

# THE **NEXT** CHAPTER *BEGINS*

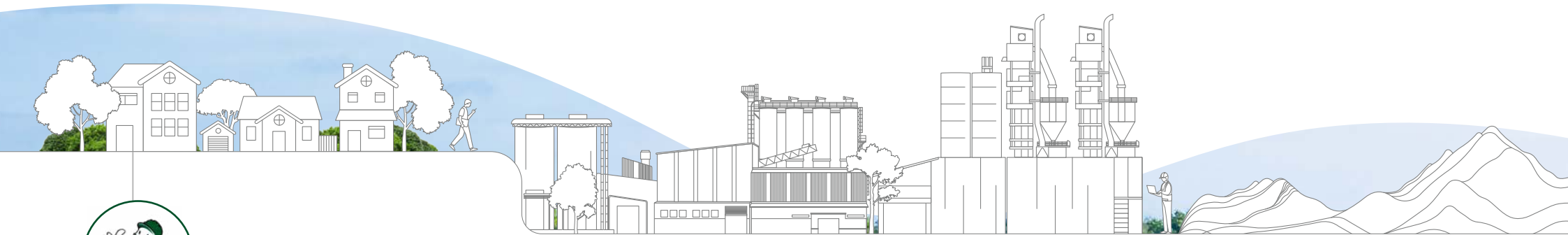


Annual Registration Statement /  
Annual Report 2023 (Form 56-1 One Report)

Chememan Public Company Limited



# 20 THE NEXT CHAPTER BEGINS

**2003**

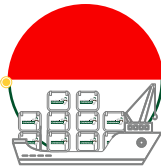
- Chememan was founded as a limited company


**2004**

- Commencement of Quicklime operation at Prabuddhabaht plant
- Acquisition of Chemical - grade limestone mining at Tubkwang quarry

**2005**

- 1<sup>st</sup> export shipment to Indonesia

**2008**

- Conversion of using fuel oil to natural gas for production at Prabuddhabaht plant 
- The 1<sup>st</sup> trading arm of Chememan in Australia

**2010**

- The 1<sup>st</sup> trading arm of Chememan in Vietnam

**2011**

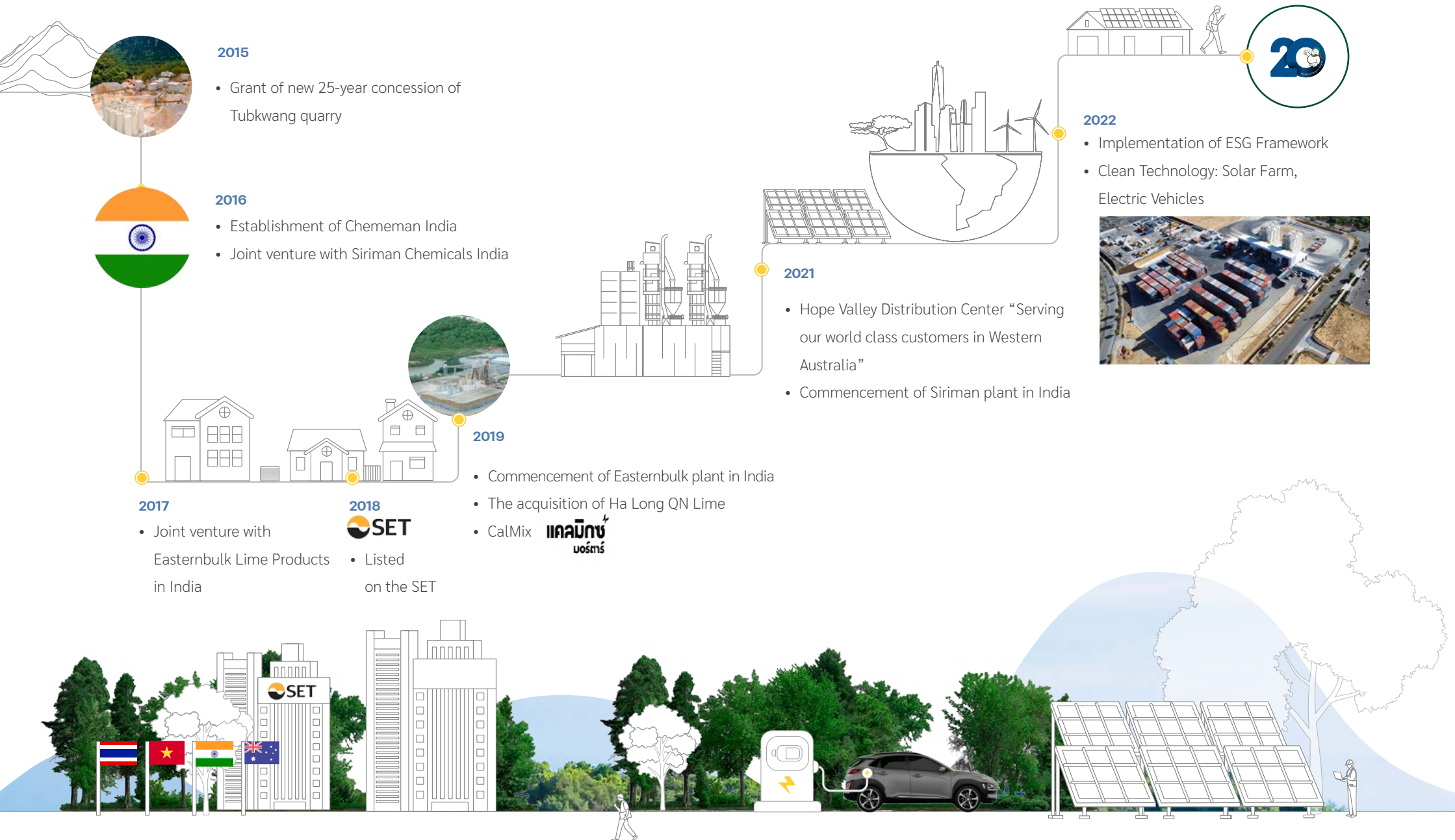
- Installation of Quicklime kiln at Kangkoi plant

**2013**

- Commencement of Hydrated lime plant at Rayong



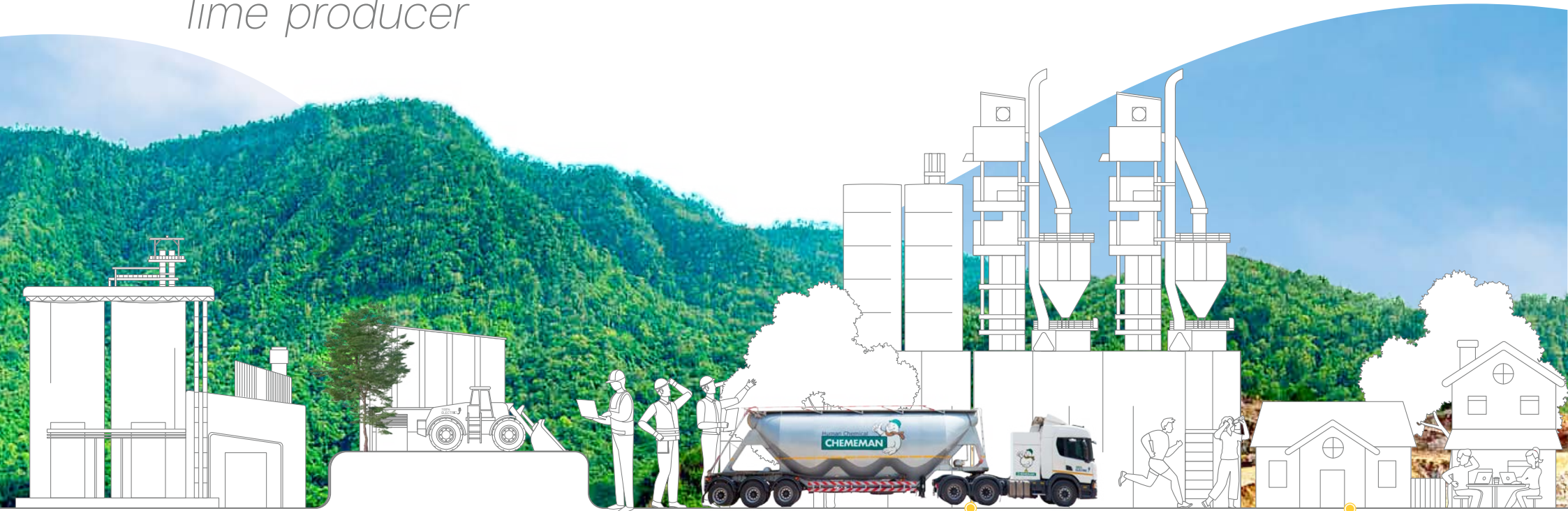






# GROW WITH **STRENGTH**

*our goal for the world's leading  
lime producer*



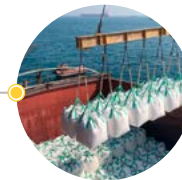
The best quarry  
concessions  
with significant amounts  
of chemical grade  
limestone in Thailand  
and Vietnam



A qualified team  
with highly  
experienced and dedicated  
professionals



Efficient production  
facilities with world-class  
technologies



Create good-quality of products and solutions

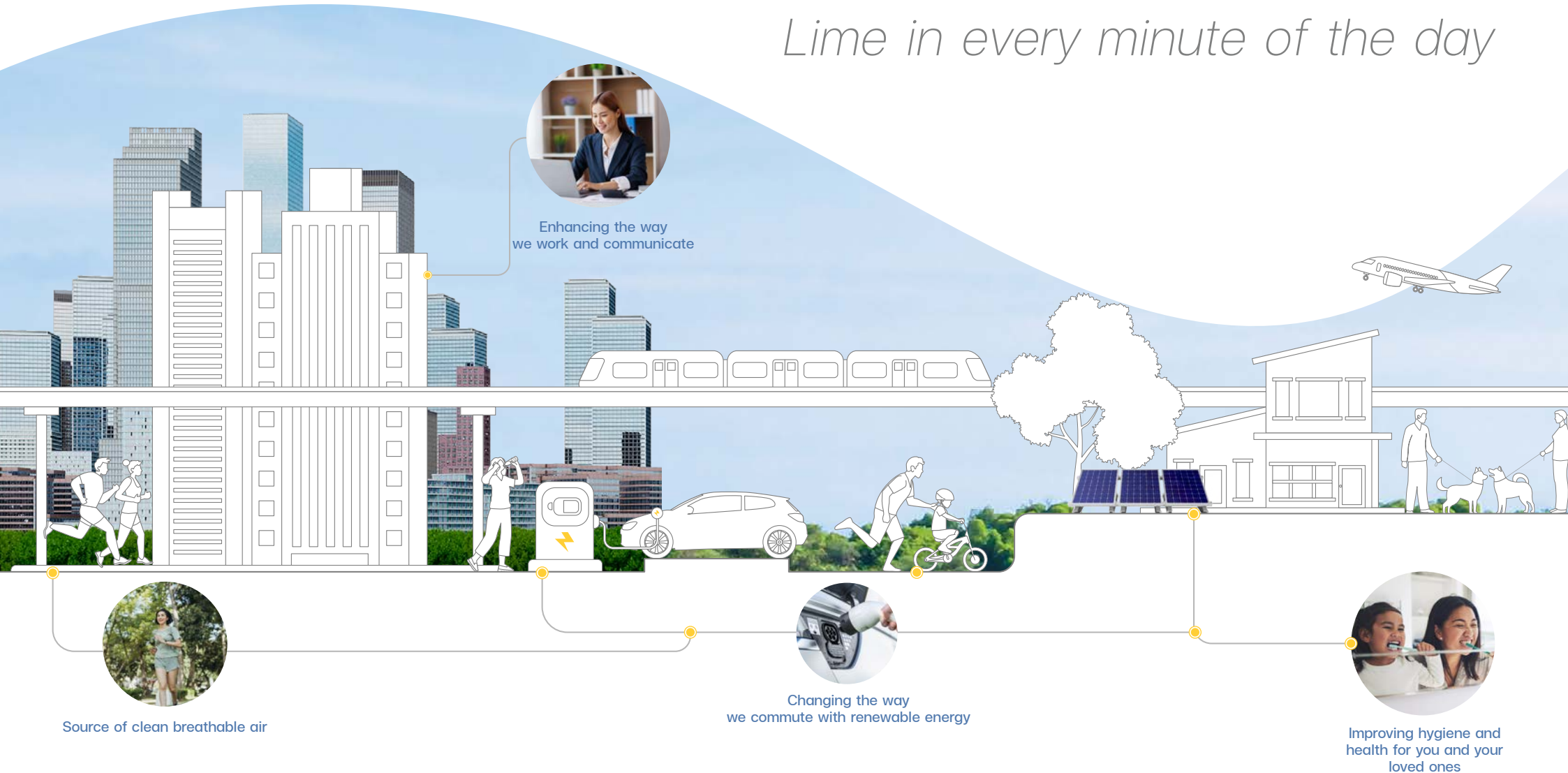


Solid network of supply  
with our well diversified  
customer portfolio



# THRIVING TO ELEVATE EVERYDAY'S LIFE

*Lime in every minute of the day*

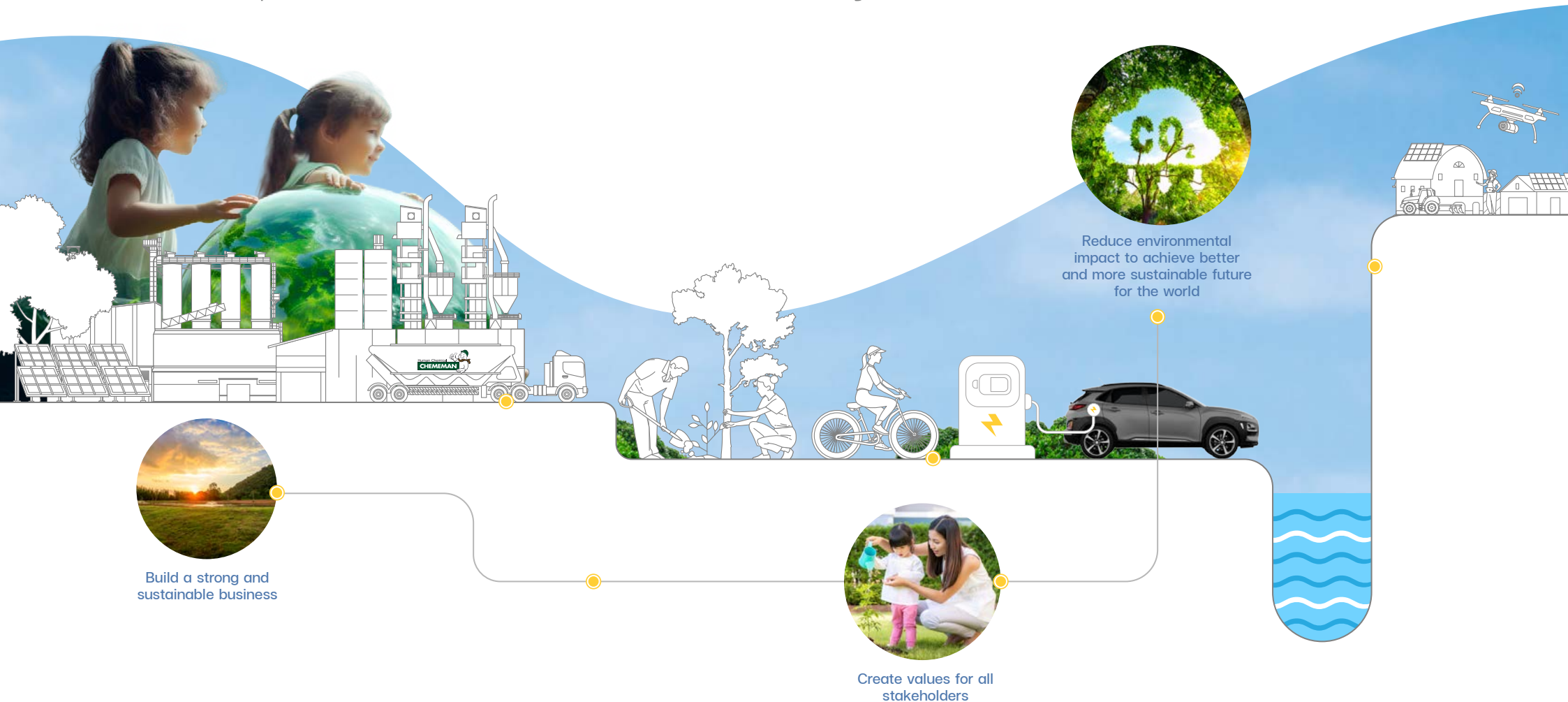






# CREATING **ENVIRONMENT** VALUE

*our goal for sustainability in times of  
multiple volatilities and uncertainty*



# To be one of the world's leading lime companies

Total Installed Production  
Capacity 2023

**>1,200,000** TPY

## India



Siriman Chemicals  
India Plant



Easternbulk Lime  
Products Plant

## Thailand



Tubkwang Quarry



Kangkoi Plant



Prabuddhabaht Plant



Rayong Plant

## Vietnam



Hoanh Bo Quarry



Ha Long QN  
Lime Plant

## Australia



Hope Valley  
Distribution Center



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# Message from Chairman and Chief Executive Officer



Chememan Public Company Limited (“Chememan” or the “Company”) celebrated a significant milestone on 9 September 2023 – 20 years of business. Over the past 20 years, Chememan has become the largest lime producer in the Asia-Pacific region and one of the world’s top ten lime producers. Chememan’s well-known capabilities and track record delivered a strong performance in 2023 under tough business conditions.

Entering its third decade, Chememan has firmly set its sights to become one of the world’s top five lime producers. This forward leap requires (1) clear business strategies, (2) quality and excellence in the business value chain, (3) financial strength, and (4) talented people. To achieve this forward leap, Chememan has begun to implement a series of business plans to strengthen these four fundamental factors.

## Overall Global Economy Slowed Down Significantly

Last year’s global economic performance diverged across different regions. Some countries, such as the United States and China, reported positive economic growth rates, although they were lower than historical averages. Some countries, such as the United Kingdom and Germany, reported flat or negative economic growth rates. Some countries, such as India, reported good economic growth rates and strong forward momentum.

To combat high inflation, many central banks implemented a series of interest rate increases that started in 2022 and ended in the middle of 2023. The higher interest rate environment across many countries successfully reduced inflation but at the expense of global economic growth. Prices of many commodities, especially energy, fell due to oversupply imbalances.

Geopolitical risks increased and directly affected many businesses. For example, the Russia-Ukraine and Israel-Hamas wars affected supply chains in wheat and oil and gas and could potentially expand into wider regional conflicts this year and beyond. As a result of macroeconomic and geopolitical issues, businesses and consumers became more risk averse in their investment and spending decisions and less confident in their future outlooks.





Gross profits were Baht 1,116 million,  
equivalent to a

**31.8 %**

up from 25.7% in 2022.



### We Performed Exceptionally Well Under Tight Conditions

Due to the volatile business environment, Chememan prioritized risk management and sales margins over new investments and sales growth in 2023. Its key objectives were to reduce operating risks, deleverage the balance sheet, strengthen its financial position, and optimize its production processes and costs.

As a result of these objectives, Chememan reported total revenues of Baht 3,574 million, a 7.8% decrease from 2022. Gross profits were Baht 1,116 million, equivalent to a 31.8% gross profit margin, up from 25.7% in 2022. Adjusted earnings before interest, taxes, depreciation, and amortization (“Adjusted EBITDA”) rose 10% to Baht 820 million. Some key highlights behind the improved profitability include reasonable product pricing decisions, disciplined and well-timed procurement of coal, and 20% lower electricity purchases at the Kangkoi Plant after completion of its 5 MW solar farm project. New solar power projects will be completed at the Prabuddhabaht and Rayong Plants in 2024 due to the success of the first solar farm project.

With higher efficiency across the business value chain, Chememan’s underlying net profits attributable to shareholders were Baht 220 million but due to two extraordinary items, the reported net profits attributable to shareholders was Baht 136 million. The two extraordinary expenses were the final settlement costs of two breakbulk shipping disputes totaling Baht 73 million and a realized foreign exchange loss of Baht 11 million due to conversion of a long-term loan from US Dollars into Thai Baht to reduce future interest expenses. Even though overall debt decreased throughout 2023, interest expenses rose 38.3% to Baht 217 million due to higher interest rates. Hence, Chememan converted most of its US Dollar long-term loans into Thai Baht to reduce future interest expenses.

### Our Business Units Are Improving

The Thailand business unit comprises the majority of the Company’s assets and performed very well. Local market share remained at 35%, while international demand in certain industries, such as mining, remained strong. Ha Long QN Lime Company Limited (“HLL”) had a strong focus on cost optimization and with rising limestone sales, started to achieve profitability in 2023. With a solid order backlog in 2024, we are confident that HLL’s results will continue to improve.

The Australia business unit’s main asset is the Hope Valley Distribution Center (“Hope Valley”). More than 345,000 tons of throughput volumes were achieved in 2023. The commercial team in Australia has been able to secure new customers, as new mining projects in Western Australia achieve commercial operations in 2024. Thus, higher lime sales and throughput volumes are expected in 2024 resulting in higher profitability. The India business unit is comprised of two joint ventures, Easternbulk Lime Products Privated Limited (“EBB”) and Siriman

Chemicals India Private Limited (“Siriman”). EBB is profitable and started to pay dividends to its shareholders last year. Siriman achieved profitability in the second half of 2023 and continues to perform well.





### We Are Poised For Further Growth

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. Chememan is excited about its recently announced long-term strategic partnership in India, as its economy and lime demand are expected to grow significantly over the next two decades. The combination of Khimsar Mine Corp.'s significant limestone quarries and Chememan's commercial and technical expertise could well lead to higher sales and production capacity in India than Thailand over the next decade.

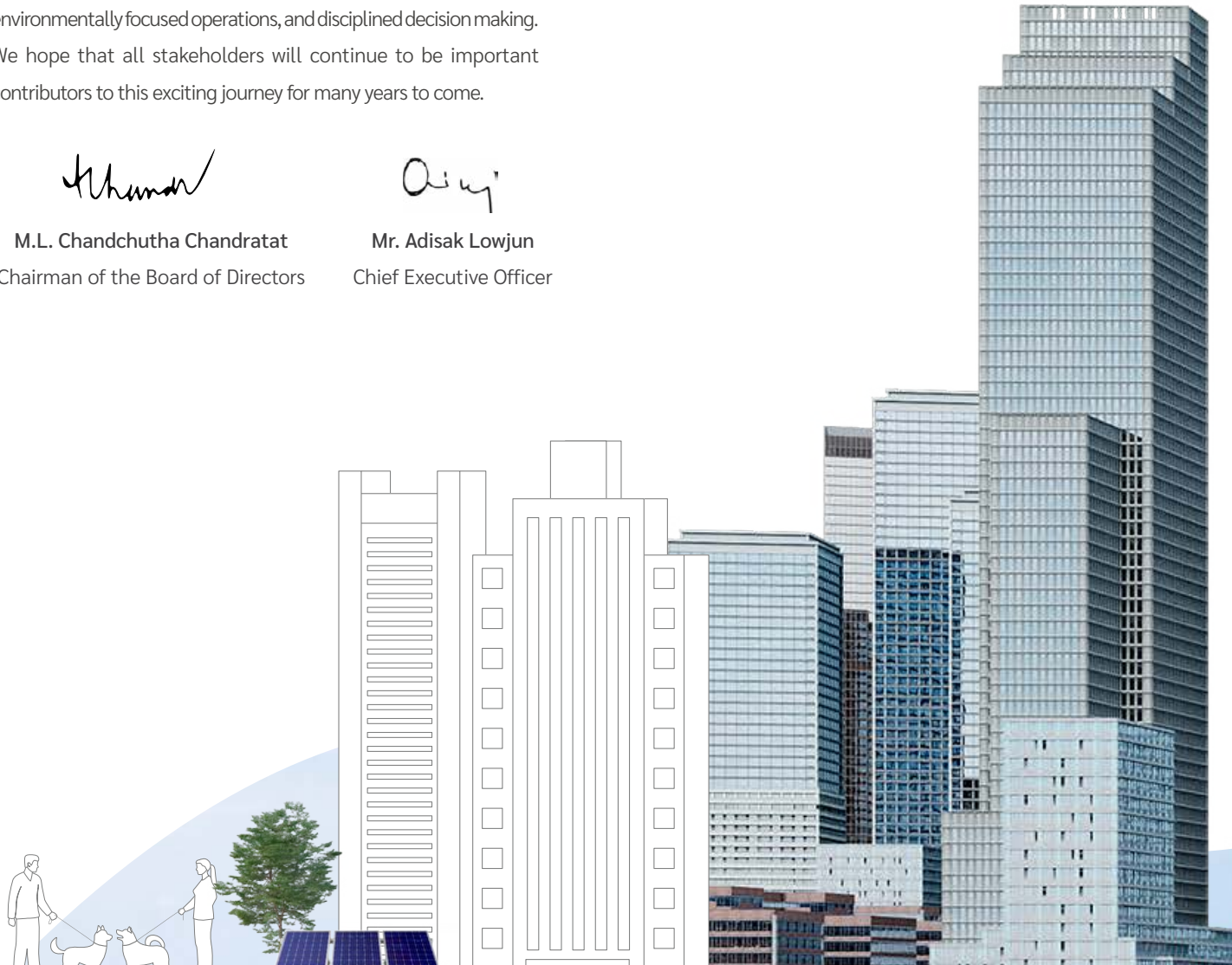
Chememan is strengthening its financial position to support future business growth. Its total liabilities to equity ratio fell to 1.68 at the end of 2023 and will continue to fall in 2024 as a result of scheduled long-term loan repayments. Chememan's liquidity has improved due to higher operating profits and cash reserves.

With clear business strategies in place and a stronger financial position, Chememan continues a multi-year transition to the next generation of talent that started last year. 2024 is referred to as the Year of Transformation, as significant investments in training and development will be made across all levels of employees. High potential talents will also be given opportunities to improve Chememan's capabilities and/or lead new strategic projects. By developing a wide range of experiences, Chememan's best talents can then be well prepared to assume leadership positions in a world class lime company.

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 goals of excellent customer service, strong long-term partnerships, high-quality products, safe and environmentally focused operations, and disciplined decision making. We hope that all stakeholders will continue to be important contributors to this exciting journey for many years to come.

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

Mr. Adisak Lowjun  
Chief Executive Officer







# Vision, Mission, Objective and Strategic Focus

## 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

## Business Objective

Chememan aims to achieve lime sales and production of over

# 2,000,000

tons per year within 2025

## Strategic Focus



### Optimize Total Cost of Ownership

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



### Building Competitive Advantages for Long-term Success

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



### Transform Organization and System Toward Agility

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



### Building Platform for Long-term Sustainability

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



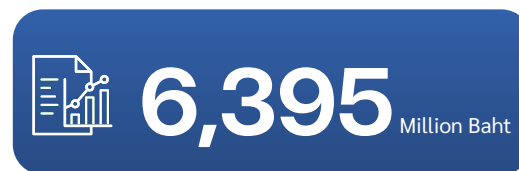


# Financial Highlights

Revenue from Sales and Services  
in 2023



Total Assets  
in 2023



Net Income Attributable to  
Equity Holders of the Company  
in 2023



## Financial Ratios

Current Ratio (Times)



Gross Profit Margin (%)



Net Profit Margin (%)



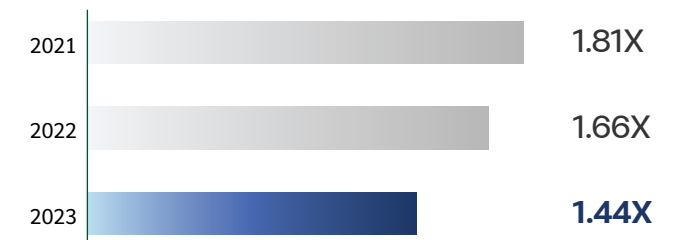
Return on Equity (%)



Debt to equity ratio (Times)



Interest bearing debt to equity ratio (Times)





# Key Performance Highlights Year 2023

## Statement of Financial Position

### Revenue from Sales and Services in 2023

Total Assets  
**6,395** Million Baht

Total Liabilities  
**3,975** Million Baht

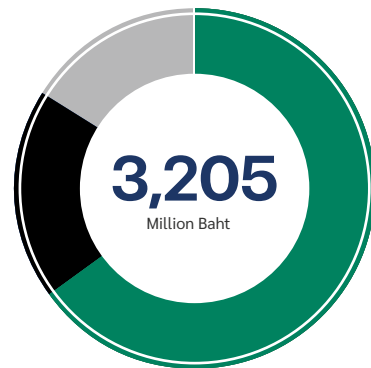
Total Shareholders' Equity  
**2,366** Million Baht

### Statement of Comprehensive Income

Revenue EBITDA  
**3,574** **726**  
Million Baht Million Baht  
(-8% YoY) (+3% YoY)

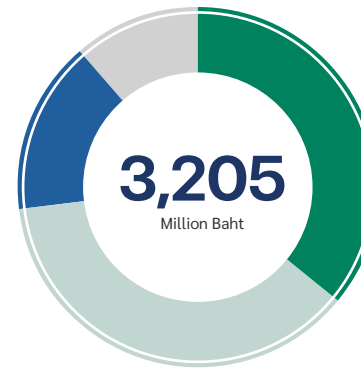
Gross Profit Net Profit Attributable  
to Equity Holders of  
the Company  
**1,116** **136**  
Million Baht Million Baht  
(+19% YoY) (-11% YoY)

### Sales Revenue by Product



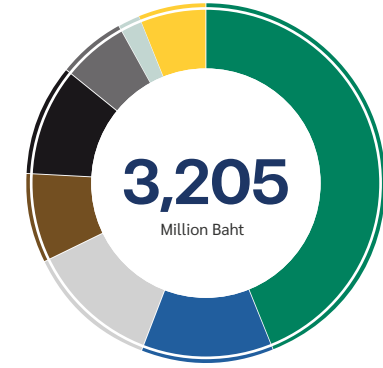
● Quicklime	69%
● Hydrated Lime	19%
● Limestone	12%

### Lime Sales Revenue by Country



● Thailand	42%
● Philippines	32%
● Southeast Asia	19%
● Others	7%

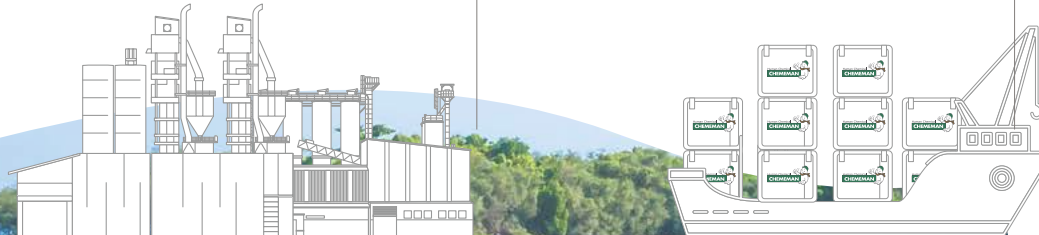
### Lime Sales Revenue by Industry



● Mining*	44%
● Sugar	12%
● Building & Construction	12%
● Pulp - Paper and PCC	8%
● Chemicals and Bioplastics	10%
● Wastewater & Flue Gas Treatment, Agriculture and Specialty Fiber glass	6%
● Iron and Steel	2%
● Glass & Bottle and Others	6%

Note:

\*Mining includes alumina, gold, nickel, lithium, copper, etc.





# Board of Directors and Management Team



**M.L. Chandchutha Chandratat**  
Chairman of the Board of Directors /  
Directors



**Mr. Adisak Lowjun**  
Director / Chief Executive Officer



**Mr. Chai Srivikorn**  
Director



**Mr. Charoen Churekanont**  
Director



**Mr. Suthep Uacherdkul**  
Director



**Mrs. Rajjaneepen Ungpakorn**  
Director



**Mr. Pornprom Karnchanachari**  
Chairman of Audit Committee /  
Independent Director



**Ms. Amata Issarangura Na Ayudhaya**  
Audit Committee Member /  
Independent Director



**Mr. Yarnsak Manomaiphiboon**  
Audit Committee Member /  
Independent Director



# Management Team



**Mr. Adisak Lowjun**  
Chief Executive Officer/  
Acting Chief Financial Officer



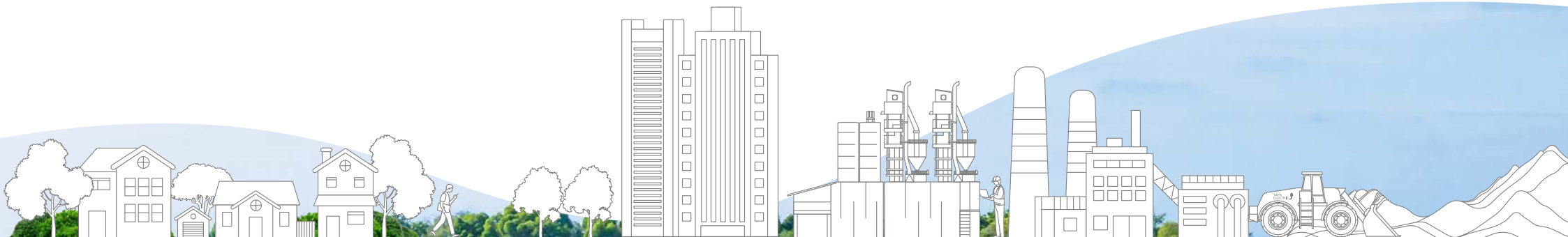
**Mr. Komgrit Panom-upatam**  
Chief Affiliate Officer



**Mr. Lerssak Boonsongsup**  
Chief Strategy Officer /  
Acting Chief People Officer



**Mr. Pree Suvimolthirabutr**  
Chief Commercial Officer



# Awards and Achievements

By continually conducting business with corporate social responsibilities, the Company has received many awards 2023.

**15** Awards  
in 2023



1. CSR-DPIM Continuous Award for the mining and primary industry organization with an excellent level of continuous corporate social responsibility (CSR-DPIM Continuous Award)
2. CSR-DPIM Award for the excellent employee of corporate social responsibility under the category of "Environment"
3. CSR-DPIM Award for the excellent employee of corporate social responsibility under the category of "Community engagement and development"
4. Green Industry Level 1 (Green Commitment)
5. Award of Excellence in labor management amidst the crisis of the COVID-19 pandemic (Tubkwang Quarry, Kangkoi and Prabuddhabaht Plants)
6. Green Mining Award 2023 under the category of "Mine and Mineral Dressing Plant", awarded by the Department of Primary Industries and Mines, Ministry of Industry.
7. Award from the good labor relations project following the sufficiency economy philosophy 2023
8. Employee Welfare Committee Award 2023
9. Energy Management Award in the Factory category from the 20th-anniversary celebration of the Chaloem Phrakiat Energy Conservation Building, aligning with goal of achieving carbon neutrality.



10. The highest honour of Thailand Labour Management Excellence Award 2023 for 18<sup>th</sup> consecutive years (Prabuddhabaht Plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour
11. Thailand Labour Management Excellence Award 2023 (Kangkoi Plant) for 13<sup>th</sup> consecutive years (Kangkoi plant), awarded by the Department of Labour Protection and Welfare, Ministry of Labour

12. AMATA Best Waste Management Awards 2023 (Gold Level)
13. Best Waste Management Presentation Awards under project "Proper Waste Management, in particular the Separation of Solid and Wet Waste"

14. Supplier Award "Collaboration" from Siam City Cement Public Company Limited
15. Excellence Award from ESG Supplier Awards 2023 by Posco-Thainox





# Business Operations and Performance

<b>Structure and Operations of the Group of Companies</b>	<b>19</b>
<b>Risk Management</b>	<b>39</b>
<b>Driving Business Towards Sustainability</b>	<b>44</b>
<b>Management Discussion and Analysis (MD&amp;A)</b>	<b>65</b>
<b>Company Information and Other Important Information</b>	<b>75</b>



# Business Operations and Performance

## Vision, Mission and Strategic Focus

Chememan Public Company Limited (the “Company”) was established in Thailand in 2003 to produce and distribute lime and lime derivative products, which are primarily used as raw materials in the production processes of various industries.

The Company’s vision is to be a vertically integrated leader in the lime and lime-related industries by focusing on three key objectives: (1) drive higher returns through continuous optimization of the whole business value chain, (2) expand in target markets in the Asia Pacific region, and (3) ensure sustainability. On a day-to-day basis, the Company emphasizes high productivity, lean overheads, and strong risk management to achieve profitability under different market conditions.

The Company’s goal is to achieve lime sales and production of more than 2,000,000 tons per year within 2025.

## Structure and Operations of the Group of Companies Business Overview

The Company and its subsidiaries (collectively referred to as the “Group”) produce and distribute quicklime, hydrated lime, and limestone and ground limestone (together, “lime products”). The Company’s revenues in 2023 came primarily from the sale of lime products and handling services. Quicklime and hydrated lime are produced from limestone, which is available in many countries.

The Company acts as both an operating company (through its mining concession and production assets in Thailand) and a holding company (through its ownership stakes in foreign subsidiaries and joint ventures). Because financial performance is consolidated in the Company’s accounts, the Company takes an active leading role in the management of the entire Group.

The Group’s total lime production capacity is over 1,200,000 tons per year, with a diversified customer portfolio across Asia, Australia, and Africa. The Group has grown through its continuous commitment to improve product

quality and meet scheduled delivery times to customers, who typically do not hold high lime inventories. This strong customer centric reputation has enabled the Company to sell its products to leading companies in various industries, including mining (aluminum, gold, nickel, lithium, copper, rare earths), iron & steel, chemicals and derivative chemicals, bioplastics, glass & bottles, feedmills, flue gas treatment, waste & wastewater treatment, pulp and paper, sugar, and building and construction materials.

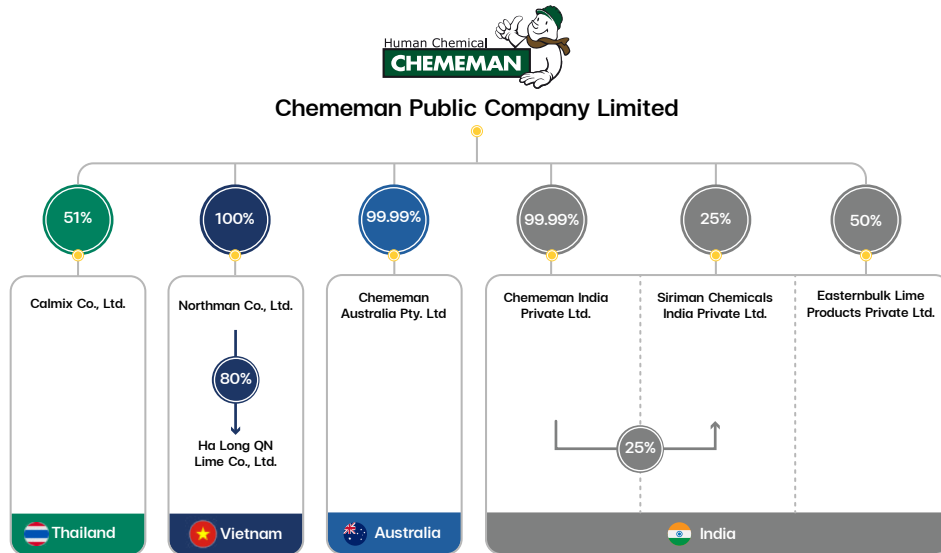
The Group is vertically integrated in terms of limestone mining, lime production, and lime distribution and considers downstream integration opportunities when there is a high strategic fit. Over the past 20 years, the Group has developed significant in-house expertise to execute its business model, including geology, exploration, mine planning and extraction, lime production, repair and maintenance, safety and environment, supply chain, human resources, accounting, and finance. All business functions have their own objectives and work towards a set of shared business targets, including sales volumes, capacity utilization, gross profits, and returns on assets and equity.





## Shareholding Structure of the Group of Companies

Shareholding Structure of the Group of Companies as of 31 December 2023



Company	Country	Paid-up capital portion of the Group of Companies - CMAN's portion (Million Baht)	Percentage Holding	Year Established	Business Characteristics
1. CalMix Company Limited	Thailand	34.17	51.00	2019 <sup>1</sup>	Produces and distributes construction materials
2. Northman Company Limited	Vietnam	553.86	100.00	2010	Sources raw materials, develops government, banking, and customer relationships, and seeks strategic business opportunities in Vietnam
3. Ha Long QN Lime Company Limited	Vietnam	1,031.51	80.00	2019 <sup>1</sup>	Produces and distributes lime products
4. Chememan Australia Pty. Ltd.	Australia	368.76	99.99	2008	Operates a distribution center for customers, develops government, customer, and banking relationships, and distributes lime products
5. Chememan India Private Limited	India	85.30	99.99	2016	Develops government and customer relationships and seeks strategic business opportunities in India
6. Siriman Chemicals India Private Limited	India	139.43	50.00	2016 <sup>1</sup>	Produces and distributes lime products
7. Easternbulk Lime Products Private Limited	India	87.15	50.00	2017 <sup>1</sup>	Produces and distributes lime products

Remarks: <sup>1</sup> Year that the Group entered into partnerships

**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 -

## Key Operating Assets

Thailand: The Company owns modern lime production facilities and has a limestone mining concession that expires on 23 June 2040 in Saraburi Province. Currently, the mineable reserves were estimated to be 80 million tons.

This long-term concession provides the Company with a strong competitive advantage, because it has a highly secure and cost competitive source of chemical-grade limestone to feed its lime production facilities.

The Company has three lime production facilities in Thailand as follows:

1. Kangkoi Plant consists of 6 coal-fired quicklime kilns. As the Group's flagship location, Kangkoi Plant achieves the highest production levels of all locations at a world-class production cost level.
2. Prabuddhabaht Plant consists of 2 natural gas-fired quicklime kilns and this plant is used to provide higher -grade lime products with specific requirements.

8

quicklime kilns  
in Thailand



An installed capacity of

**897,900**  
tons per year



Quicklime	Thailand Plant		
	2021	2022	2023
<b>8 Quicklime Kilns</b>			
Installed capacity (tons)	897,900	897,900	897,900
Capacity utilization rate (percentage)	60	62	61

3. Rayong Plant consists of one hydrator with an installed capacity of 87,600 tons per year.

Hydrated Lime	Rayong plant		
	2021	2022	2023
Installed capacity (tons)	87,600	87,600	87,600
Capacity utilization rate (percentage)	85	79	83

Over the past four years, the Company has expanded significantly in Vietnam, India, and Australia.

Vietnam: The Company owns 80% of Ha Long QN Lime Company Limited ("HLL"), which is located in Ha Long City and owns Ha Long QN Lime Plant and secured a limestone mining concession that expires on 11 May 2046. Currently, the mineable reserves were estimated to be 70 million tons. The other 20% of HLL is owned by Mr. Bui Tuan Ngoc and Ms. Vu Thi Phuong. With its 80% ownership, HLL's results are consolidated into the Company's financial results.

Ha Long QN Lime Plant consists of 2 coal-fired lime kilns with an installed capacity of 182,500 tons per year. Additionally, it also has two hydrators with an installed capacity of 146,000 tons per year.

Quicklime	Ha Long QN Lime Plant		
	2021	2022	2023
Installed capacity (tons)	182,500	182,500	182,500
Capacity utilization rate (percentage)	72	61	50



Hydrated Lime	Ha Long QN Lime Plant		
	2021	2022	2023
Installed capacity (tons)	146,000	146,000	146,000
Capacity utilization rate (percentage)	34	36	40

Ha long QN Lime Plant consists of

**2**

coal-fired quicklime kilns



An installed capacity of quicklime

**182,500  
tons per year**



India: The Company owns 50% of Easternbulk Lime Products Private Limited (“EBL”), which is located in Tuticorin’s industrial area and owns lime production facilities with an installed capacity of 109,500 tons per year to supply lime products in the southern part of India. The other 50% of EBL is owned by Easternbulk Trading and Shipping Private Limited, an industrial group with significant interests in Tuticorin. Due to its 50% ownership of EBL, only the pro rata share of profits or losses are recorded in the Company’s financial statements.

The Company owns 50% of Siriman Chemicals India Private Limited (“Siriman”), which is located in Visakhapatnam and owns lime production facilities with an installed capacity of 54,750 tons per year to supply lime products in the eastern part of India. The other 50% is owned by Sanvira Group, a group with many businesses in the Visakhapatnam area. Due to its 50% ownership of Siriman, only the pro rata share of profits or losses are recorded in the Company’s financial statements.

Because the two Indian joint ventures do not have their own mining concessions, they import limestone to supply its lime production facilities.

Australia: Through Chememan Australia Pty Ltd (“CMAN AU”), a 99.99% owned subsidiary, the Company developed a modern distribution center for lime products with a throughput capacity of 500,000 tons per year and provides lime storage and handling services to customers in Western Australia. The Hope Valley Distribution Center utilizes modern systems and technologies to enhance supply chain efficiencies and allow nonstop usage. CMAN AU also sells lime products directly to mining companies in Western Australia and uses part of the storage and handling capacity at the Hope Valley Distribution Center for its own requirements.

	Hope Valley Distribution Center		
	2021	2022	2023
Throughput capacity (tons)	500,000	500,000	500,000
Capacity utilization rate (percentage)	45	71	70





## Significant Changes and Developments

A brief summary of significant changes and developments of the Group follows:

### 2021

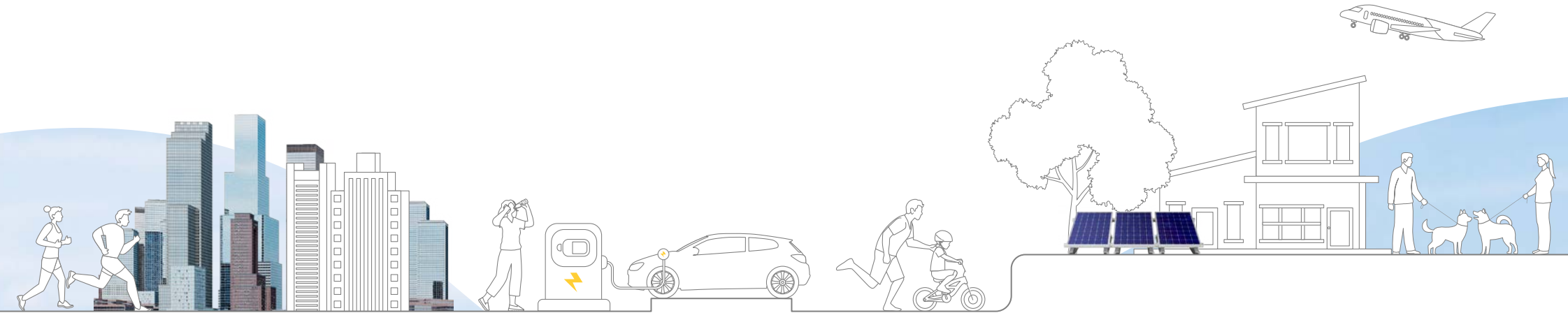
- Siriman Chemicals India Private Limited commenced commercial operations in January 2021.
- Hope Valley Distribution Center commenced commercial operations in June 2021.
- Commenced sales under the Company's largest long-term lime supply agreement with a world class mining company in Western Australia.
- Repaid Baht 411 million of long-term loans and leases.

### 2022

- Easternbulk Lime Products Private Limited commenced commercial operations of its 2<sup>nd</sup> lime kiln in April 2022.
- Achieved total lime product sales of more than 300,000 tons in Western Australia for the first time.
- 5 MW solar farm at Kangkoi Plant was commissioned in December 2022.
- Secured new long-term bank loans and leases of Baht 300 million to finance the solar farm project, capital improvements, and refinance some short-term debt.
- Repaid Baht 494 million of long-term and leases.

### 2023

- Secured new long-term leases of Baht 27 million to finance electric powered trucks and wheel loaders and invested Baht 40 million in a 1.5 MW solar power project in Prabuddhabaht Plant.
- Repaid Baht 585 million of long-term loans and leases.
- Received first dividends from Easternbulk Lime Products Private Limited.
- Signed a Memorandum of Understanding with Khimsar Mine Corporation to design, build, and operate a modern lime plant in Khimsar, State of Rajasthan, India.



## Product Information

### Product Characteristics

The Group produces and sells quicklime, or calcium oxide (CaO), hydrated lime, or calcium hydroxide (Ca(OH)<sub>2</sub>), and limestone and ground limestone, or calcium carbonate (CaCO<sub>3</sub>) under the trademark of “CHEMEMAN”.



“CHEMEMAN” Trademark

### Quicklime



Quicklime is produced by heating limestone in a kiln. Calcium carbonate decomposes through heating into calcium oxide and carbon dioxide. This chemical reaction requires hot temperatures, typically above 800 degrees Celsius. Given the high calcium carbonate content in the Group’s limestone, the produced quicklime has high calcium oxide and low impurities and is a highly cost-effective alkaline product. Its physical appearance is a white solid that can be crushed into various sizes according to customer requirements.

### Hydrated Lime



Hydrated lime is produced by mixing quicklime and water through a hydrator. Its physical appearance is white powder like flour.

### Limestone and Ground Limestone



Limestone is mined at the Group’s quarries in Thailand and Vietnam, which have high quality calcium carbonate. Its limestone has an average content of more than 95% calcium carbonate, which can be used as a raw material in many industries. Its physical appearance is a white solid that can be crushed into various sizes according to customer requirements.





## Industry

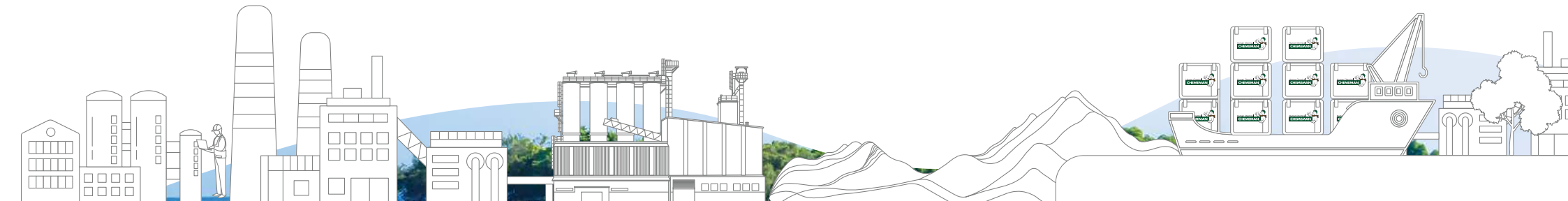
The three products are essential raw materials or chemical products in the production processes of various industries as follows:

Industry	Products			Functions	Industries / End Uses
	Quicklime	Hydrated Lime	Limestone and Ground Limestone		
1. Metals and Mining	●	●		<ul style="list-style-type: none"> <li>Adjusts the acidity of wastewater and used as a chemical in mineral processing</li> <li>Prevents toxic gas formation during the production process</li> </ul>	<ul style="list-style-type: none"> <li>Aluminum - aircraft parts, cans, construction materials, etc.</li> <li>Gold – jewelry, official coins, conductors and connectors in electronic devices, etc.</li> <li>Rare earth minerals - mobile phones, computers, televisions, etc.</li> <li>Lithium and nickel - batteries for electric vehicles and mobile phones</li> </ul>
2. Pulp and Paper	●		●	<ul style="list-style-type: none"> <li>Separates chemicals in the recovery process of pulp making</li> <li>Raw material in the production of pulp bleaching</li> <li>Mineral processing for paper production</li> <li>Raw material in the production of Precipitated Calcium Carbonate (PCC)</li> </ul>	<ul style="list-style-type: none"> <li>Paper products for writing, publishing industry, specialty paper, etc.</li> <li>Paper filler and coating agents</li> </ul>
3. Sugar	●	●		<ul style="list-style-type: none"> <li>Removes acids from the production process</li> <li>Removes impurities and clarifies the color of crushed sugarcane juice</li> </ul>	<ul style="list-style-type: none"> <li>Brown and white sugar</li> </ul>
4. Bioplastics		●		<ul style="list-style-type: none"> <li>Ferments sugar or tapioca to produce bioplastics</li> </ul>	<ul style="list-style-type: none"> <li>Disposable food packaging</li> <li>Single-use cutlery</li> </ul>
5. Iron and Steel	●		●	<ul style="list-style-type: none"> <li>Removes minerals and impurities during metal smelting and production of high-quality steel that uses a furnace</li> </ul>	<ul style="list-style-type: none"> <li>Buildings, infrastructure and mechanical equipment</li> </ul>
6. Chemicals and Petrochemicals	●	●	●	<ul style="list-style-type: none"> <li>Raw material in the production of basic chemicals</li> </ul>	<ul style="list-style-type: none"> <li>Soda ash</li> <li>Calcium carbide</li> </ul>
7. Animal Feed and Agriculture	●	●	●	<ul style="list-style-type: none"> <li>Improves soil quality by lowering soil acidity</li> <li>Neutralizes acidity of shrimp farms</li> <li>Improves the quality of pond water</li> <li>Increases calcium in animal feed</li> </ul>	<ul style="list-style-type: none"> <li>Fisheries and shrimp farms</li> <li>Chicken farms</li> </ul>





Industry	Products			Functions	Industries / End Uses
	Quicklime	Hydrated Lime	Limestone and Ground Limestone		
8. Flue Gas, Waste and Water Treatment	●	●	●	<ul style="list-style-type: none"> <li>Removes sulfur dioxide and acid from flue gas</li> <li>Eliminates impurities in water and remineralizes water</li> </ul>	<ul style="list-style-type: none"> <li>Electric power and waste incineration plants</li> <li>Water treatment plants</li> </ul>
9. Construction and Construction Materials	●	●	●	<ul style="list-style-type: none"> <li>Raw material in the manufacturing of lightweight cement blocks, asphaltic concrete and other construction materials</li> <li>Improves the quality of plaster/mortar</li> <li>Adjusts soil condition before construction work</li> </ul>	<ul style="list-style-type: none"> <li>Lightweight cement blocks – residential and non-residential building internal wall</li> <li>Asphaltic concrete - roads, highways, airports, parking lots, and many other types</li> </ul>
10. Glass and Bottle			●	<ul style="list-style-type: none"> <li>Raw material in glass production</li> <li>Improves durability and heat resistance</li> <li>Removes minerals or impurities in the production of glass and bottle</li> </ul>	<ul style="list-style-type: none"> <li>Glass products - tools, household appliances, and glassware</li> </ul>
11. Specialty Fiber Glass	●			<ul style="list-style-type: none"> <li>Raw material in the production process</li> </ul>	<ul style="list-style-type: none"> <li>Specialty fiber glass - wind turbine blades and aircrafts</li> </ul>

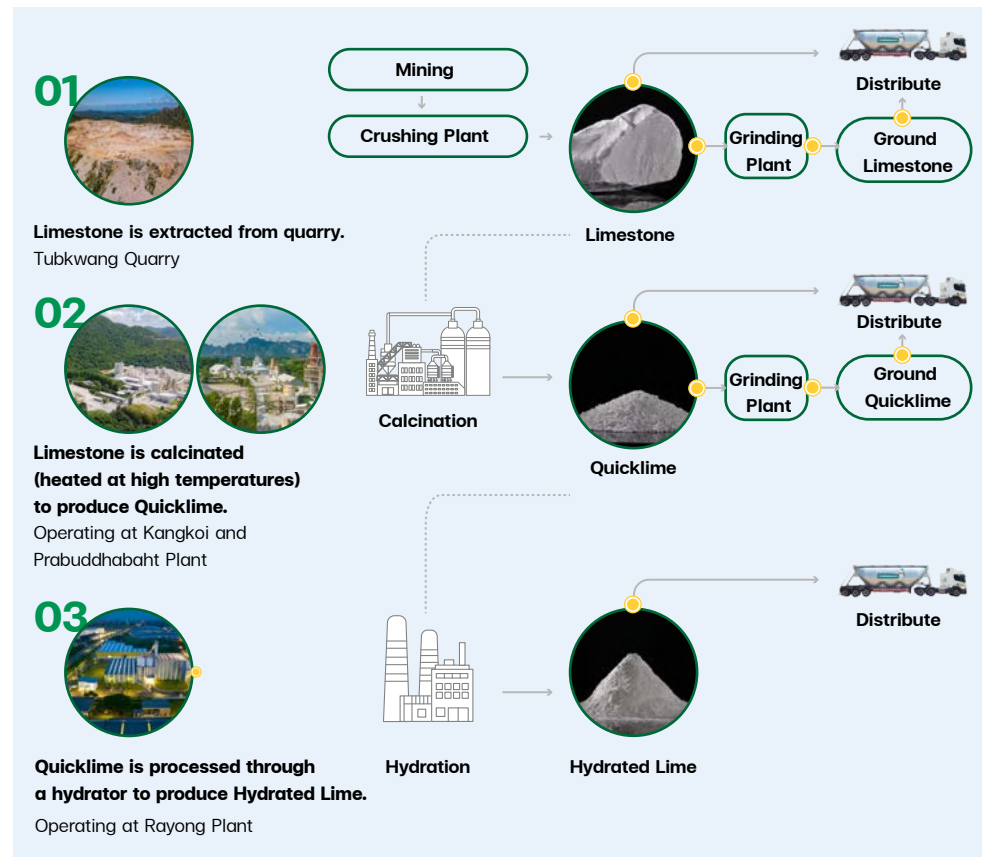


## Product Sourcing

### Production Process

The entire production process consists of the following 4 steps:

1. Mine and excavate limestone from quarries
2. Crush limestone into varied sizes
3. Produce quicklime
4. Produce hydrated lime



### Mining to Produce Limestone and Ground Limestone

Mined limestone is transported to a crushing plant that screens appropriate sizes for quicklime production. Other sizes not converted into quicklime will be sold or further crushed. Some limestone is also ground and sold.

### Production of Quicklime

Screened limestone will be transported to the quicklime plant. The limestone is sent into a quicklime kiln, where it burns at 800 degrees Celsius 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 will be transported to the Rayong Plant for production of hydrated lime. The remaining portion will be stored in silos as inventory for sales. In case that customers require varied sizes of quicklime, the quicklime will be crushed and screened to meet their requirements. Quality control and inspections are done throughout the production process to ensure the product meets customer requirements.

### Production of Hydrated Lime

Quicklime will be mixed with water in a hydrator to produce hydrated lime with specifications according to customer requirements. The production rate is approximately 1 ton of hydrated lime per 0.76 tons of quicklime used. Quality control and inspections are done to ensure that the product meets customer requirements.



## Raw Materials Sourcing

### Limestone sourcing

Limestone is procured from the Group's two quarries in Thailand and Vietnam.



**Thailand:** Tubkwang Quarry has approximately 80 million tons of mineable reserves, which is sufficient to produce lime for at least 40 years at current production levels.



**Vietnam:** Hoanh Bo Quarry has approximately 70 million tons of mineable reserves, which is sufficient to produce lime for at least 50 years at current production levels.



## Energy Sourcing

Effective cost management of the Group's different energy sources, including coal, natural gas, and electricity, is necessary to achieve profitability, because energy represents the majority of total production costs. Other production costs include factory manpower and repair and maintenance. Fuel and electricity price adjustments must also be factored into customer selling prices.

### Coal

The Group has developed strong relationships with a pool of local and international suppliers to ensure competitive pricing and reliability of supply. Coal is purchased either directly from mining companies or through local importers.

The Group purchases coal on a spot to medium-term basis, depending on prevailing market trends and/or agreed commercial discussions. Furthermore, the Group carries coal inventories of up to 6 months of production to ensure production continuity as coal is the energy source for the majority of the Group's lime kilns.

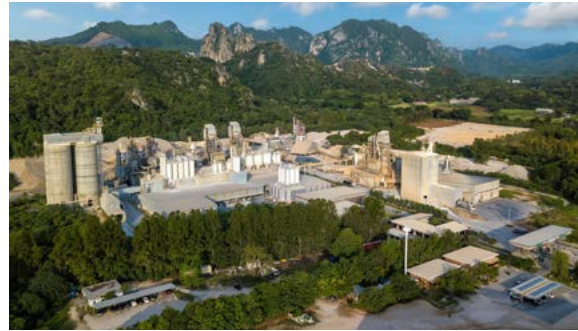
### Natural Gas

The Company uses natural gas as fuel in its kilns at Prabuddhabaht Plant.

The Company procures natural gas from PTT Public Company Limited ("PTT") under a 10-year supply agreement, which will expire in 2029. The Prabuddhabaht Plant has a pipeline that connects into PTT's main natural gas pipeline to power its kilns.

## Electricity

Electricity markets are regional and limited by physical and regulatory constraints.



**Thailand:** Electricity at the Prabuddhabaht, Rayong and Kangkoi Plants are purchased from the Provincial Electricity Authority of Thailand ("PEA") at regulated prices. The Company provides security to the PEA through a rolling 12-month bank guarantee. A 5 MW solar farm was installed at Kangkoi Plant that resulted in 20% lower electricity purchases, and another 1.5 MW solar project will be completed at the Prabuddhabaht Plant in 2024.



**Vietnam:** Electricity in the Vietnam Plant is purchased from Vietnam Electricity (EVN) under 1-year supply contract.

## Water Sourcing for Hydrated Lime Production

Water is an important raw material in hydrated lime production.

**Thailand:** The Prabuddhabaht and Kangkoi Plants use underground water in its operations and pay a fee of actual consumption to the Department of Groundwater Resources in Saraburi for such use. The Rayong Plant purchases water from Amata City Co., Ltd. or its affiliates, as it has a monopoly to supply water to its industrial estate customers.

**Vietnam:** Quangninh Clean Water Joint Stock Company ("QUAWACO"), a local water authority in Vietnam, supplies water to Ha Long QN Lime Plant.





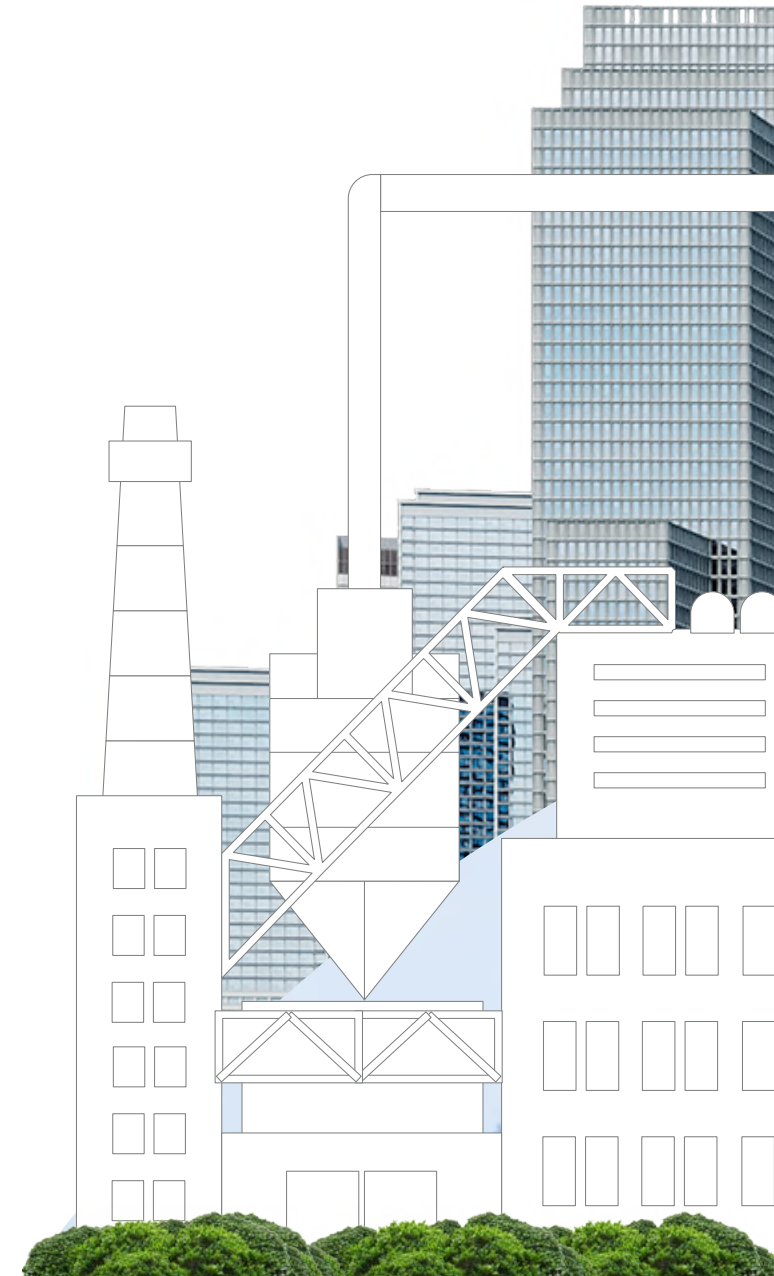
## Business Scope

### Revenue Structure

The Group follows a “business to business” model. In 2023, the Group generated Baht 3,574 million of revenues, a 7.8% decrease from the previous year, while selling approximately 700,000 tons of lime products to more than 300 industrial customers across the Asia-Pacific region and Africa. The lime industry was affected by volatile global economic and political conditions. Recessions in certain regions, higher interest rates, and knock-on effects from the Russia-Ukraine and Israel-Hamas wars reduced global lime demand. As a result, the Group prioritized business risk management over business growth in 2023.

	2021	2022	2023
	Million Baht	Million Baht	Million Baht
<b>1) Quicklime and Hydrated Lime</b>	<b>2,417.1</b>	<b>2,999.4</b>	<b>2,835.4</b>
Thailand	739.7	1,044.6	1,091.5
International	1,677.3	1,954.8	1,743.9
<b>2) Limestone and Ground Limestone</b>	<b>466.2</b>	<b>374.2</b>	<b>369.3</b>
Thailand	246.5	200.3	238.8
International	219.7	173.9	130.5
<b>3) Revenues from Pulverized Coal</b>	<b>-</b>	<b>16.4</b>	<b>25.6</b>
Thailand	-	16.4	25.6
<b>Total Sale Revenues</b>	<b>2,883.3</b>	<b>3,389.9</b>	<b>3,230.4</b>
<b>4) Service Revenues</b>	<b>117.9</b>	<b>269.4</b>	<b>275.1</b>
<b>5) Other Revenues</b>	<b>147.6</b>	<b>216.9</b>	<b>68.2</b>
<b>6) Total Revenues</b>	<b>3,148.8</b>	<b>3,876.3</b>	<b>3,573.7</b>

In 2023, the percentage of revenue from sales of quicklime, hydrated lime, limestone and ground limestone, and pulverized coal to total revenues were 79.4%, 10.3% and 0.7%, respectively. Service revenues were 7.7%, and other revenues, which comprised of tax and other fees, sales and services of by-products, such as crushed rocks and stone waste, etc. were 1.9% of total revenues.





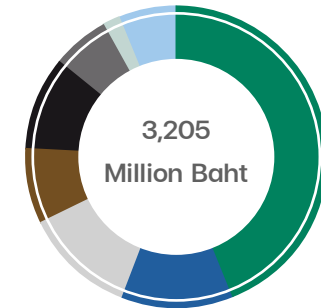
## Sales Breakdown by Product

In 2023, Thailand and international sales portion were 47% and 53% respectively, as detailed below:

Unit: Thousand tons	2021	2022	2023
Thailand - Quicklime and Hydrated Lime	270.7	302.6	283.9
International - Quicklime and Hydrated Lime	414.3	440.1	400.6
Total Sales Volume - Quicklime and Hydrated Lime	685.0	742.7	684.6
Thailand - Limestone and Ground Limestone	614.6	472.0	573.5
International - Limestone and Ground Limestone	931.4	532.2	590.4
Total Sales Volume - Limestone and Ground Limestone	1,546.0	1,004.2	1,163.9
Thailand - Pulverized Coal	-	2.4	4.1
Total Sales Volume - Pulverized Coal	-	2.4	4.1

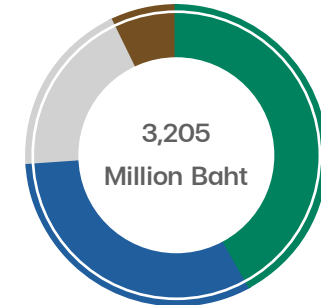
In 2023, the Group's major export markets of quicklime were Australia, Indonesia, Philippines, Malaysia, South Korea, Taiwan, Papua New Guinea and Bangladesh. Major export markets of hydrated lime were Philippines, Australia, India, Mozambique, Singapore and United States. No customer accounted for more than 30% of the annual revenues in 2023.

## Sales Revenue by Industry



● Mining*	44%
● Sugar	12%
● Building & Construction	12%
● Pulp - Paper and PCC	8%
● Chemicals and Bioplastics	10%
● Wastewater & Flue Gas Treatment, Agriculture and Specialty Fiber glass	6%
● Iron and Steel	2%
● Glass & Bottle and Others	6%

## Sales Revenue by Country

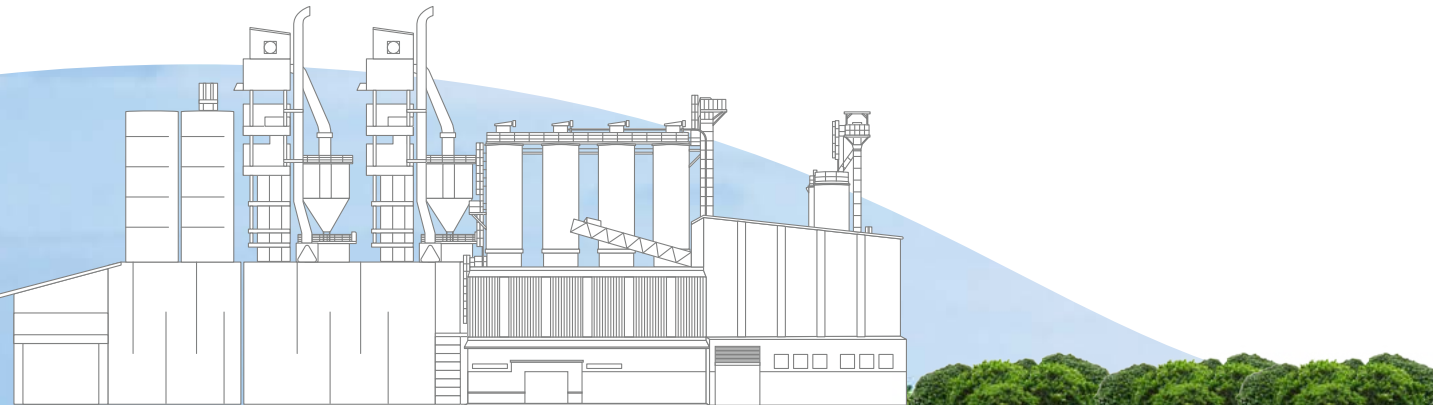


● Thailand	42%
● Australia	32%
● SEA	19%
● Others	7%

\*Mining includes alumina, gold, nickel, lithium, copper, etc

Remark :

The graph showed sales revenue from Quicklime, Hydrated Lime and Limestone, which are main products of the Company





## Marketing and Competition

### Competition Strategies

#### Production of products that match with customers' requirements

The Group delivers products and services according to customer requirements that include minimum calcium carbonate content and lime product size. Because most customers perform product testing and qualification before agreeing to purchase lime products, it is important to work closely with customers to fully understand their requirements. The products must be produced according to a customer's requirements, which requires a strong quality control system throughout production and close coordination with the supply chain team to ensure timely deliveries. Along with the product sales, the Company also provides technical solutions such as designing and constructing silos for lime storage to reduce transportation costs.

#### Production cost management

By operating high volume limestone quarries in Thailand and Vietnam, the Group has a built-in competitive advantage in terms of raw material costs, supply security, and quality consistency. Furthermore, the Group has continually improved its mining and production processes to increase production volumes, efficiency, and stability to reduce per-unit production costs. The Group is confident that it has one of the most competitive production costs compared to other leading lime producers.

#### Create satisfaction and positive new experiences for customers

The Group has followed a customer-centric approach to build and maintain long-term customer relationships by delivering high quality products and solutions in a timely manner. This can only occur through close coordination among different departments in the Group. Even though the Group has more than 700 employees, it maintains a collegial and adaptable work environment that prioritizes customer service.

#### Customer Characteristics and Target Customers

The Group's customer portfolio is highly diversified and includes world leading companies in the Asia Pacific region. In Thailand, the customer portfolio has developed over 20 years. As a result, the customer portfolio has achieved a good balance of limestone, quicklime, and hydrated lime sales. Lime products are sold to high growth industries, such as lightweight concrete blocks and bioplastics, and normal growth industries, such as sugar, feedmills, glass and bottle, paper, iron and steel, chemicals, water and flue gas treatment. By offering high quality products and good customer service, the Company can maintain its market share at reasonable profit margins.

Internationally, the Group has done in-depth market research and develops specific strategies for each target country. Typically, the Group competes with local lime players with many cost advantages in each target country. Therefore, a strong commitment to product quality and service towards selective customers is the Group's key differentiating factor behind its

growth in many countries, such as Australia, Philippines and India. International customers are highly diversified across industries, including mining, construction, sugar, pulp and paper and chemicals with particular focus in nickel and lithium.

Approximately 20% of revenues come from long-term contracts to world leading companies that require supply reliability and on-time delivery.

#### Distribution and Distribution Channels

The Group distributes lime products directly to domestic and international customers in countries where it does not have a subsidiary or joint venture company. The Group sells products to its subsidiary or joint venture company for further distribution to customers in countries where a subsidiary or joint venture company exists.

For domestic distribution in Thailand and Vietnam, the Group delivers products from its plants to customers at an agreed location, with customers absorbing the inland transport costs. The Group works closely with each customer to select the best transportation in terms of costs and delivery times.

For exports, lime products are loaded into containers at its plants and trucked to the designated shipping port at the agreed delivery time. At the port, the containers are loaded onto vessels that depart according to its loading schedule.



The Group uses a combination of owned and outsourced trucks to make deliveries from its plants to the designated shipping port.

## Competition

### Competition in Domestic Market

In 2023, the Company estimates that lime demand grew around 2%. As a result, other lime producers increased their production to meet this higher demand. The Company has the largest share of quicklime and hydrated lime sales at approximately one-third of the Thai market.

The Thai market consists of industries that grow in line with the economy, including sugar and pulp and paper, and ones that grow faster than the economy, including construction materials and bioplastics. The Company's sales strategy is to maintain market share in target industries that grow in line with the economy and to increase market share in target industries that grow faster than the economy. While the Company's sales revenues decreased by 5% in 2023, its customer portfolio increased the proportion of sales to higher growth industries.

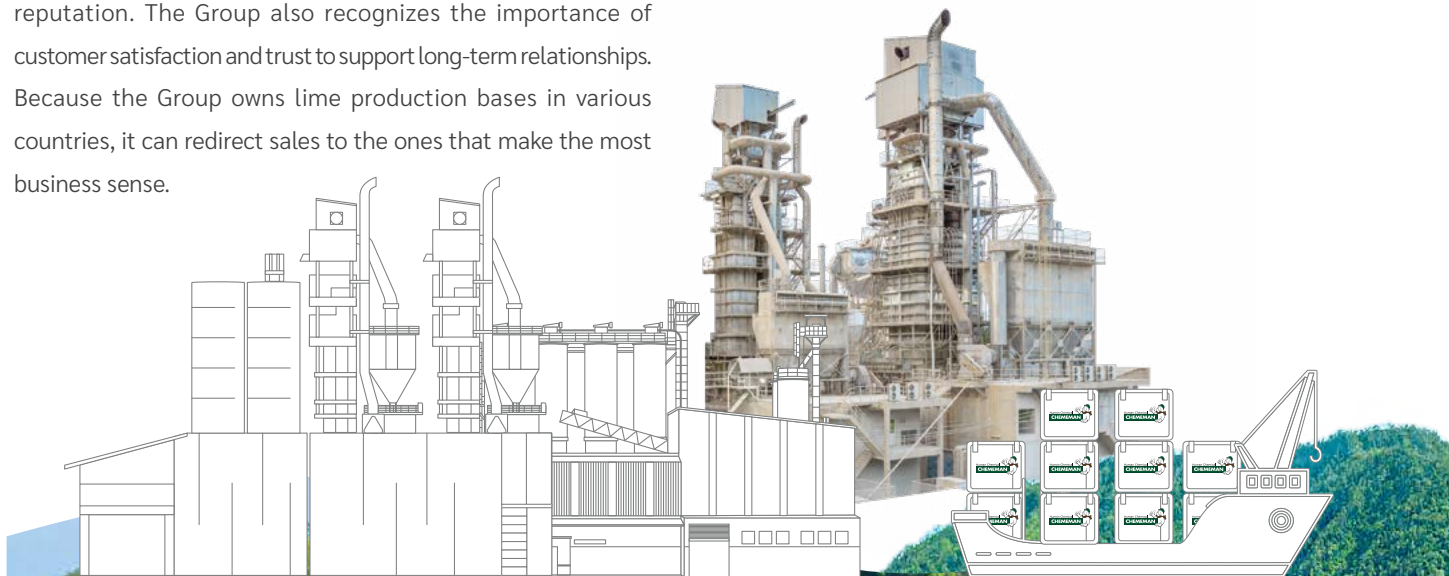
### Competition in International Market

Most of the Group's competitors in its target countries are local lime producers. For example, the Group's largest international

export market is Western Australia, where Cockburn Cement has been the largest lime producer for more than 60 years. Therefore, the Group follows a niche strategy by focusing on customers that require high quality lime products. Similarly, India's local lime producers account for more than 98% of lime sales. The joint venture companies in India allow the Group to be competitive in its geographic areas. In the long run, the Group anticipates that lime demand in its target countries will grow in line with their economic growth and plans to localize lime production where possible.

### Standing Potential and Competitiveness

The Group has a strong competitive advantage by owning its lime production facilities and having high quality limestone mining concessions. With a strong focus on mining and production efficiency, the Group's economies of scale allow it to fulfil large orders on short notice that enhance its market reputation. The Group also recognizes the importance of customer satisfaction and trust to support long-term relationships. Because the Group owns lime production bases in various countries, it can redirect sales to the ones that make the most business sense.







## Operating Assets

### The Company and Subsidiaries' Operating Assets

As of 31 December 2023, the Group has assets as follows:

Item	Net amount (Million Baht)				Total
	The Company	Chememan Australia Pty. Ltd.	Ha Long QN Lime Co., Ltd.	Chememan India Private Limited	
1. Major Fixed Assets					
Land	186.92	217.92	-	-	404.84
Land improvement	34.60	137.18	-	-	171.78
Buildings and Building Improvements	550.89	243.40	271.17	-	1,065.46
Machinery and Equipment	1,499.90	377.56	472.11	-	2,349.57
Furniture, fixtures and office equipment	8.03	3.01	29.46	0.07	40.57
Motor vehicles	6.47	1.78	68.94	0.15	77.34
Assets under installation and under construction	47.77	1.37	10.09	-	59.23
Total Fixed Assets	2,334.58	982.22	797.77	0.22	4,168.79
2. Ingible Assets					
Ore reserve <sup>1</sup>	69.59	-	-	-	69.59
Other intangible assets	31.18	0.10	-	336.98	368.26
Total Intangible Assets	100.77	0.10	-	336.98	437.85

Remarks :



<sup>1</sup> 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.

The Group's operating assets are either owned or conveyed ownership rights, such as leases, contracts, etc. Certain assets have been used as collateral for loans or leases from financial institutions as follows:

1. Land at Kangkoi Plant and Prabuddhabaht Plant totaling 312 rai 1 ngan 36 square wah, with a value of Baht 123.62 million has been used as collateral for long term loan from financial institutions
2. Land improvement with a value of Baht 27.57 million has been used as collateral for long term loan from financial institutions
3. Building and improvements with a value of Baht 437.80 million has been used as collateral for long term loan from financial institutions
4. Machinery and equipment with a value of Baht 924.92 million has been used as collateral for long term loan from financial institutions
5. Other assets with a value of Baht 118.27 million is under financial leasing obligations

### Trademark

The Company has registered trademarks with Department of Intellectual Property 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 Promotion Certificate from BOI

The Company was granted promotional privileges from the Board of Investments (BOI) for its quicklime and hydrated lime production plants, with general privileges as follows:

1. Permission to bring in foreign nationals who are skilled workers or experts, plus their spouses and dependents
2. Permission for the foreign skilled workers or experts who have been granted permission to stay in the Kingdom to receive work permits for specific positions approved by the BOI
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.
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 corporate income tax exemption

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

Plant / Product	Issue Date of Promotional Certificate	Date of First Revenue Generated from the Promoted Business	Period of Full Income Tax Exemption <sup>1</sup>	Period of 50% Income Tax Exemption <sup>2</sup>	Conditions / Privileges for Specific Project
Kangkoi Plant (KK3 and KK5) / Quicklime	10 April 2015	2 September 2016	6 years <sup>3</sup>	5 years <sup>3</sup>	-
Rayong Plant / Hydrated Lime	23 December 2011	15 February 2013	8 years	5 years	<ul style="list-style-type: none"> <li>• Double deduction of cost of transportation, electricity and water supply as expenses for 10 years<sup>1</sup></li> <li>• 25% deduction of investment in construction of facilities as expenses, in addition to normal depreciation deduction</li> <li>• Exemption of import duty on imported raw materials used in the production of export products, for 5 years from date of first import</li> <li>• Exemption on import duty on imported goods for export, for a period of 5 years from date of first import</li> </ul>

Remarks:

<sup>1</sup> Starting from the date of first revenue generated from the promoted business

<sup>2</sup> Starting from the expiration date of full income tax exemption

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





Furthermore, the Company received two Investment Promotion Certificates for its solar power projects as follows:

Plant / Product	Issue Date of Promotional Certificate	Date of First Revenue Generated from the Promoted Business	Period of Full Income Tax Exemption <sup>1</sup>	Period of 50% Income Tax Exemption <sup>2</sup>	Conditions / Privileges for Specific Project
Kangkoi Plant (KK1, KK4, KK6 <sup>3</sup> ) / Quicklime	12 September 2022	13 September 2022	3 years	None	Not exceeding 50% of total investment cost
Prabuddhabaht Plant (PB1, PB2) / Quicklime	8 November 2023	9 November 2023	3 years	None	Not exceeding 50% of total investment cost

Remarks:

<sup>1</sup>Starting from the date of first revenue generated from the promoted business

<sup>2</sup> Starting from the expiration date of full income tax exemption

<sup>3</sup> Expiration date of full income tax exemption was on 19 January 2021

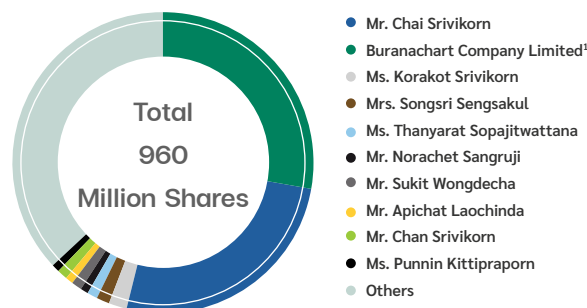
## Investment Policy related to Subsidiary and Joint Venture Company

The Company will consider investments in subsidiary and joint venture companies that benefit and align with its core business and to achieve long-term and sustainable growth in its business footprint and financial performance. The Company provides a detailed investment policy related to subsidiary and joint venture company on the Company's website [www.chememan.com](http://www.chememan.com)



## Shareholder Information

Top 10 shareholders of the Company as of 23 March 2023 (latest share register book closing date for the rights to attend the Annual General Shareholders' Meeting no. 1/2023) were as follows:



Shareholders	As of 23 March 2023	
	Number of Shares	Percentage Holding
1. Mr. Chai Srivikorn	267,805,900	27.90
2. Buranachart Company Limited <sup>1</sup>	252,116,700	26.26
3. Ms. Korakot Srivikorn	16,496,300	1.72
4. Mrs. Songsri Sengsakul	13,637,810	1.42
5. Ms. Thanyarat Sopajitwattana	10,211,400	1.06
6. Mr. Norachet Sangruji	9,999,000	1.04
7. Mr. Sukit Wongdecha	9,706,100	1.01
8. Mr. Apichat Laochinda	9,125,000	0.95
9. Mr. Chan Srivikorn	8,920,800	0.93
10. Ms. Punnin Kittipraporn	8,820,800	0.92
<b>Total share of top 10 shareholders</b>	<b>606,839,810</b>	<b>63.21</b>

Shareholders	As of 23 March 2023	
	Number of Shares	Percentage Holding
11. Others	353,160,190	36.79
<b>Total</b>	<b>960,000,000</b>	<b>100.00</b>

Remark :

<sup>1</sup> Buranachart Company Limited was established on 5 March 2003. Its main business is to act as a holding company with no investment in financial business. Top 10 shareholders of Buranachart Company Limited as of 31 December 2023 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 Tunlayadechanot	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 Sowattanasakul	400,000	1.41
<b>Total shares of top 10 shareholders</b>	<b>27,580,000</b>	<b>97.11</b>
11. Other Shareholders	820,000	2.89
<b>Total Shares</b>	<b>28,400,000</b>	<b>100.00</b>

## 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

**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

### Dividend Policy of the Company

The Company has a dividend policy to pay shareholders dividends of at least 40% of consolidated net profit after 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	2021	2022	2023
Earning per share (Baht per share)	0.14	0.16	0.10
Dividend per share (Baht per share)	0.07*	0.04	N/A
Dividend payout ratio based on net profits attributable to shareholders (%)	49.37*	25.30	N/A
Dividend payout ratio based on consolidated net profits (%)	59.67*	33.97	N/A

Remark :

\* The Board of Directors Meeting No. 2/2024 held on February 27, 2024 resolved to propose to the 2024 Annual General Meeting of Shareholders to consider approving the dividend payment for the year 2023 at 0.07 Baht per share.

This represents 49.37% of the net profits attributable to its shareholders and 59.67% of the consolidated net profits.

# Risk Management

## Risk Management Policy and Plan

Given the volatile business environment, strong risk management is a critical factor to achieve the Group's business goals. The Board of Directors approved the following risk management policy:

1. Risk management is an integral discipline in all business planning and performance monitoring activities.
2. Significant risks are identified, monitored and managed to an acceptable level to ensure that business targets are achieved.
3. Risk management is the responsibility of all levels of employees, who are most aware of significant risks arising from their specific duties.
4. Every business unit or department is responsible to identify, analyze, monitor, and manage significant risks within their unit or department and provide regular updates to management.
5. Significant risks are continually identified, monitored and analyzed and may change depending on prevailing market conditions. Active communications are required at all Group levels so that all relevant employees know the significant risks that need to be managed at any point in time.

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

[www.chememan.com](http://www.chememan.com).

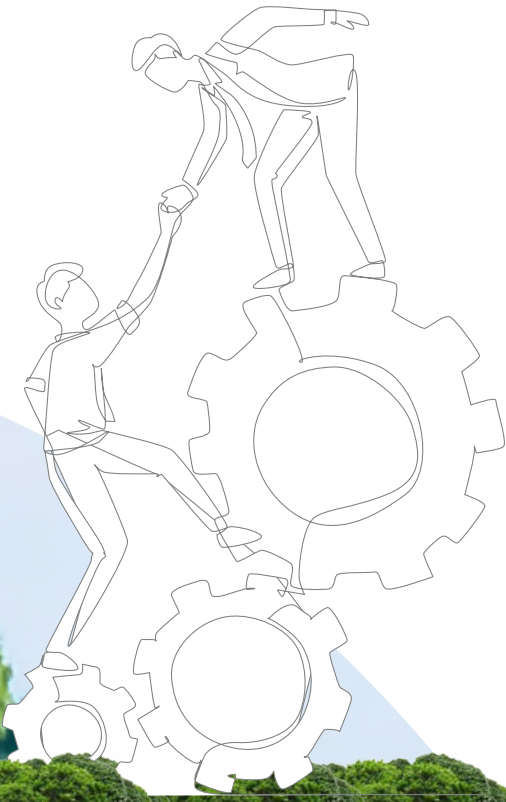
## Relevant Departments in Risk Management

1. Management is responsible for preparing, amending, and approving the Risk Management Manual, promoting and monitoring all departments and business units to continuously analyze, assess and manage key risks, and reporting these risks and mitigation plans to the Board of Directors.
2. Business unit and department heads and employees are responsible for identifying, analyzing, monitoring, and managing key risks in their departments and business units and regularly reporting the results to the monthly Executive Meeting.
3. The Internal Audit Department is responsible for reviewing and evaluating operating risks through an audit of the internal control systems and reporting the results to the Audit Committee.

## Risk Management Framework

1. Establish objectives that reduce key risks to an acceptable, controllable, and auditable level.
2. Identify risks and uncertainty factors, both internally and externally, that may cause the Group, or business unit, or department, to fail to achieve its intended objectives.
3. Analyze and assess risks by considering the likelihood and impact of the risks and evaluating the adequacy of its corrective action plans.
4. Follow up and evaluate risk mitigation activities regularly.

In addition, the Group established committees comprising members of director and management to focus on key strategic issues that significantly impact its business performance, namely (1) Investment and Finance Committee, (2) Energy, Environment and Technology Committee, and (3) People Committee. These committees meet at least once a month to review critical risk factors in their areas of responsibility and review or instruct action plans to support the Group's business targets. The three committees are required to provide regular updates on the critical risk factors and corrective action plans to the Board of Directors.





## Risk Factors to the Group's Business Operations

The Group has identified significant risks that may affect its business operations and established measures to mitigate such risks to an appropriate level. The primary business risks are:

### Business Operations Related Risks

#### Risk from Revocation of Mining Concessions

The Company was granted a mining concession No. 27328/16133 for limestone mining at Tubkwang Quarry that ends on 23 June 2040. In Vietnam, Ha Long QN Lime Company Limited was granted a mining concession for limestone mining at Hoanh Bo Quarry that ends on 11 May 2046. The Group may be at risk of having either concession revoked if it fails to comply with the concession's conditions and may also be at risk of not being able to extend its concession. Such risks may cause a disruption in raw materials supply.

To mitigate this risk, the Group strictly follows the conditions outlined in the concession, as evidenced by the Green Mining and Green Industry Award awarded in Thailand. The Group continually evaluates the effects of limestone mining on the environment and surrounding communities and studies and monitors changes in governmental policies, laws, and related regulations to ensure accurate and timely compliance. In Thailand and Vietnam, the Group can only apply for an extension to its mining concessions approximately five years and two years, respectively, before they expire. The Group has regular communications and strengthens its ongoing relationships with

all relevant authorities on this matter. As a back-up option, the Group could source raw materials from other suppliers, although this practice could result in cost fluctuations and inconsistent limestone quality.

#### Risk on Raw Materials Sourcing

Limestone is the main raw material for lime products. The mineable reserves at Tubkwang Quarry were estimated in 2022 to be 80 million tons. The mineable reserves are more than sufficient to support the Company's production plan which requires 32 million tons of limestone through 2040.

However, the Company may be at risk of not obtaining raw materials on time or with the desired quality from its Tubkwang Quarry for assorted reasons, including technical problems of mining machinery, lower limestone quality in new excavation areas, etc.

To mitigate these risks, the Company coordinates closely with the mining contractor to develop rolling monthly limestone production plans and performs detailed inspections of limestone at the quarry. The Company also maintains enough limestone for approximately one month of production in case of any mining interruptions.

As a back-up option, the Company could purchase limestone from Ha Long QN Lime Company Limited. Such purchases would result in higher costs based on the prevailing logistics costs from Vietnam to Thailand.

At Hoanh Bo Quarry in Vietnam, the mineable reserves were estimated in 2023 to be 70 million tons. The mineable reserves

are more than sufficient to support the Company's production plan which requires 22 million tons of limestone through 2046. To mitigate the risk of raw materials sourcing, the company updates the current mineable reserves every 6 months by a government authorized survey party and reserves sufficient safety stock for at least 6 months of production in case of any mining interruptions.

#### Risk on Fuel Procurement and Price Fluctuations

Coal is used as an energy source for the majority of the Group's lime kilns. To mitigate this risk of coal shortage, the Group develops relationships with various coal suppliers and has a pre-qualified panel of suppliers that have strong track records of sales and reliability. The Group purchases coal through a combination of spot, quarterly, and/or annual contracts. This allows the Group to reduce coal shortage risk if any coal supplier cannot deliver coal as agreed. Furthermore, the Group carries coal inventories of up to 6 months of production to prevent any operational interruptions.

The Company has secured a 10-year natural gas supply agreement with PTT Public Company Limited ("PTT") under the standard contract with its industrial customers in Thailand and has a specific price adjustment formula based on changes in different economic factors, such as exchange rates and Thailand's Producer Price Index for manufactured products. If PTT cannot deliver natural gas to the Company, production at Prabuddhabaht Plant may be interrupted or the Company may be forced to absorb higher gas costs which adversely affects the performance of the Company. Despite these risks, the Company has never faced delivery issues from PTT.



To limit the risk of fuel price changes, lime selling prices are adjusted from time to time based on prevailing coal or natural gas prices through regular discussions or agreed price adjustment formulas in the sales contracts.

### **Risk on Shipping Logistics and Shipping Cost Fluctuations**

The Group exports more than half of total sales and normally exports lime to foreign customers through container shipping companies. Thus, there is a risk that the lime products will be delivered to its destination later than scheduled. Because the Group sells lime products on a freight on board (FOB) basis, customers are responsible to arrange containers for delivery to its production facilities and vessels at the agreed loading ports.

In some cases, customers request the Group to arrange containers and vessels under its name. Under this situation, both companies work together to evaluate a pool of well-known shipping companies and freight forwarders, after which the customer chooses the optimal and most cost-effective delivery option. Actual shipping costs are then charged to the customer afterwards.

To mitigate this pricing risk, some customers enter into fixed freight rate agreements for up to 9-12 months. In Vietnam, HLL has increased its limestone exports, which result in such risks as community complaints during inland transport and obtaining required export approvals for these shipments. To mitigate these risks, HLL has established a committee to strengthen the good working relationships with the community and relevant government authorities to ensure smooth operations.

At Hope Valley, Chememan Australia faces logistics risks due to shortages of qualified drivers and transport equipment in Western Australia. Proactively addressing this challenge, Chememan Australia works with a pool of multiple subcontractors to transport lime products using its operational efficiency and reliability standards.

### **Risks Relating to Environmental, Occupational Health and Safety**

The Group's operations may have a significant impact on the environment, surrounding communities and the safety of its employees. The Group may be at risk of shutdowns if it does not comply with government regulations and industry standards on these issues. To mitigate such risks, the Group has implemented measures, such as regular inspections of air quality, noise, water quality, and industrial waste. If any inspection results breach government requirements, the Group implements corrective action plans to meet such requirements.

The Group promotes energy conservation and has invested in solar projects at all Thai production locations to reduce operating costs and environmental impacts. It strictly adheres to health and safety regulations in the workplace and in 2023, only 5 accidents were reported. Any incidents are documented and shared with lessons to ensure that they do not occur again. As a result of this attention to detail, the Group has never been prosecuted or paid significant legal fines related to environmental, health, and safety issues.

The Group is a strong proponent of corporate social responsibility and actively engages and supports surrounding communities in different ways, such as investments in the local school, scholarships to needy students, regular town halls to discuss their concerns, etc. Through visible and active engagement, the surrounding communities have supported the Group's continued investments in its lime production facilities.

Because Australia has some of the strictest environmental regulations, Hope Valley focuses on air quality and waste management initiatives to ensure that it complies with these regulations. Chememan Australia seeks guidance from independent consultants with specialized expertise to improve its environmental performance in all areas.

### **Risk Relating to Human Resource Management and Development for Business Growth and Change**

Because the Group continues to expand its business, a strong pipeline of managers and employees with sufficient knowledge, skills, and experiences in the lime industry must continually be developed. A negative impact on the Group's business could occur if it is unable to recruit or retain sufficient talent to drive its business forward.

To mitigate such risk, the Group focuses on retaining and developing all levels of employees. For example, the Group regularly benchmarks its compensation programs against similar businesses and adjusts them to remain market competitive. Clear career paths and development goals are also discussed so that employees can obtain the required knowledge and





experiences to advance in their jobs. Employee surveys are done to analyze different ways to make employees happy and loyal to the Group.

## Financial Risks

### Foreign Exchange Risk

The Group's business has foreign currency exposure in US Dollars, Australian Dollars, Vietnamese Dong, Euros, and Indian Rupees, while significant revenues and costs are denominated in Thai Baht. Product sales and operating costs in Thailand and a significant majority of the Group's loan portfolio are denominated in Thai Baht. Product sales outside Thailand, container shipping costs, and part of the Group's loan portfolio are denominated in US Dollars. Operating costs in Vietnam are denominated in Vietnamese Dong. Product sales and operating costs in Australia are denominated in Australian Dollars.

To mitigate this risk, the Group balances the majority of its cash inflows and outflows from receivables, payables, and loans by each separate currency. For example, US Dollar deposits are maintained to pay for US Dollar expenses. The Group monitors and analyzes daily foreign currency movements. Because the Group has foreign exchange credit lines with financial institutions in Thailand, Vietnam, and Australia, it enters forward contracts from time to time to hedge some of its remaining foreign currency exposure. As a matter of policy, the Group does not speculate in any foreign currency.

### Interest Rate Risk

Most of the Group's financial liabilities bear floating interest rates. The Thai Baht denominated loans are based on Minimum Loan Rate ("MLR") or Thai Overnight Repurchase Rate ("THOR"), while U.S. Dollar denominated loans are based on Secured Overnight Financing Rate ("SOFR"). In 2023, higher interest rates in US Dollar and Thai Baht loans resulted in a 38.3% increase in interest expenses. The Group could be at risk if interest rates move higher, resulting in higher interest rate expenses and lower profits.

To mitigate this risk, the Group runs 12-month rolling cash flow forecasts to calculate expected interest expenses and principal repayments and reserves sufficient operating cash flows to cover them. In 2023, the Company converted most of its US Dollar long-term loans into Thai Baht to take advantage of lower Baht interest rates. If cash flows are expected to be tight, the Group could reduce cash outflows by delaying some capital improvement projects. As another option, the Group may draw down available overdraft and short-term revolving credit facilities to ease any tight cash flow situation. Discussions may also be held with financial institutions on other relief measures. The Group has never defaulted on its debt payment obligations.

### International Investment Risk

The Group has operations in Australia, Vietnam, and India. If these subsidiaries and joint ventures cannot deliver their expected business performances, the Group could be at risk, as expected investment returns are not achieved within the expected time periods. To mitigate this risk, the Group runs detailed analyses not only on the investment but also its overall effect on the consolidated balance sheet and income statement.

The Group has approved limits on the total size of its foreign investment portfolio and any single foreign investment. The investment limits are calculated based on significant downside scenarios so that an underperforming investment does not affect the Group's overall financial position. The Group uses a management by objectives concept with all business units and actively follows up on approved business targets and any corrective actions to reach these targets. Because the Group's investments are long-term in nature, it could take some years before an investment turns profitable. During an investment's early years, the Group may provide shareholder support from time to time. Once the foreign business unit becomes profitable, the Group's policy is to let such unit seek its own sources of financing and start to return capital to the Company. As a back-up option, the Group may sell or close any foreign investment if business prospects are poor, thereby limiting any further financial risk.

## Management Risk

### Cyber Security Risk

Working today requires higher usage of digital technology and a higher need to connect the Company's network with external systems. This situation creates potential cyber security risks that can cause an impact on several aspects, such as the leakage or loss of sensitive information, systems disruption, etc. To mitigate this risk, the Group has invested in various systems to measure and limit cyber security risk and blocked employee access to many websites and media channels.

## Personal Data Protection Risk

As the Group continues to expand its business domestically and internationally, its operations involve more stakeholder groups. This may create risks in processing personal data under the Personal Data Protection Act B.E. 2562. Given the Group's operations are business-to-business (B-2-B), they may have risks in processing the personal data of some specific stakeholders including directors, employees, shareholders, and the community. To mitigate this risk, the Group has established measures for the security of Personal Data, and has promoted and encouraged employees to learn and recognize the duties and accountabilities in the collection, storage, usage, and disclosure of Personal Data, in compliance to the Group's policy and all guidelines regarding personal data protection.

## Emerging Risk

### Geopolitical Risk

The world is experiencing numerous conflicts, such as the Russia-Ukraine and the Israel-Hamas wars. The last two years have seen the highest inflation rates and interest rates in more than 20 years. Volatility in energy prices, foreign exchange rates, shipping rates, etc. has been the highest it has ever been.

To mitigate these risks, the Group uses its three committees, Investment and Finance Committee, Energy, Environment, and Technology Committee, and People Committee to review and analyze key risks and action plans and quickly pivot business strategies to limit their impacts on overall performance. For example, coal procurement has been centralized and approvals by the Energy, Environment, and Technology Committee are required for coal procurement.



# 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](http://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 risks 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 and 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 the 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:

### 1. 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

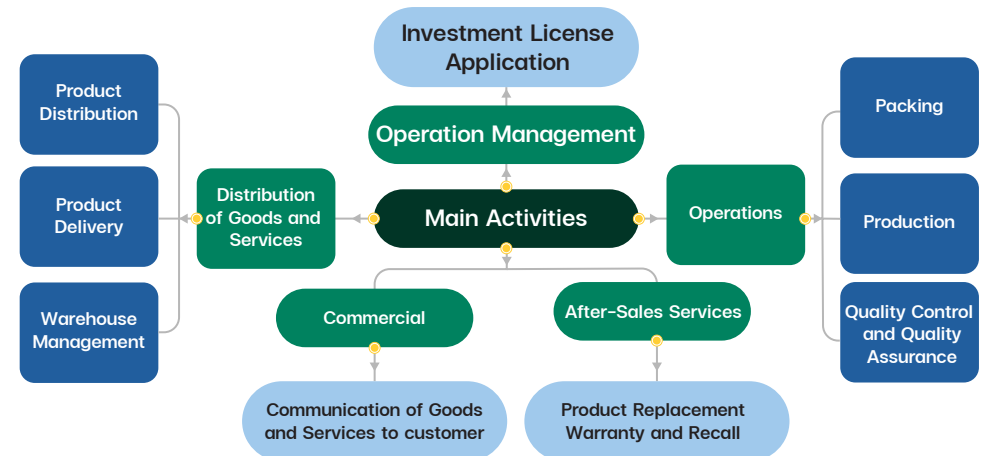
Products in bags and silos are stored in storage facilities with efficient storage management system and ready to be delivered to the customers.

### 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.





## 2. 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

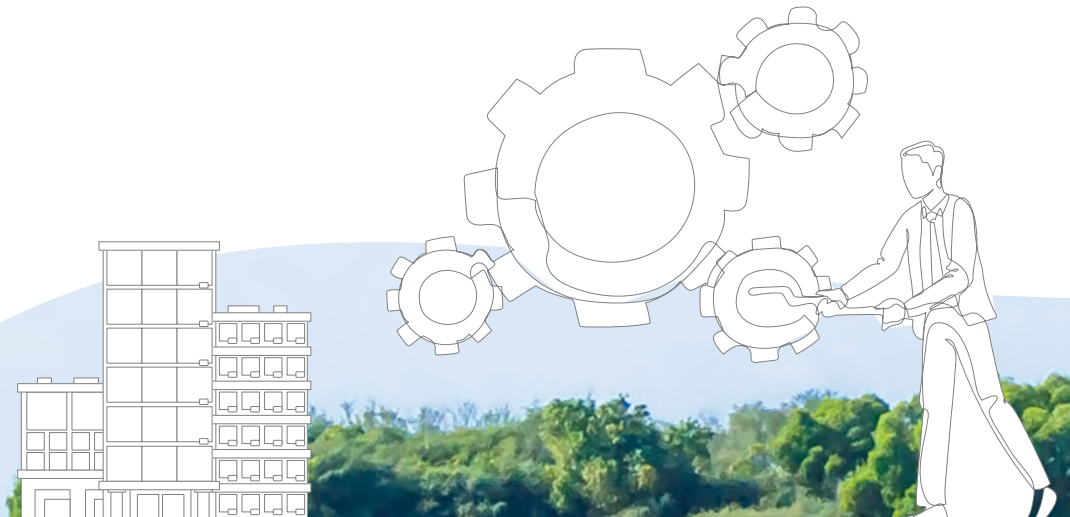
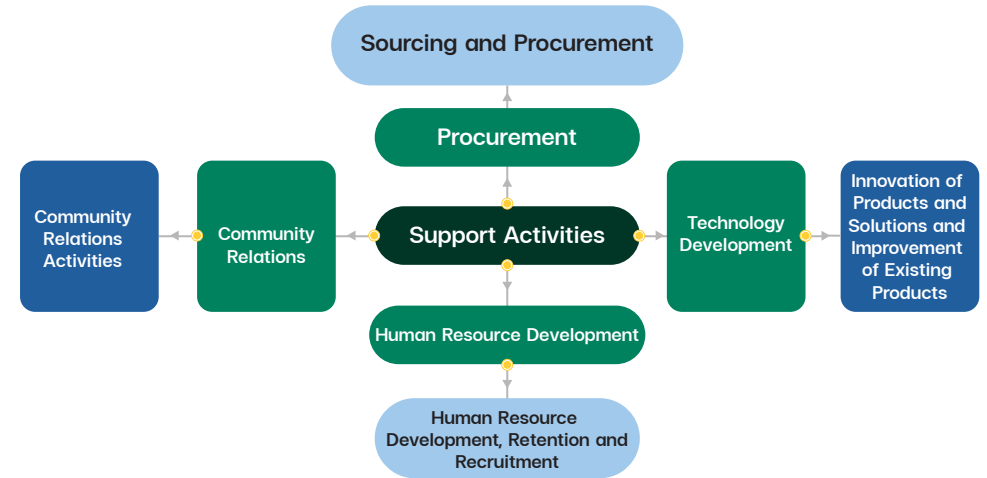
The Company supports community activities to create public benefits, opportunities and seek ways to continuously increase income for surrounding communities, as well as conduct business activities by integrating community and social dimensions into the preparation of action plans to prevent impact on 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
<b>1. Shareholders</b> 	<ul style="list-style-type: none"> <li>Annual General Meeting of shareholders</li> <li>Annual Registration Report / Annual Report</li> <li>Complaints channels</li> <li>Direct communication with the Company</li> <li>Website</li> <li>Site visit</li> <li>Other activities such as Opportunity Day, Roadshow, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Return from investment</li> <li>The Company's growth</li> <li>Transparency and accuracy of information</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant department to improve operational efficiency and product quality</li> <li>Open opportunities for shareholders to directly express opinions and complaints to the Company</li> <li>Expand investments both domestically and internationally</li> <li>Establish policies to prevent conflict of interests and transparent information according to national standards</li> </ul>
<b>2. Customers</b> 	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Site visit</li> <li>Customer visit</li> <li>Communications via electronic media and telephone</li> <li>Complaints channels</li> <li>Other Company activities / other activities hosted by the Company</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction in products and services</li> <li>Receiving quality products and services within a timely manner</li> <li>Effective troubleshooting within a timely manner</li> <li>Quick response to customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Ensure consistent quality control</li> <li>Maintain good delivery standards in a timely manner</li> <li>Provide advice and solutions in a professional manner</li> </ul>
<b>3. Business Partners</b> 	<ul style="list-style-type: none"> <li>Partner visit</li> <li>Communications via electronic media and telephone</li> <li>Complaints channels</li> <li>Other Company activities / other activities hosted by the Company</li> </ul>	<ul style="list-style-type: none"> <li>Receiving products and services in accordance with the agreed terms and conditions</li> <li>Competitive price of products and services</li> <li>Maintaining a good relationship between seller and buyer</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with agreed terms and conditions</li> <li>Listen and exchange opinions with partners to meet the need of both parties sustainably as well as develop and improve collaborative processes</li> </ul>
<b>4. Employees</b> 	<ul style="list-style-type: none"> <li>Internal communication</li> <li>Line / Website / Email</li> <li>Suggestion box</li> <li>Complaints channels</li> <li>Other company activities / other activities hosted by the Company</li> </ul>	<ul style="list-style-type: none"> <li>Stability and advancement in work</li> <li>Appropriate welfare and compensation</li> <li>Opportunities to learn, grow and develop knowledge and abilities</li> <li>Occupational health, safety, and quality of life</li> </ul>	<ul style="list-style-type: none"> <li>Continuously develop the potential of employees</li> <li>Emphasize on safety and occupational health</li> <li>Provide proper welfare and compensation for employees</li> </ul>

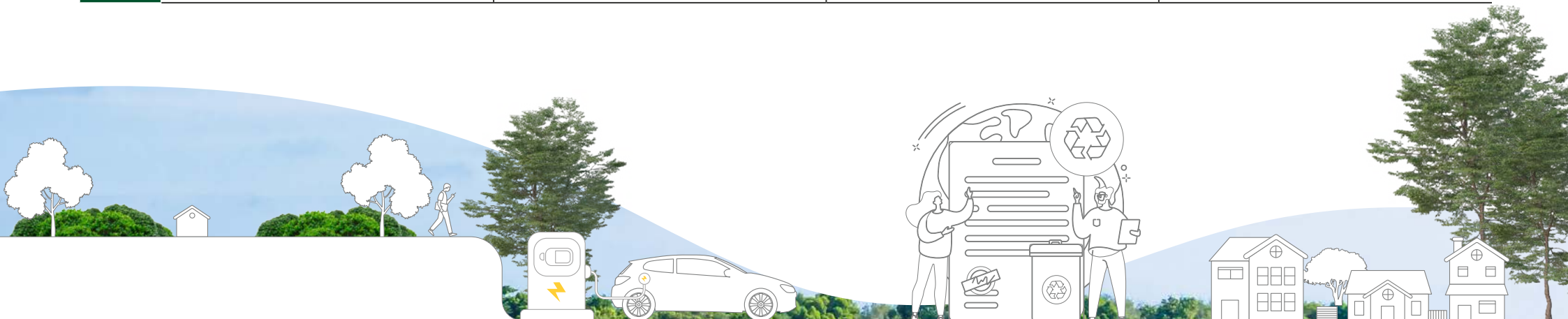


Stakeholders	Communication Channels	Expectations	Responses to Expectations
<b>5. Community and Society</b> 	<ul style="list-style-type: none"> <li>Activities with local communities</li> <li>Regularly meetings with community leaders</li> <li>Community visit</li> <li>Complaints channels</li> <li>Survey</li> <li>Line / Facebook / Website</li> </ul>	<ul style="list-style-type: none"> <li>Responsible on environment by reducing emission</li> <li>Support community activities</li> <li>Contribute to public benefit and increase quality of life of surrounding communities</li> <li>No complaints from local communities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct business with prudence to prevent impacts on local communities, society, and environment</li> <li>Strictly comply with relevant laws and regulations</li> </ul>
<b>6. Non-profit organizations and local authorities</b> 	<ul style="list-style-type: none"> <li>Regular meetings with representatives</li> <li>Support local activities</li> <li>Complaints channels</li> <li>EIA Report</li> </ul>	<ul style="list-style-type: none"> <li>Reduce emission</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with relevant laws and regulations</li> </ul>
<b>7. Government Agencies</b> 	<ul style="list-style-type: none"> <li>Regular meetings with representatives</li> <li>Submit relevant reports</li> <li>Support government activities</li> </ul>	<ul style="list-style-type: none"> <li>Comply with relevant laws and regulations.</li> <li>Reduce and mitigate effects to communities and environment</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with relevant laws and regulations</li> <li>Establish and assign dedicated department for communicating with government authorities</li> </ul>
<b>8. Media</b> 	<ul style="list-style-type: none"> <li>Regular meetings with representatives</li> <li>Complaints channels</li> <li>Communications via electronic media and telephone</li> <li>Line / Facebook / Website</li> </ul>	<ul style="list-style-type: none"> <li>Disclose information which is clear, accurate, relevant, and timely.</li> </ul>	<ul style="list-style-type: none"> <li>Completely communicate and disclose information on the Company's operations.</li> </ul>
<b>9. Creditors</b> 	<ul style="list-style-type: none"> <li>Quarterly Report</li> <li>Regular meetings with representatives</li> <li>Communications via electronic media and telephone</li> </ul>	<ul style="list-style-type: none"> <li>Build confidence to creditors to ensure the repayment in full and on time.</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>



## Sustainability Materials for the Company

	Sustainability Material Topics	2024 Goals	Long-term Goals	Sustainability Action Plans
E	Setting Goals for Reducing Greenhouse Gas Emissions	Finalize CO <sub>2</sub> vision, roadmap and action plan	Net zero by 2065	<ul style="list-style-type: none"><li>Explore New Technology for GHG Reduction</li><li>Engage in GHG Reduction Society</li><li>Green Supply Chain and Supplier Collaboration</li><li>Electric Trucks, Wheel Loaders and Cars</li></ul>
	Energy Management	Renewable electricity of 7 MW	Renewable electricity of 20 MW	<ul style="list-style-type: none"><li>Solar Farm &amp; Rooftop</li></ul>
	Efficient Water Use Management and Reduction of Water Usage	Recycle 40% of wastewater (Thailand)	Recycle 100% of wastewater at all manufacturing locations by 2050	<ul style="list-style-type: none"><li>Zero Wastewater</li></ul>
	Waste Management, Promoting Recycling and Reuse	Waste to landfill reduced by 30% (Thailand)	Zero waste to landfill at all manufacturing locations by 2050	<ul style="list-style-type: none"><li>Zero Waste to Landfill</li></ul>
	Commitment to Protecting and Restoring Natural Habitats and Ecosystems	Plant 3,000 carbon-offset trees and support 3 communities in sustainable natural resource management	Plant 20,000 carbon-offset trees by 2030	<ul style="list-style-type: none"><li>Forest Planting</li></ul>
	Designing Products with Environmental Considerations from Production to Disposal or Recycling	Finalize 1-2 products	Eco-friendly products that absorb 30,000 tons CO <sub>2</sub> / year by 2050	<ul style="list-style-type: none"><li>Decarbonization Products</li></ul>







	Sustainability Material Topics	2024 Goals	Long-term Goals	Sustainability Action Plans
S	Health and Safety Management in the Workplace	LTIFR 10% (Thailand)	Zero LTIFR at all manufacturing locations by 2030	<ul style="list-style-type: none"><li>Dust Reduction</li><li>Vision Zero</li></ul>
	Human Rights and Child Labor	Zero complaint	Zero complaint	<ul style="list-style-type: none"><li>Human Rights</li></ul>
	Employee Engagement	40%	Over 80% by 2030	<ul style="list-style-type: none"><li>Employee Engagement</li><li>HR Transformation</li></ul>
	Social Assistance	<ul style="list-style-type: none"><li>Community and social assistance 18 projects</li><li>Educational support 13 projects</li><li>Sponsor 400 scholarships and support breakfast for 350 students</li></ul>	<ul style="list-style-type: none"><li>Community and social assistance 25 projects</li><li>Educational support 16 projects</li><li>Sponsor 650 scholarships and support breakfast for 500 students by 2030</li></ul>	<ul style="list-style-type: none"><li>Social Assistance</li></ul>
G	ESG Development	ESG Rating A	ESG Rating AAA by 2030	<ul style="list-style-type: none"><li>Subsidiaries Governance</li><li>ESG in every Business Unit</li><li>Customer Relationship Management (CRM)</li><li>Uplift Risk Management Practices</li></ul>
	Innovation Development	Finalize digital transformation roadmap and measure	Work efficiency improved by 50% by 2050	<ul style="list-style-type: none"><li>Digital Transformation</li></ul>
	Sales to Eco-friendly Industry Segment	500 thousand ton / year	1 million ton / year by 2030	<ul style="list-style-type: none"><li>Business Portfolio Balance</li><li>Sales to Eco-friendly Industry Segment</li></ul>





## 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](http://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 Committee, which consists of senior management teams, for the following important roles:

- Research and provide insights to executives and related departments
- Research directives to reduce energy consumption, waste emissions of plants and offices and use more renewable energy
- Develop energy, environmental and technology policies and action plans for the Company's Business Units

- Plan and monitor the Company's sources of energy supplies
- Establish risk management related to energy and environment
- Arrange the committee monthly meeting to consider, make decisions in relating project and delve into risk management.

## Carbon Footprint for Organization Project

### The Company Policy

Climate change caused by greenhouse gas emissions has become a critical sustainability issue for all industry sectors. The Company, 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 Company has explored and research various technologies, such as Carbon Capture Utilization and Storage technology, Carbonization to use carbon dioxide as a raw material to produce chemical products, Renewable energy utilization and Electric vehicle adaptation, in order to drive sustainable business development.

To calculate total greenhouse gas emissions made by the Company, 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, is 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 2023, the Company, in corporation with consultants, conducted the Carbon Footprint for Organization assessment on Kangkoi, Prabuddhabaht and Rayong production facilities, 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 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, Prabuddhabaht and Rayong production facilities
- Using the guidance for calculating and reporting the organization's carbon footprint, 6<sup>th</sup> 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



“Aluminum Donation” project



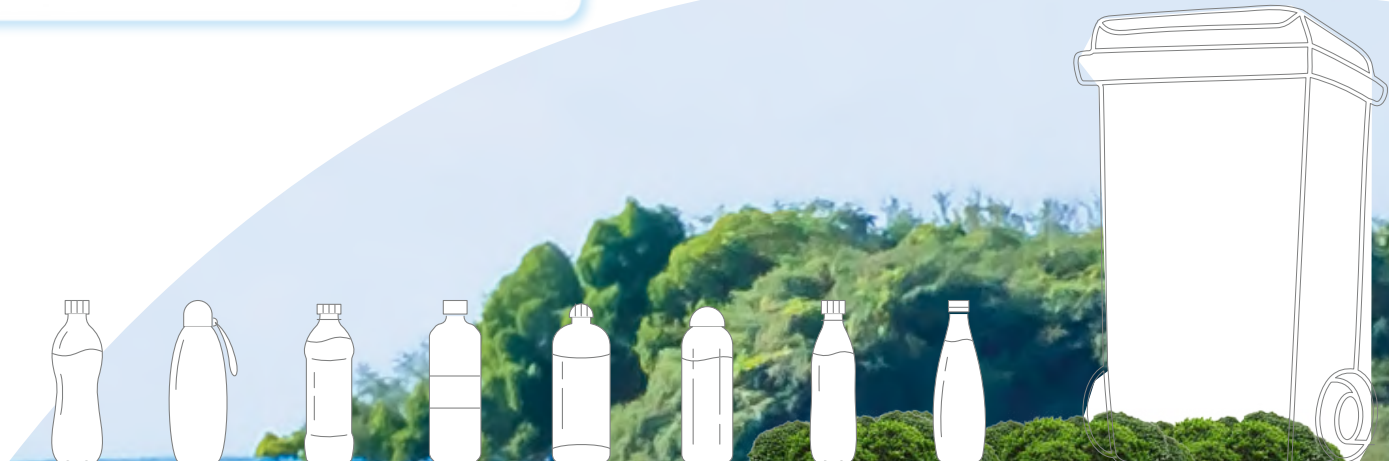
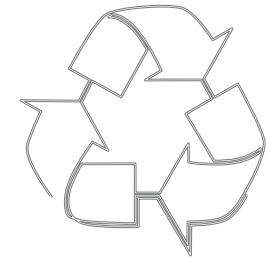
“Recycle drop point” project



“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](http://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 2023, the Company employed female employees at 25% of the total number of employees. Moreover, the Company also employed individuals with disabilities at 40% 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 60% participation rate of the total number of employees.

### Occupational Health and Safety

In 2023, 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.

### Customers

The 2023 Customer Satisfaction Survey concluded that the majority of customers were more than 80% satisfied with the company's products, delivery, and services, and in each aspect, the Company passed all criteria.

### Business Partners

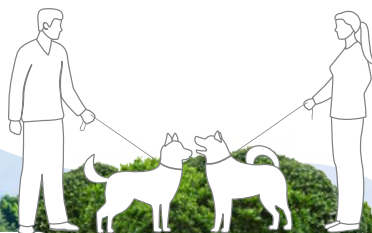
Vendor and Service Provider Assessment in 2023, which includes the safety, environmental and human rights responses, concluded in satisfaction level with no sellers or service providers not meeting the evaluation criteria.

## 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 wellness

The Company organizes “The 6<sup>th</sup> Tubkwang FUN RUN” as an annual activity for community members to engage in physical exercise, promoting good health while also making their financial contributions to the “Health & Wellness Promotion Fund for Students of Nikhom Tubkwang Songkroh Community 1 School”. This fund aims to support breakfasts, snacks, and lunches for the school’s students, with a total budget of more than 1,000,000 Thai baht.





## Education

The Company consistently provides support for academic activities and scholarships aimed at children in nearby communities. The focus is on enhancing children's educational opportunities and facilitating the application of knowledge for community development. The Company also actively backs various children's activities, including the National Children's Day celebrations, soap making, and the development of English skills. Qualified foreign and professional teachers are engaged to conduct English classes for students at Nikhom Tubkwang Songkroh Community 1 School throughout the semesters. The positive outcomes include students acquiring improved English skills and winning numerous prizes in the English skill competitions.







In addition, the Company provides support for children in terms of life, career and thinking process skills along with other skill enhancement schemes, including:

**“Kids Nok Tam Ra Project”** (Children Thinking Outside the Textbook)

- “Kid(s) Open Motorcycle Repair Shop” is an initiative that involves providing online courses for schools. Volunteer employees from CMAN DMAN company complement these courses by teaching students’ practical skills in motorcycle repair, aiming to contribute to their future career development.
- “CMAN Robo Master” intends to develop coding and basic robot making skills for the students of Nikhom Tubkwang Songkroh Community 1 School. The student teams participated and won the prize at the national level competition.



The Company also supports skill development for teachers, such as:

**“Kru Term Palang Project”**

is an initiative through which the company supports teachers in acquiring academic and other necessary skills to enhance their teaching abilities for students. This year, training sessions were conducted, as follows:

- Knowledge and expertise - “Rally activity as the system tool for student development”
- Communication skill - “Foreign language for communication”
- Creativity - “Oil soap making for future career development”



## Environment

**“Plook Pah Srang Krua Project”** was organized in the Ban Tham Nam Phu local community forest, Tubkwang sub-district, Kangkoi district, Saraburi province of Thailand. This initiative aims to create job opportunities, ensure a sustainable food supply, offer learning activities, and generate carbon credits for local communities. The project area features a variety of food crops, including neem trees, trumpet trees, Indian gooseberry, mango, durian, tamarind, black plum, and bamboo. These plants serve not only as a community kitchen and income sources for local residents but also as food sources for wildlife and monkeys, thereby reducing potential disturbances between animals and people in the communities.

This project also includes beautification of the local community forest landscape through ornamental plants and flowers, with the aim of developing it into a future learning center and tourism spot.

The trees planted in the project area have been certified by Thailand’s Ministry of Natural Resources and Environment as one of the 58 plant types designated for carbon absorption. Consequently, this qualifies the project to generate carbon credits.

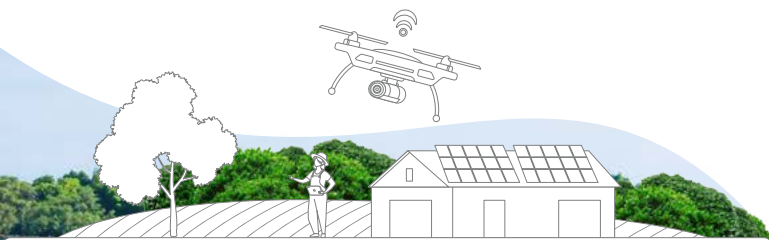
The Company received the certification for its role in promoting local forest community activities from the Saraburi Provincial Governor.





### Promotion of local community job

As a matter of fact, local people in the communities earn their livings through various self-employed jobs. The Company is actively involved in promoting local community jobs, aiming to increase household income to levels sufficient for expenditures and savings. This policy is operated through development projects and budgetary support for activities that enhance skills or choices for increasing incomes, such as **“Training Project on Farming and Food-Processing of Crickets”** and **“Product-Processing of Local Forest Community Project”**.





## Religion, culture and local tradition

The Company promotes religion, culture, and local traditions by means of activities, including religious events and significant Buddhist days. This includes hosting almshouse events and united Kathin ceremonies at temples i.e., Wat Tham Phra Photisat, Wat Ban Thai, Wat Khao Man Thammaram, Wat Sap Bon, and Wat Wa Lu Ka Ram (Nong Pakboong). The Company supports Christian activities at the Rom Yen Ing Doi Church.





### Partnership with the government authorities

The Company provides budgetary support for various government authorities, including the Department of Labor Protection and Welfare, Social Security Office, Saraburi Provincial Industry Office, Forest Resource Management Office No.5 (Saraburi), Tubkwang Municipality, Huay Pa Wai Municipality, Tubkwang Sub-District Village Health Volunteer (VHV), and the Saraburi Governor's Office. Additionally, the Company extends its support to nearby temples, communities, and villages in Tubkwang sub-district of Kangkoi district, as well as in Huay Pa Wai sub-district of Phra Putthabhat district. The Company also organizes New Year and Songkran Festival celebration activities for the local communities and government authorities. Furthermore, the Company provides budgetary support for road accident checkpoints during the New Year and Songkran Festivals, the Thai Red Cross event, and the National Police Day.





### Employee volunteer

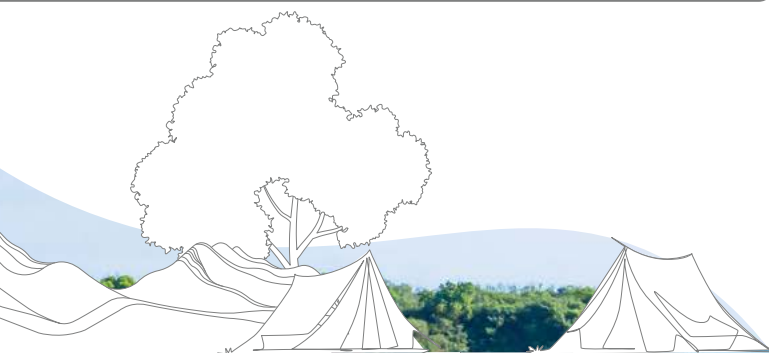
The Company promotes a corporate social responsibility mindset among employees at all levels through the implementation of the **“CMAN DMAN for Sustainable Communities Project”**. This initiative encourages an employee volunteer mindset, inspiring them to join hands together in organizing beneficial activities for the public and local communities. For example, volunteer staff actively participated in teaching students at Nikhom Tubkwang Songkroh Community 1 School throughout the 2023 academic year under the **“Kid(s) Open Motorcycle Repair Shop Project”**. Additionally, volunteer staff contributed to building the school’s herbal garden, repairing the electricity system, and establishing the Geology Learning Center at Wat Tham Phra Photisat Temple.





### The Fund of Mining Village Area Development

The Company also promotes the volunteer mindset for employees to participate in various corporate social responsibility activities of infrastructure development, New Year and Thai Songkran Festivals, National Father Day, National Mother Day, H.M. King Maha Vajiralongkorn's Birthday, community area improvement, Kathin ceremony, community shelter repairment and equipment procurement for local communities. Further than that, those volunteers contributed to various local community development projects in terms of the aged people, job creation, children's education, repairment of Wat Tham Phra Photsat Temple's crematorium, community kitchen establishment, utensil procurement for ethical career groups, scholarships for students at Nikhom Tubkwang Songkroh Community 1 School and at other areas in Moo 10, Tubkwang sub-district, Kangkoi district of Saraburi province. Other volunteer schemes of the Company also included supports for local community patrols, road accident checkpoints during the New Year and Songkran Festivals as well as assistance fund for emergency events (floods, storms and fire) with the amount of more than 2,000,000 Thai baht.





## The Fund of Health Awareness

The Company actively implements corporate social responsibility in the realm of health and social welfare activities through the Health Surveillance Fund. Several development projects are undertaken, including the hiring of dental assistants, providing chest x-ray services for local communities, establishing a Thai traditional medicine and primary physical therapy system in support of Tubkwang Hospital, ensuring accessible healthcare services, promoting hygienic kitchens, ensuring safe food in schools, conducting rehabilitation for the elderly at risk of falling, procuring durable goods for the Ruam Suk Center, and enhancing the life quality of the aged, disabled, and bed-ridden patients. Additionally, support is extended to Village Health Volunteer (VHV) activities, and life quality, health, and disease prevention initiatives for students. These endeavors amount to a total contribution of more than 1,200,000 Thai 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.



# Management Discussion and Analysis

## Overview of 2023 Results

2023 can be divided into two distinct halves. The first half of 2023 was characterized by price inflation, rising interest rates, and low business confidence. The second half of 2023 was characterized by lower inflation expectations, peak interest rates, and low but increasing business confidence. Geopolitical risks increased during the year, as the Israel-Hamas War was being fought at the same time as the Russia-Ukraine War.

Under such volatile conditions, the Group prioritized risk management and profitability over business expansion and sales volumes. The Group's 2023 results achieved higher underlying business performance than 2022. The Company delivered THB 3,505 million in revenues, THB 1,116 million in gross profits, and underlying net profits of THB 220 million. The reported net profits of THB 136 million were primarily due to the THB 73 million final settlement costs of two shipping disputes that were in arbitration.

The Group continues to execute its long-term business strategies, including the development of target countries and customers to achieve a growing and well-diversified customer portfolio, continuous capacity management and improvement of operating efficiencies, high product quality standards and timely deliveries, and profit margin optimization by leveraging business partnerships.

## Full Year 2023 Performance

Unit : Million Baht, Except per share amounts	2023	2022	%YoY
Revenues	3,505	3,660	-4.2%
Net income (loss) attributable to equity holders of the Company	136	152	-10.3%
Earnings (loss) per share attributable to equity holders of the Company	0.14	0.16	-10.3%
Adjusted net income (loss) attributable to equity holders of the Company (*)	220	172	+27.7%
Adjusted earnings (loss) per share (*)	0.23	0.18	+27.7%
Adjusted EBITDA excluding special items (*)	820	745	+10.0%

(\*) 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, and one-time extraordinary revenues or expenses

- Domestic Revenues: Domestic revenues equaled THB 1,331 million, up 6.9% compared to last year. This increase was driven by a higher market share in the sugar industry and strong expansion in the building and construction industry. On the other hand, intense price competition from other lime producers resulted in lower sales from some industries, including iron and steel and pulp and paper.

Domestic revenues

**1,331 Million Baht**

up 6.9%



- International Revenues: International revenues equaled THB 1,874 million, down 12.0% compared to last year. The drop in international revenues was driven by decreased lime demand in line with the global economic slowdown, particularly in the mining, iron and steel and pulp and paper industries.

#### International revenues

**1,874 Million Baht**

Down 12.0%



- Service Revenues: Service revenues equaled THB 275 million, up 2.1% compared to last year. Service revenues are directly correlated to throughput volumes at Hope Valley Distribution Center, which primarily services a global mining company based in Western Australia.

#### Service revenues

**275 Million Baht**

Up 2.1%



- Cost of Goods Sold and Service: The Group shut down some lime kilns in both Thailand and Vietnam for planned major maintenance programs. As global energy prices decreased, the cost of goods sold equaled THB 2,151 million, down 9.1% compared to the previous year. The gross margin on lime product sales was THB 1,079 million, equal to a 33.4% gross margin, which was 5.3% higher than in 2022. The cost of services equaled THB 239 million, down 32.6% from last year. The gross margin on handling services was THB 37 million, equal to a 13.3% gross margin. As a result, overall gross margins increased to 31.8% in 2023, compared to 25.7% in 2022.

#### Cost of Goods Sold

**2,151 Million Baht**

Down 9.1%



- Adjusted EBITDA : Adjusted EBITDA equaled THB 820 million, up 10.0% from the previous year, and equal to a 23.4% adjusted EBITDA margin. The adjustments deducted the THB 73 million final settlement costs of two shipping disputes to present a normalized view of financial profitability.

#### Adjusted EBITDA

**820 Million Baht**

Up 10.0%



- Finance Costs: Finance costs were THB 217 million, up 38.3% from the previous year. Even though total interest-bearing debt decreased 9.4% in 2023, higher US Dollar and Thai Baht interest rates adversely impacted finance costs.

#### Finance costs

**217 Million Baht**

Up 38.3%



- Net Profits Attributable to Equity Holders of the Company: For the year 2023, consolidated net profits attributable to shareholders of the Company were THB 136 million, down 10.3% from 2022

#### Net profits Attributable to equity holders of the Company

**136 Million Baht**

down 10.3%





- Cash: The Company ended the quarter with a balance of THB 165 million cash on hand, up 34.7% from the end of 2022. In 2023, cash flow from operations was THB 734 million. Cash flow for investing activities was THB (114) million, mainly due to new solar farm projects, major maintenance costs, and improvement at Hope Valley Distribution Center. Cash flow from financing activities was THB (622) million, as the Company repaid THB 601 million of long-term loans and leases year to date.

- Assets: Total assets as of 31 December 2023 were THB 6,395 million, a 5.5% decrease from the end of 2022, due to lower outstanding account receivables, inventories, and net-PPE after depreciation.

- Liabilities: Total liabilities decreased to THB 3,975 million, down 10.0% from the end of 2022, primarily due to long-term loan repayments.

## Total assets

**6,395 Million Baht**

Down 5.5%



## Total liabilities

**3,975 Million Baht**

Down 10.0%



## Cash on hand

**165 Million Baht**

Up 34.7%







## 2024 Outlook

The foreseeable business outlook remains highly cautious, due to significant geopolitical concerns, such as the Russia-Ukraine and Israel-Hamas wars, volatile commodity prices, and uncertainty over interest rate reductions. These factors have reduced global demand for many goods and services. The Group continues to prioritize longer-term partnerships with our customers and business partners by offering total solutions, cost optimization, and sustainability.

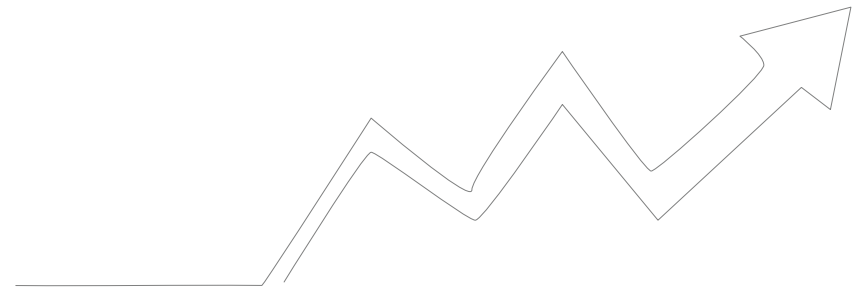
The Group's overall performance in 2024 is expected to improve, as specific action plans support higher market penetration in its target countries. Business operations in Thailand, Vietnam, India and Australia are projected to increase their revenues and profits.

The Company recently concluded a long-term strategic partnership to design, build, and operate a modern lime manufacturing facility in Rajasthan, India. Significant corporate resources will be allocated to develop a high-quality facility that can efficiently expand over the next few years. This partnership will significantly strengthen The Company's market penetration in India. Along with its existing two joint ventures, these three companies can cover most of India, which remains one of the world's growing lime markets.

Overall financial strength is expected to improve, as scheduled loan repayments of more than THB 544 million will be made in 2024. Liquidity is also expected to increase from higher business performance. As the Group continues a multi-year transition to its next generation of talent, its business strategies will be dynamic and adjust to rapid changes in its business environment. Management believes that its business strategies will positively support long-term sustainability.

## Key Financial Ratios

At the end of 2023, The Company's current ratio dropped to 0.55 from 0.60 in 2022, as the cash cycle increased from 39 to 45 days, resulting from higher average collection and inventory periods. The Company's net profit margin and return on equity for the year 2023 were 3.81% and 5.87%, respectively, which were slightly lower than last year's 3.92% and 6.80%, respectively. The Company repaid its long-term bank debt and lease payments on schedule, and its total liabilities to equity ratio decreased to 1.68, compared to 1.94 at the end of 2022. Interest coverage ratio were 3.63%. Thus, the Company seeks to maintain an appropriate capital structure to meet its ongoing capital investments and debt obligations and to return capital to shareholders.



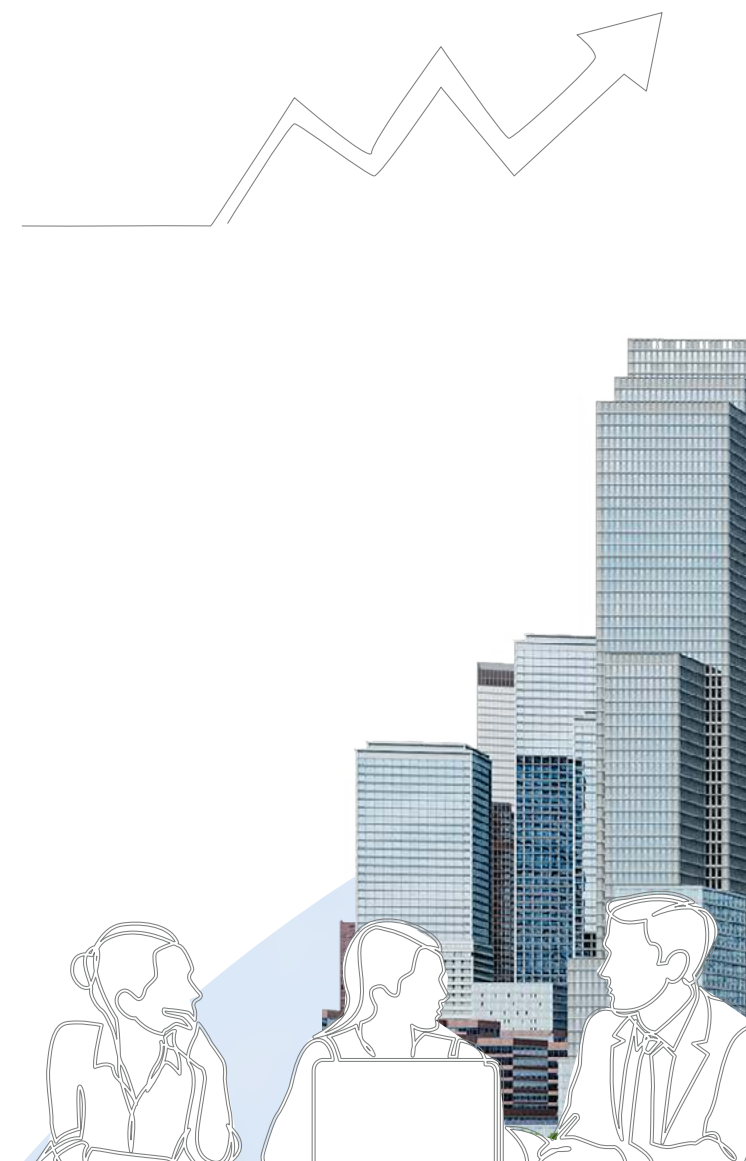


## Significant financial Information

### Summary of Financial Statements

#### Statement of Financial Position

Description	As of 31 December					
	2023		2022		2021	
	Million baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	165.17	2.58	122.66	1.81	193.93	2.76
Trade and other current receivables	482.72	7.55	553.25	8.17	477.21	6.80
Short-term loan to related parties	3.11	0.05	5.20	0.08	-	-
Inventories	368.63	5.76	423.64	6.26	515.21	7.34
Prepaid taxes and other fees	45.27	0.71	63.83	0.94	79.95	1.14
Other current assets	55.74	0.87	74.96	1.11	64.30	0.92
<b>Total Current Assets</b>	<b>1,120.64</b>	<b>17.53</b>	<b>1,243.54</b>	<b>8.37</b>	<b>1,330.61</b>	<b>18.95</b>
<b>Non-Current Assets</b>						
Restricted bank deposits	-	-	85.29	1.26	109.01	1.55
Other non-current financial asset	15.00	0.23	15.00	0.22	15.00	0.21
Investment in joint ventures	322.71	5.05	270.69	4.00	285.74	4.07
Property, plant and equipment	4,168.79	65.19	4,369.05	64.56	4,507.88	64.19
Right-of-use assets	135.59	2.12	136.79	2.02	108.68	1.55
Ore reserve	69.60	1.09	75.04	1.11	81.58	1.16
Prepayment of the mining license fee	45.26	0.71	46.66	0.69	47.07	0.67
Advance payments for construction of plant and machinery	7.91	0.12	3.40	0.05	3.70	0.05
Goodwill	61.87	0.97	61.87	0.91	61.87	0.88
Intangible assets other than goodwill	368.26	5.76	372.35	5.50	378.13	5.38
Deferred tax assets	72.25	1.13	77.78	1.15	78.85	1.12
Other non-current assets	6.66	0.10	10.46	0.15	14.21	0.20
<b>Total Non-Current Assets</b>	<b>5,273.89</b>	<b>82.47</b>	<b>5,524.37</b>	<b>81.63</b>	<b>5,691.77</b>	<b>81.05</b>
<b>Total Assets</b>	<b>6,394.53</b>	<b>100.00</b>	<b>6,767.90</b>	<b>100.00</b>	<b>7,022.38</b>	<b>100.00</b>





Description	As of 31 December					
	2023		2022		2021	
	Million baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
<b>Liabilities and Shareholders' Equity</b>						
<b>Current Liabilities</b>						
Short-term loans from financial institution	1,048.85	16.40	947.21	14.00	1,044.21	14.87
Trade and other current payables	368.72	5.77	458.35	6.77	513.49	7.31
Current portion of lease liabilities	45.54	0.71	42.30	0.63	26.33	0.37
Current portion of long-term loan from financial institutions	543.75	8.50	571.15	8.44	470.02	6.69
Income tax payable	12.98	0.20	15.31	0.23	22.59	0.32
Current provisions for employee benefits	1.70	0.03	1.62	0.02	2.07	0.03
Other current liabilities	17.27	0.27	20.85	0.31	44.28	0.63
<b>Total Current Liabilities</b>	<b>2,038.81</b>	<b>31.88</b>	<b>2,056.79</b>	<b>30.39</b>	<b>2,154.27</b>	<b>30.68</b>
<b>Non-Current Liabilities</b>						
Lease Liabilities - net of current portion	148.73	2.33	167.02	2.47	42.32	0.60
Long-term loan from financial institutions - net of current portion	1,629.16	25.48	2,041.48	30.16	2,383.13	33.94
Non-current provisions for employee benefits	74.97	1.17	65.70	0.97	62.30	0.89
Deferred tax liabilities	70.45	1.10	68.71	1.02	69.87	0.99
Other non-current liabilities	12.76	0.20	15.93	0.24	18.05	0.26
<b>Total Non-Current Liabilities</b>	<b>1,936.07</b>	<b>30.28</b>	<b>2,358.84</b>	<b>34.85</b>	<b>2,575.68</b>	<b>36.68</b>
<b>Total Liabilities</b>	<b>3,974.88</b>	<b>62.16</b>	<b>4,415.63</b>	<b>65.24</b>	<b>4,729.95</b>	<b>67.36</b>

Description	As of 31 December					
	2023		2022		2021	
	Million baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
<b>Shareholders' Equity</b>						
Registered share capital	1,000.00	15.64	1,000.00	14.78	1,000.00	14.24
Issued and fully paid-up share capital	960.00	15.01	960.00	14.18	960.00	13.67
Share premium	736.84	11.52	736.84	10.89	736.84	10.49
Capital surplus on share-based payment	29.00	0.45	29.00	0.43	29.00	0.41
Retained earnings						
Appropriated - statutory reserve	100.00	1.56	90.29	1.33	75.14	1.07
Unappropriated	553.20	8.65	456.22	6.87	328.57	4.68
Other components of shareholders' equity	(12.93)	(0.20)	(6.76)	(0.10)	60.33	0.86
Equity attributable to owners of the Company	2,366.11	37.00	2,274.59	33.61	2,189.88	31.18
Non-controlling interests of the subsidiary	53.55	0.84	77.69	1.15	102.55	1.46
<b>Total Shareholders' Equity</b>	<b>2,419.65</b>	<b>37.84</b>	<b>2,352.28</b>	<b>34.76</b>	<b>2,292.43</b>	<b>32.64</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,394.53</b>	<b>100.00</b>	<b>6,767.90</b>	<b>100.00</b>	<b>7,022.38</b>	<b>100.00</b>



## Statement of Comprehensive Income

Description	For year ended 31 December					
	2023		2022		2021	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
Sales	3,230.37	90.39	3,390.87	87.48	2,884.24	91.60
Service income	275.06	7.70	269.40	6.95	117.89	3.74
Other income from freight compensation	-	-	147.18	3.80	-	-
Interest income	1.16	0.03	1.96	0.05	-	-
Other income	67.07	1.88	66.87	1.73	141.25	4.49
Net gain on exchange rate	-	-	-	-	5.42	0.17
<b>Total revenues</b>	<b>3,573.65</b>	<b>100.00</b>	<b>3,876.28</b>	<b>100.00</b>	<b>3,148.81</b>	<b>100.00</b>
Cost of sales	2,151.26	60.20	2,365.68	61.03	1,830.17	58.12
Cost of services	238.54	6.67	354.12	9.14	155.29	4.93
Distribution costs	457.88	12.81	480.55	12.40	682.09	21.66
Administrative expenses	341.56	9.56	330.16	8.52	272.44	8.65
Net loss on exchange rate	23.45	0.66	12.25	0.32	-	-
<b>Total expenses</b>	<b>3,212.69</b>	<b>89.90</b>	<b>3,542.77</b>	<b>91.40</b>	<b>2,940.00</b>	<b>93.37</b>
<b>Profit (Loss) from operating activities</b>	<b>360.96</b>	<b>10.10</b>	<b>333.51</b>	<b>8.60</b>	<b>208.81</b>	<b>6.63</b>
Share of profit (loss) from investments in joint ventures	21.80	0.61	1.36	0.04	(5.98)	(0.19)
Finance cost	(217.02)	(6.07)	(156.89)	(4.05)	(94.87)	(3.01)
<b>Profit (Loss) before income tax</b>	<b>165.74</b>	<b>4.64</b>	<b>177.98</b>	<b>4.59</b>	<b>107.96</b>	<b>3.43</b>
Income tax expenses	(53.13)	(1.49)	(49.80)	(1.28)	(15.63)	(0.50)
<b>Profit (Loss) for the year</b>	<b>112.61</b>	<b>3.15</b>	<b>128.18</b>	<b>3.31</b>	<b>92.33</b>	<b>2.93</b>

Description	For year ended 31 December					
	2023		2022		2021	
	Million Baht	Common Size	Million Baht	Common Size	Million Baht	Common Size
<b>Other comprehensive income</b>						
Exchange differences on translation of financial statements in foreign currency-net of income tax	(9.30)	(0.26)	(80.09)	(2.07)	99.55	0.03
Share of other comprehensive income in joint ventures	2.46	0.07	16.41	0.42	(15.46)	(0.49)
<b>Other comprehensive income for the year</b>	<b>(6.84)</b>	<b>(0.19)</b>	<b>(63.68)</b>	<b>(1.64)</b>	<b>103.75</b>	<b>0.03</b>
<b>Total comprehensive income (expense) for the year</b>	<b>105.77</b>	<b>2.96</b>	<b>64.50</b>	<b>1.66</b>	<b>196.09</b>	<b>6.23</b>
<b>Profit (Loss) attributable to:</b>						
Equity holders of the Company	136.09	3.81	151.80	3.92	98.32	3.12
Non-controlling interests of the subsidiary	(23.48)	(0.66)	(23.62)	(0.61)	(5.99)	(0.19)
<b>Total</b>	<b>112.61</b>	<b>3.15</b>	<b>128.18</b>	<b>3.31</b>	<b>92.33</b>	<b>2.93</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	129.92	3.64	84.71	2.19	195.18	6.20
Non-controlling interests of the subsidiary	(24.14)	(0.68)	(20.21)	(0.52)	0.90	0.03
<b>Total</b>	<b>105.77</b>	<b>2.96</b>	<b>64.50</b>	<b>1.66</b>	<b>196.09</b>	<b>6.23</b>
<b>Basic earnings (loss) per share attributable to equity holders of the Company (Baht)</b>	<b>0.14</b>	<b>-</b>	<b>0.16</b>	<b>-</b>	<b>0.10</b>	<b>-</b>





## Cash Flow Statement

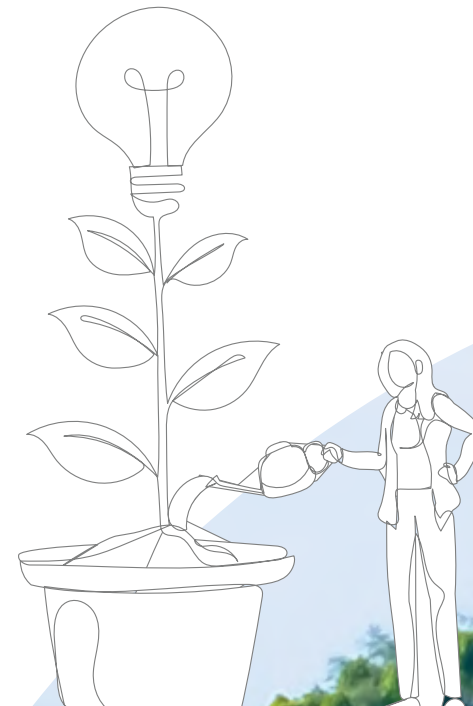
Description	For year ended 31 December		
	2023 Million Baht	2022 Million baht	2021 Million Baht
<b>Cash flow from operating activities</b>			
Profit (Loss) before tax	165.74	177.98	107.96
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	366.28	370.95	348.14
(Reversal of) allowance for inventories devaluation	(1.56)	(1.34)	2.90
Reversal of decommissioning provision	-	(0.51)	-
Reversal of allowance for impairment loss of machinery, vehicles and intangible assets	0.23	(0.16)	-
Allowance for expected credit loss	-	1.43	0.87
Bad debts expenses	0.18	(0.00)	0.51
Loss on sales of property, plant and equipment	2.56	1.23	2.75
Loss on written off property, plant and equipment	0.36	10.03	0.02
(Gain) Loss on sales and written-off of intangible assets	-	0.07	1.44
Other income from the ore reserve adjustment	-	-	(4.10)
Gain on sales of right-of-use assets	(1.63)	(0.39)	-
Long-term employee benefits expenses	9.71	9.46	5.56
Loss on a currency conversion of loans from financial institutions	83.80	-	-
Gain on a conversion of loans to related party to equity	-	-	
Unrealized (gain) loss on exchange rate	(86.80)	25.54	97.07
(Gain) Loss on forward contract	-	(5.07)	8.90
Share of (profit) loss from investments in joint ventures	(21.80)	(1.36)	5.98
(Gain) Loss on liquidation of subsidiary	-	2.69	-
Interest income	(1.16)	(1.96)	(4.21)
Finance cost	217.02	156.89	94.87
Other income from prepaid taxes and other fees	-	-	(86.74)

Description	For year ended 31 December		
	2023 Million Baht	2022 Million baht	2021 Million Baht
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>732.93</b>	<b>745.47</b>	<b>582.11</b>
Operating assets (increase) decrease			
Trade and other current receivables	61.50	(95.19)	(98.38)
Inventories	51.86	88.68	(135.21)
Other current assets	17.42	(11.82)	(28.20)
Other non-current assets	3.58	3.50	(4.94)
Operating liabilities increase (decrease)			
Trade and other current payables	(95.11)	(34.05)	171.18
Current provisions for employee benefits	0.69	(0.38)	(0.59)
Other current liabilities	10.27	(11.70)	23.32
Other non-current liabilities	(2.48)	(1.35)	(9.58)
<b>Cash flow from operating activities</b>	<b>780.03</b>	<b>683.16</b>	<b>283.31</b>
Cash paid for long-term employee benefits	(0.41)	(6.04)	(23.25)
Cash paid for income tax	(45.94)	(59.52)	(0.28)
<b>Net cash flow from operating activities</b>	<b>733.68</b>	<b>617.60</b>	<b>306.84</b>
<b>Cash flow from investing activities</b>			
(Increase) decrease in restricted bank deposits	85.44	22.33	(64.29)
Cash paid for short-term loan to related parties	(1.00)	(5.47)	-
Cash receipt from short-term loan to related parties	3.06	-	-
Cash paid for investments in joint ventures	(46.46)	-	(65.61)
Cash receipt (paid) from liquidation of subsidiary	-	(0.81)	-
Cash paid for acquisition of property, plant and equipment	(144.65)	(269.27)	(862.87)
Cash receipt from disposal of property, plant and equipment	0.59	0.38	0.49
Cash paid for advance payments for construction of plant and equipment	(7.89)	(3.43)	(3.68)



Description	For year ended 31 December		
	2023	2022	2021
	Million Baht	Million baht	Million Baht
Cash paid for acquisition of right-of-use assets	(1.43)	-	-
Cash receipt from disposal of right of use	1.63	1.29	-
Cash paid for acquisition of intangible assets	(5.10)	(1.65)	(9.10)
Interest received	2.24	1.09	5.74
<b>Net cash flow used in investing activities</b>	<b>(113.57)</b>	<b>(255.52)</b>	<b>(1,014.32)</b>
<b>Cash flow from financing activities</b>			
Cash paid for liabilities under lease agreements	(46.29)	(32.05)	(37.30)
Cash paid for short-term loans from financial institutions	(2,976.20)	(798.74)	(768.46)
Cash receipt from short-term loans from financial institutions	3,081.16	703.48	714.48
Cash paid for long-term loans from financial institutions	(555.15)	(462.22)	(373.38)
Cash receipt from long-term loans from financial institutions	133.73	192.24	895.15
Cash paid for front-end fee	(6.70)	(1.17)	-
Cash paid for short-term loans from joint venture partner	-	(22.33)	-
Cash receipt from sales and lease back	-	109.30	-
Dividend paid	(38.40)	-	-
Cash paid for interest expenses	(214.64)	(140.23)	(98.54)
<b>Net cash flow from financing activities</b>	<b>(622.49)</b>	<b>(451.73)</b>	<b>1,136.59</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>44.90</b>	<b>20.95</b>	<b>(115.06)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>42.52</b>	<b>(68.70)</b>	<b>(299.64)</b>
Cash and cash equivalents at beginning of year	122.66	193.93	493.57
Cash and cash equivalents of liquidated subsidiary at beginning of period	-	(2.58)	-
<b>Cash and cash equivalents at end of year</b>	<b>165.17</b>	<b>122.66</b>	<b>193.94</b>

Description	For year ended 31 December		
	2023	2022	2021
	Million Baht	Million baht	Million Baht
<b>Supplemental cash flow information</b>			
<b>Non-cash transactions</b>			
Transfer advance payments for construction of plant and machinery to property, plant and equipment	3.39	3.71	189.40
Increase in right-of-use assets from lease liabilities	31.18	66.67	-
Transfer interest expense to assets	0.17	0.69	-
Transfer prepaid taxes and other fees to pay mining license fee	2.65	2.72	2.46
Payable of acquisition of machinery, equipment and assets under construction	26.09	-	-





## Financial Ratios

Description	Unit	For year ended 31 December		
		2023	2022	2021
Liquidity Ratio				
Current Ratio	Times	0.55	0.60	0.62
Account Receivable Turnover	Times	7.47	8.06	8.43
Average Collection Period	Days	48	45	43
Inventory Turnover	Times	7.89	8.13	6.46
Average Inventory Period	Days	46	44	56
Account Payable Period	Times	7.38	7.29	7.20
Average Payment Period	Days	49	49	50
Cash Cycle	Days	45	40	48
Profitability Ratio				
Gross Profit Margin	%	31.83	25.69	33.86
Operating Profit Ratio <sup>1</sup>	%	10.30	9.11	6.96
Net Profit Margin <sup>2</sup>	%	3.81	3.92	3.12
Return on Equity <sup>3</sup>	%	5.87	6.80	4.70
Operating Efficiency Ratio				
Return on Asset <sup>4</sup>	%	2.07	2.20	1.50
Return on Fixed Asset <sup>5</sup>	%	11.77	11.78	11.02
Total Asset Turnover	Times	0.54	0.56	0.48
Financial Policy Ratio				
Debt to Equity Ratio <sup>6</sup>	Times	1.68	1.94	2.16
Interest bearing debt to Equity Ratio <sup>7</sup>	Times	1.44	1.66	1.81
Interest Coverage Ratio <sup>8</sup>	Times	3.63	4.83	(3.11)
Debt Service Coverage Ratio <sup>9</sup>	Times	0.87	0.80	(0.22)

### Remarks:

<sup>1</sup> Operating Profit Ratio = Operating Profit / Sales & Service Income

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

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

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

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

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

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

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

<sup>9</sup> 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.

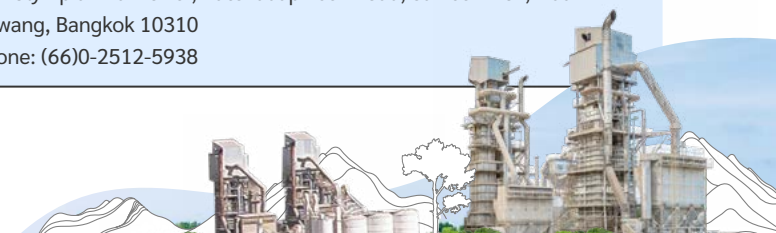




# Company Information and Other Important Information

## Company Information

Company Name (Thai)	: บริษัท เคมีแมน จำกัด (มหาชน)	Registered Capital	: Baht 1,000,000,000 (Baht one billion), consisting of 1,000 million ordinary shares at Baht one per share
Company Name (English)	: Chememan Public Company Limited	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 2023
Symbol for Trading	: CMAN	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.
Business Characteristics	: Production and distribution of mineral lime and lime derivative chemical products	Legal Entity in which the Company Holds Shares	: According to the section “The Shareholding Structure of the Group of the Companies”
Company Registration Number	: 0107560000346	Share Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Din daeng, Bangkok 10400 Phone: (66)0-2009-9999 Fax: (66)0-2009-9991
Bangkok Office	: 195/11-12 Lake Rajada Office Complex 2, 10 <sup>th</sup> -11 <sup>th</sup> Floor, Rajadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Phone: (66)0-2661-9734-8 Fax: (66)0-2260-9176 Website: <a href="http://www.chememan.com">www.chememan.com</a>	Auditor	: Mr. Pitinan Lilamethwat (Certified Public Accountant No. 11133) or Mr. Nathaphol Srichakhot (Certified Public Accountant No. 12038) or Mr. Udom Thanuratpong (Certified Public Accountant No. 8501) or any other certified public accountant who has been assigned responsibility PKF Audit (Thailand) Ltd. 98 Sathorn Square Office Tower, 28 <sup>th</sup> Floor, Unit 2812, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Phone: (66)0-2108-1591-6 Fax: (66)0-2108-1599
Branch 1 Prabuddhabaht Plant	: 33/1 Moo 11, Nongkontee-Huaysanjao Road, Huaypawai Sub-district, Prabuddhabaht District, Saraburi 18120 Phone: (66)036-200-340-1 Fax: (66)036-200-342	Legal Advisor	: Legal Advisory Council Co., Ltd. 444 Olympia Thai Tower, Ratchadaphisek Road, Samsen Nok, Huai Khwang, Bangkok 10310 Phone: (66)0-2512-5938
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 Phone: (66)038-913-683-4 Fax: (66)038-913-685		







## 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	:	<ol style="list-style-type: none"><li>1. Industrial mining of limestone for cement industry and lime production, using open-cast mining method.</li><li>2. Start mining within one year from the date on which the concession was granted.</li><li>3. Follow the mining safety rules and promote the well-being of workers according to the measures set in the mining project.</li><li>4. Restore post-mining landscape in accordance to the measures stated in the mining project.</li><li>5. Restore land after mining and mineral dressing activities, simultaneously with mining operations in accordance with measures stated in the mining project.</li><li>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.</li><li>7. Special contributions to the government as per contract dated 19 September 2016</li><li>8. Set a mining buffer zone of not less than 50 meters from public roads.</li></ol>
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	:	17 January 2024 - 16 January 2025
Relevant Parties	:	Licensors 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	:	17 January 2024 - 16 January 2025
Relevant Parties	:	Licensors 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 Ammonium Nitrate (Renewed Permit) 2. Arms Possession Permit for Emulsion Explosives (Renewed Permit) 3. Arms Possession Permit for Detonating Cords (Renewed Permit) 4. Arms Possession Permit for Electric Detonators (Renewed Permit) 5. Arms Possession Permit for Ammonium Nitrate 6. Arms Possession Permit for Emulsion Explosives 7. Arms Possession Permit for Detonating Cords 8. Arms Possession Permit for Electric Detonators 9. Arms Possession Permit for ANFO
Validity	:	23 May 2023 - 16 April 2024 (Renewed Permit) 16 February 2023 - 15 February 2024
Relevant Parties	:	Licensors Ministry of Defense Licensees 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	:	Licensors Royal Forest Department, Ministry of Environment and Natural Resources Licensees 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	:	Licensors Provincial Industry Office Licensees 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

<b>Document</b>	:	Mineral Dressing License
<b>Validity</b>	:	18 December 2023 - 17 December 2028
<b>Relevant Parties</b>	:	Licensors Provincial Industry Office Licensee Chememan Public Company Limited
<b>Details</b>	:	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.
<b>Conditions</b>	:	<ol style="list-style-type: none"> <li>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.</li> <li>2. The Licensee must conduct the mineral dressing according to the schematic and mineral dressing process attached to this license.</li> <li>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.</li> <li>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.</li> <li>5. In mineral dressing, the Licensee must comply with workers' protection and safety for outsiders procedures specified in the Ministerial Regulation.</li> <li>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 5<sup>th</sup> day of the following month.</li> </ol>

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

<b>Document</b>	:	Letter of Permission for Land Utilization and Business Operations in Industrial Estate under the Industrial Estate Authority of Thailand B.E. 2522
<b>Validity</b>	:	21 December 2020 onwards
<b>Relevant Parties</b>	:	Licensors Industrial Estate Authority of Thailand (IEAT) Licensee Chememan Public Company Limited
<b>Details</b>	:	Permits the Company to engage in hydrated lime production business.
<b>Conditions</b>	:	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

<b>Document</b>	:	License for Business Operations that use Natural Gas
<b>Validity</b>	:	8 February 2024 - 31 December 2024
<b>Relevant Parties</b>	:	Licensors Department of Energy Business Licensee Chememan Public Company Limited
<b>Details</b>	:	Permits the Company to engage in restricted business operation of category 3 under section 17(3) of the Fuel Control Act B.E. 2542
<b>Conditions</b>	:	<ol style="list-style-type: none"> <li>1. Gas pressure gauges must be tested and calibrated every 3 years.</li> <li>2. Periodical testing and inspection of gas pipes every 5 years.</li> </ol>

### Natural Gas Supply Contract – Prabuddhabaht Plant

<b>Document</b>	:	Natural Gas Supply Contract
<b>Validity</b>	:	12 March 2019 - 31 March 2029
<b>Relevant Parties</b>	:	Supplier PTT Public Company Limited Buyer Chememan Public Company Limited
<b>Objectives</b>	:	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"><li>1. Industrial mining of limestone for lime production, using open-cast mining method.</li><li>2. Paying fees for granting mineral exploitation permits under related regulations.</li><li>3. Carry out limestone mining activities according to the area, depth and capacity specified in the license.</li><li>4. Responsible for environmental protection in mineral exploitation according to regulations.</li><li>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.</li><li>6. Upon mine closure, rehabilitating and restoring the environment and land after exploitation.</li><li>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.</li></ol>

### 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.





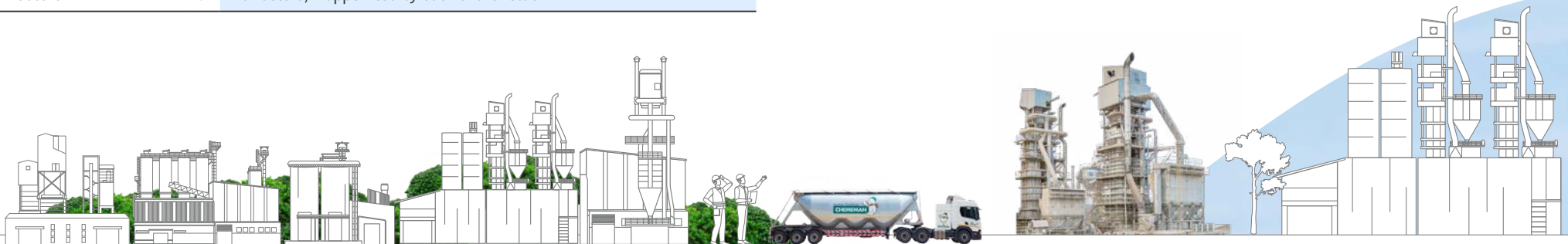
## Shareholders' Agreement

### 1. 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	:	<div>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.</div> <div>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</div> <div>3. Chememan Public Company Limited</div> <div>4. Chememan India Private Limited Whereby, parties 3. And 4. are collectively referred to as Chememan Group (“Chememan Group”)</div>	
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	:	628,900,000 Indian Rupees, divided into 62,890,000 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	

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

Agreement Date	:	17 May 2017	
Counter Parties	:	<div>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.</div> <div>2. Chememan Public Company Limited</div> <div>3. Easternbulk Lime Products</div>	
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	:	378,430,200 Indian Rupees, divided into 3,784,302 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	





### 3. 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	:	67,000,000 Baht	
vShareholding 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	

### 4. 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 Disputes

- None -











# Corporate Governance

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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, where the Board of Directors has assigned three directors to recruit and propose qualified persons to the Board of Directors and/or shareholders' meeting for appointment. 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 has assigned the three directors to recruit and nominate persons with knowledge and competency suitable for duties and responsibilities required and has assigned the three directors to recruit and 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 2023 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. A group of three directors, consisting of non-executive directors and executive directors, who are assigned by the Board of Directors, determine the compensation of top executives and propose to the Board of Directors for approval.



## 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. Roles and responsibilities 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

The Board of Directors is fully aware of an importance of rights of shareholders. The Board of Directors shall encourage shareholders to exercise their rights without deprivation whether it is the basic right to receive appropriate, sufficient and timely information, as well as being able to participate in voting meetings and express full opinions.

#### 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 and shall arrange the Extraordinary Meeting of Shareholders (EGM) in case there is special agenda which impacts the right of shareholders
- In 2023, the Company held the 2023 Annual General Meeting of Shareholders on Friday 28 April 2023 at 10:00 am at Grand Sukhumvit room, Grande Centre Point Terminal 21 Hotel, located at No. 2, Sukhumvit Soi 19 (Wattana), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110,

#### 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 the 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 2023, the Company received 100 score for the evaluation of the quality of annual general shareholders' meeting organization (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 2023, 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 during the 1 month period before public disclosure of quarterly financial statement and annual financial statements and within 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 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 and LINE group channels annually and quarterly 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.

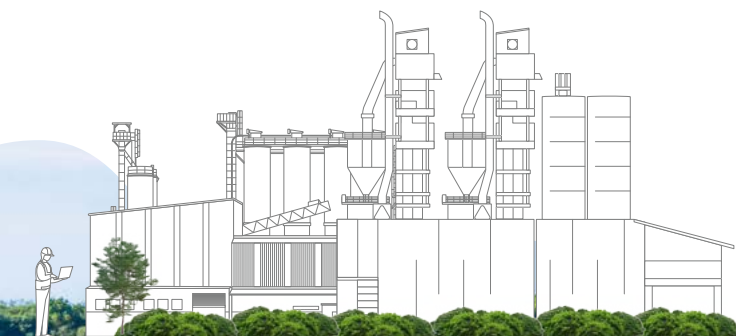
## Business Code of Conduct

The Company disclosed Corporate Governance Policy and Business code of conduct on the website [www.chememan.com](http://www.chememan.com).

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

### Changes and developments in 2023

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 2023, 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	At present, none of the Company’s director holds board seats in listed companies of no more than 3 companies  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.
The assessment of the Board of Directors on individual basis.	Self-assessment for the entire board is considered appropriate for the Company’s business context.
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 separated in order to ensure the balance of power at the Company’s top level.

Unapplied Practice	Explanation
The establishment of the risk management committee, the remuneration committee, the nomination committee and the corporate governance committee	Risk Management : The Group’s critical risks are managed through the three (3) committees which consist of members of director and management, namely (1) Investment and Finance Committee, (2) Energy, Environment and Technology Committee, and (3) People Committee. These committees meet at least once a month to review critical risk factors in their areas of responsibility and review or instruct action plans to support the Group’s business targets. The three committees are required to provide regular updates report on the critical risk factors and corrective action plans to the Board of Directors  For remuneration and nomination of 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

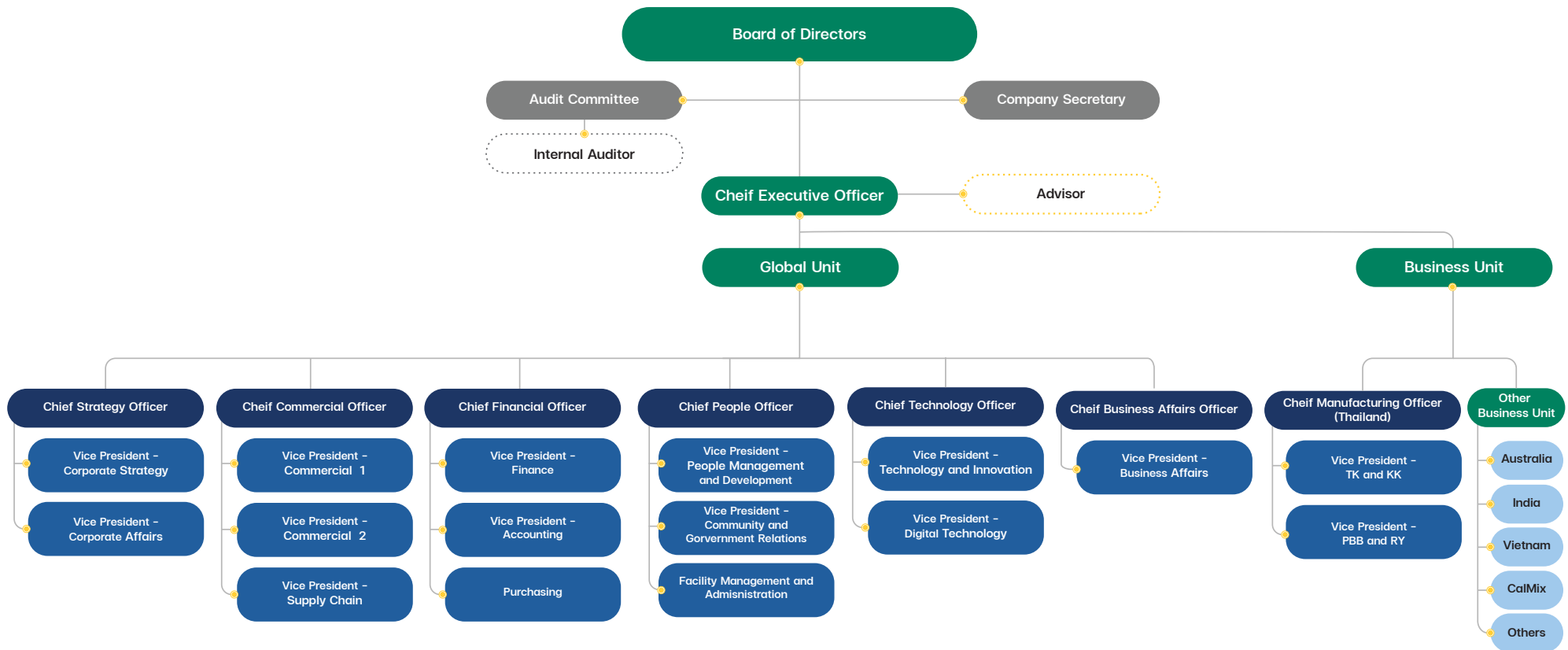
## Other actions regarding the Corporate Governance Principle


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 2023 by Thai Investors Association, and was rated “Good” in the Corporate Governance Rating 2023 by the Thai Institute of Directors.

# Corporate Governance Structure

## Organization Structure

The Company's organization structure was changed on 1 March 2024 to the following.



 The Company has appointed ANS Business Consultant Co., Ltd. as an Internal auditor since December 2015.

As of 1 March 2024, 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.



## 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 1 March 2024, 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

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

1. Matters that require approval by shareholder meetings and
2. Conflict-of-interest transactions and material transactions that require approval by shareholder meetings according to the SET's regulations.

#### **Roles 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

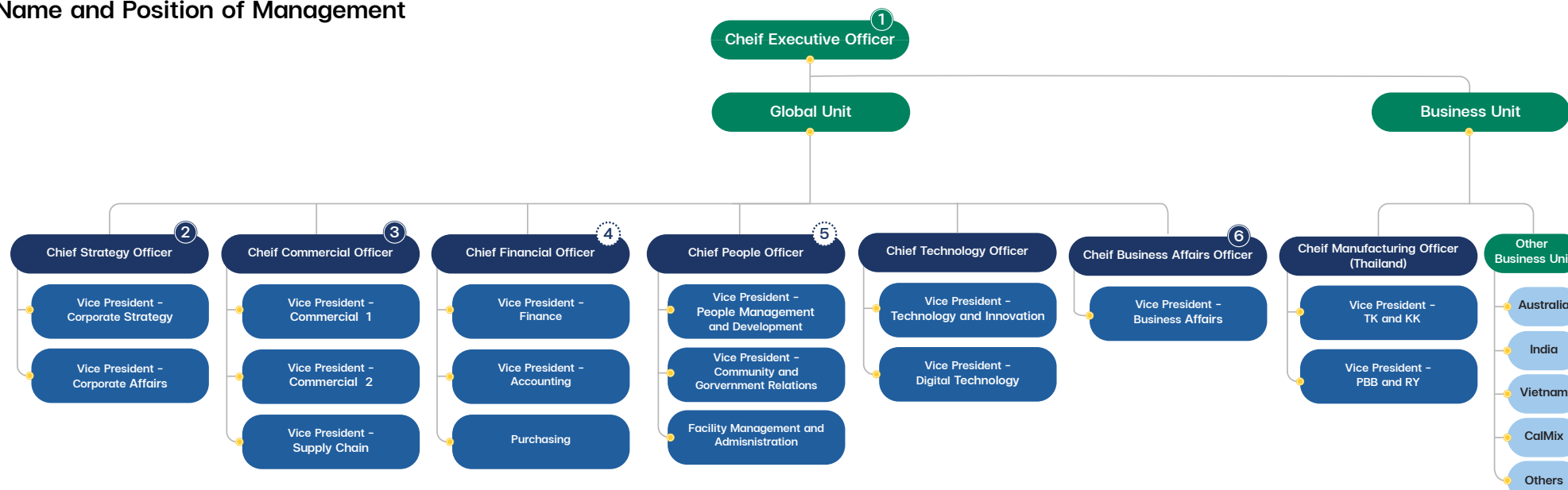
As of 1 March 2024, there were 3 members in the Audit Committee as follows:

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



## Management Team

### Name and Position of Management



1 - 6 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 1 March 2023, there were 4 executives in the management team, where the executive No.1 is also in the Position No. 4 and the executive No.2 is also in the Position No. 5, (remains unchanged from 31 December 2022) as follows:

Management *	Position
1. Mr. Adisak Lowjun	Chief Executive Officer Acting Chief Financial Officer
2. Mr. Lerssak Boonsongsub <sup>1</sup>	Chief Strategy Officer Acting Chief People Officer
3. Mr. Pree Suvimolthirabutr <sup>2</sup>	Chief Commercial Officer
4. Mr. Komgrit Panom-Upatam <sup>3</sup>	Chief Business Affairs Officer

In 2023, there were changes in the Company's executives as follows.

- On 1 January 2023, there were two (2) retiring executives, namely Mr. Apichat Laochinda, Chief Technology Officer, and Mr. Boonlert Thungkatikajonkit, Chief Commercial Officer
- On 1 January 2023, Mr. Lerssak Boonsongsub was appointed as Acting Chief People Officer in addition to the existing position, and Mr. Komgrit Panom-Upatam was appointed as Chief Affiliate Officer (formerly appointed as Chief Operating Officer)
- On 20 March 2023, Mr. Pree Suvimolthirabutr was appointed as Chief Commercial Officer

The Company performed an executive search but could not fill up the vacant position as planned. The Company's executives as at 31 December 2023 and 1 March 2024 were 4 persons. The Company plans to recruit suitable persons both internally and externally within 2024.





## Management Remuneration Policy

The Company determines management remuneration based on performance of the company and individual abilities. The three directors comprising non-executive directors and executive 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 management executives for the year 2023 comprising of salary, bonus and position allowance, totaling Baht 40.94 million.

### Other remuneration

Other management remuneration for the year 2023 comprising of contribution to social security and provident fund totaling Baht 0.74 million.

## Employees

As of 31 December 2023, there were a total of 555 employees (excluding management) as follows:

Functional Group	Number of Employees
Management	4
Operations	357
Commercial	64
Accounting and Finance	41
Technology	53
Human Resource	20
Corporate Strategy and Sustainability	16
Total	555

Employee remuneration for the year 2023, comprising of salary, bonus, living allowance, per diem, position allowance, shift payment, overtime wage, contribution to social security and provident fund, totaling Baht 313.31 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 2023, there were 390 employees or 70.27 of total employees joining the provident fund.





## Audit Fee for the Year 2023

For the year ended 31 December 2023, 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 2,150,000 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 2,000,000
2. Non-audit fee of Baht 150,000 for reviewing the report for submission to the Board of Investment
3. No tax advisory fees

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 Ms. 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. Prewthip Limjirawattana, Section Manager - Strategic Planning, to be a responsible for Investor Relations. Contact details is Tel. (66) 0-661-9734 ext 110 or Email address: [ir@chememan.com](mailto: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](http://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 2023, 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 90.51%, slightly lower from 92.30 in 2022. 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 are lower or 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 2023 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)
1. M.L. Chandchutha Chandratat	Chairman of the Board	8/8	1/1
2. Mr. Adisak Lowjun	Director	8/8	1/1
3. Mr. Charoen Churekanont	Director	8/8	1/1
4. Mr. Suthep Uacherdkul	Director	7/8	1/1
5. Mrs. Rajjaneepen Ungpakorn	Director	8/8	1/1
6. Mr. Chai Srivikorn	Director	8/8	1/1
7. Mr. Pornprom Karnchanachari	Independent Director / Chairman of Audit Committee	8/8	1/1
8. Miss Amata Issarangura Na Ayudhaya	Independent Director / Audit Committee Member	8/8	1/1
9. Mr. Yarnsak Manomaiphiboon	Independent Director / Audit Committee Membe	8/8	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

2023 Annual General Shareholders' Meeting held on April 28, 2023, resolved to approve the directors' remuneration for the year 2023 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 2023 were Baht 3,340,300 as below details.

Directors	Directors' Remuneration (Baht)	Audit Committee Members' Remuneration (Baht)
1. M.L. Chandchutha Chandratat	415,800	-
2. Mr. Adisak Lowjun	346,500	-
3. Mr. Charoen Churekanont	346,500	-
4. Mr. Suthep Uacherdkul	330,000	-
5. Mrs. Rajjaneepen Ungpakorn	346,500	-
6. Mr. Chai Srivikorn	346,500	-
7. Mr. Pornprom Karnchanachari	346,500	63,400
8. Miss Amata Issarangura Na Ayudhaya	346,500	52,800
9. Mr. Yarnsak Manomaiphiboon	346,500	52,800
Total monthly fee and meeting attendance fee	3,171,300	169,000

### 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](http://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.

As at December 31, 2023, 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 7.

## 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 2023, 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, 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

According to the Company's policy on the use of insider information, directors, executives, staffs and employees of the Company, who have access to the material internal information are refrained from trading in the securities during the 1 month period before public disclosure of quarterly financial statement and annual financial statements and within 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 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 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 2023, 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 2023 (including Spouses and Minors)

Name – Last Name	Number of Shares		Increase / (Decrease) during the year
	31 December 2022	31 December 2023	
Directors			
M.L. Chandchutha Chandratat	5,550,000	5,750,000	200,000
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. Komgrit Panom-upatam	1,041,535	1,041,535	-
Mr. Pree Suvimolthirabutr **	160,100	333,100	173,000
Mr. Lerssak Boonsongsup	-	286,700	286,700

Remark: .

\* There were two (2) executives retired on January 1, 2023 namely Mr. Apichat Laochinda and Mr. Boonlert Thungkatikajonkit. Their securities holdings in CMAN as of 23 March 2023 (The closing date of share registrar for the right to attend the Annual General Shareholders' Meeting no. 1/2023) was 9,125,000 shares and 0 shares respectively.

\*\* Appointed as the Company's executive on March 20, 2023.

## Anti-Fraud and Corruption

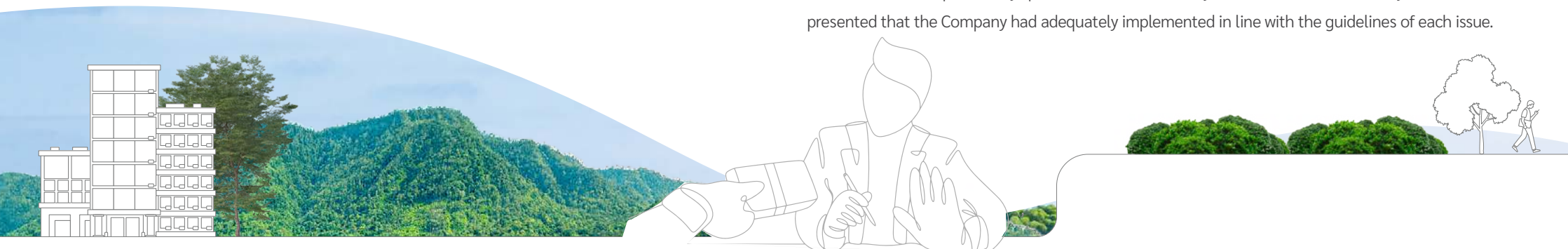
The Board of Directors established the written Anti-Corruption policy for the Company's employees to adhere and follow. The Audit Committee is assigned to monitor and oversee the internal system while the management is responsible for creating awareness and communicating the business ethic to all employees.

The Company conducted anti-fraud and corruption activities by reviewing the adequacy of anti-corruption practices through the audit of internal control system. In 2023, The internal auditor reviewed internal control of 4 processes in according to the plan approved by the Audit Committee including Human Resources Management, Procurement, Accounting and Finance, 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](http://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 2023.

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 2023. During the year, the internal auditor had audited 4 processes being human resources management process, procurement process, accounting and financial management process and inventory and distribution management process in accordance with the audit plan approved by the Audit Committee for the year 2022-2023.

## 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

## Internal Audit Plan

1. Liaise with the Company management who had been appointed as contact person to laid down the audit schedule for the individual process that had been approved as audit plan.
2. Prepare audit topics on different processes, including the audit of the follow-up on compliance to the previous auditor's recommendations (if any).
3. Prepare annual internal audit plan which has been reviewed by the Company's management.
4. Prepare annual internal audit plan which has been reviewed by the Company's management.
5. Inform the relevant departments to prepare the required information

## Analyze Business Processes and Prepare Audit Guidelines

1. Study and evaluate the business process that need to be audited such as the risks incur in such business process, necessary internal control required to mitigate the risk, the detailed business processing, business structure, work distribution, work load, problems or errors that had been found. The consultant will study and evaluate the process by interviewing the responsible management and officers, as well as looking through the relevant documentation.
2. Summarize the study and determine the specific Audit Program for each business process
3. With consideration of the previous audit report, determine the audit process to follow up the results.

## Audit Operation and Result Reporting

1. Execute the auditing works according to the audit plan, which cover the internal control effectiveness and efficiency, random check on critical issues, observation of work process and issuing audit forms.
2. Present the audit and the follow up results to the management and the responsible officers, so as to explain the problems found and the improvement procedures.
3. Prepare the audit report to be presented to the high level management
4. Present the audit report to 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. 7/2023 held on 14 November 2023, 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. The Internal Auditor found no critical weak point in the internal control process. The issues found are only detailed of additional procedures that may help to enforce the business process security and efficiency. Therefore, the Audit Committee had assigned the Company officers to monitor the progress of the process improvement and constantly report to the Audit Committee.

## Head of the Internal Auditor of the Company

In the Meeting of the Audit Committee No. 4/2022, held on 11 November 2022, the Audit Committee approved the engagement of ANS Business Consultants Limited ("ANS") which has 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 the internal audit 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, Profile of Head of Internal Auditor. 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 <sup>1</sup>

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

For the year ended 31 December 2022 and 2023, the related parties 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 2023)

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
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"><li>• Company’s corporate documents preparation</li><li>• Due diligence service</li><li>• Contracts / agreements preparation</li><li>• Litigation lawyer</li></ul>	0.24	0.45	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:

<sup>1</sup>Historical data can be found in 56-1 which has been posted on the Company’s website at [www.chememan.com](http://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 2023), 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 2023).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Payment for purchase of construction materials and plant materials	0.11	0.01	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.

## 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 2023), 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 2023).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Payment for the purchase of hardware and mechanical tools	0.16	0.18	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	0.007	0.002	



#### 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 2023)

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Rental and service income	1.48	1.57	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	0.24	0.59	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	0.13	0.24	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	0.50	0.81	
Trade and other payables	0.09	0.06	
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	0.013	



## 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 2023). Moreover, the Company and Siriman have one common director being Mr. Adisak Lowjun (as of 31 December 2023)

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Revenue from sales of products	-	-	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	21.93	18.29	

In 2023, Siriman had started to repay the liabilities by paying 100,000 USD to the Company.

## 6. Mr. Adisak Lowjun (“Mr. Adisak”)

Mr. Adisak is the director and a shareholder of the Company with direct and indirect shareholding percentage of 7.39 of the Company’s paid-up capital (as of 31 December 2023)

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Purchase of Vehicle	-	1.63	The Company sold a vehicle which was the Company’s CEO’s car to Mr.Adisak, as the vehicle had already depreciated in value. The Company sold the vehicle at the price with consideration to its physical condition and based on the scrap value of the leasing agreement at end of the agreement, and also the Company had compared with the market value.





## 7. Buranachart Company Limited (“Buranachart”)

Buranachart is one of the major shareholder of the company with shareholding percentage of 26.26 of the Company’s paid-up capital. Five of the Company’s directors also hold shares in Buranachart, with total shareholding percentage of 66.51 of the paid-up capital (as of 31 December 2023). The directors’s names and shareholding percentage are as follows:

1. Mr. Adisak Lowjun, director and shareholder of the Company, holding shares in Buranachart with shareholding percentage of 27.04 of the paid-up capital
2. Mr. Charoen Churekanont, director and shareholder of the Company, holding shares in Buranachart with shareholding percentage of 14.08 of the paid-up capital
3. Mr. Chai Srivikorn, director and shareholder of the Company, holding shares in Buranachart with shareholding percentage of 13.06 of the paid-up capital
4. Mr. Suthep Uacherdkul, director and shareholder of the Company, holding shares in Buranachart with shareholding percentage of 12.33 of the paid-up capital
5. Mrs. Rajjaneepen Ungpakorn, director and shareholder of the Company, holding 1 share in Buranachart

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Revenue from providing office space	0.05	0.05	The Company provided service to Buranachart by providing the registered office with pricing based on average actual usage.
Trade and other receivables	0.05	0.05	

## 8. Buranalux Company Limited (“Buranalux”)

Mr. Adisak and his spouse are both directors and shareholders of the Company, with direct and indirect shareholding percentage of 7.39 of the Company’s paid-up capital (as of 31 December 2023), are also directors and major shareholders of Buranalux, with shareholding percentage of 99.99 of the paid-up capital (as of 31 December 2023)

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended 31 December 2022	For year ended 31 December 2023	
Revenue from providing office space	0.01	0.01	The Company provided service to Buranalux by providing the registered office with pricing based on average actual usage
Trade and other receivables	0.01	0.01	



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

### 9. 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 2023).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended	For year ended	
	31 December 2022	31 December 2023	
Short term loan	4.20	3.12	Chememan India had lent short-term loan to Siriman to fund its working capital need at no interest. The maturity date is at call. This transaction is to support Siriman as Siriman need fund for working capital in the normal production process. It is, therefore, considered reasonable.

In 2023, Siriman had started to repay the liabilities to Chememan India by paying 2,500,000 Indian rupees.

### 10. 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 2023).

Transaction	Transaction Amount (Million Baht)		Necessity and Reasonableness
	For year ended	For year ended	
	31 December 2022	31 December 2023	
Service Income	7.31	7.61	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 2023 to 31 December 2023, on monthly basis at IND 1,500,000 rupees per month. Chememan India charged the fees based on its estimation of the actual cost incurred.
Other receivables	0.15	0.67	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

## Attachment 1

Details of Company Secretary and Chief Accounting

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## Attachment 2

Roles and Responsibilities of the Company Secretary

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## Attachment 3

Details on the Head of the Internal Audit

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## Attachment 4

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

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## Attachment 5

Audit Committee Report Year 2023

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## Attachment 6

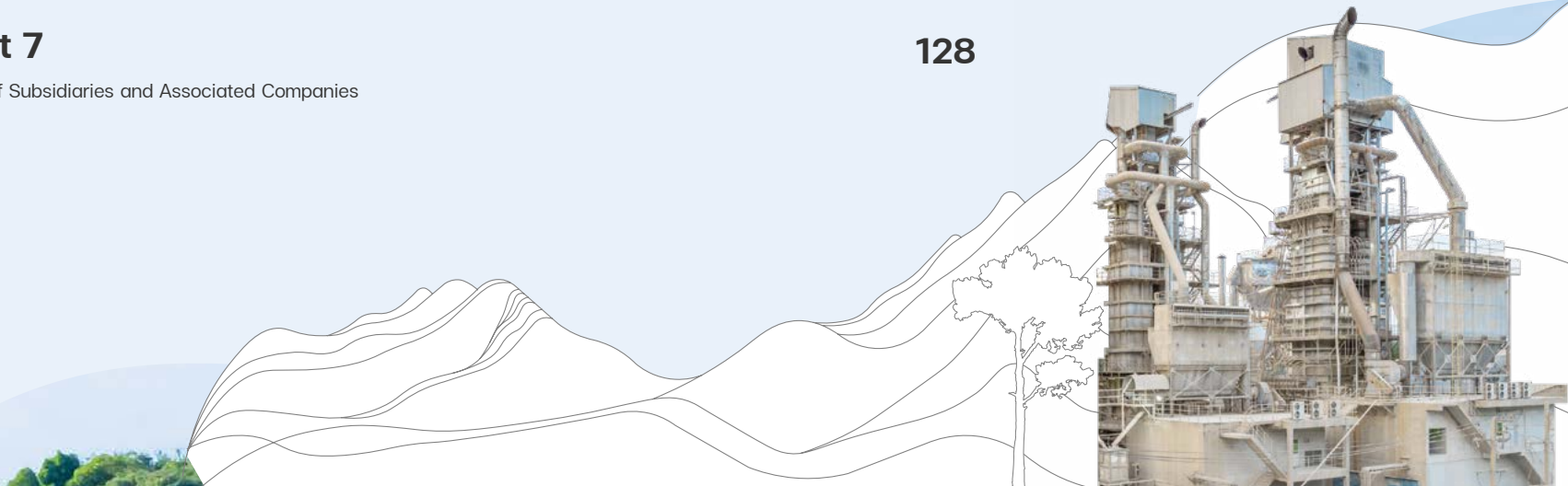
Profiles of the Directors and Management Team

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## Attachment 7

Profiles of Directors of Subsidiaries and Associated Companies

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# Attachment 1

## Details of Company Secretary and Chief Accounting

Name-Surname / Position / Date of Appointment	Age (years)	Education / Training	Shareholding Percentage* (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization / Company
1. Mrs. Sinaynidh Karitkiat Company Secretary (Since 1 Jan 2020)	50	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  <b>Company Secretary Refresh</b> <ul style="list-style-type: none"> <li>Online Seminar Re: Technique in Organizing Board of Directors' Meeting, June 2023, Thai Listed Companies Association (2 hours)</li> <li>Online Seminar Re: Technology for working of Listed Companies, June 2023, Thai Listed Companies Association (3 hours)</li> <li>RFP 10/2023 Re: Conflicts of Interest and Related Party Transactions for Company Secretary, July 2023, Thai Institute of Directors Association (3 hours)</li> <li>Online Seminar Re: Board Retreat / NED Meeting, August 2023, Thai Listed Companies Association (2 hours)</li> <li>Online Seminar Re: Preparing reports on conflicts of interest and policies on the use of inside information, October 2023, Thai Listed Companies Association (2 hours)</li> </ul>	None	None	2020 - Present	<ul style="list-style-type: none"> <li>Company Secretary</li> <li>Assistant Vice President - People Management and Acting Assistant Vice President People Development</li> </ul>	<ul style="list-style-type: none"> <li>Chememan PLC</li> <li>Chememan PLC</li> </ul>
					2015 - 2020	<ul style="list-style-type: none"> <li>HR Planning and Acquisition Department Manager</li> </ul>	<ul style="list-style-type: none"> <li>Chememan PLC</li> </ul>
					2011 - 2015	<ul style="list-style-type: none"> <li>Export Department Manager</li> </ul>	<ul style="list-style-type: none"> <li>Chememan PLC</li> </ul>
					2010 - 2011	<ul style="list-style-type: none"> <li>Corporate Strategy Manager</li> </ul>	<ul style="list-style-type: none"> <li>Sahaviriya Steel Industries PLC</li> </ul>
					2002 - 2010	<ul style="list-style-type: none"> <li>Investor Relation Manager</li> </ul>	<ul style="list-style-type: none"> <li>Sahaviriya Steel Industries PLC</li> </ul>

Remark: The shareholding percentage includes direct shareholding of a person and indirect shareholding of a spouse and underage child of the person.



Name-Surname / Position / Date of Appointment	Age (years)	Education / Training	Shareholding Percentage* (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization / Company
2. Ms. Panisara Sakulsumpaopol Chief Accountant of the Company 9 Jul 2020	39	1. BBA, Assumption University 2. M.Acc, Kasetsart University  <b>Chief Accountant Refresh</b> <ul style="list-style-type: none"> <li>Overall Update on Financial Reporting Standards No. 9 and No.15, PKF Audit (Thailand) Co., Ltd. (6 hours)</li> <li>Advance Transfer Pricing and 2566 Accounting Standards, The Revenue Department (7 hours)</li> <li>Accounting Record for Revenues, Expenses and Taxes, The Revenue Department (3 hours)</li> <li>Valued Added Tax, The Revenue Department (3 hours)</li> </ul>	0.0001	None	2016 - Present	• Department Manager - Accounting	• Chememan PLC
					2017 - Present	• Chief Accountant	• Chememan PLC
					2006 - 2016	• Senior Manager (Assurance Services)	• Pricewaterhousecoopers ABAS Co., Ltd.

Remark: The shareholding percentage includes direct shareholding of a person and indirect shareholding of a spouse and underage child of the person.

# Attachment 2

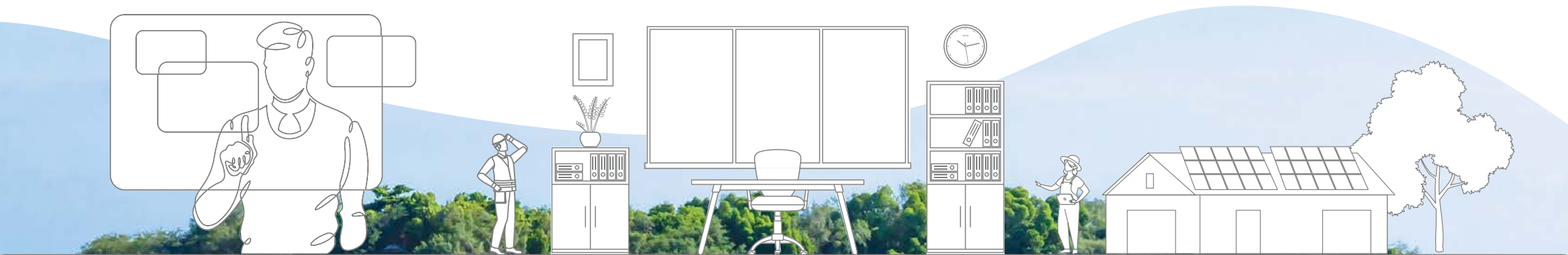
## Roles and Responsibilities of the Company Secretary

### 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 Nualwiat / Director Head of Internal Audit	<ul style="list-style-type: none"> <li>Master's degree in Commence, Thammasat University</li> <li>Bachelor's degree in Accounting, Thammasat University</li> <li>Member of the Association of Internal Auditors of Thailand</li> <li>Certificate of Professional Internal Auditor of Thailand</li> </ul>	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, Electricity Generating Authority of Thailand
		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 2023

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 2023, the Audit Committee performed duties within the specified scope with the summary of work performed as follows:

1. Held four meetings in 2023 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 2023
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 the law and regulations and the generally accepted accounting 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

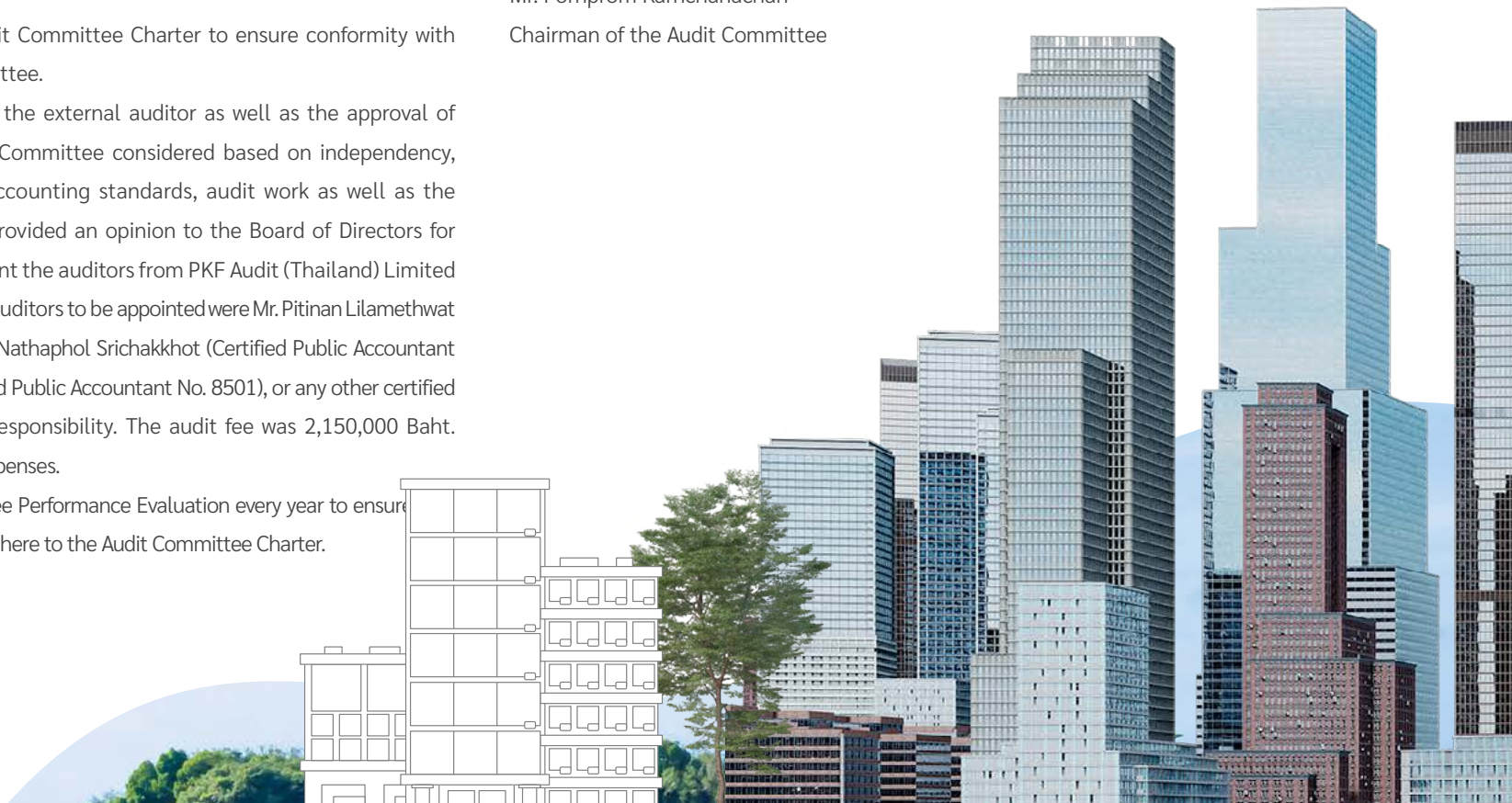
follow-up on their progress. In this regard, the Audit Committee reviewed the independence and performance of the consultant firm who act as the internal auditor, and also reviewed the Internal Audit Charter and deemed that the internal audit function of the Company was performed independently, adequately 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 2023, 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 2023. 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 2023. The auditors to be appointed were Mr. Pitinan Lilamethwat (Certified Public Accountant No. 11133) or Mr. Nathaphol Srichakhot (Certified Public Accountant No. 12038) or Mr. Udom Thanuratpong (Certified Public Accountant No. 8501), or any other certified public accountant who has been assigned responsibility. The audit fee was 2,150,000 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 all works are done completely, efficiently and adhere to the Audit Committee Charter.

In summary, in 2023, 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
1. <b>M.L. Chandchutha Chandratat</b> <b>Chairman of the Board</b> <b>(Since 26 Aug 2016)</b>	57	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) 46/2563, Thai Institute of Directors Association	0.59	None	2017 - Present	• Chairman	• Chememan PLC
					2021 - Present	• Advisor	• Chememan PLC
					2022 - Presnet	• Director	• Chememan India Private Ltd.
					2016 - 2017	• Director	• Chememan Australia Pty. Ltd.
						• 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



Name-Surname / Position / Date of Appointment	Age (years)	Education / Training	Shareholding Percentage* (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization / Company
					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
<b>2. Mr. Adisak Lowjun</b> <ul style="list-style-type: none"> <li>• <b>Director</b> (Since 3 Mar 2003)</li> <li>• <b>Chief Executive Officer and Acting Chief Finance Officer</b> (In Management position since 1 Sep 2003)</li> </ul>	62	1. Texas at Arlington, USA	7.52	Mrs. Rajjaneepen Ungpakorn (Spouse)	2017 - Present	• Director	• Chememan PLC
		2. Bachelor of Engineering, Chulalongkorn University			2003 - Present	• Chief Executive Officer	• Chememan PLC
		3. Director Certification Program (DCP) 12/2001, Thai Institute of Directors Association			2020 - Present	• Acting Chief Financial Officer, Acting Chief Operating Officer	• Chememan PLC
		4. Role of the Chairman Program (RCP) 38/2016, Thai Institute of Directors Association			2003 - 2017	• Chairman	• Chememan PLC
		5. Executive Program, Class 28, Capital Market Academy (CMA)			2022 - Present	• Chairman	• Ha Long QN Lime Co., Ltd.
		6. Executive Development Training Program, Royal Thai Police, Fiscal Year 2020			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.
					2019 - Present	• Chairman	• Northman Co., Ltd.
					2010 - 2019	• Director	• Northman Co., Ltd.
					2008 - Present	• Director	• Chememan Australia Pty. Ltd.
					2004 - 2020	• Chairman	• Tubkwang Co., Ltd.
		<b>CFO Refresh</b>			2003 - Present	• Chairman	• Buranachart Co., Ltd.
		• TLCA CFO CPD no. 2/2023 Re: Risk Management, Jul 2023, Thai Listed Company Association (2 hours)			2003 - Present	• Chairman	• Buranalux Co., Ltd.
		• Governance System for Fraud Detection, 6 Sep 2023, Thai Listed Company Association (2 hours)			2010 - 2018	• Director	• Chememan International Pte. Ltd.
		• TLCA CFO CPD no. 8/2023 Re: Guidelines on Issuing and Offering Green Debt Instruments, Nov 2023, Thai Listed Company Association (2 hours)					



Name-Surname / Position / Date of Appointment	Age (years)	Education / Training	Shareholding Percentage* (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization / Company
3. <b>Mr. Chai Srivikorn</b> <b>Director</b> (Since 3 Sep 2003)	62	1. MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University 2. Bachelor of Engineering (HON), Bradford University, London, England 3. 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	• Director • Director • Director • Director  • Director • Director • Director • Director	• 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.
4. <b>Mr. Suthep Uacherdkul</b> <b>Director</b> (Since 3 Sep 2003)	62	1. MBA, University of Dallas, USA 2. Bachelor of Engineering, Chulalongkorn University 3. 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	• Director • Director • Managing Director • Director • Director and Manager • Director • Director and Manager • Managing Director	• 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.
5. <b>Mrs. Rajjaneepen Ungpakorn</b> <b>Director</b> (Since 3 Sep 2003)	58	1. MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University 2. Bachelor of Science in Business Administration and Accountancy, University of the Philippines 3. Director Certification Program (DCP) 224/2016, Thai Institute of Directors Association 4. Director Diploma Examination 2016	7.52	Mr. Adisak Lowjun (Spouse)	2003 - Present 2008 - Present	• Director • Director	• 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
6. <b>Mr. Charoen Churekanont</b> <b>Director</b> (Since 3 Mar 2003)	62	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	• Director	• Chememan PLC
					2003 - Present	• Director	• Buranachart Co., Ltd.
					2019 - Present	• Director	• CMT Corp Co., Ltd.
					2012 - Present	• Managing Director	• Siriphornjaroen Co., Ltd.
					2010 - Present	• Managing Director	• Pacharapat Development Co., Ltd.
					2009 - Present	• Managing Director	• Pornsirisub Co., Ltd.
					2003 - Present	• Managing Director	• Thanaphumnakorn Co., Ltd.
					2002 - Present	• Managing Director	• Issarapongcharoen Co., Ltd.
					2002 - Present	• Managing Director	• Tiahongha Siripanich Co., Ltd.
					1994 - Present	• Director	• Akarakom Development Co., Ltd.
7. <b>Mr. Pornprom Karnchanachari</b> <b>Chairman of Audit Committee and Independent Director</b> (Since 20 Dec 2016)	60	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	1992 - Present	• Managing Director	• Juriganont Co., Ltd.
					2017 - Present	• Chairman of Audit Committee and Independent Director	• Chememan PLC
					2016 - 2017	• Audit Committee and Independent Director	• Chememan PLC
					2020 - Present	• Director	• Arkitektura Co., Ltd.
					1994 - Present	• Director	• Legal Advisory Council Limited
8. <b>Miss Amata Issarangura Na Ayudhaya</b> <b>Audit Committee Member and Independent Director</b> (Since 20 Dec 2016)	56	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	1994 - 2015	• Director	• Thonburi Healthcare Group PLC
					2016 - Present	• Audit Committee and Independent Director	• Chememan PLC
					2010 - 2014	• Group Treasury	• 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
9. <b>Mr. Yarnsak Manomaiphiboon</b> <b>Audit Committee Member and Independent Director</b> <b>(Since 29 Mar 2017)</b>	60	1. MBA (Finance), Indiana University at Bloomington, USA	0.02	None	2017 - Present	• Audit Committee and Independent Director	• Chememan PLC
		2. Bachelor of Civil Engineering (Second Honor), Chulalongkorn University			2012 - Present	• Audit Committee and Independent Director	• Association of Thai Securities Companies
		3. Director Accreditation Program			2018 - Present	• Director	• ASCO Business Promotion Co., Ltd.
		4. (DAP) 23/2004, Thai Institute of Directors Association 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 2021 - 2022	• Director • Secretary General	• Sahaviriya Steel Industries PLC • CMDF Digital Infrastructure Co., Ltd.
		6. Public Director Certification Program (PDI) 3			2013 - 2021	• Chairman of Audit Committee and Independent Director	• Principal Capital Public PLC
10. <b>Mr. Komgrit Panom-Upatam</b> <b>Chief Operating Officer</b> <b>(Since 1 Jan 2021)</b>	59	1. Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology Thonburi	0.11	None	2021 - Present	• Chief Operating Officer	• Chememan PLC
					2006 - 2020	• Vice President of Lime Operations	• Chememan PLC
					2019 - Present	• Director	• Ha Long QN Lime 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
11. Mr. Lerssak Boonsongsup Chief Strategy Officer (Since 1 Aug 2021) and Acting Chief People Officer (Since 1 Jan 2023)	55	1. MBA, Chulalongkorn University 2. M.Sc. in Chemical Engineering, Oregon State University, USA 3. Bachelor of Chemical Engineering, Chulalongkorn University 4. Director Certification Program (DCP) 2015, Thai Institute of Directors Association	0.02	None	2022- Present  2021 – Present 2022 – Present 2022 – Present 2008 – 2020 1996 - 2008	<ul style="list-style-type: none"><li>Acting Chief People Officer</li><li>Chief Strategy Officer</li><li>Director</li><li>Director</li><li>Director</li><li>Chief Supply Chain Office</li><li>Partner, Senior Executiv</li></ul>	<ul style="list-style-type: none"><li>Chememan PLC</li><li>Chememan PLC</li><li>Chememan Australia Pty. Ltd.</li><li>Chememan India Private Ltd.</li><li>Ha Long QN Lime Co., Lt</li><li>Minor Food Group, Thailand</li><li>Accenture, Thailand</li></ul>



Name-Surname / Position / Date of Appointment	Age (years)	Education / Training	Shareholding Percentage* (%)	Family Relationship with other executives	Work Experience		
					Period	Position	Organization / Company
12. Mr. Pree Suvimolthirabutr / Chief Commercial Officer / (Since 20 Mar 2023)	49	1. Master of Business Administration, Oregon State University, Oregon, USA 2. Bachelor of Electrical Engineering, Chulalongkorn University 3. Director Accreditation Program (DAP) 2019, Thai Institute of Directors Association 4. Advanced Certificate Course in Public Economics Management for Executives (Class 9), King Prajadhipok's Institute 5. Certificate Course in Digital Transformation: From AI and IoT to Cloud, Blockchain, and Cybersecurity, MIT Professional Education	0.03	None	2023 - Present	• Chief Commercial Officer	• Chememan PLC
					2021 - 2023	• Executive Director / Chief Operating Officer / Chief Restaurant Officer	• Zen Corporation Group Public Company Limited
					2021 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Zen Restaurant Holding Company Limited
					2021 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Aka Inters Foods Company Limited
					2021 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Tokyo Concept Company Limited
					2021 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Gyu Grill Group Company Limited
					2021 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Zen Supply Chain Management Company Limited
					2012 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Zen and Spicy Company Limited
					2021 - 2023	• Chief Operating Officer / Chief Restaurant Officer	• Spicy Synergy Company Limited
					2021 - 2021	• Senior Expert	• Boston Consulting Group
					2018 - 2020	• Managing Director	• About Passion Co., LTD. • Food Forward Co., LTD. • Food Generation Co., LTD
					2016 - 2017	• Supply Chain & IT Director	• Boots Retail (Thailand) Limited
					2007 - 2014	• Director - Supply Chain	• Big C Supercenter Public Company Limited
					2006 - 2007	• Experience Consultant / Project Manager (Contract)	• ACCENTURE (Thailand) Ltd.
					2005 - 2006	• Country Sales Manager GE Energy	• Optimization Service

Remark: The shareholding percentage includes direct shareholding of a person and indirect shareholding of a spouse and underage child of the person.







Companies	M.L. Chandchutha Chandratat	Mr. Adisak Lowjun	Mr. Charoen Churekanont	Mr. Suthep Uacherdkul	Mrs. Rajjaneepen Ungpakorn	Mr. Chai Srivikorn	Mr. Pornprom Karnchanachari	Ms. Amata Issarangura Na Ayudhaya	Mr. Yarnsak Manomaiphiboon	Mr. Komgrit Panom-Upatam	Mr. Lerssak Boonsongsup	Mr. Pree Suvimolthirabutr
Thanaphumnakorn Co., Ltd.			/, M	/								
Issarapongcharoen Co., Ltd.			/, M									
Tiahongha Siripanich Co., Ltd.			/, M									
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.									/			
CMD Digital Infrastructure Co., Ltd.									/			

Remarks: Symbols for the Position of Directors and Management team

- X : Chairman of the Board
- M : Managing Director
- / : Director
- // : Audit Committee
- /// : Independent Director
- o : Management



## Information of Directors of the Subsidiaries and Affiliates as of 31 December 2023

Directors	Mr. Chai Srivikorn	Mr. Adisak Lowjun	M.L. Chandchutha Chandratat	Mr. Lersak Boonsongsup	Mr. Kongrit Panom-Upatam	Mr. Srikanth 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
<b>Subsidiaries Companies</b>													
Chememan Australia Pty. Ltd.	/	/	/	/									
Northman Co., Ltd.		X, /											
Chememan India Private Ltd.		/	/	/		/, M							
Ha Long QN Lime Co., Ltd.		X, /		/	/							/	/
Siriman Chemicals India Private Limited		/									/		
<b>Affiliates Companies</b>													
Easternbulk Lime Products Private Limited		/				/			/	/			
CalMix Co., Ltd.		/				/	/	/					

Remarks: Symbols for the Position of Directors and Management team

- X : Chairman  
M : Managing Director  
/ : Director



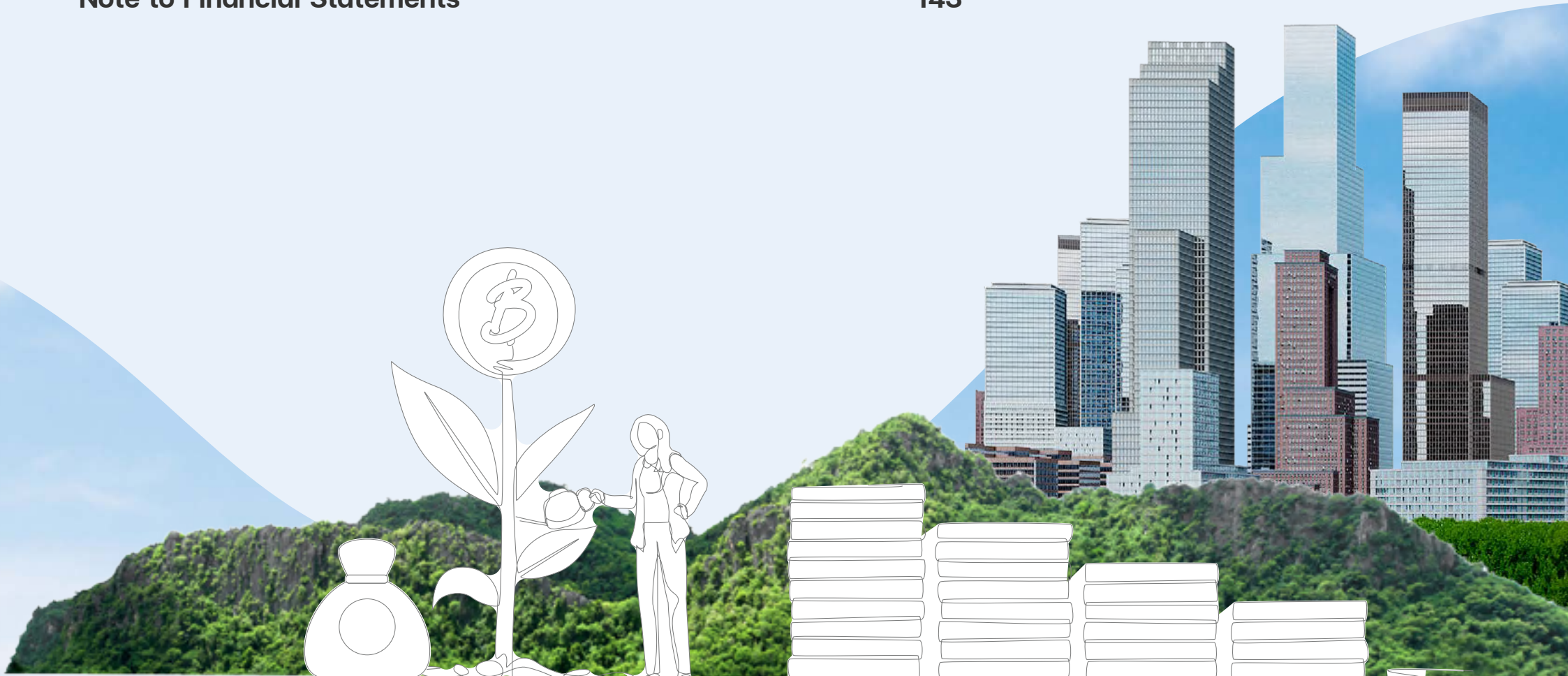






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# Independent Auditor's Report

## 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 2023, 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 2023 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.

### Emphasis of matter

1. I draw attention to note to the financial statements No. 2.2.1, which indicated that, as at 31 December 2023, the Group and the Company have current liabilities in excess of the current assets amounting to Baht 918.17 million and Baht 807.56 million, respectively (31 December 2022: Baht 813.25 million and Baht 876.01 million respectively). The current liabilities mainly include short-term loans in the form of promissory note and the current portion of long-term loans. The Group has remaining credit facilities from long-term loans amounting to Baht 73 million (31 December 2022: Baht 114 million) and from short-term loans amounting to Baht 731

million (31 December 2022: Baht 460 million) which are available to support the need for additional funding (if any). As at 31 December 2023, 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, in respect of certain loans with outstanding amounts totaling Baht 1,798 million as at 31 December 2023, 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, in December 2023 as detailed in Note 19 to the financial statements. The management is implementing strategic operational and financial 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 the 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.

2. I draw attention to note 2.2.2 to the financial information, which disclosed the existence of a material uncertainty because of the decision of government agency of Vietnam on 10 February 2023 in relation to the development of a master plan of Ha Long City becoming a tourism hub by 2040. However, the development plan of the city indicates the existence of a significant future uncertainty depending on various factors which are not finalized by the government of Vietnam. The development plan of the city may have an impact on Ha Long QN Lime Company Limited (the “subsidiary”) to relocate its limestone production plant by 2030 but not affect the location of its mining operations. The Group's management has determined the impact based on reasonable assumptions and supporting evidence to make the best estimate of the future cash flows and operations of the subsidiary. The management believe that the subsidiary would, based on reasonable assumptions, be likely to continue to trade and meet its liabilities as they fell due. However, the development plan of the city that indicates the existence of a significant future uncertainty may cast significant doubt on the assumptions used in management's estimation of the future cash flows projection, the expected economic benefits of the assets, the profitability of future operations and the nature and amounts of estimated additional costs to be incurred. The management of the Group is in the process of negotiating to reach a conclusion with the government agency of Vietnam. 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 Uncertainties Related to Going Concern and the operation of the subsidiary in Vietnam, 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	
Revenue from sales of chemical products for industrial use is a significant amount. As at 31 December 2023, sales amounted to Baht 3,230 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><b>Key audit procedures included:</b></p> <ul style="list-style-type: none"><li>• Understanding the revenue recognition process and related internal control procedures.</li><li>• 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.</li><li>• Performing substantive testing as follows:<ul style="list-style-type: none"><li>– 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.</li><li>– Requesting for the confirmation of accounts receivable balances at the year-end.</li><li>– Reviewing credit notes issued after year-end especially the credit notes of revenue in period.</li><li>– Performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.</li></ul></li></ul>
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><b>Key audit procedures included:</b></p> <ul style="list-style-type: none"><li>• Understanding the impairment consideration process and related internal control procedures.</li><li>• Performing substantive testing as follows:<ul style="list-style-type: none"><li>– 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.</li><li>– 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.</li></ul></li></ul>



### 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

27 February 2024



# Statements of financial position

## Chememan Public Company Limited and its subsidiaries

As at 31 December 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	165,174,846	122,656,635	104,864,823	96,378,678
Trade and other current receivables	6	482,721,266	553,250,965	418,847,147	494,540,797
Short-term loan to related parties	4	3,113,250	5,199,000	29,345,453	1,000,000
Current portion of long-term loan to related parties	4	-	-	227,149,784	119,995,257
Inventories	7	368,632,024	423,640,903	242,718,699	281,627,438
Prepaid taxes and other fees	8	45,265,629	63,829,904	-	-
Other current assets		55,737,052	74,958,689	11,874,028	28,300,528
<b>Total current assets</b>		<b>1,120,644,067</b>	<b>1,243,536,096</b>	<b>1,034,799,934</b>	<b>1,021,842,698</b>
<b>Non-current assets</b>					
Restricted bank deposits		-	85,285,000	-	64,290,000
Other non-current financial asset	9, 29.2	15,000,000	15,000,000	15,000,000	15,000,000
Long-term loan to related parties - net of current portion	4	-	-	1,560,332,754	1,761,031,047
Investments in subsidiaries	10	-	-	1,007,924,180	1,007,924,180
Investments in joint ventures	11	322,708,046	270,688,548	274,084,428	248,544,319
Property, plant and equipment	12	4,168,789,223	4,369,050,983	2,334,583,206	2,415,679,750
Right-of-use assets	13	135,592,193	136,789,182	125,954,989	126,435,848
Ore reserve	14	69,595,144	75,039,263	69,595,144	75,039,263
Prepayment of the mining license fee	14	45,260,401	46,659,309	-	-
Advance payments for construction of plant and machinery		7,910,623	3,401,168	6,465,195	2,701,104
Goodwill		61,873,124	61,873,124	-	-
Intangible assets other than goodwill	15	368,255,913	372,345,612	31,181,557	31,061,889
Deferred tax assets	23	72,248,684	77,778,259	14,921,493	13,420,854
Other non-current assets		6,656,707	10,457,810	1,531,681	1,602,146
<b>Total non-current assets</b>		<b>5,273,890,058</b>	<b>5,524,368,258</b>	<b>5,441,574,627</b>	<b>5,762,730,400</b>
<b>Total assets</b>		<b>6,394,534,125</b>	<b>6,767,904,354</b>	<b>6,476,374,561</b>	<b>6,784,573,098</b>

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	1,048,851,103	947,206,078	954,192,097	872,256,827
Trade and other current payables	17	368,723,871	458,353,480	269,853,660	379,683,455
Current portion of lease liabilities	18	45,539,242	42,304,705	45,478,004	41,940,809
Current portion of long-term loan from financial institutions	19	543,752,088	571,145,100	543,552,933	570,956,288
Income tax payable		12,979,058	15,309,667	12,979,058	13,566,430
Current provisions for employee benefits		1,697,224	1,621,638	-	-
Other current liabilities		17,268,124	20,846,121	16,303,163	19,448,642
<b>Total current liabilities</b>		<b>2,038,810,710</b>	<b>2,056,786,789</b>	<b>1,842,358,915</b>	<b>1,897,852,451</b>
<b>Non-current liabilities</b>					
Lease Liabilities-net of current portion	18	148,729,400	167,018,078	146,110,771	164,769,712
Long-term loan from financial institutions - net of current portion	19	1,629,163,188	2,041,482,990	1,629,024,788	2,041,146,593
Non-current provisions for employee benefits	20	74,969,164	65,697,303	73,684,397	64,753,140
Deferred tax liabilities	23	70,451,252	68,714,815	-	-
Other non-current liabilities		12,756,558	15,925,095	4,303,351	5,789,033
<b>Total non-current liabilities</b>		<b>1,936,069,562</b>	<b>2,358,838,281</b>	<b>1,853,123,307</b>	<b>2,276,458,478</b>
<b>Total liabilities</b>		<b>3,974,880,272</b>	<b>4,415,625,070</b>	<b>3,695,482,222</b>	<b>4,174,310,929</b>

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

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 2023

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Shareholders' equity</b>				
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	100,000,000	90,290,000	100,000,000	90,290,000
Unappropriated	553,198,503	465,218,934	953,934,011	793,013,841
Other components of shareholders' equity	(12,930,485)	(6,759,688)	1,118,988	1,118,988
Equity attributable to owners of the Company	2,366,107,358	2,274,588,586	2,780,892,339	2,610,262,169
Non-controlling interests of the subsidiary	53,546,495	77,690,698	-	-
<b>Total shareholders' equity</b>	<b>2,419,653,853</b>	<b>2,352,279,284</b>	<b>2,780,892,339</b>	<b>2,610,262,169</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,394,534,125</b>	<b>6,767,904,354</b>	<b>6,476,374,561</b>	<b>6,784,573,098</b>

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



# Statements of comprehensive income

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		(Baht)			
<b>Revenues</b>					
Sales		3,230,368,570	3,390,866,637	2,705,501,177	2,734,341,635
Service income		275,056,917	269,398,030	-	-
Other income from freight compensation		-	147,183,660	-	25,503,155
Interest income		1,157,422	1,964,983	162,967,155	123,760,329
Other income		67,068,028	66,866,063	40,189,053	34,684,269
Net gain on exchange rate		-	-	15,365,867	49,457,002
<b>Total revenues</b>		<b>3,573,650,937</b>	<b>3,876,279,373</b>	<b>2,924,023,252</b>	<b>2,967,746,390</b>
<b>Expenses</b>					
Cost of sales		2,151,264,631	2,365,680,418	1,838,495,647	1,879,454,313
Cost of services		238,538,329	354,124,528	-	-
Distribution costs		457,878,859	480,553,419	372,070,412	368,530,609
Administrative expenses		341,557,720	330,164,149	263,498,743	235,989,713
Net loss on exchange rate		23,450,291	12,249,984	-	-
<b>Total expenses</b>		<b>3,212,689,830</b>	<b>3,542,772,498</b>	<b>2,474,064,802</b>	<b>2,483,974,635</b>
<b>Profit from operating activities</b>		<b>360,961,107</b>	<b>333,506,875</b>	<b>449,958,450</b>	<b>483,771,755</b>
Share of profit from investments in joint ventures	11.2	21,800,294	1,361,502	-	-
Finance cost		(217,017,192)	(156,890,649)	(197,412,542)	(138,837,550)
<b>Profit before income tax</b>		<b>165,744,209</b>	<b>177,977,728</b>	<b>252,545,908</b>	<b>344,934,205</b>
Income tax expenses	23	(53,130,452)	(49,798,732)	(43,515,738)	(51,462,811)
<b>Profit for the year</b>		<b>112,613,757</b>	<b>128,178,996</b>	<b>209,030,170</b>	<b>293,471,394</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translation of financial statements					
in foreign currency-net of income tax		(9,302,282)	(80,091,316)	-	-
Share of other comprehensive income in joint ventures		2,463,094	16,413,975	-	-
<b>Other comprehensive income for the year</b>		<b>(6,839,188)</b>	<b>(63,677,341)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>105,774,569</b>	<b>64,501,655</b>	<b>209,030,170</b>	<b>293,471,394</b>

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

	Consolidated financial statements		Separate financial statements	
Note	2023	2022	2023	2022
	(Baht)			
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	136,089,569	151,799,966	209,030,170	293,471,394
Non-controlling interests of the subsidiary	(23,475,812)	(23,620,970)		
	<b>112,613,757</b>	<b>128,178,996</b>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	129,918,772	84,708,166	209,030,170	293,471,394
Non-controlling interests of the subsidiary	(24,144,203)	(20,206,511)		
	<b>105,774,569</b>	<b>64,501,655</b>		
<b>Earnings per share</b>	26			
Basic earnings per share				
<b>Profit attributable to equity holders of the Company</b>	<b>0.1418</b>	<b>0.1581</b>	<b>0.2177</b>	<b>0.3057</b>

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





# Statements of changes in shareholders' equity

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

Consolidated financial statements														
Equity attributable to owners of the Company														
Note	Issued and paid-up share capital		Share premium	Capital surplus on share-based payment	Retained earnings Appropriated - statutory reserve		Unappropriated	Other components of equity				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
								Other comprehensive income						
								Exchange differences on translation of financial statements in foreign currency	Profit on remeasurements of defined benefit plans	Income tax of other comprehensive income	Share profit of other comprehensive income in joint ventures			
(Baht)														
Year ended 31 December 2022														
Balance as at 1 January 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		
Profit (loss) for the year	-	-	-	-	151,799,966	-	-	-	-	151,799,966	(23,620,970)	128,178,996		
Other comprehensive income for the year	-	-	-	-	-	(83,505,775)	-	-	16,413,975	(67,091,800)	3,414,459	(63,677,341)		
Total comprehensive income for the year	-	-	-	-	151,799,966	(83,505,775)	-	-	16,413,975	84,708,166	(20,206,511)	64,501,655		
Liquidation of subsidiary	10	-	-	-	-	-	-	-	-	-	(4,651,734)	(4,651,734)		
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	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		
Year ended 31 December 2023														
Balance as at 1 January 2023	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		
Profit (loss) for the year	-	-	-	-	136,089,569	-	-	-	-	136,089,569	(23,475,812)	112,613,757		
Other comprehensive income for the year	-	-	-	-	-	(8,633,891)	-	-	2,463,094	(6,170,797)	(668,391)	(6,839,188)		
Total comprehensive income for the year	-	-	-	-	136,089,569	(8,633,891)	-	-	2,463,094	129,918,772	(24,144,203)	105,774,569		
Dividend paid	25	-	-	-	-	(38,400,000)	-	-	-	(38,400,000)	-	(38,400,000)		
Transferred unappropriated retained earnings to statutory reserve	21	-	-	-	9,710,000	(9,710,000)	-	-	-	-	-	-		
Balance as at 31 December 2023	960,000,000	736,842,515	28,996,825	100,000,000	553,198,503	(41,813,584)	1,398,735	(279,747)	27,764,111	2,366,107,358	53,546,495	2,419,653,853		

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



# Statements of changes in shareholders' equity

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

Separate financial statements									
Note				Retained earnings		Other components of equity		Total	
	Issued and paid-up share capital	Share premium	Capital surplus on share-based payment	Appropriated - statutory reserve	Unappropriated  (Baht)	Profit on remeasurements of defined benefit plans	Income tax of other comprehensive income		
<b>Year ended 31 December 2022</b>									
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
<b>Year ended 31 December 2023</b>									
Balance as at 1 January 2023		960,000,000	736,842,515	28,996,825	90,290,000	793,013,841	1,398,735	(279,747)	2,610,262,169
Profit for the year		-	-	-	-	209,030,170	-	-	209,030,170
Total comprehensive income for the year		-	-	-	-	209,030,170	-	-	209,030,170
Dividend paid	25	-	-	-	-	(38,400,000)	-	-	(38,400,000)
Transferred unappropriated retained earnings to statutory reserve	21	-	-	-	9,710,000	(9,710,000)	-	-	-
Balance as at 31 December 2023		960,000,000	736,842,515	28,996,825	100,000,000	953,934,011	1,398,735	(279,747)	2,780,892,339

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 2023

Note	Consolidated financial statements		Separate financial statements		Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022		2023	2022	2023	2022
	(Baht)								
<b>Cash flow from operating activities</b>					<b>Cash flow from investing activities</b>				
Profit before tax	165,744,209	177,977,728	252,545,908	344,934,205	Decrease in restricted bank deposits	85,441,250	22,327,917	64,290,000	-
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities					Cash paid for short-term loans to related parties	4	(1,000,000)	(5,465,583)	(30,457,096)
Depreciation and amortisation	366,275,426	370,951,932	237,955,569	235,601,392	Cash receipt from short-term loan to related parties	4	3,057,563	-	2,000,000
Reversal of losses on inventories devaluation	7	(1,556,328)	(1,341,219)	(1,556,328)	Cash paid for long-term loans to related parties	4	-	-	-
Reversal of decomisioning provision	-	(506,057)	-	(506,057)	Cash receipt from long-term loan to related party	4	-	-	97,731,479
(Reversal of) allowance for impairment of machinery and equipment	225,727	(157,776)	225,727	(157,776)	Cash paid for investments in joint ventures	11	(46,457,344)	-	(25,540,109)
Allowance for expected credit loss	-	1,429,492	-	-	Cash receipt (paid) from liquidation of subsidiary	-	(805,768)	-	1,078,464
(Reversal of) bad and doubtful debts expenses	177,010	(6,033)	-	(6,033)	Cash paid for acquisition of property, machinery, equipment and vehicle	(144,648,827)	(269,271,443)	(101,438,605)	(192,214,517)
Loss on disposal of building improvement, machinery, equipment and vehicle	2,559,712	1,232,196	2,552,845	1,361,493	Cash receipt from disposal of building improvement, machinery, equipment and vehicle	594,536	384,619	584,807	384,270
Loss on written-off of land improvement, machinery and equipment	358,232	10,031,398	21,218	101,847	Cash paid for advance payments for construction of plant and machinery	(7,889,249)	(3,428,526)	(6,465,195)	(2,701,104)
Loss on written-off of intangible assets	-	70,575	-	70,575	Cash paid for acquisition of right of use assets	(1,434,851)	-	(1,434,851)	-
Gain on sales of right-of-use assets	(1,628,178)	(388,506)	(1,628,178)	(388,506)	Cash receipt from disposal of right of use assets	1,628,177	1,293,000	1,628,178	1,293,000
Long - term employee benefits expenses	20	9,711,749	9,336,327	9,213,537	Cash paid for acquisition of intangible assets	(5,097,600)	(1,645,384)	(5,097,600)	(1,515,700)
(Gain) loss on a currency conversion of loans to related party	4	-	(58,152,678)	1,680,877	Dividend received	-	-	13,487,184	-
Loss on a currency conversion of loans from financial institutions	19	83,803,315	83,803,315	-	Interest received	2,237,579	1,092,960	162,386,039	130,078,781
Gain on a conversion of loans to related party to equity	4	-	-	(2,120,866)	<b>Net cash flow from (used in) investing activities</b>	<b>(113,568,766)</b>	<b>(255,518,208)</b>	<b>171,674,231</b>	<b>(109,515,937)</b>
Unrealised (gain) loss on exchange rate	(86,801,277)	25,536,268	(31,870,797)	(4,842,533)	<b>Cash flow from financing activities</b>				
Gain on mark to market of derivatives	-	(5,068,648)	-	(5,068,648)	Cash paid for liabilities under lease agreements	(46,286,185)	(32,049,061)	(46,297,674)	(31,618,775)
Share of (profit) loss from investments in joint ventures	11.2	(21,800,294)	(1,361,502)	-	Cash paid for short-term loans from financial institutions	(2,976,199,566)	(798,743,939)	(2,724,332,445)	(798,743,939)
(Gain) loss on liquidation of subsidiary	10	-	2,685,856	(36,574)	Cash receipt from short-term loans from financial institutions	3,081,160,332	703,482,044	2,806,267,715	626,787,902
Dividend income	-	-	(13,487,184)	-	Cash paid for long-term loans from financial institutions	19	(555,149,644)	(462,223,897)	(554,941,261)
Interest income	(1,157,422)	(1,963,299)	(162,967,155)	(123,760,329)	Cash receipt from long-term loans from financial institutions	19	133,726,811	192,237,007	133,726,811
Finance cost	217,017,192	156,890,649	197,412,542	138,837,550	Cash paid for front-end fee	19	(6,700,000)	(1,173,450)	(6,700,000)
Profit from operating activities before changes in operating assets and liabilities	732,929,073	745,474,220	514,191,131	593,572,935	Cash paid for short-term loans from joint venture partner	-	(22,327,917)	-	-
Operating assets (increase) decrease					Cash receipt from sales and lease back	-	109,300,000	-	109,300,000
Trade and other current receivables	61,497,905	(95,194,614)	61,459,733	(62,404,740)	Dividend paid	(38,400,000)	-	(38,400,000)	-
Inventories	51,862,027	88,684,156	40,465,067	25,774,692	Cash paid for interest expenses	(214,644,718)	(140,231,521)	(197,524,634)	(124,440,790)
Other current assets	17,418,250	(11,823,354)	16,426,500	(6,629,318)	<b>Net cash flow used in financing activities</b>	<b>(622,492,970)</b>	<b>(451,730,734)</b>	<b>(628,201,488)</b>	<b>(489,418,445)</b>
Other non-current assets	3,576,483	3,501,957	70,465	3,531,889	<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>44,898,115</b>	<b>20,947,431</b>	<b>-</b>	<b>-</b>
Operating liabilities increase (decrease)					<b>Net increase (decrease) of cash and cash equivalents</b>	<b>42,518,211</b>	<b>(68,696,842)</b>	<b>8,486,145</b>	<b>(67,752,699)</b>
Trade and other current payables	(95,114,364)	(34,045,174)	(117,169,965)	45,438,291	Cash and cash equivalents at beginning of year	122,656,635	193,934,261	96,378,678	164,131,377
Current provisions for employee benefits	68,975	(383,951)	-	-	Cash and cash equivalents of liquidated subsidiary at the beginning of period	-	(2,580,784)	-	-
Other current liabilities	10,273,211	(11,700,909)	(3,260,869)	(1,087,661)	<b>Cash and cash equivalents at end of year</b>	<b>165,174,846</b>	<b>122,656,635</b>	<b>104,864,823</b>	<b>96,378,678</b>
Other non-current liabilities	(2,484,168)	(1,348,872)	(1,159,842)	(1,927,004)	<b>Supplemental cash flow information</b>				
Cash flow from operating activities	780,027,392	683,163,459	511,022,220	596,269,084	Non-cash transactions				
Cash paid for long-term employee benefits	20	(405,070)	(405,070)	(6,040,078)	Transfer advance payments for construction of plant and machinery to property, plant and equipment	3,393,187	3,705,956	2,701,104	1,465,311
Cash paid for income tax	(45,940,490)	(59,518,712)	(45,603,748)	(59,047,323)	Increase in right-of-use assets from lease liabilities	13	31,175,929	66,672,548	31,175,929
<b>Net cash flow from operating activities</b>	<b>733,681,832</b>	<b>617,604,669</b>	<b>465,013,402</b>	<b>531,181,683</b>	Transfer interest expense to assets	12	173,428	688,847	-
					Convert loan to related party to equity	4	-	-	-
					Transfer prepaid taxes and other fees to pay mining license fee		2,647,172	2,716,067	-
					Payable of acquisition of machinery, equipment and assets under construction		26,088,861	-	-
					Convert trade account receivables - related party to long - term loan to related party		-	-	6,311

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

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 2023

### 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 Significant uncertainty

##### 2.2.1 Going concern basis

As at 31 December 2023, the Group and the Company have current liabilities in excess of the current assets amounting to Baht 918.17 million and Baht 807.56 million, respectively (31 December 2022: Baht 813.25 million and Baht 876.01, 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. However, the Group has remaining credit facilities from long-term loans amounting to Baht 73 million (31 December 2022: Baht 114 million) and from short-term loans amounting to Baht 731 million (31 December 2022: Baht 460 million) which are available to support the need for additional funding (if any). As disclosed in note 19, as at 31 December 2023, 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 1,798 million as at 31 December 2023, 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 2023 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.

##### 2.2.2 Development plan of Ha Long City that affects operations of Ha Long QN Lime Company Limited

On 10 February 2023, the government agency of Vietnam has announced the development of a master plan of Ha Long City becoming a tourism hub by 2040. However, the development plan of the city indicates the existence of a significant future uncertainty depending on various factors which are not finalized by the government of Vietnam. The development plan of the city may have an impact on Ha Long QN Lime Company Limited (the “subsidiary”) to relocate its limestone production plant by 2030 but not affect the location of its mining operations. The Group’s management has determined the impact of this situation based on reasonable assumptions and supporting evidence to make the best estimate of the future cash flows projection and operations of the subsidiary. The management believe that the subsidiary would, based on reasonable assumptions, be likely to continue to trade and meet its liabilities as they fell due. However, the development plan of the city that indicates the existence of a significant future uncertainty may cast significant doubt on the future cash flows projection to measure value in use of assets and operations of the subsidiary. In addition, the master plan will, once the uncertain details and negotiations of impact on the subsidiary are finalized, likely result in additional costs being incurred which are not within the control of the subsidiary and which cannot be estimated at this stage. The future operations of the subsidiary depend on various factors which are not finalized by the government of Vietnam on the development plan of Ha Long City, such as a new location of the limestone production plant that has a significant impact on the assumptions used in management’s estimation of the expected economic benefits of the assets, the profitability of future operations and the nature and amounts of estimated additional costs to be incurred. The management of the Group is in the process of negotiating to reach a conclusion with the government agency of Vietnam.





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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	
			2023	2022
			Percent	Percent
<b>Subsidiaries</b>				
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 India Private Limited	Market study and strengthen customer base in India	India	99.99	99.99
<b>Indirect subsidiary</b>				
Ha Long QN Lime Company Limited	Manufacturing and distribution of lime products	Vietnam	80.00	80.00
<b>Joint Ventures</b>				
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.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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 derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized 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.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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;

#### 3.17 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of products is recognised over time or at a point in time;

#### 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 2023 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;

#### 3.13 and 20 Measurement of defined benefit obligations: key actuarial assumptions;

#### 3.20 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;

#### 3.14 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.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### *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.





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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	5 to 30 years
Buildings and building improvement	5 to 30 years
Machinery and equipment	3 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.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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 Thai Financial Reporting Standard in the no 16 (Leases).

#### *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.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### *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.

##### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### **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.

# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

- 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 Share capital

#### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### 3.17 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.

### 3.18 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.

### 3.19 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.

### 3.20 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.





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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.

### 3.21 Earnings per share

The Group presents basic earnings per share ('EPS'). EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

### 3.22 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
Buranalux 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 summarized 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
2023	2022	2023	2022	
(in million Baht)				

#### Transactions with subsidiaries

(eliminated from the consolidated  
financial statements)

Sales of goods	-	-	44	17	Mutual agreed prices
Services income	-	-	7	7	Contract price
Interest income	-	-	162	123	Contract price
Purchase of goods	-	-	308	205	Mutual agreed prices
Management fee	-	-	-	6	Contract price



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements		Pricing Policy
	2023	2022	2023	2022	
	(in million Baht)				
<b><u>Transactions with joint ventures</u></b>					
Sales of goods	-	-	1	-	Mutual agreed prices
Services income	8	7	-	-	Contract price
Dividend income	-	-	13	-	As declared
Other income	2	2	2	2	Contract price
<b><u>Transaction with key management personnel</u></b>					
Sales of fixed assets	2	-	2	-	Mutual agreed prices

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
(in thousand Baht)				
<b>Trade receivables-related parties (Note 6)</b>				
Subsidiary	-	-	31,920	50,440
Joint ventures	18,669	22,038	18,669	22,039
<b>Total trade receivables-related parties</b>	<b>18,669</b>	<b>22,038</b>	<b>50,589</b>	<b>72,479</b>
<b>Other receivables-related parties (Note 6)</b>				
Subsidiaries	-	-	6,839	10,641
Indirect subsidiary	-	-	1,999	1,892
Joint ventures	1,099	538	426	387
Related companies (related by common director)	64	51	64	51
<b>Total other receivables-related parties</b>	<b>1,163</b>	<b>589</b>	<b>9,328</b>	<b>12,971</b>
<b>Trade payables-related party (Note 17)</b>				
Indirect subsidiary	-	-	27,036	25,438
<b>Total trade payables-related party</b>	<b>-</b>	<b>-</b>	<b>27,036</b>	<b>25,438</b>

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
(in thousand Baht)				
<b>Other payables-related parties (Note 17)</b>				
Subsidiaries	-	-	-	1,503
Indirect subsidiary	-	-	17	26
Joint ventures	59	89	59	89
Related companies (related by common director)	16	11	16	11
Key management personnel	-	246	-	246
Directors	14	1	14	1
<b>Total other payables-related parties</b>	<b>89</b>	<b>347</b>	<b>106</b>	<b>1,876</b>

### Short-term loans to related parties

As at 31 December 2023 and 2022, the balance of loan to related parties and the movements of such loan are as follows

Consolidated financial statements						
Short-term loans to related parties	Relationship	31 December 2022	Increase during the year	Decrease during the year	Exchange differences on Translation adjustment	31 December 2023
(in thousand Baht)						
CalMix Company Limited	Joint venture	1,000	1,000	(2,000)	-	-
Siriman Chemicals India Private Limited	Joint venture	4,199	-	(1,058)	(28)	3,113
Total		5,199	1,000	(3,058)	(28)	3,113



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

During the year 2023, the Group provided short-term loans to related parties as detailed below;

Company	Interest rate	Repayment terms	Date of draw down	Amount	Due date
	(% per annum)			(in million)	
CalMix Company Limited	Fixed rate	Repayment on the maturity date or at call	10 February 2023	THB 1.00	1 March 2023 or at call
Siriman Chemicals India Private Limited	Nil	At call	26 December 2022	INR 10.00	At call

### Consolidated financial statements

Short-term loans to related parties	Relationship	31 December 2021	Increase during the year	Exchange differences on Translation adjustment	31 December 2022
		(in thousand Baht)			
CalMix Company Limited	Joint venture	-	1,000	-	1,000
Siriman Chemicals India Private Limited	Joint venture	-	4,466	(267)	4,199
<b>Total</b>		<b>-</b>	<b>5,466</b>	<b>(267)</b>	<b>5,199</b>

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

Company	Interest rate	Repayment terms	Date of draw down	Amount	Due date
	(% per annum)			(in million)	
CalMix Company Limited	Fixed rate	Repayment on the maturity date or at call	1 December 2022	THB 1.00	1 March 2023 or at call
Siriman Chemicals India Private Limited	Nil	At call	26 December 2022	INR 10.00	At call

### Separate financial statements

Short-term loans to related parties	Relationship	31 December 2022	Increase during the year	Decrease during the year	Unrealized loss from translation of foreign currency	31 December 2023
					(in thousand Baht)	
Chememan Australia Pty Ltd	Subsidiary	-	29,457	-	(112)	29,345
CalMix Company Limited	Joint venture	1,000	1,000	(2,000)	-	-
<b>Total</b>		<b>1,000</b>	<b>30,457</b>	<b>(2,000)</b>	<b>(112)</b>	<b>29,345</b>

During the year 2023, the Company had made short-term loans to related parties as detailed below;

Company	Interest rate	Repayment terms	Date of draw down	Amount	Due date
	(% per annum)			(in million)	
Chememan Australia Pty Ltd	Fixed rate	Repayment on the maturity date or at call	27 December 2023	USD 0.86	27 March 2024 or at call
CalMix Company Limited	Fixed rate	Repayment on the maturity date or at call	10 February 2023	THB 1.00	1 March 2023 or at call

## For the year ended 31 December 2023

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

		Separate financial statements					
Long-term loans to related parties	Relationship	31 December 2022	Increase during the year	Decrease during the year	Realised gain from loan currency conversion	Unrealised gain (loss) from translation of foreign currency	31 December 2023
(in thousand Baht)							
Chememan Australia Pty Ltd	Subsidiary	824,799	6,311	(35,094)	-	3,447	799,463
Ha Long QN Lime Company Limited	Indirect subsidiary	1,056,227	-	(62,637)	58,153	(63,723)	988,020
<b>Total</b>		<b>1,881,026</b>	<b>6,311</b>	<b>(97,731)</b>	<b>58,153</b>	<b>(60,276)</b>	<b>1,787,483</b>
Less portion due within one year							(227,150)
<b>Long term loans to related parties - net of current portion</b>							<b>1,560,333</b>





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

During the year 2023, the Company provided long-term loans to related parties 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	16 February 2023	AUD 0.27	26 November 2027

On 26 December 2023, the Company has agreed to convert the currency of loans to Ha Long QN Lime Company Limited, under the long-term loan agreement, from USD 8.06 million to Baht 282.98 million. The Company recognized gain from the said loan currency conversion amounting to Baht 24.18 million in the statement of comprehensive income.

On 26 December 2023, the Company has agreed to convert the currency of loans to Ha Long QN Lime Company Limited, under the long-term loan agreement, from USD 5.46 million to Baht 191.69 million. The Company recognized gain from the said loan currency conversion amounting to Baht 33.97 million in the statement of comprehensive income.

## Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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

[illegible]



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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	BBSW + Fixed	Repayment on	6 January 2022	AUD 1.40	5 January 2025
Australia Pty Ltd	rate	the maturity date	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 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.

### Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Short-term employee benefits	58,277	59,824	45,024	45,802
Post-employment benefits	1,168	1,070	828	980
<b>Total</b>	<b>59,445</b>	<b>60,894</b>	<b>45,852</b>	<b>46,782</b>

## 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Cash	272	307	174	222
Bank deposits	164,903	122,349	104,691	96,157
<b>Total</b>	<b>165,175</b>	<b>122,656</b>	<b>104,865</b>	<b>96,379</b>

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interest between 0.01 and 3.00 percent per annum (2022: between 0.01 and 4.40 percent per annum).

## 6 Trade and other current receivables

	Consolidated financial statements		Separate financial statements	
Note	2023	2022	2023	2022
	(in thousand Baht)			
<u>Trade receivables-related parties</u>	4			
Aged on the basis of due dates				
Not yet due	27	112	31,947	4,289
Past due				
Up to 3 months	353	-	353	16,886
3-6 months	-	-	-	-
6-12 months	-	21,924	-	21,924
More than 12 months	18,289	2	18,289	29,380
<b>Total trade receivables-related parties</b>	<b>18,669</b>	<b>22,038</b>	<b>50,589</b>	<b>72,479</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Consolidated		Separate	
	financial statements		financial statements	
Note	2023	2022	2023	2022
	(in thousand Baht)			
<u>Trade receivables-unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	406,760	438,522	329,152	368,924
Past due				
Up to 3 months	28,566	52,825	16,863	22,305
3-6 months	1,484	-	1,479	-
6-12 months	-	246	-	-
More than 12 months	4,895	5,149	-	-
Total trade receivables-unrelated parties	441,705	496,742	347,494	391,229
Less Allowance for expected credit loss	(4,929)	(4,959)	-	-
Total trade receivables	455,445	513,821	398,083	463,708
<u>Other receivables</u>				
Prepaid expenses	18,790	22,189	10,701	16,452
Advance and other receivables				
- related parties	4	1,163	589	9,328
Advance and other receivables				
- unrelated parties	7,323	16,652	735	1,410
Total other receivables	27,276	39,430	20,764	30,833
<b>Total trade receivables and other current receivables</b>	<b>482,721</b>	<b>553,251</b>	<b>418,847</b>	<b>494,541</b>

During the year 2023, the Company factored its trade account receivables with non-recourse amounting to USD 13.21 million or equivalent to Baht 459.50 million (31 December 2022: amounting to USD 34.24 million or equivalent to Baht 1,173.25 million). The factoring carried a discount rate between 6.31% - 7.17% (31 December 2022: 1.85% - 6.28%). For the year ended 31 December 2023, the Company recognized a loss from trade account receivable factoring amounting to USD 0.07 million or equivalent to Baht 2.39 million (31 December 2022: USD 0.22 million or equivalent to Baht 7.51 million) as a finance cost in the statement of comprehensive income.

During the year 2023, Chememan Australia Pty Ltd, a subsidiary of the Company, factored its trade account receivables with non-recourse amounting to AUD 13.34 million or equivalent to Baht 308.23 million (31 December 2022: AUD 18.38 million or equivalent to Baht 446.61 million). The factoring carried a discount rate between 4.70% - 6.19%. (31 December 2022: 1.52% - 4.77%). For the year ended 31 December 2023, the subsidiary recognized a loss from trade account receivable factoring amounting to AUD 0.11 million or equivalent to Baht 2.59 million (31 December 2022: AUD 0.09 million or equivalent to Baht 2.29 million) as a finance cost in the statement of comprehensive income.

## 7 Inventories

	Consolidated financial statements					
	Cost		Allowance for decline in value		Inventories-net	
	2023	2022	2023	2022	2023	2022
	(in thousand Baht)					
Finished goods	156,147	193,177	-	(1,556)	156,147	191,621
Raw materials	128,625	153,562	-	-	128,625	153,562
Packing materials	9,999	13,184	-	-	9,999	13,184
Spare parts and factory supplies	61,360	57,245	-	-	61,360	57,245
Work in process	2,193	2,193	-	-	2,193	2,193
Goods in transit	10,308	5,836	-	-	10,308	5,836
<b>Total</b>	<b><u>368,632</u></b>	<b><u>425,197</u></b>	<b><u>-</u></b>	<b><u>(1,556)</u></b>	<b><u>368,632</u></b>	<b><u>423,641</u></b>
	Separate financial statements					
	Cost		Allowance for decline in value		Inventories-net	
	2023	2022	2023	2022	2023	2022
	(in thousand Baht)					
Finished goods	84,888	91,514	-	(1,556)	84,888	89,958
Raw materials	108,759	148,235	-	-	108,759	148,235
Packing materials	9,999	13,183	-	-	9,999	13,183
Spare parts and factory supplies	36,120	28,058	-	-	36,120	28,058
Work in process	2,193	2,193	-	-	2,193	2,193
Goods in transit	760	-	-	-	760	-
<b>Total</b>	<b><u>242,719</u></b>	<b><u>283,183</u></b>	<b><u>-</u></b>	<b><u>(1,556)</u></b>	<b><u>242,719</u></b>	<b><u>281,627</u></b>

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





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
- Cost	2,152,821	2,367,022	1,840,052	1,880,796
- Allowance for inventories devaluation	445	-	445	-
- Reversal of allowance for inventories devaluation	(2,001)	(1,342)	(2,001)	(1,342)
<b>Net</b>	<b>2,151,265</b>	<b>2,365,680</b>	<b>1,838,496</b>	<b>1,879,454</b>

### 8 Prepaid taxes and other fees

Movements of the prepaid taxes and other fees account for the year ended 31 December 2023 and 2022 are summarised below.

	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Balance as at 1 January	63,830	79,951
Less Utilization during the year	(16,619)	(14,533)
Translation adjustment	(1,945)	(1,588)
<b>Balance as at 31 December</b>	<b>45,266</b>	<b>63,830</b>

### 9 Other non-current financial asset

Company's name	Nature of business	Country of incorporation	Consolidated and Separate financial statements			
			Shareholding percentage		Fair value through profit or loss	
			31 December 2023	31 December 2022	31 December 2023	31 December 2022
			<i>(%)</i>		<i>(in thousand Baht)</i>	
Fourgle Systems Pte Ltd	Developing a commercial program electronics	Singapore	12.86	12.86	15,000	15,000
<b>Total</b>					<b>15,000</b>	<b>15,000</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 10 Investments in subsidiaries

Company's name	Currency	Paid-up capital		Shareholding percentage		Cost		Impairment		At cost-net	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
				(%)				(in thousand Baht)			
Chememan Australia Pty Ltd	Thousand AUD	14,607	14,607	99.99	99.99	368,764	368,764	-	-	368,764	368,764
Northman Company Limited	Million VND	423,423	423,423	100.00	100.00	553,858	553,858	-	-	553,858	553,858
Chememan India Private Limited	Thousand INR	113,723	113,723	99.99	99.99	85,302	85,302	-	-	85,302	85,302
<b>Total</b>						<b>1,007,924</b>	<b>1,007,924</b>	<b>-</b>	<b>-</b>	<b>1,007,924</b>	<b>1,007,924</b>

For the years ended 31 December 2023 and 2022, 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 recognized loss from liquidation in consolidated statement of income of Baht 2.69 million and the Company recognized gain on reversal of allowance for impairment in separate statement of income of Baht 0.04 million.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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	
			2023	2022	2023	2022	2023	2022
			(%)		(in thousand Baht)			
Siriman Chemicals India Private Limited	Manufacture and distribute lime products	India	50	50	139,430	96,542	131,019	80,610
Easternbulk Lime Products Private Limited	Manufacture and distribute lime products	India	50	50	174,273	174,273	198,442	193,127
CalMix Company Limited	Manufacture and distribute construction materials	Thailand	51	51	34,170	30,600	21,011	22,252
Less Exchange differences on translation adjustments					-	-	(27,764)	(25,301)
<b>Total</b>					<b>347,873</b>	<b>301,415</b>	<b>322,708</b>	<b>270,688</b>

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2023	2022	2023	2022
			(%)		(in thousand Baht)	
Siriman Chemicals India Private Limited	Manufacture and distribute lime products	India	50 (23.7% held direct and 26.3% held through subsidiary)	50 (22.5% held direct and 27.5% held through subsidiary)	65,640	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	34,170	30,600
<b>Total</b>					<b>274,084</b>	<b>248,544</b>

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

#### *Easternbulk Lime Products Private Limited*

On 19 January 2023, the Board of Directors Meeting of Easternbulk Lime Products Private Limited, a joint venture, approved an interim dividend payment for the year 2022 amounting to USD 0.09 million or equivalent to Baht 2.97 million. The joint venture made the payment on 23 January 2023.

On 14 June 2023, the Annual General Meeting of Easternbulk Lime Products Private Limited, a joint venture, approved an annual dividend payment for the year 2022 amounting to USD 0.30 million or equivalent to Baht 10.51 million. The joint venture made the payment on 27 June 2023.

#### *Siriman Chemicals India Private Limited*

During the year 2023, the Company and a subsidiary made an additional investment in 5,469,400 ordinary shares and 5,030,600 ordinary shares, respectively from an increase in share capital of Siriman Chemicals India Private Limited, at a price of INR 10 per share, totaling INR 55.00 million or equivalent to Baht 21.97 million and INR 50.31 million or equivalent to Baht 20.92 million, respectively. The Group still had a 50% interest in such company.

#### *CalMix Company Limited*

On 23 March 2023, the Company paid capital investment in 35,700 ordinary shares, at a price of THB 100 per share, totaling Baht 3.57 million. The Company still had a 51% interest in such company.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 11.2 Share of gain (loss)

During the year ended 31 December 2023 and 2022, the Company recognized its share of gain (loss) from investments in the joint ventures in the consolidated financial statements as follows:

Company's name	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Siriman Chemicals India Private Limited	7,521	(6,781)
Easternbulk Lime Products Private Limited	19,268	11,980
CalMix Company Limited	(4,989)	(3,838)
<b>Total</b>	<b>21,800</b>	<b>1,361</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 11.3 Summarised financial information about joint ventures

Summarised information about financial position as at 31 December 2023 and 2022.

	Siriman Chemicals India Private Limited		Easternbulk Lime Products Private Limited		CalMix Company Limited	
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Cash and cash equivalents	19,780	732	5,183	8,947	1,280	859
Other current assets	88,418	79,905	162,679	111,516	8,998	11,261
Other non-current assets	202,155	225,576	236,834	256,601	31,612	33,477
Trade and other current payables	(60,531)	(65,252)	(27,662)	(27,201)	(1,024)	(952)
Other current liabilities	(4,975)	(9,941)	(11,121)	(527)	(17)	(1,014)
Other non-current liabilities	-	(85,923)	(11,861)	(2,054)	-	-
Net assets	244,847	145,097	354,052	347,282	40,849	43,631
Group's share of net asset	50%	50%	50%	50%	51%	51%
Net assets of joint ventures based on equity method	122,423	72,548	177,026	173,641	20,833	22,252
Elimination of unrealized profit on downstream sales	-	-	1,400	1,400	178	-
Goodwill	-	-	847	847	-	-
Carrying amounts of joint ventures based on equity method	122,423	72,548	179,273	175,888	21,011	22,252





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

Summarised information about profit and loss for the year ended 31 December 2023 and 2022.

	Siriman Chemicals India		Easternbulk Lime Products		CalMix Company Limited	
	Private Limited		Private Limited			
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Sales	232,005	225,825	532,020	394,869	2,101	674
Service income	-	-	-	-	-	67
Other income	20,059	4,012	148	106	10	19
Cost of sales	(187,964)	(184,579)	(360,857)	(274,838)	(7,644)	(5,549)
Distribution costs and administrative expenses	(56,648)	(54,399)	(113,595)	(93,441)	(4,237)	(2,734)
Finance cost	(3,718)	(8,695)	-	-	(13)	(2)
Income tax benefit (expense)	11,308	4,274	(19,179)	(2,735)	-	-
Total comprehensive income (100%)	15,042	(13,562)	38,537	23,961	(9,783)	(7,525)
Total comprehensive income of the Group's interest and Group's share	7,521	(6,781)	19,268	11,980	(4,989)	(3,838)



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 12 Property, plant and equipment

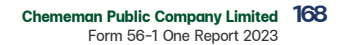
	Consolidated financial statements						
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction
	(in thousand Baht)						
<b>Cost:</b>							
At 1 January 2022	178,777	132,999	1,867,801	2,829,278	105,230	238,540	1,026,525
Additions	-	99	80	20,549	2,611	-	231,148
Transfers in/ (out)	225,661	155,483	258,741	470,535	3,031	636	(1,114,087)
Capitalised interest expense	-	-	-	-	-	-	689
Disposal/ written-off	-	(2,868)	-	(53,241)	(918)	(2,529)	-
Translation adjustment	(8,487)	(5,792)	(34,301)	(22,294)	(1,065)	(2,009)	557
<b>At 31 December 2022</b>	<b>395,951</b>	<b>279,921</b>	<b>2,092,321</b>	<b>3,244,827</b>	<b>108,889</b>	<b>234,638</b>	<b>144,832</b>
Additions	7,647	-	141	8,922	4,110	4,156	127,312
Transfers in/ (out)	500	4,173	47,519	150,789	3,599	5,504	(212,084)
Capitalised interest expense	-	-	-	-	-	-	173
Disposal/ written-off	-	(11)	(94)	(8,236)	(5,841)	(2,523)	(337)
Reclassify	-	-	(634,525)	611,562	592	22,371	-
Translation adjustment	747	510	(16,117)	(30,810)	(1,669)	(5,284)	(669)
<b>At 31 December 2023</b>	<b>404,845</b>	<b>284,593</b>	<b>1,489,245</b>	<b>3,977,054</b>	<b>109,680</b>	<b>258,862</b>	<b>59,227</b>

## Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	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
	(in thousand Baht)							
Depreciation:								
At 1 January 2022	-	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
Depreciation for the year	-	12,537	67,032	218,965	6,978	10,591	-	316,103
Depreciation-disposal/ written-off	-	(11)	(73)	(5,128)	(5,795)	(2,523)	-	(13,530)
Reclassify	-	-	(128,631)	123,684	473	4,474	-	-
Translation adjustment	-	96	(3,928)	(13,505)	(658)	(2,415)	-	(20,410)
At 31 December 2023	-	112,813	423,788	1,627,227	69,104	181,524	-	2,414,456
Allowance for impairment loss								
At 1 January 2022	-	-	-	189	4	-	-	193
Decrease allowance for impairment	-	-	-	(158)	-	-	-	(158)
At 31 December 2022	-	-	-	31	4	-	-	35
Allowance for impairment loss for the year	-	-	-	227	(1)	-	-	226
At 31 December 2023	-	-	-	258	3	-	-	261



## For the year ended 31 December 2023

316,103



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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>							
<b>Cost:</b>								
At 1 January 2022	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)
<b>At 31 December 2022</b>	<b>178,777</b>	<b>131,622</b>	<b>848,717</b>	<b>2,577,622</b>	<b>62,159</b>	<b>114,009</b>	<b>126,641</b>	<b>4,039,547</b>
Additions	7,647	-	124	7,968	1,868	1,921	97,210	116,738
Transfers in/ (out)	500	4,173	19,291	146,329	1,997	3,792	(176,082)	-
Disposal/ written-off	-	(11)	(94)	(8,230)	(5,831)	(2,523)	-	(16,689)
<b>At 31 December 2023</b>	<b>186,924</b>	<b>135,784</b>	<b>868,038</b>	<b>2,723,689</b>	<b>60,193</b>	<b>117,199</b>	<b>47,769</b>	<b>4,139,596</b>





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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>							
<b>Depreciation:</b>								
At 1 January 2022	-	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)
<b>At 31 December 2022</b>	-	<b>93,545</b>	<b>273,439</b>	<b>1,090,124</b>	<b>54,347</b>	<b>112,377</b>	-	<b>1,623,832</b>
Depreciation for the year	-	7,652	43,779	138,539	3,609	870	-	194,449
Depreciation-disposal/ written-off	-	(11)	(73)	(5,128)	(5,794)	(2,523)	-	(13,529)
<b>At 31 December 2023</b>	-	<b>101,186</b>	<b>317,145</b>	<b>1,223,535</b>	<b>52,162</b>	<b>110,724</b>	-	<b>1,804,752</b>
<b>Allowance for impairment loss</b>								
At 1 January 2022	-	-	-	189	4	-	-	193
Decrease allowance for impairment	-	-	-	(158)	-	-	-	(158)
<b>At 31 December 2022</b>	-	-	-	<b>31</b>	<b>4</b>	-	-	<b>35</b>
Allowance for impairment loss for the year	-	-	-	227	(1)	-	-	226
<b>At 31 December 2023</b>	-	-	-	<b>258</b>	<b>3</b>	-	-	<b>261</b>

## Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

The gross amount of the Group and the Company's fully depreciated buildings and equipment that was still in use as at 31 December 2023 amounted to Baht 617 million and Baht 612 million, respectively (31 December 2022: Baht 478 million and Baht 476 million, respectively).

As at 31 December 2023, the Group and the Company have mortgaged its land and structures thereon, motor vehicles and machinery with net book value of approximately Baht 1,734 million and Baht 1,514 million, respectively (31 December 2022: Baht 1,280 million and Baht 1,062 million, respectively) as collateral against credit facilities received from financial institutions.

For the year ended 31 December 2023, capitalized borrowing costs relating to the construction of machinery for the Group were Baht 0.17 million (2022: the Group and the Company are amount to Baht 0.69 million and Baht 0.68 million, respectively), with a capitalization rate of THOR plus Fixed rate (2022: Compound SOFR plus Spread adjustment plus fixed rate).

### 13 Right-of-use assets

As a lessee

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
<b>Right-of-use assets</b>				
	<i>(in thousand Baht)</i>			
Land	9,637	10,353	-	-
Buildings	45,681	48,506	45,681	48,506
Equipment	33,957	24,952	33,957	24,952
Vehicles	46,317	52,978	46,317	52,978
<b>Total</b>	<b>135,592</b>	<b>136,789</b>	<b>125,955</b>	<b>126,436</b>

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 32.60 million.

The Group leases lands and buildings for 3 to 45 years and leases equipment and vehicles for 3 to 5 years with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Fixed payments	54,229	30,561	54,165	30,496
<b>Total</b>	<b>54,229</b>	<b>30,561</b>	<b>54,165</b>	<b>30,496</b>

#### 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 financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>			

#### Amounts recognized in profit or loss

Depreciation of right-of-use assets:

- Land	405	318	-	-
- Buildings	2,826	3,035	2,826	3,035
- Equipment	12,107	10,669	12,107	10,669
- Vehicles	18,151	20,566	18,151	20,566
Interest on lease liabilities	8,115	3,870	7,885	3,647
Expenses relating to short-term leases	20,236	24,158	9,727	13,509
Expenses relating to leases of low-value assets	10,473	6,521	3,459	3,581

In 2023, total cash outflow for leases of the Group and the Company were Baht 85.11 million and Baht 67.37 million, respectively.

# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 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 summarized below:

	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Total costs	165,032	165,032
Less Accumulated depletion	(95,437)	(89,993)
<b>Net</b>	<b>69,595</b>	<b>75,039</b>
Depletion for the year	5,444	6,539

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 license fees annually as they incurred and amortizes the mining license fee over the years to the end of the license. This is because the annual license fee varies due to the calculation method used and, therefore, total future fees payable cannot be measured reliably. An estimated element of mining license costs charged to date has been deferred to future years as the license period exceeds the payment period and is included within "Prepayment of the mining license fee" on the Consolidated Statement of Financial Position as at 31 December 2023 of Baht 45 million (31 December 2022: Baht 47 million).

### 15 Intangible assets other than goodwill

	Consolidated financial statements				
	Software licences	Concession Rights	Intangible assets during installation and construction <i>(in thousand Baht)</i>	Others	Total
<b>Cost</b>					
At 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)
Liquidation of the subsidiary	-	-	-	(4,699)	(4,699)
<b>At 31 December 2022 and 1 January 2023</b>	<b>42,683</b>	<b>364,567</b>	<b>-</b>	<b>-</b>	<b>407,250</b>
Additions	5,099	-	-	-	5,099
Disposal/ write-off	(3)	-	-	-	(3)
<b>At 31 December 2023</b>	<b>47,779</b>	<b>364,567</b>	<b>-</b>	<b>-</b>	<b>412,346</b>
<b>Amortization</b>					
At 1 January 2022	7,362	20,208	-	6,145	33,715
Amortization for the year	4,159	3,191	-	-	7,350
Disposal/ write-off	(15)	-	-	-	(15)
Translation adjustment	(1)	-	-	(1,446)	(1,447)
Liquidation of the subsidiary	-	-	-	(4,699)	(4,699)
<b>At 31 December 2022 and 1 January 2023</b>	<b>11,505</b>	<b>23,399</b>	<b>-</b>	<b>-</b>	<b>34,904</b>
Amortization for the year	5,005	4,184	-	-	9,189
Disposal/ write-off	(3)	-	-	-	(3)
<b>At 31 December 2023</b>	<b>16,507</b>	<b>27,583</b>	<b>-</b>	<b>-</b>	<b>44,090</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>31,178</b>	<b>341,168</b>	<b>-</b>	<b>-</b>	<b>372,346</b>
<b>At 31 December 2023</b>	<b>31,272</b>	<b>336,984</b>	<b>-</b>	<b>-</b>	<b>368,256</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Separate financial statements		
	Software licenses	Intangible assets during installation and construction <i>(in thousand Baht)</i>	Total
<b>Cost</b>			
At 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)
<b>At 31 December 2022 and 1 January 2023</b>	<b>42,559</b>	<b>-</b>	<b>42,559</b>
Additions	5,099	-	5,099
Disposal/ write-off	(3)	-	(3)
<b>At 31 December 2023</b>	<b>47,655</b>	<b>-</b>	<b>47,655</b>
<b>Amortisation</b>			
At 1 January 2022	7,361	-	7,361
Amortisation for the year	4,151	-	4,151
Disposal/ write-off	(15)	-	(15)
<b>At 31 December 2022 and 1 January 2023</b>	<b>11,497</b>	<b>-</b>	<b>11,497</b>
Amortisation for the year	4,979	-	4,979
Disposal/ write-off	(3)	-	(3)
<b>At 31 December 2023</b>	<b>16,473</b>	<b>-</b>	<b>16,473</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>31,062</b>	<b>-</b>	<b>31,062</b>
<b>At 31 December 2023</b>	<b>31,182</b>	<b>-</b>	<b>31,182</b>

### 16 Short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
Short-term loans from financial institutions	1,048,851	947,206	954,192	872,257
<b>Total</b>	<b>1,048,851</b>	<b>947,206</b>	<b>954,192</b>	<b>872,257</b>

As at 31 December 2023, Short-term loans from financial institutions for the Group and the Company carried interest between 3.25 - 5.00 and 3.25 - 4.98 percent per annum, respectively (31 December 2022 : between 1.85 - 10.70 and 1.85 - 3.75 percent per annum).

### 17 Trade and other current payables

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Trade payables-related parties	4	-	-	27,036	25,438
Trade payables-unrelated parties		205,651	289,877	106,260	210,902
Other payables-related parties	4	89	347	106	1,876
Other payables-unrelated parties		83,520	95,786	73,599	75,561
Accrued expenses-unrelated parties		73,705	67,299	57,888	61,265
Advance receipt from customers		5,759	5,044	4,965	4,641
<b>Total trade and other current payables</b>		<b>368,724</b>	<b>458,353</b>	<b>269,854</b>	<b>379,683</b>





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 18 Lease liabilities

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Liabilities under finance lease agreements	234,365	254,232	223,981	243,636
Less Deferred interest expenses	(40,097)	(44,909)	(32,392)	(36,925)
Total	194,268	209,323	191,589	206,711
Less Portion due within one year	(45,539)	(42,305)	(45,478)	(41,941)
Liabilities under finance lease agreements- net of current portion	148,729	167,018	146,111	164,770

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.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

Future minimum lease payments required under the lease agreements are as follows

2023						2022					
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 minimum lease payments
<i>(in thousand Baht)</i>											

### Lease agreements

Within 1 year	28,678	(4,116)	24,562	28,617	(4,116)	24,501	25,808	(3,665)	22,143	25,444	(3,665)	21,779
Over 1 but not over 5 years	56,557	(12,270)	44,287	56,252	(11,977)	44,275	50,785	(12,953)	37,832	50,767	(11,316)	39,451
Over 5 years	52,571	(16,298)	36,273	42,553	(8,886)	33,667	56,952	(16,904)	40,048	46,739	(10,558)	36,181
	<u>137,806</u>	<u>(32,684)</u>	<u>105,122</u>	<u>127,422</u>	<u>(24,979)</u>	<u>102,443</u>	<u>133,545</u>	<u>(33,522)</u>	<u>100,023</u>	<u>122,950</u>	<u>(25,539)</u>	<u>97,411</u>

### Sale and lease back

Within 1 year	24,137	(3,160)	20,977	24,137	(3,160)	20,977	24,137	(3,975)	20,162	24,137	(3,975)	20,162
Over 1 but not over 5 years	72,422	(4,253)	68,169	72,422	(4,253)	68,169	96,550	(7,412)	89,138	96,550	(7,412)	89,138
	<u>96,559</u>	<u>(7,413)</u>	<u>89,146</u>	<u>96,559</u>	<u>(7,413)</u>	<u>89,146</u>	<u>120,687</u>	<u>(11,387)</u>	<u>109,300</u>	<u>120,687</u>	<u>(11,387)</u>	<u>109,300</u>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	2023						2022					
	Consolidated financial statement			Separate financial statement			Consolidated financial statement			Separate financial statement		
	Future minimum lease payments	Deferred interest expenses	Present value of future minimum lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future minimum lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future minimum lease payments	Future minimum lease payments	Deferred interest expenses	Present value of future minimum lease payments
(in thousand Baht)												
Total												
Within 1 year	52,815	(7,276)	45,539	52,754	(7,276)	45,478	49,945	(7,640)	42,305	49,581	(7,640)	41,941
Over 1 but not over 5 years	128,979	(16,523)	112,456	128,674	(16,230)	112,444	147,335	(20,365)	126,970	147,317	(18,728)	128,589
Over 5 years	52,571	(16,298)	36,273	42,553	(8,886)	33,667	56,952	(16,904)	40,048	46,739	(10,558)	36,181
	234,365	(40,097)	194,268	223,981	(32,392)	191,589	254,232	(44,909)	209,323	243,637	(36,926)	206,711



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 19 Long-term loans

Credit facilities	Interest rate per annum	Consolidated	
		financial statements	
		2023	2022
(in thousand Baht)			
1) Baht 1,300 million	MLR-Fixed percentage	582,608	768,192
2) Baht 248 million	MLR-Fixed percentage	93,005	134,337
3) Baht 400 million	MLR-Fixed percentage	14,400	131,700
4) Baht 20 million	MLR-Fixed percentage	8,240	14,960
5) Baht 200 million	MLR-Fixed percentage	127,200	-
6) USD 11 million	Compound SOFR + Spread adjustment + Fixed percentage (2022: LIBOR + Fixed percentage)	349,564	380,186
7) Baht 844 million (2022: USD 36.13 million)	THOR + Fixed percentage (2022: Compound SOFR + spread adjustment + Fixed percentage)	843,886	996,370
8) Baht 39.69 million	Prime rate - Fixed percentage	32,268	39,603
9) Baht 150 million	MLR-Fixed percentage	129,000	150,000
10) Others	Fixed percentage	337	525
Less Deferred loan front-end fee		(7,593)	(3,245)
Total		2,172,915	2,612,628
Less Portion due within one year		(543,752)	(571,145)
Long-term loans-net of current portion		1,629,163	2,041,483

Credit facilities	Interest rate per annum	Separate	
		financial statements	
		2023	2022
(in thousand Baht)			
1) Baht 1,300 million	MLR-Fixed percentage	582,608	768,192
2) Baht 248 million	MLR-Fixed percentage	93,005	134,337
3) Baht 400 million	MLR-Fixed percentage	14,400	131,700
4) Baht 20 million	MLR-Fixed percentage	8,240	14,960
5) Baht 200 million	MLR-Fixed percentage	127,200	-
6) USD 11 million	Compound SOFR + Spread adjustment + Fixed percentage (2022: LIBOR + Fixed percentage)	349,564	380,186
7) Baht 844 million (2022: USD 36.13 million)	THOR+ Fixed percentage (2022: Compound SOFR + spread adjustment + Fixed percentage)	843,886	996,370
8) Baht 39.69 million	Prime rate - Fixed percentage	32,268	39,603
9) Baht 150 million	MLR-Fixed percentage	129,000	150,000
Less Deferred loan front-end fee		(7,593)	(3,245)
Total		2,172,578	2,612,103
Less Portion due within one year		(543,553)	(570,956)
Long-term loans-net of current portion		1,629,025	2,041,147

#### Loan items 1 and 2

The long-term loan agreement with the tranches totaling 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 will be fully repaid within the first quarter of 2027.



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

As at 31 December 2023, 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 27 December 2023.

### *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 will be fully repaid within the first quarter of 2024.

### *Loan item 4*

The long-term loan agreement of 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 will be fully repaid within the first quarter of 2025.

### *Loan item 5*

The long-term loan agreement with the tranche of Baht 200 million requires the loan principal to be repaid in quarterly installments and interest at the rate Average MLR minus Fixed percentage. The loan principal will be fully repaid within the fourth quarter 2028 without collateral. The loan is secured by the mortgage of the Company's land and buildings. The Company is required to comply with some financial conditions as those specified in the Company's loan agreement and to maintain financial ratios.

As at 31 December 2023, Loan item 3, 4 and 5, 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 19 December 2023.

### *Loan item 6*

The long-term loan agreement with the tranche of USD 11 million requires the loan principal to be repaid in quarterly installments and bears interest at the rate compound SOFR plus spread adjustment plus Fixed percentage without guarantee. The Company is required to maintain debt to equity in accordance with the agreement. The loan principal will be fully repaid within the second quarter of 2030.

### *Loan item 7*

Under the long-term loan agreement with the tranche of Baht 844 million, the Company has agreed to convert the currency of loans on 22 December 2023 from USD 36.13 million to Baht 844 million and the interest rate has changed to Thai Overnight Repurchase Rate ("THOR") plus Fixed percentage. The Company is required to maintain financial ratios in accordance with the agreement. The loan principal is to be repaid in quarterly installments and will be fully repaid within the fourth quarter of 2027.

As at 31 December 2023, 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 19 December 2023.

### *Loan item 8*

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 will be fully repaid within the third quarter of 2027.

### *Loan item 9*

The long-term loan agreement with the tranche of Baht 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 will be fully repaid within the fourth quarter of 2027 without collateral.





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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.

As at 31 December 2023, 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 28 December 2023.

Movements of the long-term loans account during the year ended 31 December 2023 and 2022 are summarized below.

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Balance as at 1 January	2,612,628	2,853,159	2,612,103	2,851,498
Add Loan during year	133,727	192,237	133,727	192,237
Add Realised loss from loan currency conversion	83,803	-	83,803	-
Less Repayment of loan as due date	(555,150)	(462,224)	(554,941)	(461,766)
Less Deferred loans front-end fee	(6,700)	(1,173)	(6,700)	(1,173)
Add Amortisation of loans' front-end fee	2,352	1,753	2,352	1,753
Add Amortisation of deferred interest	22	53	-	-
Less Cancellation of the mortgage loan	-	(712)	-	-
Unrealized (gain) loss on exchange rate	(97,766)	29,554	(97,766)	29,554
Translation adjustment	(1)	(19)	-	-
Balance as at 31 December	2,172,915	2,612,628	2,172,578	2,612,103
Less Portion due within one year	(543,752)	(571,145)	(543,553)	(570,956)
<b>Long-term loans-net of current portion</b>	<b>1,629,163</b>	<b>2,041,483</b>	<b>1,629,025</b>	<b>2,041,147</b>

During the year 2023, the Company drew down the borrowing as detailed below :

Amount of loan agreement	Interest rate	Date of draw down	Amount	Due date
Baht 200 million	MLR - Fixed percentage	6 December 2023	Baht 127 million	the 4 <sup>th</sup> quarter of 2028

On 22 December 2023, the Company has agreed to convert the currency of loans, under the long-term loan agreement, from USD 36.13 million to Baht 843.89 million. The Company recognized loss from the said loan currency conversion amounting to Baht 83.80 million in the statement of comprehensive income.

### 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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
As at 1 January	65,697	62,303	64,753	61,580
<b>Include in profit or loss:</b>				
Current service cost	8,236	8,159	7,860	7,911
Interest on obligation	1,476	1,302	1,476	1,302
<b>Included in other comprehensive income:</b>				
Translation adjustment	(35)	(27)	-	-
<b>Other</b>				
Benefits paid during the year	(405)	(6,040)	(405)	(6,040)
<b>As at 31 December</b>	<b>74,969</b>	<b>65,697</b>	<b>73,684</b>	<b>64,753</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cost of sales	4,873	4,450	4,796	4,395
Distribution costs and administrative expenses	4,839	5,011	4,540	4,818
Total expenses recognized in profit or loss	<b>9,712</b>	<b>9,461</b>	<b>9,336</b>	<b>9,213</b>

The Company expects to pay for long-term employee benefits during the next year amounting to Baht 3.35 million (2022: The Company does not expect to pay for long-term employee benefits during the next year).

As at 31 December 2023, the weighted average duration of the long-term employee benefit liabilities is 17.7 years (2022: 17.7 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated and Separate financial statements	
	2023	2022
	<i>(% per annum)</i>	
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 2023 and 2022 is summarized below:

	Consolidated and Separate financial statements			
	2023		2022	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	<i>(in thousand Baht)</i>			
Discount rate	(8,051)	9,547	(7,522)	8,957
Salary increase rate	10,828	(9,217)	9,370	(7,989)

### 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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods	31,002	66,947	4,310	28,477
Raw materials and consumables used	61,384	474,681	59,944	52,148
Salaries and wages and other employee benefits	483,823	479,900	390,895	368,872
Depreciation and amortization	366,275	370,951	237,956	235,601
Transportation expenses	512,938	650,079	417,167	496,505
Fuel charge	980,996	937,818	975,713	934,314
Electric expenses	225,021	213,102	193,610	189,154
Bad debts	-	6	-	6
Others	527,801	337,038	194,470	178,898
<b>Total</b>	<b>3,189,240</b>	<b>3,530,522</b>	<b>2,474,065</b>	<b>2,483,975</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 23 Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Current income tax:</b>				
Current income tax charge	46,428	52,768	45,326	50,591
Adjustment of previous years' income tax	(309)	-	(309)	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	7,011	(2,969)	(1,501)	872
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>53,130</b>	<b>49,799</b>	<b>43,516</b>	<b>51,463</b>

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

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Accounting profit before tax	165,744	177,978	252,546	344,934
Applicable tax rate	20 - 30%	20 - 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	39,869	31,677	50,509	68,987
Adjustment of previous years' income tax	(309)	-	(309)	-
Share of gain from investments in joint ventures	(4,360)	(272)	-	-
Effects of:				
Promotional privileges (Note 24)	(8,604)	(19,516)	(8,604)	(19,516)
Non-deductible expenses	28,515	28,288	3,068	4,531
Additional expense deductions allowed	(608)	(1,621)	(608)	(1,621)
Others	(1,373)	11,243	(540)	(918)
Total	17,930	18,394	(6,684)	(17,524)
Income tax expense reported in the statement of comprehensive income	53,130	49,799	43,516	51,463

The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	15,412	13,568	14,737	12,950
Loss carry forward	44,026	55,099	-	-
Others	12,811	9,111	918	895
<b>Total</b>	<b>72,249</b>	<b>77,778</b>	<b>15,655</b>	<b>13,845</b>
<b>Deferred tax liabilities</b>				
Deferred loan from front-end fee	734	424	734	424
Fair value adjustment of subsidiary's assets regarding business combination	67,412	68,291	-	-
Others	2,305	-	-	-
<b>Total</b>	<b>70,451</b>	<b>68,715</b>	<b>734</b>	<b>424</b>
<b>Net</b>	<b>1,798</b>	<b>9,063</b>	<b>14,921</b>	<b>13,421</b>

Movements in deferred tax balances are as follows:

	Consolidated financial statements (Charged) / Credited to			
	At 1 January 2023	Profit or loss	Effect of movements in exchange rates	At 31 December 2023
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	13,568	1,844	-	15,412
Loss carry forward	55,099	(11,115)	42	44,026
Others	9,111	3,980	(280)	12,811
<b>Total</b>	<b>77,778</b>	<b>(5,291)</b>	<b>(238)</b>	<b>72,249</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Consolidated financial statements			
	(Charged) / Credited to			
	At 1 January 2023	Profit or loss	Effect of movements in exchange rates	At 31 December 2023
	(in thousand Baht)			
Deferred tax liabilities				
Deferred loan from front-end fee	(424)	(310)	-	(734)
Fair value adjustment of subsidiary's assets regarding business combination	(68,291)	879	-	(67,412)
Others	-	(2,290)	(15)	(2,305)
Total	(68,715)	(1,721)	(15)	(70,451)
Net	9,063	(7,012)	(253)	1,798

	Consolidated financial statements			
	(Charged) / Credited to			
	At 1 January 2022	Profit or loss	Effect of movements in exchange rates	At 31 December 2022
	(in thousand Baht)			
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

Deferred tax liabilities				
Deferred loan from front-end fee	(483)	59	-	(424)
Fair value adjustment of subsidiary's assets regarding business combination	(69,387)	1,096	-	(68,291)
Total	(69,870)	1,155	-	(68,715)
Net	8,983	2,969	(2,889)	9,063

	Separate financial statements			
	(Charged) / Credited to			
	At 1		Other	At 31
	January	Profit	comprehensive	December
	2023	or loss	income	2023
	(in thousand Baht)			
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	12,950	1,787	-	14,737
Others	895	23	-	918
<b>Total</b>	<b>13,845</b>	<b>1,810</b>	<b>-</b>	<b>15,655</b>
<b>Deferred tax liabilities</b>				
Deferred loan from front-end fees	(424)	(310)	-	(734)
<b>Total</b>	<b>(424)</b>	<b>(310)</b>	<b>-</b>	<b>(734)</b>
<b>Net</b>	<b>13,421</b>	<b>1,500</b>	<b>-</b>	<b>14,921</b>
	Separate financial statements			
	(Charged) / Credited to			
	At 1		Other	At 31
	January	Profit	comprehensive	December
	2022	or loss	income	2022
	(in thousand Baht)			
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	12,317	633	-	12,950
Others	2,459	(1,564)	-	895
<b>Total</b>	<b>14,776</b>	<b>(931)</b>	<b>-</b>	<b>13,845</b>
<b>Deferred tax liabilities</b>				
Deferred loan from front-end fees	(483)	59	-	(424)
<b>Total</b>	<b>(483)</b>	<b>59</b>	<b>-</b>	<b>(424)</b>
<b>Net</b>	<b>14,293</b>	<b>(872)</b>	<b>-</b>	<b>13,421</b>

	Separate financial statements			
	(Charged) / Credited to			
	At 1	Other		At 31
	January	Profit	comprehensive	December
	2022	or loss	income	2022
	(in thousand Baht)			
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



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

As at 31 December 2023, an indirect subsidiary has accumulated unused tax losses amounting to Baht 284 million (2022: Baht 186 million) which will expire by 2024 - 2028 and the deferred tax asset have not been recognized as the subsidiary believes that future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

### 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 promotional privileges					
1. Certificate No.	2484(2)/ 2554	1498(2)/ 2558	59-1278- 1-00-1-0	65-1141- 1-04-1-0	66-1574- 2-04-1-0
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
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.	5 years	5 years			
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
3. Date of first earning operating income	15 February 2013	2 September 2016	Not yet operate	12 September 2022	9 November 2023

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	
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Domestic sales	553,414	392,119	802,799	869,112	1,356,213	1,261,231
Export sales	456,800	371,677	892,488	1,101,434	1,349,288	1,473,111
Total sales	<u>1,010,214</u>	<u>763,796</u>	<u>1,695,287</u>	<u>1,970,546</u>	<u>2,705,501</u>	<u>2,734,342</u>

### 25 Dividends

	Approved by	Amount	Per share	Dividends payment date
		<i>(in million Baht)</i>		<i>(in Baht)</i>
<b>2023</b>				
The annual dividends payment for the year 2022 from the retained earnings of the operations receiving investment promotional privileges.	Annual General Meeting of Shareholders on 28 April 2023	38.40	0.04	26 May 2023
<b>Total dividend payment for the year ended 31 December 2023</b>		<u><b>38.40</b></u>	<u><b>0.04</b></u>	

### 26 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.





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Earnings per share</b>				
Profit for the year (Thousand Baht)	136,090	151,800	209,030	293,471
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)	0.1418	0.1581	0.2177	0.3057

### 27 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

In 2023, the Group have revenue from one major customer in amount of Baht 642 million, arising from domestic sales (2022: the Group have revenue from one major customer in amount of Baht 664 million, arising 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:

For the year ended 31 December 2023, the Group has service income amounting to Baht 275 million and cost of services amounting to Baht 239 million (For the year ended 31 December 2022: service income amounting to Baht 269 million and cost of services amounting to Baht 354 million) from a new distribution center in Australia which is a large distribution center that utilizes supply chain innovations and automation systems to enhance efficiency of incoming and outgoing process flow as well as other supporting functions.

## Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

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# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 28 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 2023 amounted to Baht 9.1 million (2022: Baht 8.9 million) and were recognized as expenses.

### 29 Financial instruments

#### 29.1 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 tables 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				
	Contractual cash flows				
	When asked	1 year	1-5 years (in million Baht)	More than 5 years	Total
<b>At 31 December 2023</b>					
<b>Non-derivative financial liabilities</b>					
Short-term loans from financial institutions	-	1,049	-	-	1,049
Trade and other current payables	-	363	-	-	363
Long-term loans from financial institutions	-	544	1,602	27	2,173
Lease liabilities	-	46	112	36	194
	-	<b>2,002</b>	<b>1,714</b>	<b>63</b>	<b>3,779</b>
<b>At 31 December 2022</b>					
<b>Non-derivative financial liabilities</b>					
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
	-	<b>2,013</b>	<b>2,087</b>	<b>121</b>	<b>4,221</b>



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

	Separate financial statements				
	Contractual cash flows				
	When asked	1 year	1-5 years (in million Baht)	More than 5 years	Total
<b>At 31 December 2023</b>					
<b>Non-derivative financial liabilities</b>					
Short-term loans from financial institutions	-	954	-	-	954
Trade and other current payables	-	265	-	-	265
Long-term loans from financial institutions	-	544	1,602	27	2,173
Lease liabilities	-	45	112	35	192
	-	<b>1,808</b>	<b>1,714</b>	<b>62</b>	<b>3,584</b>
<b>At 31 December 2022</b>					
<b>Non-derivative financial liabilities</b>					
Short-term loans from financial institutions	-	872	-	-	872
Trade and other current payables	-	375	-	-	375
Long-term loans from financial institutions	-	571	1,960	81	2,612
Lease liabilities	-	42	129	36	207
	-	<b>1,860</b>	<b>2,089</b>	<b>117</b>	<b>4,066</b>

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to related parties, short-term loan from financial institutions, liabilities under lease agreements and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements						
	As at 31 December 2023						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
	(in million Baht)						
Financial assets							
Cash and cash equivalent	-	-	-	165	-	165	0.01 - 3.00
Trade and other current receivables	-	-	-	-	461	461	-
Loans to related parties	-	-	-	-	3	3	-
Total	-	-	-	165	464	629	
Financial liabilities							
Short-term loans from financial institutions	1,049	-	-	-	-	1,049	3.25 - 5.00
Trade and other current payables	-	-	-	-	363	363	-
Liabilities under lease agreement	46	112	36	-	-	194	2.47 - 9.00
Long-term loans	-	-	-	2,173	-	2,173	2.00 - 9.27
Total	1,095	112	36	2,173	363	3,779	
	Consolidated financial statements						
	As at 31 December 2022						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
	(in million Baht)						
Financial assets							
Cash and cash equivalent	-	-	-	122	-	122	0.01 – 4.40
Trade and other current receivables	-	-	-	-	520	520	-
Loans to related parties	1	-	-	-	4	5	3.12
Total	1	-	-	122	524	647	
Financial liabilities							
Short-term loans from financial institutions	947	-	-	-	-	947	1.85 - 10.70
Trade and other current payables	-	-	-	-	453	453	-
Liabilities under lease agreement	42	127	40	-	-	209	2.54 - 9.00
Long-term loans	-	-	-	2,613	-	2,613	2.00 - 7.86
Total	989	127	40	2,613	453	4,222	





# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

Separate financial statements							
As at 31 December 2023							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(in million Baht)						(% per annum)
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	105	-	105	0.01 - 2.00
Trade and other current receivables	-	-	-	-	408	408	-
Short-term Loans to related parties	29	-	-	-	-	29	7.97
Long-term Loans to related parties	-	-	-	1,787	-	1,787	7.04 - 9.10
<b>Total</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>1,892</b>	<b>408</b>	<b>2,329</b>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	954	-	-	-	-	954	3.25 - 4.98
Trade and other current payables	-	-	-	-	264	264	-
Liabilities under lease agreement	45	112	35	-	-	192	2.47 - 5.63
Long-term loans	-	-	-	2,173	-	2,173	2.00 - 9.27
<b>Total</b>	<b>999</b>	<b>112</b>	<b>35</b>	<b>2,173</b>	<b>264</b>	<b>3,583</b>	

Separate financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(in million Baht)						(% per annum)
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	96	-	96	0.01 - 0.35
Trade and other current receivables	-	-	-	-	477	477	-
Short-term Loans to related parties	1	-	-	-	-	1	3.12
Long-term Loans to related parties	-	-	-	1,881	-	1,881	3.05 - 9.23
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1,977</b>	<b>477</b>	<b>2,455</b>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	872	-	-	-	-	872	1.85 - 3.75
Trade and other current payables	-	-	-	-	375	375	-
Liabilities under lease agreement	42	129	36	-	-	207	2.54 - 5.25
Long-term loans	-	-	-	2,612	-	2,612	2.00 - 7.86
<b>Total</b>	<b>914</b>	<b>129</b>	<b>36</b>	<b>2,612</b>	<b>375</b>	<b>4,066</b>	

### 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 2023 and 2022, 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	
	2023	2022	2023	2022	2023	2022
	(in million)				(in Baht per 1 foreign currency unit)	
USD	7.8	6.3	10.4	40.2	34.2233	34.5624
JPY	4.4	-	-	-	0.2423	0.2609



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### Separate financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(in million)				(in Baht per 1 foreign currency unit)	
USD	24.0	38.3	11.1	40.9	34.2233	34.5624
AUD	34.4	35.3	-	-	23.4595	23.3791
JPY	4.4	-	-	-	0.2423	0.2609

#### 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.

### 29.2 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 2023 is presented below.

	Consolidated and Separate financial statements			
	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
	Fair value through profit or loss		Fair value through profit or loss	
	(in thousand Baht)			
Financial Asset				
Other non-current financial asset	15,000	15,000	15,000	15,000

### 29.3 Fair value hierarchy

As at 31 December 2023, the Group had the assets and liabilities that were measured at fair value at through 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 2023			
Level 1	Level 2	Level 3	Total
(in thousand Baht)			

#### Asset measured at fair value

Other non-current financial assets

Investment in equity securities	-	-	15,000	15,000
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Consolidated and Separate financial statements			
31 December 2022			
Level 1	Level 2	Level 3	Total
(in thousand Baht)			

#### Asset measured at fair value

Other non-current financial assets

Investment in equity securities	-	-	15,000	15,000
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#### Financial instruments measured at fair value

Type	Valuation technique
Equity securities	Net Assets as at reported date

### 30 Commitments and contingent liabilities

#### 30.1 Capital commitments

- 1) The Group had capital commitments relating to the construction of plant and acquisition of machinery and equipment as follows:

Currency	Consolidated and Separate financial statements	
	2023	2022
Million Baht	1.6	4.0



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 30.2 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 financial statements		Separate financial statements	
2023	2022	2023	2022
<i>(in million Baht)</i>			

Payable:

Within 1 year	15.3	18.1	7.8	8.1
Over 1 but not over 5 years	7.8	7.4	4.4	7.0
Over 5 Years	11.3	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 agreement will be expired in 2028.

### 30.3 Guarantees

- 1) As at 31 December 2023 and 2022, the Group have outstanding bank guarantees in respect of certain performance as required in the normal course of business as follows.

	Currency	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Guarantee electricity use	Million Baht	21.4	21.4	19.6	19.6
Guarantee performance and others	Million Baht	8.2	8.3	8.2	8.3

### 30.4 Other commitments

- 1) As at 31 December 2023, the Company had commitment amounting to INR 35.78 million (31 December 2022: 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.
- 4) Ha Long QN Lime Company Limited ("HLL") has written off a receivable from the former shareholder prior to HLL's acquisition by the Group under the conditions precedent of the Capital Contribution Transfer Agreement. Subsequently, HLL has paid for the related taxation, which is supposed to be accounted by the former shareholder as the beneficiary of the write-off transaction. The refund of such taxation is under negotiation with the former shareholder. On 29 March 2021, HLL declared the letter to a tax authority following a suggestion of tax specialist to utilize the above prepaid tax by offsetting against other incurred taxes and other fee in the future. HLL has utilized those prepaid tax since April 2021 until now. However, HLL has not yet received any confirmation letter from a tax authority. Group management consider that HLL has no exposure to the tax obligation because the said tax obligation should be the responsibility of the former shareholder, who benefits from the write-off. Therefore, the Group has not made provision for the tax liabilities. Vietnamese tax legislation is unclear in the



# Notes to the financial statements

## Chememan Public Company Limited and its subsidiaries

For the year ended 31 December 2023

circumstances where the beneficiary has not settled the tax liabilities. Therefore, dependent upon any potential future inspection, actions or decisions of the Vietnamese Tax Authority, there is still possibility that HLL may be exposed to the tax obligation amounting to VND 59.78 billion or equivalent to Baht 87.28 million plus any applicable penalties and interest.

### 31 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's value. As at 31 December 2023, the Group's debt-to-equity ratio was 1.64:1 (2022: 1.87:1) and the Company's was 1.33:1 (2022: 1.60:1).

### 32 Subsequent event

On 27 February 2024, the Company's Board of Directors' Meeting passed a resolution to propose for approval by the Annual General Meeting of the Company's shareholders for the payment of a dividend of Baht 0.07 per share in respect of the year 2023 operating results, totaling Baht 67.2 million. Thus, the proposed dividend payment of the Company will depend on the resolution of the Annual General Meeting of shareholders for the year 2024.

### 33 Reclassification

The Group and the Company reclassified some items in the financial statements in order to comply with the classification in the current period, which does not have any effect on the profit or loss for the period or the shareholders' equity already presented, the details are as follows:

Consolidated Financial Statements		
Before reclassification	Reclassify	After reclassification
(in thousand Baht)		

#### Statement of comprehensive income For the year ended 31 December 2022

Cost of sales	2,303,132	62,548	2,365,680
Cost of services	296,436	57,689	354,125
Distribution cost	578,387	(97,833)	480,554
Administrative expenses	352,568	(22,404)	330,164

Separate financial statement		
Before reclassification	Reclassify	After reclassification
(in thousand Baht)		

#### Statement of comprehensive income For the year ended 31 December 2022

Cost of sales	1,781,621	97,833	1,879,454
Distribution costs	466,364	(97,833)	368,531

### 34 Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 27 February 2024.









### **Chememan Public Company Limited**

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