet, strengthen its financial position, and optimize its production processes and costs. As one example of risk management, several customer contracts include a mechanism to adjust sales prices depending on coal and natural gas price movements. In 2022, Chememan made only one significant investment - a 5 MW solar farm project at its Kangkoi plant. The solar farm was completed in December 2022 and will save the Company at least Baht 30 million per year.

In addition to the solar farm, the Company did pilot tests on electric trucks and wheel loaders to determine their durability and efficiency in daily operations. If these pilot tests are successful, the Company plans to invest in additional assets to not only reduce operating costs but also carbon emissions.

Our Business Units Are Continually Improving

The Thailand business unit comprises the majority of the Company's assets and performed very well. Local and international demand

remained strong, especially exports to Australia.

Chememan acquired Ha Long QN Lime Company Limited ("HLL") prior to COVID. As the original strategic objective to expand HLL has not yet been achieved, a strong focus on cost optimization and high product quality was implemented to improve its performance and prepare for the next stage of growth.

The Australia business unit's main asset is the Hope Valley Distribution Center ("Hope Valley"). Built during COVID times, considerable time and resources have been spent to stabilize Hope Valley's operations and improve quality standards to the point where it can profitably handle at least 500,000 tons of annual throughput.

The India business unit is comprised of two joint ventures, Easternbulk Lime Products Privated Limited ("EBB") and Siriman Chemicals India Private Limited ("Siriman"). EBB commissioned its second quicklime kiln in 2022 and achieved strong sales in its target markets. Siriman has experienced challenges, as it operates in a highly competitive market territory and has adjusted its business strategies in the latter part of 2022.

We Want to Increase Our Market Reach

With a strong regional business model in place, the Company's long-term goal is to increase its market reach across the Asia-Pacific region and enhance its long-term competitive advantages. Many companies have started or announced significant new projects, such as nickel and lithium, across Asia and Australia, which will create higher lime demand over the next few years. Due to such higher demand, the Company has been discussing various projects and hopes to share positive news on these developments over the next 6-12 months.

To support its expected business growth, the Company is actively seeking the most cost-effective financing solutions. For example, the Company's shareholders will consider a general mandate to issue up to Baht 2 billion of debentures at the upcoming Annual General Meeting of Shareholders on 28 April 2023. As Chememan embarks on its journey to become one of the world's largest lime companies, it is also transiting to a new leadership team to develop and manage sustainable and long-term growth plans. Personally, we want to thank the long-standing team of leaders and employees for their hard work, initiative, and loyalty. They were the real stars behind Chememan's 19 years of success.

A well-planned transition of inside and outside talent is happening to ensure that the next generation of talent has the tools and confidence to improve the Company's overall competitiveness, capabilities, and productivity to drive its long-term objectives. Furthermore, the Company continues to invest in more digital technology systems and controls to provide greater insights and make more informed decisions.

On behalf of the Board of Directors, management, and employees, we would like to thank all stakeholders for your continued trust and support. We are committed to build a strong and sustainable business through undisputed values of professionalism, integrity, ethics, and creativity.

In closing, with a strong culture and pipeline of good business opportunities in place, Chememan's management and employees commit to drive the Company toward greater success in the coming years. We hope that all stakeholders will continue this journey not only in Chememan's 20th year of operations but also for many years to come.

Yours sincerely,

Vision, Mission, Business Objective and Strategic Focus

Amid the changes and the impacts of the COVID-19 pandemic that has been taking place since 2020, the Company has to speedily adapt and adjust its strategies to prepare the organization to be able to cope with changes in the future sustainably. The business objective is to achieve lime sales and production of more than

2,000,000

tons per year within 2025

Chememan Public Company Limited (“Company”) was established in Thailand in 2003 for the production and distribution of lime and lime derivative chemical products for use as raw materials in the production processes of customers in various industries. The Company has been accepted by a wide range of customers across Asia, Australia, and Africa.

Vision

To be a global and vertically integrated leader in the lime and lime-related industries through highly efficient operations and sustainable business practices

Mission

To provide lime and lime derivative chemical products and other solutions and services to our target customers through adoption of modern technologies and innovations and establishment of strategic partnerships to create “win-win” solutions for all stakeholders under good business governance principles

Strategic Focus



Analyze and develop appealing solutions to meet customers’ changing needs by enhancing our business capabilities in every area in terms of quality, cost, and reliability



Strengthen competitive advantages through new upstream and/or downstream strategic partnerships, additional capacity expansion and adoption of latest innovation and technologies to enhance business efficiency across all key dimensions



Increase the agility and flexibility at which our organization and systems can respond to the challenges of doing business in highly dynamic and volatile environments



Build platforms to ensure long-term business sustainability, including environment, social and governance aspects

Financial Highlights

Unit : Million Baht

Financial Highlights	2020	2021	2022
Statement of Comprehensive Income			
Total Revenue	2,283	3,149	3,876
Revenue from Sale and Service	2,240	3,002	3,660
Gross Profit	756	1,158	1,277
EBITDA	232	553	702
Net Profit Attributable to Equity holders of the Company	(120)	98	152
Statement of Financial Position			
Total Assets	6,103	7,022	6,768
Total Liabilities	4,007	4,730	4,416
Equity attributable to owners of the Company	1,995	2,190	2,275
Total Shareholders' Equity	2,096	2,292	2,352
Information on Ordinary Shares			
No. of issued and paid up shares (Million Shares)	960.00	960.00	960.00
Par value (Baht)	1.00	1.00	1.00
Book value per share (Baht)	2.18	2.39	2.45
Earnings per share (Baht)	(0.12)	0.10	0.16
Dividends per share (Baht)	0.00	0.00	0.04*

Remark : *Subjected to the 2023 Annual General Meeting of Shareholders' approval on 28 April 2023

Total Revenues in 2022

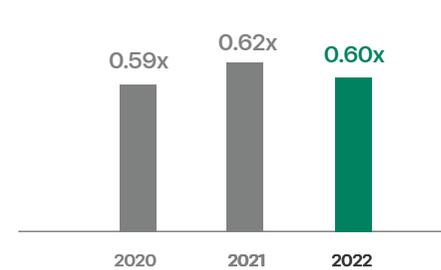
3,876
Million Baht

Net Profit Attributable to Equity holders of the Company in 2022

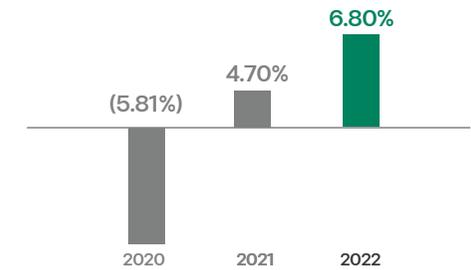
152 Million Baht

Financial Ratios

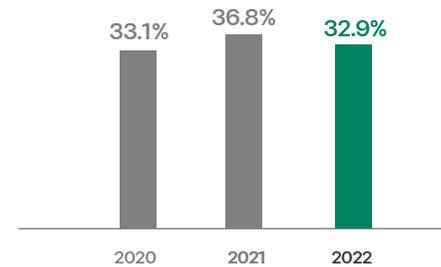
Current Ratio (Times)



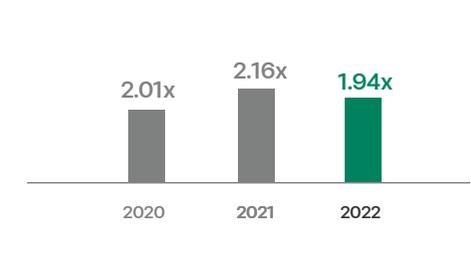
Return on Equity (%)



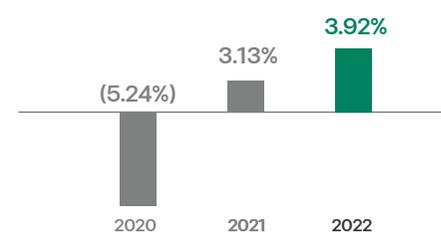
Gross Profit Margin (%)



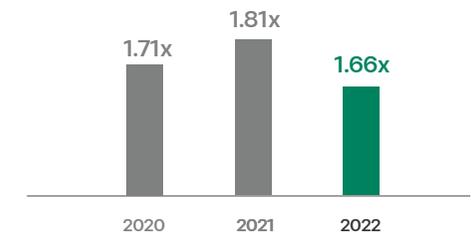
Debt to Equity Ratio (Times)



Net Profit Margin (%)

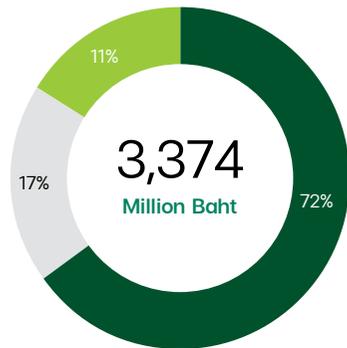


Interest Bearing Debt to Equity Ratio (Times)



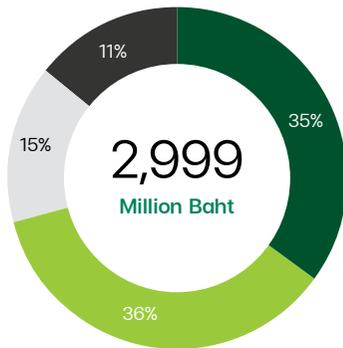
Key Performance Highlights Year 2022

Sales Revenue by Product



- Quicklime 72%
- Hydrated lime 17%
- Limestone 11%

Lime Sales Revenue by Country



- Thailand 35%
- Australia 36%
- South East Asia 15%
- Others 14%

Lime Sales Revenue by Industry



- Mining* 49%
- Pulp - Paper and PCC 12%
- Building & Construction 11%
- Sugar 10%
- Iron and Steel 4%
- Chemicals and Bioplastics 8%
- Wastewater & Flue Gas Treatment 6%
- Agriculture and Specialty Fiber glass 6%

Remark :
*Mining includes alumina, gold, nickel, lithium, copper, etc.

Statement of Financial Position

Total Assets
6,768 Million Baht

Total Liabilities
4,416 Million Baht

Total Shareholders' Equity
2,352 Million Baht

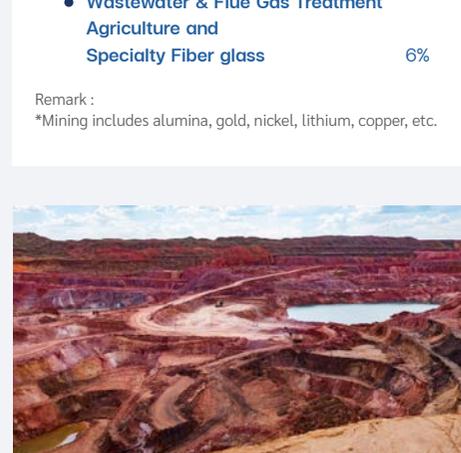
Statement of Comprehensive Income

Total Revenues
3,876 Million Baht
(+23.1% YoY)

EBITDA
702 Million Baht
(+27.1% YoY)

Gross Profit
1,277 Million Baht
(+10.3 % YoY)

Net Profit Attributable to Equity holders of the Company
152 Million Baht
(+54.4% YoY)



Board of Directors



Mr. Pornprom Karnchanachari

Chairman of Audit Committee/
Independent Director

Mrs. Rajjaneepen Ungpakorn

Director

Mr. Suthep Uacherdkul

Director

Mr. Chai Srivikorn

Director

M.L. Chandchutha Chandratat

Chairman of the Board/
Director

Mr. Adisak Lowjun

Director/
Chief Executive Officer

Mr. Charoen Churekanont

Director

Ms. Amata Issarangura Na Ayudhaya

Audit Committee Member/
Independent Director

Mr. Yarnsak Manomaiphiboon

Audit Committee Member/
Independent Director

Management Team



**Mr. Lerssak
Boonsongsup**

Chief Strategy Officer



**Mr. Boonlert
Thungkatikajonkit**

Chief Commercial Officer



**Mr. Adisak
Lowjun**

Chief Executive Officer



**Mr. Apichat
Laochinda**

Chief Technology Officer



**Mr. Komgrit
Panom-Upatam**

Chief Operating Officer

Awards and Achievements

7 Awards

in Year 2022

Amata Best Waste Management Awards 2022

Amata Best Waste Management Awards 2022 for the industrial plant with proper waste management, in particular the separation of solid and wet waste in accordance with environmental industry standards and applicable laws (Rayong plant).



Labour Relations and Welfare Award 2022

The Supreme Excellent Practices Establishment on Labour Relations and Welfare Award 2022, as the 17th year of achievement (Prabuddhabaht plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.

The Excellent Practices Establishment on Labour Relations and Welfare Award 2022, as the 12th year of achievement (Prabuddhabaht plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.

Green Mining Award 2022

Green Mining Award 2022 under the category of “Mining and Mineral Dressing Plant”, awarded by the Department of Primary Industries and Mines, Ministry of Industry.



Green Industry Award 2022

Green Industry Level 3 (Green System) Award (Tubkwang Quarry and Dressing Plant).

Best of the Best Award 2022

Best of the Best Award from the 30th Anniversary Prime Minister’s ExportAward Ceremony, awarded by Department of International Trade Promotion, Ministry of Commerce.



CSR-DPIM Continuous Award 2022

CSR-DPIM Continuous Award 2022 for the mining and primary industry organization with an excellent level of continuous corporate social responsibility.



Business Operation and Performance

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Structure and Operations of the Group of Companies >

Vision, Mission and Strategic Focus

Chememan Public Company Limited (“Company”) was established in Thailand in 2003 for the production and distribution of lime and lime derivative chemical products for use as raw materials in the production processes of customers in various industries. The Company has been accepted by a wide range of customers across Asia, Australia, and Africa.

The Company’s vision

is to be a global and vertically integrated leader in the lime and lime-related industries through highly efficient operations and sustainable business practices.

The mission

providing lime and lime derivative chemical products and other solutions and services to our target customers through the adoption of modern technologies and innovations, total cost of ownership optimization and establishment of strategic partnerships to create “win-win” solutions for all stakeholders under good business governance principles.

Amid the changes and the impacts of a volatile global economy, recessionary environment and knock-on effects from the Russia-Ukraine war, the Company has to speedily adapt and adjust its strategies to prepare the organization to be able to cope with changes in the future sustainably. The business objective is to achieve lime sales and production of more than 2,000,000 tons per year within 2025.

To achieve the stated business objective, the Company focuses on 4 strategic focuses as follows :



Analyze and develop appealing solutions to meet customers’ changing needs by enhancing our business capabilities in every area in terms of quality, cost, and reliability.



Strengthen competitive advantages through new upstream and/ or downstream strategic partnerships, additional capacity expansion and adoption of the latest innovation and technologies to enhance business efficiency across all key dimensions.



Increase the agility and flexibility at which our organization and systems can respond to the challenges of doing business in highly dynamic and volatile environments



Build platforms to ensure long-term business sustainability, including environmental, social and governance aspects.

The business objective is to achieve lime sales and production of more than

2,000,000 

tons per year within 2025.

Business Overview

The Company and its subsidiaries (collectively referred to as “Group of Companies”) engage in the production and distribution of quicklime, hydrated lime, and limestone and ground limestone.

The Group of Companies’ total lime production capacity is currently over 1,000,000 tons per year, with customer bases in various industries across Asia, Australia, and Africa.

In Thailand, the Company owns lime production facilities and a concession of industrial mining of a limestone (for cement industry and lime production) at Tubkwang sub-district, Kangkoi district, Saraburi province. The concession is valid for 25 years and will be expired on 23 June 2040. With a mining concession, the Company has its own source of chemical-grade limestone for its lime production process. At present, the Company has 3 lime production facilities in Thailand being 1) Kangkoi plant located at Kangkoi district, Saraburi province, with an installed capacity of 528,500 tons per year 2) Prabuddhabaht plant located at Prabuddhabaht district, Saraburi province, with an installed capacity of 365,000 tons per year and 3) Rayong plant located at Pluak Daeng district, Rayong province, with an installed capacity of 87,600 tons per year.

In addition to business operations in Thailand, the Company also has a concession for industrial mining of limestone at Hoanh Bo quarry and operated Ha Long QN lime plant, located

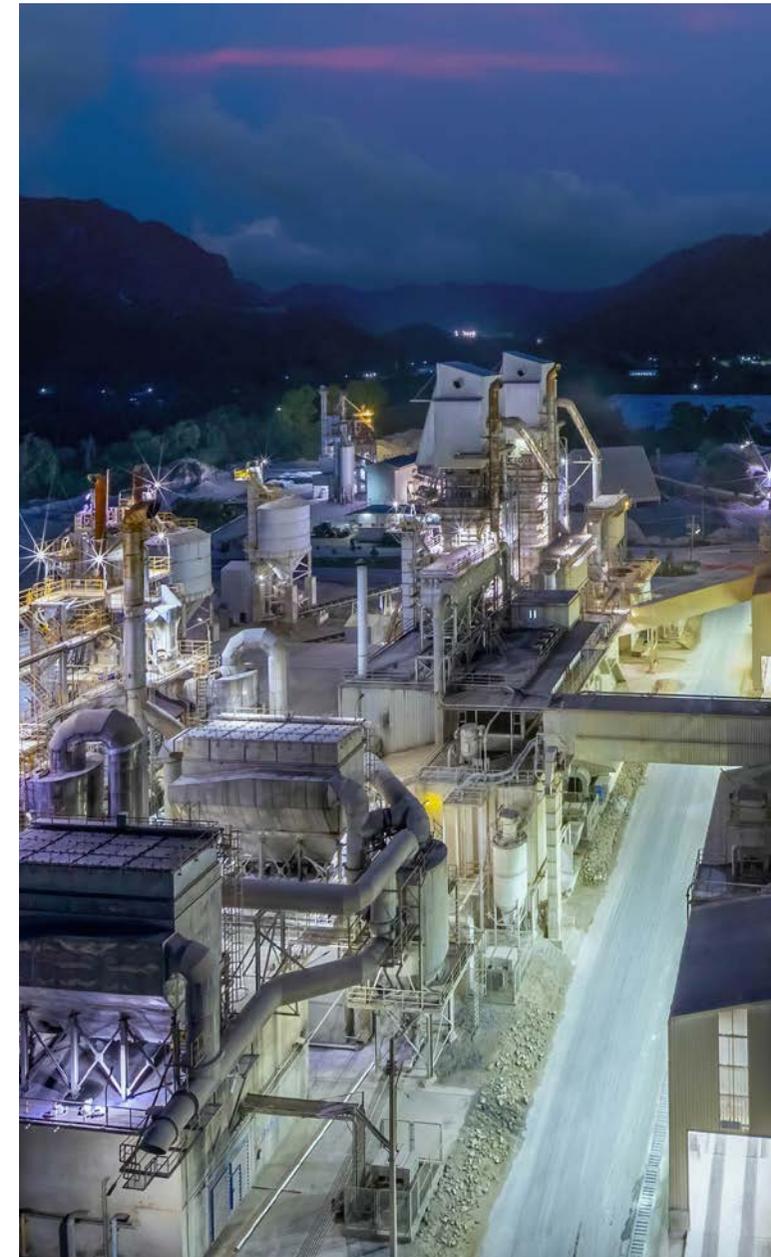
in Ha Long city, Quang Ninh province, Vietnam, with an installed capacity of 182,500 tons per year, together with another 2 lime production facilities in India; namely 1) Easternbulk Lime Products plant in Tuticorin, with an installed capacity of 109,500 tons per year and 2) Siriman Chemicals India plant in Visakhapatnam, with an installed capacity of 54,750 tons per year. Moreover, Hope Valley distribution center in Kwinana, Australia operates with a handling capacity of approximately 500,000 tons per year. The distribution center is strategically designed and built, employing state-of-the-art concept that utilizes modern supply chain innovations and automation systems to enhance efficiency of incoming and outgoing process flow as well as other supporting functions.

With a commitment to continually improving lime production stability, availability of chemical-grade raw materials, implementation of modern technology to the production process, effective management and a team of highly professional and experienced personnel, these enable the Company to deliver products that match the needs of customers in various industries, especially mining, e.g., gold, aluminium, copper, nickel, lithium, pulp and paper, sugar, and building and construction industry. The Company has grown to become one of the leading lime producers in Thailand and throughout Asia.

▶ Annual production capacity is currently over

1,000,000

tons per year



Significant Changes and Developments

Summary of significant changes and developments of the Group of Companies in the past 3 years are as follows :

> Year 2020

- Tubkwang Company Limited, a subsidiary, completed the liquidation process for its dissolution on 14 December 2020.
- The Company was awarded the Green Mining Award 2020 under a category of “Mineral Dressing” from the Department of Primary Industries and Mines, Ministry of Industry
- The Company was awarded the CSR-DPIM Award 2020 for an establishment that meets the standard of Department of Primary Industries and Mines, at an excellent level.
- The Company received Certificate of Achievement on Labour Relation and Welfare, 15th consecutive years 2006-2020 (Prabuddhabaht plant) from the Department of Labour Protection and Welfare, Ministry of Labour.

> Year 2021

- Siriman Chemicals India Private Limited, a joint venture in Visakhapatnam of India, commenced its operations in January 2021.
- A large Hope Valley distribution center in Western Australia commenced its operation in June 2021.
- The Company was awarded the CSR-DPIM Award 2021 for an establishment that meets the standard of Department of Primary Industries and Mines, at an excellent level.
- The Company was awarded the Green Mining Award 2021 under a category of “Mine and Mineral Dressing” from the Department of Primary Industries and Mines, Ministry of Industry.
- The Company received Certificate of Achievement on Labour Relation and Welfare, 16th consecutive years 2006-2021 (Prabuddhabaht plant) from the Department of Labour Protection and Welfare, Ministry of Labour.
- The Company received Certificate of Achievement on Labour Relation and Welfare, 11th consecutive years 2011-2021 (Kangkoi plant) from the Department of Labour Protection and Welfare, Ministry of Labour.

> Year 2022

- Easternbulk Lime Products plant has commenced its commercial operation at 2nd lime kiln in April 2022.
- The Company received the Best of the Best Award from the 30th Anniversary Prime Minister’s Export Award Ceremony, Department of International Trade Promotion, Ministry of Commerce.
- The Company was awarded the CSR-DPIM Award 2022 for an establishment that meets the standard of Department of Primary Industries and Mines, at an excellent level from the Department of Primary Industries and Mines, Ministry of Industry.
- The Company was awarded the Green Industry Award 2022, Green Industry Level 3 (Green System) Award (Tubkwang quarry) for systematic environmental management with monitoring, evaluation and review for continuous development (2022-2025) from the Department of Industry Works, Ministry of Industry.
- The Company was awarded the Green Mining Award 2022 under a category of “Mine and Mineral Dressing” from the Department of Primary Industries and Mines, Ministry of Industry.
- The Company received Certificate of Achievement on Labour Relation and Welfare, 17th consecutive years (Prabuddhabaht plant) from the Department of Labour Protection and Welfare, Ministry of Labour.
- The Company received Certificate of Achievement on Labour Relation and Welfare, 12th consecutive years (Kangkoi plant) from the Department of Labour Protection and Welfare, Ministry of Labour.
- The Company was awarded Amata Best Waste Management Awards 2022 for the industrial plant with proper waste management, in particular the separation of solid and wet waste in accordance with environmental industry standards and applicable laws (Rayong plant).
- Chememan Lao Company Limited, a subsidiary, has already been completed for its dissolution.

Use of Funds from Fundraising

- None -

Business Scope

In 2022, the Group of Companies generated Baht 3,876 million revenue, which is an increase of 23.1% from the previous year and the highest ever recorded by the Company, and sold over 800,000 tons of lime to more than 300 customers in various industries across the Asia-Pacific region. This is unmistakable evidence that our customer portfolio development strategies have limited the downside effects of the global economic slowdown. Adjusted EBITDA* equaled Baht 745 million, a 28.1% increase from the previous year, owing to lower freight rates and well-controlled administrative expenses.

Lime industry has still encountered challenges from volatile global economic conditions. Due to global recessionary economy, higher energy prices and knock-on effects from the Russia-Ukraine war, the global economy is now experiencing its highest inflation in 30-40 years. The risks of operating in a recessionary environment remain high and may impact business performance. These was leading the Company to speedily adapt, adjust and work on various

▶ Total Revenues increased
23.1%
from the previous year



Remark : *Excludes all significant non-cash items, such as unrealized foreign exchange gains/losses from translation adjustments and mark-to-market gains/losses from forward contracts

initiatives to cope with various changing trends, continue to operate its business for sustainable growth as follows :

The Company has taken many key initiatives with a focus on cost optimization and energy consumption efficiency, for example, developing a policy for short-term and long-term fuel procurement from both domestic and foreign suppliers to reduce supplier concentration and increase the Company's purchasing bargaining power, improving production processes to ensure consistent production stability, adapting new technologies in the production process, establishing the Coal Grinding Machine Improvement Project to help reduce energy consumption and boost the Company's revenue from selling coal, setting up the Pilot Electric Vehicles Project to minimize environmental pollution to save fuel costs and reduce overall costs for the Company and customers, and investing in the 5-megawatt Solar Farm Project, which is alternative energy for use in factories, to help reduce electricity costs and greenhouse gas emissions. Moreover, the Company also adjusted its selling prices scheme that reflects the movement of energy cost to minimize the impact on energy cost fluctuation as well as revised the sales conditions in the sales contract, allowing the customers to be responsible for all transportation costs, to reduce the risk of transportation cost fluctuation according to the global economic situation.

The Company has developed innovations, such as Heat Capture Recovery, which allows heat from lime kilns to be used in drying the primary fuel in production, thereby increasing the efficiency of fuel preparation processes for production and cost savings. The

Unmanned Weighing System was also developed to automatically record weighing data, such as vehicle registration, driver name, product name and product weight, with the use of the vehicle-mounted device that transmits signals, the signal reading device installed at various points to update the status of the vehicle, automatic weight reading device and software that controls all operations. RPA (Robotic Process Automation) for accounting has also been used to reduce human error and employees' workload, maximizing their time on valuable work. RPA helps convert repetitive tasks to automated systems, such as retrieving daily currency exchange rates and feeding into ERP (Enterprise Resource Planning) system.

Due to the increasing global awareness of the importance of the environment and sustainability, the Company believes that lime demand will remain high in environmentally-friendly industries, such as bioplastics, where its products can be degraded naturally or produced from natural resources. In the wastewater treatment industry, the Company's products help remove impurities from residential, agricultural and industrial wastewater, leaving the water clean and safe to be released into natural water sources. In the flue gas desulfurization industry, the Company's products help eliminate toxic gas in flue gas before discharging into the atmosphere.

Regarding investment projects, the second lime kiln was installed at the Easternbulk Lime Product plant in Tuticorin, India, and started operating in April 2022 (54,750 tons per year capacity), in line with the business goals of the Company.

The Company has adjusted its working style to reduce the risk of infection for employees and their families while operating efficiently to continuously deliver quality products and services to customers. Also, the Company has implemented the People Strategy to constantly communicate its core values and enhance employees' capability to support business growth by equipping employees with new necessary skills, such as Digital Literacy, Strategic Planning, Productivity and Technical Knowledge. The Company renovated and improved work processes by adopting modern technology and innovation to enhance efficiency. Furthermore, the Company has established strategic committees to formally focus on key strategic topics, being Finance and Investment, Energy, Environment and Technology, and People. These strategic committees will also monitor critical risk factors that could adversely impact the Company's ability to achieve its stated vision, mission, business objectives, and strategic focuses through providing consultancy, screening, and recommendations to the Chief Executive Officer and/or the Company's Board of Directors for consideration and approval.

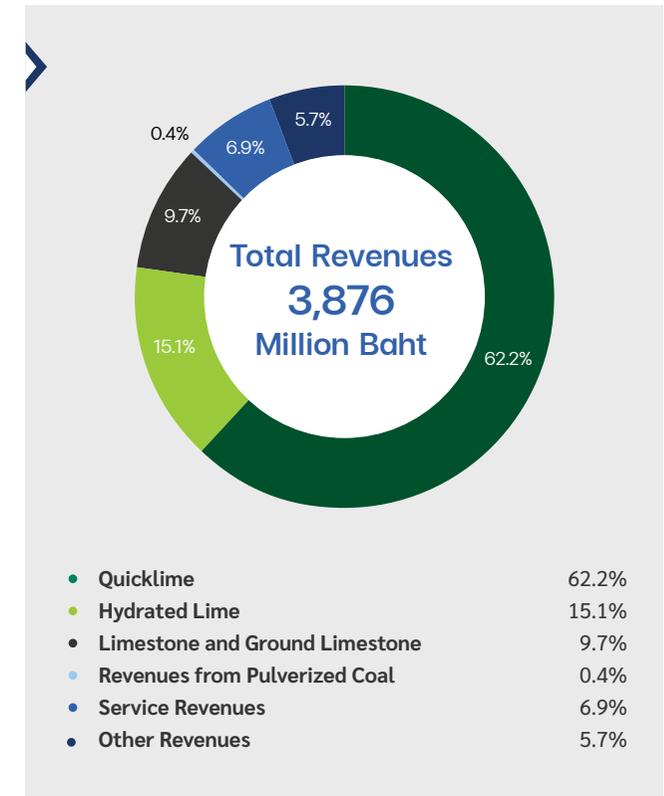
The Company focuses on developing sustainable action plans that meet its business direction, strategies and the Sustainable Development Goals (SDGs) of the United Nations, such as investing in Solar Farm, piloting the use of electric vehicles to reduce CO₂ emissions and working with the qualified external advisors on the management of CO₂ emissions from both offices and plants to create a foundation for better CO₂ and dust management.

The Company's Revenue Structure

by product type is as follows :

	2020		2021		2022	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
1) Quicklime	1,534.6	67.2	1,864.1	59.2	2,412.4	62.2
Domestic	444.3	19.5	579.2	18.4	872.4	22.5
International	1,090.3	47.8	1,284.9	40.8	1,540.0	39.7
2) Hydrated Lime	386.1	16.9	553.0	17.6	587.0	15.1
Domestic	126.3	5.5	160.6	5.1	172.1	4.4
International	259.9	11.4	392.5	12.5	414.8	10.7
3) Limestone and Ground Limestone	319.0	14.0	466.2	14.8	374.2	9.7
Domestic	269.1	11.8	246.5	7.8	200.3	5.2
International	49.9	2.2	219.7	7.0	173.9	4.5
4) Revenues from Pulverized Coal	-	-	-	-	16.4	0.4
5) Total Sale Revenues	2,239.7	98.1	2,883.3	91.6	3,389.9	87.5
6) Service Revenues	0.0	0.0	117.9	3.7	269.4	6.9
7) Revenues from Freight Compensation	-	-	-	-	147.2	3.8
8) Other Revenues	43.0	1.9	147.6	4.7	69.8	1.8
9) Total Revenues	2,282.7	100.0	3,148.8	100.0	3,876.3	100.0

In 2022, the percentage of revenue from sales of quicklime, hydrated lime, limestone and ground limestone, and pulverized coal to total revenue were 62.2%, 15.1%, 9.7 and 0.4% respectively. Service revenue was 6.9%, revenues from freight compensation was 3.8% and other revenue, which comprised of tax and other fees, sales and services of by-products, such as crushed rocks and stone waste, etc and others, which accounted for 1.8% of total revenue.



Product Information

Product Characteristics

The Group of Companies produces and sells Quicklime or Calcium Oxide (CaO), Hydrated Lime or Calcium Hydroxide (Ca(OH)₂) and Limestone and Ground Limestone or Calcium Carbonate (CaCO₃) under the trademark of “CHEMEMAN”



Limestone and Ground Limestone

Limestone or Calcium Carbonate (chemical formula CaCO₃) is a product derived from open-cast mining at Tubkwang quarry and Hoanh Bo quarry - the sources of limestone with high calcium carbonate content. The ultra-high calcium limestone is of high demand in various industries which require products of high calcium carbonate content at different physical sizes.



Quicklime

Quicklime or Calcium Oxide (chemical formula CaO) is made through the thermal decomposition of limestone mined from the quarry. The Group of Companies' quicklime is of high quality with high calcium oxide content and low impurities. Its physical appearance is solid, white and in different sizes according to the customers' requirements from different industries.



Hydrated Lime

Hydrated Lime or Calcium Hydroxide (chemical formula Ca(OH)₂) is obtained by mixing quicklime and water in appropriate proportion through the Hydrator. Its physical appearance is in fine powder form and white in color similar to flour.



Industry

The 3 products are essential basic chemical products used as raw materials or ingredients in production process of various industries as follows :

Industry	Products			Application
	Quicklime	Hydrated Lime	Limestone and Ground Limestone	
1. Ferrous and Non-ferrous Metal Mining Industry	●	●		<ul style="list-style-type: none"> Adjust the acidity of wastewater and used as chemical in mineral dressing process.
2. Pulp and Paper Industry	●		●	<ul style="list-style-type: none"> Separate chemicals in recovery process of pulp making Mineral dressing for paper production Raw material used in production of Precipitated Calcium Carbonate (PCC)
3. Sugar Industry	●	●		<ul style="list-style-type: none"> Remove impurities found in raw sugar and white sugar
4. Bioplastics Industry		●		<ul style="list-style-type: none"> Component in the fermentation of sugar or tapioca which are the basic ingredients in making bioplastic
5. Iron and Steel Industry	●		●	<ul style="list-style-type: none"> Remove minerals and impurities during process of metal smelting and production of high quality steel that uses a furnace
6. Chemical and Petrochemical Industry	●	●	●	<ul style="list-style-type: none"> Ingredient in production of basic chemicals such as soda ash and calcium carbide
7. Agricultural Industry	●	●	●	<ul style="list-style-type: none"> Improve soil quality, adjust soil acidity Neutralize acidity of shrimp farms Added to increase calcium in animal feed
8. Flue Gas and Water Treatment Industry	●	●	●	<ul style="list-style-type: none"> Expel sulfur dioxide gas that arises from electric power and waste incineration plants Aid in the flocculation of small particles of sediments and eliminate or lessen hard water to produce clear water
9. Construction and Construction Materials Industry	●	●	●	<ul style="list-style-type: none"> Used as raw materials in the manufacturing of cement, autoclaved aerated concrete and other construction materials Used as ingredient to improve the qualification of plaster/mortar Adjust soil condition before construction work
10. Glass and Bottle Industry			●	<ul style="list-style-type: none"> Remove minerals or impurities in the production of glass, bottle and mirror
11. Specialty Fiber Glass Industry	●			<ul style="list-style-type: none"> Ingredient in the production process

Investment Promotion Certificate from BOI

The Company was granted promotional privileges in accordance with the Investment Promotion Act B.E. 2520 (including amendments) from the Board of Investments (BOI) under conditions set out in the Investment Promotion Certificate for quicklime and hydrated lime production plant, with general privileges as follows :

1. Permission to bring into the Kingdom of Thailand, foreign nationals who are skilled workers or experts, as well as spouses and dependents of such foreign nationals, in such numbers and for such periods as the BOI may deem appropriate
2. Permission for the foreign skilled worker or experts who have been granted permission to stay in the Kingdom as in 1) to receive work permits for specific positions approved by the BOI for the period of permitted stay in the Kingdom
3. Import duties exemption on imported machinery approved by BOI
4. Corporate income tax exemption on net profit from the promoted operations, with aggregate exemption of not exceeding 100 percent of the investment cost, excluding cost of land and working capital
5. In case of operation losses during the corporate income tax exemption period, the Company is allowed to carry forward such losses and deduct against the net profits for up to 5 successive years after the expiry of the corporate income tax exemption period, where deduction from net profit can be in any one year or many years
6. Dividends paid out from profits made by the promoted business with corporate income tax exemption shall be excluded from calculation of income tax throughout the period that the business receives exemption from corporate income tax

The Company received Investment Promotion Certificates for the lime production at Kangkoi Plant and Rayong Plant. Currently, there are 4 certificates that are still valid with full corporate income tax exemption as summarized below :

Plant/Product	Issue Date of Promotional Certificate	Date of First Revenue Generated from the Promoted Business	Period of Full Income Tax Exemption ¹	Period of 50% Income Tax Exemption ²	Conditions/Privileges for Specific Project
Kangkoi Plant (KK3 and KK5)/ Quicklime	10 April 2015	2 September 2016	6 years ³	5 years ³	<ul style="list-style-type: none"> • Production capacity of approximately 182,500 tons per year
Kangkoi Plant/ Hydrated Lime (Future project)	6 October 2016	No income yet	3 years	None	<ul style="list-style-type: none"> • Production capacity of approximately 87,600 tons per year
Rayong Plant/ Hydrated Lime	23 December 2011	15 February 2013	8 years	5 years	<ul style="list-style-type: none"> • Production capacity of approximately 87,600 tons per year • Double deduction of cost of transportation, electricity and water supply as expenses for 10 years ¹ • 25% deduction of investment in construction of facilities as expenses, in addition to normal depreciation deduction • Exemption of import duty on imported raw materials used in the production of export products, for 5 years from date of first import • Exemption on import duty on imported goods for export, for a period of 5 years from date of first import



And, an Investment Promotion Certificate for efficiency improvement by using alternative energy with following details :

Plant/Product	Issue Date of Promotional Certificate	Date of First Revenue Generated from the Promoted Business	Period of Full Income Tax Exemption ¹	Period of 50% Income Tax Exemption ²	Conditions/Privileges for Specific Project
Kangkoi Plant (KK1)/ Quicklime	12 September 2022	13 September 2022	3 years (not exceeding 50% of total investment cost)	None	Production capacity of approximately 61,400 tons per year
Kangkoi Plant (KK4)/ Quicklime					Production capacity of approximately 73,000 tons per year
Kangkoi Plant (KK6) ⁴ / Quicklime					Production capacity of 113,150 tons per year

Remarks :

¹ Starting from the date of first revenue generated from the promoted business

² Starting from the expiration date of full income tax exemption

³ Received additional privileges according to the extra investment incentives (Board of Investment's resolution passed on 23 March 2017)

⁴ Expiration date of full income tax exemption was on 19 January 2021



Marketing and Competition

Competition Strategies

Production of products that match with customers' requirements

It is the policy of the Group of Companies to deliver products and services according to customers' requirements through the use of technology from experts with internationally accepted production standards, work closely with customers to fully understand the important characteristics of the products that are appropriate for customers in each industry while having a quality control system throughout the production process, from the quality of raw materials, quality inspection during production process to delivery of products. Along with the product distribution, the Company also provides technical solutions such as designing and constructing silos for lime storage on customer's premises, helping to reduce the customer's cost, increase transportation efficiency, rendering the Company as an essential part of the customer's supply chain.

Production cost management

The Group of Companies emphasizes on efficient production cost management. Operating limestone quarries in Thailand and Vietnam, the Group of Companies have gained competitive advantages in terms of raw material cost, security of raw material supply, and quality consistency. Furthermore, the Group of Companies has continually improved the production process to ensure production efficiency and stability in order to reduce per-unit cost of productions.

Create satisfaction and positive new experiences for customers

The Group of Companies has determined to build and maintain long-term relationship with customers and assure them in the capability to deliver high quality products to meet their requirements in a timely manner. This is through close coordination

between the Group of Companies and customers in planning the delivery process and analyzing customers' ordering behaviors and requirements. The Company also emphasizes on providing integrated solutions to ensure that the products are used by the customers as efficiently and effectively as possible.

Customer Characteristics and Target Customers

The Group of Companies' customers are manufacturers in various industries with main industries being ferrous and non-ferrous metal mining, sugar, construction and construction materials, and pulp and paper industries. The majority sales revenues are from major customers with long-term contracts, who require supply reliability, and on-time delivery. For domestic market, the Company focuses on building a larger customer base in various industries, especially those with high growth potential or with government support, or S-curve industries. For international markets where high quality limestone supply is not readily available, the Company focuses on exporting products from competitive sources or study the feasibility of setting up a subsidiary or joint venture company to supply to that local area. As for other international markets with high quality limestone supply availability, the Company forms a joint venture company with a local partner to set up production base and distribution of lime products in such market.

Distribution and Distribution Channels

The Group of Companies distributes the products directly to domestic and international customers in the countries where the Company's subsidiary or joint venture company is not established. The Company sells the products to its subsidiary and joint venture for further distribution to the customers in the countries where a subsidiary and a joint venture company are located. For most domestic distribution, the Company delivers products to the customers who are responsible for the transportation cost. As for international distribution, the

products are delivered both directly from Thailand and through the subsidiaries and joint ventures that act as overseas distribution centers. The Group of Companies shall wisely plan for the most appropriate transportation in terms of cost and delivery time.

Sales Breakdown by Product

In 2022, domestic and international sales portion were 45% and 55% respectively, as detailed below :

Unit : thousand tons

	2020	2021	2022
Domestic - Quicklime	168.0	216.4	250.9
International - Quicklime	294.5	339.6	373.1
Total Sales Volume - Quicklime	462.5	556.1	624.0
Domestic - Hydrated Lime	41.7	54.3	51.7
International - Hydrated Lime	58.1	74.7	67.1
Total Sales Volume - Hydrated Lime	99.7	128.9	118.8
Domestic - Limestone and Ground Limestone	705.5	614.6	472.0
International - Limestone and Ground Limestone	393.6	931.4	532.2
Total Sales Volume - Limestone and Ground Limestone	1,099.0	1,546.0	1,004.2
Domestic - Pulverized Coal	-	-	2.4
Total Sales Volume - Pulverized Coal	-	-	2.4

In 2022, the Group of Companies' major export markets of quicklime were Australia, Indonesia, South Korea, Taiwan and Philippines, representing 95% of the total quicklime export volume. Major export markets of hydrated lime were Philippines, Australia, Vietnam, India and Laos, representing 93% of total hydrated lime export volume. Nevertheless, there were no sales to any particular customer, accounting for more than 30% of the annual sales revenue during the year 2020 - 2022.

Competition

Competition in Domestic Market

In 2022, when the COVID-19 pandemic subsided, the product consumption level recovered rapidly, causing various industries to ramp up their production capacity to correspond with higher demand. However, the Russia-Ukraine war has caused a widespread energy crisis, increasing commodity prices due to the continuously rising production costs. Nevertheless, due to the confidence in high-quality products, services and the capabilities in product delivery of both existing and new customers in key industries being sugar, construction and construction material, pulp and paper, bioplastics, as well as iron and steel, the Company's domestic sales volume increased by 15% in 2022, compared to 2021. Additionally, the Company anticipates that the improving trend of the energy crisis and the government's economic stimulus will boost domestic demand for lime. The competition in the domestic lime market remains within domestic producers because of the high cost of importing lime from abroad since lime is heavy and bulky, giving rise to transportation costs, a significant factor and a competitive barrier for foreign producers. Major domestic lime producers are Chememan Public Company Limited, Golden Lime Public Company Limited, Lime Master Company Limited and United Lime Company Limited. Chememan Public Company Limited is the lime producer with the largest production capacity in Thailand and Asia, with quicklime and hydrated lime production capacity of over 1,000,000 tons per year and chemical limestone quarry ownership. The Company has the largest market share of quicklime and hydrated lime, with approximately one-third of the local market.

Competition in International Market

Competitors in international markets include producers from Vietnam, Malaysia, Indonesia, Australia, Oman, United Arab Emirates and China. In 2022, despite the improving situation of container shortage and freight rates crisis in the third quarter, the competition in the international lime market remained intense as a result of contracting regional lime demand due to the impact of the COVID-19 pandemic, customers' need for cost reductions, record-breaking increases in energy costs, and severe exchange rate fluctuations. Nevertheless, due to the Company's commitment to offering high-quality products as well as maintaining a high level of services that meet customers' satisfaction and customers' confidence in the ability to deliver products, although some of the Group of Companies' existing customers have switched to other domestic producers, the Group of Companies was still able to create new customer bases in Australia, Indonesia, Philippines, Taiwan, Papua New Guinea, etc. In the long run, the Company anticipates that demand for lime will keep up with the growth in lime-consuming industries in each country.



Standing Potential and Competitiveness

The Group of Companies has a strong competitive edge by possessing its own lime production plant and limestone quarry with high-quality limestone as raw materials, enabling continuous production of various products with quality suitable to customers' requirements. With strong network of supply in different locations, the Group of Companies benefits from Economies of Scale and gain customers' confidence in the Group of the Companies' ability to fulfil large orders. The Group of Companies also recognizes the importance of service and cooperation with customers to efficiently support their work, resulting in customer satisfaction and trust in doing business with the Group of Companies in the long term. In addition, the Group of Companies possesses lime production bases in various regions, resulting in stronger competitive advantages in each specific region.

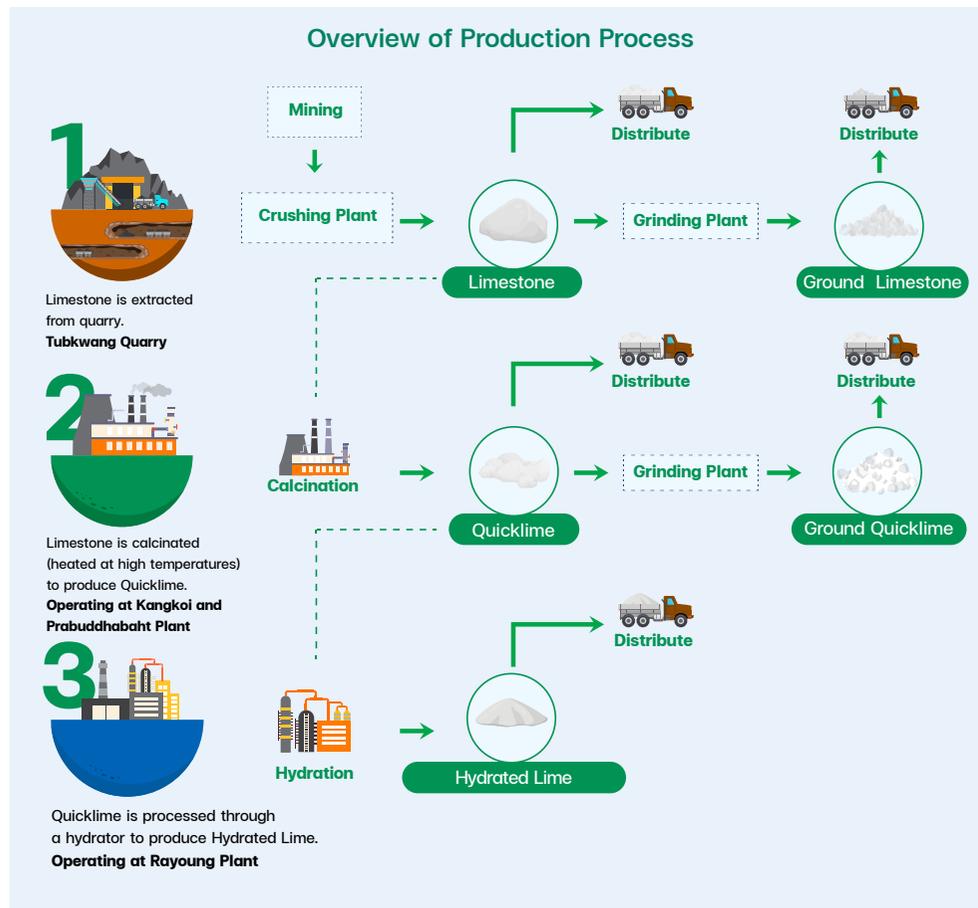


Product Sourcing

Lime Production Process

Lime production process consists of 3 steps as follows :

- 1) Mining to produce limestone and ground limestone
- 2) Producing quicklime
- 3) Producing hydrated lime



Mining to Produce Limestone and Ground Limestone

The mining process begins with drilling exploration to determine the quantity and quality of limestone for further planning of limestone mining and to ensure that the limestone has desired characteristics. Extracted limestone is then transported to the crushing plant to select appropriate sizes needed for quicklime production process. The inappropriate sizes will be crushed, screened and sold. A portion of limestone from the Company’s crushing plant is sold to customers and some portions are ground for value added and sold as ground limestone.

Summary of limestone produced from Tubkwang quarry was as follows :

	2020	2021	2022
Limestone produced from Tubkwang quarry (tons)	1,656,190	2,167,247	1,970,905
Limestone used for production of ground limestone and quicklime (tons)	1,035,171	1,406,544	1,473,257
Limestone sold without passing through processes of ground limestone and quicklime production (tons)	621,019	760,704	497,648

Summary of limestone produced from Hoanh Bo quarry was as follows :

	2020	2021	2022
Limestone produced from Hoanh Bo quarry (tons)	588,155	897,302	693,486
Limestone used for production of ground limestone and quicklime (tons)	205,025	344,382	381,085
Limestone sold without passing through processes of ground limestone and quicklime production (tons)	383,130	552,920	312,401

Production of Quicklime or Calcium Oxide (CaO)

Limestone that has been screened for proper size from the crushing plant will be transported to quicklime plant. Another size screening will be conducted to ensure appropriate size before sending the limestone into quicklime kiln for calcination until it decomposes to quicklime. The production rate is approximately 1 ton of quicklime per 1.8 tons of limestone used. A portion of quicklime produced will be transported to Rayong Plant for production of hydrated lime. The remaining portion will be stored in silos as inventory for sales. In case that customers require different sizes of quicklime, the quicklime will then be crushed and screened to meet required sales order. Quality control and inspection is done throughout the production process starting from the quicklime produced from the kiln, before storing in the silos and before distribution to customers.

The Company has 2 quicklime production plants in Thailand, as follows :

1) Prabuddhabaht Plant, located in Prabuddhabaht district, Saraburi

Prabuddhabaht plant consists of 2 gas-fired quicklime kilns which use natural gas as fuel. The total installed production capacity of these 2 kilns are approximately 365,000 tons per year. Annual capacity utilization of Prabuddhabaht Plant has been summarized as follows :

		2020	2021	2022
Prabuddhabaht Plant				
PB 1 Quicklime Kiln				
Installed capacity	(tons)	182,500	182,500	182,500
Actual production	(tons)	101,170	60,304	24,081
Capacity utilization rate	(percentage)	55.4	33.0	13.2
PB 2 Quicklime Kiln				
Installed capacity	(tons)	182,500	182,500	182,500
Actual production	(tons)	-	56,699	85,951
Capacity utilization rate	(percentage)	-	31.1	47.1

2) Kangkoi Plant, located in Kangkoi district, Saraburi

Kangkoi plant consists of 6 coal-fired quicklime kilns which use sub-bituminous coal with low sulphur as fuel. Total installed production capacity of the 6 kilns are approximately 528,500 tons per year. Annual capacity utilization of Kangkoi plant in the past 3 years has been summarized as follows :

		2020	2021	2022
Kangkoi Plant				
KK 1 Quicklime Kiln				
Installed capacity	(tons)	54,750	54,750	54,750
Actual production	(tons)	28,651	42,959	45,505
Capacity utilization rate	(percentage)	52.3	78.5	83.1
KK 2 Quicklime Kiln				
Installed capacity	(tons)	109,500	109,500	109,500
Actual production	(tons)	59,766	91,518	97,947
Capacity utilization rate	(percentage)	54.6	83.6	89.5
KK 3 Quicklime Kiln				
Installed capacity	(tons)	73,000	73,000	73,000
Actual production	(tons)	55,791	62,605	47,364
Capacity utilization rate	(percentage)	76.4	85.8	64.9
KK 4 Quicklime Kiln				
Installed capacity	(tons)	73,000	73,000	73,000
Actual production	(tons)	19,360	28,859	55,223
Capacity utilization rate	(percentage)	26.5	39.5	75.7
KK 5 Quicklime Kiln				
Installed capacity	(tons)	109,500	109,500	109,500
Actual production	(tons)	57,952	100,148	100,677
Capacity utilization rate	(percentage)	52.9	91.5	91.9
KK 6 Quicklime Kiln				
Installed capacity	(tons)	113,150	113,150	113,150
Actual production	(tons)	101,618	99,787	103,367
Capacity utilization rate	(percentage)	89.8	88.2	91.4

The Company has 3 quicklime production plants overseas, as follows :

1) Ha Long QN Lime plant, located in Quang Ninh province, Vietnam.

Annual capacity utilization has been summarized as follows :

Ha Long QN Lime Plant		2020	2021	2022
Installed capacity	(tons)	216,000	182,500 ¹	182,500¹
Actual production	(tons)	85,681	130,915	112,065
Capacity utilization rate	(percentage)	39.7	71.7	61.4

Remark :

¹ Ha Long QN Lime’s installed capacity was 216,000 tons per year before kiln recondition. After kiln recondition, the installed capacity was revised to 182,500 tons per year

2) Easternbulk Lime Products plant, located in an Industrial zone in Tuticorin, India.

Annual capacity utilization has been summarized as follows :

Easternbulk Lime Products Plant (50 : 50 JV)		2020	2021	2022
1st Quicklime Kiln				
Installed capacity	(tons)	54,750	54,750	54,750
Actual production	(tons)	50,283	49,650	46,206
Capacity utilization rate	(percentage)	91.8	90.7	84.4
2nd Quicklime Kiln				
Installed capacity	(tons)	-	-	54,750
Actual production	(tons)	-	-	32,070
Capacity utilization rate	(percentage)	-	-	58.6

3) Siriman Chemicals India plant, located in an industrial zone in Visakhapatnam, India.

Annual capacity utilization has been summarized as follows :

Siriman Chemicals India plant (50 : 50 JV)		2021	2022
Installed capacity	(tons)	54,750	54,750
Actual production	(tons)	37,881	44,966
Capacity utilization rate	(percentage)	69.2	82.1

Production of Hydrated Lime or Calcium Hydroxide (Ca(OH₂))

A portion of quicklime produced from Kangkoi plant will be transferred to Rayong plant, where it is stored in silos as raw materials for hydrated lime. The quicklime will be processed in a hydrator by mixing with water in proper chemical proportion to produce hydrated lime with specifications according to the customers’ requirements. The production rate is approximately 1 ton of hydrated lime per 0.76 tons of quicklime used. Quality inspection process is done since the product is out from the hydrator and before delivery to customers.

In Thailand, the Company has 1 hydrated lime plant, Rayong plant, located in Amata City Industrial Estate, Rayong province. Annual capacity utilization of Rayong plant for the 3 historical years has been summarized as follows :

Rayong plant		2020	2021	2022
Installed capacity	(tons)	87,600	87,600	87,600
Actual production	(tons)	64,389	74,816	69,541
Capacity utilization rate	(percentage)	73.5	85.4	79.4

The Company also operates 1 hydrated lime plant at Ha Long Lime plant in Quang Ninh province, Vietnam, which the annual capacity utilization has been summarized as follows :

Ha Long QN Lime plant		2020	2021	2022
Installed capacity	(tons)	172,800	146,000 ¹	146,000¹
Actual production	(tons)	37,781	50,081	52,770
Capacity utilization rate	(percentage)	21.9	34.3	36.1

Remark :

¹ After kiln recondition, Ha Long QN Lime’s installed capacity had been adjusted from 172,800 tons per year to 146,000 tons per year

Raw Materials Sourcing

Limestone Sourcing

Limestone, main raw material used for production of lime and lime derivative chemical products, has been procured from the Company's 2 owned quarries in Thailand and Vietnam.



Thailand :

Tubkwang quarry currently has approximately 80 million tons of mineable reserves, which is expected to be sufficient to produce lime for at least 50 years.



Vietnam :

Hoanh Bo quarry currently has over 70 million tons of mineable reserves, which is expected to be sufficient for at least 25 years of lime production.



Fuel Sourcing

Thailand : The Company uses natural gas and coal as fuel in the calcination process at Prabuddhabaht and Kangkoi Plant, respectively.

1. The Company procures natural gas from PTT Public Company Limited (“PTT”) under a 10-year supply agreement, which will be expired in 2029. Summary of natural gas consumption at Prabuddhabaht plant in the past 3 years is as follows :

		Prabuddhabaht plant		
		2020	2021	2022
Cost of natural gas	(Million Baht)	108.60	159.42	192.32
Natural gas consumed	(Million BTU)	0.47	0.55	0.51
Cost of natural gas per unit	(Baht per BTU)	231	288	380

2. The Company planned to procure coal from more than one coal supplier by taking the most reasonable commercial terms and conditions into consideration, to reduce supplier concentration risk in the event that one of the suppliers cannot deliver coal on the agreed terms and conditions. Nevertheless, coal price of each shipment may vary depending on coal quality indicators, being calorific value, moisture and Sulphur content. Summary of annual coal consumption at Kangkoi plant in the past 3 years is as follows :

		Kangkoi plant		
		2020	2021	2022
Cost of coal	(Million Baht)	156.16	207.15	449.85
Coal consumed	(Million Tons)	0.06	0.08	0.08
Cost of coal per unit	(Baht per Ton)	2,690	2,680	5,667

Vietnam : Ha Long QN Lime plant procures coal from reliable international suppliers. Summary of annual coal consumption at Ha Long Lime plant is as follows :

		Ha Long QN Lime Plant		
		2020	2021	2022
Cost of coal	(Million VND)	33,973	67,212	88,915
Coal Consumed	(Tons)	15,598.32	19,613.93	23,898.4
Cost of coal per unit	(VND per Ton)	2,178,018	3,426,797	3,720,560

Water Sourcing for Hydrated Lime Production

Water is an important raw material in the production of hydrated lime.



Thailand :

Water is being used as main raw materials for producing hydrated lime at Rayong plant. Being located in Amata City Industrial Estate, which is owned by Amata City Company Limited (“Amata City Co., Ltd.”), Amata City Co., Ltd. Under the land purchase agreement, Amata City Co., Ltd. or its affiliates agrees to supply tap water, conforming to the standards set by the Provincial Waterworks Authority, to the Company under the existing land purchase agreement.



Vietnam :

Local authorities in Vietnam is the supplier of water that is being used in Ha Long QN Lime plant

Operating Assets

The Company and Subsidiaries' Operating Assets

As of 31 December 2022, the Group of Company has assets used in business operation as follows :

Item	Net amount (Million Baht)				
	The Company	Chememan Australia Pty. Ltd.	Ha Long QN Lime Co., Ltd.	Other subsidiaries ¹	Total
1. Major Fixed Assets					
Land	178.78	217.17	-	-	395.95
Land improvement	38.08	141.65	-	-	179.73
Buildings and Building Improvements	575.28	222.42	805.23	-	1,602.93
Machinery and Equipment	1,487.46	393.26	60.87	-	1,941.59
Furniture, fixtures and office equipment	7.81	1.63	31.22	0.12	40.78
Motor vehicles	1.63	1.03	60.30	0.28	63.24
Assets under installation and under construction	126.64	6.98	11.21	-	144.83
Total Fixed Assets	2,415.68	984.14	968.83	0.40	4,369.05
2. Intangible Assets					
Ore reserve ²	75.04	-	-	-	75.04
Other intangible assets	31.06	0.12	-	341.17	372.35
Total Intangible Assets	106.10	0.12	-	341.17	447.39

Remarks :

¹Other subsidiaries consist of Northman Co., Ltd. Chememan India Private Limited and Chememan Lao Co., Ltd.

²Ore reserve consists of cost of the concession and related development costs which are presented at cost less accumulated depletion. Depletion of the ore is calculated from the percentage of units of limestone produced to the estimated total limestone reserves assessed by an independent geologist.

The Group of Company's operating assets are assets which the Group of Company has ownership or other rights such as lease rights, contract rights, etc. Certain assets have been used as collateral as follows :

1. Land at Kangkoi Plant and Prabuddhabaht Plant totaling 312 rai 1 ngan 36 square wah, value THB 115.05 million has been used as collateral for long term loan from financial institutions.
2. Land improvement value THB 33.64 million has been used as collateral for long term loan from financial institutions.
3. Building and Building Improvements at a portion value THB 394.57 million has been used as collateral for long term loan from financial institutions.
4. Machinery and Equipment at a portion value THB 518.63 million has been used as collateral for long term loan from financial institutions.
5. A portion of assets value THB 243.64 million is under financial leasing obligations.

Trademark

The Company has registered trademark with Department of Intellectual Property, Ministry of Commerce with details as follows :

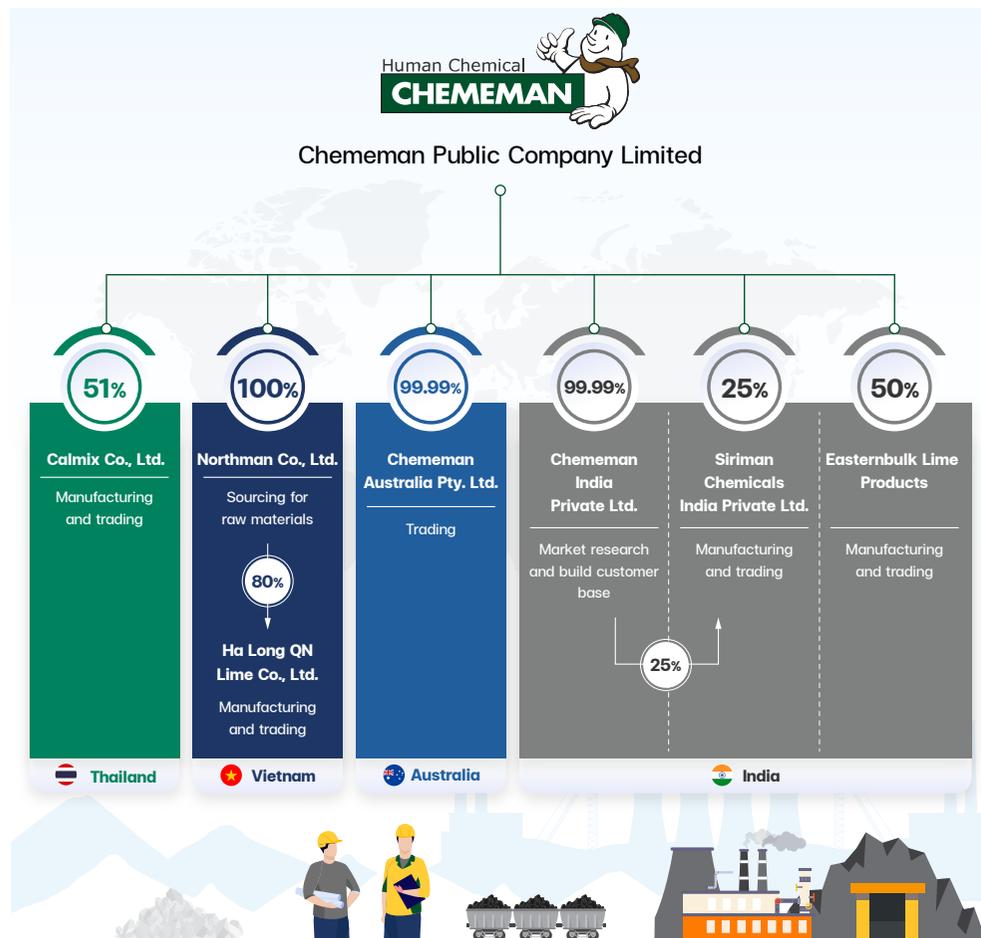
Trademarks	Product Details	Registration No.	Registration Date	Expiry Date
	Construction materials, natural rocks and artificial rocks, cement, lime, plaster, gravel, soil pipe, and cement pipe, limestone materials	Kor394764	24 January 2013	23 January 2033
	Chemicals for usage in industrial, scientific, photographic, agricultural, gardening, forestry, artificial resin, lime	Kor394765	24 January 2013	23 January 2033

Investment Policy related to Subsidiary and Joint Venture Company

The Company will diligently consider to invest in subsidiary and joint venture company that has business model that relate, benefit, and align with core business of the Company, taking into consideration of long-term growth potential and capability to strengthen the Company's stability and financial return in the long run. The Company also provides a detailed investment policy related to subsidiary and joint venture company on the Company's website (www.chememan.com).

Shareholding Structure of the Group of Companies

Shareholding Structure of the Group of Companies as of 31 December 2022



Company	Country	Paid-up Capital ¹ (million Baht)	Percentage Holding	Year Established	Business Characteristics
1. Calmix Company Limited	Thailand	30.60	51.00	2019	Produce and distribute construction materials
2. Northman Company Limited	Vietnam	553.84	100.00	2010	Source raw materials, conduct market research and build customer base in Vietnam, including evaluate quality of products sourced in Vietnam
3. Ha Long QN Lime Company Limited	Vietnam	537.43	80.00	2019 ²	Produce and distribute limestone and lime
4. Chememan Australia Pty. Ltd.	Australia	95.67	99.99	2008	Distribute limestone and lime
5. Chememan India Private Limited	India	85.30	99.99	2016	Conduct market research and build customer base in India
6. Siriman Chemicals India Private Limited	India	96.54	50.00	2016 ²	Produce and distribute limestone and lime
7. Easternbulk Lime Products Private Limited	India	174.27	50.00	2017 ²	Produce and distribute limestone and lime
8. Chememan Lao Company Limited	Lao PDR	-	60.00	2015 ²	Completed its dissolution on 22 December 2022

Remarks :

¹ Paid-up capital portion of Group of Companies

² Year that Group of Companies entered into Joint Venture Agreement

A person with a potential conflict of interest holds shares of a subsidiary or associated Company at an amount exceeding 10 percent of the voting shares of such Company

- None -

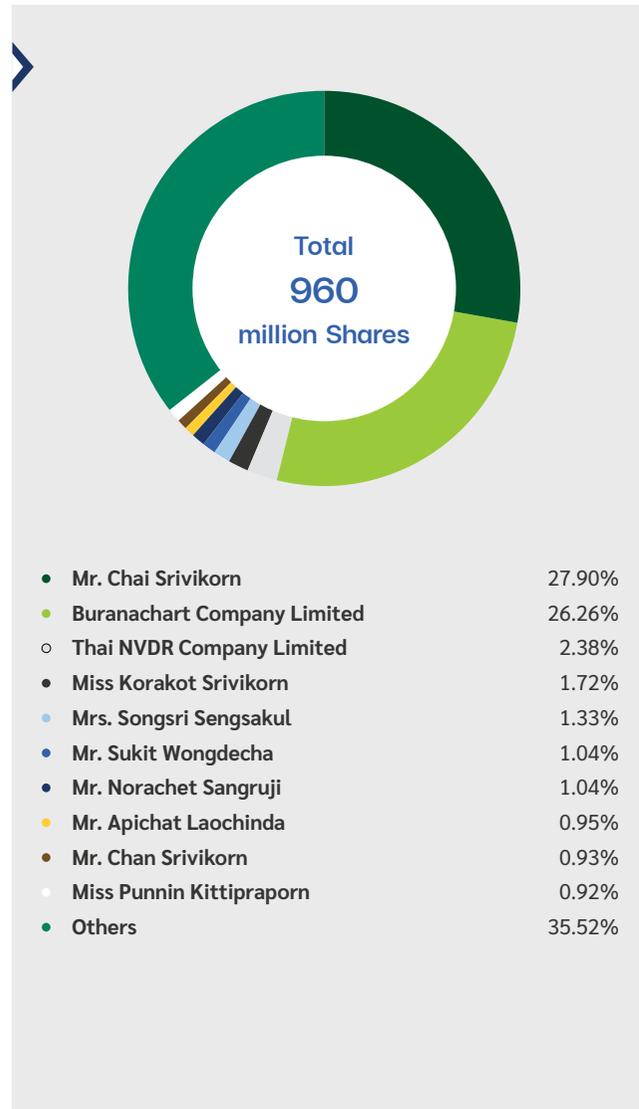
Relationship with major shareholders' business

- None -

Shareholders

Shareholders

Top 10 shareholders of the Company as of 28 September 2022 (latest share register book closing date for the rights to attend the Extra-ordinary Shareholders' Meeting no. 1/2022) were as follows :



Shareholders	As of 28 September 2022	
	Number of Shares	Percentage Holding
1. Mr. Chai Srivikorn	267,805,900	27.90
2. Buranachart Company Limited ¹	252,116,700	26.26
3. Thai NVDR Company Limited ²	22,879,992	2.38
4. Miss Korakot Srivikorn	16,496,300	1.72
5. Mrs. Songsri Sengsakul	12,807,810	1.33
6. Mr. Sukit Wongdecha	10,006,100	1.04
7. Mr. Norachet Sangruji	9,999,000	1.04
8. Mr. Apichat Laochinda	9,125,000	0.95
9. Mr. Chan Srivikorn	8,920,800	0.93
10. Miss Punnin Kittipaporn	8,820,800	0.92
11. Others	341,021,598	35.52
Total	960,000,000	100.00

Remark :

¹Buranachart Company Limited was established on 5 March 2003. Its main business is to act as a holding company with no investment in financial business.

²The information about investors in Thai NVDR Company Limited can be found in www.set.or.th.

Top 10 shareholders of Buranachart Company Limited as of 31 December 2022 were as follows :

Shareholders	Number of Shares	Percentage Holding
1. Lowjun Family	7,678,376	27.04
1.1 Mr. Adisak Lowjun	7,678,375	27.04
1.2 Mrs. Rajjaneepen Ungpakorn	1	0.00
2. Mr. Charoen Churekanont	4,000,000	14.08
3. Mr. Chai Srivikorn	3,709,160	13.06
4. Mr. Apichat Laochinda	3,691,825	13.00
5. Mr. Suthep Uacherdkul	3,501,686	12.33
6. Mr. Suwat Tunlayadechanont	2,658,953	9.36
7. Mr. Chaichana Pimlikitsak	800,000	2.82
8. Mr. Sukit Wongdecha	640,000	2.25
9. Miss Piengkamol Kraidej	500,000	1.76
10. Mr. Kamol Sowattanaskul	400,000	1.41
Total shares of top 10 shareholders	27,580,000	97.11
Other Shareholders	820,000	2.89
Total Shares	28,400,000	100.00

Top 10 shareholders of Thai NVDR Company Limited as of 28 September 2022 were as follows :

Shareholders	Number of Shares	Percentage Holding
1. J.P. Morgan Securities Plc	7,301,300	0.76
2. The Bank of New York (Nominees) Limited	7,065,300	0.74
3. Mr. Li Guoxin	4,754,000	0.50
4. Mr. Peter Moritz Iseke	1,259,600	0.13
5. Barclays Capital Securities Limited A/C Sbl/Pb	511,200	0.05
6. Mr. Aphirak Paladkong	250,000	0.03
7. Miss Dang Dang Lieu Loan Huong	200,000	0.02
8. Miss Caroline Mc.donald	167,100	0.02
9. Miss Nicharass Akkrakosolwat	150,000	0.02
10. Mr. Somsak Suthawanvittaya	100,000	0.01
Total shares of top 10 shareholders	21,758,500	2.27
Other Shareholders	1,121,492	0.12
Total Shares	22,879,992	2.38

Shareholder Agreement

- None -

Amounts of Registered Capital and Paid-up Capital

Approved by the Extraordinary General Meeting of Shareholders No. 2/2017 held on 8 August 2017, the Company had resolved its ordinary shares listed on the Stock Exchange of Thailand and increased its registered capital Baht 280 million, from Baht 720 million to Baht 1,000 million with a par value of Baht 1 per share. In 2018, the Annual General Meeting approved issuing up to Baht 280,000,000 recapitalization shares for the initial public offering. The Company allocated 240,000,000 recapitalization shares for the initial public offering on March 14-16, 2018. Such registered capital and paid-up capital after the public offering increased from Baht 720,000,000 to Baht 960,000,000, consisting of 960 million ordinary shares at Baht one per share.

Registered Capital	: 1 Baht 1,000,000,000 (Baht one billion) consisting of 1,000 million ordinary shares at Baht one per share
Issued and Paid-Up Capital	: Baht 960,000,000 (Baht nine hundred sixty million), consisting of 960 million ordinary shares at Baht 1 per share, as of 31 December 2022

Restriction on Transfer of Shares

Ordinary shares of the Company can be transferred with no restriction unless it results in foreign ownership to exceed 49% of total paid-up ordinary shares

Other types of share whose rights or terms differ from those of ordinary share

- None -

Shares or convertible securities

- None -

Issuance of other securities

- None -



Dividend Policy of the Company

Dividend Policy of the Company

Deduction of corporate income tax and all reserves required by law or rules and regulations of the Company, taking into consideration the Company's cashflow, operating results, financial structure, investment plans, conditions and obligations of the Company in different contracts, future requirements, and consistency of the dividend payments. Dividend payments must not exceed the Company's retained earnings based on its separate financial statements, and the dividend will not be paid if the Company has a deficit in its separate financial statements.

Dividend payments must be approved by the shareholders' meeting unless it is an interim dividend which the board of directors may approve occasionally when the Company has enough profits. Interim dividend payment must be reported in the next shareholders' meeting.

Dividend Policy of the Subsidiaries

Dividend payments of the subsidiaries are to be approved by the board of directors and shareholders' meeting of each subsidiary. The dividend payment is to be at least 40% of the subsidiary's net profits based on its separate financial statements or consolidated financial statements if the subsidiary has investments in other companies, after corporate income tax and reserves required by law or the rules and regulations of each subsidiary. Dividend payments must not exceed the subsidiary's retained earnings based on its separate financial statements, and the dividend will not be paid if the subsidiary has a deficit based on its separate financial statements. However, such dividend payment may vary according to the subsidiary's cash flow, operating results, financial structure, investment plans, conditions and obligations of the subsidiary in different contracts, and future requirements.

In order that dividend payments of the subsidiary are in accordance with corporate governance, transparent and verifiable, after dividend is paid by each subsidiary, the subsidiary's board of directors shall report such dividend payment in the Board of Directors' meeting of the Company.

Information on the Company's Dividend Payment dividend payment in the past 3 years

Year	2020	2021	2022
Earning per share (Baht per share)	(0.12)	0.10	0.16
Dividend per share (Baht per share)	N/A	N/A	Proposed to AGM 2023 for payment of 0.04 *
Dividend payout ratio (%)	N/A	N/A	Proposed to AGM 2023 for payment of 33.97% *

Remark :

*The Board of Directors Meeting No. 1/2023 held on February 24, 2023 resolved to propose to the 2023 Annual General Meeting of Shareholders to consider approving the dividend payment for the year 2022 at 0.04 Baht per share.





Risk Management >



Risk Management Policy and Plan

The Company realizes the importance of risk management which is an essential factor for the Company's operation to achieve its goals. The Board of Directors Meeting No. 5/2017 held on 20 July, 2017 therefore, has laid down a risk management policy as follows :

1. Risk Management is one of the main strategies of the Company and is a part of business planning.
2. The determination of vision and mission must be clear and achievable both in corporate level and business unit level, with annual review to address the appropriate objectives.
3. Risk management procedure has to be determined and various risks have to be monitored and managed to an acceptable level, in order to ensure the achievement of the Company's objectives.
4. Risk management is the responsibility of employees in all levels to be aware of risks arising from their own duties.
5. Each functional group is responsible for identifying and managing risks in their responsibilities.
6. Ensuring to regularly conduct the process of auditing, monitoring, evaluating and reporting the results of risk management.

The Company has published the full version of Risk Management Policy on its website.

 www.chememan.com

To perform risk management operations under the policy, the Company has established a Risk Management Working Group, in August 2017, consisting of executives and set the duties of the departments related to risk management and risk management framework as follows :

Relevant Departments in Risk Management

1. The management and/or the Risk Management Working Group are responsible for preparing and amending the Risk Management Manual in accordance with the Risk Management Policy, supervising and encouraging employees to gain knowledge and awareness of the importance of risk management, promoting and monitoring all departments to continuously analyze, assess and manage risk, analyzing and tracking changes in environment and risk that may result in a review of current risk management and consolidating the risks and the risk management of each department and the Company to be presented to the Board of Directors.
2. Heads of departments and employees are responsible for identifying, analyzing, evaluating, and prioritizing risks in their departments. This also includes determining appropriate measures to manage risks, obtaining approvals for the measures, then implementing and reporting risk management performance to the management and/or the Risk Management Working Group.
3. The internal audit is responsible for reviewing, evaluating risk management results through an audit of the sufficiency of the internal control system and reporting the results to the Audit Committee.

Risk Management Framework

1. Define the environment, policies, and criteria for risk management
2. Establish objectives that enable the Company to reduce the causes that may negatively affect the Company to an acceptable, controllable, and auditable level. There must be communication and understanding creation for all departments to follow to bind risk management with business plans systematically and continuously
3. Identify risks and uncertainty factors, both internally and externally, that may cause the Company or department to fail to achieve its intended objectives
4. Analyze and assess risks to classify the level of risk by considering the likelihood and impact of the risks and evaluating the adequacy of existing control activities
5. Manage risks by considering and selecting a risk management approach based on the assessed level of risk
6. Follow up and evaluate

In this regard, the management and/or the Risk Management Working Group, which consists of executives, is responsible for risk management and reporting the results to the Board of Directors at least once a year, except for significant risks which must be reported immediately.

The Company has 3 strategic committees comprising of executives and advisors, namely Investment and Finance Committee, Energy, Environment and Technology Management Committee and People Committee, to perform strategic management and cope with risks that are critical to achieving the Company's vision, mission, business objectives, or strategic focuses, through providing consultancy, screening, and recommendations to the Chief Executive Officer and/or the Company's Board of Directors for consideration and approval. Progress must be reported to the Board of Directors at least once a year except for critical risks, which must be reported immediately.

In addition, the executives of each department have a responsibility to report the performance to the Executive Meeting on a monthly basis. The results of risk management operations will be followed up in the meeting, along with considering the issues that may cause the departments and the Company to fail from business objectives, determining solutions to reduce the impact of such risks and continuous monitoring and evaluation. The management is responsible for pooling all risks and managing enterprise risks, hence presenting to the Board of Directors at least once a year, except that there are critical risks that must be reported immediately.

Risk Factors to the Company's Business Operations

The Company has identified significant risks that may affect the Company's business operations and established measures to mitigate such risks to an appropriate level. The primary business risks of the Company are as follows :

Business Operations Related Risks

Risk from Revocation of Mining Concession

The Company has been granted a mining concession No. 27328/16133 for limestone mining (for cement industry and lime production) at Tubkwang quarry, Tubkwang sub-district, Kangkoi district, Saraburi province. The concession period is valid for 25 years, ending on 23 June 2040. However, the Company may be at risk of having the concession revoked upon its failure to comply with the conditions stated in the addendum to the concession and may also be at risk of not being able to extend the concession. Such risks may cause the suspension of mining operations for raw materials sourcing. The Company may then have to source raw materials from other suppliers, which may cause cost fluctuation and inconsistent quality.

Nonetheless, the Company managed to obtain the mining concession on the same plot of mining area that the Company used to operate mining. This indicates that the Company is capable of and qualified to operate the mining business as well as has strictly complied with all the regulations pertaining to the conditions of the concession.

Moreover, the Company realizes that there may be risks arising from changes in governmental policies, laws, and regulations, which may affect the operation of the Company. In this regard, the Company continually studies and monitors the changes in governmental policies, laws, and related regulations to ensure accurate and timely compliance.

Risk on Raw materials Sourcing

Limestone is the main raw material for the production of lime products. The resource analysis carried out by GMT Corporation Company Limited as of October 2016 reported an estimation of 115 million tons of mineable limestone reserve at Tubkwang quarry. This reserve amount is sufficient to support the Company's production plan which requires 45 million tons of limestone over the concession period of 25 years. In the case that the limestone output reaches 45 million tons before the concession expires, the Company is allowed to submit a new mining plan to revise the limestone production volume for the remaining concession period. In addition, the Company reserves the right to apply for a new concession on the same mining area before the expiration of the existing concession. While the Company still holds the concession rights, no other entity can apply for the concession rights on the same mining area indicated on the concession.

Notwithstanding the above, the Company may have a risk of not being able to obtain raw materials on time or with desired quality resulting from the mining operation at Tubkwang quarry due to certain risks such as the risk of not being able to obtain raw materials with required quality, risk on technical problems of mining machinery leading to operation interruption as well as risk on incorrect estimation of mineable limestone reserve at each extraction location, which may result in higher costs and affect the Company's performance. To prevent these risks, the Company has coordinated closely with the mining contractor to

develop monthly limestone production plan and has detailed and precise quality inspection of limestone right at the quarry face. The Company also maintains a sufficient level of qualified limestone as raw materials inventories for approximately one month of production in case of mining operation interruption. In estimating the quantity of limestone and available mining reserve for mining operation plan, the Company regularly hires experts to conduct detailed geological study at the quarry to identify the precise location, type, quantity, and quality of limestone. The Company has never encountered problems relating to the untimely delivery or inadequate sourcing of raw materials for production.

In November 2019, Northman Company Limited, a wholly owned subsidiary of the Company, has invested in Ha Long QN Lime Company Limited in Vietnam, a lime producer and distributor with limestone mining concession at Son Duong Commune, Ha Long city, Quang Ninh province, Vietnam. The transaction brought the Company another source of high-quality limestone to be used as raw materials in lime production. This investment is in line with the main objective of the Company which is to be the leader in lime industry with the strategy of expanding production bases to appropriate locations both in Thailand and overseas.

Risk on Fuel Procurement and Flue Price Fluctuation

The Company plans to participate in coal purchase agreement, that clearly specifies the price, quality, price adjustment

conditions (if any), delivery period and delivery guarantee conditions. The Company only considers purchasing from several suppliers with potential and reliability which allows the Company to reduce the risk of coal shortage in the case that any coal supplier encounters problems or is unable to deliver coal with the quantity, quality, and conditions as agreed under the agreement. Moreover, the Company reserves a sufficient level of coal for 2-3 weeks of production to prevent interruption caused by delayed coal delivery or unqualified grade of coal received. The Company has also studied the preventive approach on the risk of the futures reference price under appropriate circumstances.

The Company has secured a 10-year natural gas supply agreement with PTT Public Company Limited ("PTT"), which will be expired in 2029. with specified price, quantity, quality of natural gas and price adjustment conditions. The contract price of natural gas shall rely on several factors affecting the price such as calorific value of fuel oil, exchange rates and Thailand's Producer Price Index for manufactured products. The Company can predict the change in natural gas price by considering the above-mentioned factors. The Company has gas pipelines connected from PTT to Prabuddhabaht plant. In case that PTT could not deliver natural gas to the Company, production at Prabuddhabaht plant may be interrupted or the Company may incur higher cost of production which adversely affects the performance of the Company. Despite so, the Company has never faced problem of non-delivery from PTT.

Risk on Shipping Logistics and Shipping Cost Fluctuation

The Company mainly exports goods to foreign countries by sea freight. Thus, there is a risk that the goods will be delivered to the port of destination later than scheduled. The Company manages the risk by distributing shipments to multiple carriers via both shipping liners directly and through freight forwarders on short-term and long-term contracts as appropriate, as well as closely monitoring and evaluating the shipping situation together with customers to optimize their delivery plans.

In addition, due to the rapidly changing situation of sea freight, the Company, therefore, has a sales policy to avoid the risk of shipping costs by proposing an agreement of a selling price that excludes shipping costs to customers. Customers are responsible for arranging the vessels and containers to collect the goods at the agreed location. In the case that customers request the Company to provide vessels and containers, the actual shipping costs will be charged to the customers.

Risks Relating to Environmental, Occupational Health and Safety

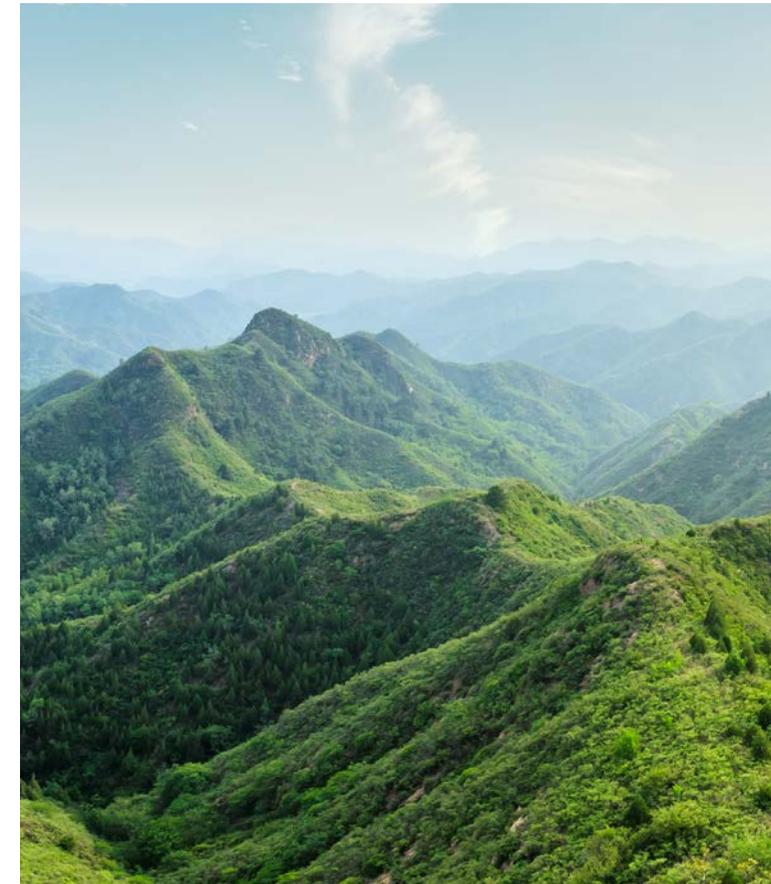
The operation of the Company may have an impact on the environment, surrounding communities and the safety of its employees. Therefore, the Company recognizes the importance of environmental, occupational health and safety management as part of its business operations by implementing measures to reduce the risk such as an inspection of air quality, noise, vibration, water quality, and industrial waste. The Company also promotes energy conservation and efficient utilization of

resources, strictly adheres to the law related to environmental protection, and proactively controls and develops production processes and work in accordance with health & safety as well as environmental standards. The Company has never been prosecuted or has paid significant legal fines related to environmental pollution. Furthermore, the Company has organized activities for the environment and responsibility to communities and society by continuously allocating human resources and budget for support, closely coordinating with communities around the area, and regularly conducting public relations activities with neighboring communities to assist and support the development of the communities in numerous ways. This also includes hearing and sharing opinions with the surrounding communities regarding the business operation to prevent adverse impacts on the community.

Risk Relating to Human Resource Recruitment and Development

Since the Company continuously and rapidly expands the business both domestically and internationally, the Company relies on more specialists such as mining exploration team, mining engineering team, geologists who supervise the operations at the quarry, plant engineers who control the lime production process, marketing team with good relationship with customers as well as management and personnel with knowledge, skills, and experience in lime industry. It may cause a negative impact on the Company's operation if the Company is unable to recruit or retain knowledgeable and high potential top management to support business expansion. On realizing such risk, the Company has set up policies and guidelines for recruiting and developing top

management and personnel management. This is to ensure that the Company has an adequate number of knowledgeable and high potential employees to drive the Company towards its goals. Furthermore, the Company continues to focus on human resources management and development by promoting core value of the Company, organizing a variety of personnel trainings to boost up their potentials and encouraging the middle level managers to get involved in managerial planning of the Company, preparing them for the succession plan of the Company.





Financial Risks

Foreign Exchange Risk

The Thai Baht currency fluctuated in the past year as a result of both internal and external factors, causing increase in exposure to foreign exchange risk for the Company following the higher proportion of exported products denominated in foreign currencies. However, some of the Company's expenditures are denominated in foreign currencies such as transportation cost, import of machinery and spare parts, as well as overseas investment, loans from financial institutions and loans to related parties that are denominated in foreign currencies. Therefore, the Company laid down measure by creating natural hedge to balance the receivables and payables denominated in foreign currencies, and foreign currencies loan from financial institutions and loan to subsidiaries. Moreover, the Company has closely monitored the exchange rate movements to assess the situations and considered appropriate hedging instruments with advice from financial institutions. The Company had entered into forward contract to minimize the foreign exchange risk. However, the Company has no policy on currency speculation.

Interest Rate Risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, inter-company loans, short-term loans from financial institutions, liabilities under lease agreements and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates. The Thai Baht denominated long-term loans are based on Minimum Loan Rate (MLR) quoted for major prime customers, which fluctuates according to the Policy Rate set by the Bank of Thailand. U.S. Dollar denominated long-term loans are based on LIBOR and SOFR, which are London Interbank Offer rate and Secured Overnight Financing rate, respectively. As of 31 December 2022, the outstanding of interest-bearing debt, which is the loan from financial institutions with floating interest rate, was Baht 2,613 million. During the past year, interest rates increased continuously due to high inflation rate both in Thailand and other countries, resulting in higher interest expense causing burden to the Company's performance. The Company had managed interest rate risk by obtaining loans from financial institutions with appropriate interest. The Company closely monitored movement of interest rate as well as its implications, to ensure the interest rate volatility was in acceptable level.

Liquidity Risk and Debt Service Coverage Ability

The Company has comparatively high amount of liabilities, both short-term and long-term, which were used to fund investment in Thailand and overseas, as well as working capital of the Company. Therefore, the Company has obligations to pay the principal and interest to financial institutions according to the loan schedule, and to comply with all financial covenants stated in the loan agreements. In this regard, the Company strictly constructed the business plan, financial plan aiming to increase revenue, lowering costs and expenses and manage cash flow in order to have enough liquidity for operation while maintaining the ability to service debt obligations according to the schedule.

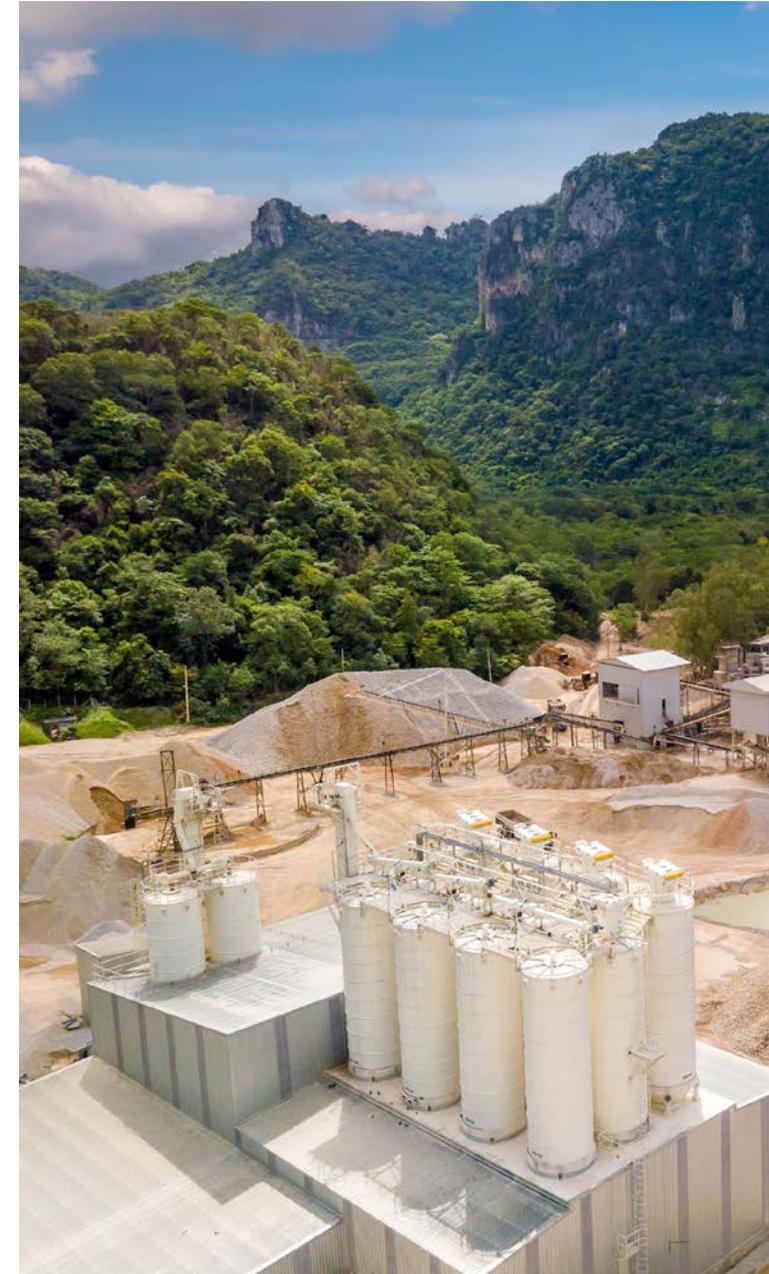
International Investment Risk

The Company has operations in foreign countries through its subsidiary in Australia as a distribution center, a subsidiary in Vietnam as a producer and distributor of lime with limestone mining concession at Son Duong Commune, Ha Long city, Quang Ninh province, Vietnam, valid until 11 May 2046, and through two 50%-owned joint ventures in India as producers and distributors of lime products. The operations of the subsidiaries and joint ventures have been affected by the external factors including pandemic, economic conditions, industrial competition, energy cost fluctuation, geopolitical situation and other changes in the invested countries as well as the exchange rate fluctuation that may affect the structure and have an adverse impact on the Company's investment.

From these factors, the subsidiary cannot deliver expected

business performance which subsequently cannot generate enough cash to return back to headquarters accordingly to original plan. This financial risk will definitely create impact to the company. Therefore, the company has tried to mitigate by putting significant effort to be more focus through proper people assignment, business plan and governance structure to reduce the risks where possible.

The management by objectives concept was introduced to ensure the common focus of the entire organization. The objectives will be more short term focus and adjust accordingly to ensure the results delivered. The objectives can be shared between company and subsidiaries. For example, "reduce financial cost and risks for Vietnam operation" will be jointed objective for both company and subsidiary. In addition, several management meetings from commercial, operation and finance accounting between headquarters and subsidiaries were established on the regular basis to closely monitor and support the subsidiary to ensure the business performance and sustainability. With this approach, the company together with subsidiaries should be more agile and capable of dealing with all above risks. In addition, it will establish stronger foundation for the company for future growth.





Management Risk

Cyber Security Risk

The current working manner requires more use of digital technology, such as working remotely, connection to customers' systems, etc. The Company, therefore, has a higher need to connect the Company's network with external systems in conjunction with the number of users, communication channels and devices used to connect. These factors create cyber security risks that can cause an impact on several aspects, such as the leakage or loss of sensitive information, systems disruption and unable to function, resulting in a loss on income and opportunities of the Company, etc. As a result, the Company has established measures to manage cyber security risk by defining an information system security policy that covers system administration and promotes the safe use of the system, as well as creating a governance structure to be consistent with the policy on an ongoing basis.

Risk Related to the COVID-19 Pandemic

The COVID-19 pandemic may interrupt the Company's business operations. In 2022, the effect by the COVID-19 pandemic to the Company was significantly lower when compared to 2021 due to the distribution of vaccines and more effective epidemic control measures. However, to mitigate the risk of the spread of COVID-19 or other epidemics that may occur in the future. The Company also continuously implements preventive measures or reduces risks as follows :

1. Roles and responsibilities of the COVID-19 Management Committee are to,
 - Determine policies and urgent measures to prevent the spread within the Company in a timely manner
 - Assign and/or request cooperation from department within the Company to ensure that operations are in accordance with the policies and urgent measures specified
 - Supervise, control, and monitor the operations of the relevant departments to ensure that the operations and corrective actions are carried out promptly and efficiently
 - Manage the information reported from various departments, both within and outside the Company, to assess the current situation and future tendencies
 - Clarify and publicize to employees to create a coherent understanding of the situation

2. Establish and implement appropriate measures to take care of employees and business of the Company on an ongoing basis such as establishing site entry measures for employees and third parties, enforcing hybrid (On-site and Work from home) policies, arranging and encouraging employees to receive booster doses of COVID-19 vaccines, providing a working environment that reduces the risk of spreading the disease, supporting essential personal protective equipment for employees, etc.

Emerging Risk

Geopolitical Risk

The ongoing conflict between Russia and Ukraine and together with the global recession has contributed to inflation rising to its highest level in several years, foreign exchange fluctuation, interest rates and energy costs rising rapidly and significantly. In addition, risks from other future geopolitical conflicts and uncertainty of the global economy may cause demand to fluctuate in a wide range of industries, which may also affect the Company's performance.

Therefore, the Company has strategic risk management to mitigate impacts including continuous monitoring and evaluation primarily on increasing the efficiency of energy cost management. This is closely directed by management team, committee and consultants who are specially appointed by the Company.

Human Right Risk

The Company has expanded its business quickly and continuously both domestically and internationally, thus an increase in stakeholders which may pose a risk of undesirable human right violations. Therefore, the Company has established guidelines to mitigate the risks by establishing a social management policy that covers human rights across the spectrum such as labor rights, community rights, supply chain, security, environment, consumer rights etc. These are 1) assessing the actual or potential impacts of the Company's activities, 2) establishing control and mitigation measures, and 3) establishing guidelines for the prevention and correction of human rights in the Company's business operations to ensure that the Company has effective human rights management and can control the potential impacts throughout the value chain.





Driving Business Towards Sustainability >

Sustainability Management Policy and Goals

Sustainability Management

The Company realizes the importance of conducting business sustainably with the purpose to enhance corporate governance level and respond to all stakeholders equally, as well as ensure that social development, and environment will grow concurrently in line with sustainability development policy. The Company published the full version of sustainability development policy, including guidelines and goals on the Company's website

 www.chememan.com

Sustainability Development Goals (SDGs)

The Company has adopted the United Nations Sustainable Development Goals (SDGs) as a guideline for its Sustainability Development policy and will play a proactive role to ensure its business contributes to achieving the targets set out by the SDGs.

Sustainability Development Framework

This Sustainability Development policy is developed to set out principles and guideline to ensure shared value is created for all stakeholders across the value chain. To sustain the long-term business, the Company requires an integrated approach to achieve sustainability in all dimensions of its operations, including management of the economic, environmental and social risk and opportunities as follows :





Economy

The Company operates its business that value economic sustainability by developing sustainable and integrated product solutions for customers to protect the environment while strengthening good corporate governance, complying to laws and regulations, and adhering to the principles that ensure transparency, avoid corruption, and promote fair and ethical behavior. The Company's governance is governed under



Anti-corruption Policy



Corporate Governance Policy



Environment

The Company adopts technologies and proactive environmental management strategies to minimize negative impacts on the environment while upholding its commitment to environmental responsibility. Recognizable environmental stewardship activities include, but are not limited to resource management, energy management, climate change and carbon emission reduction, waste management, and many other sustainable actions. The Company's environmental management direction is governed by



Environment Policy



Society

The Company encourages dialogue and participation with internal and external stakeholders by establishing clear communication channels and providing reliable and accurate disclosures of information. The Company is committed to act in accordance with the laws and regulations of human rights and labor rights, provide a safe and healthy work environment that promotes personal development, well-being, humanity respect, non-discrimination, and equality. The Company's social actions are governed under



Social Management Policy

In this regard, the Company has assigned a Sustainability Development Department to supervise and monitor the implementation of the Company's sustainability policy in order to ensure effectiveness and goals achievement. The Company's sustainability policy shall cover corporate, social and environment aspects, according to the framework of sustainable development goals at both national and international levels.

Roles and Responsibilities of Sustainability Development Department

1. Carry out community tasks with proactive data preparation as a database used to analyze to fulfil the needs of the community
2. Manage problems and complaints related to the operations of the Company
3. Represent the Company in communications with internal and external stakeholders regarding sustainable development of the Company
4. Represent the Company in participation in activities hosted by both the public and private sectors within the operational areas
5. Manage and supervise activities that create good relations with all sectors
6. Oversee and verify the Company's licenses in compliance with the laws

Management of Impact on Stakeholders in the Business Value Chain

Business Value Chain

The Company operates its business with responsibilities in accordance with good corporate governance principles. The Company realizes the importance of conducting business for sustainable growth by operating with care for all stakeholders in related activities from upstream to downstream to reflect the Company’s commitment in creating value for products and services to meet the expectations of stakeholders in all sectors with morality and ethics. Activities related to the Company’s value chain are as follows :

Main Activities

Raw Material Sourcing

Sourcing key raw material, i.e., limestone, from the Company-owned efficient and professional mining operations in Thailand and Vietnam creates a competitive advantage in cost management and quality control throughout the entire process. Energy procurement plan with more than 1 supplier minimize the risk of shortage of key raw material and energy supply raw materials, thus further increase the competitiveness of the Company.

Production and Quality Control

Production of limestone, ground limestone, quicklime and hydrated lime are operated with international standards technology and consistent quality control and inspection throughout the entire process.

Storage and Packaging

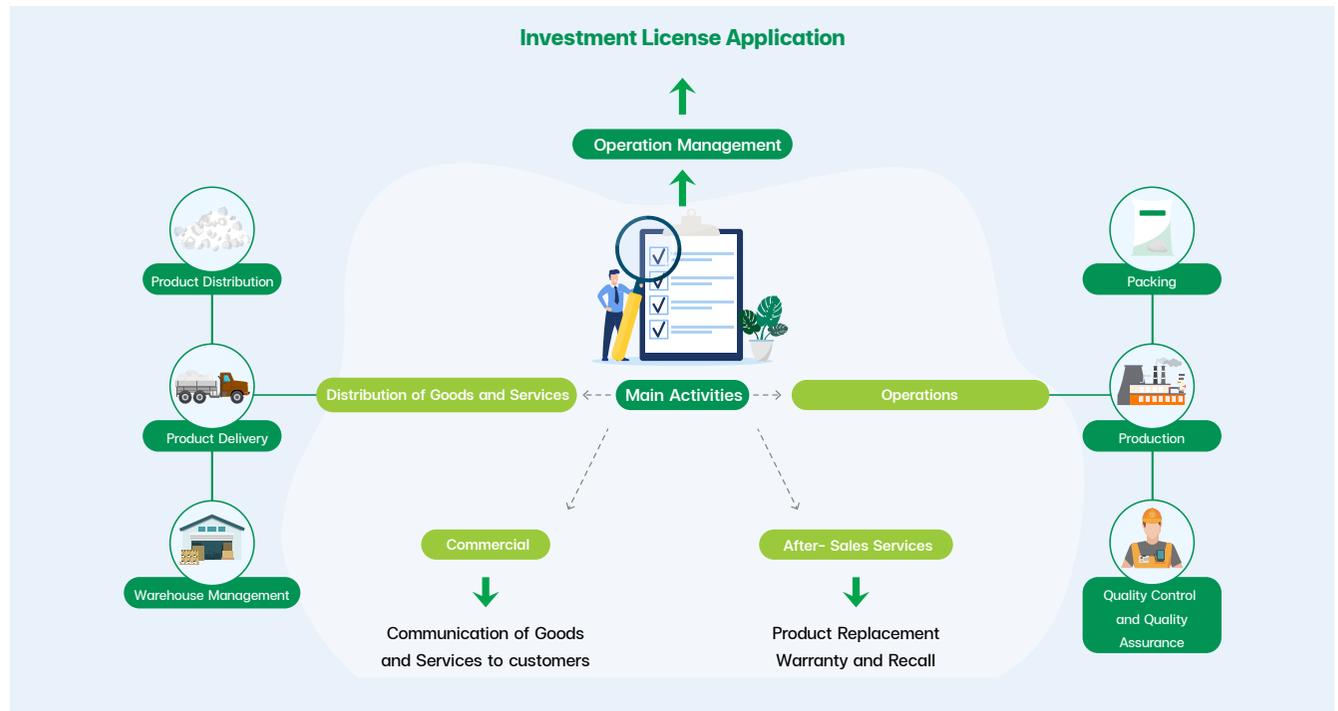
Products in bags and silos are stored in storage facilities with efficient storage management system and ready to be delivered to the customers.

Logistics and Supply Chain

Products are delivered either by Company-owned truck fleet or by third-party logistics providers for effective management and to support the needs of the customers. The Company sets strict logistics guidelines in compliance with government regulations across the entire supply chain; from receiving the products, to delivering at final destinations. Safety of stakeholders who may be affected by the transportation of products such as local communities, drivers, operators is taken into consideration. For overseas shipments, the Company commissions leading logistics providers to cover a wide range of countries to ensure the effectiveness and quality of each shipment.

Marketing and After-sales Services

In addition to producing quality products that meet the needs of customers, the Company also collaborates with customers to offer solid and sustainable solutions that fulfil customers’ long-term needs as well as providing after-sales services from the commercial team. The Company also values and gathers customer opinions via the Customer Satisfaction Assessment Form to continuously improve the operational processes and systems.



Support Activities

Procurement

The Company has procurement procedure to meet the operational needs of various divisions in the Company by purchasing and agreeing to terms and conditions for goods and services from several trusted partners with competitive prices and strict compliance with the agreed terms, in conjunction with listening and exchanging ideas with partners to satisfy both parties sustainably, as well as develop and improve the collaborative processes.

Community Relations

The Company supports community activities to create public benefits, opportunities and seek ways to continuously increase income for surrounding communities, as well as conduct business activities by integrating community and social dimensions into the preparation of action plans to prevent impact on communities and society.

Human Resources Development

The Company has recruitment and personnel development system in accordance with business operations by developing and adding new skills and capabilities to employees to prepare them to grow concurring with the Company, covering occupational health, safety, and wellbeing care, as well as determining compensation and benefits. The Company also focuses on engaging sense of ownership to create unity, which is integral to driving the Company towards its goals.

Technology Development

The Company adopts modern technology and digitalization to improve processes in various dimensions to develop innovations and solutions that meet the Company's long-term operational direction.



Analysis of Stakeholders in the Business Value Chain

The Company values contribution and involvement of all internal and external stakeholders, by considering and applying recommendations where appropriate from all stakeholders to improve processes, including in evaluating issues important to the sustainability of the Company. The Company separates stakeholders into 7 categories, where each category has varying channel of appropriate communications and contributions.

Stakeholders	Communication Channels	Expectations	Responses to Expectations
 Shareholders	<ul style="list-style-type: none"> Annual General Meeting of shareholders Annual Registration Report/Annual Report Complaints channels Direct communication with the Company Website Site visit Other activities such as Opportunity Day, Roadshow, etc. 	<ul style="list-style-type: none"> Return from investment The Company's growth Transparency and accuracy of information 	<ul style="list-style-type: none"> Cooperate with relevant department to improve operational efficiency and product quality Open opportunities for shareholders to directly express opinions and complaints to the Company Expand investments both domestically and internationally Establish policies to prevent conflict of interests and transparent information according to national standards
 Customers	<ul style="list-style-type: none"> Customer satisfaction surveys Site visit Customer visit Communications via electronic media and telephone Complaints channels Other Company activities/other activities hosted by the Company 	<ul style="list-style-type: none"> Customer satisfaction in products and services Receiving quality products and services within a timely manner Effective troubleshooting within a timely manner Quick response to customer needs 	<ul style="list-style-type: none"> Ensure consistent quality control Maintain good delivery standards in a timely manner Provide advice and solutions in a professional manner
 Business Partners	<ul style="list-style-type: none"> Partner visit Communications via electronic media and telephone Complaints channels Other Company activities/other activities hosted by the Company 	<ul style="list-style-type: none"> Receiving products and services in accordance with the agreed terms and conditions Competitive price of products and services Maintaining a good relationship between seller and buyer 	<ul style="list-style-type: none"> Strictly comply with agreed terms and conditions Listen and exchange opinions with partners to meet the need of both parties sustainably as well as develop and improve collaborative processes
 Employees	<ul style="list-style-type: none"> Internal communication Line /Website/Email Suggestion box Complaints channels Other company activities/other activities hosted by the Company 	<ul style="list-style-type: none"> Stability and advancement in work Appropriate welfare and compensation Opportunities to learn, grow and develop knowledge and abilities Occupational health, safety, and quality of life 	<ul style="list-style-type: none"> Continuously develop the potential of employees Emphasize on safety and occupational health Provide proper welfare and compensation for employees

Stakeholders	Communication Channels	Expectations	Responses to Expectations
 <p>Community and Society</p>	<ul style="list-style-type: none"> • Activities with local communities • Regularly meetings with community leaders • Community visit • Complaints channels • Survey • Line/Facebook/Website 	<ul style="list-style-type: none"> • Responsible on environment by reducing emission • Support community activities • Contribute to public benefit and increase quality of life of surrounding communities • No complaints from local communities 	<ul style="list-style-type: none"> • Conduct business with prudence to prevent impacts on local communities, society, and environment • Strictly comply with relevant laws and regulations
 <p>Non-profit Organizations and Local Authorities</p>	<ul style="list-style-type: none"> • Regular meetings with representatives • Support local activities • Complaints channels • EIA Report 	<ul style="list-style-type: none"> • Reduce emission 	<ul style="list-style-type: none"> • Strictly comply with relevant laws and regulations
 <p>Government Agencies</p>	<ul style="list-style-type: none"> • Regular meetings with representatives • Submit relevant reports • Support government activities 	<ul style="list-style-type: none"> • Comply with relevant laws and regulations. • Reduce and mitigate effects to communities and environment 	<ul style="list-style-type: none"> • Strictly comply with relevant laws and regulations • Establish and assign dedicated department for communicating with government authorities
 <p>Media</p>	<ul style="list-style-type: none"> • Regular meetings with representatives • Complaints channels • Communications via electronic media and telephone • Line/Facebook/Website 	<ul style="list-style-type: none"> • Disclose information which is clear, accurate, relevant, and timely. 	<ul style="list-style-type: none"> • Completely communicate and disclose information on the Company's operations.
 <p>Creditors</p>	<ul style="list-style-type: none"> • Quarterly Report • Regular meetings with representatives • Communications via electronic media and telephone 	<ul style="list-style-type: none"> • Build confidence to creditors to ensure the repayment in full and on time. 	<ul style="list-style-type: none"> • Strictly comply with terms and conditions in the loan agreement, collateral contract and/or related contracts including complying with the laws related to debt repayment



Sustainability Management in Environmental Aspect

The Company is Thailand's producer of lime and lime derivate chemicals with philosophy and ethics to conduct business with environmental and social responsibilities. The Company recognizes and focuses on environment protection by maximizing efficiency of energy and resources to develop business and improve environment in parallel, while reducing environmental impact throughout the supply chain. Considering that the environment is important for business, the Company has established procedure on the following areas :

Environment

The Company strictly complies with applicable environmental laws and standards as regulated by the relevant authorities such as environmental impact prevention measures, environmental impact monitoring measures, etc.

Investment

The Company integrates environmental aspects into the process of investment decisions making.

Pollution Prevention and Resource Consumption Optimization

The Company manages consumption of energy, utilities (e.g., electricity, coal, and water) and resources to maximize efficiency by means of reducing, reusing and recycling and taking steps to prevent pollution caused by the Company's activities and products from affecting the environment.

Procurement

The Company supports environmentally friendly products and services and create awareness of environmental protection.

Communication and Public Relation

The Company regularly encourages employees and stakeholders both internal and external to aware of responsibility towards environment, society, and community.

During past years, the Company has an environmental committee at each production facility to consider and develop environmental policies and plans, report and suggest measures or guidelines to be in line with environmental legislation, support environmental activities, continuously maintain environmental management system based on ISO 14001 : 2015, as well as establish environment policy in which was published on the Company's website www.chememan.com to ensure that environmental operations are efficient in compliance with the Company and government policies, and to elevate sustainable development.

In addition to the above operations, the Company has established the Energy, Environment and Technology Management Committee which consists of senior management teams, for the following important roles :

- Provide insights to executives and related departments
- Research directives to reduce energy consumption and waste emissions of plants and offices
- Develop energy and environmental policies for the Company's Business Units
- Plan and monitor the Company's sources of energy supplies
- Establish risk management related to energy and environment

In 2022, the Energy, Environment and Technology Management Committee strategize and steer related works as follows :

- Establish of coal supply policy, both short-term and long-term, for operations in Thailand and overseas
- Create roadmap for power supply management for new projects requirement
- Advise and monitor project management of 5MW solar farm at Kangkoi plant
- Assign team to study solar energy feasibility model for other locations
- Enable 2022 Carbon Footprint for Organization base-lining of Kangkoi and Prabuddhabaht Plants and Carbon Footprint for Product at Tubkwang quarry
- Incubate Technology Roadmap for both industrial and digital fronts
- Implement sustainability development goals and action plans
- Sharing company multi-location best technical/operational practices

Greenhouse Gas Emission Reduction Management

The Company Policy

Climate change caused by greenhouse gas emissions has become a critical sustainability issue for all industry sectors. The management, being aware of the risks and impacts of changes in government policies and regulations related to climate change on the Company, customers, communities, and stakeholders, has established a vision, mission, and policy to reduce greenhouse gas emissions directly and indirectly generated from business operations. Additionally, the management has explored various technologies, such as Carbon Capture Storage and Utilization technology, Carbonization to use carbon dioxide as a raw material to produce derivative chemical products, Renewable energy utilization and Electric vehicle adaptation, in order to drive sustainable business growth.

Carbon Footprint for Organization (CFO), which is a method to estimate the amount of greenhouse gas emitted from all corporate activities in terms of carbon dioxide equivalents, and Carbon Footprint for Products (CFP), which is a method to estimate the amount of greenhouse gas emitted throughout a life cycle of a product, are therefore used as means to identify the key sources of greenhouse gas emissions, leading to the determination of management protocols to reduce greenhouse gas emissions effectively.

The Company's Current Operations

In 2022, the Company, in corporation with consultants, conducted the Carbon Footprint for Organization assessment on Kangkoi and Prabuddhabaht branches, which has been verified

by SGS (Thailand) Company Limited, a verifier certified by Thailand Greenhouse Gas Management Organization (TGO), and is in the process of registration with TGO, as well as the Carbon Footprint for Products assessment on chemical limestone, construction limestone and ground limestone, to achieve the following objectives :

- To create knowledge and understanding of greenhouse gas emission assessment practices and principles
- To manage the quality of the greenhouse gas inventory to meet the requirements
- To be able to accurately and precisely identify the source of greenhouse gas emissions within the Company's scope
- To be able to estimate and prepare the report on the Company's greenhouse gas emissions and use such information as a base to improve the Company's operations to reduce the emissions and further apply it to develop the Company's performance on conserving natural resources and reducing environmental impacts nationally and internationally

The Company's Carbon Footprint Assessment Report Preparation

Scope of Reporting

- The assessment covers activities within Kangkoi and Prabuddhabaht branches
- Using the guidance for calculating and reporting the organization's carbon footprint, 6th revision (July 2022) of Thailand Greenhouse Gas Management Organization (Public Organization)
- The assessment covers Direct Greenhouse Gas Emissions (Scope 1), such as stationary combustion, mobile combustion

of the Company's vehicles, and fugitive emissions from chemical reactions, Energy Indirect Greenhouse Gas Emissions (Scope 2), such as electricity, and Other Greenhouse Gas Emissions (Scope 3), such as purchased goods and services, and fuel and energy related activities, etc.

- The verification level is limited assurance, using a materiality threshold of 5%



Environmental Performance

The Company is aware of the environment and therefore has continuously hired the accredited environmental measurement agencies to measure the key environmental indicators including air quality, noise level, vibration, and others. The results are all within the legal benchmarks, such as the measurement results of the air impurities at the furnace craters, the monitoring results of general noise monitoring, the monitoring results of air quality in the atmosphere, and the monitoring results of vibration of mining activities, etc. Regarding mining activities, the Company must strictly comply with all the environmental rules and regulation per the concession, including compliance with environmental impact prevention and remediation measures, and environmental impact monitoring measures, as set out in the Environmental Impact Analysis Report (EIA), and as defined by the Office of Natural Resources and Environmental Policy and Planning, and among other relevant laws. Moreover, on manufacturing process, the Company has adopted a dust treatment system, which is effective in reducing dust levels so that it does not cause air pollution or affect the health of our employees and residents of surrounding communities.

The Company has campaigns to reduce energy consumption. It encourages employees to contribute to reducing energy consumption from their own operating processes, through the Company's media, such as turning off power and unplugging after using electrical equipment, controlling the air conditioning time to reduce air conditioning hours, adjusting the air conditioning at optimal temperature, regularly inspecting and cleaning electrical appliances to ensure the most efficiency, using energy-saving light bulbs, switching from factory interplanetary meetings to teleconferencing to limit unnecessary travels and etc.

To reduce resource consumption and environmental stewardship, the Company has a policy of purchasing environmentally friendly products and services by considering the selection of standardized products to help reducing resource consumption and environmental impact. The Company has chosen to source its coal only from qualified partners to reduce the amount of sulfur dioxide and carbon dioxide that can occur. The Company has also established ISO 14001 environmental management system standards for environmental quality within the organization and committed to reduce the volume of hazardous industrial waste landfilled in response to fulfilling the goal of zero waste to landfill. In addition, internal activities have been carried out to reduce waste consumption, such as the "WON" project by donating bags and clean plastic films for recycling, the "Green Roof" project by participating in the project to provide used beverage packages to produce roof sheets from recycled beverage packages, "Aluminum Donation" project for make prosthetics, "Recycle drop point" project etc.

“WON” Project



“Recycle Drop Point” Project



“Aluminum Donation” Project



“Green Roof” Project



“Recycling Plastic Bottle caps” Project





Sustainability Management in Social Aspect

The Company realizes the importance of conducting business towards sustainable growth with corporate social responsibilities by operating with care for all groups of stakeholders, including employees, shareholders, customers, business partners, suppliers, government agencies, and society. Therefore, the Company has reviewed a corporate social responsibility policy, improved, and renamed the policy to social management policy as a guideline for all aspects of social management activities

throughout the value chain. Such activities include health and safety, respect for human rights, fair labor treatments, and participation in social and community development in accordance with sustainability development goals and sustainability disclosure guidelines from the Stock Exchange of Thailand. The Company published the policy on the Company's website www.chememan.com.

The Company has therefore set forth a Social Management policy as follows :

1. Conduct and promote ethical business operations with transparency, fairness, and accountability along with the improvement of well-being of employees, communities, and society, while protecting the interests of stakeholders.
2. Implement action plan to manage, develop work processes and maintain standard of occupational health, safety and security along the value chain in which the Company operates while balancing the interests of a diverse ranges of stakeholders.
3. Establish and review measures to prevent and mitigate risks by engaging employees in reviewing and assessing risks in all activities through the Safety, Occupational Health, and Work Environment Committee.
4. Strictly comply with laws and applicable regulations and requirements related to social, health and safety management.
5. Promote and provide opportunities for stakeholders to engage in social responsibility projects or activities as well as committing to conduct activities together with stakeholders.
6. Provide a safe and healthy work environment and respect human rights by treating all relevant parties including employees, community and society with humanity respect, equal rights, non-discrimination and freedom, as well as regularly monitor its compliance with human rights principles and labor laws.
7. Foster good social management culture and behavior throughout the organization through regular personnel development, and capacity-building, with equal opportunities for professional growth and appropriate welfare.

Social Performance

Internal Corporate Social Performance

Employee

In 2022, the Company employed female employees at 24% of the total number of employees. Moreover, the Company also employed individuals with disabilities at 20% of the amount required by law and contributed fund into Empowerment for Person with Disabilities Fund in full as required by law. In addition, the Company has continuously provided training and development of personnel with more than 75% participation rate of the total number of employees.



The Company has continuously provided training and development of personnel with more than

75 participation rate of the total number of employees.

Occupational Health and Safety

In 2022, the Company has a record of five incidents of stop-work injuries. Therefore, the Company has established measures to prevent and mitigate risks by engaging employees in reviewing and assessing risks in all activities. The measures are communicating guidelines for preventing and resolving accidents to employees in the form of communication through the Safety Committee, occupational health and work environment and public relations board arrangements, as well as planning for “Safety behavior management and raising awareness of work safety” training course for employees. Furthermore, the Company adopted technologies to improve work processes and to reduce the risk of accidents, injuries, illnesses, and any diseases caused by work, together with focus on creating a safety culture throughout the organization.



Create a safety culture across the organization

Customers

The 2022 Customer Satisfaction Survey concluded that the majority of customers were satisfied with the Company’s products, deliveries and services, with the Company receiving 12 complaints. All of which had been addressed and resolved.



The Company receiving complaints lower from the previous year to

12 complaints. All of which had been addressed and resolved.

Business Partners

Vendor and Service Provider Assessment in 2022, which includes the safety, environmental and human rights responses, concluded in satisfaction level with no sellers or service providers not meeting the evaluation criteria.



No sellers or service providers not meeting the evaluation criteria

External Corporate Social Performance

The Company recognizes its responsibility to the community and society, thus assisting and developing communities and society in many channels. Summary of social responsibility performance by categorizing as follows :

Health and Welfare



Total fund raised is more than

1,000,000

Baht



Support the drinking water and relief packages to patients

COVID-19

With ongoing COVID-19 pandemic, the Company continues to closely monitor with the communities, hospitals, and schools in the area. The Company's contribution includes donating ATK test kits and suitable PPE for COVID-19 protection, supporting the establishment of community isolation center, providing COVID-19 vaccination services to the students in the nearby school as well as water bottles and relief packages to COVID-19 patients and those in self-isolation. The Company also supports blood donation activities in Kaeng Khoi district, lung x-rays, community food sanitation projects, and flood victim assistance projects in collaboration with the Internal Security of Saraburi province. Chememan's annual activity, the 5th Thap Kwang FUN RUN 2023 that aims to encourage everyone in the community to participate in physical activity and raise funds for "Health Promotion and Health Promotion Fund for Students in Nikhom Tubkwang Songkroh Community School 1". **The total fund raised is more than 1,000,000 Baht** will be used for breakfasts, snacks, lunches, basic oral care and sports equipment for the students.



Education



total operating budget
of more than

160,000

Baht

The Company has a policy of promoting corporate social responsibility activities for the past 19 years, especially promoting activities that improve the quality of life for the community. The Company organizes projects such as “Kids outside the textbook” by providing coding and robotics courses for students, English teaching and research writing training program are provided to elevate English and teaching skills of the teachers of Nikhom Tubkwang Songkroh Community School 1. The Company also supports National Children’s Day activities, community’s committee development projects, safe-driving training programs, “100% Helmet Project” by Thap Kwang Municipality, “Khon Saraburi Protect the Land” project, etc., with a **total operating budget of more than 160,000 Baht**.

In addition, the Company recognizes the importance of youth education in the area and has continuously provided scholarships to the students to ensure educational opportunities and hope that in return, these opportunities will be brought back to help develop the community. The Company also promotes public health activities such as providing aids to students affected by COVID-19 pandemic.



Religion, Culture and Local Traditions



The total budget was

120,000

Baht

It is the Company's policy to carry on religious, cultural, and local customs of the communities by supporting religious activities on various occasions such as the Kathin Samakkee (offerings to monks after lent) at Tham Prabodhisat Temple, Baan Thai Temple, Khaomunthammaram Temple, Subborn Temple, Valukaram Temple (Nhong Puk Boong) as well as activities by Baan Romyen IngDoi Christain Church.

Additionally, the Company has donated funds to various organizations such as the Department of Labor Protection and Welfare, Social Security Office of Saraburi Province, Kaeng Khoi District, Forest Resource Management Bureau No. 5 (Saraburi) in Tubkwang and Huay Pa Hwai Municipality, Tubkwang's Health Volunteers and the other community groups surrounding the Company's operation in Tubkwang, Kangkoi District and Huay Pa Hwai, Prabuddhabaht District. The company also continues to contribute to activities on New Year's Day and Songkran festivals as well as support the establishment of accident prevention checkpoints during the New Year and Songkran festivals and provided funds for Red Cross Day and National Police Day activities.

The total budget was 120,000 Baht.



Environment and Infrastructure of the Local Communities



Total operating budget
of more than

1,100,000

Baht

The Company supports environmental protection for the communities through many projects that promote cooperation between management, employees, and the surrounding residents such as supporting community reforestation activities such as 2022's National Tree Day and community service activities along the Kaeng Khoi-Ban Mo Mob Canal Road - at Moo 5, Huai Pa Wai Subdistrict, Phra Phutthabat District, Saraburi Province, Chalalongkorn University's reforestation project at Moo 10 reservoir, Thap Kwang Subdistrict, Kaeng Khoi District, Saraburi Province and safety officers' reforestation project. The Company also provides drinking water for patrol officers stationed at forestry areas in Moo 10 as well as supports Moo 10 community forestry committee meeting.

Regarding community utilities, the Company has donated funds to repair Ban Tham Nam Nam community's water supply system, repair boreholes of Wat Bamphen Boon (Wat Ban Thai) to ensure access to clean drinking water throughout the community. The Company arranges dust collecting vehicles to clean public roads as well as provided crushed stones to repair road pavements and level public infrastructure with a **total operating budget of more than 1,100,000 Baht.**



Promote Career in Local Communities



Totaling to more than
70,000
Baht

As majority of the local people are wage earners, the Company has a policy to promote community careers to increase household income to have enough to cover expenses and savings for each household. The Company organized projects and provided financial support in activities that promote skills or methods to increase personal income, such as training on the cultivation and processing of cricket products in collaboration with Kasetsart University and shellac cultivation project in Ban Tham Nam Nam community, **totaling to more than 70,000 Baht.**



Employee Volunteering Culture



Built and refurbished a home for Mr. Min Nadi, with a budget more than
150,000
Baht

To continue 2018's **Roi Kwam Dee, 15 Pee Chememan** (Let's Do Good, 15 years of Chememan), to celebrate the 15 years operation anniversary of the Company, the Company organized **"CMAN DMAN side by side for sustainable communities"** in 2022, where the Company alongside Thap Kwang Municipality built and refurbished a home for Mr. Min Nadi, with a **budget of more than 150,000 Baht.** This project aims to create a culture of volunteerism in the company, encourage the participation of social responsibility of employees at all levels as well as enhance the well-being of people in our community.

Besides this, the Company also has a policy to expand volunteer activities to other groups in the future, develop volunteer network and foster volunteering culture on the local communities.

The Fund of Mining Village Area Development



Totaling to
2,200,000
Baht

The Company contributed to numerous events and projects such as community utilities care, New Year's, Songkran Festival, Father's Day, Mother's Day, Children's Day, Coronation day of King Rama 10, Kathin and relief packages making, community halls and community pavilion bathrooms, procurement of community supplies, supporting "Panrak, Soongwai, Sookjai, Mobroyim Hai Pusoongaayu" (Sharing Love, Happy and Give Smiles to the Elderly) project that provided various community events and encourages the elderly to have a sense of community and support and "Create Careers for Communities" Project. Other activities include the installation of solar cells for the community, support monthly community meetings, providing wheeled roofs for communal use, Elderly, People with Disabilities and Bedridden Patients Quality of Life Improvement Project, providing cooking equipment for livelihood group, providing scholarships for students of Nikhom Tubkwang Songkroh Community School 1 and students who are residents of Thap Kwang Subdistrict, Kaeng Khoi District, Saraburi, set up an infectious waste shed for the school, providing televisions and agricultural equipment for the school, community patrol activities, volunteering activities, support the establishment of road accident prevention checkpoints during New Years and Songkran and emergency basic aids (floods, storms, fires), etc., **totaling to 2,200,000 Baht.**

The Fund of Health Awareness



Total operating budget
of more than
1,200,000
Baht

The Company supports Dental Assistant Hiring Project, Community Pulmonary X-ray Project, Thai Traditional Medicine, Physical Therapy, Primary Care and Public Health Service Project by Thap Kwang Tambon Health Promoting Hospital. The Company also provided support to projects that promotes access to necessary and appropriate public health service system to the community, purchase of medicines and medical supplies to schools and school's health promotion project and COVID-19 surveillance project in schools with **total operating budget more than 1,200,000 Baht.**

The Company's Corporate Social Responsibility Policy is applied as guideline in determining work process. This is to ensure that all levels of employees recognize and perform their duties efficiently in accordance to such policy, international standard and applicable laws and regulations. The Company implemented quality management system based on ISO 9001, environmental management system based on ISO 14001 and occupational health and safety management system based on TIS/OHSAS 18001, which are used to determine work regulations for employees and all concerned stakeholders. Social responsibilities are considered starting from production process and work procedures to improvement of plant sites. By continually conducting business with corporate social responsibilities, the Company has received many awards on environmental management, labor relations, safety, occupational health and working environment, educational support and energy savings from various regulatory agencies such as Ministry of Industry, Ministry of Labour, Ministry of Energy and Ministry of Education, etc.

Rewards and Achievement



- **CSR-DPIM Continuous Award 2022 for the mining and primary industry organization** with an excellent level of continuous corporate social responsibility, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **CSR-DPIM Continuous Award 2021 for the mining and primary industry organization** with an excellent level of continuous corporate social responsibility, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **CSR-DPIM Award 2020 for the organization** with excellent operation under the corporate social responsibility standard of the Department of Primary Industries and Mines, Ministry of Industry.
- **CSR-DPIM Continuous Award 2019 for the organization** with continuous corporate social responsibility, under the category of “Mineral Dressing Plant”.
- **Amata Best Waste Management Awards 2022** for the industrial plant with proper waste management, in particular the separation of solid and wet waste in accordance with environmental industry standards and applicable laws (Rayong plant).
- **Best of the Best Award 2022 from the 30th Anniversary Prime Minister’s Export Award Ceremony**, awarded by Department of International Trade Promotion, Ministry of Commerce.
- **CSR-DPIM Award 2010 for the organization** with international standard on corporate social responsibility, under the category of “Mineral Dressing Plant”, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **Green Mining Award 2022 under the category of “Mine and Mineral Dressing Plant”**, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **Green Mining Award 2021 under the category of “Mine and Mineral Dressing Plant”**, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **Green Mining Award 2020 under the category of “Mineral Dressing Plant”**, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **Green Mining Award 2019 under the category of “Mining”**, awarded by the Department of Primary Industries and Mines, Ministry of Industry.
- **Quarry for Environmental Excellence (2008-2010)**, awarded by the Pollution Control Department, Ministry of Natural Resources and Environment.
- **Green Industry Level 3 (Green System) Award (Tubkwang Quarry)** for systematic environmental management with monitoring, evaluation and review for continuous development (2022-2025), awarded by the Department of Industry Works, Ministry of Industry.
- **Green Industry Level 3 (Green System) Award (Prabuddhabaht Plant, Kangkoi Plant and Rayong Plant)** for systematic environmental management with monitoring, evaluation and review for continuous development (2020-2023), awarded by the Department of Industry Works, Ministry of Industry.



- **The highest honour of Thailand Labour Management Excellence Award 2022** for 17th consecutive years (Prabuddhabaht Plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **Thailand Labour Management Excellence Award 2022 (Kangkoi Plant)** for 12th consecutive years (Kangkoi plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **The highest honour of Thailand Labour Management Excellence Award 2022** for 16th consecutive years (Prabuddhabaht Plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **Thailand Labour Management Excellence Award 2022 (Kangkoi Plant)** for 11th consecutive years (Kangkoi plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **Employee Relations and Benefits Awards** for 15 consecutive years, 2006-2020 (Prabuddhabaht Plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **Employee Relations and Benefits Awards** for 10 consecutive years, 2008-2017 (Kangkoi Plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **Employee Relations and Benefits Awards** for 10 consecutive years, 2008-2017 (Prabuddhabaht Plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour.
- **Provincial Occupational Safety & Health Awards, 2007 and 2009 (Prabuddhabaht Plant)**, awarded by the Department of Labour and Welfare, Saraburi, Ministry of Labour.
- **Occupational Safety & Health Award 2008 (Prabuddhabaht Plant)**, awarded by the Department of Labour and Welfare, Ministry of Labour).
- **Certificate of Success in Development of Logistics and Transport Management System** for Energy Saving 2012, awarded by the Institute of Industrial Energy, the Federation of Thai Industries, and Energy Policy and Planning Office - Ministry of Energy.
- **Honorary Certificate for Contribution to the Ministry of Education 2017**, awarded by the Ministry of Education.
- **Certificate of Participation in Preventive Measures Activities according to Safety & Occupational Health Risk Factors** for Small and Medium-sized Risk Organizations 2018 with a gold-level performance (Kangkoi and Prabuddhabaht Plant), awarded by the Chief of Operation of the Safety and Occupational Health Project of Thailand (Safety Thailand), Saraburi



Management Discussion and Analysis >

Business Overview

Chememan Public Company Limited (SET : CMAN) is one of the world's ten largest lime companies with more than 1 million tons of annual production capacity. With high chemical-grade limestone quarries in Thailand and Vietnam and modern production facilities in Thailand, Vietnam, and India, Chememan can focus on high value-added end users, particularly in the mining sector (aluminum, gold, copper, nickel, lithium), pulp and paper, sugar, and bioplastics. Chememan exports around 55% of its capacity across 30 countries in Asia, Australia, and Africa. With experienced and dedicated professionals, Chememan plans to expand further in the coming years with a goal to become the leading lime company in the Asia-Pacific region.

Significant Events in 2022

Easternbulk Lime Products plant has commenced its commercial operation at 2nd lime kiln in April 2022



Overview of Operation Results in 2022

Full Year 2022 Highlights

- Total revenues equaled THB 3,876 million, a 23.1% increase from 2021 and also the highest ever recorded by the company. As a group, we sold over 800,000 tons of lime products to more than 300 customers in various industries across the Asia-Pacific region. This is unmistakable evidence that our customer portfolio development strategies have limited the downside effects of the global economic slowdown.
- As global energy market conditions remained high and volatile, total energy costs at our Thailand and Vietnam production facilities remained high. Total energy costs, which includes coal and natural gas, rose 65% compared to 2021. Even though average selling prices increased 49.3%, higher energy costs reduced our gross margins to 32.9% in 2022 compared to 36.8% in 2021.
- With lower freight rates and well-controlled administrative expenses, adjusted EBITDA equaled THB 745 million, a 28.1% increase from 2021.
- Annual net income attributable to CMAN's shareholders equaled THB 152 million, a 54.4% increase from 2021. Earnings per share rose to Baht 0.16 per share compared to THB 0.10 per share in 2021.
- In 2022, net debt decreased to THB 3,647 million, a 3.9% decrease from 2021. We repaid short-term debt by Baht 95 million and long-term debt by Baht 462 million, while borrowing Baht 120 million to finance the solar farm project. Our Vietnam business unit also borrowed Baht 75 million of short-term debt to finance its working capital. As a result, our balance sheet was substantially deleveraged and our debt to equity and long-term debt to EBITDA ratios were 1.94x and 4.02x at the end of 2022.

Financial Results

Unit : Million Baht, Except per share amounts

	2022	2021	%YoY
Total Revenue	3,876	3,149	+23.1%
Net income (loss) attributable to CMAN	152	98	+54.4%
Earnings (loss) per share attributable to CMAN	0.16	0.10	+54.4%
Adjusted net income (loss) attributable to CMAN (*)	172	204	-15.7%
Adjusted earnings (loss) per share (*)	0.18	0.21	-15.7%
Adjusted EBITDA excluding special items (*)	745	582	+28.1%

Remark : *Excludes all significant non-cash items, such as unrealized foreign exchange gains/losses from translation adjustments and mark-to-market gains/losses from forward contracts

Full Year 2022 Results

- Revenue from Sales and Service :**

Revenue from Sales and Service increased 21.9% year-on-year to THB 3,660 million contributed by higher sales volume across our entire portfolio of customers and higher average USD/THB exchange rates. Our average selling prices of quicklime and hydrated lime rose 14.0% and 15.2% compared to 2021. These resulted in the Company's total revenues of THB 3,876 million



Revenue from sales and service

3,660

Million Baht

- Revenues from Sales of Excess Pulverized Coal :**

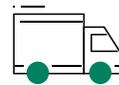
Revenues from sales of excess pulverized coal were THB 16 million, coming from a by-product of our production capacity improvement project.



Revenues from sales of excess pulverized coal were

16 Million Baht

- Revenue from Freight Compensation :**



147 Million Baht

- Service Revenue :**



269 Million Baht

- Other Revenues :**

was THB 70 million, which comprised of tax and other fees, sales and services of by-products, such as crushed rocks and stone waste, etc.



70 Million Baht



- **Cost of Goods Sold and Service :**

Per-unit cost of goods sold increased due to higher energy costs. Cost of coal at our Kangkoi plant rose 117% when compared to last year. Cost of coal at Ha Long Lime plant rose 32% compared to last year. However, Hope Valley's cost of service improved from continuous operating cost optimization.



Cost of coal at our Kangkoi plant rose

117%

- **Selling & Administrative Expenses:**

The administrative expenses increased 29.4% from 2021, as COVID restrictions eased and more onsite activities occurred. However, selling expenses decreased 15.2% from the reclassification of shipping items mentioned above. These factors resulted in lower selling and administrative expenses to 25.4% of revenues.



Lower selling and administrative expenses to

25.4% of revenues

- **Net Income Attributable to CMAN :**

THB 152 million, or THB 0.16 per share, an improvement from last year's net profit of THB 98 million, or THB 0.10 per share.



Net Profits have Increased to

0.16 Baht per share

- **Cash :**

CMAN finished the year with a balance of THB 123 million cash on hand. Cash flow from operations was THB 618 million. Cash flow for investing activities was THB (256) million, primarily to invest in the 5 MW solar farm project and capacity and efficiency improvements. Cash flow from financing activities was THB (452) million, as we repaid both short-term and long-term loans.



Cash flow from operations

618 Million Baht

- **Assets :**

Total assets as of 31 December 2022 were THB 6,768 million, a decrease of THB 254 million from the end of 2021, from lower cash, inventories, and net book value of PPE.



Total Assets

6,768 Million Baht

- **Debt :**

Total interest-bearing debt as of 31 December 2022 was THB 3,769 million, a 4.2% decrease from 31 December 2021.



Debt Decreased

4.2% from 2021

- **Working Capital :**

The Company reported 39 days of working capital, lower than the previous quarter and the same quarter of last year by 10 days and 9 days, respectively. The decrease in working capital is due primarily to lower inventories and stretching out payables where possible.



Working Capital lowered

10 and 9 days

from the previous quarter and the same quarter of last year

- **Dividends :**

CMAN has proposed for shareholder approval a cash dividend payment of Baht 0.04 per share from our 2022 business results.



Cash Dividend Payment of

0.04 Baht per share

2023 Outlook

As the global economy has entered a recessionary environment, lime demand and supply should become more volatile in the short term due to a wide range of factors, including supply chain, energy, exchange rates, interest rates, etc.

Chememan projects that lime sales will increase in the first half of 2023. Chememan's focus will continue to be improvement of business fundamentals to operate in this highly volatile environment. The risks of operating in a recessionary environment remain high and may impact short-term business performance and financial results. So, we remain laser focused to deliver our key strategic priorities.

Chememan will focus on export sales, production process and energy cost optimization, financial cost management and controls, and further improvements in our Vietnam business unit to deliver better business results. Our Thailand business unit will make ongoing investments to maintain its high availability, performance, and quality levels. There will be planned maintenance shutdowns for two kilns in our Thailand business unit during the non-peak season in 2023.

Our Australia business unit will focus on higher operating efficiency at Hope Valley and strengthen customer relationships in the growing Western Australia region. At the same time, our India joint ventures will continue to grow in their targeted markets and study product expansion opportunities in other

parts of India. We are discussing new joint venture projects in specific countries to increase our business footprint and improve our long-term competitive advantages in the fast-growing Asia Pacific region.

Chememan is also working on various initiatives to improve our financial position. For the next 12 months, Chememan has scheduled long-term loan repayments of THB 571 million, but higher interest rates will undoubtedly lead to higher finance costs. In addition, Chememan closely monitors exchange rate movements and executes some foreign exchange forward contracts to protect our profit margins. We closely monitor weekly cash flows to ensure that we can operate effectively during this economic slowdown.

As Chememan will turn 20 years old this year, we are preparing for our next phase of growth through organizational transformation, development of internal talent, and recruitment of the right outside talent to complement our internal capabilities. Modern industrial and digital technologies will be fully utilized through strong collaboration between Chememan and key partners to enable this transformation.

In the long-term, Chememan is committed to promoting sustainability. Our first 5 MW solar farm project in Kangkoi has been a remarkable success, reducing monthly electricity costs by more than Baht 3 million and CO2 emissions, and we look to

develop similar projects at other production locations. Apart from the solar farm project, we trialed electric trucks and wheel loaders and will seek to roll more of them out after their proven record of accomplishment in 2022. Electric vehicles represent only one aspect of our CO2 reduction roadmap and framework.



Sustainability

Economy

The Company operates its business that value economic sustainability by developing sustainable and integrated product solutions for customers to protect the environment while strengthening good corporate governance, complying to laws and regulations, and adhering to the principles that ensure transparency, avoid corruption, and promote fair and ethical behavior. The Company's governance is governed under

 **Anti-corruption Policy**

 **Corporate Governance Policy**

Environment

The Company adopts technologies and proactive environmental management strategies to minimize negative impacts on the environment while upholding its commitment to environmental responsibility. Recognizable environmental stewardship activities include, but are not limited to resource management, energy management, climate change and carbon emission reduction, waste management, and many other sustainable actions. The Company's environmental management direction is governed by

 **Environment Policy**

Society

The Company encourages dialogue and participation with internal and external stakeholders by establishing clear communication channels and providing reliable and accurate disclosures of information. The Company is committed to act in accordance with the laws and regulations of human rights and labor rights, provide a safe and healthy work environment that promotes personal development, well-being, humanity respect, non-discrimination, and equality. The Company's social actions are governed under Social Management Policy.

 **Social Management Policy**

Key Financial Ratios

At the end of year 2022, CMAN's current ratio slightly decreased to 0.60 from 0.62 in 2021, while cash cycle shortened to 39 days, resulting from higher sales following the improved performance in 2022. As a result, CMAN's net profit margin and return on equity for the year 2022 were 3.92% and 6.80% respectively, significantly improved from last year 3.13% and 4.70% respectively. CMAN has the ability to settle debt and comply with obligations and financial covenants with total liabilities to equity ratio of 1.94 in 2022 from 2.16 in 2021 as the Company promptly repaid long-term debts according to the schedule. Interest coverage ratio and debt service coverage ratio were at 4.83 and 0.80 respectively, due to higher cash flow from operating activities compared to the negative cash flow from operating activities last year. CMAN shall maintain financial discipline to ensure appropriate capital structure.



Significant Financial Information

Summary of Financial Statements

Statement of Financial Position

Description	As of 31 December					
	2022		2021		2020	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
Assets						
Current Assets						
Cash and cash equivalents	122.66	1.81	193.93	2.76	493.57	8.09
Trade and other current receivables	553.25	8.17	477.21	6.80	359.44	5.89
Short-term loan to related parties	5.20	0.08	-	-	-	-
Inventories	423.64	6.26	515.21	7.34	366.57	6.01
Prepaid taxes and other fees	63.83	0.94	79.95	1.14	-	-
Other current assets	74.96	1.11	64.30	0.92	31.99	0.52
Total Current Assets	1,243.54	8.37	1,330.61	18.95	1,251.57	20.51
Non-Current Assets						
Restricted bank deposits	85.29	1.26	109.01	1.55	40.91	0.67
Other non-current financial asset	15.00	0.22	15.00	0.21	-	-
Investment in joint ventures	270.69	4.00	285.74	4.07	210.65	3.45
Property, plant and equipment	4,369.05	64.56	4,507.88	64.19	3,592.36	58.86
Right-of-use assets	136.79	2.02	108.68	1.55	128.11	2.10
Ore reserve	75.04	1.11	81.58	1.16	174.57	2.86
Prepayment of the mining license fee	46.66	0.69	47.07	0.67	-	-
Advance payments for construction of plant and machinery	3.40	0.05	3.70	0.05	181.18	2.97
Goodwill	61.87	0.91	61.87	0.88	61.87	1.01
Intangible assets other than goodwill	372.35	5.50	378.13	5.38	381.12	6.24
Deferred tax assets	77.78	1.15	78.85	1.12	72.45	1.19
Other non-current assets	10.46	0.15	14.21	0.20	8.54	0.14
Total Non-Current Assets	5,524.37	81.63	5,691.77	81.05	4,851.78	79.49
Total Assets	6,767.90	100.00	7,022.38	100.00	6,103.34	100.00



Description	As of 31 December					
	2022		2021		2020	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term loans from non-related party	-	-	22.38	0.32	-	-
Short-term loans from financial institution	947.21	14.00	1,044.21	14.87	1,098.19	17.99
Trade and other current payables	458.35	6.77	513.49	7.31	338.25	5.54
Current portion of lease liabilities	42.30	0.63	26.33	0.37	36.60	0.60
Current portion of long-term loan from financial institutions	571.15	8.44	470.02	6.69	608.91	9.98
Income tax payable	15.31	0.23	22.59	0.32	-	-
Derivative liabilities	-	-	8.90	0.13	-	-
Current provisions for employee benefits	1.62	0.02	2.07	0.03	2.58	0.04
Other current liabilities	20.85	0.31	44.28	0.63	31.71	0.52
Total Current Liabilities	2,056.79	30.39	2,154.27	30.68	2,116.23	34.67
Non-Current Liabilities						
Lease Liabilities - net of current portion	167.02	2.47	42.32	0.60	51.33	0.84
Long-term loan from financial institutions - net of current portion	2,041.48	30.16	2,383.13	33.94	1,606.82	26.33
Non-current provisions for employee benefits	65.70	0.97	62.30	0.89	85.18	1.40
Deferred tax liabilities	68.71	1.02	69.87	0.99	71.34	1.17
Other non-current liabilities	15.93	0.24	18.05	0.26	76.09	1.25
Total Non-Current Liabilities	2,358.84	34.85	2,575.68	36.68	1,890.77	30.98
Total Liabilities	4,415.63	65.24	4,729.95	67.36	4,007.00	65.65

Description	As of 31 December					
	2022		2021		2020	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
Shareholders' Equity						
Registered share capital	1,000.00	14.78	1,000.00	14.24	1,000.00	16.38
Issued and fully paid-up share capital	960.00	14.18	960.00	13.67	960.00	15.73
Share premium	736.84	10.89	736.84	10.49	736.84	12.07
Capital surplus on share-based payment	29.00	0.43	29.00	0.41	29.00	0.48
Retained earnings						
Appropriated - statutory reserve	90.29	1.33	75.14	1.07	65.14	1.07
Unappropriated	456.22	6.87	328.57	4.68	240.24	3.94
Other components of shareholders' equity	(6.76)	(0.10)	60.33	0.86	(36.53)	(0.60)
Equity attributable to owners of the Company	2,274.59	33.61	2,189.88	31.18	1,994.70	32.68
Non-controlling interests of the subsidiary	77.69	1.15	102.55	1.46	101.65	1.67
Total Shareholders' Equity	2,352.28	34.76	2,292.43	32.64	2,096.34	34.35
Total Liabilities and Shareholders' Equity	6,767.90	100.00	7,022.38	100.00	6,103.34	100.00

Statement of Comprehensive Income

Description	For year ended 31 December					
	2022		2021		2020	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
Sales	3,390.87	87.48	2,884.24	91.60	2,239.68	98.12
Service income	269.40	6.95	117.89	3.74	-	-
Other income from freight compensation	147.18	3.80	-	-	-	-
Other income	68.83	1.78	141.25	4.49	42.99	1.88
Net gain on exchange rate	-	-	5.42	0.17	-	-
Total revenues	3,876.28	100.00	3,148.81	100.00	2,282.67	100.00
Cost of sales	2,303.13	59.42	1,830.17	58.12	1,526.72	66.88
Cost of services	296.44	7.65	155.29	4.93	-	-
Distribution costs	578.39	14.92	682.09	21.66	510.91	22.38
Administrative expenses	352.57	9.10	272.44	8.65	276.15	12.10
Net loss on exchange rate	12.25	0.32	-	-	39.72	1.74
Total expenses	3,542.77	91.40	2,940.00	93.37	2,353.49	101.36
Profit (Loss) from operating activities	333.51	8.60	208.81	6.63	(70.82)	(3.10)
Share of profit (loss) from investments in joint ventures	1.36	0.04	(5.98)	(0.19)	13.60	0.60
Finance cost	156.89	4.05	(94.87)	(3.01)	(79.45)	(3.48)
Profit (Loss) before income tax	177.98	4.59	107.96	3.43	(136.68)	(5.99)
Income tax expenses	(49.80)	1.28	(15.63)	(0.50)	(0.08)	(0.00)
Profit (Loss) for the year	128.18	3.31	92.33	2.93	(136.75)	(5.99)
Exchange differences on translation of financial statements in foreign currency-net of income tax	(80.09)	(2.07)	115.01	3.65	7.78	0.34
Share of other comprehensive income in joint ventures	16.41	0.42	(15.46)	(0.49)	-	-

Description	For year ended 31 December					
	2022		2021		2020	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
Gain on remeasurements of defined benefit plans - net of income tax	-	-	4.20	0.13	-	-
Other comprehensive income for the year	(63.68)	(1.64)	103.75	3.29	7.78	0.34
Total comprehensive income (expense) for the year	64.50	1.66	196.09	6.23	(128.97)	(5.65)
Profit (Loss) attributable to :						
Equity holders of the Company	151.80	3.92	98.32	3.12	(119.61)	(5.24)
Non-controlling interests of the subsidiary	(23.62)	(0.61)	(5.99)	(0.19)	(17.14)	(0.75)
Total	128.18	3.31	92.33	2.93	(136.75)	(5.99)
Total comprehensive income attributable to :						
Equity holders of the Company	84.71	2.19	195.18	6.20	(112.09)	(4.91)
Non-controlling interests of the subsidiary	(20.21)	(0.52)	0.90	0.03	(16.89)	(0.74)
Total	64.50	1.66	196.09	6.23	(128.97)	(5.65)
Basic earnings (loss) per share attributable to equity holders of the Company (Baht)	0.16		0.10	-	(0.12)	-

Cash Flow Statement

Description	For year ended 31 December		
	2022 Million Baht	2021 Million Baht	2020 Million Baht
Cash flow from operating activities			
Profit (Loss) before tax	177.98	107.96	(136.68)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	370.95	348.14	320.37
(Reversal of) allowance for inventories devaluation	(1.34)	2.90	(2.25)
Loss on write-off accounts receivable under installment sales	-	-	32.26
Reversal of decommissioning provision	(0.51)	-	-
Reversal of allowance for impairment loss of machinery, vehicles and intangible assets	(0.16)	-	-
Allowance for expected credit loss	1.43	0.87	
Bad debts expenses	(0.00)	0.51	-
Other income from the ore reserve adjustment	-	(4.10)	-
Other income from prepaid taxes and other fees	-	(86.74)	-
Allowance for impairment loss of machinery and equipment, and intangible assets	-	0.19	-
Loss on sales of property, plant and equipment	1.23	2.75	8.25
Loss on written off property, plant and equipment	10.03	0.02	1.17
(gain) Loss on sales and written-off of intangible assets	0.07	1.44	0.00
Gain on cancellation of lease agreement	-	-	(0.01)

Description	For year ended 31 December		
	2022 Million Baht	2021 Million Baht	2020 Million Baht
Gain on sales of right-of-use assets	(0.39)	-	-
Long-term employee benefits expenses	9.46	5,56	12.32
Unrealized (gain) loss on exchange rate	25.54	97.07	(11.94)
(Gain) Loss on forward contract	(5.07)	8.90	4.37
Share of (profit) loss from investments in joint ventures	(1.36)	5.98	(13.60)
(Gain) Loss on liquidation of subsidiary	2.69	-	-
Interest income	(1.96)	(4.21)	(17.13)
Finance cost	156.89	94.87	85.82
Profit from operating activities before changes in operating assets and liabilities	745.47	582.11	282.96
Operating assets (increase) decrease			
Trade and other current receivables	(95.19)	(98.38)	160.40
Inventories	88.68	(135.21)	28.73
Accounts receivable under installment sales	-	-	15.85
Other current assets	(11.82)	(28.20)	(9.48)
Other non-current assets	3.50	(4.94)	7.66
Operating liabilities increase (decrease)			
Trade and other current payables	(34.05)	171.18	(316.02)
Current provisions for employee benefits	(0.38)	(0.59)	(0.61)
Other current liabilities	(11.70)	23.32	(7.75)
Other non-current liabilities	(1.35)	(9.58)	7.17

Description	For year ended 31 December		
	2022 Million Baht	2021 Million Baht	2020 Million Baht
Cash flow from operating activities	683.16	499.70	168.91
Cash paid for long-term employee benefits	(6.04)	(23.25)	(11.99)
Cash paid for income tax	(59.52)	(0.28)	(2.40)
Net cash flow from operating activities	617.60	476.17	154.52
Cash flow from investing activities			
(Increase) decrease in restricted bank deposits	22.33	(64.29)	-
Cash paid for short-term loan to related parties	(5.47)	-	-
Cash paid for investments in joint ventures	-	(65.61)	(6.31)
Cash receipt (paid) from liquidation of subsidiary	(0.81)	-	-
Cash paid for investment in other company	-	(15.00)	-
Cash paid for acquisition of property, plant and equipment	(269.27)	(862.87)	(317.10)
Cash receipt from disposal of property, plant and equipment	0.38	0.49	16.75
Cash paid for advance payments for construction of plant and equipment	(3.43)	(3.68)	(181.18)
Cash paid for acquisition of right-of-use assets	-	-	(0.16)
Cash receipt from disposal of right of use	1.29	-	-
Cash paid for acquisition of intangible assets	(1.65)	(9.10)	(15.70)
Interest received	1.09	5.74	18.32
Net cash flow used in investing activities	(255.52)	(1,014.32)	(485.39)

Description	For year ended 31 December		
	2022 Million Baht	2021 Million Baht	2020 Million Baht
Cash flow from financing activities			
Cash paid for liabilities under lease agreements	(32.05)	(37.30)	(42.23)
Cash paid for short-term loans from financial institutions	(798.74)	(768.46)	(896.37)
Cash receipt from short-term loans from financial institutions	703.48	714.48	1,341.86
Cash paid for long-term loans from financial institutions	(462.22)	(373.38)	(400.56)
Cash receipt from long-term loans from financial institutions	192.24	895.15	697.16
Cash paid for front-end fee	(1.17)	-	(2.60)
Cash paid for short-term loans from joint venture partner	(22.33)	-	-
Cash receipt from short-term loan from unrelated party	-	21.63	-
Cash receipt from sales and lease back	109.30		
Dividend paid	-	-	(19.20)
Cash paid for interest expenses	(140.23)	(98.54)	(75.08)
Net cash flow from financing activities	(451.73)	353.58	602.98
Effect of exchange rate changes on cash and cash equivalents	20.95	(115.06)	6.00
Net increase (decrease) in cash and cash equivalents	(68.70)	(299.64)	278.11
Cash and cash equivalents at beginning of year	193.93	493.57	215.46
Cash and cash equivalents of liquidated subsidiary at beginning of period	(2.58)	-	-
Cash and cash equivalents at end of year	122.66	193.94	493.57

Financial Ratios

Description	Unit	For year ended 31 December		
		2022	2021	2020
Liquidity Ratio				
Current Ratio	Times	0.60	0.62	0.59
Account Receivable Turnover	Times	8.06	8.43	5.92
Average Collection Period	Days	45	43	61
Inventory Turnover	Times	7.77	6.46	5.34
Average Inventory Period	Days	46	56	67
Account Payable Period	Times	6.97	7.20	7.22
Average Payment Period	Days	52	50	50
Cash Cycle	Days	39	48	78
Profitability Ratio				
Gross Profit Margin	%	32.94	36.84	33.12
Operating Profit Ratio ¹	%	9.11	6.96	(3.16)
Net Profit Margin ²	%	3.92	3.13	(5.24)
Return on Equity ³	%	6.80	4.70	(5.81)
Operating Efficiency Ratio				
Return on Asset ⁴	%	2.20	1.50	(2.01)
Return on Fixed Asset ⁵	%	11.78	11.02	5.59
Total Asset Turnover	Times	0.56	0.48	0.38

Description	Unit	For year ended 31 December		
		2022	2021	2020
Financial Policy Ratio				
Debt to Equity Ratio ⁶	Times	1.94	2.16	2.01
Interest bearing debt to Equity Ratio ⁷	Times	1.66	1.81	1.71
Interest Coverage Ratio ⁸	Times	4.83	(3.11)	2.09
Debt Service Coverage Ratio ⁹	Times	0.80	(0.22)	0.16

Remarks :

¹ Operating Profit Ratio = Operating Profit / Sales & Service Income

² Net Profit Margin = Profit (Loss) attributable to equity holders of the Company / (Sales & service income + Other income)

³ Return on Equity = Profit (Loss) attributable to equity holders of the Company / Equity attributable to owners of the Company

⁴ Return on Asset = Profit (Loss) attributable to equity holders of the Company / Total Assets

⁵ Return on Fixed Asset = (Profit (loss) attributable to equity holders of the Company - Depreciation and Amortisation) / Fixed Assets

⁶ Debt to Equity Ratio = Total Liabilities / Equity attributable to owners of the Company

⁷ Interest bearing debt to Equity Ratio = Interest bearing debt / Equity attributable to owners of the Company

⁸ Interest Coverage Ratio = (Net Cash flow from operating activities + Tax paid) / Interest paid

⁹ Debt Service Coverage Ratio = Net cash flow from operating activities / (Net debt service + interest paid + investment + cash paid for assets + dividend paid)

Figures shown in the Management's Discussion and Analysis have been rounded off to whole numbers, resulting in inexact value of some calculations presented.



Company Information and Other Important Information >

Company Information

Company Name (Thai)	: บริษัท เคมีแมน จำกัด (มหาชน)
Company Name (English)	: Chememan Public Company Limited
Symbol for Trading	: CMAN
Business Characteristics	: Production and distribution of mineral lime and lime derivative chemical products
Company Registration Number	: 0107560000346
Bangkok Office	: 195/11-12 Lake Rajada Office Complex 2, 10 th -11 th Floor, Rajadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Phone : 0-2661-9734-8 Fax : 0-2260-9176 Website : www.chememan.com
Branch 1 Prabuddhabaht Plant	: 33/1 Moo 11, Nongkontee-Huaysanjao Road, Huaypawai Sub-district, Prabuddhabaht District, Saraburi 18120 Phone : 036-200-340-1 Fax : 036-200-342
Branch 2 Tubkwang Quarry	: 71 Moo 10, Tubkwang Sub-district, Kangkoi District, Saraburi 18260
Branch 3 Kangkoi Plant	: 111 Moo 10 Tubkwang Sub-district, Kangkoi District, Saraburi 18260 Fax : 036-670-710
Branch 4 Rayong Plant	: 7/371 Moo 6 map Yang Phon Sub-district, Pluak Daeng District, Rayong 21140 Phone : 038-913-683-4 Fax : 038-913-685

Registered Capital	: Baht 1,000,000,000 (Baht one billion), consisting of 1,000 million ordinary shares at Baht one per share
Issued and Paid-Up Capital	: Baht 960,000,000 (Baht nine hundred sixty million), consisting of 960 million ordinary shares at Baht one per share, as of 31 December 2022
Restriction on Transfer of Shares	: Ordinary shares of the Company can be transferred with no restriction unless it results in foreign ownership to exceed 49% of total paid-up ordinary shares.
Legal Entity in which the Company Holds Shares	: According to the section “The Shareholding Structure of the Group of the Companies”
Share Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Din daeng, Bangkok 10400 Phone : 0-2009-9999 Fax : 0-2009-9991
Auditor	: Mr. Pitinan Lilamethwat (Certified Public Accountant No. 11133) or Mr. Nathaphol Srichakhot (Certified Public Accountant No. 12038) or Mr. Gawinpob Pridi (Certified Public Accountant No. 9680) or any other certified public accountant who has been assigned responsibility PKF Audit (Thailand) Ltd. 98 Sathorn Square Office Tower, 28 th Floor, Unit 2812, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Phone : 0-2108-1591-6 Fax : 0-2108-1599
Legal Advisor	: Legal Advisory Council Co., Ltd. 444 Olympia Thai Tower, Ratchadaphisek Road, Samsen Nok, Huai Khwang, Bangkok 10310 Phone : 0-2512-5938

Other Important Information

Important licenses and contracts related to operations at Tubkwang Quarry are as follows :

Mining Concession	
Document	: Concession No. 27328/16133 (mineral category 5)
Validity	: 24 June 2015 - 23 June 2040
Relevant Parties	: Grantor Ministry of Industry Grantee Chememan Public Company Limited
Details	: The Company has been granted mining rights for industrial mining of limestone (for cement industry and lime production), by open-cast mining method at Tubkwang sub-district, Kangkoi district, Saraburi province on the concession certificate area of 230 rai, 1 ngan, 41 square wah, for 25 years period starting from 24 June 2015 onwards.
Conditions	: 1. Industrial mining of limestone for cement industry and lime production, using open-cast mining method. 2. Start mining within one year from the date on which the concession was granted. 3. Follow the mining safety rules and promote the well-being of workers according to the measures set in the mining project. 4. Restore post-mining landscape in accordance to the measures stated in the mining project. 5. Restore land after mining and mineral dressing activities, simultaneously with mining operations in accordance with measures stated in the mining project. 6. Adhere to the preventive and corrective measures for the environmental impacts and other conditions as set forth by the Natural and Environmental Policy and Planning and the mining project measures. 7. Special contributions to the government as per contract dated 19 September 2016. 8. Set a mining buffer zone of not less than 50 meters from public roads.
Preventive and Corrective Measures for Environmental Impact	: To comply with preventive and corrective measures on environmental impacts and measures on environmental quality assessment as approved by the Office of Natural Resources and Environmental Policy and Planning and the Department of Primary Industries and Mines. The mined area, subsequent to the closure of the mine, shall be rehabilitated to a natural state and to decrease the steepness of the landscape to ensure safety and reduce erosion. Fast-growing trees or groundcovers are to be planted on terrace landscape. The reclamation process must be completed at least one month before the expiration of the concession or cessation of operation.

License to Purchase, Possess and Utilize Explosives	
Document	: License to purchase, possess and utilize explosives
Validity	: 12 January 2023 - 11 January 2024
Relevant Parties	: Licensor Kangkoi District Office Licensee Chememan Public Company Limited)
Details	: Permits the Company to purchase, possess and utilize explosives for its mining operations
Storage Location	: The Company's warehouse at Moo 10, Tubkwang sub-district, Kangkoi district, Saraburi province
Conditions	: Licensee must comply with the Firearms, Ammunition, Explosives, Fireworks and Imitation Firearms Act, B.E. 2490.

Permit to Transport Explosives	
Document	: Permit to transport explosives
Validity	: 12 January 2023 - 11 January 2024
Relevant Parties	: Licensor Kangkoi District Office Licensee Chememan Public Company Limited
Details	: Permits the Company to transport explosives used in its mining process
Storage Location	: Company's warehouse at Moo 10, Tubkwang sub-district, Kangkoi district, Saraburi province
Conditions	: The Licensee must comply with the Firearms, Ammunition, Explosives, Fireworks and Imitation Firearms Act, B.E. 2490.

Arms Possession Permit

Document	: 1) Arms Possession Permit for Emulsion Explosives (Renewed Permit) 2) Arms Possession Permit for Electric Detonators (Renewed Permit) 3) Arms Possession Permit for Ammonium Nitrate 4) Arms Possession Permit for Emulsion Explosives 5) Arms Possession Permit for Detonating Cords 6) Arms Possession Permit for Electric Detonators
Validity	: 5 May 2022 - 26 April 2023 (Renewed Permit) 17 February 2022 - 16 February 2023
Relevant Parties	: Licensor Ministry of Defense Licensee Chememan Public Company Limited
Details	: Permits the Company to possess the aforesaid arms for use in mining process
Storage Location	: The Company's warehouse at Moo 10, Tubkwang sub-district, Kangkoi district, Saraburi province
Conditions	: The Licensee must comply with the Armament Control Act, B.E. 2530.

Forest Utilization Permit

Document	: Forest Utilization Permit
Validity	: 20 January 2017 - 19 January 2027
Relevant Parties	: Licensor Royal Forest Department, Ministry of Environment and Natural Resources Licensee Chememan Public Company Limited
Details	: Permits the Company to utilize a specific forest area for the mining operations as permitted under the mining concession
Conditions	: 1. While utilizing the permitted forest area, if there is a necessity for logging and transporting them out of the area, the Licensee shall notify the forest inspection unit in writing, informing the Forest Industry Organization to carry out the said tasks according to the regulations set by the Royal Forest Department. 2. Strictly follow the watershed land use measures according to the Cabinet resolutions on 21 February, 1995, the preventive and corrective measures for environmental impacts, the measures to monitor and investigate environmental impacts presented in the Environmental Impact Assessment Report as well as report the compliance results of the said measures to the Royal Forest Department and the Office of Natural Resources and Environmental Policy and Planning once a year.

Contract for Limestone Blasting, Sorting, Breaking and Loading

Document	: Contract for Limestone Blasting, Sorting, Breaking and Loading
Contract Parties	: Contractor Changpinit Engineering (2539) Co., Ltd. Employer Chememan Public Company Limited
Contract Period	: 1 January 2021 - 31 December 2024, where the counterparties may agree to extend the contract for successive 2-year period by a written agreement executed not less than 60 days prior to the expiration of the contract.
Details	: Hire the contractor to drill and blast limestone at Tubkwang quarry, sort sizes of limestone obtained from blasting, break and load the limestone.

Mineral Dressing License - Tubkwang Quarry

Document	: Mineral Dressing License
Validity	: 7 December 2019 - 6 December 2024
Relevant Parties	: Licensor Provincial Industry Office Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in mineral dressing of limestone from industrial mining for chemical industry and for production of lime for tanning and sugar industries.
Conditions	: The Licensee must comply with the Mineral Act, B.E. 2560.

Important Licenses and Contracts related to Operations at Kangkoi Plant, Prabuddhabaht Plant and Rayong Plant are as follows :

Mineral Dressing License - Kangkoi Plant

Document	: Mineral Dressing License
Validity	: 18 December 2018 - 17 December 2023
Relevant Parties	: Licensor Provincial Industry Office Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in mineral dressing of limestone from industrial mining for chemical industry and for production of lime for tanning and sugar industries.
Conditions	: <ol style="list-style-type: none"> 1. Before proceeding with mineral dressing, the Licensee must contact the local mineral industry official for inspection. Upon obtaining written permission from the local mineral industry official, the licensee can proceed with mineral dressing. 2. The Licensee must conduct the mineral dressing according to the schematic and mineral dressing process attached to this license. 3. If the Licensee would like to change the schematic and mineral dressing process, written approval from the local mineral industry official must be obtained before proceeding. 4. The Licensee shall not release the mineral washing water resulting from the mineral dressing outside the mineral dressing area unless the water contains sediment less than 6 grams per 1 liter of water. 5. In mineral dressing, the Licensee must comply with workers' protection and safety for outsiders procedures specified in the Ministerial Regulation. 6. The Licensee must report monthly mineral dressing, according to the printed form at the Department of Primary Industries and Mining, as required by the local mineral industry official within the 5th day of the following month.

Letter of Permission for Land Utilization and Business Operations in Industrial Estate - Rayong Plant

Document	: Letter of Permission for Land Utilization and Business Operations in Industrial Estate under the Industrial Estate Authority of Thailand B.E. 2522
Validity	: 21 December 2020 onwards
Relevant Parties	: Licensor Industrial Estate Authority of Thailand (IEAT) Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in hydrated lime production business
Conditions	: The Licensee must comply with the regulations of the Industrial Estate Authority of Thailand regarding rules, procedures and conditions for business operations in an Industrial Estate B.E. 2551 and its amendments.

License for Business Operations that use Natural Gas - Prabuddhabaht Plant

Document	: License for Business Operations that use Natural Gas
Validity	: 17 January 2023 - 31 December 2023
Relevant Parties	: Licensor Department of Energy Business Licensee Chememan Public Company Limited
Details	: Permits the Company to engage in restricted business operation of category 3 under section 17(3) of the Fuel Control Act B.E. 2542
Conditions	: <ol style="list-style-type: none"> 1. Gas pressure gauges must be tested and calibrated every 3 years. 2. Periodical testing and inspection of gas pipes every 5 years.

Natural Gas Supply Contract - Prabuddhabaht Plant

Document	: Natural Gas Supply Contract
Validity	: 12 March 2019 - 31 March 2029
Counter Parties	: Supplier PTT Public Company Limited Buyer Chememan Public Company Limited
Objectives	: The Supplier agrees to sell natural gas to the Buyer, and the Buyer agrees to buy natural gas from the Supplier, to be used in the lime production process at Prabuddhabaht plant. The Buyer is responsible for the arrangement of natural gas sub-pipeline to connect to the Supplier's pipeline.

Important Licenses and Contracts related to Operations at Ha Long Lime Plant, Vietnam are as follows :

Mining Exploitation License

Document	: Mining Exploitation License
Validity	: Until 11 May 2046
Relevant Parties	: Grantor Ministry of Natural Resources and Environment - Vietnam Grantee Ha Long QN Lime Company Limited (“Ha Long Lime”)
Details	: Ha Long Lime has been granted mining rights to exploit limestone as raw materials for industrial lime production at Son Duong Commune, Ha Long city, Quang Ninh province, on the exploitation area of 34.96 hectares.
Conditions	: <ol style="list-style-type: none"> 1. Industrial mining of limestone for lime production, using open-cast mining method. 2. Paying fees for granting mineral exploitation permits under related regulations. 3. Carry out limestone mining activities according to the area, depth and capacity specified in the license. 4. Responsible for environmental protection in mineral exploitation according to regulations. 5. Ensure technical safety and safety of mine works and properly reporting the mineral exploitation, processing and use of minerals to the competent State Agency. 6. Upon mine closure, rehabilitating and restoring the environment and land after exploitation. 7. Coordinate with the concerned management agencies in inspecting, supervising and post-inspecting the exploitation of minerals, environmental protection works, treating wastes in the course of mineral exploitation.

Certificate of Land Use Rights - Limestone Quarry

Document	: Certificate of Land Use Rights
Validity	: Until December 2047
Relevant Parties	: Grantor People’s Committee of Quang Ninh Province Grantee Ha Long QN Lime Company Limited
Details	: Receiving the land use rights recognized by the State Authority with annual payment of land fees for the purpose of limestone exploitation as raw materials for industrial lime production.

Certificate of Land Use Rights - Lime Production Plant

Document	: Certificate of Land Use Rights
Validity	: Until 9 July 2064
Relevant Parties	: Grantor People’s Committee of Quang Ninh Province Grantee Ha Long QN Lime Company Limited
Details	: Receiving the land use rights recognized by the State Authority with annual payment of land fees for the purpose of building a lime production plant.

Investment Registration Certificate - Limestone Quarry

Document	: Investment Registration Certificate of Limestone Quarry
Validity	: Until 11 May 2046
Relevant Parties	: Grantor Planning and Investment department of Quang Ninh province Grantee Ha Long QN Lime Company Limited
Details	: State office agrees to license the project to exploiting limestone to be raw material for industrial lime production

Investment Registration Certificate - Lime Production Plant

Document	: Investment Registration Certificate of Lime Production Plant
Validity	: Until 9 July 2064
Relevant Parties	: Grantor Planning and Investment department of Quang Ninh province Grantee Ha Long QN Lime Company Limited
Details	: State office agrees for the project of a calcification factory to supply products to domestic and foreign markets.

Shareholders' Agreement

Agreement Between Shareholders of Chememan Lao Company Limited ("Chememan Lao")

In 2022, Chememan Lao Company Limited, a non-active subsidiary of the Company located in Lao People's Democratic Republic, has already been dissolved. The cancellation of agreement between shareholders of Chememan Lao Company Limited was approved by the subsidiary's shareholders' meeting.

Agreement Between Shareholders of Siriman Chemicals India Private Limited ("Siriman Chemicals")

Agreement Date : 6 September 2016 (including Supplementary Agreement dated 1 March 2019)

Counter Parties : 1. Sanvira Industries Limited
Sanvira Industries Limited was established in 2008 in India to produce and distribute petroleum coke derived from oil refinery. It also has an electricity generating plant.

2. Sanvira Industrial Services Private Limited
Sanvira Industrial Services Private Limited was established in 2011 in India to produce and distribute basic chemical products.
Whereby, parties 1. and 2. are collectively referred to as Sanvira Group

3. Chememan Public Company Limited

4. Chememan India Private Limited
Whereby, parties 3. And 4. are collectively referred to as Chememan Group ("Chememan Group")

Details : The counterparties jointly established a new company named Siriman Chemicals India Private Limited, in India to produce and distribute quicklime and hydrated lime. Siriman Chemicals's production plant is located in Andhra Pradesh, in which its products shall be distributed only within the State of Andhra Pradesh, Telangana, Orissa and Chhattisgarh in India.

Registered Capital : 270,000,000 Indian Rupees,
divided into 27,000,000 shares with a par value of 10 Indian rupees per share.

Shareholding Proportion : Sanvira Group 50.00%
Chememan Group 50.00%

Directors : 4 directors, 2 appointed by each shareholder

Agreement Between Shareholders of Easternbulk Lime Products Private Limited ("Easternbulk Lime Products")

Agreement Date : 17 May 2017

Counter Parties : 1. Easternbulk Trading and Shipping Private Limited
("Easternbulk Trading and Shipping")
Easternbulk Trading and Shipping was established in 2007 to engage in mineral trading business and fully integrated water transportation business at eastern ports of India.

2. Chememan Public Company Limited

3. Easternbulk Lime Products

Details : Easternbulk Trading and Shipping sold its shares in Easternbulk Lime Products to Chememan Public Company Limited at the portion of 50% of Easternbulk Lime Products's paid-up capital. Easternbulk Lime Products shall construct a production plant in the industrial zone of Tuticorin, to produce and distribute quicklime and hydrated lime within the State of Tamilnadu, Karnataka and Kerala in India.

Registered Capital : 295,050,000 Indian Rupees,
divided into 2,950,500 shares with a par value of 100 Indian rupees per share.

Shareholding Proportion : Easternbulk Trading and Shipping 50.00%
Chememan Public Company Limited 50.00%

Directors : 4 directors, 2 appointed by each shareholder

Agreement Between Shareholders of CalMix Company Limited (“CalMix”)

Agreement Date	: 21 January 2019	
Counter Parties	: 1. Chememan Public Company Limited 2. Bergmann Kalk Holding GmbH (“Bergmann”) 3. Iseke Holding GmbH (“Iseke”)	
Details	: The counterparties jointly established CalMix Company Limited in Thailand to produce and distribute lime mortar for sale in domestic market and other ASEAN countries, by using the Company’s products such as limestone sands and hydrated lime as raw materials.	
Registered Capital	: 60,000,000 Baht	
Shareholding Proportion	:	Chememan Public Company Limited 51.00% Bergmann 24.50% Iseke 24.50%
Directors	: 2 directors, 1 appointed by the Company, and 1 appointed by Bergmann and Iseke	

Agreement Between Shareholders of Ha Long QN Lime Company Limited (“Ha Long Lime”)

Agreement Date	: 15 November 2019	
Counter Parties	: 1. Mr. Bui Tuan Ngoc 2. Ms. Vu Thi Phuong 3. Northman Company Limited 4. Ha Long QN Lime Company Limited	
Details	: Mr. Bui Tuan Ngoc and Ms. Vu Thi Phuong sold 80% portions of their ownership of the capital contribution in Ha Long Lime to Northman Company Limited. Ha Long Lime is a company established to produce and distribute quicklime and hydrated lime with a lime manufacturing plant and a limestone quarry located in Quang Ninh province, Vietnam.	
Registered Capital	: 991,073,000,000 Vietnam Dong	
Shareholding Proportion	:	Mr. Bui Tuan Ngoc 19.98% Ms. Vu Thi Phuong 0.02% Northman Company Limited 80.00%
Board of Shareholders	: 4 directors, consisting of 2 shareholders and 2 representatives from Northman	

Legal Dispute

As at 31 December 2022, the Company has been involved in claims made by shipping companies alleging that delays and losses were caused by the Company in relation to a shipment of the Company’s cargo of quicklime. As a result, the Company has received claims for compensatory damages totaling USD 3.23 million. The outcomes of these cases have not yet been finalized. One of the shipping companies conducted an arbitration process in January 2022 and the other shipping company conducted an arbitration process in April 2022. Currently, the cases are under the arbitration proceedings. However, the Company’s management has reviewed the situation and relevant documentation and believes that such disputes can be negotiated. The ultimate outcome of the aforementioned case is presently unable to be determined, and accordingly, no provision for possible liabilities has been made in the financial statements unless otherwise stated.







Corporate Governance

02.

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Corporate Governance Policy ▶



Corporate Governance Policy and Guidelines

The Company realizes the importance of overseeing that the Company’s business conduct is in line with its objectives, main goals, strategies, policies, plans and specified budget, with appropriate performance monitoring, evaluation and reporting. This is performed through ethical business practices, respecting the rights and being responsible to the shareholders and stakeholders, with consideration to social benefits, environmental impacts and being adaptable to changing circumstances. To ensure competitiveness and good long-term business performance of the Company, the Board of Directors has laid down the corporate governance policy as guidelines for its employees to follow.

Policy and Guidelines Relevant to the Board

The role and responsibilities of the Board are clearly stated in the Charter of the Board of Directors. Major responsibilities of the Board are to set objectives, main business goals, financial policies, risk management and operational strategies, including as well to allocate resources necessary for the Company’s personnel to achieve the laid down objectives. The Board shall monitor, evaluate and ensure the appropriate reporting of the Company’s performance.

The Board is comprised of knowledgeable, capable and experienced directors who are reputable and capable to perform duties for the best interest of the Company. The Board plays

an important role in setting the Company’s policies. The Board shall consist of executive directors, non-executive directors and independent directors to ensure a proper balance of power. Details of the Board’s composition, qualifications, term of office, roles and responsibilities are set out in the Charter of the Board of Directors.

The Board of Directors Structure

1. The Board shall consist of not less than 5 but not more than 12 directors.
2. There must be at least one-third of independent directors out of total directors, and at least 3 persons.
3. The Board of Directors shall elect one director to be the Chairman of the Board of Directors.
4. The Board of Directors shall appoint a Company Secretary to act as secretary to the Board of Directors, unless otherwise assigned by the Board of Directors.

Nomination and Appointment of Directors and Top Executives

Nomination of Directors

The Board of Directors is responsible for the nomination of qualified persons to be appointed by the Board of Directors and/or shareholders’ meeting. The nomination process shall be emphasized on looking for candidates with strong leadership, broad vision, good morals and ethics, clear and unblemished career records, and ability to express opinion independently. The qualifications of the required director shall be determined by competency, experience and expertise necessary and/or lack

of by the Board of Directors in compliance to the Company's policies and strategies. The candidate should also possess the qualifications of a director or independent director as prescribed under the Public Limited Company Act, B.E. 2535 (including amendments), the Securities and Exchange Act, B.E. 2535 (including amendments), related announcements of the Capital Market Supervisory Board and announcement of the Board of Governors of the Stock Exchange of Thailand.

Nomination of Independent Directors

The qualifications of the Company's independent directors are as follows :

1. Holding less than one percent of the total voting rights in the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, including shareholding of persons related to the independent director.
2. Not currently be or never been the Company's executive director, employee, staff and salaried consultant or controlling person of the Company, parent company, subsidiaries, joint ventures, affiliated company, major shareholder or controlling parties of the Company, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, child and spouse of child of other director, executive, major shareholder, controlling person or person to be nominated as director, executive or controlling person of the Company and its subsidiaries.
4. Not having or having had a business relationship with the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, in a manner that may interfere with the person's independent judgement, as well as not being or having been a significant

shareholder or a controlling person of any person having a business relationship with the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.

5. Not being or having been an auditor of the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company and not being a significant shareholder, controlling person or partner of the audit firm where the auditor of the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company works for, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
6. Not being or having been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiaries, joint ventures, major shareholders or controlling parties of the Company, and not being a significant shareholder, controlling person or partner of such professional service providers, unless the foregoing relationship ended not less than two years prior to the appointment as independent director.
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who relates to major shareholder.
8. Not operating any business of the same nature and in significant competition to the business of the Company or its subsidiaries, or not being a significant partner in a partnership or an executive director, employee, staff and salaried consultant or holds shares exceeding one percent of the total voting rights of any other companies operating

business of the same nature and in significant competition to the business of the Company and its subsidiaries.

9. Not having any other characteristics that may cause the inability to express independent opinions with regard to the business of the Company.

Nomination of Top Executives

The Company has a proper and transparent nomination process for recruiting top executives to ensure that all of them are professionals. The Board of Directors shall nominate persons with knowledge and competency suitable for duties and responsibilities required and shall propose to the Board of Directors' meeting for appointment as per the Company's signing authority.

Directors and Management Remuneration

Board of Directors Remuneration

The Board shall ensure that remuneration is appropriate and commensurate with the roles and responsibilities of the Board, and comparable to industry practice. The board is responsible for considering and proposing director remuneration to the shareholders' meeting for approval. The Company's director remuneration structure which was set by the 2022 Annual General Meeting of Shareholders consists of monthly remuneration and meeting attendance fee. There is no other remuneration to the Directors.

Management Remuneration

Remuneration for top executives shall reflect performance of the Company and the individual's abilities. Directors who are assigned by the Board of Directors determine the compensation of top executives and propose to the Board of Directors.

Independence of the Board of Directors from Management

The Chairman of the Board of Directors is not the same person as the Chief Executive Officer and role of the Chairman and the Chief Executive Officer are clearly defined and separated to enhance the balance of power between the board of directors and management. The Chairman of the Board of Directors is not an independent director because the Company's business requires an individual with specific experience and expertise in lime industry, in addition to being a leader with a broad vision, the ability to supervise the management of the Company for the best benefit to the Company and its' stakeholders. Thus, specify the Company's policy that the Chairman of the Board of Directors must be an independent director will be a crucial limitation in practice.

Director Development

The Board encourages seminars and trainings on corporate governance to concerned personnel such as directors, members of Audit Committee, executives and company secretary. Such seminars and trainings may be in-house or outsourced.

In case of changes in directors or new directors joining, the management shall provide information and documentation useful for the new directors to perform duties. Orientation to introduce business overview, scopes and characteristics shall also be provided to the new directors.

The Board shall also arrange for job rotation according to the aptitude of the person, with main considerations to the appropriateness of the type and time of work. The Chief Executive Officer shall determine the time schedule and evaluate the work performance for personnel development and

succession plan, in order to develop knowledge and skills of the management and employees and enable job rotation.

Performance Assessment of the Board of Directors

To enhance good corporate governance and board effectiveness, the Board of Directors assigns each director to assess their performance once a year. The assessment is conducted as a whole using self-assessment forms of the Listed Companies's Board of Directors of the Stock Exchange of Thailand.

Oversight of Company's Subsidiaries and Joint Ventures

The Board of Directors has set forth the policy on overseeing and monitoring the operations of its subsidiaries and joint ventures, to be used as a guideline in controlling the operations of its subsidiaries as if it is a business unit of the Company and/or to efficiently monitor the operations of its joint ventures. The policy is as follows :

1. The Company shall assign representative(s) as director(s) of its subsidiaries or joint ventures in proportion to the shares held and/or in accordance to the shareholders agreement of the subsidiaries or joint ventures. Such representatives shall be approved by the Company's Board of Directors' meeting, taking into consideration the qualifications and experience suitable to the business of such company.

In case the representative receives any compensation as a director of the subsidiaries or joint ventures, such compensation shall be handed over to the Company.

2. The person appointed as director of the subsidiaries or joint ventures has the duty to operate for the best interest of the subsidiaries or joint ventures, with following important roles and responsibilities :

- 2.1 Perform duties in accordance with the law, objectives, articles of association and resolutions of the Board of Directors' meeting and Shareholders' meeting, with honesty, integrity, in due circumspection, ethical and in compliance to the corporate governance policy of the Company.
- 2.2 Prior to voting or making decision on any significant matters in the Board of Directors' meeting of the subsidiaries or joint ventures, approval from the Company's Board of Directors' meeting is required.
- 2.3 Regularly arrange for reviews and improvement of policies and important business operation plans to ensure that they are up to date and appropriate to the business conditions.
- 2.4 Continually monitor the business performance and provide recommendations on operations to make certain that the operations of the subsidiaries or joint ventures are in line with the goals, and any obstacles are dealt with promptly and appropriately.
- 2.5 Monitor and give necessary advice on establishing efficient and effective internal control system, risk management system as well as operation procedures.
- 2.6 In case the subsidiaries need to enter into connection transactions or transactions with potential conflict of interest, the representative assigned as director of the subsidiary has the responsibility to oversee that the subsidiary strictly complies with the criteria on conducting connected transactions and acquisition and disposal of assets, as prescribed by the related regulatory agencies.
- 2.7 Oversee to ensure adequate and appropriate disclosure of information.

Policies and Guidelines Relating to Shareholders and Stakeholders

Right of Shareholders

1. Annual General Meeting of Shareholders (AGM)

Arrange the Annual General Meeting of Shareholders (AGM) every year within 4 months after the end of each fiscal year

2. The Issuance of Invitation Notice to the Shareholders

- Send invitation notice, meeting agenda with the opinion of the Board of Directors along with proxy forms, comprised of form A, B, and C (for foreign shareholders that have appointed custodians in Thailand), in accordance with the Ministry of Commerce together with other supporting information. The Company shall publish these items on the Company's website at least 21 days in advance of the AGM.
- Prepare AGM notice which clearly specifies meeting venue, date, time and agenda.
- Prepare matters to be proposed to the meeting together with appropriate detail. The opinion of the Board of Directors, 56-1 One Report/annual report, all proxy forms with instructions of document and other relevant documents shall also be provided and distributed to shareholders prior to the meeting. This is to ensure that the information related to voting decision received by the shareholders is sufficient, accurate, complete and transparent. The information must also be announced in the Thai newspaper for 3 consecutive days and at least 3 days prior to the AGM.

3. Equitable Treatment of Shareholders

3.1 Pre-proceeding of the Meeting

- Give an opportunity for shareholders to propose agenda of the meeting and nominate qualified persons for

appointment as directors of the Company, prior to the AGM, for which criteria and process were announced to the Stock Exchange of Thailand and on the Company's website.

- Publish invitation notice, meeting agenda with the opinion of the Board of Directors along with proxy forms with clear instructions of document together with other supporting information on the Company's website at least 21 days in advance of the AGM, and announce to the Stock Exchange of Thailand.
- Send invitation notice, meeting agenda with the opinion of the Board of Directors along with proxy forms with clear instructions of document together with other supporting information either in the form of hard copy or digital file.

3.2 Proceeding of the Meeting

- The place of the meeting is easy access and adequate to support the number of shareholders. The meeting is set in consideration of an appropriate date and time. Staffs are assigned to welcome and check registration documents and registration is made available 2 hours prior to the meeting. In case of Electronic Annual General Meeting ((E-AGM), pre-registration is available and personnel is provided to assist shareholders for the registration, the meeting, the voting, and the proxy submission.
- Information technology is used for the registration, vote counting, and vote result for fast, accurate, and reliable information. In case of E-AGM, the Company appoints the qualified vendor whose the e-meeting control system meets the e-meeting security standards of the laws.
- Before the meeting starts, the Chairman of the Board of Directors or the Company Secretary shall clarify the rules related to all meetings, including the opening of the meeting

and voting including how to count the votes of the shareholders to vote on each agenda in accordance with the Company's Articles of Association.

- The meeting must be consistent with the agendas which are sent out in the invitation notice. Agenda other than those specified in the invitation meeting must not be raised without prior notice to the shareholders.
- The Company shall disclose the conflict of interest of directors in the invitation notice. If a director has the conflict of interest or the personal interest in the matter under agenda of the meeting, the Chairman of the meeting shall inform in prior to the discussion and the relevant director shall not join the discussion and voting of such matter.
- Volunteers from the meeting of shareholders (independent parties) act on behalf of the meeting to count or check the votes at the shareholders' meeting as well as to ask questions relating to voting procedure.
- Directors, relevant executives, and auditors are required to attend the shareholders' meeting to provide answers to any questions related to their scope of work. Legal advisors are invited to attend the shareholders' meeting to witness the counting and checking the votes
- Give an opportunity for the shareholders have equal rights to recommend or ask questions and allocate appropriate time. The shareholders vote for each director individually and use ballots in every agenda. The Company will record significant questions and suggestions of the shareholders in the minutes completely.
- Follow quality assessment for AGM of the Thai Investors Association with determination to hold an AGM of the required standard and with good corporate governance principles applied.

3.3 After the shareholders' meeting

- Reveal the resolutions of the shareholders' meeting and voting results through the information system of the Stock Exchange of Thailand within the next business day after that the date of the meeting.
- Prepare the minutes of the shareholders' meeting for submission to the Stock Exchange of Thailand and publish on the Company's website within 14 days from the date of the meeting.
- The suggestions and feedback received from shareholders are taken into consideration for further improvement and development of the shareholders' meeting of the Company.

In 2022, the Company received 100 score for the evaluation of the quality of annual general shareholders' meeting organization for the Year 2022 (AGM Checklist) by Thai Investors Association.



Avoidance of Conflict of Interest

The Board of Directors has established a policy for preventing conflicts of interests on the principle that any decision-making on business transactions must be made only for the best interest of the Company and shareholders, and that any act which may cause a conflict of Interest should be avoided. It is required that a person involved in or having a conflict of Interest in any agenda item to be discussed in a meeting shall report the relationship or conflict of Interest in such agenda item to the Company, as well as abstain from voting and shall have no authority to grant approval for such transaction.

For the board meeting, If a director has a conflict of interest in any agenda item, that director must immediately disclose details of such interests to the Board of Directors and must not participate in voting for that agenda.

In 2022, the company entered into related-party transactions which are in the ordinary course of business. The transactions have been reviewed by the Audit Committee by taking the Company's best interests into account and have complied with the regulations prescribed by the Notification of Capital Market Supervisory Board TorChor 21/2551 Re : Rules on Connected Transactions as well as a director who has a conflict of interest has refrained from commenting on that related transactions.

Internal Information Control

The Company places a great deal of emphasis on protection of insider trading. Directors, executives and employees of the Company are prohibited from disclosing confidential information and/or internal information which has not yet been disclosed to the public or making use of such information for

the benefits of their own or for other's, regardless of directly or indirectly or whether they receive return for such action. Trading in the securities of the Company with the use of insider information is also prohibited. The measures to prevent misuse of internal information has been established by the Board of Directors as follows :

1. Provide knowledge to the directors and executives of the Company on the duty to report the holding of the Company's securities by themselves, spouses and minor children to the Office of the Securities and Exchange Commission in pursuant to section 59 and the concerned penalty under section 275 of the Securities and Exchange Act, B.E. 2535 (including amendments), and to report on the acquisition or disposal of such the securities by themselves, spouses and minor children to the Office of Securities and Exchange Commission in pursuant to section 246 and concerned penalty under section 298 of the Securities and Exchange Act, B.E. 2535 (including amendments).
2. Directors and executives, including their spouses and minor children, are required to prepare and disclose the report on securities holding in the Company and report on changes in securities holding in the Company to the Office of the Securities and Exchange Commission, in pursuant to section 59 and concerned penalty under section 275 of the Securities and Exchange Act, B.E. 2535 (including amendments), and submit a copy of the report to the Company on the same day of report submission to the Office of the Securities Exchange and Commission.
3. Directors, executives, staffs and employees of the Company, who have access to the material internal information are refrained from trading in the securities starting from the last day of the quarter until 24 hours after public disclosure of quarterly financial statement and annual financial statement of the Company.

The directors, executives and employees of the Company, who are aware of undisclosed information that may cause an impact on securities price changes, must refrain from trading in the securities from the date of receiving such information until 24 hours after disclosure of the said information to the public. The Company's personnel concerning the said information must not disclose such information to other persons until the information has been disclosed to the Stock Exchange of Thailand. The violation of the aforesaid measures shall be regarded as a disciplinary fault under the Company's work rules and shall be punished as appropriate starting with a verbal warning, written warning, probation up to termination of the employment.

The Company communicates to directors, executives and employees through email channels annually to ensure that everyone has a knowledge about the Company's policy on prevention of the use of insider information.

Roles Toward the Stakeholders

The Board of Directors has established guidelines for treating each group of stakeholders in Business Code of Conduct. Executives and employees are obliged to comply with such policies as operation guidelines.

Policies Relating to Shareholders and Stakeholders

1. Business Code of Conduct
2. Risk Management Policy
3. Insider Trading Policy
4. Policy on Avoidance of Conflict of Interest
5. Policy on Connected Transactions
6. Anti-Corruption Policy

7. Policy on Investment and Governing the Operations of Subsidiaries and Joint Ventures
8. Dividend Payment Policy of The Company and Subsidiaries
9. Privacy Policy

In case any stakeholder has any observations on the Company's business operation, the person can ask for details, submit a complaint or sources of illegal acts, mistakes in financial reports, deficiencies of internal control system or unethical conducts of the Company, through the Company's independent directors or the members of Audit Committee. The information on the complaint and sources shall be kept confidential. The independent director or the member of Audit Committee shall order an examination on the information and look for remedies (if any) and report such to the Board of Directors.

Anti-Corruption Policy

The Anti-Corruption Policy has been determined by the Board of director as guidance for all employees of the Company. The main principles are to not be corrupt or be part of any form of corruption, whether directly or indirectly and to Be cautious when dealing with receiving and giving gifts, entertainment or any other benefits. To ensure that such acts are for business purposes, with appropriate value and shall not influence any business decisions.

Business Code of Conduct

The Company disclosed Corporate Governance Policy and Business code of conduct on the website

 www.chememan.com



Changes and Developments in the Review of Corporate Governance Policies, Practices, and System

Changes and developments in 2022

The Company's corporate governance policy had been established following the guidelines of Corporate Governance Code for Listed Companies 2017 (CG Code), issued by the Office of the Securities and Exchange Commission. The Board of Directors reviews the policy every year to ensure compliance to CG Code and assigns the management to be responsible for reporting performance in all aspects to the Board of Directors. For any criteria that have not yet been established as a policy or have not been implemented, the management must propose the plan to the Board of Directors for consideration.

Implementation of the Corporate Governance Code

The Company realizes the importance of the CG Code principles adoption into practice. The CG Code is adopted according to the “Apply or Explain” principle as deemed suitable in the Company’s business contexts where a board of directors may select different practices it considers appropriate, but those practices must achieve the same objectives as the recommendations in the CG Code. In 2022, the Board assessed its application of the principles stipulated in the CG Code. The following aspects have not been applied :

Unapplied Practice	Explanation
To define the policy regarding the limitation of director holding in listed companies of each director of no more than 3 companies and 5 companies respectively	At present, none of the Company’s director holds board seats in listed companies of no more than 3 and 5 companies respectively. The Company is under consideration for adoption of proper practice as deemed suitable in its business contexts.
To define the policy regarding the term of office of independent directors of no more than 9 years	The Company is under consideration for adoption of proper practice as deemed suitable in its business contexts.
The Company should have its own Compliance Unit	The Company outsources the internal auditor. The Board of Director assign the Secretary of the Audit Committee to coordinate between outsource internal auditor and the management to ensure the operation to be in compliance with regulations and/or recommendations from internal auditor, and propose the result of the internal audit’s recommendations and the management implementation to the Audit Committee and the Board of Directors respectively.
To define the policy regarding the quorum at the point of approval that there should be directors presented during that time of no less than two - thirds (2/3) of total directors.	The Company is under consideration for implementation
The assessment of the Board of Directors on individual basis.	The Company is under consideration for adoption of the assessment of the Board of Directors on individual basis.

Unapplied Practice	Explanation
To define the policy regarding the Chairman of the Board of Director should be independent director	The Company’s business requires an individual with specific experience and expertise in lime industry, in addition to being a leader with a broad vision, the ability to supervise the management of the Company for the best benefit to the Company and its’ stakeholders. Thus, specify the Company’s policy that the Chairman of the Board of Directors must be an independent director will be a crucial limitation in practice. However, the Board of Directors enhances the balance of power between the board of directors and management through the policy that the Chairman and the Chief Executive Officer is not the same person and role of the Chairman and the Chief Executive Officer is clearly seperated in order to ensure the balance of power at the Company’s top level.
The establishment of the risk management committee, the remuneration committee, the nomination committee and the corporate governance committee	Risk Management : The three (3) strategic working committees consisting of the management and advisors have been set up to provide recommendations and review the mitigation plan in order to manage key risks that affect the achievement of the Company’s objective, vision, strategy, and operational performance. For remuneration and nomination of top management, the Board of Directors assigned three directors whose are Chairman of the Board, non-executive director, and executive director to perform the nomination process and determine the compensation of top management, then submitting to the Board of Directors for approval as per the authority delegation. As for corporate governance, the Board of Directors and the Audit Committee consistently steer, review, and monitor the operation in accordance with corporate governance policy through the management report.
The Company has not yet participated in Collective Action Against Corruption (CAC) program	The Company is under consideration

Other Actions Regarding the Corporate Governance Principle

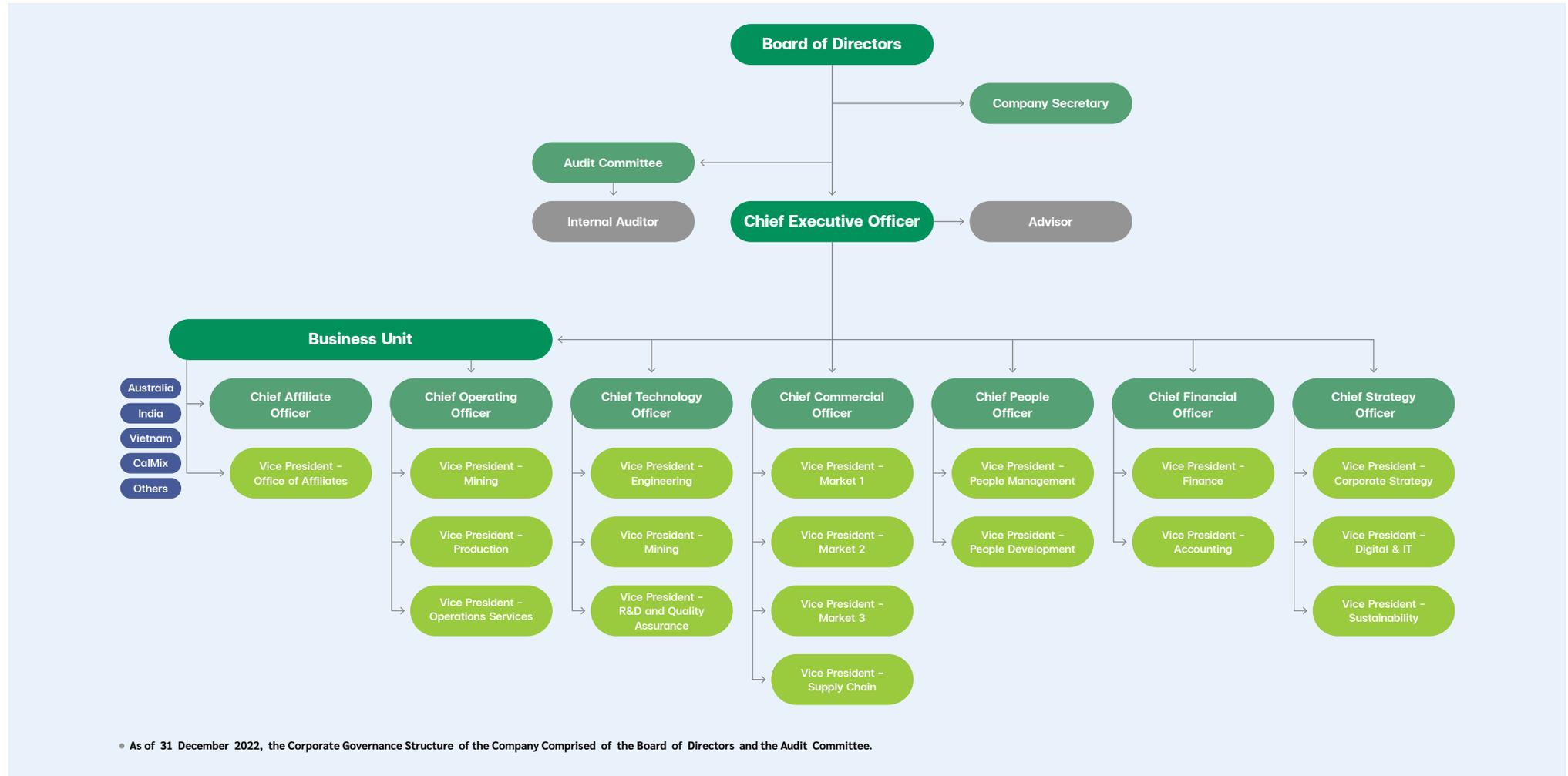
The Company considered the recommendation and opinion from the evaluation of the quality in organizing annual general of shareholders’ meeting for continuously improvement. The Company received 100 score for the evaluation of the quality of annual general shareholders’ meeting organization (AGM Checklist) for the year 2022 by Thai Investors Association, and was rated “Good” in the Corporate Governance Rating 2022 by the Thai Institute of Directors.



Corporate Governance Structure ➤

Organization Structure

As of 31 December 2022



As of 31 December 2022, the Corporate Governance Structure of the Company comprised of the Board of Directors and the Audit Committee. The Board of Directors did not appoint Nomination Committee and Remuneration Committees. However, the Board of Directors set up guidelines to determine the directors’ remuneration in comparison to other companies with similar size (revenue and net profit) and industries. This is to reward work performed and motivate qualified persons with knowledge, abilities, skills and appropriate experience, beneficial to the success of the Company.

Information on the Board of Directors

The Board of Directors Structure

The Board is comprised of knowledgeable, capable and experienced directors who are reputable and capable to perform duties for the best interest of the Company. The Board plays an important role in setting the Company’s policies. The Board shall consist of executive directors, non-executive directors and independent directors to ensure a proper balance of power as follows;

1. There must be at least one-third of independent directors out of total directors, and at least 3 persons.
2. The Audit Committee must consist of at least three independent directors and hold all qualifications in accordance with the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. There must be at least one audit committee member, who is sufficiently knowledgeable and experienced to review the reliability of financial statements.
3. The Chairman of the Board of Directors shall not be the same person as the Chief Executive Officer.

Board Information

As of 31 December 2022, there were 9 directors as follows :

Director	Position
1. M.L. Chandchutha Chandratat	Chairman of the Board
2. Mr. Adisak Lowjun	Director
3. Mr. Charoen Churekanont	Director
4. Mr. Suthep Uacherdkul	Director
5. Mrs. Rajjaneepen Ungpakorn	Director
6. Mr. Chai Srivikorn	Director
7. Mr. Pornprom Karnchanachari	Independent Director/ Chairman of the Audit Committee
8. Ms. Amata Issarangura Na Ayudhaya	Independent Director/ Member of the Audit Committee
9. Mr. Yarnsak Manomaiphiboon	Independent Director/ Member of the Audit Committee

Authorized Directors to Sign and Bind the Company

Directors authorized to sign and bind the Company comprises of Mr. Adisak Lowjun or Mr. Charoen Churekanont or Mrs. Rajjaneepen Ungpakorn jointly sign with Mr. Chai Srivikorn or M.L. Chandchutha Chandratat or Mr. Suthep Uacherdkul, together with Company’s seal affixed.

However, the Chairman of the Board is not an independent director due to holding the position of the Company’s advisor and being a member of working committees which provide suggestion to the management. The Company ensures the balance of power between the Board of Directors and the management whereby the Board of Directors consists of not less than one-third of an independent director and not less than one-third of non-executive director out of total directors, and roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are clearly separated.

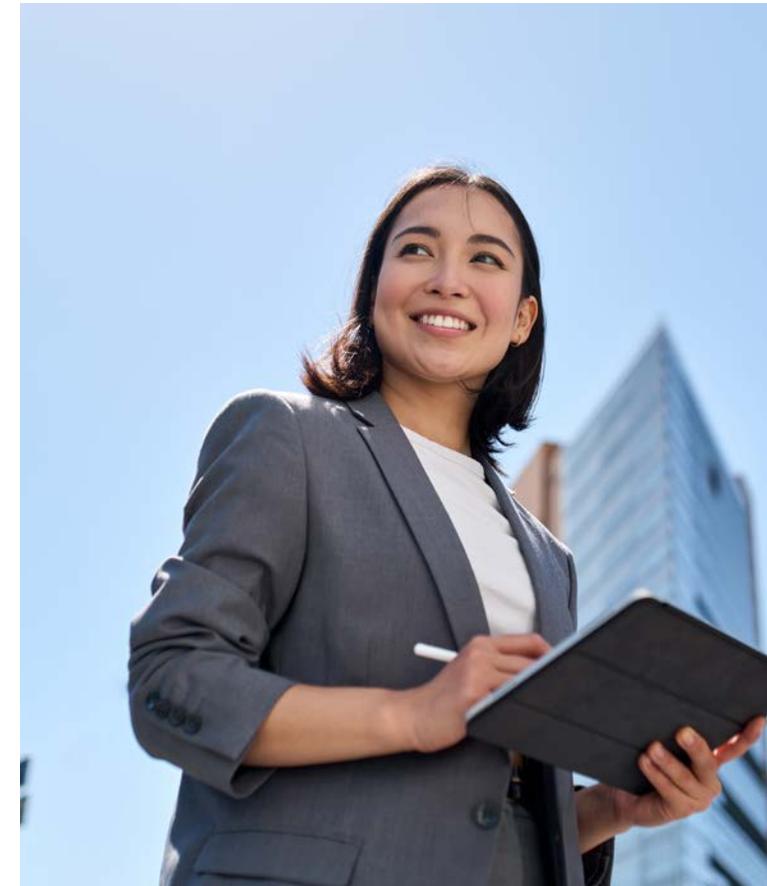


Roles and responsibilities of the Board of Directors

Authorities and Responsibilities of the Board of Directors

1. Perform duties in compliance with the law, objectives and Articles of Association of the Company including the resolutions of the shareholders' meetings, with honesty, integrity and in due circumspection and caution for the best interest of the Company.
2. Appoint or change the name of authorized directors who can sign and bind the Company.
3. Appoint and assign roles and responsibilities to the sub-committee as appropriate and necessary to support the duties of the Board of Directors.
4. Set the vision, policies, strategies and business direction of the Company and oversee that the management perform duties accordingly with efficiency and effectiveness.
5. Set business plans, annual budget, monitor and supervise the management, review the quarterly performance compared to the plan and budget and consider future trend for the remaining period of the year.
6. Evaluate the performance of the Chief Executive Officer and provide opinions on the overall performance of the management.
7. Set guideline and policy for determining the salary, salary increase, bonus, compensations and rewards for the Company's employees.
8. Ensure that the management arranges for proper accounting system, financial reports, reliable audit system as well as appropriate and adequate risk management and internal control systems.
9. Consider and approve the acquisition or disposal of assets, investment in new businesses and any business matters in accordance with applicable laws, announcements, and related rules and regulations.
10. Provide opinions on connected transactions or consider the transactions (in the case that the size of transaction does not require approval from the shareholders' meeting) of the Company and its subsidiaries to ensure compliance with the laws, announcements and related rules and regulations.
11. Oversee and ensure avoidance of conflict of interest between the stakeholders and the Company.
12. Ethically govern the Company and conduct review on the corporate governance policy of the Company.
13. Prepare the Report on the Board of Directors' Responsibilities for the Financial Statements to be presented together with the Auditor's Report in the annual report. Such report shall cover important issues in accordance with the Stock Exchange of Thailand Code of Best Practices for Directors of Listed Companies.
14. Assign one or more directors or any other person(s) to perform any duties on behalf of the Board. Such assignment of authority shall not enable the assigned director or person assigned by the director to approve the transactions where he/she has interest in or has any forms of conflict of interest with the Company or subsidiaries.
15. Consider and approve the interim dividend payment to shareholders and report such dividend payment to the shareholders in the next shareholders' meeting.
16. Appoint a company secretary to support the Board and the Company in performing the duties in accordance with applicable laws, rules and regulations.

The above authorities and duties are specified in the Board of Directors' Charter, where the Board of Directors have the authorities and duties to make decisions and be responsible for the company's operations except for the matters which are for the approval of the shareholder's meeting such as Matters that require approval by shareholder meetings and Conflict-of-interest transactions and material transactions that require approval by shareholder meetings according to the SET's regulations.





Authorities and Responsibilities of Chief Executive Officer

The principal duty of the Chief Executive Officer is to oversee that the management operates the Company to achieve the objectives of the Company through policies, strategies and plans approved by the Board of Directors. For the Chief Executive Officer to perform such duty, the Board of Directors has set the roles and responsibilities of the Chief Executive Officer as follows :

1. Oversee, manage, operate and perform normal business transactions for the benefit of the Company, in accordance with the Company's policies, vision and mission, objectives, annual plan, related business strategies and annual budget set by the Board of Directors.
2. Oversee finance, marketing, human resources management and other functions in overall to ensure compliance with the policies and operation plans set by the Board of Directors.
3. Has the authority to hire, appoint, transfer, dismiss, fire and set the rate of wages and compensation for all employee levels up to the level of Deputy Chief Executive Officer, within the framework and policy laid down by the Board of Directors. whereby a substitute may be delegated to implement such authority
4. Set rewards, salary increase, compensation and bonus for all employee levels up to the level of Deputy Chief Executive Officer, within the framework and policy set by the Board of Directors.
5. Enter into any agreements and/or transactions in relation to normal business of the Company, in accordance with the limit of approval specified in the signing authority approved by the Board of Directors.

6. Has the authority to assign other person, as Chief Executive Officer sees appropriate, to manage and act on his behalf any necessary and appropriate matters, at the discretion of the Chief Executive Officer, under the laws and rules and regulations of the Company.
7. Issue internal orders, instructions, announcements, manuals and memos to ensure the operations of the Company are in line with the policies and for the benefits of the Company, as well as to keep discipline in the organization.
8. Perform other duties as assigned by the Board of Directors with authorized power necessary to perform such duties.

The Chief Executive Officer is not allowed to approve any transactions that he or any person delegated by him may have stake in or have potential conflict of interest with the Company and/or its subsidiaries. Such transactions shall be proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) for approval, except for the approval of normal business transactions with general terms and conditions, which has been approved in principle by the Board of Directors.

Regulations on Approval Authorization and Entering into Business Transactions

The Board of Directors are authorized to approve and revise annual budget which comprises of investment budget, expenditure budget and yearly sales plan, while the Chief Executive Officer is authorized to approve the investment, expenses, transfer of budget transactions within the budget approved by the Board of Directors.

Information on Sub Committee

Audit Committee

The Audit Committee consists of Independent Directors who have knowledge, experience in accounting or finance or legal and ongoing knowledge of the factors related to changes in financial reports, in which they are able to review the reliability of the financial statements, internal control system, internal audit system, risk management system and operations in accordance with policies and regulations, as well as laws and regulations and regulatory requirements. The Audit Committee performs duties and expresses opinions independently.

Authorities and Responsibilities of the Audit Committee

1. Review the Company's financial reporting process to ensure accurate and adequate disclosure.
2. Ensure that the Company has suitable and effective internal control system and internal audit process. Determine the independence of the internal auditor, including approve the appointment, transfer and dismissal of head of internal audit or any other unit that is responsible for the internal audit as proposed by the management.
3. Review to ensure that the Company complies with the securities and exchange law, rules and regulations of the Stock Exchange of Thailand or any laws related to the Company's business.
4. Consider and nominate the independent person(s) to be the Company's external auditor, including to consider and recommend the audit fee.
5. Review connected transactions or any transactions with potential conflict of interest to ensure conformity with the laws and regulations of the Stock Exchange of Thailand, so as to be certain that such transactions are reasonable and serve the best interest of the Company
6. Have authority to call meetings with the management or the Company's officers to obtain their explanations and opinions as necessary
7. May consider hiring external consultants or professional specialist to provide advice, opinion or comment as deem appropriate by the Audit Committee.

8. Prepare Audit Committee Report to be disclosed in the annual report/56-1 One Report. Such report shall be signed by the Chairman of the Audit Committee and shall consist of at least the following information :

- (1) Opinion on accuracy, completeness and credibility of the Company's financial reports.
- (2) Opinion on the adequacy of the Company's internal control system.
- (3) Opinion on the compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to the business of the Company.
- (4) Opinion on the suitability of the external auditor.
- (5) Opinion on the transactions with potential conflict of interest.
- (6) Number of Audit Committee Meetings and the attendance of each committee member.
- (7) Opinion or observation of the Audit Committee obtained from performing their duties in accordance with the Audit Committee Charter.
- (8) Other matters which the Audit Committee deem appropriate to be disclosed to the shareholders and investors under the roles and responsibilities assigned by the Board of Directors.
- (9) Perform other acts as assigned by the Board of Directors

Individual Audit Committee Information

As of 31 December 2022, there were 3 members in the Audit Committee as follows :

Director	Position
1. Mr. Pornprom Karnchanachari	Chairman of the Audit Committee
2. Mr. Yarnsak Manomaiphobon	Member of the Audit Committee
3. Ms. Amata Issarangura Na Ayudhaya	Member of the Audit Committee

Information on Management Team

Name and Position of Management



1 - 5 are the executives as per the definition of executive in the Notification of the Securities and Exchange Commission Re : Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities.

As of 31 December 2022, there were 5 executives in the management team as follows :

Management	Position
Mr. Adisak Lowjun	Chief Executive Officer Acting Chief Financial Officer Acting Chief Operating Officer
Mr. Komgrit Panom-Upatam ¹	Chief Operating Officer
Mr. Apichat Laochinda ²	Chief Technology Officer
Mr. Boonlert Thungkatikajonkit ³	Chief Commercial Officer
Mr. Lerssak Boonsongsub	Chief Strategy Officer

Remarks :

¹ Assigned to work at the subsidiary in Vietnam since 1 January 2021

² Retired on 1 January 2023

³ Retired on 1 January 2023

Mr. Kamol Sowattanasakul, Chief Affiliate Officer, retired on 1 July 2022.

Management Remuneration Policy

The Company determines management remuneration based on performance of the company and individual abilities. Directors who are assigned by the Board of Directors are responsible for considering and proposing to the Board of Directors for approval in accordance to the signing authority.

Management Remuneration

Cash remuneration

The remuneration for the 6 management executives (including one executive who retired during the year 2022) for the year 2022 comprising of salary, bonus and position allowance, totaling Baht 42.09 million.

Other remuneration

Other management remuneration for the year 2022 comprising of contribution to social security and provident fund totaling Baht 0.61 million.

Information on Employees

As of 31 December 2022, there were a total of 545 employees (excluding management) as follows :

Functional Group	Number of Employees
Management	5
Operations	341
Commercial	74
Accounting and Finance	35
Technology	54
Human Resource	18
Corporate Strategy and Sustainability	18
Total	545

Employee remuneration for the year 2022, comprising of salary, bonus, living allowance, per diem, position allowance, shift payment, overtime wage, contribution to social security and provident fund, totaling Baht 300.98 million.

The Company established a provident fund in year 2010 where both employees and the Company contributed to the fund monthly at the rate of 5 percent of basic salary. In addition, the Company supports employees to save money for retirement by giving an opportunity for employees to contribute at the rate of not over 15 percent of salary since 2019 and the Company allows employees to choose the investment policy by themselves (“Employee’s Choices”) between 4 schemes of investment policy to suite their own preference on risk profile and return on investment.

As of 31 December 2022, there were 390 employees or 72.22 of total employees joining the provident fund.

Audit Fee for the Year 2022

For the year ended 31 December 2022, the Company has paid audit fee to PKF Audit (Thailand) Limited, the audit firm of the Company's auditor, person or business related to the auditors and the aforementioned audit firm, at the total amount of Baht 2,130,000 excluding audit fee paid by affiliated companies and out of pocket expenses, comprising of;

1. Audit fee of an annual financial statement and quarterly financial statement of Baht 1,930,000
2. Non-audit fee of Baht 120,000 for reviewing the report for submission to the Board of Investment
3. Tax advisory fees of Baht 80,300

No person or business related to the auditors and the aforementioned audit firm is considered a related person or business of the Company.

Other Important Information

Chief Accountant

The Chief Accountant of the Company is Ms. Panisara Sakulsumpaopol who was appointed on 9 July 2020.

Company Secretary

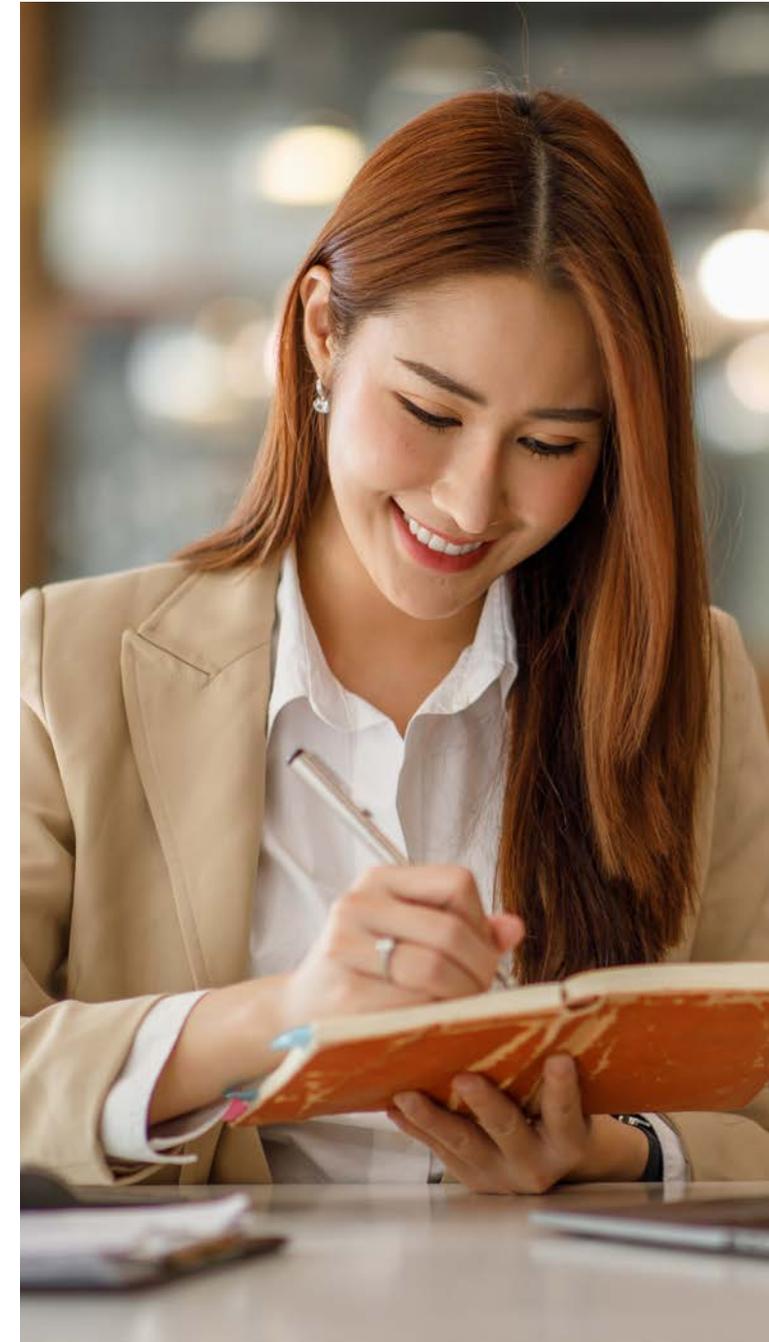
The Board of Directors' Meeting No. 10/2019 held on 13 December 2019 resolved to appoint Mrs. Sinaynidh Karitkiat as the Company Secretary effective on 1 January 2020.

Internal Auditor

The Company engaged ANS Business Consultants Co., Ltd. as an Internal Auditor on 17 December 2015.

Investor Relation

The Company has assigned Ms. Nathaporn Ruengchokchatchaval, Assistant Vice President - Strategic Planning, to be a responsible for Investor Relations. Contact details is Tel. 662 661 9734 ext. 110 or E-mail address : ir@chememan.com





Corporate Governance Performance Report ➤



Board of Directors Performance Assessment

Nomination, Development and Performance Assessment of the Board of Directors

Nomination and Development

The Company discloses the criteria for nomination of directors and independent directors as well as guideline to support the consistent development of directors under the “Corporate Governance Police” section in this report. The Good Corporate Governance Policy of the Company is also published on the Company’s website at www.chememan.com.

In regard of the director’s appointment, the Board of Directors shall consider and propose the candidate for director to the shareholders’ meeting for further process as stated procedure. Moreover, the Board of Directors has offered the opportunity for the shareholders to nominate any qualified candidates to be elected as the directors of the Company. The voting will be on individual basis in which shareholders shall cast their votes for each director’s candidate.

Board of Directors Performance Assessment

In the year 2022, the Board of Directors conducted self-assessment for the entire board by using Board Evaluation Form of the Thai Institute of Directors. The result indicated the average score of 92.30%, increasing from 90.57% in 2021. Following such result, the Board of Directors assigned the Company Secretary and the management to establish the practices for improvement and development for the topics that fall below the benchmark and submit to the Board of Directors for further consideration.

Meeting Attendance and Individual Director's Remuneration

Board of Directors' Meetings

Attendance of the Company's directors in 2022 summarized as follows.

Name	Position	Meetings		
		Board of Directors Meetings (No. of attendance/ Total Meetings)	Annual General of Shareholders Meeting (No. of attendance/ Total Meetings)	Extra-ordinary of Shareholders Meeting No. 1/2022 (No. of attendance/ Total Meetings)
M.L. Chandchutha Chandratat	Chairman of the Board	10/10	1/1	1/1
Mr. Adisak Lowjun	Director	10/10	1/1	1/1
Mr. Charoen Churekanont	Director	10/10	1/1	1/1
Mr. Suthep Uacherdkul	Director	8/10	1/1	1/1
Mrs. Rajjaneepen Ungpakorn	Director	10/10	1/1	1/1
Mr. Chai Srivikorn	Director	10/10	1/1	1/1
Mr. Pornprom Karnchanachari	Independent Director/ Chairman of Audit Committee	10/10	1/1	1/1
Miss Amata Issarangura Na Ayudhaya	Independent Director/ Audit Committee Member	10/10	1/1	1/1
Mr. Yarnsak Manomaiphiboon	Independent Director/ Audit Committee Member	10/10	1/1	1/1

Individual Director's Remuneration

Remuneration Policy for Executive Directors and the Management

The Company adopts the directors' remuneration policy with consideration of their roles and responsibilities together with in comparable with practices of other peers companies. The Board of Directors is responsible to propose the directors' remuneration to the shareholders' meeting for approval. The directors' remuneration consists of monthly fee and meeting attendance fee.

Monetary Remuneration

2022 Annual General Shareholders' Meeting held on April 28, 2022, resolved to approve the directors' remuneration for the year 2022 included monthly fee and meeting attendance fee, as per followings details.

Position	Monthly Fee (Baht)	Meeting Attendance Fee (Baht per meeting)
Chairman	19,800	19,800
Director	16,500	16,500
Chairman of Audit Committee	-	15,850
Audit Committee Member	-	13,200

Total Board of Directors and the Audit Committee remuneration both monthly fee and meeting attendance fee for the year 2022 were Baht 3,223,350 as below details.

Directors	Directors' Remuneration (Baht)	Audit Committee Members' Remuneration (Baht)
1. M.L. Chandchutha Chandratat	403,200	-
2. Mr. Adisak Lowjun	336,000	-
3. Mr. Charoen Churekanont	336,000	-
4. Mr. Suthep Uacherdkul	303,000	-
5. Mrs. Rajjaneepen Ungpakorn	336,000	-
6. Mr. Chai Srivikorn	336,000	-
7. Mr. Pornprom Karnchanachari	336,000	61,950
8. Miss Amata Issarangura Na Ayudhaya	336,000	51,600
9. Mr. Yarnsak Manomaiphiboon	336,000	51,600
Total monthly fee and meeting attendance fee	3,058,200	165,150

Other benefit for directors

- None -

Governance of Subsidiaries and Associates

The Company established the Investment Policy and Governance Policy of Subsidiaries and Associates which were disclosed in the Company's website www.chememan.com. The Company determined the guideline for governance the operation of the subsidiaries and associates as follow

- Representative of the Company in the subsidiaries or associates shall be appointed by the Board of Directors and the voting on important issues in the level that required the approval from the Board of Directors (as if the Company operates by itself) shall be approved by the Company's Board of Directors. The number of representative of the subsidiaries and associates shall be based on the shareholding portion of the Company.
- Determine the authorities, roles, and responsibilities of the directors of the subsidiaries or associates in order that those appointed individuals are able to perform the duties for the fullest benefits of such subsidiaries and associates
- At the subsidiaries level, the Company representatives must oversee the subsidiaries to perform related party transactions as well as acquisition and disposal of assets to follow applicable rules and regulations. In addition, those representatives must ensure that the data collection and the accounting records are verifiable, and the financial reports are completed in timely manner.
- Define the disclosure guideline which is appropriate and adequate for the operation

The Company has shareholders' agreement with subsidiaries and associated companies according to the proportion of shareholding.

During the year 2022, Chememan Laos Company Limited ("CMML"), a subsidiary in the Lao People's Democratic Republic, has registered for dissolution due to there is no longer a commercial operation. The shareholders' meeting of the subsidiary held on December 19, 2022 has already approved the termination of the shareholders' agreement between the subsidiary.

As at December 31, 2022, the list of individuals or the Company's directors assigned to be the directors and the management of the subsidiaries and associates is disclosed in the "Information of Directors of the Subsidiaries and Affiliates" section on the page 135.

Corporate Governance Policy Monitoring and Guideline for Compliance Control

Conflict of Interest Prevention

The Company established the policy to prevent conflict of interest on the basis that all business transactions must be conducted based on the utmost benefit of the Company and stakeholders and should avoid conflict of interest transactions by requiring the relevant party or person who have interest with the transaction to inform their relation or interest in such transaction as well as abstain from consideration and approval on such transaction.

In the year 2022, the Audit Committee reviewed the related party transactions between the Company and its subsidiaries and individuals. The Audit Committee opined that those transactions were in compliance with applicable laws and regulations as prescribed by the Stock Exchange of Thailand, and were in normal course of business, fair, reasonable, and no benefit transfer. Furthermore, the information disclosure of the transactions was completed and adequate.

Use of Insider Information

The Company determined the policy to protect the use of insider information for the Company's security trading by prohibiting the directors, the management and employees who received insider information to trade the Company's security from the end of each quarter until 24 hours after the disclosure of the financial report as well as during the period that the directors and the management hold the information, but it is not yet publish. The Company has taken measures to prevent the use of insider information as below.

- 1) The Company's new directors and executives are informed and made aware of their duty to report changes in securities holdings of themselves, their spouses, and their minor children after such changes via SEC's online system. In addition, current directors and executives are also reminded at least one a year via emails to submit reports in changes in securities holdings (if applicable).
- 2) The Company's directors, executives, and relevant employees are notified via emails of black-out periods designated by the Company before public disclosure of material information to changes in securities prices. In 2022, no director or executive was found to have conducted trading in securities during the period prohibited by the Company.
- 3) The securities holdings of the Company's directors and executives are disclosed in Form 56-1 One Report.

Directors and Executives' Shareholding in CMAN in 2022 (including Spouses and Minors)

	Number of Shares		Increase/ (Decrease) during the year
	31 December 2021	31 December 2022	
Directors			
M.L. Chandchutha Chandratat	5,550,000	5,550,000	-
Mr. Adisak Lowjun	2,796,785	2,796,785	-
Mr. Charoen Churekanont	6,659,880	6,659,880	-
Mr. Suthep Uacherdkul	6,559,880	6,559,880	-
Mrs. Rajjaneepen Ungpakorn	1,211,720	1,211,720	-
Mr. Chai Srivikorn	267,805,900	267,805,900	-
Mr. Pornprom Karnchanachari	-	-	-
Miss Amata Issarangura Na Ayudhaya	150,000	150,000	-
Mr. Yarnsak Manomaiphiboon	150,000	150,000	-
Executives *			
Mr. Apichat Laochinda	9,125,000	9,125,000	-
Mr. Boonlert Thungkatikajonkit	500,000	-	(500,000)
Mr. Komgrit Panom-upatam	1,041,535	1,041,535	-
Mr. Lerssak Boonsongsup	-	-	-

Remark :

* Mr. Kamol Sowattanasakul, retired on 1 July 2022. His securities holdings in CMAN as of 31 December 2021 and 31 December 2022 remained unchanged at 4,137,545 shares.

Anti-Fraud and Corruption

The Board of Directors established the written Anti-Corruption policy for the Company's employees to adhere and follow. The Audit Committee is assigned to monitor and oversee the internal system while the management is responsible for creating awareness and communicating the business ethic to all employees.

The Company conducted anti-fraud and corruption activities by reviewing the adequacy of anti-corruption practices through the audit of internal control system. In 2022, The internal auditor reviewed internal control of 4 processes according to the plan approved by the Audit Committee which include Fixed-asset Management and Maintenance, Accounting and Finance, Sales Process Management, and Inventory Management. As a result, there was no finding of the wrongdoing which may cause adverse effect or indicator of fraud.

Whistleblowing

The Company has provided channels for stakeholders to report whistleblowers and complaints, including the Company's website, www.chememan.com under the "CMAN Whistleblowing" menu in the section "Corporate Governance". In this regard, the Audit Committee, who are independent of management, will be responsible on consideration, investigation and seeking the solutions and report to the Board of Directors. However, there was no whistleblowers and complaints through such channels in 2022.

In addition, the Company has been monitored to ensure compliance with good corporate governance policies covering employee treatment and non-discrimination. Anti-unfair competition, environmental responsibility, public health and safety, and information security. The review presented that the Company had adequately implemented in line with the guidelines of each issue.





Internal Control and Related Transactions ▶

Internal Control

The Company has an Audit Committee whose responsibilities are to ensure that the Company has an efficient governing system, oversee the internal control and internal audit's works and provide recommendations on risk management to make certain that the system is adequate, appropriate and efficient. The Audit Committee had resolved to approve the engagement of ANS Business Consultants Limited ("ANS") as the internal auditor of the Company for the year 2022. During the year, the internal auditor had audited 4 processes being fixed asset management and maintenance processes, accounting and financial management processes, sales processes and inventory management and delivery processes in accordance with the audit plan approved by the Audit Committee.

Audit Process

The Company and the internal auditor has laid down working procedures by considering the risk assessment of the business operation processes which comprise of the following main processes :

1. Sales Process
2. Accounting and Financial Management Process
3. Fixed Assets and Equipment Management Process
4. Procurement Process
5. Inventory and Distribution Management Process
6. Product Development Process
7. Human Resources Management Process
8. Production Process
9. Information Technology Management Process

The Internal Auditor proposed the same audit plan as earlier proposed in the year 2021, with objective to re-audit the main operation processes that link to other processes, which are Accounting and Financial Management process and Inventory and Distribution Management process, the process with complexity in nature which is Fixed Assets and Equipment Management process. Moreover, the sales process which is the process that had not been looking into for over a year.

Internal Audit Plan

1. Prepare audit topics on different processes, including the audit of the follow-up on compliance to the previous auditor's recommendations (if any).
2. Discuss with top management on issues that require more emphasis.
3. Prepare annual internal audit plan which has been reviewed by the Company's management.
4. Propose for an approval on the annual internal audit plan from the Audit Committee, and inform the relevant departments about the schedule of the internal audit visit.

Analyze Business Processes and Prepare Audit Guidelines

1. Study and analyze the business processes to be audited.
2. Prepare the audit guidelines for the business processes to be audited.

Auditing and Reporting the Audit Results

1. Evaluate the effectiveness of the internal audit using various appropriate methods such as conducting interviews, observing work procedures and random check on critical issues.
2. Summarize the results of internal audit with the management and the relevant operators.
3. Prepare audit report for the Audit Committee on quarterly basis.

Evaluation of the Adequateness of Internal Audit Process

Opinion of the Board of Directors

In the Board of Directors' Meeting No. 9/2022 held on 11 November 2022, where all three members of the Audit Committee were present, the Board of Directors was informed of the result of the internal control sufficiency assessment done by the management in accordance with the internal control framework of the Securities and Exchange Commission (SEC), which had been reviewed by the Audit Committee. The assessment results were shown with descriptions for five areas as follows :

- 1) Internal Control
- 2) Risk Assessment
- 3) Operational Control
- 4) Information Technology and Data Communication System
- 5) Monitoring System

The Board of Directors' opinion was that the Company's internal control system is adequate and appropriate. The Company provided enough personnel to operate in accordance to the system with efficiency, as well as having internal control system to oversee and monitor the operation of the subsidiaries in order to prevent inappropriate or unauthorized use of Company's assets by the directors or management, including adequacy in monitoring the transactions between the Company and persons that may have conflict of interest. The Board of Directors was also of opinion that the Company had sufficient internal control in other areas.

Opinion of the Audit Committee which is Different from the Opinion of the Board of Directors

- None -

Opinion of the Internal Auditor

The Company operates the business and manages various work processes with secure and effective internal control, and able to manage the risks at appropriate and acceptable levels. There are proper separation of duties, precise operation manuals which can be used as work guidelines, and centralized management policy with systematic supervision process.

Moreover, the relevant management has set up improvement plans and follow-up on such improvement to ensure successful implementation as scheduled. After receiving reviewed results of the internal audit with observations and recommendations for improvements of the internal audit process, it can be concluded that the control processes of the management team are effective and appropriate.

Head of Internal Auditor of the Company

In the Meeting of the Audit Committee No. 4/2021, held on 11 November 2021, the Audit Committee approved the engagement of ANS Business Consultants Limited ("ANS") which had been engaged since 17 December 2015. Mr. Amornpong Nualwiwat, Director of ANS, was the responsible person in charge of the internal audit of the Company. The Audit Committee considered the qualifications of ANS and Mr. Amornpong Nualwiwat, together with the past work results and of opinion that both were sufficiently independent and qualified for internal auditing of the Company. Mr. Amornpong has over 20 years of experience in internal auditing, undergone training and awarded Certificate of Professional Internal Auditor of Thailand. His qualifications as head of internal audit is shown in attachment 3 of Annual Registration Statements. In this regard, the consideration and approval of the appointment, removal, and transfer of the person holding the Head of Internal Audit position must be approved by the Audit Committee, according to the authorities and duties specified in the Audit Committee Charter.



Related Parties Transactions

Related Parties Transactions between the Company and parties that may have conflicts of interest

For the year ended 31 December 2021 and 2022, the related parties¹ transactions between the Company and the parties that may have conflict of interest were as follows :

1. Legal Advisory Council Limited (“Legal Advisory Council”)

Mr. Pornprom Karnchanachari, who is a director of the Company, is a director and a shareholder of Legal Advisory Council with a shareholding percentage of 25.00% of the paid-up capital of Legal Advisory Council (as of 31 December 2022)

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Legal advisory service fee The Company engaged the Legal Advisory Council as its legal advisor with the following scope of work : <ul style="list-style-type: none"> • Company’s corporate documents preparation • Due diligence service • Contracts/agreements preparation • Litigation lawyer 	0.46	0.24	As the Company does not have personnel in the legal field, a legal advisor is required for the operations under the stated scope. Furthermore, the Legal Advisory Council is a knowledgeable and experienced legal service provider, who has been the Company’s legal advisor for many years, thus is able to understand the nature of the Company very well and can provide the service effectively. Moreover, the fees charged were normal market rates, similar to those charged to other clients. The transaction was a normal business transaction, thus was considered reasonable.

Remark : ¹ The Company provided historical information of Connected transactions for comparison in Form 56-1 disclosed on the Company’s website www.chememan.com

2. Rayong Mongkolchai Company Limited (“Rayong Mongkolchai”)

Mr. Suthep Uacherdkul, who is a director and shareholder of the Company with direct and indirect shareholding percentage of 3.92% of the Company’s paid-up capital (as at 31 December 2022), is also a director and a major shareholder of Rayong Mongkolchai with a percentage of 50.00% shareholding in Rayong Mongkolchai’s paid-up capital (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Payment for the purchase of hardware and mechanical tools	0.07	0.11	The Company purchased construction materials, equipment and tools from Rayong Mongkolchai for use in its hydrated lime plant in Rayong. The price and payment terms given by Rayong Mongkolchai were similar to what the Company received from other suppliers. Therefore, the transaction was considered reasonable and beneficial to the Company.
Trade and other payables	0.003	0.004	

3. Hardware King Company Limited (“Hardware King”)

Mr. Suthep Uacherdkul, who is a director and a shareholder of the Company with direct and indirect shareholding percentage of 3.92% of the Company’s paid-up capital (as of 31 December 2022), is also a director and a shareholder of Hardware King with shareholding percentage of 40.00% of Hardware King’s paid-up capital (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Payment for the purchase of hardware and mechanical tools	0.04	0.16	The Company purchased hardware and mechanical tools from Hardware King for use in its hydrated lime plant in Rayong. The selling price and payment conditions given by Hardware King were similar to what the Company received from other suppliers. Therefore, the transaction is a regular business supporting transaction and is considered reasonable and for the Company’s interest.
Trade and other payables	0.009	0.007	

4. CalMix Company Limited (“CalMix”)

The Company held 51.00% of CalMix’s paid-up capital. The Company and CalMix have one common director being Mr. Adisak Lowjun (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Rental and service income	1.52	1.48	The Company has rented office and factory spaces, including office equipment to CalMix to be used as its office and factory location. The service fee was estimated from the cost incurred, which is comparable to the market price.
Revenue from sales of product	0.16	0.24	The Company sold products, such as limestone and ground limestone, to CalMix at the prices similar to those that the Company offers to other customers. The payment terms were better than the others. 51.00% of CalMix’s paid-up capital is held by the Company.
Revenue from sales of miscellaneous products	-	0.003	The Company sold miscellaneous products such as Big Bag, screws to CalMix at the prices similar to those that the Company offers to other customers. The payment terms were better than the others. 51.00% of CalMix’s paid-up capital is held by the Company.
Expense from purchase of product	0.22	0.13	The Company purchased products from CalMix for use in the business. The trading prices were similar to those that the Company can acquire from other suppliers.
Trade and other receivables	0.04	0.50	
Trade and other payables	0.02	0.09	
Short-term loan	-	1.0	The Company provided short-term loan to CalMix for working capital use. The interest of the loan is fixed with maturity date on 1 March 2023 or at call.
Interest received	-	0.003	

5. Siriman Chemicals India Private Limited (“Siriman”)

The Company directly and indirectly held 50.00% of Siriman’s paid-up capital (as of 31 December 2022). Moreover, the Company and Siriman have one common director being Mr. Adisak Lowjun (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Revenue from sales of products	20.86	-	The Company sold products, such as limestone and ground limestone, to Siriman. The trading prices were similar to those that the Company offers to other customers and the payment terms were better than other customers. The transaction was to support the Company’s business operation and for ease of operation. It is, therefore, considered reasonable.
Trade receivables	21.03	21.93	

6. Easternbulk Lime Products Private Limited (“Easternbulk Lime”)

The Company directly held 50.00% of Easternbulk Lime’s paid-up capital (as of 31 December 2022). Moreover, the Company and Easternbulk Lime have one common director being Mr. Adisak Lowjun (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Revenue from sales of miscellaneous tools and equipment	-	0.18	The Company sold miscellaneous tools and equipment for use- in Easternbulk Lime production plant to Easternbulk Lime. The selling prices and trading terms were similar to those that the Company offers to others. The Company held 50% of Easternbulk Lime’s paid up capital.

Related Parties Transactions between the subsidiaries and parties that may have conflicts of interest

7. Chememan India Private Limited (“Chememan India”) and Siriman Chemicals India Private Limited (“Siriman”)

Chememan India is a subsidiary of the Company, in which the Company held 99.99% of its paid-up capital. Siriman is a joint venture, in which the Company directly and indirectly held 50.00% of its paid-up capital.

Chememan India and Siriman have two common directors being Mr. Adisak Lowjun and Mr. Srikanth Palakurthi (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Short-term loan		4.20	Chememan India had lent short-term loan to Siriman to fund its working capital need at no interest. The maturity date is at call. The transaction is necessary as Siriman need fund for working capital in the normal production process.

8. Chememan India Private Limited (“Chememan India”) and Easternbulk Lime Products Private Limited (“Easternbulk Lime”)

Chememan India is a subsidiary of the Company, in which the Company held 99.99% of its paid-up capital. Easternbulk Lime is a joint venture, in which the Company held 50.00% of its paid-up capital.

Chememan India and Easternbulk Lime have two common directors being Mr. Adisak Lowjun and Mr. Srikanth Palakurthi (as of 31 December 2022).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2021	For year ended 31 December 2022	
Service Income	5.24	7.31	Easternbulk Lime hired Chememan India to manage the construction project as well as accounting and human resources management. The service fees were charged, according to the trade agreement for the period from 1 January 2022 to 31 December 2022, on monthly basis at IND 1,000,000 rupees per month. Chememan India charged the fees based on its estimation of the actual cost incurred.
Other receivables	2.90	0.15	The transaction was to support the business operations of Easternbulk Lime as it is necessary for Easternbulk to use the service of plant construction, accounting and human resources management. The service fees were charged based on an estimation of the actual cost incurred, thus the transaction is reasonable and beneficial to the Company.

Measures and Procedures for Approving Related Parties Transactions

Related Parties transactions between the Company and the parties that may have conflicts of interest shall be reviewed and provided an opinion on the appropriateness of the transaction by the Audit Committee, considering the benefit of the Company at its utmost. In case that the Audit Committee has no expertise to review the related parties transaction, the Company will obtain an opinion from independent expert or the Company's auditor on such transaction as information for consideration and decision of the Audit Committee and/or the Board of Directors and/or the Shareholders, as the case may be. The person that may have conflicts of interest shall have no right to vote for the approval of such related parties transactions.

Policy on Related Parties Transaction

As a guideline for executing any related parties transactions of the Company and its subsidiaries transparently with no conflict of interest, and for the best interest of the Company and its shareholders, the Company set the following as guidelines for related parties transactions of the Company :

1. Directors and executives of the Company must prepare a written report on one's own or one's related party's conflict of interest, and inform the Company so that it could obtain information needed for further proceedings in relation to related parties transactions in accordance with applicable laws and regulations.
2. Avoid related parties transactions that may result in conflicts of interest.
3. If it is necessary for the Company or its subsidiaries to enter into a related parties transaction, all such transactions must be approved by the Audit Committee, the Board of Directors or the shareholders' meeting (whichever is applicable), except for transactions under trade agreement with general terms and conditions that the received prior approval from the Board of Directors in principle.
4. Comply with the securities and exchange laws, rules and regulations, announcements, and orders of the Capital Market Supervisory Board, and the Stock Exchange of Thailand.
5. Set the pricing and conditions of related parties transaction on an arm's length basis which must be fair, reasonable and the Company's best interest. If there is no such price, the Company will make a comparison of product price or service fee of the related parties transaction with third parties under the same or similar conditions.
6. Party of the related parties transaction that has conflicts of interest cannot approve or vote on such transaction.

7. In consideration of the related parties transactions, the Company or its subsidiaries may appoint an independent appraiser to assess and compare prices of major related parties transactions to ensure that such related parties transaction is reasonable and for the Company's best interest

Related Parties Transactions in the Future

The Company foresees that related parties transactions with directors, major shareholders and persons that may have conflicts of interest will still occur in the future. Those transactions are normal business supporting transactions which may be done based on the business needs, such as :

1. Hiring of consultants from Legal Advisor Council Limited - This transaction is necessary to support the Company's business. The service fees and payment conditions are at the standard rate charged to other clients. The Company sees that this type of transaction will regularly occur as necessary.
2. Purchasing of construction materials from Hardware King Company Limited and Rayong Mongkolchai Company Limited - This transaction is necessary to support the Company's business. The prices and payment conditions received were similar to those the Company received from other suppliers. The Company sees that this type of transaction will still occur as necessary.

In entering into the above related parties transactions, the Company will follow the Securities and Exchange Act B.E. 2535 (including amendments), regulations, announcements, orders or the measures of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, including policies and related announcements of the Company, which include code of conduct, related parties transaction policy and guidelines on entering into related parties transactions between the Company and directors, management or related parties, which are business transactions with general terms and conditions.







Attachments

03.

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Attachment 1

Details of Company Secretary and Chief Accounting >

Name-Surname/ Position/ Date of Appointment	(Year)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
Mrs. Sinaynidh Karitkiat Company Secretary (Since 1 Jan 2020)	49	1. Master of Business (Banking & Finance) Monash University, Australia 2. Bachelor of Business Administration (Finance), Bangkok University 3. Company Secretary Program (CSP) 101/2562, Thai Institute of Directors Association <u>Company Secretary Refresh</u> • Professional Development Program for Company Secretary in 2022, Thai Listed Companies Association (28 hours)	None	None	2020 - Present	<ul style="list-style-type: none"> Company Secretary Assistant Vice President - People Management and Acting Assistant Vice President - People Development 	• Chememan PLC
					2015 - 2020	<ul style="list-style-type: none"> HR Planning and Acquisition Department Manager 	• Chememan PLC
					2011 - 2015	<ul style="list-style-type: none"> Export Department Manager 	• Chememan PLC
					2010 - 2011	<ul style="list-style-type: none"> Corporate Strategy Manager 	• Sahaviriya Steel Industries PLC
					2002 - 2010	<ul style="list-style-type: none"> Investor Relation Manager 	• Sahaviriya Steel Industries PLC
Ms. Panisara Sakulsumpaopol Chief Accountant of the Company 9 Jul 2020	38	1. BBA, Assumption University 2. M.Acc, Kasetsart University <u>Chief Accountant Refresh</u> • RPA - Robotic Accountant Class no. 2/22 organized by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King for 6 hours. • Keep up to date on Transfers Pricing Law organized by The Revenue Department for 7 hours. • Discussion on Thai Accounting Standards (TFRSs / TFRS for NPAs) organized by Faculty of Commerce and Accountancy, Chulalongkorn University for 6.30 hours	0.0001	None	2016 - Present	<ul style="list-style-type: none"> Department Manager - Accounting 	• Chememan PLC
					2017 - Present	<ul style="list-style-type: none"> Chief Accountant 	• Chememan PLC
					2006 - 2016	<ul style="list-style-type: none"> Senior Manager (Assurance Services) 	• Pricewaterhousecoopers ABAS Co., Ltd.



Attachment 2

Roles and Responsibilities of the Company Secretary ➤

The Company Secretary has important responsibilities as stipulated in the Securities and Exchange Act. The Board of Directors set the roles and responsibilities of the Company Secretary as follows:

1. Prepare and safeguard the following documents:
 - (1) A register of directors
 - (2) Invitations and minutes of the Board of Directors' meetings and Company's annual reports
 - (3) Invitations and Minutes of the shareholders' meetings
2. Safeguard the report on conflicts of interest declared by the directors and executives.
3. Perform other acts as stipulated by the Capital Market Supervisory Board.

The Company Secretary shall perform duties responsibly with caution, honest and in good faith in accordance with applicable law, objectives and articles of association of the Company as well as the resolutions of the Board of Directors and shareholders' meetings.

Attachment 3

Details on the Head of Internal Audit >

Name-Surname/Position	Educational Qualification/Diploma/Certificate	Work Experience	
		Period	Position/Company
ANS Business Consultants Co., Ltd. Mr. Amornpong Nualwiwat/Director Head of Internal Audit	<ul style="list-style-type: none"> Master's degree in Commence, Thammasat University Bachelor's degree in Accounting, Thammasat University Member of the Association of Internal Auditors of Thailand Certificate of Professional Internal Auditor of Thailand 	2005 - Present	Director/ANS Business Consultants Co., Ltd.
		1997 - 2004	Senior Manager/KPMG Advisory (Thailand) Ltd.
		1990 - 1996	Manager of Information Systems Development Department and Acting Manager of Managing Director Office, Thai Rung Union Car Plc.
		1984 - 1990	Accountant/Systems and Regulations Department,
		1982 - 1984	Accountant/The Siam Commercial Bank Plc.

Attachment 4

Report on the Board of Directors' Responsibilities for the Financial Statements ➤

The Board of Directors of the Company is responsible for the financial statements of Chememan Public Company Limited and its subsidiaries, which have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2547. The Board of Directors considers the accounting policies adopted are appropriate with the business, and 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 of the Company and expressed an unqualified opinion in the auditor's report.

The Board of Directors oversees and reviews the corporate governance as well as establishes and maintains an adequate and appropriate 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 and material operational irregularities. The Board of Directors has appointed an Audit Committee, consisting of independent directors, to review that the financial reports, internal control system and internal audit are appropriate and effective. The Audit Committee's opinions are reported in the Audit Committee Report included in this annual report.

The Board of Directors is in the opinion that the internal control system and internal audit of the Company provide credibility and reliability to the financial statements of Chememan Public Company Limited and its subsidiaries that the financial position, financial performance and cash flows are presented fairly, in all material respects, in accordance with Thai Financial Reporting Standards.



On behalf of the Board of Directors
M.L. Chandchutha Chandratat
Chairman of the Board of Directors

Attachment 5

Audit Committee Report Year 2022 >

The Audit Committee of Chememan Public Company Limited is comprised of three qualified independent directors, namely Mr. Pornprom Karnchanachari, Miss Amata Issarangura Na Ayudhaya and Mr. Yarnsak Manomaiphiboon. The Audit Committee was appointed by the Meeting of the Board of Directors to perform duties and responsibilities as stipulated in the Audit Committee Charter. In 2022, the Audit Committee performed duties within the specified scope with the summary of work performed as follows :

1. Held four meetings in 2022 with management, internal auditors and external auditors present in all meetings and 1 meeting with the external auditors without presence of the management, and proposed quarterly reports to the Board of Directors.

	Name	Position	Attendance In 2022
1.	Mr. Pornprom Karnchanachari	Chairman of Audit Committee	4/4
2.	Miss Amata Issarangura Na Ayudhaya	Member of Audit Committee	4/4
3.	Mr. Yarnsak Manomaiphiboon	Member of Audit Committee	4/4

2. Reviewed the Company's quarterly and annual financial statements and its subsidiaries, which had been reviewed and audited by the external auditor. The related management and the external auditor were invited to join the meeting to clarify and answer questions before providing an opinion on the financial reports accounting adjustment entries that materially affected the financial statements and the adequacy of the information disclosure. The Audit Committee was of the opinion that the financial statements of the Company present the financial position and the financial performance fairly, in all material respects, in accordance with Thai Financial Reporting Standard, and the material information has been sufficiently, completely and reliably disclosed in the notes to the financial statements, as well as the accounting policy used is reasonable.

In addition, the Audit Committee held a private meeting with the external auditor without the presence of the management to discuss the audit plan, independence in performing duties and expressing the auditor's opinion as well as providing comments on various issues.

3. Reviewed the connected transactions of the Company and its subsidiaries with parties that may have a conflict of interest to ensure compliance with the Rules of Entering into Connected Transactions of the Company, which is in line with the law and regulation of the Stock Exchange of Thailand. The Audit Committee deemed that the entering into connected transactions of the Company and its subsidiaries with parties that may have a conflict of interest had complied the law and the regulation of the Stock Exchange of Thailand and were fair, reasonable with general terms and conditions, and did not facilitate a transfer of interest. The disclosure of such transactions was complete and sufficient.
4. Reviewed the internal control process to evaluate the adequacy and effectiveness to reasonably assure the Company's performance in achieving its goals. The Audit Committee has reviewed the quarterly internal audit reports, which had been directly reported to the Audit Committee by the internal auditor in accordance with the approved audit plan, and of the opinion that the internal control of the operation process and significant work process were adequate and appropriate.

Oversaw internal audit work by approving annual internal audit plan based on risk assessments, acknowledging the quarterly internal audit reports, providing comments to the internal auditor and submitting corrective measures to be taken by the management, including continual follow-up on their progress. In this regard, the Audit Committee reviewed the independence and performance of the consultant firm who act as the internal auditor, and also reviewed the Internal Audit Charter and deemed that the internal audit function of the Company was

performed independently, adequately and effectively. Moreover, the head of the internal audit and his team were knowledgeable, proficient and experienced in internal audit work, which commensurate with the professional standards, to assist and support the operations of the Company in achieving its goals.

5. Reviewed operations and oversaw that the Company was strictly in compliance with the Securities and Exchange Act, regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws related to the Company's business. The Audit Committee was of the opinion that the Company operated business correctly and appropriately in relation to normal business conditions. In 2022, there were no cases of violation of relevant laws and regulations by the Company.

6. The Audit Committee has reviewed the Audit Committee Charter to ensure conformity with the objectives of setting up the Audit Committee.

7. Selected and proposed the appointment of the external auditor as well as the approval of the audit fee for the year 2022. The Audit Committee considered based on independency, reliability, service rendering, advisory on accounting standards, audit work as well as the appropriateness of the audit fee, and had provided an opinion to the Board of Directors for further approval by the shareholders to appoint the auditors from PKF Audit (Thailand) Limited as the external auditor for the year 2022. The auditors to be appointed were Mr. Pitinan Lilamethwat (Certified Public Accountant No. 11133) or Mr. Nathaphol Srichakkhot (Certified Public Accountant No. 12038) or Mr. Gawinpob Pridi (Certified Public Accountant No. 9680), or any other certified public accountant who has been assigned responsibility. The audit fee was 2,050,000 Baht. This fee is excluded of VAT and out of pocket expenses.

8. The Audit Committee carry out Audit Committee Performance Evaluation every year to ensure that all works are done completely and adhere to the Audit Committee Charter.

In summary, in 2022, the Audit Committee fulfilled its duties and responsibilities as stipulated in the Audit Committee Charter with proficiency, carefulness, prudence and with sufficient independency. The Audit Committee is of the opinion that the financial statements of the Company present information, in all material respects, in accordance with general financial reporting standards with adequate disclosure of connected transactions or transactions that may lead to a conflict of interest; and that the Company has good corporate governance, appropriate risk management system, suitable and effective internal control and internal audit systems and fully complies with all law, rules and regulations related to the operation of the Company.

Mr. Pornprom Karnchanachari
Chairman of the Audit Committee



Attachment 6

Profiles of the Directors and Management Team >

Name-Surname/ Position/ Date of Appointment	Age (years)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
M.L. Chandchutha Chandratat Chairman of the Board (Since 26 Aug 2016)	56	1. MBA, University of California at Berkeley, USA 2. Bachelor of Science (Magna Cum Laude) in Economics, University of Minnesota, Twin Cities, USA 3. Director Certification Program (DCP) 70/2006, Thai Institute of Directors Association 4. The Role of Chairman (RCM) 46/2020, Thai Institute of Directors Association	0.58	None	2017 - Present	• Chairman	• Chememan PLC
					2021 - Present	• Advisor	• Chememan PLC
					2022 - Present	• Director	• Chememan India Private Ltd.
					2022 - Present	• Director	• Chememan Australia Pty. Ltd
					2016 - 2017	• Chairman of Audit Committee	• Chememan PLC
					2014 - 2021	• Managing Director	• Boonrawd Brewery Co., Ltd.
					2015 - 2021	• Director	• Singha International Headquarter Co., Ltd.
					2014 - Present	• Managing Director	• Akin Land Co., Ltd.
					2014 - 2019	• Managing Director	• Boonrawd Trading International Co., Ltd.
					2014 - 2019	• President and Director	• Singha North America, Inc.
					2005 - 2014	• President and Chief Executive Officer	• Thoresen Thai Agencies PLC
					2009 - 2012	• Chairman	• Unique Mining Services PLC
					2007 - 2012	• Chairman	• Mermaid Maritime PLC
					2009 - 2014	• Director	• UMS Coal Briquette Co., Ltd.
					2009 - 2014	• Director	• UMS Lighter Co., Ltd.
					2009 - 2014	• Director	• UMS Transport Co., Ltd.
					2009 - 2014	• Director	• UMS Port Services Co., Ltd.
					2009 - 2014	• Director	• Baconco Co., Ltd.
					2008 - 2014	• Director	• Soleado Holdings PTE LTD.
					2007 - 2014	• Director	• JSSI Holdings, LLC
2005 - 2014	• Director	• Thoresen & Co. (Bangkok) Ltd. and 46 Thai Shipping Companies					
2005 - 2014	• Director	• Thoresen Shipping and Logistics Limited					
2005 - 2014	• Director	• Chidlom Marine Services & Supplies Limited					
2005 - 2014	• Director	• Fearnleys (Thailand) Limited					
2005 - 2014	• Director	• Gulf Agency Company (Thailand) Limited					
2005 - 2014	• Director	• Thoresen (Indochina) S.A.					
2005 - 2014	• Director	• Thoresen Chartering (HK) Limited					
2005 - 2014	• Director	• Thoresen Shipping Singapore Pte. Ltd.					
2005 - 2014	• Director	• GAC Thoresen Logistics Co., Ltd.					

Name-Surname/ Position/ Date of Appointment	Age (years)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
Mr. Adisak Lowjun Director (Since 3 Mar 2003) Chief Executive Officer/ Chief Finance Officer/ Acting Chief Operating Officer (Management position Since 1 Sep 2003)	61	1. MBA (Finance), University of Texas at Arlington, USA	7.52	Mrs. Rajjaneepen Ungpakorn (Spouse)	2017 - Present	• Director	• Chememan PLC
		2003 - Present			• Chief Executive Officer Acting Chief Financial Officer, Acting Chief Operating Officer	• Chememan PLC	
		2003 - 2017			• Chairman	• Chememan PLC	
		2021 - Present			• Chairman	• Ha Long QN Lime Co., Ltd.	
		2021 - 2022			• Director	• Ha Long QN Lime Co., Ltd.	
		2019 - Present			• Director	• CalMix Co., Ltd.	
		2017 - Present			• Director	• Easternbulk Lime Products Private Limited	
		2016 - Present			• Director	• Siriman Chemicals India Private Limited	
		2016 - Present			• Director	• Chememan India Private Ltd.	
		2015 - 2022			• Director	• Chememan Lao Co., Ltd.	
		2021 - Present			• Chairman	• Northman Co., Ltd.	
		2010 - 2019			• Director	• Northman Co., Ltd.	
		2008 - Present			• Director	• Chememan Australia Pty. Ltd.	
2004 - 2020	• Chairman	• Tubkwang Co., Ltd.					
2003 - Present	• Chairman	• Buranachart Co., Ltd.					
2003 - Present	• Chairman	• Buranalux Co., Ltd.					
2010 - 2018	• Director	• Chememan International					
<u>CFO Refresh</u>							
• e-learning CFO's Refresher Course, Feb 2022, The Stock Exchange of Thailand							
• TLCA CFO Professional Development Program 5/2022, Oct 2022, Thai Listed Company Association							

Name-Surname/ Position/ Date of Appointment	Age (years)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
Mr. Chai Srivikorn Director (Since 3 Sep 2003)	61	<ol style="list-style-type: none"> MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Engineering (HON), Bradford University, London, England Director Certification Program (DCP) 225/2016, Thai Institute of Directors Association 	31.33	None	2003 - Present 2008 - Present 2004 - 2020 2010 - 2018 2017 - Present 2016 - Present 1991 - Present 1981 - Present	<ul style="list-style-type: none"> Director Director Director Director Director Director Director Director 	<ul style="list-style-type: none"> Chememan PLC Chememan Australia Pty. Ltd. Tubkwang Co., Ltd. Chememan International Pte. Ltd. CCM Spirit Co., Ltd. CCM Group Co., Ltd. Gaysorn Private Equity Co., Ltd. Gaysorn Holding Co., Ltd.
Mr. Suthep Uacherdkul Director (Since 3 Sep 2003)	61	<ol style="list-style-type: none"> MBA, University of Dallas, USA Bachelor of Engineering, Chulalongkorn University Director Certification Program (DCP) 226/2016, Thai Institute of Directors Association 	3.92	None	2003 - Present 2003 - Present 2018 - Present 2013 - Present 2009 - Present 2002 - Present 2002 - Present 1995 - Present	<ul style="list-style-type: none"> Director Director Managing Director Director Director and Manager Director Director and Manager Managing Director 	<ul style="list-style-type: none"> Chememan PLC Buranachart Co., Ltd. Hardware King Co., Ltd. Subpana Property Co., Ltd. J T Estate Co., Ltd. Thanaphumnakorn Co., Ltd. Master Max Industry Co., Ltd. Rayong Mongkolchai Co., Ltd.
Mrs. Rajjaneepen Ungpakorn Director (Since 3 Sep 2003)	57	<ol style="list-style-type: none"> MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Science in Business Administration and Accountancy, University of the Philippines Director Certification Program (DCP) 224/2016, Thai Institute of Directors Association Director Diploma Examination 2016 	7.52	Mr. Adisak Lowjun (Spouse)	2003 - Present 2008 - Present	<ul style="list-style-type: none"> Director Director 	<ul style="list-style-type: none"> Chememan PLC Buranalux Co., Ltd.

Name-Surname/ Position/ Date of Appointment	Age (years)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
Mr. Charoen Churekanont Director (Since 3 Mar 2003)	61	1. Bachelor of Engineering (Mining Engineering), Chulalongkorn University 2. Director Certification Program (DCP) 223/2016, Thai Institute of Directors Association	4.39	None	2003 - Present 2003 - Present 2019 - Present 2012 - Present 2010 - Present 2009 - Present 2003 - Present 2002 - Present 2002 - Present 1994 - Present 1992 - Present	• Director • Director • Director • Managing Director • Managing Director • Managing Director • Managing Director • Managing Director • Managing Director • Director • Managing Director	• Chememan PLC • Buranachart Co., Ltd. • CMT Corp Co., Ltd. • Siriphornjaroen Co., Ltd. • Pacharapat Development Co., Ltd. • Pornsirisub Co., Ltd. • Thanaphumnakorn Co., Ltd. • Issarapongcharoen Co., Ltd. • Tiahongha Siripanich Co., Ltd. • Akarakorn Development Co., Ltd. • Juriganont Co., Ltd.
Mr. Pornprom Karnchanachari Chairman of Audit Committee and Independent Director (Since 20 Dec 2016)	59	1. Master of Comparative Law, University of Illinois at Urbana - Champaign, USA 2. Bachelor of Law, Chulalongkorn University 3. Director Accreditation Program (DAP) 141/2017, Thai Institute of Directors Association	None	None	2017 - Present 2016 - 2017 2020 - Present 1994 - Present 1994 - 2015	• Chairman of Audit Committee and Independent Director • Audit Committee and Independent Director • Director • Director • Director	• Chememan PLC • Chememan PLC • Arkitektura Co., Ltd. • Legal Advisory Council Limited • Thonburi Healthcare Group PLC
Miss Amata Issarangura Na Ayudhaya Audit Committee Member and Independent Director (Since 20 Dec 2016)	55	1. MBA (Corporate Finance) Golden Gate University, USA 2. Bachelor of Arts in Political Science (Public Finance), Chulalongkorn University 3. Director Accreditation Program (DAP) 137/2017, Thai Institute of Directors Association	0.02	None	2016 - Present 2010 - 2014	• Audit Committee and Independent Director • Group Treasury	• Chememan PLC • Thoresen Thai Agencies PLC



Name-Surname/ Position/ Date of Appointment	Age (years)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
Mr. Yarnsak Manomaiphiboon Audit Committee Member and Independent Director (Since 29 Mar 2017)	59	1. MBA (Finance), Indiana University at Bloomington, USA	0.02	None	2017 - Present	• Audit Committee and • Independent Director	• Chememan PLC
		2. Bachelor of Engineering (Second Honor), Chulalongkorn University			2021 - Present	• Director	• CMDF Digital Infrastructure Co., Ltd.
		3. Director Accreditation Program (DAP) 23/2004, Thai Institute of Directors Association			2018 - Present	• Director	• ASCO Business Promotion Co., Ltd.
		4. Director Certification Program (DCP) 60/2005, Fellow Member of Thai Institute of Directors Association			2018 - Present	• Director	• National Digital ID Co., Ltd.
		5. Capital Market Academy (CMA) 5			2012 - Present	• Audit Committee and Independent Director	• Sahaviriya Steel Industries PLC
		6. Public Director Certification Program (PDI) 3			2012 - Present 2013 - 2021	• Secretary General • Chairman of Audit Committee and Independent Director	• Association of Thai Securities Companies • Principal Capital PLC

Name-Surname/ Position/ Date of Appointment	Age (years)	Education/Training	Shareholding Percentage (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization/Company
Mr. Apichat Laochinda ¹ Chief Technology Officer (Since 1 Jan 2021)	61	1. Bachelor of Engineering (Industrial Engineering), Chulalongkorn University 2. Director Accreditation Program (DAP) 37/2005, Thai Institute of Directors Association	4.36	None	2021 - 2022 2007 - 2020 2013 - Present	• Chief Technology Officer • Vice President of Engineering & Project • Director	• Chememan PLC • Chememan PLC • Buranachart Co., Ltd.
Mr. Komgrit Panom-Upatam ² Chief Operating Officer (Since 1 Jan 2021)	59	1. Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology Thonburi	0.11	None	2021 - Present 2006 - 2020 2019 - Present	• Chief Operating Officer • Vice President of Lime Operations • Director	• Chememan PLC • Chememan PLC • Ha Long QN Lime Co., Ltd
Mr. Boonlert Thungkatikajonkit ³ Chief Commercial Officer (Since 1 Jan 2021)	62	1. MBA, Thammasat University 2. Bachelor of Engineering, Chulalongkorn University 3. Bachelor of Commerce, Ramkhamhaeng University	None	None	2021 - 2022 2016 - 2020 1991 - 2014	• Chief Commercial Officer • Vice President of Commercial Market 2 • Country Customer Delivery Leader	• Chememan PLC • Chememan PLC • Alcatel-Lucent (Thailand)
Mr. Lerssak Boonsongsup Chief Strategy Officer (Since 1 Aug 2021)	55	1. MBA, Chulalongkorn University 2. M.Sc. in Chemical Engineering, Oregon State University, USA 3. Bachelor of Chemical Engineering, Chulalongkorn University 4. Director Accreditation Program (DAP) 2015, Thai Institute of Directors Association	None	None	2021- Present 2022 - Present 2022 - Present 2022 - Present 2008 - 2020 1996 - 2008	• Chief Strategy Officer • Director • Director • Director • Chief Supply Chain Officer • Partner, Senior Executive	• Chememan PLC • Chememan Australia Pty. Ltd. • Chememan India Private Ltd. • Ha Long QN Lime Co., Ltd. • Minor Food Group, Thailand • Accenture Thailand

Remarks :

¹ Resigned and became Advisor on 1 January 2023² Has been assigned to work at Ha Long QN Lime Co., Ltd. since 2019, therefore Mr. Adisak Lowjun has been appointed as Acting Chief Operating Office³ Resigned and became Advisor on 1 January 2023

Companies	M.L. Chandchutha Chandratat	Mr. Adisak Lowjun	Mr. Charoen Churekanont	Mr. Suthep Uacherakul	Mrs. Rajjaneepen Ungpakorn	Mr. Chai Srivikorn	Mr. Pornprom Kamchanachari	Ms. Amata Issarangura Na Ayudhaya	Mr. Yarnsak Manomaihiboon	Mr. Apichat Laochinda ¹	Mr. Kongrit Panom-Upatam	Mr. Boonlert Thungkatikajonkit ²	Mr. Lerssak Boonsongsup
Akarakorn Development Co., Ltd.			/										
Juriganont Co., Ltd			/, M										
Subpana Property Co., Ltd.				/									
J T Estate Co., Ltd.				/, O									
Master Max Industry Co., Ltd.				/, O									
Rayong Mongkolchai Co., Ltd.				/, M									
Hardware King Co., Ltd.				/, M									
Gaysorn Holding Co., Ltd.						/							
Gaysorn Private Equity Co., Ltd.						/							
CCM Group Co., Ltd.						/							
CCM Spirit Co., Ltd.						/							
Legal Advisory Council Limited							/						
Sahaviriya Steel Industries PLC									//, ///				
ASCO Business Promotion Co., Ltd.									/				
National Digital ID Co., Ltd									/				
CMDF Digital Infrastructure Co., Ltd.									/				

Remarks : Symbols for the Position of Directors and Management Team

X Chairman of the Board

/ Director

/// Independent Director

M Managing Director

// Audit Committee

O Management

¹ Resigned and became Advisor on 1 January 2023

Information of Directors of the Subsidiaries and Affiliates as of 31 December 2022

Directors	Mr. Chai Srivikorn	Mr. Adisak Lowjun	M.L. Chandchutha Chandratat	Mr. Lerssak Boonsongsup	Mr. Kongrit Panom-Upatam	Mr. Anousak Philangam	Mr. Sakhone Philangam	Mr. Srikant Palakurthi	Mr. Yaratapalli RajivReddy	Mr. Vivek Yaratapalli Reddy	Mr. Tajudeen Mohamed Kaizer	Mr. Tajudeen Mohamed Ilyas	Mr. Friedbert Anton Scharfe	Mr. Bui Tuan Ngoc	Ms. Vu Thi Phuong
Subsidiaries and Affiliates Companies															
Chememan Australia Pty. Ltd.	/	/	/	/											
Northman Co., Ltd.		X, /													
Chememan India Private Ltd.		/	/	/				/							
Ha Long QN Lime Co., Ltd.		X, /		/	/, M									/	/
Sirman Chemicals India Private Limited		/						/	/	/					
Easternbulk Lime Products Private Limited		/						/			/	/			
CalMix Co., Ltd.		/											/		

Remarks : Symbols for the Position of Directors and Management team

X Chairman

M Managing Director

/ Director



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Financial Statements

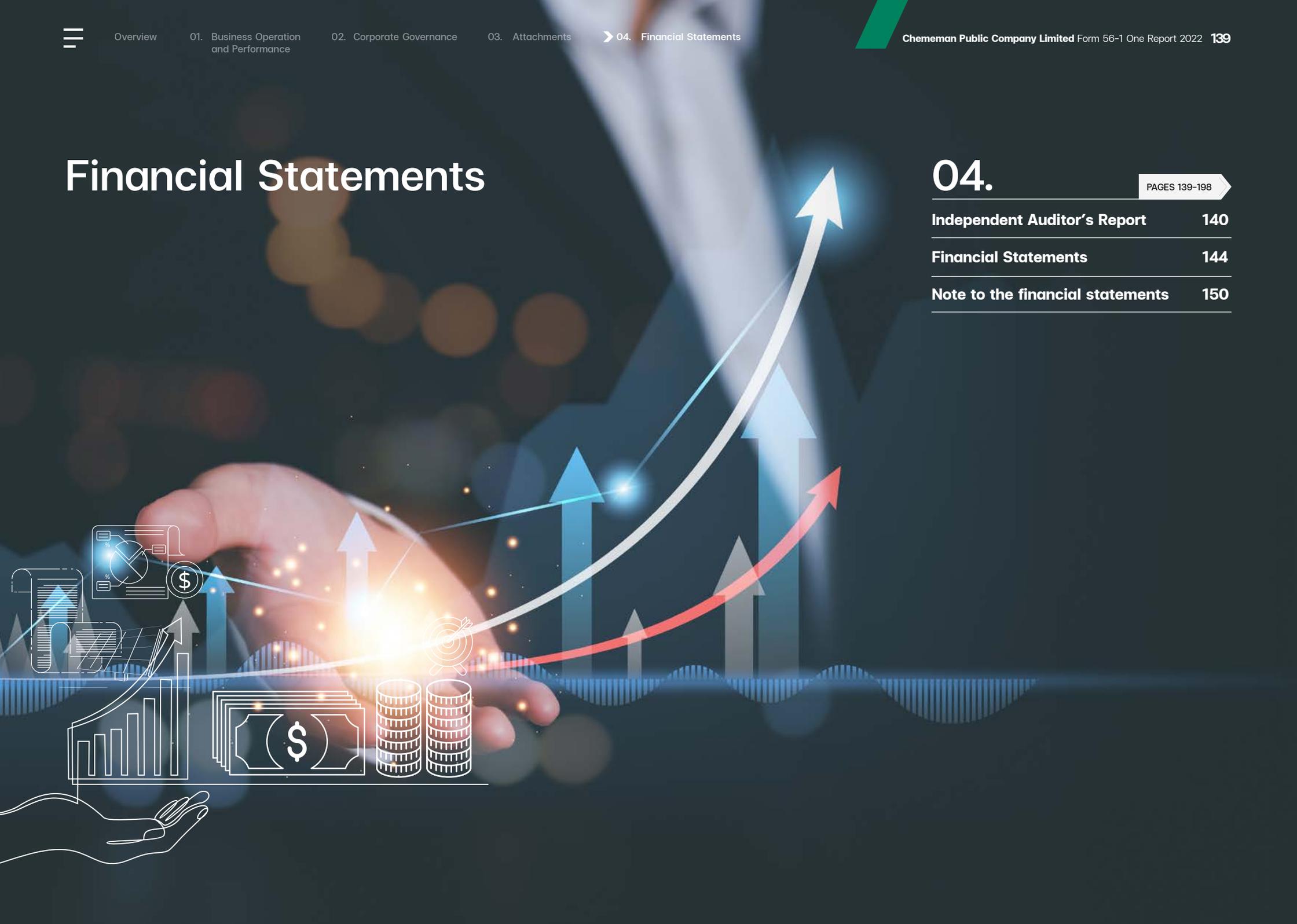
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Independent Auditor's Report ➤

To the Shareholders of Chememan Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Chememan Public Company Limited and its subsidiaries (the “Group”) and of Chememan Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their 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 and separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate 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.

Material Uncertainty Related to Going Concern

I draw attention to note to the financial statements No. 2.2, which indicated that, as at 31 December 2022, the Group and the Company have current liabilities in excess of the current assets amounting

to Baht 813.25 million and Baht 876.10 million respectively (2021 : Baht 823.67 million and Baht 889.74 respectively). The current liabilities mainly include short-term loans in the term of promissory note and the current portion of long-term loans. The Group has remaining credit facilities from long-term loans amounting to Baht 114 million (31 December 2021 : Baht 78 million) and from short-term loans amounting to Baht 462 million (31 December 2021 : Baht 229 million). As at 31 December 2022, the Group had failed to meet certain financial ratios required to be maintained under bank loan facilities, under the loan agreements, and the banks had the right to define all debts or any part of the debt and other sums owed as due to be repaid immediately. However, the Company had received letters of waiver from the banks waiving such rights, as detailed in Note 19 to the financial statements. The management is implementing strategic operational and financial restructuring plans to seek to ensure adequate liquidity in the Group and the Company, and the ability to meet liabilities and to continue to trade. These factors, whereby liquidity in the Group and Company and their ability to meet liabilities as they fall due and to continue to trade may be dependent upon the success of management's plans, indicate the existence of a material uncertainty that may cast significant doubt on the Group and the Company's ability to continue as a going concern. Hereby, my opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern, I have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matter	How the matter was addressed in the audit
Revenue recognition	
<p>Revenue from sales of chemical products for industrial use is a significant amount. As at 31 December 2022, sales amounted to Baht 3,391 million and directly affected the Group’s profit and loss. In addition, the Group has a large number of customers and a variety of terms and conditions of sales. There are therefore risks with respect to the amount and timing of revenue recognition from sales, especially near the end of the year.</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process and related internal control procedures. • Assessing and testing the effectiveness of the IT system and internal controls with respect to the revenue cycle of the Group, especially tests related to the accuracy and timing of revenue recognition in the financial statements of the Group. • Performing substantive testing as follows : <ul style="list-style-type: none"> - Examining the supporting documents for the revenue from sales of goods occurring during the year and focus on revenue transactions that occur near the end of accounting period. - Requesting for the confirmation of accounts receivable balances at the year-end. - Reviewing credit notes issued after year-end especially the credit notes of revenue in period. - Performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

The key audit matter	How the matter was addressed in the audit
Impairment of investment in subsidiaries and joint ventures, goodwill and other intangible assets	
<p>The consideration of impairment of investment in subsidiaries and joint ventures, goodwill and other intangible assets is dependent on management judgements and assumptions. Therefore, the key audit matter is whether the valuation and the allowance for impairment in subsidiaries and joint ventures, goodwill and other intangible assets have been recognized in accordance with TFRSs.</p> <p>Accounting policies of investments, goodwill and impairment and detail of investments in subsidiaries and joint ventures, goodwill and other intangible assets were disclosed in the Notes 3.1, 3.10, 10, 11 and 15 to the financial statements, respectively.</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries and joint ventures, goodwill and other intangible assets. - Assessing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment in subsidiaries and joint ventures, goodwill and other intangible assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report other than the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate 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 and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and 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 Group's and 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 consolidated and

separate 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

(Pitinan Lilamethwat)

Certified Public Accountant
Registration No. 11133

PKF Audit (Thailand) Ltd.
Bangkok
24 February 2023

Statements of financial position

Chememan Public Company Limited and its subsidiaries

As at 31 December 2022

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
					(Baht)
Current assets					
Cash and cash equivalents	5	122,656,635	193,934,261	96,378,678	164,131,377
Trade and other current receivables	6	553,250,965	477,212,987	494,540,797	451,004,079
Short-term loan to related parties	4	5,199,000	-	1,000,000	-
Current portion of long-term loan to related parties	4	-	-	119,995,257	91,121,845
Inventories	8	423,640,903	515,208,809	281,627,438	306,060,911
Prepaid taxes and other fees	7	63,829,904	79,951,313	-	-
Other current assets		74,958,689	64,298,303	28,300,528	21,610,562
Total current assets		1,243,536,096	1,330,605,673	1,021,842,698	1,033,928,774
Non-current assets					
Restricted bank deposits		85,285,000	109,050,000	64,290,000	64,290,000
Other non-current financial asset	9, 28.2	15,000,000	15,000,000	15,000,000	15,000,000
Long-term loan to related parties - net of current portion	4	-	-	1,761,031,047	1,982,421,167
Investments in subsidiaries	10	-	-	1,007,924,180	735,875,370
Investments in joint ventures	11	270,688,548	285,741,021	248,544,319	248,544,319
Property, plant and equipment	12	4,369,050,983	4,507,875,622	2,415,679,750	2,417,297,436
Right-of-use assets	13	136,789,182	108,683,335	126,435,848	94,937,633
Ore reserve	14	75,039,263	81,578,405	75,039,263	81,578,405
Prepayment of the mining license fee	14	46,659,309	47,074,713	-	-
Advance payments for construction of plant and machinery		3,401,168	3,703,184	2,701,104	1,465,311
Goodwill		61,873,124	61,873,125	-	-
Intangible assets other than goodwill	15	372,345,612	378,126,391	31,061,889	33,767,714
Deferred tax assets	23	77,778,259	78,852,886	13,420,854	14,292,817
Other non-current assets		10,457,810	14,212,803	1,602,146	5,169,348
Total non-current assets		5,524,368,258	5,691,771,485	5,762,730,400	5,694,639,520
Total assets		6,767,904,354	7,022,377,158	6,784,573,098	6,728,568,294

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
					(Baht)
Current liabilities					
Short-term loans from non - related party		-	22,380,000	-	-
Short-term loans from financial institutions	16	947,206,078	1,044,212,864	872,256,827	1,044,212,864
Trade and other current payables	17	458,353,480	513,491,507	379,683,455	332,231,821
Current portion of lease liabilities	18	42,304,705	26,328,154	41,940,809	26,455,095
Current portion of long-term loan from financial institutions	19	571,145,100	470,024,677	570,956,288	469,483,490
Income tax payable		15,309,667	22,585,099	13,566,430	21,962,257
Derivative liabilities	28.2	-	8,901,955	-	8,901,955
Current provisions for employee benefits		1,621,638	2,066,402	-	-
Other current liabilities		20,846,121	44,281,013	19,448,642	20,426,052
Total current liabilities		2,056,786,789	2,154,271,671	1,897,852,451	1,923,673,534
Non-current liabilities					
Lease Liabilities-net of current portion	18	167,018,078	42,315,071	164,769,712	36,262,115
Long-term loan from financial institutions - net of current portion	19	2,041,482,990	2,383,133,692	2,041,146,593	2,382,014,390
Non-current provisions for employee benefits	20	65,697,303	62,302,757	64,753,140	61,579,681
Deferred tax liabilities	23	68,714,815	69,870,366	-	-
Other non-current liabilities		15,925,095	18,054,238	5,789,033	8,247,799
Total non-current liabilities		2,358,838,281	2,575,676,124	2,276,458,478	2,488,103,985
Total liabilities		4,415,625,070	4,729,947,795	4,174,310,929	4,411,777,519

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

Statements of financial position

Chememan Public Company Limited and its subsidiaries

As at 31 December 2022

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Shareholders' equity				
Share capital				
Registered				
1,000 million ordinary shares of Baht 1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid-up				
960 million ordinary shares of Baht 1 each	960,000,000	960,000,000	960,000,000	960,000,000
Share premium	736,842,515	736,842,515	736,842,515	736,842,515
Capital surplus on share-based payment	28,996,825	28,996,825	28,996,825	28,996,825
Retained earnings				
Appropriated - statutory reserve	90,290,000	75,140,000	90,290,000	75,140,000
Unappropriated	465,218,934	328,568,968	793,013,841	514,692,447
Other components of shareholders' equity	(6,759,688)	60,332,112	1,118,988	1,118,988
Equity attributable to owners of the Company	2,274,588,586	2,189,880,420	2,610,262,169	2,316,790,775
Non-controlling interests of the subsidiary	77,690,698	102,548,943	-	-
Total shareholders' equity	2,352,279,284	2,292,429,363	2,610,262,169	2,316,790,775
Total liabilities and shareholders' equity	6,767,904,354	7,022,377,158	6,784,573,098	6,728,568,294

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

Statement of comprehensive income

Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2022

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(Baht)			
Revenues				
Sales	3,390,866,637	2,884,237,199	2,734,341,635	2,253,469,609
Service income	269,398,030	117,894,361	-	-
Other income from freight compensation	147,183,660	-	25,503,155	-
Other income	68,831,046	141,250,087	158,444,598	101,041,423
Net gain on exchange rate	-	5,423,975	49,457,002	58,603,745
Total revenues	3,876,279,373	3,148,805,622	2,967,746,390	2,413,114,777
Expenses				
Cost of sales	2,303,131,648	1,830,172,191	1,781,620,839	1,441,629,502
Cost of services	296,435,979	155,289,915	-	-
Distribution costs	578,386,892	682,092,065	466,364,083	462,833,680
Administrative expenses	352,567,995	272,441,665	235,989,713	196,765,194
Net loss on exchange rate	12,249,984	-	-	-
Total expenses	3,542,772,498	2,939,995,836	2,483,974,635	2,101,228,376
Profit from operating activities	333,506,875	208,809,786	483,771,755	311,886,401
Share of profit (loss) from investments in joint ventures	11.2 1,361,502	(5,978,042)	-	-
Finance cost	(156,890,649)	(94,866,975)	(138,837,550)	(97,511,433)
Profit before income tax	177,977,728	107,964,769	344,934,205	214,374,968
Income tax expenses	23 (49,798,732)	(15,631,261)	(51,462,811)	(44,236,512)
Profit for the year	128,178,996	92,333,508	293,471,394	170,138,456
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of financial statements				
in foreign currency-net of income tax	(80,091,316)	115,014,568	-	-
Share of other comprehensive income in joint ventures	16,413,975	(15,459,833)	-	-
Items that will be reclassified subsequently to profit or loss				
Gain on remeasurements of defined benefit plans				
- net of income tax	23 -	4,197,848	-	4,197,848
Other comprehensive income for the year	(63,677,341)	103,752,583	-	4,197,848
Total comprehensive income for the year	64,501,655	196,086,091	293,471,394	174,336,304

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

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(Baht)			
Profit (loss) attributable to:				
Equity holders of the Company	151,799,966	98,324,801	293,471,394	170,138,456
Non-controlling interests of the subsidiary	(23,620,970)	(5,991,293)	-	-
	128,178,996	92,333,508		
Total comprehensive income attributable to:				
Equity holders of the Company	84,708,166	195,182,164	293,471,394	174,336,304
Non-controlling interests of the subsidiary	(20,206,511)	903,927	-	-
	64,501,655	196,086,091		
Earnings per share				
Basic earnings per share	25 0.1581	0.1024	0.3057	0.1772
Profit attributable to equity holders of the Company	0.1581	0.1024	0.3057	0.1772

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

Statement of changes in shareholders' equity ➤

Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2022

Consolidated financial statements													
Equity attributable to owners of the Company													
			Capital surplus			Retained earnings		Other components of equity					
			on share-based	Appropriated		on translation of	Profit (Loss) on	Income tax of	Share profit (loss) of other		Total equity	Equity attributable	
Note	Issued and paid-up	Share premium	payment	- statutory reserve	Unappropriated	financial statements	remeasurements of	other comprehensive	comprehensive income	in joint ventures	attributable to	to non-controlling	
	share capital					in foreign currency	defined benefit plans	income			owners of	interests of	
											the Company	the subsidiary	
												Total	
Year ended 31 December 2021													
	960,000,000	736,842,515	28,996,825	65,140,000	240,244,167	(57,793,266)	(3,848,575)	769,715	24,346,875		1,994,698,256	101,645,016	2,096,343,272
	-	-	-	-	98,324,801	-	-	-	-	-	98,324,801	(5,991,293)	92,333,508
	-	-	-	-	-	108,119,348	5,247,310	(1,049,462)	(15,459,833)		96,857,363	6,895,220	103,752,583
	-	-	-	-	98,324,801	108,119,348	5,247,310	(1,049,462)	(15,459,833)		195,182,164	903,927	196,086,091
	-	-	-	10,000,000	(10,000,000)	-	-	-	-	-	-	-	-
21	-	-	-	10,000,000	(10,000,000)	-	-	-	-	-	-	-	-
	960,000,000	736,842,515	28,996,825	75,140,000	328,568,968	50,326,082	1,398,735	(279,747)	8,887,042		2,189,880,420	102,548,943	2,292,429,363
Year ended 31 December 2022													
	960,000,000	736,842,515	28,996,825	75,140,000	328,568,968	50,326,082	1,398,735	(279,747)	8,887,042		2,189,880,420	102,548,943	2,292,429,363
	-	-	-	-	151,799,966	-	-	-	-	-	151,799,966	(23,620,970)	128,178,996
	-	-	-	-	-	(83,505,775)	-	-	16,413,975		(67,091,800)	3,414,459	(63,677,341)
	-	-	-	-	151,799,966	(83,505,775)	-	-	16,413,975		84,708,166	(20,206,511)	64,501,655
10	-	-	-	-	-	-	-	-	-	-	-	(4,651,734)	(4,651,734)
	-	-	-	15,150,000	(15,150,000)	-	-	-	-	-	-	-	-
21	-	-	-	15,150,000	(15,150,000)	-	-	-	-	-	-	-	-
	960,000,000	736,842,515	28,996,825	90,290,000	465,218,934	(33,179,693)	1,398,735	(279,747)	25,301,017		2,274,588,586	77,690,698	2,352,279,284

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

Statement of changes in shareholders' equity

Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2022

Separate financial statements

Note	Issued and paid-up		Capital surplus on share-based payment	Retained earnings		Other components of equity		Total
	share capital	Share premium		Appropriated - statutory reserve	Unappropriated	Profit (Loss) on remeasurements of defined benefit plans	Income tax of other comprehensive income	
			(Baht)					
Year ended 31 December 2021								
Balance as at 1 January 2021	960,000,000	736,842,515	28,996,825	65,140,000	354,553,991	(3,848,575)	769,715	2,142,454,471
Profit for the year	-	-	-	-	170,138,456	-	-	170,138,456
Other comprehensive income for the year	-	-	-	-	-	5,247,310	(1,049,462)	4,197,848
Total comprehensive income for the year	-	-	-	-	170,138,456	5,247,310	(1,049,462)	174,336,304
Transferred unappropriated retained earnings to statutory reserve	21	-	-	10,000,000	(10,000,000)	-	-	-
Balance as at 31 December 2021	960,000,000	736,842,515	28,996,825	75,140,000	514,692,447	1,398,735	(279,747)	2,316,790,775
Year ended 31 December 2022								
Balance as at 1 January 2022	960,000,000	736,842,515	28,996,825	75,140,000	514,692,447	1,398,735	(279,747)	2,316,790,775
Profit for the year	-	-	-	-	293,471,394	-	-	293,471,394
Total comprehensive income for the year	-	-	-	-	293,471,394	-	-	293,471,394
Transferred unappropriated retained earnings to statutory reserve	21	-	-	15,150,000	(15,150,000)	-	-	-
Balance as at 31 December 2022	960,000,000	736,842,515	28,996,825	90,290,000	793,013,841	1,398,735	(279,747)	2,610,262,169

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

Cash flow statement ➤

Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2022

Note	2022	2021	2022	2021
	(Baht)			
Cash flow from operating activities				
Profit before tax	177,977,728	107,964,769	344,934,205	214,374,968
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	370,951,932	348,140,804	235,601,392	240,181,516
(Reversal of) allowance for inventories devaluation	8 (1,341,219)	2,897,547	(1,341,219)	2,897,547
Reversal of decommissioning provision	(506,057)	-	(506,057)	-
Reversal of allowance for impairment loss of machinery, vehicles and intangible assets	(157,776)	-	(157,776)	-
Allowance for expected credit loss	1,429,492	871,868	-	-
(Reversal of) bad and doubtful debts expenses	(6,033)	508,990	(6,033)	508,990
Gain on the ore reserve adjustment	-	(4,100,760)	-	-
Other income from prepaid taxes and other fees	7 -	(86,741,279)	-	-
Allowance for impairment loss of machinery and equipment, and intangible assets	-	193,195	-	193,195
Loss on sales of property, plant and equipment	1,232,196	2,748,233	1,361,493	17,959
Loss on written-off of property, plant and equipment	10,031,398	24,345	101,847	624,457
Loss on written-off of intangible assets	70,575	1,444,653	70,575	1,444,653
Gain on sales of right-of-use assets	(388,506)	-	(388,506)	-
Long-term employee benefits expenses	20 9,461,166	5,553,099	9,213,537	5,112,559
Loss on a currency conversion of loans to related party	4 -	-	1,680,877	-
(Gain) on a conversion of loans to related party to equity	4 -	-	(2,120,866)	-
Unrealised (gain) loss on exchange rate	25,536,268	97,066,465	(4,842,533)	(48,751,234)
(Gain) loss on forward contract	(5,068,648)	8,901,954	(5,068,648)	8,901,955
Share of (profit) loss from investments in joint ventures	11.2 (1,361,502)	5,978,042	-	-
(Gain) Loss on liquidation of subsidiary	10 2,685,856	-	(36,574)	-
Interest income	(1,963,299)	(4,213,607)	(123,760,329)	(71,366,987)
Finance cost	156,890,649	94,866,975	138,837,550	97,511,433
Profit from operating activities before changes in operating assets and liabilities	745,474,220	582,105,293	593,572,935	451,651,011
Operating assets (increase) decrease				
Trade and other current receivables	(95,194,614)	(98,382,082)	(62,404,740)	(81,337,682)
Inventories	88,684,156	(135,212,170)	25,774,692	(65,171,805)
Other current assets	(11,823,354)	(28,200,537)	(6,629,318)	(8,478,545)
Other non-current assets	3,501,957	(4,936,374)	3,531,889	(87,682)
Operating liabilities increase (decrease)				
Trade and other current payables	(34,045,174)	171,178,222	45,438,291	126,569,069
Current provisions for employee benefits	(383,951)	(590,209)	-	-
Other current liabilities	(11,700,909)	23,318,795	(1,087,661)	(3,342,712)
Other non-current liabilities	(1,348,872)	(9,584,249)	(1,927,004)	(1,977,889)
Cash flow from operating activities	683,163,459	499,696,689	596,269,084	417,823,765
Cash paid for long-term employee benefits	20 (6,040,078)	(23,247,024)	(6,040,078)	(23,143,970)
Cash paid for income tax	(59,518,712)	(281,827)	(59,047,323)	(87,729)
Net cash flow from operating activities	617,604,669	476,167,838	531,181,683	394,592,066

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

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(Baht)			
Cash flow from investing activities				
(Increase) decrease in restricted bank deposits	22,327,917	(64,290,000)	-	(64,290,000)
Cash paid for short-term loan to related parties	4 (5,465,583)	-	(78,787,580)	(182,214,238)
Cash receipt from short-term loan to related party	4 -	-	44,572,030	-
Cash paid for long-term loan to related parties	4 -	-	(57,773,835)	(788,634,229)
Cash receipt from long-term loan to related party	4 -	-	46,070,254	-
Cash paid for investments in joint ventures	11 -	(65,611,098)	-	(43,182,099)
Cash receipt (paid) from liquidation of subsidiary	(805,768)	-	1,078,464	-
Cash paid for investment in other company	9 -	(15,000,000)	-	(15,000,000)
Cash paid for acquisition of property, plant and equipment	(269,271,443)	(862,874,198)	(192,214,517)	(91,240,261)
Cash receipt from disposal of property, plant and equipment	384,619	490,808	384,270	39,214,096
Cash paid for advance payments for construction of plant and machinery	(3,428,526)	(3,678,514)	(2,701,104)	(1,465,311)
Cash receipt from disposal of right of use	1,293,000	-	1,293,000	-
Cash paid for acquisition of intangible assets	(1,645,384)	(9,098,500)	(1,515,700)	(9,098,500)
Interest received	1,092,960	5,739,448	130,078,781	65,852,778
Net cash flow used in investing activities	(255,518,208)	(1,014,322,054)	(109,515,937)	(1,090,057,764)
Cash flow from financing activities				
Cash paid for liabilities under lease agreements	(32,049,061)	(37,303,298)	(31,618,775)	(33,555,204)
Cash paid for short-term loans from financial institutions	(798,743,939)	(768,455,129)	(798,743,939)	(768,455,129)
Cash receipt from short-term loans from financial institutions	703,482,044	714,479,948	626,787,902	714,479,948
Cash paid for long-term loans from financial institutions	19 (462,223,897)	(373,381,683)	(461,766,400)	(228,711,000)
Cash receipt from long-term loans from financial institutions	19 192,237,007	895,150,867	192,237,007	894,285,506
Cash paid for front-end fee	19 (1,173,450)	-	(1,173,450)	-
Cash paid for short-term loans from joint venture partner	(22,327,917)	-	-	-
Cash receipt from short-term loan from unrelated party	-	21,630,000	-	-
Cash receipt from sales and lease back	109,300,000	-	109,300,000	-
Cash paid for interest expenses	(140,231,521)	(98,543,333)	(124,440,790)	(91,156,574)
Net cash flow from financing activities	(451,730,734)	353,577,372	(489,418,445)	486,887,547
Effect of exchange rate changes on cash and cash equivalents	20,947,431	(115,059,877)	-	-
Net decrease of cash and cash equivalents	(68,696,842)	(299,636,721)	(67,752,699)	(208,578,151)
Cash and cash equivalents at beginning of year	193,934,261	493,570,982	164,131,377	372,709,528
Cash and cash equivalents of liquidated subsidiary at the beginning of period	(2,580,784)	-	-	-
Cash and cash equivalents at end of year	122,656,635	193,934,261	96,378,678	164,131,377
Supplemental cash flow information				
Non-cash transactions				
Transfer advance payments for construction of plant and machinery to property, plant and equipment	3,705,956	189,401,270	1,465,311	6,230,055
Initial recognition of right-of-use assets	13 66,672,548	18,337,544	66,672,548	18,337,544
Capitalization of interest expense to property, plant and equipment	12 688,847	12,179,901	679,086	558,649
Convert loan to related parties to equity	4 -	-	270,969,840	-
Transfer prepaid taxes and other fees to pay mining license fee	2,716,067	2,458,164	-	-
Initial recognition of prepayment of the mining license fee	14 -	39,886,536	-	-

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

Notes to the financial statements

Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2022

1 General information

Chememan Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of mineral lime products. The registered address of the Company is at 195/11-12 Lake Rajada Office Complex 2, 10th-11th Floor, Rajadapisek Road, Klongtoey, Bangkok and the Company has four factories located in Saraburi and Rayong.

The Company’s major shareholders during the financial period were Mr. Chai Srivikorn and Buranachart Company Limited.

2 Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by Thailand Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

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

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

2.2 Going concern basis

As at 31 December 2022, the Group and the Company have current liabilities in excess of the current assets amounting to Baht 813.25 million and Baht 876.10 million, respectively (2021: Baht 823.67 million and Baht 889.74 million, respectively). The current liabilities mainly include short-term loans in the term of promissory note for working capital and the current portion of long-term loans. The Group has remaining credit facilities from long-term loans amounting to Baht 114 million (2021: Baht 78 million) and from short-term loans amounting to Baht 462 million (2021: Baht 229 million) which are available to support the need for additional funding. As disclosed in note 19, at 31 December 2022, the Group and the Company had failed to meet certain financial ratios required to be maintained under bank loan facilities, under the loan agreements, and the banks had the right, in respect of certain loans with outstanding amounts totaling Baht 2,030.60 million as at 31 December 2022, to define all debts or any part of the debt and other sums owed as due to be repaid immediately. However, letters of

waiver had been received from the banks during December 2022 waiving such rights to define amounts in respect of these loans as repayable immediately. The management has a defined business and financial strategy to have adequate liquidity in the Group, and the ability to meet liabilities as they fall due. Therefore, the management believes that the Group will continue its operations at least for the forthcoming 12 months. Accordingly, the Group financial information has been prepared on a going concern basis.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of Chememan Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (together referred to as the “Group”) and the Group’s interests in joint ventures.

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			Percent	Percent
Subsidiaries				
Chememan Australia Pty Ltd	Distribution and storage, supply of lime products	Australia	99.99	99.99
Northman Company Limited	Providing sources of lime, market study in Vietnam and lime quality assurance	Vietnam	100.00	100.00
Chememan Lao Company Limited	Cease operation on 22 December 2022	Laos	-	60.00
Chememan India Private Limited	Market study and strengthen customer base in India	India	99.99	99.99
Indirect subsidiaries				
Ha Long QN Lime Company Limited	Manufacturing and distribution of lime products	Vietnam	80.00	80.00
Joint Ventures				
Siriman Chemicals India Private Limited	Manufacturing and distribution of lime products	India	50.00	50.00
Easternbulk Lime Products Private Limited	Manufacturing and distribution of lime products	India	50.00	50.00
CalMix Company Limited	Manufacturing and distribution of construction materials	Thailand	51.00	51.00

Subsidiaries

The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

Subsidiaries are fully consolidated, from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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 during the measurement period, or additional assets or liabilities are recognized, 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.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of joint venture. When the Group's share of losses of a joint venture equals or exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss in the statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in joint venture that are not related to the Group.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Group disposes partially of its holding investment, the deemed cost of the sold investment is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

2.4 Functional and presentation currency

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 thousand unless otherwise stated.

2.5 Judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(1) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

3.11 and 13 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;

- 11 Equity-accounted investees: whether the Group has significant influence over an investee; and

(2) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 December 2022 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 3.11 and 18 Determining the incremental borrowing rate to measure lease liabilities;
- 3.7 and 12 Estimation useful life of assets;
- 3.5 Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
- 3.1 Measurement of investment for impairment losses;
- 3.10 Impairment test of goodwill and other intangible assets: key assumptions underlying recoverable amounts;
- 3.19 and 23 Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised;
- 3.13 and 20 Measurement of defined benefit obligations: key actuarial assumptions;
- 3.14 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Investments

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses.

Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

3.2 Foreign currencies

Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the end of reporting period.

Gains and losses on exchange are included in determining 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 reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

3.3 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Cash and cash equivalents

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

3.5 Trade and other current receivables

A receivable is measured at transaction price less allowance for expected credit loss which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.6 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

3.7 Property, plant and equipment and depreciation

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

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

Land improvement	3 to 20 years
Buildings and building improvement	5 to 30 years
Machinery and equipment	5 to 30 years
Furniture, fixtures and office equipment	3 to 10 years
Motor vehicles	3 to 10 years

However, depreciation of lime kilns and coal grinder mill is calculated using the Productive Output Method, which estimated units of production at a total of 0.6 to 3.2 million tons.

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

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

3.8 Borrowing costs

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

3.9 Ore reserve and depletion

Ore reserve consists of cost of the concession and related development costs which are presented at cost less accumulated depletion. Depletion of the ore is calculated from the percentage of units of limestone produced to the estimated total limestone reserves assessed by an independent geologist.

3.10 Intangible assets

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 2.3. 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 asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licences	3 to 10 years
Concession Rights	26 years 6 months

3.11 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises 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 recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, 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 incurred 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 cost of the right-of-use asset reflects that the Group/Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life 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 the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments include fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

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 amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. 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.

3.12 Impairment of assets

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and projects in progress whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to

their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

3.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

3.14 Provisions

A provision is recognised 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 recognised as a finance cost.

3.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Fair values are categorised 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.
- 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 for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.16 Revenue

Revenue is recognised 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 services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. 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.

3.17 Other income

Other income comprises interest income, and others. Other income is recognised in profit or loss in which they are incurred and having a right to receive payment.

3.18 Interest income

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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 amortised 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 the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Financial cost

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.19 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

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

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

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

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

3.20 Related party transactions

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

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

4 Related party transactions

Relationships with subsidiaries and joint ventures are disclosed in Notes 10 and 11. Relationships with key management and other related parties are as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Rayong Mongkolchai Company Limited	Thailand	Related by common director
Legal Advisory Council Company Limited	Thailand	Related by common director
Hardware King Company Limited	Thailand	Related by common director
Buranachart Company Limited	Thailand	Major shareholders

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

Consolidated financial statements		Separate financial statements		Pricing Policy
2022	2021	2022	2021	

(in million Baht)

Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Sales of goods	-	-	17	153	Mutual agreed prices
Services income	-	-	7	6	Contract price
Interest income	-	-	123	71	Contract price
Other income	-	-	-	2	Mutual agreed prices
Services expenses	-	-	6	7	Contract price
Sale of fixed assets	-	-	-	39	Mutual agreed prices

Transactions with joint ventures

Sales of goods	-	21	-	21	Mutual agreed prices
Services income	7	5	-	-	Contract price
Other revenue	2	2	2	2	Contract price

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

Consolidated financial statements		Separate financial statements	
2022	2021	2022	2021

(in thousand Baht)

Trade receivables-related parties (Note 6)

Subsidiary	-	-	50,440	50,127
Joint ventures	22,038	21,040	22,039	21,040
Total trade receivables-related parties	22,038	21,040	72,479	71,167

Other receivables-related parties (Note 6)

Subsidiaries	-	-	10,641	27,643
Indirect subsidiary	-	-	1,892	13,119
Joint ventures	538	2,928	387	28
Related companies (related by common director)	51	51	51	51
Total other receivables-related parties	589	2,979	12,971	40,841

During the year 2022, the Company provided short-term loans to related parties as detailed below;

Company	Interest rate (% per annum)	Repayment terms	Date of	Amount (in million)	Due date
			draw down		
Chememan Australia Pty Ltd	Fixed rate	Repayment on the maturity date or at call	25 January 2022	AUD 0.27	25 July 2022
			25 January 2022	USD 0.50	25 July 2022
			11 February 2022	AUD 0.50	11 August 2022
			23 February 2022	AUD 0.50	31 March 2022
			26 April 2022	AUD 1.00	26 May 2022
			22 June 2022	AUD 0.20	22 July 2022
Chememan Australia Pty Ltd	Fixed rate	Repayment on the maturity date or at call	29 June 2022	AUD 0.10	29 July 2022
			1 December 2022	THB 1.00	1 March 2023 or at call

Separate financial statements

Short-term loan to related parties	Relationship	31	Increase	Unrealised gain	Transfer to	31
		December 2020	during the year	from translation of foreign currency	Long term loan	December 2021
<i>(in thousand Baht)</i>						
Chememan Australia Pty Ltd	Subsidiary	-	182,214	-	(182,214)	-
Ha Long QN Lime Company Limited	Indirect subsidiary	178,649	-	5,430	(184,079)	-
Total		178,649	182,214	5,430	(366,293)	-

On 30 June 2021, the Company provides the promissory note to Chememan Australia Pty Ltd of AUD 7.69 million, bearing interest at fixed rate. The principal to be repaid on 30 December 2021 or at call.

On 7 July 2021, the State Bank of Vietnam (SBV) approved the request of the change in a term of repayment from short-term loan to Ha Long QN Lime Company Limited amounting to USD 6 million to a long-term loan. This is to support any financial need in normal operation and financial liquidity in Ha Long QN Lime Company Limited.

On 27 December 2021, the Company has changed in a term of repayment from short-term loan to Chememan Australia Pty Ltd amounting to AUD 7.69 million to a long-term loan. This is to support any financial need in normal operation and financial liquidity in Chememan Australia Pty Ltd.

Long-term loans to related parties

As at 31 December 2022, the balance of loans to related parties and the movements of such loans are as follows:

		Separate financial statements						
Long-term loans to related parties	Relationship	31 December 2021	Increase during the year	Decrease during the year	Unrealised gain (Loss) from translation of foreign currency	Debt to equity Conversion	Loss from loan currency conversion	31 December 2022
<i>(in thousand Baht)</i>								
Chememan Australia Pty Ltd	Subsidiary	1,010,648	57,774	-	(4,621)	(237,354)	(1,648)	824,799
Ha Long QN Lime Company Limited	Indirect subsidiary	1,062,895	-	(46,070)	39,402	-	-	1,056,227
Total		2,073,543	57,774	(46,070)	34,781	(237,354)	(1,648)	1,881,026
<i>Less portion due within one year</i>								<i>(119,995)</i>
Long term loans to related parties - net of current portion								1,761,031

During the year 2022, the Company provided long-term loans to related party as detailed below:

Company	Interest rate	Repayment terms	Date of draw down	Amount	Due date
	(% per annum)			(in million)	
Chememan Australia Pty Ltd	BBSW + Fixed rate	Repayment on the maturity date	6 January 2022	AUD 1.40	5 January 2025
			11 January 2022	AUD 0.90	5 January 2025

On 31 May 2022, the Company has agreed to convert the currency of loans to Chememan Australia Pty Ltd, under the short-term loan agreement, from USD 0.50 million to AUD 0.70 million and under the long-term loan agreement from USD 24.97 million to AUD 35.17 million. The Company recognized loss from the said loans currency conversion amounting to Baht 1.7 million in the statement of comprehensive income.

On 17 June 2022, the Company entered into a debt-to-equity conversion agreement by converting short-term loan and long-term loans to Chememan Australia Pty Ltd amounting to AUD 1.40 million and AUD 9.99 million, respectively to share capital in Chememan Australia Pty Ltd, amounting to Baht 270.97 million. Chememan Australia Pty Ltd issued 11,386,560 ordinary shares, at a price of AUD 1 per share, totaling AUD 11.39 million or equivalent to Baht 273.09 million as described in Note 10. The Company recognized gain on the said debt to equity conversion amounting to Baht 2.12 million in the statement of comprehensive income.

As at 31 December 2021, the balance of loans to related parties and the movement of such loans are as follows.

Long-term loans to related parties	Relationship	Separate financial statements				
		31 December 2020	Increase during the year	Transfer from Short-term loan	Unrealised gain from translation of foreign currency	31 December 2021
		<i>(in thousand Baht)</i>				
Chememan Australia Pty Ltd	Subsidiary	137,254	631,454	182,214	59,726	1,010,648
Ha Long QN Lime Company Limited	Indirect subsidiary	627,407	157,180	184,079	94,229	1,062,895
Total		764,661	788,634	366,293	153,955	2,073,543
						(91,122)
						1,982,421

Less portion due within one year

Long term loans to related parties-net of current portion

On 7 July 2021, the State Bank of Vietnam (SBV) approved the request of the change in a term of repayment from short-term loan to long-term loan to Ha Long QN Lime Company Limited amounting to USD 6 million. The long-term loan bears interest at LIBOR plus fixed rate. The loan principal to be repaid every quarter starting in March 2022 to July 2030.

On 27 December 2021, the Company has changed in a term of repayment from short-term loan to long-term loan to Chememan Australia Pty Ltd amounting to AUD 7.69 million. The long-term loan bears interest at BBSW plus fixed rate. The loan principal to be repaid in full on the final maturity date 29 December 2024.

During the year 2021, the Company provided loans to related parties as detailed below:

Company	Interest rate	Repayment terms	Date of provides	Amount	Due date
				<i>(in million USD)</i>	
Chememan Australia Pty Ltd	LIBOR + Fixed percentage	Repayment every quarter, starting in 2022	12 January 2021	3.30	26 November 2027
			24 March 2021	3.00	26 November 2027
			20 May 2021	6.80	26 November 2027
			8 June 2021	5.50	26 November 2027
			12 October 2021	1.05	26 November 2027
			12 November 2021	0.71	26 November 2027
Ha Long QN Lime Company Limited	LIBOR + Fixed percentage	Repayment every quarter, starting in 2022	2 March 2021	1.65	9 December 2030
			19 March 2021	0.21	9 December 2030
			6 July 2021	1.90	9 December 2030
			5 August 2021	0.35	9 December 2030
			21 October 2021	0.33	9 December 2030
			29 November 2021	0.55	9 December 2030

Directors and management's benefits

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Short-term employee benefits	59,508	49,453	45,802	37,613
Post-employment benefits	1,386	5,110	980	4,837
Total	60,894	54,563	46,782	42,450

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash	307	479	222	214
Bank deposits	122,349	193,455	96,157	163,917
Total	122,656	193,934	96,379	164,131

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interest between 0.05 and 7.50 percent per annum (2021: between 0.01 and 7.45 percent per annum).

6 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<u>Trade receivables-related parties</u>	4				
Aged on the basis of due dates					
Not yet due		112	21,038	4,289	22,681
Past due					
Up to 3 months		-	2	16,886	851

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
3-6 months	-	-	-	47,635
6-12 months	21,924	-	21,924	-
More than 12 months	2	-	29,380	-
Total trade receivable-related parties	22,038	21,040	72,479	71,167
<u>Trade receivables-unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	438,522	357,938	368,924	312,397
Past due				
Up to 3 months	52,825	45,561	22,305	14,906
3-6 months	-	3,221	-	167
6-12 months	246	-	-	-
More than 12 months	5,149	5,276	-	-
Total trade receivables-unrelated parties	496,742	411,996	391,229	327,470
<i>Less Allowance for expected credit loss</i>	<i>(4,959)</i>	<i>(3,634)</i>	<i>-</i>	<i>-</i>
Total trade receivables	513,821	429,402	463,708	398,637
<u>Other receivables</u>				
Prepaid expenses	22,189	13,717	16,452	10,477
Advance and other receivables				
- related parties	4	589	2,979	12,971
Advance and other receivables				
- unrelated parties		16,652	31,130	1,410
Total other receivables	39,430	47,826	30,833	52,367
<i>Less Allowance for expected credit loss</i>	<i>-</i>	<i>(15)</i>	<i>-</i>	<i>-</i>
Total trade receivable and other current receivables	553,251	477,213	494,541	451,004

During the year 2022, the Company factored its trade account receivables with non-recourse amounting to USD 34.24 million or equivalent to Baht 1,173.25 million (31 December 2021: amounting to USD 17.18 million or equivalent to Baht 566.99 million). The factoring carried a discount rate between 1.85% - 6.28% (31 December 2021: 1.78% - 1.92%). For the year ended 31 December 2022, the Company recognized a loss from trade account receivable factoring amounting to USD 0.22 million or equivalent to Baht 7.51 million (31 December 2021: USD 0.05 million or equivalent to Baht 1.66 million) as a finance cost in the statement of comprehensive income.

During the year 2022, Chememan Australia Pty Ltd, a subsidiary of the Company, factored its trade account receivables with non-recourse amounting to AUD 18.38 million or equivalent to Baht 446.61 million (31 December 2021: AUD 9.18 million or equivalent to Baht 220.37 million). The factoring carried a discount rate between 1.52% - 4.77%. (31 December 2021: 1.51% - 1.57%). For the year ended 31 December 2022, the subsidiary recognized a loss from trade account receivable factoring amounting to AUD 0.09 million or equivalent to Baht 2.29 million (31 December 2021: AUD 0.02 million or equivalent to Baht 0.51 million) as a finance cost in the statement of comprehensive income.

7 Prepaid taxes and other fees

As of 31 December 2021, an indirect subsidiary of the Company had prepaid tax and other fees amounting to VND 53.30 billion, or equivalent to Baht 79.95 million. In July 2020, the indirect subsidiary had paid tax arising from a write off of account receivable-director which happened before the acquisition of the indirect subsidiary on 20 November 2019, according to the recommendation of tax professional advisors in Vietnam. The primary obligation for any tax liability would be the director, as the beneficiary of the write-off, but the director did not settle the tax himself. Therefore, the indirect subsidiary subjected to the tax obligation because the source of this personal income occurred in the company, an indirect subsidiary. However, in April 2021 the local tax authority in Vietnam concluded in writing that the indirect subsidiary had no tax obligation in respect of the write off of the director's receivable and the tax amount that the indirect subsidiary estimated and paid, based upon the tax professional advice received, to the local tax authority in Vietnam can be treated as a prepayment which can be utilized by deducting with the future taxes and other fees such as mining license fee and environmental protection fee. This tax authority's resolution is announced on the local tax authority's website.

Therefore, the Group recognized prepaid taxes and other fees in the statements of financial position with other income in the statement of comprehensive income amounting to VND 63.98 billion or equivalent to Baht 86.74 million in April 2021.

Movements of the prepaid taxes and other fees account for the year ended 31 December 2022 and 2021 are summarised below.

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Balance as at 1 January	79,951	-
Addition	-	86,741
Less Utilization during the year	(14,533)	(14,965)
Translation adjustment	(1,588)	8,175
Balance as at 31 December	63,830	79,951

8 Inventories

	Consolidated financial statements					
	Cost		Allowance for decline in value		Inventories-net	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Finished goods	193,177	197,767	(1,556)	(2,810)	191,621	194,957
Raw materials	128,022	150,139	-	-	128,022	150,139
Packing materials	13,184	18,447	-	(88)	13,184	18,359
Spare parts and factory supplies	82,785	80,114	-	-	82,785	80,114
Work in process	2,193	-	-	-	2,193	-
Goods in transit	5,836	71,640	-	-	5,836	71,640
Total	425,197	518,107	(1,556)	(2,898)	423,641	515,209

	Separate financial statements					
	Cost		Allowance for decline in value		Inventories-net	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Finished goods	91,514	123,437	(1,556)	(2,810)	89,958	120,627
Raw materials	122,695	114,875	-	-	122,695	114,875
Packing materials	13,183	18,516	-	(88)	13,183	18,428
Spare parts and factory supplies	53,598	52,131	-	-	53,598	52,131
Work in process	2,193	-	-	-	2,193	-
Total	283,183	308,959	(1,556)	(2,898)	281,627	306,061

The cost of inventories recorded in the cost of sales account.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
- Cost	2,304,474	1,827,274	1,782,962	1,438,732
- Reversal of write-down to net realisable value	(1,342)	2,898	(1,342)	2,898
Net	2,303,132	1,830,172	1,781,620	1,441,630

9 Other non-current financial asset

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			

Investments in equity instruments

measured at fair value to profit or loss

Fourgle Systems Pte Ltd	15,000	15,000	15,000	15,000
Total	15,000	15,000	15,000	15,000

On 31 August 2021, the Company invested in Fourgle Systems Pte Ltd, a company registered in Singapore, amounting to Baht 15 million representing 10.49% of its equity. The main business of Fourgle Systems Pte Ltd is to develop E-commerce application.

10 Investments in subsidiaries

Company's name	Currency	Paid-up capital		Shareholding percentage		Cost		Impairment		At cost-net	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
				(%)				(in thousand Baht)			
Chememan Australia Pty Ltd	Thousand AUD	14,607	3,220	99.99	99.99	368,764	95,674	-	-	368,764	95,673
Northman Company Limited	Million VND	423,423	423,423	100.00	100.00	553,858	553,858	-	-	553,858	553,858
Chememan Lao Company Limited	Thousand USD	-	500	-	60.00	-	10,742	-	(9,700)	-	1,042
Chememan India Private Limited	Thousand INR	113,723	113,723	99.99	99.99	85,302	85,302	-	-	85,302	85,302
Total						1,007,924	745,576	-	(9,700)	1,007,924	735,875

For the years ended 31 December 2022 and 2021, no dividend was received from the subsidiaries.

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotation.

On 17 June 2022, the Company agreed to convert loans to Chememan Australia Pty Ltd to the equity of Chememan Australia Pty Ltd for 11,386,560 ordinary shares from an increase in share capital of Chememan Australia Pty Ltd, at a price of AUD 1 per share, totaling AUD 11.39 million or equivalent to Baht 273.09 million. The Company still had a 99.99% interest in such company.

On 22 December 2022, Chememan Lao Company Limited, a subsidiary, has been liquidated. On the liquidation date, non-controlling interest was Baht 4.65 million. The Group recognised loss from liquidation in consolidated statement of income of Bath 2.69 million and the Company recognised gain on reversal of allowance for impairment in separate statement of income of Baht 0.04 million.

11 Investments in joint ventures

11.1 Detail of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)		(in thousand Baht)			
Siriman Chemicals India Private Limited	Manufacture and distribute lime products	India	50	50	96,542	96,542	80,610	87,391
Easternbulk Lime Products Private Limited	Manufacture and distribute lime products	India	50	50	174,273	174,273	193,127	181,147
CalMix Company Limited	Manufacture and distribute construction materials	Thailand	51	51	30,600	30,600	22,252	26,090
Less Exchange differences on translation adjustments					-	-	(25,301)	(8,887)
Total					301,415	301,415	270,688	285,741

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2022	2021	2022	2021
			(%)		(in thousand Baht)	
Siriman Chemicals India Private Limited	Manufacture and distribute lime products	India	50 (22.5% held direct and 27.5% held through subsidiary)	50 (22.5% held direct and 27.5% held through subsidiary)	43,670	43,670
Easternbulk Lime Products Private Limited	Manufacture and distribute lime products	India	50	50	174,274	174,274
CalMix Company Limited	Manufacture and distribute construction materials	Thailand	51	51	30,600	30,600
Total					248,544	248,544

None of the Company's joint ventures are publicly listed and consequently do not have published

11.2 Share of gain (loss)

During the year ended 31 December 2022 and 2021, the Company recognised its share of gain (loss) from investments in the joint ventures in the consolidated financial statements as follows:

Company's name	Consolidated financial statements	
	2022	2021
Siriman Chemicals India Private Limited	(6,781)	(9,333)
Easternbulk Lime Products Private Limited	11,980	5,696
CalMix Company Limited	(3,838)	(2,341)
Total	1,361	(5,978)

(in thousand Baht)

11.3 Summarised financial information about joint ventures

Summarised information about financial position as at 31 December 2022 and 2021.

	Siriman Chemicals India Private Limited		Easternbulk Lime Products Private Limited		CalMix Company Limited	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Cash and cash equivalents	732	77,490	8,947	21,025	859	4,591
Other current assets	79,905	121,061	111,516	115,003	11,261	11,988
Other non-current assets	225,576	246,303	256,601	259,393	33,477	34,819
Trade and other current payables	(65,252)	(76,333)	(27,201)	(45,570)	(952)	(229)
Other current liabilities	(9,941)	(34,093)	(527)	(3,822)	(1,014)	(13)
Other non-current liabilities	(85,923)	(165,649)	(2,054)	-	-	-
Net assets	145,097	168,779	347,282	346,029	43,631	51,156
Group's share of net asset	50%	50%	50%	50%	51%	51%
Net assets of joint ventures based on equity method	72,548	84,390	173,641	173,015	22,252	26,090
Elimination of unrealized profit on downstream sales	-	-	1,400	1,400	-	-
Goodwill	-	-	847	847	-	-
Carrying amounts of joint ventures based on equity method	72,548	84,390	175,888	175,262	22,252	26,090

Summarised information about profit and loss for the year ended 31 December 2022 and 2021.

	Siriman Chemicals India		Easternbulk Lime Products		CalMix Company Limited	
	Private Limited		Private Limited			
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Sales	225,825	144,556	394,869	209,111	674	152
Service income	-	-	-	-	67	-
Other income	4,012	1,059	106	41	19	30
Cost of sales	(184,579)	(106,320)	(274,838)	(134,902)	(5,549)	(2,764)
Distribution costs and administrative expenses	(54,399)	(44,558)	(93,441)	(61,211)	(2,734)	(2,009)
Finance cost	(8,695)	(14,794)	-	-	(2)	-
Income tax benefit (expense)	4,274	1,390	(2,735)	(1,646)	-	-
Total comprehensive income (100%)	(13,562)	(18,667)	23,961	11,393	(7,525)	(4,591)
Total comprehensive income of the Group's interest and Group's share	(6,781)	(9,333)	11,980	5,696	(3,838)	(2,341)

12 Property, plant and equipment

Consolidated financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
	<i>(in thousand Baht)</i>							
Cost:								
At 1 January 2021	178,777	125,245	1,691,862	2,700,106	97,992	225,449	180,427	5,199,858
Additions	-	-	135	11,273	2,107	851	1,019,638	1,034,004
Transfers in/ (out)	-	8,163	36,596	165,303	672	668	(211,402)	-
Capitalised interest expense	-	-	-	-	-	-	12,180	12,180
Transfers from right-of-use assets	-	-	-	-	-	1,796	-	1,796
Disposal/ written-off	-	(568)	(74)	(69,071)	(1,047)	(4,431)	-	(75,191)
Translation adjustment	-	159	139,282	21,667	5,506	14,207	25,682	206,503
At 31 December 2021	178,777	132,999	1,867,801	2,829,278	105,230	238,540	1,026,525	6,379,150
Additions	-	99	80	20,549	2,611	-	231,148	254,487
Transfers in/ (out)	225,661	155,483	258,741	470,535	3,031	636	(1,114,087)	-
Capitalised interest expense	-	-	-	-	-	-	689	689
Disposal/ written-off	-	(2,868)	-	(53,241)	(918)	(2,529)	-	(59,556)
Translation adjustment	(8,487)	(5,792)	(34,301)	(22,294)	(1,065)	(2,009)	557	(73,391)
At 31 December 2022	395,951	279,921	2,092,321	3,244,827	108,889	234,638	144,832	6,501,379

Consolidated financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
	<i>(in thousand Baht)</i>							
Depreciation:								
At 1 January 2021	-	78,073	347,436	982,939	52,879	146,169	-	1,607,496
Depreciation for the year	-	9,106	54,641	203,406	8,625	13,870	-	289,648
Transfers from right-of-use assets	-	-	-	-	-	925	-	925
Depreciation-disposal/ written-off	-	(568)	(56)	(65,922)	(969)	(4,413)	-	(71,928)
Translation adjustment	-	156	25,079	14,306	1,400	3,999	-	44,940
At 31 December 2021	-	86,767	427,100	1,134,729	61,935	160,550	-	1,871,081
Depreciation for the year	-	16,547	67,786	215,806	7,427	12,922	-	320,488
Depreciation-disposal/ written-off	-	(2,867)	-	(41,786)	(914)	(1,628)	-	(47,195)
Translation adjustment	-	(256)	(5,498)	(5,538)	(342)	(447)	-	(12,081)
At 31 December 2022	-	100,191	489,388	1,303,211	68,106	171,397	-	2,132,293
Allowance for impairment loss								
At 1 January 2021	-	-	-	-	-	-	-	-
Allowance for impairment loss for the year	-	-	-	189	4	-	-	193
At 31 December 2021	-	-	-	189	4	-	-	193
Allowance for impairment loss for the year	-	-	-	(158)	-	-	-	(158)
At 31 December 2022	-	-	-	31	4	-	-	35

Consolidated financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
	<i>(in thousand Baht)</i>							
Net book value:								
31 December 2021	178,777	46,232	1,440,701	1,694,360	43,291	77,990	1,026,525	4,507,876
31 December 2022	395,951	179,730	1,602,933	1,941,585	40,779	63,241	144,832	4,369,051

Depreciation for the year

2021 (Baht 276 million included in cost of sales, and balance in distribution costs and administrative expenses)

289,648

2022 (Baht 308 million included in cost of sales, and balance in distribution costs and administrative expenses)

320,488

Separate financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
	<i>(in thousand Baht)</i>							
Cost:								
At 1 January 2021	178,777	122,539	805,674	2,519,007	57,330	118,848	70,424	3,872,599
Additions	-	-	135	5,205	963	-	87,653	93,956
Capitalised interest expense	-	-	-	-	-	-	559	559
Transfers in/ (out)	-	8,163	27,863	68,758	672	-	(105,456)	-
Disposal/ written-off	-	(568)	(74)	(69,071)	(940)	(4,431)	(36,605)	(111,689)
At 31 December 2021	178,777	130,134	833,598	2,523,899	58,025	114,417	16,575	3,855,425
Additions	-	99	80	18,504	1,562	-	169,789	190,034
Capitalised interest expense	-	-	-	-	-	-	679	679
Transfers in/ (out)	-	1,389	15,039	40,753	3,031	190	(60,402)	-
Disposal/ written-off	-	-	-	(5,534)	(459)	(598)	-	(6,591)
At 31 December 2022	178,777	131,622	848,717	2,577,622	62,159	114,009	126,641	4,039,547

Separate financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
	<i>(in thousand Baht)</i>							
Depreciation:								
At 1 January 2021	-	75,414	192,121	889,251	44,340	113,446	-	1,314,572
Depreciation for the year	-	9,058	40,409	136,517	6,437	2,775	-	195,196
Depreciation-disposal/ written-off	-	(568)	(56)	(65,922)	(873)	(4,414)	-	(71,833)
At 31 December 2021	-	83,904	232,474	959,846	49,904	111,807	-	1,437,935
Depreciation for the year	-	9,641	40,965	134,282	4,903	850	-	190,641
Depreciation-disposal/ written-off	-	-	-	(4,004)	(460)	(280)	-	(4,744)
At 31 December 2022	-	93,545	273,439	1,090,124	54,347	112,377	-	1,623,832
Allowance for impairment loss								
At 1 January 2021	-	-	-	-	-	-	-	-
Allowance for impairment loss for the year	-	-	-	189	4	-	-	193
At 31 December 2021	-	-	-	189	4	-	-	193
Allowance for impairment loss for the year	-	-	-	(158)	-	-	-	(158)
At 31 December 2022	-	-	-	31	4	-	-	35

Separate financial statements

	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
				<i>(in thousand Baht)</i>				
Net book value:								
31 December 2021	178,777	46,230	601,124	1,563,864	8,117	2,610	16,575	2,417,297
31 December 2022	178,777	38,077	575,278	1,487,467	7,808	1,632	126,641	2,415,680

Depreciation for the year

2021 (Baht 185 million included in cost of sales, and balance in distribution costs and administrative expenses)	195,196
2022 (Baht 180 million included in cost of sales, and balance in distribution costs and administrative expenses)	190,641

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 478 million (2021: Baht 482 million) and the Company only: Baht 476 million (2021: Baht 454 million).

As at 31 December 2022, the Company has mortgaged its land and structures thereon and machinery with net book value of approximately Baht 1,062 million (2021: Baht 1,040 million) as collateral against credit facilities received from financial institution.

As at 31 December 2022, Chememan Australia Pty Ltd, the subsidiary of the Company, has mortgaged its motor vehicles with net book value of AUD 0.03 million or Baht 0.60 million (2021: mortgaged its motor vehicles with net book value of AUD 0.65 million or Baht 1.58 million) as collateral against credit facilities received from financial institution.

Capitalised borrowing costs relating to construction of new machinery for the Group and the Company are amount to Baht 0.69 million and Baht 0.68 million, respectively (2021: costs relating to construction of new machinery for the Group and the Company are amount to Baht 12.18 million and Baht 0.56 million, respectively), with a capitalization rate of SOFR plus Spread rate plus fixed rate and LIBOR plus fixed rate, respectively (2021: 31 December LIBOR plus fixed rate).

13 Right-of-use assets

As a lessee

	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Right-of-use assets				
Land	10,353	13,746	-	-
Buildings	48,506	681	48,506	681
Equipment	24,952	32,616	24,952	32,616
Vehicle	52,978	61,640	52,978	61,641
Total	136,789	108,683	126,436	94,938

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 66.67 million.

The Group leases lands and buildings for 3 to 45 years and leases equipment and vehicles for 3 to 4 years with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Fixed payments	30,561	11,418	30,496	11,046
Total	30,561	11,418	30,496	11,046

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>For the year ended 31 December</i>				

Amounts recognised in profit or loss

Depreciation of right-of-use assets:

- Land	318	4,253	-	-
- Buildings	3,035	4,083	3,035	4,083
- Equipment	10,669	8,515	10,669	8,515
- Vehicles	20,566	22,147	20,566	21,865
Interest on lease liabilities	3,870	2,831	3,647	2,324
Expenses relating to short-term leases	24,158	10,747	13,509	-
Expenses relating to leases of low-value assets	6,521	9,655	3,581	6,276

In 2022, total cash outflow for leases of the Group and the Company were Baht 66.60 million and Baht 52.36 million, respectively.

14 Ore reserve

The balance represents the acquisition cost of the concession to operate business related to the industrial mining of limestone and related development costs. The balance is summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Total costs	165,032	252,703	165,032	165,032
Derecognition of ore reserve due to becoming unable to reliably measure the amount to be paid under the contract	-	(87,539)	-	-
Less Accumulated depletion	(89,993)	(83,454)	(89,993)	(83,454)
Translation adjustment	-	(132)	-	-
Net	75,039	81,578	75,039	81,578
Depletion for the year	6,539	7,154	6,539	7,154

Under the conditions of the Company's concession, the mining operations must comply with the approved mining plans, and Thailand environmental protection and rehabilitation regulations, and with the regulations and conditions stipulated in the concession. On 6 August 2014, the Company entered into an agreement to pay special benefits to the Thai government for the concession issuance. The concession period is 25 years, which will expire in 2040.

Under the conditions of Ha Long QN Lime Company Limited's concession which is an indirect subsidiary, it is required to comply with Vietnam environmental protection and rehabilitation regulations, and with the regulations and conditions stipulated in the concession. The License period is 30 years, which will expire in 11 May 2046, However Ha Long QN Lime Company Limited recognizes mining licence fees annually as they incurred and amortizes the mining licence fee over the years to the end of the licence. This is because the annual licence fee varies due to the calculation method used and, therefore, total future fees payable cannot be measured reliably. An estimated element of mining licence costs charged to date has been deferred to future years as the licence period exceeds the payment period and is included within "Prepayment of the mining licence fee" on the Consolidated Statement of Financial Position as at 31 December 2022 of Baht 47 million (31 December 2021: Baht 47 million).

15 Intangible assets other than goodwill

	Consolidated financial statements				
	Software licences	Concession Rights	Intangible assets during installation and construction	Others	Total
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2021	38,127	364,567	-	6,625	409,319
Additions	8,298	-	800	-	9,098
Disposal/ write-off	(6,096)	-	-	-	(6,096)
Translation adjustment	-	-	-	(480)	(480)
At 31 December 2021 and 1 January 2022	40,329	364,567	800	6,145	411,841
Additions	465	-	1,180	-	1,645
Transfers in/ (out)	1,980	-	(1,980)	-	-
Disposal/ write-off	(86)	-	-	-	(86)
Translation adjustment	(5)	-	-	(1,446)	(1,451)
At 31 December 2022	42,683	364,567	-	4,699	411,949
Amortisation					
At 1 January 2021	8,644	14,947	-	4,609	28,200
Amortisation for the year	3,369	5,261	-	2,040	10,670
Disposal/ write-off	(4,651)	-	-	-	(4,651)
Translation adjustment	-	-	-	(504)	(504)
At 31 December 2021 and 1 January 2022	7,362	20,208	-	6,145	33,715
Amortisation for the year	4,159	3,191	-	-	7,350
Disposal/ write-off	(15)	-	-	-	(15)
Translation adjustment	(1)	-	-	(1,446)	(1,447)
At 31 December 2022	11,505	23,399	-	4,699	39,603
Net book value					
At 31 December 2021	32,967	344,359	800	-	378,126
At 31 December 2022	31,178	341,168	-	-	372,346

	Separate financial statements		
	Software licences	Intangible assets during installation and construction (in thousand Baht)	Total
Cost			
At 1 January 2021	38,127	-	38,127
Additions	8,298	800	9,098
Disposal/ write-off	(6,096)	-	(6,096)
At 31 December 2021 and 1 January 2022	40,329	800	41,129
Additions	336	1,180	1,516
Transfers in/ (out)	1,980	(1,980)	-
Disposal/ write-off	(86)	-	(86)
At 31 December 2022	42,559	-	42,559
Amortisation			
At 1 January 2021	8,644	-	8,644
Amortisation for the year	3,369	-	3,369
Disposal/ write-off	(4,652)	-	(4,652)
At 31 December 2021 and 1 January 2022	7,361	-	7,361
Amortisation for the year	4,151	-	4,151
Disposal/ write-off	(15)	-	(15)
At 31 December 2022	11,497	-	11,497
Net book value			
At 31 December 2021	32,968	800	33,768
At 31 December 2022	31,062	-	31,062

16 Short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)		(in thousand Baht)	
Short-term loans from financial institutions	947,206	1,044,213	872,257	1,044,213
Total	947,206	1,044,213	872,257	1,044,213

As at 31 December 2022, Short-term loans from financial institutions for the Group and the Company carried interest between 1.85 - 10.7 and 1.85 - 3.75 percent per annum, respectively (31 December 2021 : between 1.80 and 2.87 percent per annum).

17 Trade and other current payables

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Trade payables-related parties	4	-	-	25,438
Trade payables-unrelated parties		289,877	265,713	210,902
Other payables-related parties	4	347	289	1,876
Other payables-unrelated parties		95,786	128,978	75,561
Accrued expenses-unrelated parties		67,299	100,506	61,265
Advance receipt from customers		5,044	18,006	4,641
Total trade and other current payables		458,353	513,492	379,683
				332,232

18 Lease liabilities

	Consolidated financial statement		Separate financial statement	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Liabilities under finance lease agreements	254,232	86,674	243,636	65,544
Less Deferred interest expenses	(44,909)	(18,031)	(36,925)	(2,827)
Total	209,323	68,643	206,711	62,717
Less Portion due within one year	(42,305)	(26,328)	(41,941)	(26,455)
Liabilities under finance lease agreements- net of current portion	<u>167,018</u>	<u>42,315</u>	<u>164,770</u>	<u>36,262</u>

The Group have entered into the lease agreements for land and buildings for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 - 45 years.

The Group have entered into lease agreements for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 - 4 years.

On 22 December 2022, the Company has entered into the sale and leaseback agreement with of solar power plant used in its' operation with the bank amounting to million 109.30 Baht and received payment from the bank with the same amount of the carrying value of the solar power plant. The Company committed to pay rental on a monthly basis. The term of the agreement is 5 years.

Future minimum lease payments required under the lease agreements are as follows

	2022						2021					
	Consolidated financial statement			Separate financial statement			Consolidated financial statement			Separate financial statement		
	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments
	<i>(in thousand Baht)</i>											
Lease agreements												
Within 1 year	25,808	(3,665)	22,143	25,444	(3,665)	21,779	28,417	(2,089)	26,328	28,045	(1,590)	26,455
Over 1 but not over 5 years	50,785	(12,953)	37,832	50,767	(11,316)	39,451	39,531	(3,897)	35,634	37,499	(1,237)	36,262
Over 5 years	56,952	(16,904)	40,048	46,739	(10,558)	36,181	18,726	(12,045)	6,681	-	-	-
	<u>133,545</u>	<u>(33,522)</u>	<u>100,023</u>	<u>122,950</u>	<u>(25,539)</u>	<u>97,411</u>	<u>86,674</u>	<u>(18,031)</u>	<u>68,643</u>	<u>65,544</u>	<u>(2,827)</u>	<u>62,717</u>
Sale and lease back												
Within 1 year	24,137	(3,975)	20,162	24,137	(3,975)	20,162	-	-	-	-	-	-
Over 1 but not over 5 years	96,550	(7,412)	89,138	96,550	(7,412)	89,138	-	-	-	-	-	-
	<u>120,687</u>	<u>(11,387)</u>	<u>109,300</u>	<u>120,687</u>	<u>(11,387)</u>	<u>109,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	2022						2021					
	Consolidated financial statement			Separate financial statement			Consolidated financial statement			Separate financial statement		
	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future lease payments
	<i>(in thousand Baht)</i>											
Total												
Within 1 year	49,945	(7,640)	42,305	49,581	(7,640)	41,941	28,417	(2,089)	26,328	28,045	(1,590)	26,455
Over 1 but not over 5 years	147,335	(20,365)	126,970	147,317	(18,728)	128,589	39,531	(3,897)	35,634	37,499	(1,237)	36,262
Over 5 years	56,952	(16,904)	40,048	46,739	(10,558)	36,181	18,726	(12,045)	6,681	-	-	-
	<u>254,232</u>	<u>(44,909)</u>	<u>209,323</u>	<u>243,637</u>	<u>(36,926)</u>	<u>206,711</u>	<u>86,674</u>	<u>(18,031)</u>	<u>68,643</u>	<u>65,544</u>	<u>(2,827)</u>	<u>62,717</u>

19 Long-term loans

Credit facilities	Interest rate per annum	Consolidated financial statements		Credit facilities	Interest rate per annum	Separate financial statements	
		2022	2021			2022	2021
<i>(in thousand Baht)</i>							
1) Baht 1,300 million	MLR-Fixed percentage	768,192	940,584	1) Baht 1,300 million	MLR-Fixed percentage	768,192	940,584
2) Baht 248 million	MLR-Fixed percentage	134,337	175,669	2) Baht 248 million	MLR-Fixed percentage	134,337	175,669
3) Baht 400 million	MLR-Fixed percentage	131,700	249,300	3) Baht 400 million	MLR-Fixed percentage	131,700	249,300
4) Baht 20 million	MLR-Fixed percentage	14,960	20,000	4) Baht 20 million	MLR-Fixed percentage	14,960	20,000
5) USD 11 million	LIBOR + Fixed percentage	380,186	369,522	5) USD 11 million	LIBOR + Fixed percentage	380,186	369,522
6) USD 36.13 million	Compound SOFR + Spread adjustment + Fixed percentage	996,370	1,100,249	6) USD 36.13 million	Compound SOFR + Spread adjustment + Fixed percentage	996,370	1,100,249
7) Baht 39.69 million	Fixed percentage	39,603	-	7) Baht 39.69 million	Fixed percentage	39,603	-
8) Baht 150 million	MLR-Fixed percentage	150,000	-	8) Baht 150 million	MLR-Fixed percentage	150,000	-
9) Others	Fixed percentage	525	1,661				
Less Deferred loan front-end fee		(3,245)	(3,826)	Less Deferred loan front-end fee		(3,245)	(3,826)
Total		2,612,628	2,853,159	Total		2,612,103	2,851,498
Less Portion due within one year		(571,145)	(470,025)	Less Portion due within one year		(570,956)	(469,484)
Long-term loans-net of current portion		2,041,483	2,383,134	Long-term loans-net of current portion		2,041,147	2,382,014

Loan items 1 and 2

The long-term loan agreement with the tranche of Baht 1,548 million requires the loan principal to be repaid in quarterly installments and carries interest at MLR minus fixed percentage. The loan is secured by the mortgage of the Company's land and structures thereon and most of its machinery. The Company is required to maintain financial ratios in accordance with the agreement such as Debt to Equity ratio and Debt Service Coverage ratio. The loan principal to be repaid within the first quarter 2027.

As at 31 December 2022, the Company failed to maintain certain required financial ratios and the bank, under the agreement, has the right to define all debts, or any part of the debt as well as any interest incurred, service charges, fees and other sums owed, as due and must be paid immediately without any demands. However, the Company had received a letter of waiver from the bank waiving such rights on 13 December 2022.

Loan item 3

The long-term loan agreement with the tranche of Baht 400 million requires the loan principal to be repaid in quarterly installments and carries interest at MLR minus fixed percentage without guarantee. The Company is required to comply with some financial conditions as those specified in the Company's loan agreement and to maintain financial ratios. The loan principal to be repaid within the first quarter 2024.

As at 31 December 2022, the Company failed to maintain certain required financial ratios and the bank, under the agreement, has the right to define all debts, or any part of the debt as well as any interest incurred, service charges, fees and other sums owed, as due and must be paid immediately without any demands. However, the Company had received a letter of waiver from the bank waiving such rights on 21 December 2022.

Loan item 4

The long-term loan agreement soft loans measure to help entrepreneurs directly and indirectly affected by the coronavirus outbreak (COVID-19) with the tranche of Baht 20 million requires the loan principal to be repaid in monthly installments and carries interest at MLR minus fixed rate per annum without guarantee. The Company is required to comply with some financial conditions as those specified in the Company's loan agreement and to maintain a certain debt to equity ratio. The loan principal to be repaid within the first quarter 2025.

Loan item 5

The long-term loan agreement with the tranche of USD 11 million requires the loan principal to be repaid in quarterly installments and interest at the rate LIBOR plus Fixed percentage without guarantee. The Company is required to maintain debt to equity in accordance with the agreement. The loan principal to be repaid within the second quarter 2030.

Loan item 6

The long-term loan agreement with the tranche of USD 36.13 million requires the loan principal to be repaid in quarterly installments and interest at the rate LIBOR plus Fixed percentage. However, after 1 December 2022, the interest rate changed to Compound SOFR plus Spread adjustment plus fixed percentage. The Company is required to maintain financial ratios in accordance with the agreement. The loan principal to be repaid within the fourth quarter 2027.

As at 31 December 2022, the Company failed to maintain certain required financial ratios and the bank, under the agreement, has the right to define all debts, or any part of the debt as well as any interest incurred, service charges, fees and other sums owed, as due and must be paid immediately without any demands. However, the Company had received a letter of waiver from the bank waiving such rights on 22 December 2022.

Loan item 7

The long-term loan agreement with the tranche of Baht 39.69 million requires the loan principal to be repaid in monthly installments. Interest rate during the period from the first drawdown date 2 years is Fixed percentage and the next period until the end of the agreement is the rate of Prime rate minus Fixed percentage. The loan is secured by the mortgage of the Company's machinery .The Company is required to comply with some financial conditions as those specified in the Company's loan agreement and to maintain financial ratios. The loan principal to be repaid within the third quarter 2027.

Loan item 8

The long-term loan agreement with the tranche of Bath 150 million requires the loan principal to be repaid in quarterly installments and interest at the rate Average MLR of 4 banks minus Fixed percentage. The loan principal to be repaid within the fourth quarter 2027 without collateral. The Company is required to maintain debt to equity in accordance with the agreement. In addition, throughout the period that the repayment has not been completed, the Company will not create encumbrances on the land and buildings of the Company's factory in Rayong and the indirect subsidiary's factory in Vietnam. As at the end of this financial year, the Company has fully complied with such negative pledge.

Movements of the long-term loans account during the year ended 31 December 2022 and 2021 are summarised below.

	Consolidated financial statement		Separate financial statement	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Balance as at 1 January	2,853,159	2,215,731	2,851,498	2,077,645
Add Loan during year	192,237	895,151	192,237	894,286
Less Repayment of loan as due date	(462,224)	(373,381)	(461,766)	(228,711)
Less Deferred loans front-end fee	(1,173)	-	(1,173)	-
Add Amortisation of loans front-end fee	1,753	1,412	1,753	1,412
Less Deferred interest	-	(82)	-	-
Add Amortisation of deferred interest	53	65	-	-
Less Cancellation of the mortgage loan	(712)	-	-	-
Add Reclassification	-	1,173	-	-
Unrealized loss on exchange rate	29,554	106,866	29,554	106,866
Translation adjustment	(19)	6,224	-	-
Balance as at 31 December	2,612,628	2,853,159	2,612,103	2,851,498
Less Portion due within one year	(571,145)	(470,025)	(570,956)	(469,484)
Long-term loans-net of current portion	2,041,483	2,383,134	2,041,147	2,382,014

During the year 2022, the Company drew down the borrowing as detailed below :

Amount of loan agreement	Interest rate	Date of draw down	Amount	Due date
<i>(in million)</i>				
USD 36.13 million	Compound SOFR+ Spread Adjustment + Fixed percentage	15 December 2022	USD 0.75	the third quarter 2027
Baht 39.69 million	Fixed percentage	7 September 2022	Baht 26.47	the third quarter 2027
		15 September 2022	Baht 2.24	the third quarter 2027
		29 September 2022	Baht 9.53	the third quarter 2027
		15 December 2022	Baht 1.37	the third quarter 2027
Baht 150 million	MLR + Fixed percentage	17 October 2022	Baht 150	the fourth quarter 2027

20 Non-current provisions for employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
As at 1 January	62,303	85,183	61,580	84,858
Include in profit or loss:				
Current service cost	8,159	10,127	7,911	9,687
Past service cost	-	(6,713)	-	(6,713)
Interest on obligation	1,302	2,139	1,302	2,139
Included in other comprehensive income:				
Actuarial gain	-	(5,247)	-	(5,247)
Translation adjustment	(27)	61	-	-
Other				
Benefits paid during the year	(6,040)	(23,247)	(6,040)	(23,144)
As at 31 December	65,697	62,303	64,753	61,580

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cost of sales	4,450	3,759	4,395	3,759
Distribution costs and administrative expenses	5,011	1,794	4,818	1,354
Total expenses recognised in profit or loss	9,461	5,553	9,213	5,113

The Company does not expect to pay for long-term employee benefits during the next year (2021: The Company expects to pay for long-term employee benefits during the next year of Baht 6.22 million).

As at 31 December 2022, the weighted average duration of the long-term employee benefit liabilities is 17.7 years (2021: 17.7 years).

Actuarial profit recognised in other comprehensive income arising from:

	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Demographic assumptions	-	(6,590)
Financial assumptions	-	3,173
Experience adjustment	-	(1,830)
Total	-	(5,247)

Key actuarial assumptions used for the valuation are as follows:

	Consolidated and Separate financial statements	
	2022	2021
	(% per annum)	
Discount rate	2.6	2.6
Salary increase rate	4 - 8	4 - 8

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 is summarised below:

	Consolidated and Separate financial statements			
	2022		2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	<i>(in thousand Baht)</i>			
Discount rate	(7,522)	8,957	(7,001)	8,340
Salary increase rate	9,370	(7,989)	8,105	(6,927)

21 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

22 Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods	66,947	(105,500)	28,477	(27,528)
Raw materials and consumables used	474,681	786,602	52,148	200,001
Salaries and wages and other employee benefits	479,900	440,224	368,872	355,632
Depreciation and amortization	370,951	348,141	235,601	240,182
Transportation expenses	650,079	511,775	496,505	495,345
Fuel charge	937,818	515,559	934,314	513,461
Electric expenses	213,102	181,815	189,154	160,735
Bad debts	6	509	6	509
Others	337,038	260,871	178,898	162,891
Total	3,530,522	2,939,996	2,483,975	2,101,228

23 Income tax

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current income tax:				
Current income tax charge	52,768	22,619	50,591	21,962
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,969)	(6,988)	872	22,274
Income tax expense reported in the statement of comprehensive income	49,799	15,631	51,463	44,236

Income tax recognised in other comprehensive income

	Consolidated and Separate financial statements					
	2022			2021		
	Before tax	Tax benefits	Net of tax	Before tax	Tax expenses	Net of Tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial gain	-	-	-	5,247	(1,049)	4,198
Total	-	-	-	5,247	(1,049)	4,198

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Accounting profit before tax	177,978	107,965	344,934	214,375
Applicable tax rate	20 - 30%	20-30%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	31,677	(5,131)	68,987	42,875
Share of (gain) loss from investments in joint ventures	(272)	1,196	-	-
Deferred tax assets which were not recognised during the year	-	727	-	-
Effects of:				
Promotional privileges (Note 24)	(19,516)	(4,211)	(19,516)	(4,211)
Non-deductible expenses	28,288	9,905	4,531	6,282
Additional expense deductions allowed	(1,621)	(2,258)	(1,621)	(2,258)
Others	11,243	15,403	(918)	1,548
Total	18,394	18,839	(17,524)	1,361
Income tax expense reported in the statement of comprehensive income	49,799	15,631	51,463	44,236

The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Provision for long-term employee benefits	13,568	13,031	12,950	12,316
Loss carry forward	55,099	37,690	-	-
Others	9,111	28,132	895	2,460
Total	77,778	78,853	13,845	14,776
Deferred tax liabilities				
Deferred loan front-end fee	424	483	424	483
Fair value adjustment of subsidiaries' assets regarding business combinations	68,291	69,387	-	-
Total	68,715	69,870	424	483
Net	9,063	8,983	13,421	14,293

Movements in deferred tax balances are as follows:

	Consolidated financial statements			
	<u>(Charged) / Credited to</u>			
	At 1 January 2022	Profit or loss	Effect of movements in exchange rates	At 31 December 2022
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Provision for long-term employee benefits	13,031	559	(22)	13,568
Loss carry forward	37,690	19,486	(2,077)	55,099
Others	28,132	(18,231)	(790)	9,111
Total	78,853	1,814	(2,889)	77,778

	Consolidated financial statements			
	<u>(Charged) / Credited to</u>			
	At 1 January 2022	Profit or loss	Effect of movements in exchange rates	At 31 December 2022
	<i>(in thousand Baht)</i>			
Deferred tax liabilities				
Deferred loan front-end fee	(483)	59	-	(424)
Fair value adjustment of subsidiaries' assets regarding business combinations	(69,387)	1,096	-	(68,291)
Total	(69,870)	1,155	-	(68,715)
Net	8,983	2,969	(2,889)	9,063

	Consolidated financial statements				
	<u>(Charged) / Credited to</u>				
	At 1 January 2021	Profit or loss	Other comprehensive income	Effect of movements in exchange rates	At 31 December 2021
	<i>(in thousand Baht)</i>				
Deferred tax assets					
Provision for long-term employee benefits	17,087	(3,024)	(1,049)	17	13,031
Loss carry forward	31,728	4,757	-	1,205	37,690
Fair value adjustment of subsidiaries' assets regarding business combinations	15,555	(15,555)	-	-	-
Others	8,081	19,339	-	712	28,132
Total	72,451	5,517	(1,049)	1,934	78,853
Deferred tax liabilities					
Deferred loan front-end fee	(482)	(1)	-	-	(483)
Fair value adjustment of subsidiaries' assets regarding business combinations	(70,859)	1,472	-	-	(69,387)
Total	(71,341)	1,471	-	-	(69,870)
Net	1,110	6,988	(1,049)	1,934	8,983

	Separate financial statements			
	(Charged) / Credited to			
	At 1 January 2022	Profit or loss	Other comprehensive income	At 31 December 2022
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Provision for long-term employee benefits	12,317	633	-	12,950
Others	2,459	(1,564)	-	895
Total	14,776	(931)	-	13,845
Deferred tax liabilities				
Deferred loan from front-end fees	(483)	59	-	(424)
Total	(483)	59	-	(424)
Net	14,293	(872)	-	13,421
	Separate financial statements			
	(Charged) / Credited to			
	At 1 January 2021	Profit or loss	Other comprehensive income	At 31 December 2021
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Provision for long-term employee benefits	16,972	(3,606)	(1,049)	12,317
Loss carry forward	18,815	(18,815)	-	-
Others	2,312	147	-	2,459
Total	38,099	(22,274)	(1,049)	14,776
Deferred tax liabilities				
Deferred loan from front-end fees	(482)	(1)	-	(483)
Total	(482)	(1)	-	(483)
Net	37,617	(22,275)	(1,049)	14,293

As at 31 December 2022, the subsidiary companies have the unused tax losses amounting to Baht 2.50 million (2021: Baht 6.17 million) which will expire by 2023 - 2027 and the deferred tax asset have not been recognised as the subsidiary companies believe that future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

The unused tax losses of the Group is Baht 187 million (2021: Baht 128 million) which will expire from 2023 - 2027. The Company has no unused tax loss in separate financial statements (2021: Nil.)

24 Promotional privileges

The Company has received investment promotional privileges from the Board of Investment (BOI) for the manufacture of chemicals for industrial use. Subject to certain conditions, the significant tax privileges received are as follows:

Details of promotion privileges						
1. Certificate No.	2484(2)/ 2554	1498(2)/ 2558	59-1064- 1-00-1-0	59-1065- 1-00-1-0	59-1278- 1-00-1-0	65-1141-1- 04-1-0
2. The significant privileges are						
2.1 Exemption of corporate income tax for net profit from promoted operation and exemption of income tax on dividends paid from the profit of the promoted operations.	8 years	6 years	3 years	3 years	3 years	3 years
In case that there are losses incurred during the corporate income tax exemption period, the Company is allowed to utilise the losses as a deduction against the net earnings of future years after the expiry of the tax exemption period, but with a time limit of five years after that period.						
2.2 A fifty percent reduction of the normal rate of corporate income tax on net profit from promoted operations for a period of five years after the expiration of the above corporate income tax exemption period.	Granted	Granted	Non-granted	Non-granted	Non-granted	Non-granted
3. Date of first earning operating income	15 February 2013	2 September 2016	20 January 2018	1 February 2019	Not yet operate	12 September 2022

The Company's operating revenues for the years divided according to promoted and non-promoted operations are shown below.

	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Domestic sales	392,119	292,041	869,112	694,248	1,261,231	986,289
Export sales	371,677	279,492	1,101,434	987,689	1,473,111	1,267,181
Total sales	763,796	571,533	1,970,546	1,681,937	2,734,342	2,253,470

25 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Earnings per share				
Profit for the year (Thousand Baht)	151,800	98,325	293,471	170,138
Weighted average number of ordinary shares (Thousand shares)	960,000	960,000	960,000	960,000
Profit attributable to equity holders of the Company (Baht per share)	0.1581	0.1024	0.3057	0.1772

26 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group are principally engaged in one operating segment which is the manufacture and distribution of mineral and chemicals.

Major customers information

For the year 2022, the Group have revenue from one major customer in amount of Baht 664 million, arising from domestic sales (2021: the Group have revenue from one major customer with revenue in the amount of Baht 344 million which are from domestic sales).

Geographic information

The Group's business operations involve 2 geographic segments: (1) the Company which is incorporated in Thailand, manufacture and distribution of mineral and chemicals. (2) the subsidiaries which are incorporated overseas, manufacture and distribution of mineral and chemicals. The major revenue of overseas subsidiaries is from Australia. Therefore, financial information by segment of the Group has been presented by geographic area, as follows:

	Geographic segment located in Thailand		Geographic segment located overseas		Eliminated transactions		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in million Baht)</i>							
Revenue from external customers	2,717	2,101	674	783	-	-	3,391	2,884
Intersegment revenue	17	153	253	331	(270)	(484)	-	-
Total revenue	<u>2,734</u>	<u>2,254</u>	<u>927</u>	<u>1,114</u>	<u>(270)</u>	<u>(484)</u>	<u>3,391</u>	<u>2,884</u>
Segment operating profit/ (loss)	953	812	136	260	(1)	(18)	1,088	1,054
Unallocated income and expenses:								
Other income from freight compensation							147	-
Other income							69	141
Service income							269	118
Cost of services							(296)	(155)
Distribution costs							(578)	(682)
Administrative expenses							(353)	(272)
Net gain (loss) from exchange rate							(12)	5
Share of profit (loss) from investments in joint ventures							1	(6)
Finance cost							(157)	(95)
Income tax expenses							(50)	(16)
Profit for the year							<u>128</u>	<u>92</u>

27 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5, 10 and 15 percent of basic salary. The fund, which is managed by an asset management company, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to Baht 8.9 million (2021: Baht 9.1 million) were recognised as expenses.

28 Financial instruments

28.1 Financial risk management

The Group's financial instruments, "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other current receivables, trade and other current payables, short-term loans and long-term loan from financial institutions, liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other current receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other current receivables are written-off in accordance with the Group's policy.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of the Group non-derivative financial liabilities at the reporting date based on contractual undiscounted cash flows:

	Consolidated financial statements				Total
	Contractual cash flows				
When asked	1 year	1-5 years	More than 5 years		
	<i>(in million Baht)</i>				
At 31 December 2022					
Non-derivative financial liabilities					
Short-term loans from financial institutions	-	947	-	-	947
Trade and other current payables	-	453	-	-	453
Long-term loans from financial institutions	-	571	1,960	81	2,612
Lease liabilities	-	42	127	40	209
	-	<u>2,013</u>	<u>2,087</u>	<u>121</u>	<u>4,221</u>
At 31 December 2021					
Non-derivative financial liabilities					
Short-term loans from financial institutions	-	1,044	-	-	1,044
Trade and other current payables	-	495	-	-	495
Long-term loans from financial institutions	-	469	2,223	161	2,853
Lease liabilities	-	26	36	7	69
	-	<u>2,034</u>	<u>2,259</u>	<u>168</u>	<u>4,461</u>

Separate financial statements						
As at 31 December 2022						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
(in million Baht)					(% per annum)	
Financial assets						
Cash and cash equivalent	-	-	96	-	96	0.05 - 0.35
Trade and other current receivables	-	-	-	495	495	-
Short-term Loans to related parties	1	-	-	-	1	Fixed rate
Long-term Loans to related parties	-	-	1,881	-	1,881	LIBOR + Fixed rate, BBSW+ Fixed rate
Total	1	-	1,977	495	2,473	
Financial liabilities						
Short-term loans from financial institutions	872	-	-	-	872	1.85 - 3.75
Trade and other current payables	-	-	-	380	380	-
Liabilities under lease agreement	42	129	36	-	207	2.54 - 5.25
Long-term loans	-	-	2,612	-	2,612	2.00 - 7.86
Total	914	129	36	2,612	380	4,071

Separate financial statements						
As at 31 December 2021						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
(in million Baht)					(% per annum)	
Financial assets						
Cash and cash equivalent	-	-	164	-	164	0.01 - 0.20
Trade and other current receivables	-	-	-	451	451	-
Loans to related parties	-	-	2,074	-	2,074	LIBOR + Fixed rate, BBSW+ Fixed rate
Total	-	-	2,238	451	2,689	

Separate financial statements						
As at 31 December 2021						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
(in million Baht)					(% per annum)	
Financial liabilities						
Short-term loans from financial institutions	1,044	-	-	-	1,044	1.80 - 2.87
Trade and other current payables	-	-	-	332	332	-
Liabilities under lease agreement	27	36	-	-	63	2.54 - 4.15
Long-term loans	-	-	2,851	-	2,851	1.92 - 3.75
Total	1,071	36	-	332	4,290	

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
(in million)					(in Baht per 1 foreign currency unit)	
USD	6.3	10.0	40.2	44.3	34.5624	33.4199
Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
(in million)					(in Baht per 1 foreign currency unit)	
USD	38.3	69.0	40.9	43.9	34.5624	33.4199
AUD	35.3	8.0	-	1.6	23.3791	24.2627

Foreign currency sensitivity analysis

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

28.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, accounts receivables, accounts payables, loan to and loan from related parties, their carrying amounts in the statements of financial position approximate their fair values.

The carrying value and fair value of other non-current financial asset and foreign currency forward contracts as at 31 December 2022 is presented below.

	Consolidated and Separate financial statements			
	31 December 2022		31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial Asset				
Other non-current financial asset	15,000	15,000	15,000	15,000
Financial liability				
Foreign currency forward contracts	-	-	8,902	8,902

(in thousand Baht)

28.3 Fair value hierarchy

As at 31 December 2022, the Group had the assets and liabilities that were measured at fair value at to profit or loss FVTPL and for which fair value was disclosed using different levels of inputs as follow:

Consolidated and Separate financial statements			
31 December 2022			
Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>			

Asset measured at fair value

Other non-current financial assets				
Investment in equity securities	-	-	15,000	15,000

Consolidated and Separate financial statements			
31 December 2021			
Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>			

Asset measured at fair value

Other non-current financial assets				
Investment in equity securities	-	-	15,000	15,000

Liability measured at fair value

Derivatives liabilities				
Foreign currency forward contracts	-	8,902	-	8,902

Financial instruments measured at fair value

Type	Valuation technique
Equity securities	Net Assets as at reported date
Derivatives	Market price

29 Commitments and contingent liabilities

29.1 Capital commitments

1) The Group had capital commitments relating to the construction of plant and acquisition of machinery and equipment are as follow:

Currency	Consolidated and Separate financial statements	
	2022	2021
Million Baht	4.0	1.94

29.2 Operating lease and service commitments

- 1) The Group have entered into lease agreements in respect of the lease of office building space, vehicles, office equipment, which have lease terms less than 12 months or leases of low-value assets, and other service agreements. Future minimum rentals and service fees payable under these agreements are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			

Payable:

Within 1 year	18.1	33.7	8.1	15.4
Over 1 but not over 5 years	7.4	24.9	7.0	13.8
Over 5 Years	1.5	-	1.5	-

- 2) Under the conditions of Ha Long QN Lime Company Limited's concession it is required to comply with Vietnam environmental protection and rehabilitation regulations, and with the regulations and conditions stipulated in the concession. The License period is 30 years, which will expire on 11 May 2046.
- 3) The Company entered into agreements with a third party to do those mining activities as explosion, sorting, crushing and scooping the stones, the Company has the obligation to pay the yearly service fee. The term of the agreements can be extended with the mutual agreements of the parties.
- 4) The indirect subsidiary, entered into agreements with a non-related local company to do those mining activities as explosion, sorting, crushing and scooping the stones, the Company has the obligation to pay the yearly service fee amounting VND 30 billion or equivalent to Baht 44 million per year as specified in the agreement. The agreements will be expired in 2028

29.3 Guarantees

- 1) As at 31 December 2022 and 2021, the Group have outstanding bank guarantees in respect of certain performance as required in the normal course of business as follows.

	Currency	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Guarantee electricity use	Million Baht	21.4	14.8	19.6	13.1
Guarantee performance and others	Million Baht	8.3	29.6	8.3	18.2

- 2) As at 31 December, 2022, the Company has fixed deposits pledged as collateral for loans to an unrelated company for shipping services amounting to USD 1.89 million or equivalent to Baht 64.29 million.
- 3) As at 31 December 2022, Chememan India Private Limited, a wholly owned subsidiary incorporated in India and held by the Company 99.99%, holds restricted bank deposits to guarantee loan agreement for Siriman Chemicals India Private Limited, a joint venture in India, amounting to INR 50 million or equivalent to Baht 21 million.

29.4 Other commitments

- 1) As at 31 December 2022, the Company had commitment amounting to INR 35.78 million (31 December 2021: INR 35.78 million) in respect of the uncalled portion of investments in subsidiary and joint venture in India.
- 2) The Company has entered into a long-term agreement with a local company for purchase gas at prices and in quantity stipulated in the agreement. The agreement will expire in 2029.
- 3) The Company and the indirect subsidiary are committed to make contributions to the funds on the bases and at the rates stipulated in an appendix to the concession agreements. In addition, the Company and the indirect subsidiary must comply with the rules and conditions stipulated in the concession agreements.



29.5 Dispute

As at 31 December 2022, the Company has been involved in claims made by shipping companies alleging that delays and losses were caused by the Company in relation to a shipment of the Company's cargo of quicklime. As a result, the Company has received claims for compensatory damages totaling USD 3.23 million. The outcomes of these cases have not yet been finalized. One of the shipping companies conducted an arbitration process in January 2022 and the other shipping company conducted an arbitration process in April 2022. Currently, the cases are under the arbitration proceedings. However, the Company's management has reviewed the situation and relevant documentation and believes that such disputes can be negotiated. The ultimate outcome of the aforementioned case is presently unable to be determined, and accordingly, no provision for possible liabilities has been made in the financial statements unless otherwise stated.

30 Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 1.87:1 (2021: 1.95:1) and the Company's was 1.60:1 (2021: 1.90:1).

31 Subsequent event

On 24 February 2023, the Company's Board of Directors Meeting passed a resolution to propose for approval by the Annual General Meeting of the Company's shareholders the payment of a dividend of Baht 0.04 per share in respect of the year 2022 operating results, totaling Baht 38.4 million. Thus, the proposed dividend payment of the Company will depend on the resolution of the Annual General Meeting of shareholders for the year 2023.

32 Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 24 February 2023.



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