



*Elevate New  
Possibilities for  
Living Spaces*



**Annual Report 2024**

(Form 56-1 One Report)  
SCG Decor Public Company Limited



# CONTENTS

## **Part 1 Business Operations and Operating Results**

01	Business Structure and Operations of the Company's Group	<b>14</b>
02	Risk Management	<b>50</b>
03	Driving Businesses towards Sustainability	<b>63</b>
04	Management Discussion and Analysis (MD&A)	<b>98</b>
05	General Information and Other Key Information	<b>107</b>

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## **Part 2 Corporate Governance**

06	Corporate Governance Policy	<b>110</b>
07	Corporate Governance Structure and Key Information on the Board of Directors, Sub-committees, Executives, Employees and Others	<b>154</b>
08	Report on Key Corporate Governance Performance	<b>195</b>
09	Internal Control and Connected Transactions	<b>210</b>

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## **Part 3 Financial Statements**

10	Report on the Board of Directors' Responsibility for Financial Statements 2024	<b>227</b>
11	Financial Statements and Key Financial Information	<b>228</b>



You may find additional information on the Company via Appendices shown on its website <https://investor.scgdecor.com/en/attachment-onereport-2024>

When this 56-1 One Report makes any reference to the Company's website, information shown there shall be considered parts of the report. The Board of Directors shall be responsible for the completeness and accuracy of information the report has referred to just like it shall be for information shown directly in this 56-1 One Report.

# GAINING SYNERGIES AMONG THAILAND REGIONAL OPERATIONS



## Regional Optimization & Business Sourcing

1



### Regional Optimization:

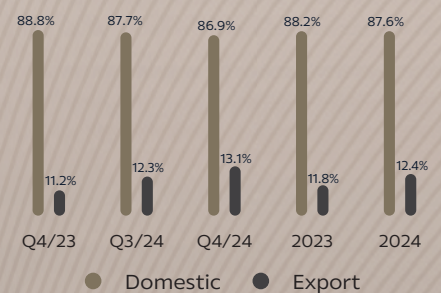
Efficiently managing products from regional manufacturing bases in conjunction with supply chain management



### Expedite Export to Global Market:

Collaboration between COTTO in Thailand and PRIME in Vietnam post more opportunities for Export

Revenue form Sales Tile & Wares



2



### Business Sourcing:

Business sourcing to fulfill the product portfolio to serve customers' demand due to the Company's expertise in research, development and quality control

3



### Smart & Green Factory:

Improving production efficiency by reducing energy usage, production time, and production waste with the modern technology and automation

# PURSuing ASEAN OPPORTUNITIES



## X-Strong

Scratch-Resistant and Heavy-Duty Tiles



## Paw & Play

Suitable surface and functional tiles for pet lovers



## Vinyl Tile

SPC and LVT vinyl tiles



## QUINTA Basin

Premium collection for Basin



## QUINTA Faucet

Premium collection for Faucet





**Mr. Roongrote Rangsiyopash**

Chairman

**Mr. Numpol Malichai**

Chief Executive Officer and President

## Message from the Board of Directors

In 2024, the Company's performance improved compared to the previous year. The Company has continuously taken actions to enhance its competitiveness in order to mitigate the impact of the still-slow market.

The Company has accelerated the implementation of renewable and alternative energy projects to reduce production costs, expedited the development and production of High-Value Added (HVA) products, and restructured its business. Meanwhile, domestic market faced challenges from high household debt and stricter credit lending. Vietnamese market has not been well recovered after the enactment of land laws last year. The markets in the Philippines and Indonesia are also slow phases.

In 2024, the Company reported an EBITDA of 3,134 million Baht, a 4% increase from the previous year, and net profit attributable to shareholders was 810 million Baht, a 147% increase from the prior year. These figures already include one-time expenses, such as costs related to business restructuring and damages from flooding in the Philippines, totaling approximately 100 million Baht. The Company's total sales revenue was 25,563 million Baht, a 10% decrease from the previous year.

At the end of 2024, the Company maintained a strong financial position, with a net debt-to-EBITDA ratio of 1.4x. Cash flow remained stable due to its solid operating performance, while the working capital was reduced by approximately 10%, or over 500 million Baht through effective inventory control and account receivables management. The Board of Directors of SCGD resolved to propose to 2025 AGM for 2024 annual dividend of 0.20 Baht per share, comprising an interim dividend of 0.10 Baht per share and the remaining dividend of 0.1 Baht per share.

**The Company has continuously enhanced its competitiveness by:**

**Accelerating investment in renewable and alternative energy projects**, primarily use of biomass fuel from agricultural waste and solar energy. In the past year, the Company has increased the use of biomass fuel to 20% of the total heat energy used in production and has utilized solar energy for up to 10% of the total electricity used in production, resulting in a total cost savings of approximately 280 million Baht per year and total reduction of carbon dioxide emissions by 300,000 tons per year. These operations are in line with the target of increasing the use of biomass and solar energy to 46% and 15%, respectively, by 2030.

**Continuously developing and producing High-Value-Added (HVA) products**, the Company had accelerated 3 production lines of large-sized glazed porcelain tiles in Vietnam and Thailand to support the growing demand in the ASEAN market. Dai Loc 2 and Tien Phong projects located in central and northern Vietnam, and Nong Kae 2 factory located in Saraburi province, have total capacity of 14 million square meters and fully utilize kilns capacity. Therefore, this year the Company has proceeded to add an additional 5 million square meters in Pho Yen, Vietnam, expected to be completed in the middle of 2025.

Furthermore, the Company has developed new products to meet customer needs for a better quality of life, such as X-Strong tiles with high load-bearing capacity, Paws & Play tiles for pets, eco-friendly Smart toilets that reduce water usage and are easy to clean, and provision of complementary products, including tile adhesive, grout, kitchen countertops, doors, and windows. Additionally, the Company successfully launched SPC LT by COTTO production line to align with its strategy to diversify into new decorative surface material in response to customer needs on ease of installation with “Click Lock” system, durability, and environmental friendliness.

**Business restructure by incorporating artificial intelligence (AI) and robotics technology in business operations**, such as quality inspection of tiles in production process, use of robotic arms in sanitary ware production, and automated product transportation and packaging. In addition, the Company adjusted production according to market demand. The business restructure was expected to benefit operating cost reduction by approximately 70 million Baht per year in the future.

In addition to enhancing competitiveness as described above, the Company focuses on growth in Decor Surfaces business, Bathroom business, and Complementary businesses. The Company has also implemented key strategies, and explored opportunities for merger and partnership. The progress in the past year was as follows.

**Expanding distribution channels for tiles by building a network of partners both domestically and internationally.** In 2024, the Company expanded its distribution network to increase market reach and better understand market needs. In Thailand, the Company commenced COTTO LiFE Don Mueang branch, a large flagship showroom that brings together Lifestyle Tiles & Solutions and sanitary ware with full-service offerings. Internationally, the Company added 4 more CTM (Ceramic Tiles and More) stores in the Philippines and opened the first V-Ceramic Manufacturing Outlet store in the northern region of Vietnam and the first OK Tiles Outlet store in Cambodia to support growing demand. The Company has been speeding up the expansion of its international distribution channels.

**Expanding distributors for Bathroom business internationally** to support growth in ASEAN. The Company has leveraged strong brand and distribution network of decor surfaces

business to include sanitary ware products. In 2024, the Company increased the number of distributors from 150 in 2023 to approximately 170, resulting in international Bathroom business sales approximately 500 million Baht, or an increase of 7% from last year.

**Expanding Complementary products and services in Thailand and expand to ASEAN in the future.** In 2024, the Company expanded its portfolio of Complementary products, including tile adhesives, grout, kitchens, doors, windows, and countertop tiles. In total, the Company generated 416 million Baht in sales from related products and services, an increase of 18% year-over-year. The Company expects the Complementary products and services to complement its core products, leading to strong growth opportunities continuously.

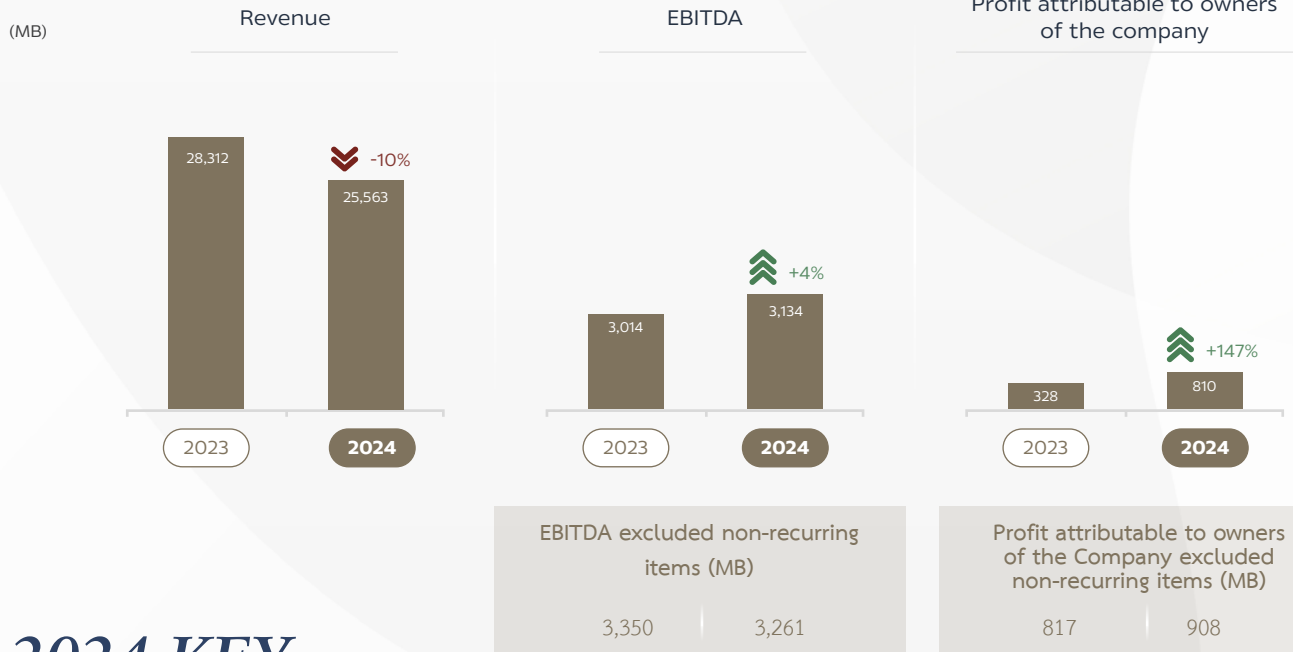
In addition to enhancing competitiveness and implementing growth strategies as detailed above, the Company has received numerous awards both domestically and internationally, demonstrating its status as a leading trusted brand by consumers both in Thailand and abroad. These awards include: “2024 THAILAND’S MOST ADMIRABLE BRAND” from BrandAge for the 13<sup>th</sup> consecutive year, “Marketeer Number 1 Brand Thailand” for leading tile and bathroom brands, The Winner Award for COTTO ECO-SHIZZO Eco-Friendly Tiles at the TGDA 2024 (Thai Green Design Awards), The Outstanding Pet-Friendly Building Material Award from Baan Lae Suan. Including prestigious regional awards such as “ASIA’S Top Influential Brands Awards 2023”, recognizing Asia’s top brands that resonate with consumers in the industry, and the “Asia Excellent Brand Awards 2024” in Vietnam.

**Furthermore, the Company’s commitment to ESG practices has resulted in a CGR rating of 5 or “Excellent” in the real estate and construction industry.** This rating was based on the 2024 Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors (IOD) with support from the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). In December, the Company was selected by the SET as one of the “SET ESG Ratings” A-rated companies in the real estate and construction industry for 2024 and included in the “SET ESG Index” for 2024. These achievements reflect the Company’s sustainable growth in Thailand and ASEAN, delivering strong long-term returns for investors while demonstrating responsibility towards all stakeholders and contributing to environmental and social causes through good corporate governance (Environmental, Social, and Governance: ESG), aligning with sustainable investment trends.

Finally, the Board of Directors extends its gratitude to shareholders, investors, customers, partners, and all stakeholders for the ongoing support. The Company remains committed to operate under corporate governance principles while contributing to society and the environment, ensuring maximum benefits for all stakeholders.

# FINANCIAL OVERVIEW

■ Operating Result



## 2024 KEY INVESTMENTS



### Solar Energy Projects in Thailand and the Philippines totaling 8 MW

 Solar energy for electricity generation

 Saving **34 MB/year**



### Hot Air Generator System


 Biomass energy for heat production

 Saving **30 MB/year**



### Glazed Porcelain Expansion Projects in Thailand and Vietnam

 Replace the existing and add more capacity of **over 14 mil sqm.**

 Total investment **849 MB**



### New SPC (Stone Plastic Composite) Tile Production Line in Thailand


 Production capacity **1.8 mil sqm.**

 Total investment **138 MB**



### Retail Expansion

- (1) COTTO LIFE in Don Mueang, Thailand
- (2) Klang Ceramic (8 branches), Thailand
- (3) V-Ceramic, Vietnam
- (4) OK Tile, Cambodia
- (5) CTM (4 branches), the Philippines

 Enhance market representation while getting closer to end customers.





# COMPANY STRATEGIES AND PROGRESS HIGHLIGHTS



**Expand Bathroom Business to ASEAN** by leveraging the strength and leadership position of the decor surfaces. Last year the Company appointed a total of 170 distributors and generated sales approximately 500 million Baht, a 7% increase from the previous year.



**Maximize Profit through production and supply chain optimization** from business collaboration between COTTO in Thailand and PRIME in Vietnam, with high competitiveness, resulted in continuous export expansion to 12.4% last year.



**Fortify leading position of Decor Surface business and strengthen distribution channels to become ASEAN leader** by accelerating delivery of high-value-added products and expansion of distribution channels. Last year, HVA products that can generate higher margin grew from 26% to 34%. The Company also opened 15 new owned stores in Thailand and ASEAN.



**Grow Sustainably with Green Products** with the goal to achieve net zero carbon emissions by 2050. In the past year, the Company increased the use of solar energy to 10% and the use of biomass fuel to 20%, resulting in a total cost savings of approximately 280 million Baht per year and total reduction of carbon dioxide emissions by 300,000 tons per year.



**Expand to related products and services** through expanding portfolio such as adhesive and grout and collaboration with strategic partners in ASEAN. In 2024, sales from related products and services increased to 416 million Baht, an 18% increase compared to the previous year.

## BOARD OF DIRECTORS



**Mr. Roongrote Rangsiyopash**

Chairman



**Mr. Wiroat Rattanachaisit**

Vice Chairman / Chairman of the Nomination, Remuneration, and Corporate Governance Committee / Chairman of the Executive Committee / Member of the Sustainable Development Committee



**Mr. Luksananoi Punkrasamee**

Lead Independent Director / Chairman of the Audit and Risk Management Committee



**Mr. Nithi Patarachoke**

Director / Chairman of the Sustainable Development Committee / Member of the Nomination, Remuneration, and Corporate Governance Committee



**Mr. Chaovalit Ekabut**

Director / Member of the Nomination, Remuneration, and Corporate Governance Committee



**Mr. Pakorn Matrakul**

Independent Director / Member of the Audit and Risk Management Committee / Member of the Nomination, Remuneration, and Corporate Governance Committee



**Mrs. Sirivipa Supantanet**

Independent Director / Member of the Audit and Risk Management Committee



**Mr. Thammasak Sethaudom**

Director / Member of the Executive Committee



**Mr. Giovanni Grossi**

Director



**Mr. Teeranun Srihong**

Independent Director



**Mrs. Malinee Panichapong**

Independent Director / Member of the Sustainable Development Committee



**Mr. Numpol Malichai Director**

Member of the Sustainable Development Committee / Member of the Executive Committee / Chief Executive Officer and President

## MANAGEMENT TEAM



**Mr. Numpol Malichai**

Chief Executive Officer  
and President



**Mr. Kittiphong Photaranon**

Chief Operating and Technology Officer



**Mr. Jakkrit Suwansilp**

Chief Marketing Officer



**Mr. Chaiyaporn Supanya**

Chief People Officer



**Mr. Smithi Kosicharoen**

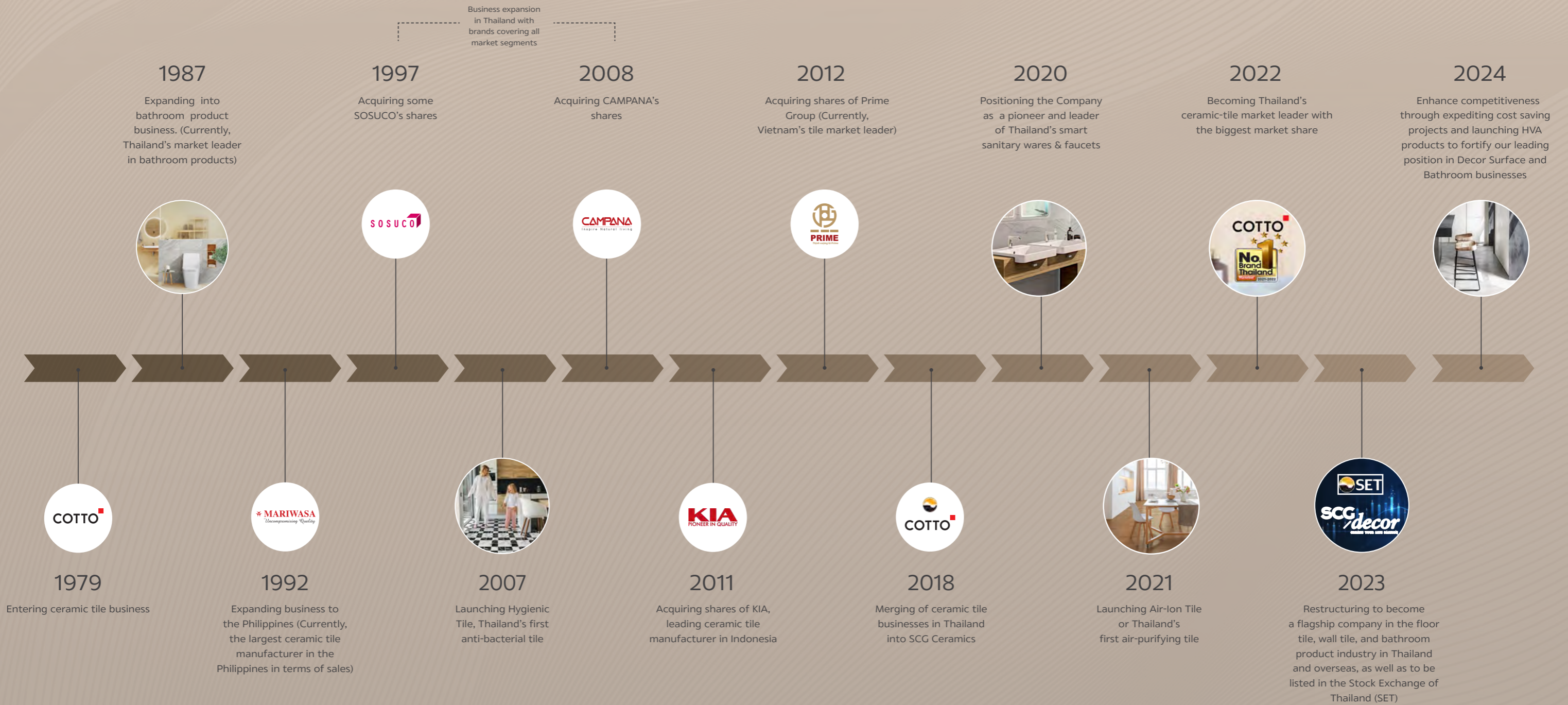
Chief Financial Officer



**Mrs. Voranun Sodayin**

Accounting Officer Director

# KEY CHANGES AND MILESTONES



# MARKET LEADER



Vietnam



**Market leader**  
in tile business



The Philippines



**Market leader**  
in tile business



Thailand



**COTTO** **CAMPANA** **SOSUCO**  
Inspire Natural living

**Market leader** in tile, bathroom,  
and faucet businesses



Indonesia



**Leading tile brand**

01

# 01

## Business Structure and Operations of the Company's Group

### 1.1 Business Policy and Overall Operations

The Company is the leading Decor Surfaces and Bathroom businesses in ASEAN countries. The Company is meticulous in every step, starting from the selection of raw materials for producing tiles and sanitary ware, controlling and overseeing every process in the production line. The selections also include to qualified and diverse Complementary products from external manufacturers, and offer products and services at fair prices to satisfy customers and enhance their living standards in every country that the Company operates in. Moreover, the Company continuously invests in research and development by adopting new technologies in production, reducing costs, particularly energy expenses, improving management practices, warehouse management, and logistics to keep up with changing customer demands and behaviors, as well as to increase efficiency throughout the entire value chain.

Currently, the Company offers a wide range of floor tiles, wall tiles, and sanitary ware products under well-known brands in the industry, which meet the needs of all

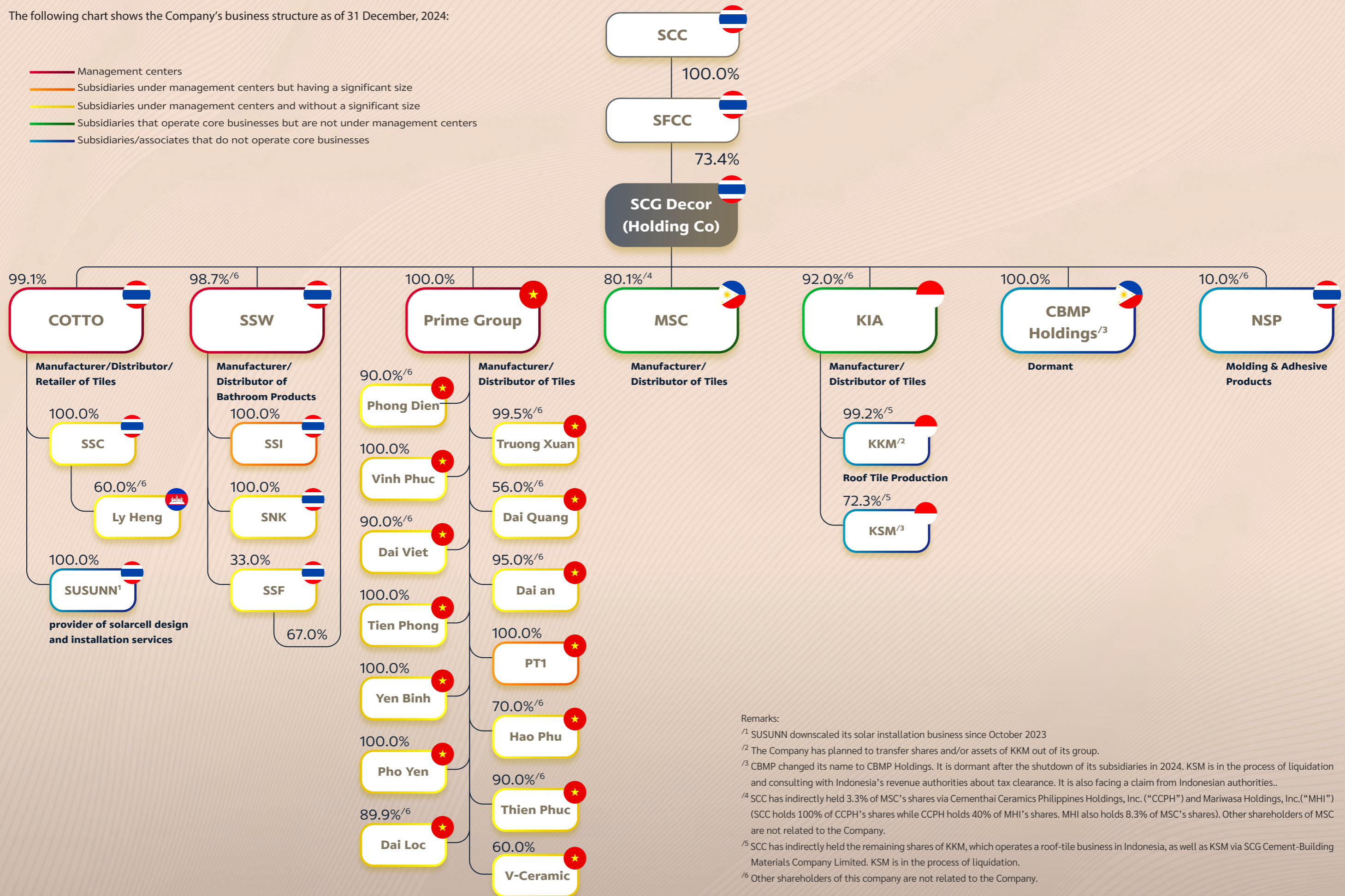
groups of customers in Thailand and overseas. For example, "COTTO", "SOSUCO" and "CAMPANA" brands primarily serve the Thai market while "PRIME" and "PREMIER" are well-established in Vietnam. In the Philippines, "MARIWASA" and "CAMPANA" are active. In Indonesia, "KIA" is the Company's renowned brand. The Company's distribution channels are both comprehensive and diverse. Products are distributed via dealers, modern-trade outlets, exports, as well as the Company's own distribution channels that directly serve retail customers both in Thailand and overseas. Such extensive distribution network caters well to the diverse needs and lifestyles of customers at all levels.

The Company is a holding company that conducts its businesses through subsidiaries and associate companies in Thailand, Vietnam, the Philippines and Indonesia. Its three core businesses namely 1) Decor Surfaces Business; 2) Bathroom Business; 3) Other Business that mainly operates in industrial estate sector.



The following chart shows the Company's business structure as of 31 December, 2024:

- Management centers
- Subsidiaries under management centers but having a significant size
- Subsidiaries under management centers and without a significant size
- Subsidiaries that operate core businesses but are not under management centers
- Subsidiaries/associates that do not operate core businesses



Remarks:

- <sup>1</sup> SUSUNN downscaled its solar installation business since October 2023
- <sup>2</sup> The Company has planned to transfer shares and/or assets of KKM out of its group.
- <sup>3</sup> CBMP changed its name to CBMP Holdings. It is dormant after the shutdown of its subsidiaries in 2024. KSM is in the process of liquidation and consulting with Indonesia's revenue authorities about tax clearance. It is also facing a claim from Indonesian authorities..
- <sup>4</sup> SCC has indirectly held 3.3% of MSC's shares via Cementhai Ceramics Philippines Holdings, Inc. ("CCPH") and Mariwasa Holdings, Inc. ("MHI") (SCC holds 100% of CCPH's shares while CCPH holds 40% of MHI's shares. MHI also holds 8.3% of MSC's shares). Other shareholders of MSC are not related to the Company.
- <sup>5</sup> SCC has indirectly held the remaining shares of KKM, which operates a roof-tile business in Indonesia, as well as KSM via SCG Cement-Building Materials Company Limited. KSM is in the process of liquidation.
- <sup>6</sup> Other shareholders of this company are not related to the Company.

## 1.1.1 Vision and Missions

### Vision

To be the inspiring leader in Decor Surfaces and Bathroom industry, create space of happiness, and elevate living standards with design innovations on a sustainable basis

### Missions

- To develop and design decor surfaces, bathroom products and fittings as a total solution provider, to maximize customer satisfaction in terms of aesthetics and functionality through innovations;
- To develop distribution channels that match well with consumers' changing behaviors and lifestyles in all areas;
- To strive towards becoming the Most Admired & Trusted Brand of decor surfaces and bathroom products;
- To strengthen its organization and develop management systems that support employees in maximizing their potential, and
- To conduct businesses in line with ESG (Environmental, Social and Governance) principles

### Operational Strategy

The Company aims to reaffirm its status as the Decor Surfaces & Bathroom businesses leader that elevate living standards and well-being on a sustainable basis. In pursuit of this goal, the Company implemented the operational strategies as follows:

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



### 1.1.2 Use of Funds from IPO

The Company presented 439,100,000 shares in its Initial Public Offering at the rate of 11.50 baht per share. Of these shares, 203,595,310 shares were for share swap with SCG Ceramics Public Company Limited (“COTTO”) and 235,504,690 shares for interested buyers. The Company has received approximately 2,708 million baht from IPO. After the amount was deducted by IPO-related expenses, IPO gave the Company approximately 2,542 million baht of funds.

The Company’s report on the use of its capital-increase fund as of December 31, 2024 as follows:

Description	Planned Use of Net Proceeds (Million Baht)	for the Period of Dec 20, 2023 - Dec 31, 2024	Remaining Proceeds (Million Baht)
1. Use as an investment in business development and expansion. Improve production and operational efficiency, including reducing energy consumption. and maintenance of assets as follows:			
1.1 Investing in projects to expand production capacity and expand the Company's distribution channels	796	796	-
1.2 Investing in projects to increase operational efficiency and increase energy efficiency in order to reach the goal of net zero carbon emissions in 2050 of the Company's business	504	504	-
1.3 Investing in maintenance of assets	495	276	219
2. The remaining portion from the purpose of using the money in item 1 is used as working capital for operating the business. This includes acquisitions and mergers (if any) and capital restructuring, including repayment of loans to parent companies. and/or financial institutions (this may include financial institutions that have relationships with financial advisers and/or securities underwriters and/or securities distributors and underwriters) by considering the highest benefits to the Company’s and subsidiaries.	747	-	747
<b>Total</b>	<b>2,542</b>	<b>1,576</b>	<b>966</b>

## 1.2 Nature of Business

### 1.2.1 Revenue Structure

The Company has three business groups namely: 1) Decor Surfaces Business; 2) Bathroom Business; 3) Other Business that mainly operates an industrial estate business. The Company has scaled down the involvement in the solar cell installation business since 2023.

The Company had restructured by transferring unrelated businesses out of its group, and completed initial public offering (IPO) in 2023. Therefore, the prior operating results and financial position were affected by the performance of such unrelated business, Profit/Loss from the aforementioned transfers as well as IPO expenses.

The Company's revenue structure were as follows at the end of fiscal years ending December 31, 2022, December 31, 2023, and December 31, 2024 respectively:

	2022		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Decor Surfaces Business<sup>1</sup></b>	<b>24,064</b>	<b>68.3</b>	<b>21,409</b>	<b>75.6</b>	<b>19,615</b>	<b>76.7</b>
Thailand	12,309	34.9	12,114	42.8	11,238	44.0
Vietnam	7,809	22.2	6,034	21.3	5,410	21.1
The Philippines and Indonesia	4,358	12.4	3,763	13.3	3,489	13.6
(Deducted by) eliminated transaction	(412)	(1.2)	(502)	(1.8)	(522)	(2.0)
<b>Bathroom Business</b>	<b>5,515</b>	<b>15.7</b>	<b>5,623</b>	<b>19.9</b>	<b>5,485</b>	<b>21.5</b>
<b>Other Business<sup>2</sup></b>	<b>5,649</b>	<b>16.0</b>	<b>1,280</b>	<b>4.5</b>	<b>463</b>	<b>1.8</b>
<b>Total Sales Revenue</b>	<b>35,228</b>	<b>100.0</b>	<b>28,312</b>	<b>100.0</b>	<b>25,563</b>	<b>100.0</b>
<b>Revenues of companies completely transferred out of the group in 2023 since they were not parts of the restructuring and IPO</b>	<b>(4,974)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sales revenue based on the 2023 restructuring</b>	<b>30,254</b>	<b>-</b>	<b>28,312</b>	<b>-</b>	<b>25,563</b>	<b>-</b>

Remarks:

<sup>1</sup> For 2022 and 2023, Revenue from bathroom product businesses in Vietnam and the Philippines has been reclassified to Bathroom business, which were previously included in this segment due to their revenue was insignificant.

<sup>2</sup> Other Business are industrial-estate business and business of companies which completely transferred out of the group in 2023 since they were not parts of the restructuring and IPO. The solar cell installation business has been scaled down in Quarter 3 2023.

#### • Decor Surfaces Business

The Decor Surfaces Business covers the production and distribution of floor tiles and wall tiles primarily ceramic tiles and porcelain tiles, including mosaic. Additionally, the Company began producing and distributing SPC (Stone Plastic Composite vinyl tiles) in 2024 at factory in Thailand. Currently, the Company has also produced and distributed ceramic tiles in Thailand, Vietnam, the Philippines and Indonesia. Ceramic tiles produced by the Company in many

countries are exported to more than 50 overseas markets including Cambodia, Lao PDR, and Myanmar. In addition, the Company has sourced or OEM products such as tile including mosaic, LVT (Luxury Vinyl Tiles) and Complementary products; for example, adhesive and grout for tile installation, kitchen furniture, door and windows, etc. to fulfill customer needs from external manufacturers in China, India, Italy, Spain and more, for resale under its brands.

#### • Bathroom Business

Bathroom Business covers the production and distribution of Sanitary Ware and Fittings in Thailand. The vast range of products includes toilets, smart toilets, wash basins, urinals, faucets & showers, bathtubs, and accessories. They are marketed under various brands including “COTTO” and “SOSUCO” in Thailand. Presently, the Company has manufactured and distributed bathroom products in Thailand and exported products by its Thailand-based factories to more than 20 other countries including Cambodia, Lao PDR and Myanmar. The Company has also produced OEM bathroom products, distributed and sold them in Vietnam, the Philippines and Indonesia under “COTTO”, ”PRIME”, “MARIWASA”, “CAMPANA” and “KIA”. Apart from manufacturing and distributing bathroom products itself, the Company has also OEM or procured bathroom products and other related products such as bathroom furniture and bathroom accessories from external manufacturers including those in Thailand and Vietnam for distribution under the Company’s brands.

#### • Other Business

Other Business comprises: (1) Industrial estate and (2) Solar-installation business is conducted via SUSUNN Smart Solution Company Limited (“SUSUNN”), a subsidiary of the Company. However, the Company started downscaling the solar-installation business which was not its core business since October 2023. SUSUNN, however, has its obligation to continue its operation from the signed contracts with customers which also include warranty and after-sales services.

#### Industry Outlook

In 2024, the overall market in Thailand, Vietnam, the Philippines, and Indonesia experienced a slowdown; however, signs of recovery in Vietnam’s real estate sector began to emerge toward the end of the year. To mitigate the impact of market conditions, the Company has continued to enhance its competitiveness by accelerating cost-reduction initiatives, including solar energy projects for electricity generation and the utilization of biomass fuel to generate heat for the production process. Additionally, the Company has accelerated the development and delivery of high-value-added (HVA) products and services, such as expanding production capacity for glazed porcelain tiles in Thailand and Vietnam by approximately 14 million square meters. The Company has also introduced innovations and solutions to enhance the value of its products and services, aligning with consumer needs. Additionally, the Company has expanded its domestic distribution channels, increased the sales of complementary products, accelerated exports, and expedited the growth of its sanitary ware business in international markets. Moreover, in late 2024, the Company restructured its business operations to improve efficiency by integrating Artificial Intelligence (AI) and Robotics into its processes and aligning production with market demand.

In the next year, the Company expects a recovery in Thailand’s market, supported by government economic stimulus measures. In international markets, Vietnam’s real estate sector is anticipated to improve following the enactment of the amended Land Law in August 2024. Meanwhile, the markets in the Philippines, Indonesia, and neighboring countries such as Cambodia, Laos, and Myanmar continue to demonstrate strong growth potential.



## 1.2.2 Product Information

### 1.2.2.1 Product Description

Businesses under the Company and its subsidiaries can be categorized into three core groups:

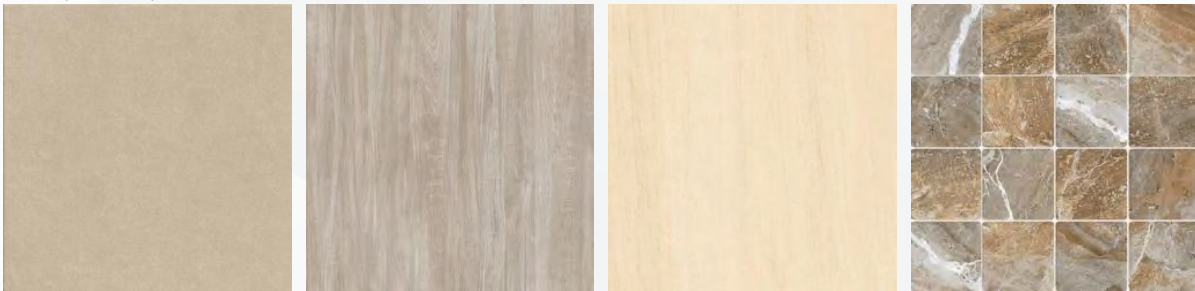
#### (a) Decor Surfaces Business

The Company is a manufacturer and distributor of high-quality ceramic tiles and decorative surfaces. The product categories are outlined below :

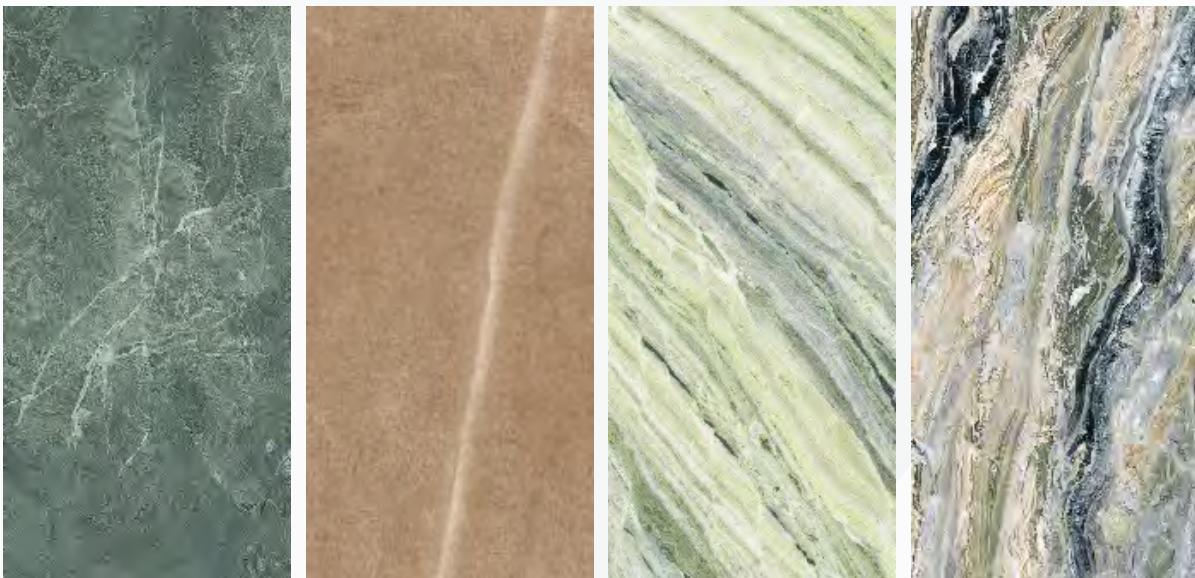
##### 1) Floor Tiles

Floor tiles feature a low water absorption rate and are produced through single firing at high temperatures, ensuring durability. They also have a higher weight load capacity compared to wall tiles.

Examples of products - Ceramics Floor Tiles

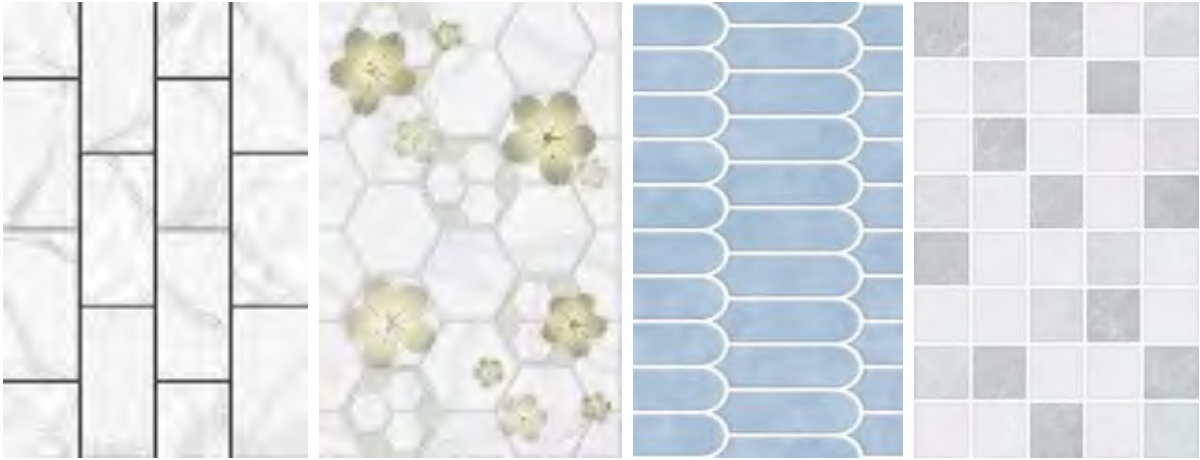


Examples of products - Porcelain Floor Tiles

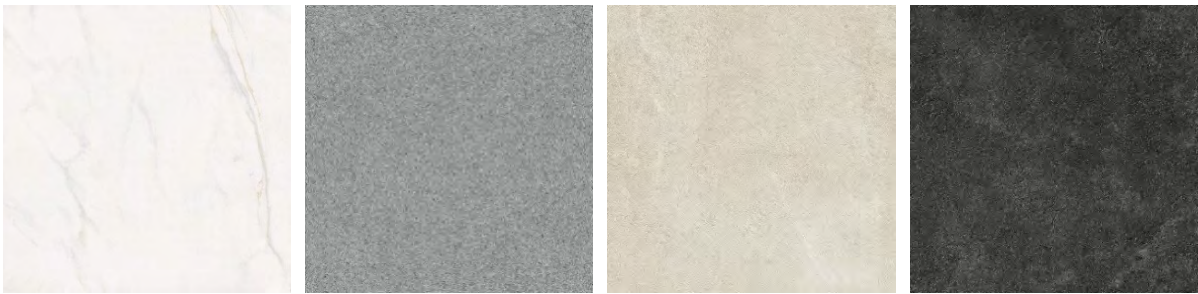


## 2) Wall Tiles

Examples of products - Ceramic Wall Tiles



Examples of products - Porcelain Wall Tiles



Mosaic tiles are a versatile option suitable for both wall and various flooring applications. These tiles are small in size and are attached to a mesh backing, typically measuring no larger than 4x4 inches. Their compact size allows for flexible arrangement into various patterns as desired.

Examples of products - Mosaic Tiles

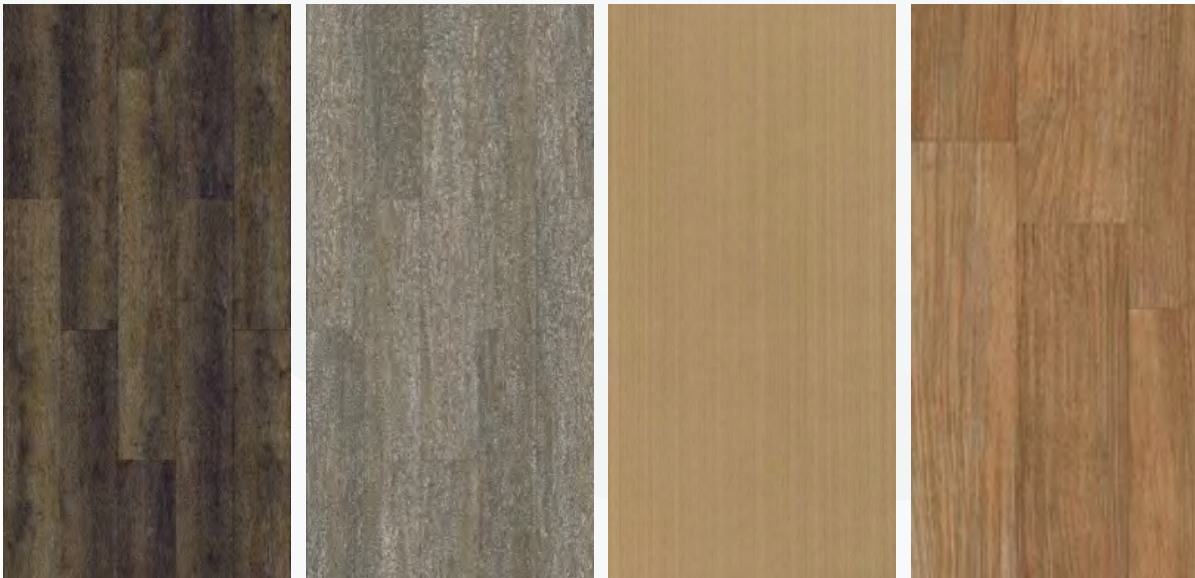


### 3) Other Decor Surfaces

#### SPC (Stone Plastic Composite Vinyl Tiles)

SPC (Stone Plastic Composite Vinyl Tiles) are composed of a mixture of PVC plastic, valued for its flexibility and resilience, and calcium carbonate, which offers strength, durability, and water resistance. The surface of the material is mostly wood patterns, available in a variety of colors and designs.

Examples of products - SPC (Stone Plastic Composite Vinyl Tiles)



#### LVT (Luxury Vinyl Tiles)

LVT (Luxury Vinyl Tiles), which are made from 100% pure plastic, offering flexibility and durability. With properties comparable to high-quality rubber, they are suitable for a variety of applications. These tiles are impact-resistant, water-resistant, anti-mite, and scratch-resistant.

Examples of products - LVT (Luxury Vinyl Tiles)



In addition to the aforementioned products, there are also complementary products designed to provide comprehensive services and meet customer needs, such as tile adhesive and grout for tile installation, kitchen furniture, as well as doors and windows.

Examples of Products – Tile Adhesive and Grout



Examples of Products – Kitchen Furniture, Doors and Windows



**(b) Bathroom Business**

1) Bathroom Products

- Ceramic Sanitary wares are toilets, wash basins, female/male urinals, and related bathroom products

Samples of sanitary wares



Samples of wash basins



Above Counter



Under Counter



Wall Hung



Semi Recessed

Samples of male/female urinals



Urinal Sensor



Urinal Top Inlet



Bidet

- Related bathroom products such as bathtubs, cabinets, shower enclosures, mirrors, and wastewater treatment tank

Examples of Products – Complementary products



Whirl Pool



Round Twin  
Shower Enclosure



Mirror Cabinet



Cabinet



2) Fittings and Other Accessories such as Faucets, showers, and flush valves; and kitchen appliances

Examples of Products – Faucets



Sensor Faucet



Basin Faucet  
or Basin Mixer Faucet  
( Hot - Cold )



Bath Faucet



Kitchen  
Faucet

Examples of Products – Showers



Rain Shower



Fixed Shower



Hand Shower

Examples of Products – Flush Valve



Flush Valve Urinal



Flush Valve Toilet

Samples of bathroom accessories



Towel Bar



Soap Holder



Tissue Holder



Hook

Samples of kitchen wares and fittings accessories



Kitchen Faucet



Sink

Samples of flush valves and bathroom accessories



Rinsing Spray



Trap



Basin Waste



Floor Drain



Stop Valve

**Other Business**

(1) Nong Khae Industrial Estate

Industrial estate (which was operated by TGCI before its merging with COTTO and three other companies in 2018) is now conducted under a subsidiary of the Company or COTTO. It is located on Paholyothin Road at kilometer marker 91 in Saraburi’s Nong Khae district. COTTO has developed the industrial estate at this location in collaboration with the Industrial Estate Authority of Thailand (I-EA-T), a state enterprise under the Ministry of Industry pursuant to the Industrial Estate Authority of Thailand Act B.E. 2522. COTTO is responsible for developing the target land plots along with public-utility systems such as electricity system, waterworks system, wastewater treatment system, waste disposal system and other facilities for the creation of the industrial estate. It is also in charge of providing public-utility services to industrial operators at this estate or the Nong Khae Industrial Estate. As of December 31, 2024, this industrial estate spans over 2,042 rai, 3 ngan, and 23.5 square wah. Of the total land plots, 1,593 rai, 2 ngan, and 16.5 square wah are for sale. Public-utility system and a reservoir occupy 449 rai, 1 ngan, and 0.7 square wah. As of December 31, 2024, 54.5 rai of land at the estate is still available for sale. Of them, 40.5 rai are vacant and 14.0 rai others are under lease contracts. The Company has planned to sell all land plots for sale at the industrial estate.



(2) Business by Associated company

The Company’s associate is Noritake SCG Plaster Company Limited (“NSP”), whose 10.01% of shares are held by the Company. It has manufactured and distributed molding/jointing products. NSP’s products have three main categories namely (1) Molding Products such as plaster; (2) Building Products such as jointing plaster and tile adhesive; and (3) Adhesive & Sealant.

Examples of products – Molding Product



<sup>1</sup> Pursuant to the applicable joint venture contract, the Company has the right to appoint any of its directors as NSP’s Chief Executive Officer. The Company, therefore, has significant influence over NSP’s business operations. NSP is considered an associate based on accounting standards.

Examples of products - Building Product



Examples of products - Adhesive & Sealant










Market and Competition

• Marketing and Sales

The Company has several key brands, which are well-established both in Thailand and internationally. These brands cater to the needs of customers, including the primary target groups. Below is information on the Company’s brands and their main target groups:

Brand	Product	Target Group	Distribution Channel
<b>Thailand</b>			
	<ul style="list-style-type: none"> <li>Toilets, faucets, and bathroom accessories</li> </ul>	Customers in the upper segment who focus on outstanding designs, warm and luxuriant hues, and distinctive features	<ul style="list-style-type: none"> <li>COTTO LIFE</li> <li>Project-based customers</li> </ul>
	<ul style="list-style-type: none"> <li>Porcelain tiles imported from Italy and Spain</li> </ul>	Customers in the middle and upper segments who focus on outstanding designs, beautiful colors and patterns, and a distinctive European luxury touch	<ul style="list-style-type: none"> <li>Project-based customers</li> <li>COTTO LIFE</li> </ul>
	<ul style="list-style-type: none"> <li>Floor tiles</li> <li>Wall tiles</li> <li>Toilets, faucets and bathroom accessories</li> <li>Jointing plaster and tile adhesive</li> </ul>	Customers in the middle and upper segments who focus on product design and quality	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> <li>COTTO LIFE</li> <li>Online channels</li> <li>Project-based customers</li> <li>Export</li> </ul>

Brand	Product	Target Group	Distribution Channel
	<ul style="list-style-type: none"> <li>Floor tiles</li> <li>Wall tiles</li> <li>Toilets</li> </ul>	Mass Market, middle segment looking for reasonably priced products	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> <li>Online channels</li> </ul>
	<ul style="list-style-type: none"> <li>Floor tiles</li> <li>Wall tiles</li> <li>Toilets, faucets and bathroom accessories</li> </ul>	Mass market looking for proper products with value for money	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> <li>Klang Ceramic</li> <li>Online channels</li> <li>Project-based customers</li> <li>Export</li> </ul>
	<ul style="list-style-type: none"> <li>SPC (Stone Plastic Composite) vinyl tiles</li> <li>Luxury vinyl tiles (LVT)</li> </ul>	Middle and upper segments who focus on product design and quality	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> <li>COTTO LIFE</li> <li>Online channels</li> <li>Project-based customers</li> </ul>
	<ul style="list-style-type: none"> <li>Floor tiles</li> <li>Wall tiles</li> </ul>	Mass market looking for products with value for money and a variety of patterns	<ul style="list-style-type: none"> <li>Klang Ceramic</li> </ul>
	<ul style="list-style-type: none"> <li>Toilets, faucets and bathroom accessories</li> </ul>	Mass market looking for proper products with value for money	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> <li>Online channels</li> <li>Project-based customers</li> </ul>
<b>Vietnam</b>			
	<ul style="list-style-type: none"> <li>Floor tiles</li> <li>Wall tiles</li> </ul>	Mass market up to middle segment that focus on a variety of patterns	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> </ul>
	<ul style="list-style-type: none"> <li>Floor tiles</li> <li>Wall tiles</li> <li>SPC (Stone Vinyl Composite) tiles</li> <li>Toilets, faucets and bathroom accessories</li> <li>Jointing plaster and tile adhesive</li> </ul>	Mass Market and project-based customers looking for value for money and a variety of patterns	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern-trade outlets</li> </ul>

Brand	Product	Target Group	Distribution Channel
<b>Philippines</b>			
	<ul style="list-style-type: none"> <li>• Floor tiles</li> <li>• Wall tiles</li> <li>• SPC (Stone Vinyl Composite) tiles</li> <li>• Luxury Vinyl Tiles (LVT)</li> <li>• Toilets, faucets and bathroom accessories</li> <li>• Jointing plaster and tile adhesive</li> </ul>	All including mass market, as well as middle and upper segments that look for diverse solutions and applications for all types of areas	<ul style="list-style-type: none"> <li>• Dealers</li> <li>• Modern-trade outlets</li> <li>• Online channels</li> </ul>
	<ul style="list-style-type: none"> <li>• Floor tiles</li> <li>• Wall tiles</li> <li>• Toilets</li> </ul>	Targeting the mass market customers who seek products that are competitively priced in the market	<ul style="list-style-type: none"> <li>• Dealers</li> <li>• Modern-trade outlets</li> <li>• Online channels</li> </ul>
<b>Indonesia</b>			
	<ul style="list-style-type: none"> <li>• Floor tiles</li> <li>• Wall tiles</li> </ul>	Upper segment that looks for realistic patterns and distinctive designs	<ul style="list-style-type: none"> <li>• Kokoh<sup>2</sup></li> </ul>
	<ul style="list-style-type: none"> <li>• Floor tiles</li> <li>• Wall tiles</li> <li>• SPC (Stone Vinyl Composite) tiles</li> <li>• Luxury vinyl tiles (LVT)</li> <li>• Toilets, faucets and bathroom accessories</li> </ul>	Middle and upper segments that look for realistic patterns and modern, beautiful products	<ul style="list-style-type: none"> <li>• Kokoh</li> </ul>
	<ul style="list-style-type: none"> <li>• Floor tiles</li> <li>• Wall tiles</li> </ul>	Middle segment and mass market that demand value for money	<ul style="list-style-type: none"> <li>• Kokoh</li> </ul>
	<ul style="list-style-type: none"> <li>• Floor tiles</li> <li>• Wall tiles</li> </ul>	Middle segment and mass market that demand value for money	<ul style="list-style-type: none"> <li>• Kokoh</li> </ul>

<sup>2</sup> PT Kokoh Inti Arebama Tbk operates a distribution business in Indonesia under SCG Distribution Group.

- **Distribution Channels and Target Groups**

The Company has distributed its products via various channels namely (1) Dealers in Thailand and overseas such as decorative materials / building material shops that buy the Company's products for resale; (2) Modern-trade outlets; (3) The Company's own distribution channels namely Klang Ceramic and COTTO LiFE shops in Thailand, CTM (Ceramic Tiles and More) shops in the Philippines, and Belanja shops in Indonesia. Moreover, the Company has sold products directly to project-based customers such as housing projects, office building projects, hotel projects, and government projects, and (4) Export. The Company has exported products to more than 50 countries including Myanmar, Malaysia, Lao PDR, Cambodia, Japan, Korea, Taiwan, Yemen, the United States and Iraq.

	Year ending on December 31, 2024					
	2022		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
Dealers	7,553.1	25.0	7,667.2	27.1	7,091.3	27.7
Modern-trade outlets	5,084.0	16.8	5,681.4	20.1	5,529.6	21.6
The Company's own distribution channels <sup>2</sup>	1,305.0	4.3	1,194.2	4.2	1,214.7	4.8
Export	3,634.4	12.0	2,942.1	10.4	2,832.8	11.1
<b>Vietnam<sup>1</sup></b>						
Dealers	7,007.3	23.2	5,168.9	18.3	4,617.6	18.1
Modern-trade outlets	16.1	0.1	5.9	0.0	1.8	0.0
Export	885.6	2.9	910.4	3.2	870.2	3.4
<b>The Philippines and Indonesia<sup>1</sup></b>						
Dealers	3,464.7	11.5	2,931.0	10.4	2,727.0	10.6
Modern-trade outlets	571.3	1.9	399.7	1.4	242.3	0.9
The Company's own distribution channels <sup>4</sup>	521.8	1.7	624.6	2.2	684.4	2.7
Export	1.0	0.0	1.3	0.0	1.1	0.0
<b>Total revenue from all distribution channels from all countries</b>	<b>30,044.3</b>	<b>99.3</b>	<b>27,526.7</b>	<b>97.2</b>	<b>25,812.73</b>	<b>101.0</b>
Other Revenue <sup>1, 4</sup>	743.9	2.5	1,280.0	4.5	488.0	1.9
<b>Total sales revenue before eliminating the transactions between business entities</b>	<b>30,788.2</b>	<b>101.8</b>	<b>28,806.8</b>	<b>101.7</b>	<b>26,300.7</b>	<b>102.9</b>
(Deducted by) elimination between business entities	(534.4)	(1.8)	(494.5)	(1.7)	(737.7)	(2.9)
<b>Total Sales Revenue</b>	<b>30,253.8</b>	<b>100.0</b>	<b>28,312.2</b>	<b>100.0</b>	<b>25,563.0</b>	<b>100</b>

Notes:

<sup>1</sup> Sales revenue before elimination between business entities

<sup>2</sup> They cover Klang Ceramic, COTTO LiFE, direct distribution to project-based customers and online channels.

<sup>3</sup> They include CTM, direct distribution to project-based customers, and online channels.

<sup>4</sup> Other revenue refers to revenue from the industrial-estate business and the solar-installation business.

<sup>3</sup> On June 20, 2023, the Company entered into a conditional share and/or asset sale agreement with Kokoh to purchase shares in KMKP, a subsidiary in which Kokoh holds a 99.99% stake, and/or assets related to the Belanja shop once the issue of claims from the Indonesian government concerning KIA is resolved. (Please see more details in the section on Shareholder's Business Group.)

**1) Dealers:** Wholesalers or retailers that have purchased tiles and bathroom products from the Company for resale. Among them are decorative surfaces/building materials shops or retail shops. Dealers are the Company’s customers because they have purchased its products for resale to project-based customers or end users. As of 31 December 2024, the Company had more than 500 dealers in Thailand and 250 dealers in foreign countries. The Company also had more than 10,000 sub-distributors globally.

**2) Modern-trade outlets:** Branches of total building material/home decor providers such as HomePro, Thai Watsadu, Dohome, Boonthavorn, SCG HOME and Global House in Thailand; SCG HOME in Vietnam; Wilcon Depot and All home in the Philippines; Mitra10 and Depo Bangunan in Indonesia. As of 31 December 2024, the Company has 14 modern-trade operators in its network.

**3) The Company’s own distribution channels:** The Company’s shops that are set up by manufacturers to distribute primarily their own products in Thailand and overseas, mainly ceramic floor/wall tiles, other decor surfaces and bathroom products under the Company’s brands; and online distribution channels. The Company’s own distribution channels in countries where it has operated its businesses are as follows:

• Thailand: The Company has two main chains of distribution channels in Thailand, which are:



- Klang Ceramic: Its shops sell ceramic tiles at prices targeting middle and lower market segments. Positioning itself as the center for floor and wall tiles and highlighting the concept of “Low Price, Beautiful Design, and Good Quality”, Klang Ceramic has purchased standard products directly from COTTO. These products, which are under various brands, have received certifications based on good standards from various institutes both in Thailand and overseas. In all, Klang Ceramic has mainly distributed the Company’s tiles under “CAMPANA”, “SOSUCO” and “Family” brands. Klang Ceramic has also distributed some imported tiles. Currently, Klang Ceramic has operated several branches across Thailand. On average, each of its branches has the selling space of at least 1,000 square meters on top of parking spaces.

Some of “Klang Ceramic” shops are operated by COTTO but some others are operated as “Klang Ceramic Family” or through collaboration with local building-material dealers on prime locations. As of December 31, 2024, there have been 27 Klang Ceramic shops operated by COTTO and 90 Klang Ceramic Family branches.

The Company has urgently expanded its network of “Klang Ceramic Family” because this business model has combined the strengths of the Company with those of SCC dealers. COTTO is a manufacturer of products that cover all market segments, thus able to provide a diverse range of choices for customers to choose. SCC dealers, meanwhile, have had solid customer bases in their respective area and enjoyed a great location. Together, they have boosted the selling opportunities at Klang Ceramic Family, while consumers enjoy greater convenience.





- COTTO LiFE: This chain of shops prepares a complete range of tiles, bathroom products, toilets and faucets based on “Lifestyle Tiles & Solutions” concept to respond to urban lifestyles, which focus on creating a unique home to resonate with their identity. COTTO LiFE is well ready to fulfill home decor at all corners via comprehensive services. Creative designers are available at COTTO LiFE to present realistic designs before customers’ purchase decisions. Tile Installation Service by COTTO LiFE covers ceramic tiles and includes warranty. As of December 31, 2024, the Company has operated 4 COTTO LiFE branches: 2 in Bangkok, 1 in Khon Kaen and 1 in Chiang Mai.

• The Philippines: Operating as manufacturing outlets, “CTM” (Ceramic Tiles and More) has distributed both ceramic tiles and bathroom products manufactured or imported by MSC for its brands. As of 31 December 2024, the Company has operated 31 CTM branches across the Philippines.



• Indonesia: “Belanja” has distributed floor tiles, wall tiles, bathroom products and other decorative surfaces in Indonesia under brands owned by KIA. As of 31 December 2024, Kokoh has operated 20 Belanja branches on Java, Indonesia.



However, although the Company (through its subsidiary, KIA) does not currently own the Belanja store, it has entered into a conditional share purchase agreement with PT Kokoh Inti Arebama, TBK (“Kokoh”) for the acquisition of shares in PT Karya Makmur Kreasi Prima (“KMKP”). This agreement is contingent upon the resolution of the Indonesian government’s claims related to KIA (for further details, please refer to the section on “Shareholder’s Business Group”). Currently, Kokoh owns the “Belanja” store, with KMKP being a subsidiary in which Kokoh holds a 99.99% stake and/or engages in the purchase and sale of assets related to the Belanja store business with the Company, effective as of 20 June, 2023.

- **Direct distribution to project-based customers:** These customers are owners of property projects such as hotel projects, condo projects, horizontal-housing projects, and office-building projects that need the Company’s products for decor, renovation or repairs.

- **Online distribution:** The Company has distributed products via online platforms namely [www.cotto.com](http://www.cotto.com) and [www.cottolife.com](http://www.cottolife.com), which are the Company’s own websites.

**4) Export Channels:** The Company has exported its tiles and bathroom products to overseas markets including Myanmar, Malaysia, Lao PDR, Cambodia, Japan, Korea, Taiwan, Yemen, the United States and Iraq. As of 31 December 2024, the Company has exported products to over 50 countries.

### 1.2.2.3 Product Procurements

#### • Factories

As of 31 December 2024, the Company has 15 factories in Thailand, Vietnam, the Philippines and Indonesia (not including KKM's factories).

The following table shows the summary of the Company's production capacity by product category as of 31 December 2024.

#### 1) Ceramic Tiles (including SPC production capacity)

##### Thailand

The following table shows the production capacity, actual production, and utilization rate based on actual production (including SPC production capacity of 1.8 million sq.m. per year which was commercialized in August 2024) of the Company's ceramic-tile factories in Thailand based on the periods specified:

	Unit	Year Ending on December 31			
		2021	2022	2023	2024
Production capacity	million sq.m. / batch	80.0	80.0	80.0	81.8
Actual production	million sq.m. / batch	56.0	63.0	55.5	50.4
Utilization rate	%	70.0	78.8	69.4	61.6

##### Vietnam

The following table shows the production capacity, actual production, and utilization rate based on actual production of the Company's ceramic-tile factories in Vietnam based on the periods specified:

	Unit	Year Ending on December 31			
		2021	2022	2023	2024
Production capacity	million sq.m. / batch	83.3	83.3	83.0	83.0
Actual production	million sq.m. / batch	60.2	65.7	48.7	42.7
Utilization rate	%	72.2	78.9	58.7	51.5

##### The Philippines

The following table shows the production capacity, actual production, and utilization rate based on actual production of the Company's ceramic-tile factory in the Philippines based on the periods specified:

	Unit	Year Ending on December 31			
		2021	2022	2023	2024
Production capacity	million sq.m. / batch	10.6	12.3	12.6	12.6
Actual production	million sq.m. / batch	11.1	10.3	9.3	7.8
Utilization rate <sup>1</sup>	%	104.7	83.3	73.8	61.9

Notes:

<sup>1</sup> Utilization rate may soar above 100% because debottlenecking was implemented during the year, paving the way for greater production capacity even without adding more machine(s) to the manufacturing line.

## Indonesia

The following table shows the production capacity, actual production, and utilization rate based on actual production of the Company's ceramic-tile factory in Indonesia based on the periods specified:

	Unit	Year Ending on December 31			
		2021	2022	2023	2024
Production capacity <sup>2</sup>	million sq.m. / batch	11.6	11.6	11.6	11.6
Actual production	million sq.m. / batch	11.1	12.8	11.4	11.5
Utilization rate <sup>1</sup>	%	96.0	110.0	98.2	98.8

Notes:

<sup>1</sup>Utilization rate may soar above 100% because debottlenecking was implemented during the year, paving the way for greater production capacity even without adding more machine(s) to the manufacturing line.

<sup>2</sup>Production capacity above does not include KKM's roof tile capacity at Cileungsi and Gresik where total production capacity is estimated to be 1.5 million square meters.

## 2) Sanitary Ware, Faucets and Fittings

### Thailand

The following table shows the production capacity, actual production, and utilization rate based on actual production of the Company's sanitary-ware factories in Thailand based on the periods specified:

	Unit	Year Ending on December 31			
		2021	2022	2023	2024
Production capacity	Million / batch	2.6	2.3	2.3	2.3
Actual production	Million / batch	1.9	1.7	1.8	1.6
Utilization rate	%	71.0	73.0	78.2	68.5

The following table shows the production capacity, actual production, and utilization rate based on actual production of the Company's faucet and fitting factories in Thailand based on the periods specified:

	Unit	Year Ending on December 31			
		2021	2022	2023	2024
Production capacity	Million / batch	3.6	1.7 <sup>1</sup>	1.8	1.8
Actual production	Million / batch	1.8	1.4	1.1	1.0
Utilization rate	%	50.0	85.0	61.0	55.5

Notes:

<sup>1</sup>The factory in Pathum Thani was closed down, with its assets completely sold off.



• **Procurement of Raw Materials**

**Procurement of raw materials for production in Thailand**

Raw materials for producing tiles, sanitary ware, fittings, and bathroom accessories were procured both domestically and internationally. These include clay, minerals, frit, colors, chemicals, and metal ingots. The majority, by value, came from domestic sources. In addition to external procurement, one of subsidiaries has its own clay quarry that can be used in the tile production process.

**Procurement of raw materials for production in Indonesia**

Raw materials for producing tiles are procured from both domestic and international suppliers, including clay, minerals, frit, colors, and chemicals. The majority, by value, came from domestic sources.

**Procurement of raw materials for production in the Philippines**

Raw materials, by value, for producing tiles, such as clay, minerals, frit, colors, and chemicals, are primarily procured from international suppliers.

**Procurement of raw materials for production in Vietnam**

Raw materials for producing tiles are procured from both domestic and international suppliers, including clay,

minerals, frit, colors, and chemicals. In addition to external procurement, subsidiaries in Vietnam produced upstream raw materials covering most parts of its value chain namely feldspar, sand, and frit using in the tile production process. This enabled better control over procurement in terms of cost, quantity, and quality. All subsidiaries procured raw materials from legally compliant and reliable sources that meet their needs and offer competitive pricing. Procurement units will plan purchases by collecting historical data on items, such as product categories, volumes usage, order frequency, price trends, indices affecting product prices, and production lead times. This information will be discussed with relevant departments to assist in planning purchases from each supplier which will be regularly monitored and evaluated.

**Raw Materials and Suppliers**

The raw materials used in production processes are divided into two main groups: materials for tiles and sanitary ware, and materials for fittings and bathroom accessories. Summary are as follows:

1. Raw materials for tiles and sanitary ware can be divided into two main categories:

1.1 Body of tiles and sanitary ware: This includes clay and minerals as the main components, such as clay, ball clay, feldspar, kaolin, silica sand, and dolomite. For production in Thailand, most of the raw materials are sourced from the central and northern regions. For international production, materials are sourced from local suppliers in each country.

1.2 Glaze: This primarily consists of frit, decorative colors, and additive chemicals. The raw materials are sourced both domestically and internationally, with varying properties depending on the product, affecting the characteristics of the glaze according to market demands.

2. Raw Materials for Fittings and Bathroom Accessories: Raw materials for fittings and bathroom accessories can also be divided into two main categories:

2.1 Materials for molding: This includes silica sand and resin.

2.2 Materials for casting fitting bodies: The main material used is brass ingot, while the materials for handles primarily use zinc alloys. Most of these raw materials are sourced domestically.

#### 1.2.2.4 Operating Assets

The Company's total assets, as of December 31, 2024, totaled 39,823.1 million baht. Key fixed operating assets, as of December 31, 2024, had the total value of 12,146.6 million baht. They were (1) Land and land improvements; (2) Buildings and structures; (3) Machinery and equipment; (4) Vehicles and accessories; (5) Fittings and office buildings; and (6) Ongoing constructions. The Company's intangible assets for its operations, meanwhile, totaled 128.1 million baht as of December 31, 2024. The intangible assets were: (1) Copyrights, software programs and patents; (2) Capitalized development costs for products under development; and (3) Other intangible assets.

#### 1.2.2.5 Undelivered Tasks

- None -



### 1.3 Shareholding Structure

#### 1.3.1 The Company's structure of which its operations are significant

Information on the Company's subsidiaries, as of December 31 2024, is as follows

No.	Company Name	Abbreviation	Principal Business/Products	Location (Head Office/ Factory)	Tel.	Number of Paid-up Shares (Million Baht)	Type of Shares	Total Direct/Indirect Holding (Percent)	Issued and Paid-up Shares (Million Baht)
1	SCG Ceramics Public Company Limited	COTTO	Floor and wall ceramic tiles and industrial estate	Bangkok	66-2586-3333	5,963	Ordinary shares	99.1	5,963
2	SOSUCO Ceramic Company Limited	SSC	Floor and Wall Ceramic Tiles	Saraburi	66-3637-6300	0.01	Ordinary Shares	99.1	800
3	SCG Ceramics - Ly Heng Chhay (Cambodia) Company Limited	Ly Heng	Distribute Floor Tiles, Wall Tiles and Bathroom	Cambodia	(855) 11-826-211	0.01	Ordinary Shares	59.5	19
4	SUSUNN Smart Solution Company Limited	SUSUNN	Engineering Solution Provider	Saraburi	66-3637-6100	2	Ordinary Shares	99.1	220
5	Siam Sanitary Ware Company Limited	SSW	Holding Company	Bangkok	66-2973-5040-54	1	Ordinary Shares	98.7	60
6	Siam Sanitary Ware Industry Company Limited	SSI	Sanitary Ware	Bangkok/ Saraburi	66-2973-5040-54	2	Ordinary Shares	98.7	200
7	Siam Sanitary Ware Industry (Nongkae) Company Limited	SNK	Sanitary Ware	Bangkok/ Saraburi	66-2973-5040-54	2	Ordinary Shares	98.7	160
8	Siam Sanitary Fittings Company Limited	SSF	Faucets and Fittings	Bangkok/ Nakhon Ratchasima	66-2973-5040-54	2	Ordinary Shares	99.6	200
9	Prime Group Joint Stock Company	Prime Group	Holding Company	Vietnam	(84) 21-1388-8987	101	Ordinary Shares	100.0	1,413
10	Prime - Vinh Phuc Joint Stock Company	Vinh Phuc	Floor and Wall Ceramic Tiles	Vietnam	(84) 21-1386-6637	25	Ordinary Shares	100.0	350
11	Prime - Tien Phong Joint Stock Company	Tien Phong	Floor and Wall Ceramic Tiles	Vietnam	(84) 21-1388-8174	12	Ordinary Shares	100.0	168
12	Prime - Yen Binh Joint Stock Company	Yen Binh	Wall Ceramic Tiles	Vietnam	(84) 21-1388-8987	13	Ordinary Shares	100.0	182
13	Prime Pho Yen Joint Stock Company	Pho Yen	Floor Ceramic Tiles	Vietnam	(84) 28-0386-6632	15	Ordinary Shares	100.0	210
14	Prime Trading, Import and Export One Member Limited Liability Company	PT1	Marketing and Sales of Floor Tiles	Vietnam	(84) 21-1388-8987	As a limited liability company in Vietnam, it has not issued any share. Shareholding of this company is as stated in its certificate of investment.	Ordinary Shares	100.0	420
15	Prime - Truong Xuan Joint Stock Company	Truong Xuan	Water Heater and Mechanical	Vietnam	(84) 21-1372-6552	6	Ordinary Shares	99.5	84

No.	Company Name	Abbreviation	Principal Business/Products	Location (Head Office/ Factory)	Tel.	Number of Paid-up Shares (Million Baht)	Type of Shares	Total Direct/Indirect Holding (Percent)	Issued and Paid-up Shares (Million Baht)
16	Prime Dai An Joint Stock Company	Dai An	Procurement of Raw Materials for Manufacturing Ceramic Tiles	Vietnam	(84) 21-1388-8987	3	Ordinary Shares	95.0	35
17	Prime Phong Dien Joint Stock Company	Phong Dien	Manufacture of Materials	Vietnam	(84) 21-1388-8987	3	Ordinary Shares	90.0	35
18	Prime Dai Viet Joint Stock Company	Dai Viet	Floor and Wall Ceramic Tiles	Vietnam	(84) 21-1384-5238	13	Ordinary Shares	90.0	182
19	Prime Thien Phuc Joint Stock Company	Thien Phuc	Sand Mine and Industrial Estate	Vietnam	(84) 21-1388-8987	5	Ordinary Shares	90.0	70
20	Prime Dai Loc Joint Stock Company	Dai Loc	Floor and Wall Ceramic Tiles	Vietnam	(84) 23-5350-9999	30	Ordinary Shares	89.9	414
21	Prime Hao Phu Joint Stock Company	Hao Phu	Exploration and Processing Materials	Vietnam	(84) 21-1388-8987	3	Ordinary Shares	70.0	35
22	Prime Dai Quang Joint Stock Company	Dai Quang	Manufacture Packaging for Ceramic Tiles	Vietnam	(84) 23-5376-1666	2	Ordinary Shares	56.0	28
23	Mariwasa-Siam Ceramics, Inc.	MSC	Floor and Wall Ceramic Tiles	The Philippines	(632) 717-6901	800	Ordinary Shares	80.1	558
24	PT Keramika Indonesia Assosiasi, Tbk	KIA	Floor and Wall Ceramic Tiles	Indonesia	(62) 2-1386-2322	14,929	Ordinary Shares	92.0	5,603
25	PT KIA Keramik Mas	KKM	Ceramic Roof Tiles	Indonesia	(62) 2-1386-2322	2,926	Ordinary Shares	99.2	2,162
26	PT KIA Serpih Mas	KSM	In Process of Liquidation	Indonesia	(62) 2-1386-2322	3,768	Ordinary Shares	72.3	1,614
27	SCG Cement-Building Materials Philippines Holding, Inc.	CBMP Holdings	Dormant	The Philippines	(632) 717-6901	14	Ordinary Shares	100.0	136
28	V Ceramic Mekong Delta Limited Liability Company	V-Ceramic	Distribute floor tiles, wall tiles and bathroom	Vietnam	(84) 08-8815-9865	0.6	Ordinary Shares	60.0	8

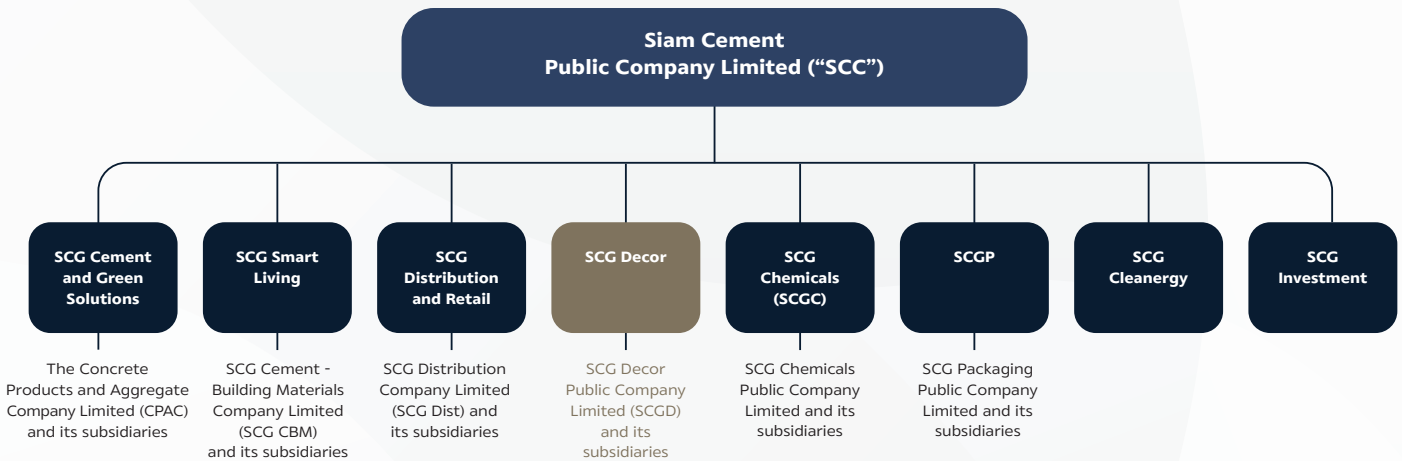
**Information on the Company's associate as of December 31, 2024 is as follows:**

No.	Company Name	Abbreviation	Principal Business/Products	Location (Head Office/ Factory)	Tel.	Number of Paid-up Shares (Million Baht)	Type of Shares	Total Direct/Indirect Holding (Percent)	Issued and Paid-up Shares (Million Baht)
1	Noritake SCG Plaster Company Limited	NSP	Manufacture and Distribute of Molding Plaster and Jointing Products	Saraburi	66-3637-3578-82	4	Ordinary Shares	10.0	405

### 1.3.2 Shareholder’s Business Group

SCC is the major shareholder of the Company 73.4% of the Company’s shares for registered and paid-up capital are indirectly held by SCC. Currently, SCC has operated eight core business: SCG Cement and Green Solutions, SCG Smart Living, SCG Distribution and Retail, SCG Decor, SCG Chemicals (SCGC), SCGP, SCG Cleanergy, SCG Investment. The Company, has conducted connected transactions with SCC Group under normal trading conditions. It has sold some of its products such as tiles and bathroom products to the group. Also, it has procured some raw materials such as soil and packaging from the group and has used the group’s shared service and others.

In 2024, the Company’s revenue from entities with possible conflict of interest (including SCC Group) accounted for 10.9% of total revenue according to its consolidated financial statements. The Company’s purchases and payments to entities with possible conflict of interest (including SCC Group) accounted for 13.2% of its total cost of sales and expenses according to its consolidated financial statements. SCC Group’s structure as of December 31, 2024 is as follows:



SCC has the policy to assign the Company as a flagship company for the floor/wall tile and bathroom product production businesses that cover both Thailand and foreign countries. The Company’s distribution of floor tiles, wall tiles and bathroom products is conducted via various channels, including the Company’s own distribution channels such as manufacturing outlets and showroom outlets. To support the Company’s status as a flagship company, SCC has decided to not engage in the production of floor tiles, wall tiles, and bathroom products in Thailand and overseas. SCC, moreover, will continue to support the distribution of the Company’s floor tiles, wall tiles and bathroom products via SCC Group including its modern-trade operator SCG HOME.

Definitions of the “floor tiles and wall tiles”, “bathroom products”, “manufacturing outlets and showroom outlets”, and “operating a production business” are as follows:

- “Floor tiles and wall tiles” refer to ceramic tiles for flooring and walls.
- “Bathroom products” refer to devices or equipment used in bathrooms such as toilets, wash basins, bathtubs, faucets, showers, and other accessories.

- “Manufacturing outlets or showroom outlets” refer to shops set up by manufacturers mainly for the distribution of their tiles.
- “Operating a production business” refers to an investment in a company that mainly manufactures floor tiles, wall tiles and bathroom products in Thailand or overseas in a size significant enough to ensure SCC has controlling power over that company’s business operations. (“Controlling over the business operations” is defined based on definition in Article 89/1 of the “Securities and Exchange Act B.E. 2535 (including any revision made in the future).

#### Ceramic Roof Tile Production Business

Currently, the Company has operated a ceramic roof tile production business in Indonesia via PT Kia Keramik Mas (“KKM”). This business is similar to a business in SCC Group. Therefore, the Company has a plan to transfer shares it held in KKM and/or KKM’s assets to other party (outside its group) to comply with its business policy and scope.



However, KKM's direct shareholder, KIA which has the sales record of approximately 1,284 million baht in 2023, received a notice from Indonesian authorities in late 2022 claiming that KIA and its subsidiary, PT KIA SERPIH MAS ("KSM"), had liabilities towards a government authority due to an incident in 1998. These liabilities were referred to the debts and obligations of a minority shareholder, the founder of KIA ("KIA Founder"), who has no relationship with SCC. KIA Founder received financial assistance from the Indonesian government for his another business which occurred long before the Company acquired KIA business in 2011. Currently, there is uncertainty whether KIA and KSM will be held responsible for the liabilities claimed by the Indonesian authorities and to what extent it might impact them, given the available evidence does not conclusively indicate that KIA and KSM are liable to the Indonesian authorities. Therefore, considering the facts and current situation, holding KIA shares as now is the most appropriate option available for the Company. Due to the ongoing claim mentioned above, the Indonesian authority has suspended KIA and KKM from accessing the administration system with the Ministry of Law and Human Rights (MOLHR). As consequence, KIA and KKM cannot declare changes to their board of directors and commissioners on the system, even though the changes have already been approved via the resolutions of shareholders' meeting in 2022. This causes operation of KIA and KKM, including any transfer of KIA's assets, to be complex and carefully handled because the Indonesian authorities may misinterpret the objective of the transfer (which in fact aims to remove conflict of interest) and may issue any order that worsens the claim situation or affects KIA's operations which Company wishes to avoid.

Given the reasons above, the Company plans to transfer shares and/or of KKM to other party or a company under SCC Group after the liability claim from the Indonesian authorities relating to KIA and its subsidiaries is settled. The Company will make utmost efforts to complete the transfer as soon as possible. If the Company fails to conclude the sale and purchase agreements for any reason, within 12 months since the settlement of the liability claim, the Company shall let SCC Group lease KKM's assets and have the right to operate KKM's ceramic-roof tile business or terminate KKM's business operations. For the lease option, the Company and SCC Group shall prepare lease contracts on arm's length basis. If the lease

cannot happen for any reason, the Company and SCC Group shall enter into the agreement to terminate KKM's business operations. Such approach has already been approved in principle by the Company's Board of Directors. Moreover, during this period where the Company is unable to transfer shares in KKM and/or KKM's assets due to ongoing liability claim, the Company has also decided to let KKM operate its business as normal (but without any significant investment for expanding KKM's roof-tile business), based on the business plan approved by its board of directors and/or shareholders' meetings so as to ensure KKM remains competitive in the Indonesian market.

### **Belanja Shops**

PT Kokoh Inti Arebama, TBK ("Kokoh") (a listed company in Indonesia Stock Exchange whose 90.6% of shares are indirectly held by SCC Group) has presently owned floor/wall tile shops under "Belanja" brand (which has distributed floor tiles, wall tiles and bathroom products in Indonesia in the form manufacturing outlets). As of June 20, 2023, the Company has entered into a contract to purchase/to sell the shares of KMKP that is a subsidiary of Kokoh and operates three Belanja outlets and/or their assets. At present, there are 20 Belanja outlets. The contract made between the Company and Kokoh is conditional. Under the contract, the purchase of KMKP's shares and/or assets related to Belanja shall be made at a fair price as determined by an independent financial consultant. In addition, the contract has a key condition precedent. The actual purchases of shares and/or assets related to Belanja outlets shall take place only after the dispute over the Indonesian government's liability claim involving KIA is settled and all relevant companies approve the transaction.

SCG Distribution Company Limited (a major shareholder of Kokoh and a subsidiary of SCC) has agreed to not invest further or expand any business similar to Belanja in Indonesia pending the transfer of KMKP's shares and/or assets related to Belanja outlets, except when the investments or expansions are directly for Belanja network, normal transactions, and the implementation of KMKP's and Belanja's business plans for their sustained competitiveness in the Indonesian market. The Company's Management shall propose the purchase of KMKP's shares and/or assets related to Belanja to proceed with the contract after the key condition precedent is met.

### 1.3.3 Shareholders

#### (1) List of Major Shareholders

The Company's shareholding structure, as of December 31, 2024 is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. Siam Fibre Cement Company Limited <sup>1</sup>	1,210,897,600	73.4
2. CPB Equity Company Limited	73,150,000	4.4
3. Mrs. Nanthasiri Assakul	22,666,194	1.4
4. Mr. Prateep Tangmatitham	19,074,343	1.2
5. FINFLOOR S.P.A.	16,818,338	1.0
6. Bualuang Infrastructure RMF	14,260,600	0.9
7. Thai NVDR Company Limited	9,742,993	0.6
8. Bualuang Long - Term Equity Fund	7,861,499	0.5
9. Bualuang Basic Dividend LTF	5,407,310	0.3
10. Mr. Nurak Mahatana-arnont	5,000,000	0.3
11. Other shareholders	265,121,123	16.0

Remark:

<sup>1</sup> Shareholder list of Siam Fibre Cement Company Limited, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
SCC	109,996,459	100.0
Other shareholders <sup>1</sup>	3,541	0.0
<b>Total</b>	<b>110,000,000</b>	<b>100.0</b>

Remarks:

<sup>1</sup> Other shareholders here are 20 shareholders.

**(2) Shareholder lists of subsidiaries that are management centers in their respective group of subsidiaries, subsidiaries that operate under such management centers but are significant, and subsidiaries that operate core businesses and are not under the management centers**

**1) COTTO**

COTTO's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. The Company	5,909,623,620	99.11
2. Other shareholders <sup>/1</sup>	52,997,613	0.89
<b>Total</b>	<b>5,962,621,233</b>	<b>100.0</b>

Remark:

<sup>/1</sup> Other shareholders here are 4,236 shareholders.

**2) SSW**

SSW's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. The Company	789,601	98.7
2. Other shareholders <sup>/1</sup>	10,399	1.3
<b>Total</b>	<b>800,000</b>	<b>100.0</b>

Remarks:

<sup>/1</sup> Other shareholders here are 17 shareholders.

**3) SSI**

SSI's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. SSW	1,999,998	100.0
2. Other shareholders <sup>/1</sup>	2	0.0
<b>Total</b>	<b>2,000,000</b>	<b>100.0</b>

Remarks:

<sup>/1</sup> Other shareholders here are 2 shareholders

**4) MSC**

MSC's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. The Company	640,635,987	80.1
2. Mariwasa Holding Inc. <sup>1</sup>	66,583,281	8.3
3. Co Seteng Group	80,964,061	10.1
4. Other shareholders	11,816,671	1.5
<b>Total</b>	<b>800,000,000</b>	<b>100.0</b>

Remark:

<sup>1</sup> SCC has indirectly held MHI's shares via CCPH. SCC owns 100% of CCPH's shares while CCPH holds 40% of MHI's shares.

**5) Prime Group**

Prime Group's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. The Company	100,903,326	100.0
2. Siam Fibre Cement Company Limited	1	0.0
3. SCG Cement-Building Materials Company Limited	1	0.0
<b>Total</b>	<b>100,903,328</b>	<b>100.0</b>

**6) KIA<sup>1</sup>**

KIA's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. The Company	13,741,458,453	92.0
2. Other shareholders	1,187,641,547	8.0
<b>Total</b>	<b>14,929,100,000</b>	<b>100.0</b>

Remarks:

<sup>1</sup> KIA is a listed company in Indonesia's stock market.

## 7) PT1

PT1's shareholder list, as of December 31, 2024, is as follows:

Shareholder Name	No. of Shares	Shareholding (%)
1. PRIME	300,000,000,000	100.0
<b>Total</b>	<b>300,000,000,000</b>	<b>100.0</b>

### (3) Major Shareholders' Agreement

- None -

### 1.4 No. of Registered and Paid-Up Shares

As of December 31, 2024, the Company had the registered capital of 16,550,000,000 baht. It is from 1,655,000,000 ordinary shares, each with the par value of 10 baht. The registered and paid-up capital has thus totaled 16,500,000,000 baht.

### 1.5. The Company's Dividend Policy

The Company has the policy to allocate at least 30% of its net profit based on consolidated financial statements<sup>5</sup> after all legally-required and the Company-required reserves as well as corporate income tax, to dividend payment every year. The dividend payment shall be subject to the Company's operating results, financial position, investment plans, market conditions, needs, and appropriateness.

### 1.5.1 Dividend Policy of the Company's Subsidiaries

The board of directors of each subsidiary shall approve the dividend policy in each year before presenting it to shareholders' meeting for approval, except for interim dividend payment that can be approved by the board. The board of directors has the power to authorize interim dividend when the subsidiary has received enough profit. The payment of dividends shall be in line with the applicable law of the country where each subsidiary is located. The board of directors only has to report the interim dividend payment to the next shareholders' meeting. The board of directors of each subsidiary shall review dividend payment based on relevant factors with the focus on shareholders' best interests and act as it and/or shareholders' meetings deem appropriate.



02

# 02

## Risk Management

### 2.1 Risk Management Policy

The Company recognizes the importance of good organizational management in driving sustainable growth and business expansion. As the changing and competitive business landscape may affect ability to achieve key goals and missions of its Group, the Company's Board of Directors has established a risk management policy to ensure that its enterprise risk management system is in place across the Company group effectively and efficiently.

The Board of Directors has assigned the Audit and Risk Management Committee to review the formulation of policies, strategies, frameworks, and plans on risk management, and supervise the implementation by the Risk Management Panel on its behalf. The committee is also tasked with reviewing risks and the Enterprise Risk Management Framework that covers operational processes, controls and supervision, information technology, information security, and communications network systems to ensure their effectiveness and compliance with international standards, including promote risk management awareness which related to operations through participation in safety risk assessment and environmental aspect.

### 2.2 Risk Factors in the Company's Business

The summary of risk factors in the Company's business operations that may significantly affect investors' returns and risk management guidelines is as follows:

#### 2.2.1 Risk of implementing Business Strategies

##### 2.2.1.1 Risk of being unable to accurately predict customer trend and introduce innovative products to markets at the right time

The Company has operated Decor surfaces and Bathroom businesses both in Thailand and overseas, sourced products for distribution, and operated its owned retail stores to sell ceramic tiles, sanitary ware, other decorative surface materials, and related products. The success of the business depends on its ability to understand consumers, accurately predict their future needs, foresee market trends, and respond to any changes that may arise.

Currently, the Company has employed more than 250 people across the ASEAN region for research and product development. They have conducted insightful studies to monitor customers' changing needs and behaviors. The Company also has extensive distribution channels in all the countries where it has established a business presence. This helps to profoundly understand customer behavior in each country and develop products that meet the needs and behaviors of local customers in timely manner from having the Company own production lines.

#### 2.2.1.2 Risks from Competition

The Company has operated Decor surfaces and Bathroom businesses both in Thailand and overseas. The business competition environments in the four countries where it has had a business presence namely Thailand, Vietnam, the Philippines, and Indonesia are different. So far, these four markets have been mainly in the hands of just a few players. These major business operators compete by expanding their distribution channels through dealers, modern trade outlets, and their own retail stores. The competition also focuses on offering a wide range of products to meet the needs of all consumer groups in an effort to increase market share. Some of the Company's competitors are global brands. Some have imported products from China and India to enhance their competitiveness. As a result, the Company's revenue from sales and marketing expenses may not always be as planned.

However, the Company's businesses are strong. With a variety of products and diverse distribution channels in both Thailand and overseas, the Company has held the largest market share in Thailand's, Vietnam's, and the Philippines' decor surfaces market. The Company has also been the market leader in Thailand's bathroom product industry in terms of sales. By leveraging its experience and success in Decor Surfaces and Bathroom products, the Company believes that it will be able to efficiently expand its businesses into high-growth markets in the future.

### **2.2.1.3 Risks associated with negative impacts on the economy at the global, regional, and domestic levels**

There were risks associated with global economic conditions, which impacted the market, particularly in ASEAN, where the Company has its manufacturing base. In 2024, Thailand experienced the effects of diminishing purchasing power due to economic conditions and high household debt levels, while regional markets have not yet recovered. Although Vietnam enforced the land law in August 2024, more time was required for detailed implementation. In the Philippines, inflation rose, and financial institutions had tightened lending policies. Meanwhile, Indonesia awaited positive outcomes following the government's policy announcements. Thus, to continuously enhance competitiveness, the Company accelerated investments in cost saving projects through the use of renewable energy (solar power) and alternative energy (biomass energy), expediting development of high-value-added (HVA) products and services, and restructuring business operations to improve efficiency by integrating technology, artificial intelligence (AI), and robotics. Additionally, the Company adjusted production according to market demand.

### **2.2.1.4 Risks of being unable to achieve planned business expansion or potentially exceeding the allocated investment budget**

Prior to investment or proceeding the projects such as efficiency improvement projects, cost saving projects, or distribution channel expansion projects, the Company will conduct feasibility studies. It has normally presented business-expansion plans and has requested an investment budget from the Board of Directors annually. Additionally, the Company regularly monitors the progress of projects to ensure that investments align with the planned objectives and can adjust the implementation plan appropriately based on the prevailing circumstances.

### **2.2.1.5 Risks from dependence on Dealers and Modern Trade Outlets**

The Company has the key customers in both Thailand and Overseas. These customers are served either directly by the Company through its own shops such as "Klang Ceramic" and "COTTO LiFE" in Thailand, "CTM" in the Philippines, "Belanja Keramik" in Indonesia, "OK Tiles Outlet" in Cambodia, "V-Ceramic" in Vietnam or through other distribution channels such as dealers and modern trade outlets that are considered as the Company's main distribution channels.

In the future, there might be additional risk factors such as increased competition in the industry, changes in customer demand, reduced return from the key customers to the point where it was not worthwhile enough comparing to sales through other operators, and situations where the financial position of these key customers significantly weakens. However, the Company has a strategy to systematically build and maintain customer relationships, providing comprehensive services from pre-sales to post-sales. The Company also has a strong network of distributors and has adjusted its distribution channel business model to be different from country to country to reduce reliance on dealers and create opportunities to distribute products in high-potential areas.

### **2.2.1.6 The number of free-floating shares of KIA, a subsidiary of the Company, which representing the proportion of shares held by minority shareholders ("Free Float") are below the minimum threshold, and KIA shares are now on the Special Monitoring Board of the Indonesia Stock Exchange ("IDX"). These circumstances may lead to the suspension of trading or delisting of KIA shares from the IDX which could have an adverse impact to KIA and potentially affect the Company's reputation.**

The Free Float of KIA shares listed in the Indonesia Stock Exchange (IDX) is currently being approximately 1.53% below the threshold prescribed by the IDX. Additionally, KIA shares have been classified on the Special Monitoring Board due to its price falling below 51 Indonesian Rupiah per share. Despite this classification, the investors remain able to trade KIA shares without restriction. However, KIA may be subject to penalties if its Free Float continues to fall below the minimum threshold. Moreover, KIA shares may face the risk of trading suspension on the IDX if the average share price and/or the Free Float remains below the prescribed threshold, or delisting from the IDX if the suspension persists for more than 24 consecutive months. Prior to any delisting decision, the IDX will engage in discussion with KIA to determine the appropriate measures.

The Company and KIA are currently exploring measures to align the number of KIA's Free Float with the IDX threshold and to remove KIA shares from the Special Monitoring Board. Nevertheless, achieving complicating with the IDX conditions, including increasing trading volume, transaction value, and share price, poses considerable challenges due to their reliance on demand from public



investors, which lies beyond the control of the Company and KIA. While KIA retains its status as a public company, these circumstances may have an adverse impact on the reputation of both KIA and the Company.

## **2.2.2 Operational Risk**

### **2.2.2.1 Risks from volatile raw material and energy prices**

The prices of main raw materials for the production of floor tiles, wall tiles, and sanitary ware and accessories, including kaolin clay, feldspar mineral, silica sand, and brass rods, fluctuate according to the global market. Good relationships with domestic and foreign suppliers, however, mitigate risk of raw-material procurements. The Company has also monitored raw material prices, drawn up production plans well in advance, and constantly assessed risks from raw material procurement. In addition, the Company has prepared plans for alternative raw material sourcing and the improvement of production formulas to increase efficiency by reducing raw material usage or waste in production process.

Moreover, as production process uses energy from heat, energy costs have become one of the key cost components of the Company. The Company has thus negotiated with natural gas suppliers to lower energy cost including implementing several projects to lower the use of energy and natural gases for example, “Hot Air Generator” project replacing fossil fuel with Biomass, “High Efficiency Burner” project improving the burner’s efficiency, “Waste Heat Recovery” using hot air from the burner in production process and “Upgrading Kiln Wall Insulator” reducing heat loss.

### **2.2.2.2 Risks from raw materials procurement, product sourcing and maintaining good relationships with suppliers**

With the vision to operate comprehensive businesses covering floor tiles, wall tiles, bathroom products, surface materials, and other related products in response to customers’ needs, the Company exposes to risks related to the procurement of raw materials for its production and various finished products on a continuous basis in respond to diverse needs of customers.

To manage these risks, the Company has procured and ordered raw materials/finished products from various suppliers, both in Thailand and overseas. The Company established raw material supplier selection process and quality product sourcing process to ensure that such

suppliers are able to deliver the raw material and product continuously and sufficiently to fulfill the demand.

### **2.2.2.3 The Risks associated with the operation of the Company’s manufacturing plant**

The Company has operated 15 factories (except KKM which is roof tile company) in Thailand, Vietnam, the Philippines, and Indonesia. The operation mainly depends on the capability of the factory to continue producing high quality product. The Company therefore is subject to risks related to the factories. If any of them fails to meet applicable standards or gets disrupted, production may be suspended, production volume may fail to meet demand, or the cost of sales and marketing may soar.

Recognizing the risks from its production, the Company has accorded importance to its production processes and has continuously improved production efficiency. The Company has set quality control process and ensured strict compliance. Moreover, the company has implemented preventive maintenance to machine and plant equipment on regular basis.

Furthermore, the Company manages water quality by recycling it entirely for factories located outside industrial estates. For factories inside industrial estates, some portions of water from their production are treated based on international guidelines. Water quality checks have been done on a regular basis before water discharges into industrial estates’ waterways. Regarding air-pollution control, the Company’s factories have implemented treatment methods based on international standards. Checks have also been conducted regularly as assurances that the factories meet the standards of countries where they have operated. All factories of the Company have produced Zero Waste to Land Fill because they have recycled waste in their compounds. Various types of waste can be used as raw materials for other industrial operations. Management is carried out in accordance with the laws and regulations of each country, ensuring confidence that no pollution is caused to the environment.

### **2.2.2.4 Risks from inventory management**

As of December 31, 2024, the Company has 20 warehouses in Thailand, Vietnam, the Philippines, and Indonesia, with inventory mainly consisting of finished goods. If any damage or mishap happens to any of the warehouses or inventory, the Company’s ability to deliver products in response to purchase orders will be affected.

If the Company overestimates demand or the popularity of a particular product changes rapidly, that it becomes outdated in a short time, the Company risks overstocking. In addition, the Company may incur additional expenses from recording allowances to reduce inventory to its net realizable value. To manage these risks, the Company has developed its warehouse management through the integration of information technology, which analyzes sales statistics to predict demand for each product category so as to properly plan production and maintain an appropriate amount of inventory.

As a major risk to all manufacturers and distributors is merchandise loss, the Company has integrated technology such as Warehouse Management System to reduce the risk. These technologies help minimize the unnecessary movement of goods.

#### **2.2.2.5 Risks Related to Quality, Safety and Reliability of the Company's Products**

The Company prioritizes the quality and safety of its products. It has established quality inspection procedures throughout the production process and strictly adheres to product quality control standards. All of the Company's products are certified based on production, safety, environment and quality control and manufacturing practice standards including the Thai Industrial Standards and international standards. The Company, for example, has met international management standards of ISO 9001, 14001, 45001, and 50001. Furthermore, the Company has implemented product liability insurance to mitigate the impact of such risks.

#### **2.2.2.6 Risks of All Risk Insurance not covering all damages caused to the Company**

The Company's operations are subject to many risks involving external factors such as natural disasters and political instability, as well as internal factors such as the malfunctions or deterioration of machinery/equipment used in production process, operational problems, and transportation disruptions. These risks may affect/disrupt persons, assets, or operational processes of the Company. They may even hold the Company accountable for civil and criminal liability. Even though the Company has taken out insurance and regularly conducted assessments to ensure that the coverage is comprehensive enough, there is always a risk that the insured amount may not cover the whole extent of damages when they really happen.

The Company has implemented various types of insurance to mitigate risks and unforeseen events, such as property risk insurance, accident insurance, and product liability insurance. However, it may not be able to provide insurance policies that cover all possible risks. Considerations of cost-effectiveness needs be taken by the Company.

#### **2.2.2.7 Risks from Transportation Including Damages to Goods During Transportation or Accidents**

The Company has various types of deliveries including direct to end-consumers, between distribution centers and the Company own shops, and to other distribution channels by outsourcing transport service. This exposes the Company to transportation risks that are beyond its control such as accidents during transportation, natural disasters, or problems caused by transportation service providers resulting in damaged goods, merchandise loss, and delayed delivery.

Nevertheless, the Company has constantly assessed and managed transportation-related risks, with measurement in place to reduce the potential risks from transportation. The Company implements Approved Vendor List as guidelines to which transport service providers should be hired. The list has been assessed and reviewed on a regular basis. Moreover, the Company has implemented insurance to cover damage or loss during transportation and required the outsource transportation service providers to have insurance for such risks as well. In addition, the Company complies with SCG's Transportation Safety standards to prevent accidents that may occur during transportation.

#### **2.2.2.8 Risk of the Company being unable to adequately protect its intellectual property rights**

Intellectual property related to the business, particularly trademarks used for the Company's products and trade secrets concerning production processes, is crucial to the Company's operations. The Company has established a policy to protect its intellectual property by registering production process patents and important trademarks to secure trademark and design patent protections.

However, the Company cannot guarantee that its intellectual property will be adequately protected. There is a risk that third parties may dispute the Company's rights of intellectual property currently under registration. Additionally, the process of registering and renewing trademarks is time-consuming, and the approval outcome depends on the discretion of the relevant authorities.

Therefore, the Company cannot guarantee the approval of trademark registration or renewal applications. However, during the approval process, the Company is permitted to use the trademarks in accordance with the law.

Moreover, the Company has entered into business management agreements for Klang Ceramic, granting third parties the right to use its trademarks for services in establishing Klang Ceramic Family stores. These stores engage in distribution and service activities under the Company's trademarks. However, there remains a risk that licensees may misuse the trademarks, which could negatively affect the Company's reputation and business performance.

Nonetheless, the Company has conducted a status review and verified its rightful ownership of these trademarks. As of December 31, 2024, the Company has not encountered any issues related to the use of its trademarks or service marks that could significantly impact its operations or financial position.

#### **2.2.2.9 The risk of malfunction, interruption, downtime or damage to Information Technology systems related to business operations**

The Company has used various information technology systems in its operations, spanning from production to packaging, to product distribution, and to support functions such as financial record-keeping and research and development. Therefore, malfunction to these IT systems could impede access to critical data, reduce operational efficiency, or cause business interruptions.

The Company has authorized the rights to access data and information system based on the authority and responsibilities of each employee level. Passwords are required for system access, and there is an information security policy in place, aligned with the SCG E-policy framework. Regular reviews and updates are conducted to improve IT security measures, such as data backups and the implementation of a Business Continuity Plan (BCP). Additionally, we ensure the presence of skilled personnel specifically dedicated to monitor and control the operation of the information technology systems.

#### **2.2.2.10 Risks Related to Financial Assistance and Shared Services, and Land Lease for operating business from Major Shareholder's Group**

The Company has received financial assistance from SFCC, which is a wholly-owned the majority shareholder of the Company, in a proportion of 100.0 percent subsidiary

of SCC. As of December 31, 2024, the Company has owned 6,703 million baht according to the consolidated financial statements to SFCC. The interest rates for the loans are calculated based on the Cost Plus Margin formula. Therefore, they are similar to market rates. The Company is confident that, even if it does not borrow money from SFCC or SCC, it will be able to get loans from financial institutions or raise funds through debenture issuance at reasonable financial costs.

Also, the Company has received business services from SCC and other companies in SCC Group to facilitate its operations. The shared include accounting, procurement, human resources, information technology, finance, management, legal services and other shared service. Distributed across SCC's business units, service fees are calculated based on the Cost Plus Margin principle in accordance with SCG Transfer Pricing Guideline for the SCC group of Companies. As the margin calculation is based on market rate using references compiled by third parties under general business conditions, service fees are appropriate and reasonable.

Currently, the Company's subsidiaries have leased land plots from companies in the SCC group for their business operations such as; 1) MSC has signed a contract to lease space from Mariwasa Holding Inc ("MHI") whose 40.0% of shares are indirectly held by SCC for its factory 2) PT1 has signed a contract to lease space from SCG Home Vietnam Co., Ltd. whose 73.1% of shares are indirectly held by SCC for its showroom. Lease contracts have included clauses giving tenants the Right of First Refusal if the landlords intent to sell their leased assets before the end of the lease contract. With the Right of First Refusal, landlords must inform the tenants of third party or the potential buyer as well as selling price and conditions in writing ahead of the planned sales. The tenants shall have at least 90 days to decide on whether to buy or refuse the offer to sell the assets.

#### **2.2.2.11 Risk from Dependence on Key Executives and Personnel**

The success of the Company partly relies on its ability to motivate and retain key executives and personnel with extensive knowledge and experience in the Decor Surfaces and Bathroom businesses, as well as other related businesses in the countries where the Company operates. Therefore, it is crucial for the Company to have experienced and knowledgeable personnel.

The Company recognizes the importance of motivating and retaining its employees and focuses on clearly developing the capabilities and responsibilities of personnel at all levels. Additionally, the Company has a strategy for creating a succession plan to develop potential employees from within the organization. This includes recruiting potential personnel from outside the Company for executive positions and other critical roles to ensure that the Company has an adequate number of executives and staff to align with its business operations and future expansion.

Moreover, the Company has established training and development plans to enhance the knowledge, skills, and experience of its personnel. These plans are designed to ensure smooth operations in the event of losing any executive or key personnel.

#### **2.2.2.12 Risk from Disaster and Natural Disasters**

The Company has located in 4 countries: Thailand, Vietnam, the Philippines and Indonesia, which have different risks from natural disasters. The Company in Thailand is at risk from drought and flood, while the Company in Vietnam is at risk from storm and flood. The Company has set a management approach for both drought and flood by monitoring the water situation from water sources, prepare a water reserve within each Company area, totaling 1.58 million cubic meters, and for companies which located in industrial estates or land, there are also water reserves from industrial estates or land totaling 1.8 million cubic meters, including requesting permission to use groundwater, which is sufficient for production. In the case of floods and storms, there is an emergency plan for storm under the Business Continuity Management Plan, including installing equipment to support flooding in the factory, such as water pumps, water gates, concrete blocks and substations, and additional water drainage.

#### **2.2.2.13 Risk from Infectious Diseases and Epidemics**

The Company places importance on preparing for infectious diseases and epidemics to reduce the impacts that may occur. Currently, preventive measures against the spread of diseases and New Normal protocols have been established, with monitoring and surveillance from reliable sources of information from the government and various organizations.

The implementation is divided into screening, monitoring, preventing of the spread of the disease, and treatment. SCG's Corporate Business Continuity Management (BCM) and the Company's Business Management Team (BMT) monitor, process, and communicate information related to the situation, and alerting employees and companies that may be affected to prepare for prevention and response to the situation. Emergency response plans are also being rehearsed and continuously improved in accordance with the Business Continuity Plan.

### **2.2.3 Financial Risks and Investment Risks**

#### **2.2.3.1 Risks from Volatile Currency Exchange Rates**

The Company has operated its businesses through subsidiaries that are based in foreign countries, namely Vietnam, Indonesia, and the Philippines. It also imports machinery, equipment, technology, and materials, as well as trades its products through foreign currencies. For this reason, some of the Company's expenses, incomes, and loans are in foreign currencies. This poses the Company with exchange rate risk caused by severe fluctuations. Revenue from businesses in Vietnam, the Philippines and Indonesia accounted for 41.2% 35.5% and 35.8% of total sales in the year ending on December 31, 2022, 2023 and 2024 respectively. The Company has received cash flow in the form of dividend from those overseas-based subsidiaries that have not operated business in Thai baht. The Company has recorded its overseas-based subsidiaries' revenue, profit, assets and other items in baht for its consolidated financial statements, though. As a result, if the baht strengthens against the currencies used by the subsidiaries, significant adverse impacts may affect the amount of dividend, revenue, profit, and the value of assets (when in baht) that the Company has received from the subsidiaries. In such events, the Company's revenue, profit, and assets in financial statements may be affected because of changing currency exchange rates.

The Company has curbed the risks from volatile currency exchange rate by entering into forward exchange contracts, which lower the risks from assets and financial liabilities that are associated with foreign currencies.

**2.2.3.2 The Company operates by holding shares in other companies (Holding Company). Its Cash Flow Adequacy and Serviceability therefore depend on Dividends paid by Subsidiaries and Affiliates**

As the Company is a holding company, it has not directly operated its businesses. Its operating results and ability to fulfill obligations, including serviceability and/or the ability to pay out dividends to shareholders, thus mainly depend on the operating results and dividend payment of its subsidiaries and affiliates. The Company has risks related to its subsidiaries' and affiliates' business operations as well as dividend-paying ability. If problems hit the businesses of subsidiaries and affiliates, the Company's cash flow will be negatively affected.

**2.2.3.3 Risks from Volatile Interest Rates**

As of December 31, 2024, the Company's interest-bearing liabilities totaled 13,869.7 million baht, according to the consolidated financial statements. Of the amount, most were loans taken from SFCC (which is the Company's shareholders and an SCC's wholly owned subsidiary). Interest rates are calculated based on SCC's Cost Plus Margin formula. Therefore, the rates may change in line with the market rate. In the future, the Company may need to take out a significant amount of loans for its capital management and business expansion. Therefore, if lending interest rates rise significantly, there may be material adverse impacts on the Company's operating results and financial position.

However, the Company has constantly prepared financing plans by exploring various funding sources. Also, it has closely monitored changes in interest rates.

**2.2.4 Regulatory Compliance Risk**

**2.2.4.1 The risk of not being able to maintain, obtain, or renew licenses, contracts, or agreements necessary for the Company's business operations**

The Company operates under the supervision and regulations of various relevant agencies, including local government authorities in different countries where the Company conducts its business. This includes the necessary licenses for the Company's operations, which require renewal and submission of new applications through the relevant agencies. Therefore, the Company may face risks if these licenses expire. Additionally, the enforcement and regulations related to these licenses may be subject to changes, making it difficult for the Company

to ensure compliance with all the conditions specified in the licenses, including legal requirements and responsibilities for the Company's business operations. This may result in the Company's inability to renew licenses, increased complexity, and additional costs associated with license renewal.

To ensure compliance with related law, the Company has a policy in place to monitor the criteria for license applications and to initiate the process of applying for and renewing licenses and certifications before they expire.

**2.2.4.2 Risk of complying with laws and regulations in Thailand and overseas**

The Company needs to comply with applicable Thai and foreign laws, which may be changed occasionally. These changes may affect the Company's businesses and operations because they may increase costs and operational expenses.

Also, the business operations of the Company's subsidiaries and affiliates are subject to environmental laws and regulations enforced by authorities in countries where they have established a business presence. For example, they must comply with laws and regulations governing air pollutant emissions, discharges of wastewater, and the control of waste, other pollutants or anything that may endanger the environment, occupational health and safety, the management, treatment and rehabilitation, as well as the use, storage, disposal and handling of hazardous materials and waste. Such laws and regulations have changed frequently and become increasingly stricter over time due to growing concerns about the environment and climate. The Company thus may have to shoulder additional costs and expenses to comply with updated laws and regulations.

Nevertheless, the Company has constantly monitored regulatory changes and closely studied markets to keep pace with possible changes in order to be ready to adapt the operation to the current change of regulations.



#### **2.2.4.3 Risk from liability claim by Indonesian government authorities**

KIA and PT KIA SERPIH MAS (“KSM”), a subsidiary of KIA, are facing claims from the Indonesian government authorities, claiming that KIA and KSM have liabilities towards the Indonesian government authority totaling approximately 3,000 million Baht. These claims are referred to the debts and obligations of a minority shareholder, the founder of KIA (“KIA Founder”), who has no relation with the Company.

Currently, there is uncertainty whether KIA and its subsidiary will be held responsible for the liabilities claimed by the Indonesian government authorities and to what extent it might impact them, given the available evidence does not conclusively indicate that KIA and KSM are liable to the Indonesian government authorities. The Company’s legal advisor in Indonesia is of opinion that, based on available documents and evidence, there is no indication that KIA and its subsidiary bear any such liabilities to the Indonesian government authorities. Furthermore, KIA shares that have been transferred to the Company under the share purchase agreement are newly issued shares (which were issued through a debt-to-equity conversion), not the existing shares held by KIA Founder, and were not encumbered or pledged to any Indonesian government authorities.

To protect the rights and interests of KIA and its shareholders, KIA has filed an administrative lawsuit to the Jakarta State Administrative Court (“State Court”) against the relevant Indonesian government agencies to request for the alleged liabilities to be declared invalid and revoked. Later, the State Court and the State Administrative High Court of Jakarta dismissed the lawsuits. Therefore, KIA is proceeding with the cassation, for the Supreme Court to reconsider such decisions. Further details can be seen under Section 5 Litigation, Article 5.2

#### **Risks to and Impacts on the Company and KIA**

According to the facts and the legal advisor’s opinion above, the uncertainty remains as to whether KIA and its subsidiary will be liable for the debts claimed by the Indonesian government authorities and to what extent the amount of the impact will be. In the event that the Indonesian government authorities are able to prove that KIA and its subsidiary are indeed liable for such liabilities,

and the legal litigation process has been final and concluded, the negative impacts on the businesses, financial status, and performance of the Company are anticipated as follows:

- (1) KIA and its subsidiary have to pay the debt to the Indonesian government authorities as claimed; and
- (2) If they are unable to pay such obligation, the Indonesian government authorities may seize the assets of KIA. However, the Company, a shareholder of KIA, will not be liable for the obligation that the Indonesian government authorities may demand from KIA. The maximum impact that will occur to the Company will not exceed the value of the investment that the Company invested in KIA (the Company’s net investment in KIA based on the Company’s separate financial statements as of 31 December 2024 amounting to Baht 895 million and the net asset value of KIA and its subsidiaries booked in the Company’s consolidated financial statements as of 31 December 2024 amounting to 1,670 million Baht, and will include losses from translation of financial statements which will alter according to the exchange rate used to convert the values to prepare the consolidated financial statements in each period. The aforementioned investment value according to the separate financial statements and the net asset value of KIA and its subsidiaries booked in the consolidated financial statements may change in the future).

However, the operating results of KIA and its subsidiaries represent a small portion in comparison to the overall performance of the Company. In 2024, KIA and its subsidiaries had sales revenue of approximately 1,318 million Baht, accounting for only approximately 5 percent of the Company’s total sales revenue, with a net loss of approximately 85 million Baht.

#### **2.2.4.4 Risks from KIA’s and KKM’s suspended access to administration system**

Due to the claim by the Indonesian government authorities as mentioned in Article 2.2.4.3, the Indonesian government authority has suspended KIA, KSM and PT KIA Keramika Mas (“KKM”) from accessing the administration system with the Ministry of Law and Human Rights (“MOLHR”), which is a system used for

submitting changes or additions to articles of association and other registered corporate information of companies in Indonesia. Despite exhaustive attempts to resolve the issue with governmental authorities amicably, the government authorities have yet lifted the suspension. Consequently, KIA and KKM have been unable to register the changes to their board of directors and board of commissioners as approved by the resolutions of shareholders' meetings of KIA and KKM in 2022. This may cause the business operation of KIA and KKM to become more complexity and reduce agility, potentially impacting the business performance, financial position, and competitive capabilities of KIA and KKM.

Notwithstanding, according to the opinion of the legal advisor of KIA and KKM, the inability to register the amendment of directors and commissioner does not affect the ability of the newly appointed directors and commissioners to perform their duties. In the event that an external party requests a registration document showing the current lists of board of directors and board of commissioners issued from the MOLHR administration system, KIA and KKM will have to explain on the inability in registering the amendment to MOLHR administration system (it is important to note that the updated lists of board of directors and board of commissioners are available on the Indonesia Stock Exchange's website, where the external parties can verify the details).

To protect the rights and interest of KIA and KKM and shareholders of both companies, KIA and KKM have filed administrative lawsuits to the Jakarta State Administrative Court ("State Court") against the relevant Indonesian government agencies to request for unblocking of KIA's and KKM's access to the MOLHR administration system. Later, the State Court and the State Administrative High Court of Jakarta dismissed the lawsuits. Therefore, KIA and KKM are proceeding with the cassation, for the Supreme Court to reconsider such decisions. Further details can be seen under Section 5 Litigation, article 5.2

## **2.2.5 Environment Social and Governance Risk**

### **2.2.5.1 Risk of work-related fatality, injury and illness**

Over the past year, the Company has been able to operate without any fatalities and occupational diseases. However, there were still instance of injuries. The Company implemented the SCG Safety Framework as a framework

for managing and setting standards for occupational safety and health. Additionally, the Company implemented the Safety Plus project for business with a high risk of accident to create safety awareness among employees, business partners and related parties.

## **2.2.6 Emerging Risk**

### **2.2.6.1 Risks from Climate Change Policy**

Due to the increasing severity of climate change every year, global organizations have set policies and solutions, in which each country has a joint commitment at the annual COP meeting. Measures have been issued to help reduce the impacts, such as Thailand setting a target for Carbon Neutral in 2050 and Net Zero in 2065, the European Union's pre-border carbon tax (CBAM), etc., which have risks and risk response approaches, divided by type as follows:

#### **A Transition risks**

##### A.1 Policy and Legal

Thailand is in the process of enacting climate change legislation, which will collect carbon taxes from fuels (Carbon Tax) and enforce the Carbon Exchange System (ETS), which will affect the cost of fossil fuels such as coal, natural gas, diesel, etc., as well as require high tax rate payment, if carbon emissions exceed the law. Therefore, the Company has a project to reduce carbon emissions by upgrading machinery to change fuels to biomass, which has zero carbon emissions, and improving the efficiency of machinery to use less energy, including installing solar cells to generate electricity.

##### A.2 Technology

The use of clean fuel technologies to replace fossil fuels in production processes, such as those for spray dryers and kilns, is essential to mitigate the impacts of climate change and reduce carbon tax liabilities. To lower carbon emissions from production, the Company has set up technologies study team that use clean fuels to replace fossil fuels, such as biomass, hydrogen, electricity from clean energy, etc. At present, the Company has chosen to develop machinery that uses biomass fuel as the main technology to reduce carbon because the abundance of agricultural biomass resources in Thailand and production costs have not increased.

### A.3 Marketing

The increasing trend of customer interest in environmentally friendly products is an opportunity for businesses to develop environmentally friendly products, especially low-carbon products. The Company has a plan to develop products and apply for Carbon Footprint Product (CFP) and Carbon Footprint Reduction label certification (CFR) from TGO initially to meet the needs of B2B customers in creating green buildings and to support the demand for this type of product from B2C customers in the future.

### A.4 Reputation

Global and national corporate measures are putting pressure on industries, especially large corporations, to have carbon reduction projects to meet their targets. Therefore, there is a risk that if emissions increase or exceed the target, it may affect the corporate image. There may be questions from stakeholders and negative comments. The Company has implemented measures to reduce carbon emissions to achieve the Net Zero target by 2050, along with continuously communicating the results and progress of various projects to stakeholders.

## **B. Physical Risk**

In 2024, the Company conducted a physical risk assessment by ERM Company as an assessment consultant and assessed 2 representative factories : Nong Khae Factory 1 from SCG Ceramics Public Company Limited, representing Nong Khae District, Saraburi Province, Thailand, which has 7 factories in the area, and Prime Vinh Phuc, Vietnam, representing the northern region of Vietnam, which has 8 in the area. The assessment represented a total of 15 factories, accounting for 70 percent of the Company's total factories and covered 9 natural disaster risks using the risk and severity assessment program developed by ERM (Model SSP3-7.0) divided into 3 time periods: current year (Baseline), 2030, 2050, with the following events:

<b>Scenario</b>	<b>Risk Type</b>
1. Extreme Heat	Chronic
2. Extreme Cold	Chronic
3. Extreme Rainfall Flooding	Acute
4. River Flooding	Acute
5. Extreme Winds and Storms	Acute
6. Rainfall induced Landslides	Acute
7. Water stress and Drought	Chronic
8. Wildfires	Acute
9. Coastal Flooding	Chronic



## Physical Risk Assessment Result

SCG Ceramics Public Company Limited, Nong Khae Factory 1 is a factory representative in Nong Khae District, Saraburi, Thailand.

Scenario	Baseline	2030	2050
Extreme Heat	Low	High	Very High
Extreme Cold	High	High*	Low
Extreme Rainfall Flooding	Very Low	Very Low	Very Low
River Flooding	Very Low	Very Low	Very Low
Extreme Winds and Storms	Very Low	Very Low	Very Low
Rainfall induced Landslides	Very Low	Very Low	Very Low
Water stress and Drought	Very High	Very High	Very High
Wildfires	Low	Medium	Very High
Coastal Flooding	Very Low	Very Low	Very High

\* Very cold weather will not be prioritized because the statistics of the Meteorological Department in the central region of Thailand have an average low temperature of 21.7 degrees Celsius from 1951-2020.

Prime Vinh Phuc is a factory representative in the northern region of Vietnam

Scenario	Baseline	2030	2050
Extreme Heat	Very Low	Low	High
Extreme Cold	High	Medium	Low
Extreme Rainfall Flooding	Very Low	Very Low	Very Low
River Flooding	Very High	Very High	Very High
Extreme Winds and Storms	Medium	High	High
Rainfall induced Landslides	Very Low	Very Low	Very Low
Water stress and Drought	Low	Very High	Very High
Wildfires	Very Low	Very Low	Low
Coastal Flooding	Very Low	Very Low	Very Low

### B.1 Risk Management for Acute Risk

The Company prioritizes Acute risks at Medium, High and Very High levels in 2030, with management approaches in each area as follows:

#### **B.1.1 Nong Khae, Saraburi, Thailand**

##### **B.1.1.1 Wildfires and agricultural fires (Medium)**

The Company has measures to address and prevent by creating firebreaks around the factory area, pulling weeds in dry season, planting plants with high moisture to cover the soil, and preparing a large water source to maintain moisture in the area. In addition, it has built good relationships with local disaster relief agencies and regularly conducts fire evacuation drills with government agencies and local communities every year.

#### **B.1.2 The northern region of Vietnam**

##### **B.1.2.1 River Flooding (Very High)**

The Company has measures to address and prevent flooding by constructing a wall to prevent flooding from outside flowing into the factory, installing water channels and pumps to pump out water, and arranging for annual inspections of equipment. Flood prevention is part of the BCM plan that requires continuous preparation.

##### **B.1.2.2 Extreme Winds and Storms**

The Company has measures to address and prevent by constructing strong buildings and structures according to the standards. In 2024, the factory in the North can cope with Typhoon “Yagi” with a speed at the center of up to 200 km/h without any damage to the buildings and structures from the storm.

### B.2 Risk Management for Chronic Risk

The Company prioritizes long-term risks at the High and Very High levels in 2030, with management approaches in each area as follows:

#### **B.2.2 Nong Khae, Saraburi, Thailand**

##### **B.2.2.1 Extreme Heat**

The Company has measures to address and prevent extreme heat as a part of the Safety workplace. Work areas must maintain temperatures in compliance with legal requirements based on the type of work performed. Ventilation fans and air-conditioning rooms are installed for all employees, including provides knowledge about illnesses caused by extreme heat.

##### **B.2.2.2 Water stress and Drought**

The Company has measures to address and prevent drought and water shortages as part of the BCM plan, which includes creating a water reserve with a capacity of 1.3 million cubic meters and drilling artesian wells with legal licenses.

#### **B.2.3 The northern region of Vietnam**

##### **B.2.3.1 Water stress and Drought**

The Company has measures to address and prevent drought and water shortages as part of the BCM plan, which includes creating a water reserve with a capacity of 0.3 million cubic meters and drilling artesian wells with legal licenses.



03

# 03

## Driving Business to Sustainability

The Company has set a vision to be a leader in the Decor Surface and Bathroom businesses that sustainably inspires and creates happy spaces with innovations that enhance quality of life.

The Company has set a policy to operate its business in alignment with the sustainable development principles by considering important issues, risks and opportunities for improving work across all organization levels, the short-term and long-term needs and expectations of all stakeholders, as well as the impact on society and the environment. The Company seeks to formulate strategies that enable sustainable growth amidst a dynamic and rapidly evolving situations and create harmonious economy, social, and environment, as follows:

***Economic*** Focus on creating value, responding to the needs and expectations of all stakeholders by increasing the organization's capabilities.

***Social*** Conduct business with integrity, uphold equitable and fair treatment of employees, prioritize the highest standards of workplace safety, embrace social responsibility, and actively contribute to enhancing the quality of life in every community where the Company operates.

***Environment*** Dedicated to safeguarding environmental and climatic conditions, optimizing resource utilization, and sustaining ecological balance.

The sustainable development approach for SCG Decor's business operations, both domestically and internationally, is as follows:

1. Develop innovations, design products, and services that promote health and well-being, reduce greenhouse gas emissions, preserve resource value following circular economy principles, support water conservation, and enhance safety throughout the value chain. This is achieved through a business management principles focused on creating products and services that address customer needs and industry trends. A systematic innovation creation and management process ensures alignment with actual needs and differentiation in products and services. Additionally, SCG Decor collaborates with leading universities and research institutions both domestically and internationally to leverage research networks through the Open Innovation approach, enhancing research and development capabilities to maximize benefits and ensure business sustainability.
2. Enhance and optimize production processes to align with a low-carbon society, prioritizing environmental friendliness and maximum efficiency. This involves adopting advanced production technologies, state-of-the-art machinery, and digital systems to ensure the efficient use of resources and energy. Emphasis is placed on utilizing clean and renewable energy sources, along with implementing measures to control, prevent, and reduce pollution throughout the production process.
3. Develop a robust safety, security, and occupational health management system to ensure that risks in these areas are effectively controlled by well-trained and committed personnel. This approach aims to create an accident-free workplace and prevent work-related illnesses, fostering a safe and secure organizational environment.
4. Implement and oversee business operations in compliance with the compliance management system to ensure strict adherence to applicable laws and key regulations. This commitment enhances trust and reinforces good governance practices within the organization.
5. Engage with local communities surrounding facilities and all stakeholder groups to foster harmonious coexistence. Actively exchange ideas and address issues with genuine concern. Prioritize social development through community projects and environmental awareness campaigns targeting younger generations. Additionally, support sustainable development initiatives involving communities, government agencies, business partners, external organizations, and other interested parties.
6. Respect fundamental human rights and uphold non-discrimination based on physical or mental differences, nationality, ethnicity, religion, gender, language, age, skin color, education, social status, or any other legally recognized characteristic. Conduct all actions with integrity and ethical principles.

## Highlight Environment and Social Performance 2024



### Environmental Dimension

 <p><b>CO<sub>2</sub> Reduction</b></p> <p>Reduced Greenhouse Gases 0.48 ton CO<sub>2</sub> -35% Base Year</p> <p>Installed solar cells to generate electricity 8 MW total of 37.4 MW</p> <p>Utilized Biomass instead of fossil fuels 19%</p> <p>Planted 2,000 trees Absorbed 20,000 ton CO<sub>2</sub> greenhouse gasses per year</p>	 <p><b>Recycle Material</b></p> <p>Utilized 8.7% of recycle materials as raw inputs for ceramic tile protection</p> <p>Utilized 27.5% of recycle materials as raw inputs for ceramic sanitary ware</p> <p>Utilized 74.5% of recycle materials as raw inputs for faucets</p>  <p><b>Environmental Investment</b></p> <p>Environmental related investments 720 MB</p>	 <p><b>Sustainable Water Management</b></p> <p>Proportion of recycled water usage 38.9%</p> <p>Water-saving sanitary ware and faucets reduced customer water usage 35 cubic meters per year</p>  <p><b>Circular Waste Management</b></p> <p>Landfilling of production process waste = 0 TON</p> <p>Recycling of process waste 99%</p>	 <p><b>Green Product</b></p> <p>Achieved 83% sales of Green products</p> <p>It has received 7 externally certified Eco-friendly labels and is certified by SCG Green Choice in 6 categories</p> <p>Received 35 products certified with Carbon Footprint label</p>
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 <p><b>Employee welfare and Equity</b></p> <p>27% female employee proportion</p> <p>Conducted 491 training programs for employees</p> <p>Conducted ethics testing for employees, with a 100% pass rate</p> <p>Human Rights Violation 0 Case</p>	 <p><b>Safety Culture</b></p> <p>0 case of employees who became ill due to work-related factors</p> <p>The Lost Time Injury Frequency Rate is 0.226</p> <p>0 case of fatal accident</p>	 <p><b>Social Responsibility</b></p> <p>The number of neighboring communities under management is 20 communities.</p> <p>Promoted community occupations 10 projects</p> <p>Donated 3,000 square meters of tiles to individuals affected by natural disasters</p> <p>1,335 students received scholarship</p> <p>Promoted local traditions and culture 50 activities</p>
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## Awards for Sustainable Development

The Company operates its business in line with sustainable development principles, and throughout 2024, has received certifications and awards related to sustainability as follows:



### ESG Rating

The ESG Rating is a standard set by the Stock Exchange of Thailand. The Company applied for this rating in 2024 and achieved a score of A, which is considered high. However, continuous development is needed to further enhance the Company's sustainability management practices and elevate its ESG performance.



### ISO 14001

Subsidiaries in Thailand and overseas have environmental management according to ISO 14001 international standards, certified by external agencies as follows: 7 factories in Thailand, 6 factories in Vietnam, 1 factory in the Philippines, and 1 factory in Indonesia.



### ISO 9001

Subsidiaries in Thailand and overseas have implemented quality management in accordance with ISO 9001 standards, certified by external agencies, as follows: 7 factories in Thailand, 6 factories in Vietnam, 1 factory in the Philippines, and 1 factory in Indonesia.



### ISO 45001

Subsidiaries in Thailand and overseas have implemented work safety management in accordance with the ISO 45001 international standard, certified by external agencies, as follows: 7 factories in Thailand, 6 factories in Vietnam, 1 factory in the Philippines, and 1 factory in Indonesia.

### Green Industry



Environmental elimination standards of the Ministry of Industry, Thailand. The Company voluntarily participated in the assessment and received the following certifications:

Green industry Level 4, 3 factories

Green industry Level 3, 4 factories



### Thailand ECO Factory

In addition to ISO 14001 certification, the Company's subsidiaries in Thailand manage environmental practices in compliance with the ECO Factory standard established by the Federation of Thai Industries. In 2024, 3 factories were certified under this standard.



### Carbon Footprint Organization (CFO)

The Company attaches importance to greenhouse gas emissions and has created a Carbon Footprint Organization to be used as a reference for greenhouse gas reduction projects. In 2024, 3 factories have been certified by TGO.



### Vietnam Corporate Sustainability Index (CSI)

Five companies under Prime Group, namely Prime Tien Phong, Prime Dai Viet, Prime Pho Yen, Prime Yen Binh and Prime Dai Loc, have been awarded the 2024 CSI Award, which is the standard for Sustainable Business in Vietnam. Prime Yen Binh has been ranked in the TOP10 Sustainable Business 2024 in Vietnam, reaffirming Prime Group's position as a leading sustainable company in ASEAN.

### 3.1 Management of the impact on stakeholders in the business value chain

#### 3.1.1 Business Value Chain

The Company is committed to creating value for its products and services to meet the expectations of its stakeholders and to foster sustainable and stable growth throughout the value chain of the business in which the Company operates. The Company has developed a management and governance system to oversee stakeholders, both directly and indirectly related to the Company. Stakeholder groups have been categorized to encompass all dimensions, both internal and external, considering

participation, operational impacts, and the Company’s broader effects. From the stakeholder analysis, it was found that direct stakeholders include Investor, customers, suppliers, employees, Contractor, distributors, customers, communities surrounding the Company, Dept Owner, government agencies, and indirect stakeholders include competitors, media, NGOs/civil society/academics according to the stakeholder diagram.



#### 3.1.2 Stakeholder analysis in the business value chain

The Company has consistently placed great importance on the treatment of its stakeholders, as reflected in its commitment to conducting business with integrity, upholding social responsibility, and being a good corporate citizen. This is demonstrated through the ethical guidelines followed by employees, the corporate governance principles that serve as a framework for organizational management, and the Company’s practices aimed at achieving sustainable development.

With changing social, environmental and business landscapes, stakeholders are becoming more complex and have higher expectations to be treated fairly and to

participate in the expression of opinions, decision-making and action on matters that affect them, treatment of stakeholders is therefore an increasingly important matter. The Board of Directors has therefore approved a “Stakeholder Treatment Policy” to provide employees with a clear guideline for conducting business by increasing value for shareholders in the long term while considering the benefits shared with other stakeholders of the Company.

The Company has established a policy framework and guidelines for 12 groups of stakeholders to practice for conducting business, creating added value for the organization and sustainable development as follows:

Shareholder / Investors	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Regularly disclose numerical performance progress to joint ventures and investors to see the direction of continuous development.</li> <li>Generate profits from business operations and create sustainable growth to increase value for shareholders.</li> <li>Manage the organization in accordance with the Company's vision and corporate governance principles with honesty, integrity, caution, and free from personal conflicts of interest to create sustainable returns.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Establish an independent committee to take care of minority shareholders and receive complaints or suggestions from shareholders through channels provided by SCG Decor with easy access.</li> <li>Disclose SCG Decor's important information, financial performance and operating results accurately, completely, timely and transparently to ensure that shareholders are aware of SCG Decor's operating status on a regular basis through channels that shareholders can easily access.</li> </ul>
Customers	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Products and services that meet customer needs in terms of quality and fair pricing.</li> <li>Provide online channels for customers to respond to customer behavior and expectations of receiving good and valuable products and services.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Co-develop products with business customers.</li> <li>Develop partnerships with customers in projects that promote social sustainability.</li> <li>Develop sustainable products, services and solutions and consider the impact on the environment, health and safety at every stage of the operation.</li> </ul>
Supplier	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Comply with the terms and conditions of the contract as specified in the contract and fair conditions.</li> <li>Provide clear regulations on the elimination and implementation of various procedures.</li> <li>Promote the development of capabilities and develop knowledge both in and outside of work of business partners to grow together sustainably.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Regularly visit business partners to exchange ideas, listen to feedback, and address suggestions or areas for improvement.</li> <li>No disclosure of business partner information unless consent has been obtained from the partner.</li> <li>Promote and support business partners to conduct business based on the principles of sustainable development with social and environmental responsibility.</li> </ul>
Employees	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Gain knowledge and develop skills to enhance capabilities in alignment with business changes.</li> <li>Receive fair compensation commensurate with abilities.</li> <li>Be protected in terms of human rights.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Organize the Chief Executive Officer and President's meeting with employees 4 times/year.</li> <li>Organize the executive meeting to update information with employees 4 times/year.</li> <li>Survey on organizational commitment, conducted by an external consulting firm.</li> <li>Create an engagement plan and organize activities to build organizational commitment to encourage employees and promote positive connection to the organization.</li> <li>Share updates and news with employees through various internal communication channels, including email, LINE groups, and the Employee Connect application.</li> </ul>



**Contractor**

Stakeholders' needs and expectations

- Support business partners in developing their knowledge to maximize work efficiency and grow alongside the Company.
- Promote awareness and knowledge of environmental, social, and governance (ESG) practices to enhance the operations of business partners, reduce operational risks, and mitigate reputational risks.

Responding to Stakeholder needs

- Regularly visit business partners to exchange ideas and gather feedback or suggestions for improvement.
- Provide opportunities for business partners to meet with executives and share their perspectives to ensure alignment with set goals.
- Share knowledge and updates on emerging trends that may impact business partners' operations.
- Enhance the capabilities of transport business partners through annual assessments and development under the Sustainability Program.

**Distributors**

Stakeholders' needs and expectations

- Collaborate with distributors to promote and support the operations of joint ventures, ensuring their strength and sustainability.

Responding to Stakeholder needs

- Support the exchange of ideas and feedback with suppliers, as well as collaborate in reviewing and formulating the business plans for joint ventures to ensure their sustainable development and growth.

**Communities**

Stakeholders' needs and expectations

- Supervise operations to avoid impacts on communities and the environment.
- Use the organization's potential and innovation to help develop and improve the quality of life of communities.
- Create occupational stability and income to be self-reliant.

Responding to Stakeholder needs

- Take executives and staff to visit communities to listen to opinions, suggestions, and needs of the community.
- Provide advice and help develop communities in various dimensions by using the organization's potential.
- Foster collaboration between communities, government experts, and relevant parties to create social outcomes.

**Government Agencies**

Stakeholders' needs and expectations

- Serve as a role model for other organizations in transparent and excellent management.
- Collaborate with government agencies and propose best practices to drive sustainable development.
- Participate in cooperative projects to achieve the Sustainable Development Goals (SDGs).

Responding to Stakeholder needs

- Listen to feedback and suggestions from government agencies.
- Participate in providing opinions and recommendations on government regulations and practices.
- Foster engagement with government agencies and share best practices for dissemination, such as stair safety using handrails and health management initiatives.
- Participate as a committee member or working group with government agencies to propose various regulations.

Dept Owner	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Strictly and correctly comply with the terms and conditions of all contracts made with all types of creditors.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Repay loans along with interest to all creditors in full and in accordance with the agreed-upon schedule.</li> </ul>
Competitors	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Operate within the framework of fair competition and relevant laws with ethics, transparency, and without exploiting competitors through unlawful means.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Support and promote free trade while avoiding any agreements or practices with competitors that reduce or restrict fair competition in the marketplace.</li> </ul>
Media	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Disclose news and information to the media equally, ensuring accuracy, clarity, and relevance.</li> <li>Provide opportunities for the media to engage and interact closely with senior executives.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Communicate information promptly and appropriately, such as quarterly performance press conferences or business updates.</li> <li>Organize site visits or social activities as opportunities arise.</li> <li>Support media events that benefit society and align with the Company's values.</li> <li>Listen to feedback, suggestions, and areas for improvement.</li> </ul>
NGOs, Civil society, academics	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> <li>Conduct business with consideration of the impact on the environment and community, including encouraging civil society, academics and thought leaders to participate in helping to preserve the quality of the environment.</li> </ul>
Responding to Stakeholder needs	<ul style="list-style-type: none"> <li>Listen to opinions and suggestions from civil society, academics and thought leaders to develop operations.</li> <li>Collaborate on projects that promote social sustainability.</li> <li>Disclosure and implementation of ESG data at The Possibilities for Inclusive Green Growth and ESG Symposium 2024.</li> </ul>



The Possibilities for Inclusive Green Growth 2024



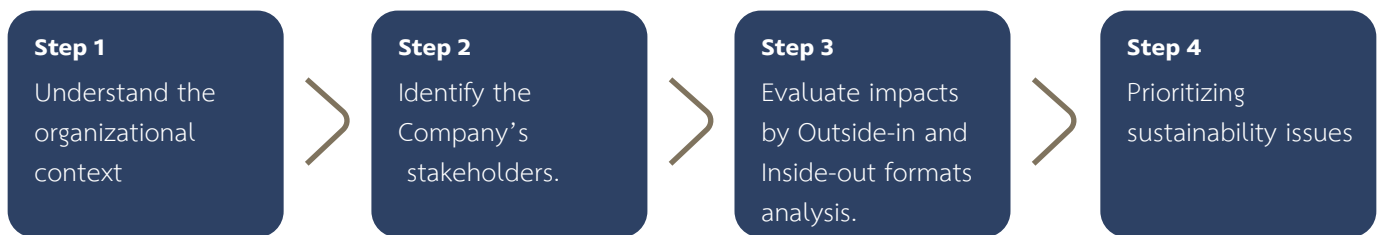
ESG Symposium 2024

### 3.1.3 Business Sustainability Materiality

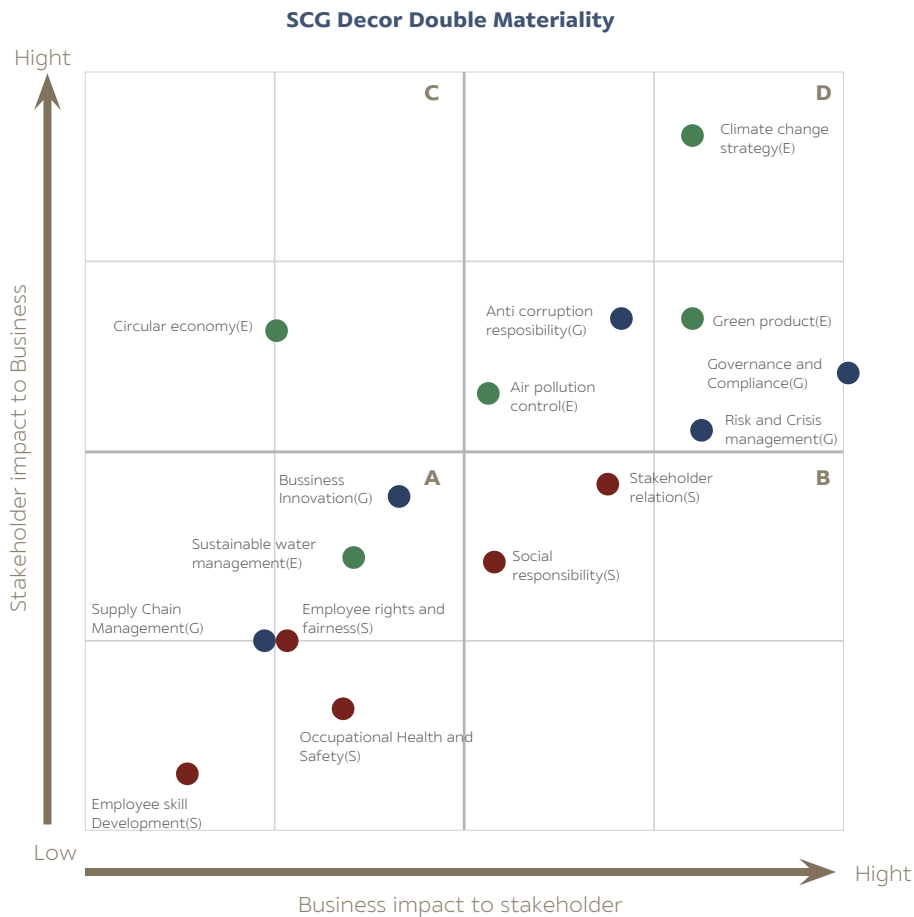
The Company has assessed the material sustainability issues by comparing the impacts according to the Double Materiality principle, considering both the organizational context and the impact or expectations of stakeholders on various issues. This assessment encompasses both the Company’s impact/expectations on stakeholders (Inside-out) and stakeholders’ impact/expectations on the Company (Outside-in). It covers environmental (E), social (S), corporate governance, and economic (G) dimensions.

The Company prioritizes these issues and aligns them with the United Nations Sustainable Development Goals (SDGs). Key issues for the Company are incorporated into its risk management processes and operational plans. Additionally, the Company conducts an annual review of key sustainability issues to ensure relevance and effectiveness.


#### Sustainability Materiality Assessment Process



#### Prioritizing Sustainability Issues



The company has outlined its approach to managing key issues in the annual report under the following sections:

Key Issues	Level of importance	Key stakeholders	Related SDGs	Guidelines for managing key issues
Climate Change Strategy (E)	★★★★★	Government Agencies/ Supplier/Customers/ Communities	 	Details on page 78-81
Governance and Compliance (G)	★★★★★	Government Agencies/ Dept Owner/ Employees/ Customers/ Communities		Details on page 111-148
Green Product (E)	★★★★★	Customers/ Government Agencies/ Competitors/Distributor	 	Details on page 75-78
Anti-Corruption Responsibility (G)	★★★★★	Employees/Customers/ Partners/Government Agencies	 	Details on page 194-197
Risk And Crisis Management (G)	★★★★★	Shareholders/ Customers/ Communities		Details on page 51-62
Air Pollution Control (E)	★★★★★	Communities/ Government Agencies/ Media/NGOs	 	Details on page 84-85
Stakeholder Relation (S)	★★★★★	All Groups		Details on page 68-70
Social Responsibility (S)	★★★★★	Communities/ Employees/Contractor/ Media/NGOs	   	Details on page 91-93

Key Issues	Level of importance	Key stakeholders	Related SDGs	Guidelines for managing key issues
Circular Economy (E)	★★★★	Customers/Partners/ Distributors		Details on page 83-84
Business Innovation (G)	★★★★	Customers/ Competitors		Details on page 104-106
Sustainable Water Management (E)	★★★★	Communities/ Customers/Employees/ Government Agencies/ NGOs	  	Details on page 82
Supply Chain Management (G)	★★★★	Supplier/Distributors/ Customers/Dept Owner	 	Details on page 33-39
Occupational Health and Safety (S)	★★★★	Employees/Contractor /Communities	 	Details on page 89-90
Employee Rights and Fairness (S)	★★★★	Employees/Contractor/ Government Agencies	  	Details on page 130-134
Employee Skill Development (S)	★★★★	Employees/Contractor	 	Details on page 88-89

## 3.2 Sustainability Management in the Environmental Dimension

### 3.2.1 Environmental Policies and Guidance

The Company and its subsidiaries, both domestic and international, are committed to becoming regional leaders in sustainable business innovation and development. The Company recognizes the importance of sustainable business growth, including environmental management and climate conditions across the value chain. Environmental management covers key issues from design, procurement, production, services,

distribution, and transportation to waste and post-use product management. Additionally, it extends to business partners, service providers, and other key stakeholders, such as operations without direct management authority, joint ventures, outsourcing, new projects, improvement projects, agreements, and mergers and acquisitions, both domestically and internationally, ensuring eco-friendliness in all business processes.

The Company has established environmental and climate policies that encompass all operations, including manufacturing, business facilitation, and activities within the Company's value chain, as well as among its business partners. These policies address processes from design, procurement, production, services, distribution, logistics, waste management, and post-use product management. The details are as follows:

1. Conduct business in compliance with relevant environmental and climate laws, regulations, and requirements. These align with global issues while considering local matters based on sustainable development practices and other policies of SCG Decor.
2. Operate with a focus on reducing environmental impacts and adapting to climate change, conserving the environment, and sustainably utilizing natural resources, energy, and water. This is achieved through operations that emphasize eco-efficiency and circular economy practices. Efforts include aligning with related agreements, developing low-carbon products and services, achieving zero landfill waste, preventing air pollution, recycling wastewater for maximum benefit, conserving biodiversity and ecosystems, managing the supply chain, sourcing environmentally friendly materials, and offering eco-friendly products, services, and solutions.
3. Establish environmental and climate management systems, with continuous development and regular evaluations integrated into business operations.
4. Assess sustainability issues (Materiality) and implement environmental and climate management, setting key performance indicators and strategies to achieve operational goals.
5. Ensure transparency and accountability by continuously reporting environmental and climate-related operational data, meeting the expectations of stakeholders.
6. Promote knowledge and awareness about environmental and climate management among employees, customers, business partners, and relevant stakeholders.

The Company's environmental strategy and action plan are divided into two key areas:

- Green Product: The Company focuses on developing environmentally friendly products that also enhance customer well-being, categorized into three types: Climate Resilience Product, Circularity Product, and Well-being Product. The Company aims for Green Products to account for more than 80% of total sales by 2030.
- Green Process: The Company has outlined plans to reduce the impact of climate change, targeting a 25% reduction in greenhouse gas emissions by 2030 (compared to 2020 Base year) and achieving "Net Zero GHG Emissions" by 2050. Additionally, the Company has set other environmental goals, including zero landfill waste, managing over 90% of waste through recycling, reducing external water withdrawal by 2% by 2030 (compared to 2022), increasing the use of recycled materials in production to 9% by 2030 (compared to 2022), and ensuring compliance with air pollution regulations.

### 3.2.2 Environmental Performance

The environmental performance data presented in this report covers operations at all facilities in Thailand, Vietnam, the Philippines, and Indonesia. The Company compiles and records data through various means, such as reading electricity, fuel, and water meters. Additionally, external licensed auditors are hired to measure water and air pollution levels following the legal requirements of the respective countries. All collected data is reported to the Company's central system and verified by external auditors. Key areas are detailed as follows:



### 3.2.2.1 Development of Environmentally Friendly Products (Green Product)

The development of environmentally friendly products is a critical approach to meeting the needs of both individual and organizational customers. In response to increasing environmental concerns, these products focus on reducing environmental impact, utilizing resources sustainably, and promoting user well-being, alongside delivering quality, aesthetically pleasing, and durable products. The Company's environmentally friendly products are divided into three groups: Climate Resilience Product, Circularity Product, and Well-being Product.

In 2024, the Company achieved 83% of sales from environmentally friendly products (exceeding the target of 74%), with details on product categories in each country as follows:

	The proportion of Green Product sales compared to total sales (%)	
	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>		
Thailand	77%	88%
Vietnam	88%	87%
The Philippines	64%	45%
Indonesia	45%	79%
<b>Bathroom Business</b>		
Thailand	74%	73%
<b>Company Overview</b>	<b>78%</b>	<b>83%</b>



#### Climate Resilience and Climate Disclosure Products

The Company has plans to develop Climate Resilience products, which are designed to consume less energy and emit lower greenhouse gases throughout their production process. This aligns with the goal of achieving net zero greenhouse gas emissions by 2050. These products can also be certified with the Carbon Footprint Reduction (CFR) label by external organizations. In Thailand, the Thailand Greenhouse Gas Management Organization (TGO) provides this certification. In 2024, the Company is in the process of obtaining CFR certification for 18 product categories in the mosaic tile and porcelain tile groups.



For Climate Disclosure products, the Company focuses on disclosing greenhouse gas emissions throughout the product lifecycle (Carbon Footprint Product: CFP), which is also certified by the TGO. In 2024, the Company is seeking CFP certification for a total of 35 product categories, divided into 20 ceramic tile categories and 15 sanitary ware categories.

Products certified in these two groups cater to the needs of corporate customers aiming to construct environmentally friendly buildings (Green Buildings) and can be used to support certifications from organizations such as LEED and TREE.

## Circularity Products

The Company is developing products that reduce the use of natural resources, both in the production process and in customer product usage. Examples include incorporating waste materials as raw materials in the ceramic tile production process and developing water-saving sanitary ware, as follows:



### COTTO ECO Collection Tiles

To extend the lifespan of natural resources such as soil, rock, and minerals (Virgin Materials), which are the primary raw materials for ceramic tile production, the Company has developed an innovative process to produce ceramic tiles using up to 80% recycled materials (Recycle Materials) as substitutes for natural resources. This involves utilizing waste from internal processes or other factories in the production process. Additionally, the production formula has been developed to be free from volatile organic compounds (VOCs) and heavy metals. The COTTO ECO Collection tiles cater to environmentally-conscious customers with their unique designs, suitable for both flooring and wall applications.

### COTTO SMART Water-Saving Sanitary Ware

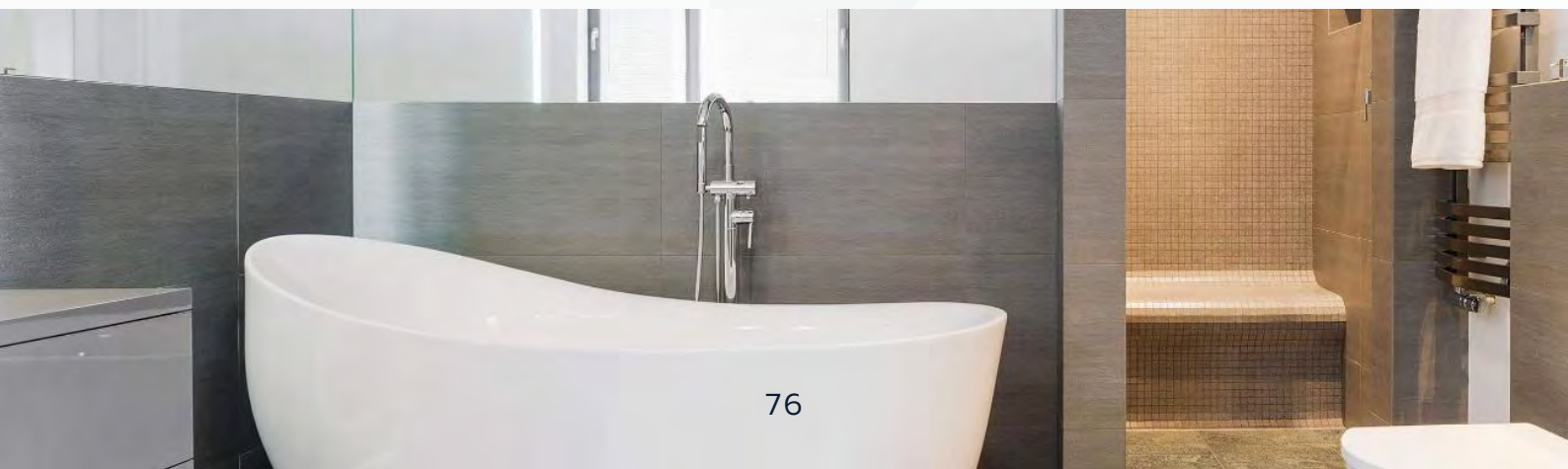
The SMART series of water-saving sanitary ware features water usage rates lower than the 6-liter standard for flushing (industry standard). For example, the Automatic Toilet Model C10207 VERZO utilizes only 3.8 liters per flush, surpassing the industry standard by 36%. It comes with an automatic lid system to prevent the spread of contaminants. The Touchless Toilet Model C105287 Riviera Pro uses 4.8 liters per flush, exceeding the industry standard by 20%. It features a touchless system for added convenience, reducing physical contact. It is also coated with Ultra Clean+, which can reduce bacterial accumulation by up to 99% within 24 hours. These examples represent innovative, hygienic, and eco-friendly solutions that prioritize the well-being of people and the environment. As part of green innovation for sustainability, the water-saving sanitary ware sold in 2024 is expected to help reduce water usage by up to 35 million liters annually.



Automatic Toilet Model  
C10207 VERZO 3.8L



Touchless Toilet Model C105287 One  
Piece Touchless Toilet, Riviera Pro series







### Water-Saving Faucets and Energy-Efficient Production

The CT4916AC automatic faucet is a water-saving product with an average flow rate of 4 liters per minute, which is 33% better than the industrial standard (TIS). It features an automatic sensor system for touchless operation, providing convenience while reducing physical contact. Additionally, it employs Non-Foundry technology in its production, using brass pipes and brass bars instead of brass ingots, eliminating casting processes and reducing production energy consumption by 20%.

### **Well-Being Product Line**

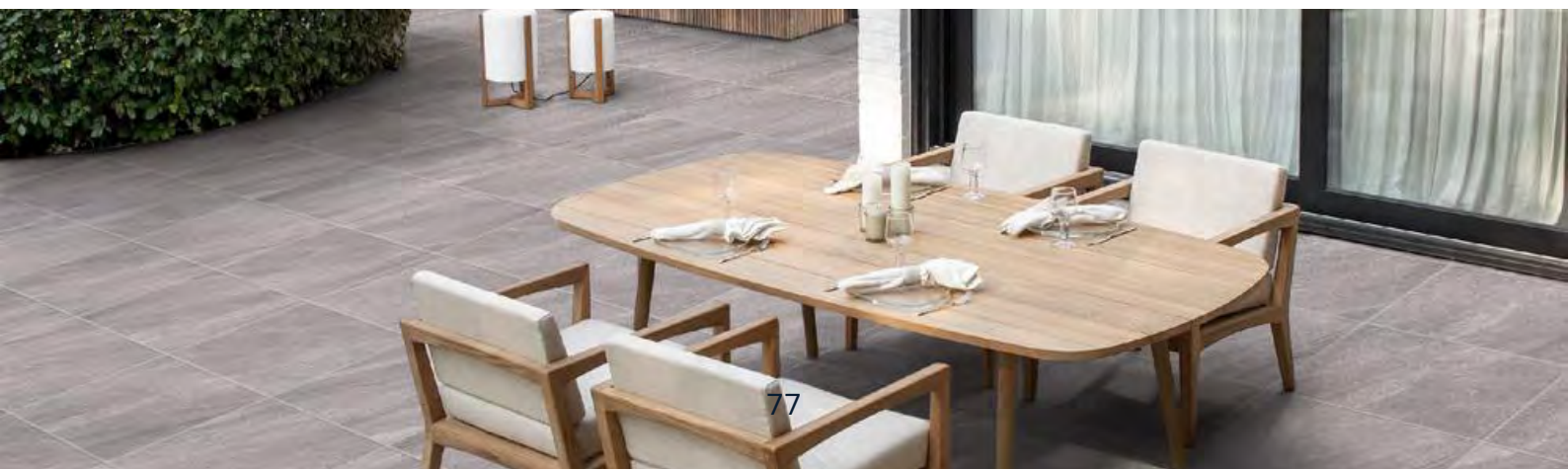
The Company prioritizes enhancing the quality of daily life for users by developing products with functions that continuously meet customer needs, allowing them to live better at home. Key product features include:

#### Surface Products

- Hygienic Tile: Ceramic tiles coated with special materials that inhibit bacterial growth by over 90%.
- Air-Ion Tile: Ceramic tiles that release ions capable of trapping dust, reducing PM2.5 particles by 89% within 30 minutes, improving air quality indoors.
- Low VOCs Tile: Tiles and surface products that do not release chemical vapors, enhancing indoor air quality.
- Anti-Slip Tile: Rough-surface tiles designed to prevent slips, ideal for use in bathrooms, kitchens, and elderly-friendly spaces.

#### Sanitary Ware

- Ultra Clean Plus: Sanitary ware with a special coating that inhibits 99% of bacterial growth within 24 hours.
- Touchless: Sanitary ware equipped with waving sensors and automatic water sensors, reducing surface contact.



Environmentally friendly products developed by the Company are certified by global standards such as SCG Green Choice, Carbon Footprint Product, CE-CFP, Circular Mark, Thailand’s Green Label, Green Label Indonesia, Floor Score, and the Metropolitan Waterworks Authority’s water-saving label. The Company is committed to continually developing environmentally friendly products and those that enhance customer well-being, fostering a society that coexists sustainably with the environment.

### 3.2.2.2 Energy and Greenhouse Gas Management

The Company has set a target to reduce greenhouse gas emissions by 25% by 2030 (compared to 2020) and aims to achieve “Net Zero GHG Emission” by 2050. To achieve these goals, the Company has implemented renewable energy solutions, such as installing solar cells to generate electricity from solar energy and using biomass fuel in various production processes as a substitute for fossil fuels such as coal, natural gas, and diesel. Additionally, the Company has improved its production processes to enhance energy efficiency.

The Company utilizes electricity and heat energy in its production processes, with the primary electricity supply in each country sourced from government-operated power plants, and the primary heat energy derived from the combustion of coal, natural gas, and diesel used in trucks, forklifts, and other equipment, which are fossil fuels. To transition away from fossil fuel dependence, the Company has started to adopt clean energy alternatives, such as solar energy and biomass energy. Results of these efforts include ceramic tile production plants in Thailand (4 plants), Vietnam (6 plants), Indonesia (1 plant), and the Philippines (1 plant), as well as sanitary ware production plants in Thailand (3 plants), as follows:

	Total Energy Consumption (GJ)		Electricity Consumption (GJ)		Thermal Energy Consumption (GJ)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>						
Thailand	4,786,828	4,372,097	587,417	555,892	4,199,412	3,816,205
Vietnam	6,094,305	5,506,445	540,167	497,376	5,554,138	5,009,069
The Philippines	1,105,460	982,792	117,505	102,712	987,955	880,080
Indonesia	1,441,526	1,209,101	143,413	125,039	1,298,112	1,084,062
<b>Bathroom Business</b>						
Thailand	552,530	567,306	110,723	110,018	441,806	457,288
<b>Company Overview</b>	<b>13,977,561</b>	<b>12,637,741</b>	<b>1,496,184</b>	<b>1,391,037</b>	<b>12,481,377</b>	<b>11,246,704</b>

	Specific Energy Consumption (GJ/ton of product)		Specific Electrical Consumption (GJ/ton of product)		Specific Thermal Consumption (GJ/ton of product)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>						
Thailand	5.07	4.91	0.62	0.62	4.45	4.29
Vietnam	4.94	5.17	0.44	0.47	4.50	4.70
The Philippines	6.51	7.07	0.69	0.74	5.82	6.33
Indonesia	5.64	5.97	0.56	0.62	5.08	5.36
<b>Bathroom Business</b>						
Thailand	18.51	21.30	3.71	4.13	14.80	17.17
<b>Company Overview</b>	<b>5.31</b>	<b>5.44</b>	<b>0.57</b>	<b>0.60</b>	<b>4.74</b>	<b>4.84</b>

The Company has continuously implemented and utilized solar panel systems for electricity generation, aiming to increase the proportion of solar energy usage to 15% by 2030. In 2024, solar panels with a capacity of 8 MW were installed, accounting for 10% of the total electricity demand. The details are outlined in the following table.

	Size of installed solar panels (MW)		Proportion of electricity usage from solar energy (%)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>				
Thailand	16.0	16.0	7.9%	15.8%
Vietnam	2.0	6.8	1.0%	1.5%
The Philippines	1.6	4.8	21.2%	20.2%
Indonesia	2.1	2.1	4.2%	5.0%
<b>Bathroom Business</b>				
Thailand	7.7	7.7	16.8%	35.7%
<b>Company Overview</b>	<b>29.4</b>	<b>37.4</b>	<b>5.9%</b>	<b>10.2%</b>

For thermal energy usage, the Company has undertaken machinery improvements to support the use of biomass fuel, which produces zero greenhouse gas emissions, replacing coal and natural gas. By 2030, the goal is to increase the use of biomass fuel to 50%. In 2024, two Biomass HAG units were installed and commissioned, increasing the proportion of biomass energy usage to 20% of the total thermal energy demand, with details as shown in the table below.

	Proportion of biomass energy usage (%)		Thermal energy produced from biomass fuel (GJ)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>				
Thailand	2.9%	10.3%	75,436	272,024
Vietnam	27.4%	27.6%	1,331,130	1,385,718
The Philippines	48.0%	65.5%	575,039	576,651
Indonesia	-	-	-	-
<b>Bathroom Business</b>				
Thailand	-	-	-	-
<b>Company Overview</b>	<b>16.5%</b>	<b>20.0%</b>	<b>1,981,605</b>	<b>2,234,393</b>

In addition, the Company has improved the energy efficiency of its machinery by replacing the wall insulation material with nanoceramic boards, which help reduce heat loss during the firing of tiles. Furthermore, residual hot air is recycled for drying the tiles, which helps save energy and reduce greenhouse gas emissions. This process has been implemented in all factories, with details as per the table below.

	Energy savings from the machinery efficiency improvement project (GJ)		Greenhouse gas reduction (tons of CO <sub>2</sub> equivalent per year)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>				
Thailand	77,678	94,168	4,480	7,592
Vietnam	19,676	22,302	6,323	7,141
The Philippines	-	3,213	-	203
Indonesia	4,326	3,354	671	183
<b>Bathroom Business</b>				
Thailand	150	286	21	35
<b>Company Overview</b>	<b>101,830</b>	<b>123,323</b>	<b>11,495</b>	<b>15,154</b>

In addition, the Company has compiled data on the volume of greenhouse gas emissions in the production process according to SCG's guidelines across all three scopes, which include:

1. Direct greenhouse gas emissions from operations, activities, or machinery controlled by the Company, primarily from the combustion of fossil fuels (GHG Emissions Scope 1).
2. Indirect greenhouse gas emissions from the purchase of electricity and hot air for use in company activities, primarily from the purchase of electricity from external sources (GHG Emissions Scope 2).
3. Indirect greenhouse gas emissions from other activities outside the Company (GHG Emissions Scope 3), covering the following categories:
  - Category 1: Purchase Goods and Services
  - Category 2: Capital Goods
  - Category 3: Fuel and Energy Related Activities
  - Category 4: Upstream Transportation and Distribution
  - Category 5: Waste Generated In Operation
  - Category 6: Business Travel
  - Category 7: Employee Commuting
  - Category 8: Downstream Transportation and Distribution
  - Category 9: Process of Sold Products
  - Category 10: Use of Sold Products
  - Category 11: End of Life Treatment of Sold Products

In 2024, the Company emitted a total of 0.87 million tons of carbon dioxide from Scope 1 and Scope 2 emissions (from a plan of 1.18 million tons of CO<sub>2</sub>), a reduction of 26.2% from the plan and a 35% reduction from the baseline year (2020). Additionally, the Company has collected greenhouse gas emission data from Scope 3, which includes data from four ceramic tile production plants in Thailand, six plants in Vietnam, one in Indonesia, one in the Philippines, and three sanitary ware manufacturing plants in Thailand, with details as per the table below.

	Greenhouse Gas Emissions Scope 1 (tons of CO <sub>2</sub> equivalent)		Greenhouse Gas Emissions Scope 2 (tons of CO <sub>2</sub> equivalent)		Greenhouse Gas Emissions Scope 3 (tons of CO <sub>2</sub> equivalent)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>						
Thailand	219,940	186,654	85,217	75,251	208,926	220,765
Vietnam	369,804	357,613	129,413	92,511	405,653	142,712
The Philippines	26,251	19,309	17,355	14,195	143,524	19,044
Indonesia	75,580	62,752	34,588	29,903	54,133	50,493
<b>Bathroom Business</b>						
Thailand	25,089	25,944	12,483	10,504	53,721	56,765
<b>Company Overview</b>	<b>716,659</b>	<b>652,272</b>	<b>278,272</b>	<b>222,364</b>	<b>865,817</b>	<b>489,779</b>

In addition, the Company monitors greenhouse gas emissions per unit of product. Currently, data is tracked and reported specifically for Scope 1 and Scope 2 emissions, with details as shown in the table below.

	Specific Greenhouse Gas Emissions Scope 1 and 2 (kg CO <sub>2</sub> equivalent per ton of product)		Specific Greenhouse Gas Emissions Scope 1 (kg CO <sub>2</sub> equivalent per ton of product)		Specific Greenhouse Gas Emissions Scope 2 (kg CO <sub>2</sub> equivalent per ton of product)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>						
Thailand	323	293	233	210	90	83
Vietnam	448	424	343	335	105	89
The Philippines	257	241	155	139	102	102
Indonesia	481	476	332	330	149	146
<b>Bathroom Business</b>						
Thailand	1,258	1,368	840	974	418	394
<b>Company Overview</b>	<b>410</b>	<b>394</b>	<b>290</b>	<b>280</b>	<b>120</b>	<b>114</b>

#### Examples of Greenhouse Gas Reduction Projects Implemented in 2024



The Biomass Hot Air Generator Project at Nong Khae 1 and Nong Khae 2 plants reduced greenhouse gas emissions by 11,000 tons of CO<sub>2</sub> equivalent per year.



The installation of solar panels in Thailand, Vietnam, and the Philippines, with a combined capacity of 8 MW, reduced greenhouse gas emissions by 10,000 tons of CO<sub>2</sub> equivalent per year.

### 3.2.2.3 Water Resource Management

The current climate change situation has resulted in uncertainty regarding the volume of water available each year. Therefore, the Company places significant importance on water management by identifying it as one of the business risks, both in terms of quantity and quality. The Company has a water production system and a wastewater treatment system to improve water quality, ensuring it meets production requirements and complies with legal standards. Additionally, the Company has established backup water sources to mitigate the impact of droughts. The Company has also improved its production processes and the use of recycled water, aiming to minimize wastewater discharge to external environments and increase the efficiency of water resource usage. The goal is to reduce water usage per unit of product by 2% by 2030 (based on 2022 data). Furthermore, the Company is continuously developing the capabilities of personnel managing water resources, with the following outcomes:

	Backup Raw Water Source (million cubic meters)		Amount of Water Withdrawn from External Sources for Production (million cubic meters)		Water Usage per Unit of Production (cubic meters per ton of product)	
	31 Dec2023	31 Dec2024	31 Dec2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>						
Thailand	1.3	1.3	1,332,052	1,421,149	1.41	1.60
Vietnam	0.7	0.7	638,689	603,233	0.52	0.57
The Philippines	0.3	0.3	349,762	253,543	2.06	1.82
Indonesia	0.1	0.1	249,123	190,503	0.97	0.94
<b>Bathroom Business</b>						
Thailand	0.1	0.1	128,403	106,827	4.30	4.01
<b>Company Overview</b>	<b>2.5</b>	<b>2.5</b>	<b>2,695,952</b>	<b>2,575,255</b>	<b>1.02</b>	<b>1.11</b>

	Proportion of Surface Water and Tap Water Usage (%)		Proportion of Groundwater Usage (%)		Proportion of Recycled Water Usage (%)	
	31 Dec2023	31 Dec2024	31 Dec2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>						
Thailand	34.1%	58.8%	14.3%	1.7%	51.7%	39.5%
Vietnam	47.3%	79.2%	3.9%	8.5%	48.8%	12.3%
The Philippines	0.0%	0.0%	58.0%	64.9%	42.0%	35.1%
Indonesia	35.3%	50.6%	21.4%	12.9%	43.3%	36.5%
<b>Bathroom Business</b>						
Thailand	54.6%	23.0%	0.0%	0.0%	45.4%	77.0%
<b>Company Overview</b>	<b>41.0%</b>	<b>51.8%</b>	<b>10.1%</b>	<b>9.3%</b>	<b>48.8%</b>	<b>38.9%</b>

### 3.2.2.4 Utilizing Renewable Resources and Waste Management

The suitable resources for producing ceramic tiles are limited and may be depleted in the future. The Company has adopted the Circular Economy (CE) concept to maximize resource circulation and minimize the use of new resources, ensuring efficient resource utilization, reducing the volume of waste, and adding value by reusing waste. For waste that are externally disposed, the Company has established a committee to inspect and communicate with external operators, ensuring proper handling in compliance with the standard. The Company also promotes separation of unused materials to facilitate proper management for each type of material. Additionally, the Company aims to increase the proportion of using recycled materials to 9% of total raw materials by 2030 (compared to 2022). The performance results are as follows:

	Recycled materials replacing Virgin materials (tons)		Proportion of recycled materials used as raw materials (%)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>				
Thailand	106,573	132,984	10.0%	13.6%
Vietnam	49,151	49,988	3.9%	4.7%
The Philippines	26,141	15,187	13.2%	10.8%
Indonesia	10,701	12,913	4.4%	5.0%
<b>Bathroom Business</b>				
Thailand	58,993	15,210	26.2%	28.9%
<b>Company Overview</b>	<b>229,784</b>	<b>226,283</b>	<b>8.2%</b>	<b>9.1%</b>

The Company has implemented a policy for production waste management with Zero Process Waste Landfill method, both in Thailand and abroad. The goal is to maintain a recycling rate of over 90% of production waste generated annually. The performance results are as follows:

	Hazardous waste from production (tons)		Hazardous waste per unit of production (kg/ton of product)		Non-hazardous waste from production (tons)		Non-hazardous waste per unit of production (kg/ton of product)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>								
Thailand	238	493	0.25	0.55	4,616	4,716	4.89	5.30
Vietnam	1,090	84	0.88	0.08	27,923	20,634	22.64	19.35
The Philippines	33	19	0.20	0.14	502	332	2.95	2.39
Indonesia	17	13	0.07	0.06	375	331	1.47	1.64
<b>Bathroom Business</b>								
Thailand	583	485	19.54	18.22	18,439	15,962	617.55	599.27
<b>Company Overview</b>	<b>1,962</b>	<b>1,095</b>	<b>0.75</b>	<b>0.47</b>	<b>51,855</b>	<b>41,974</b>	<b>19.69</b>	<b>18.06</b>

	Total waste from production (tons)		Total waste per unit of production (kg/ton of product)		Proportion of recycled waste (%)		Proportion of landfilled waste (%)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
<b>Decor Surface Business</b>								
Thailand	4,854	5,208	5.14	5.85	96.8%	95.8%	-	-
Vietnam	29,013	20,718	23.52	19.43	99.7%	98.9%	-	-
The Philippines	535	351	3.15	2.53	100.0%	100.0%	-	-
Indonesia	392	344	1.53	1.70	100.0%	100.0%	-	-
<b>Bathroom Business</b>								
Thailand	19,022	16,447	637.09	617.49	99.8%	99.8%	-	-
<b>Company Overview</b>	<b>53,817</b>	<b>43,069</b>	<b>20.44</b>	<b>18.53</b>	<b>99.5%</b>	<b>98.9%</b>	-	-

### 3.2.2.5 Air Pollution Control

In the production of ceramic tiles and sanitary ware, air pollutants are emitted, such as dust from the clay powder production, storing process for transportation, and fuel combustion, as well as the tile firing process releases Nitrogen Oxides (NOx) and Sulfur Oxides (SOx). The Company has established management guidelines to prevent and reduce pollutants from production processes and has implemented air quality monitoring plans at emission stacks to prevent impacts on surrounding communities and the environment.

The Company aims to control air emissions from all production processes to remain within the legal standards of each country. Management strategies have been established, such as benchmarking the efficiency of air pollution emissions per ton of product for Total Suspended Particles (TSP), Nitrogen Oxides (NOx), and Sulfur Oxides (SOx), measured in grams per ton of product (g/Ton). The performance results are as follows:

#### *Thailand*

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	35	320
Nitrogen Oxides (NOx)	Parts per million (ppm)	11.2	200
Sulfur Oxides (SOx)	Parts per million (ppm)	6.6	60

#### *Vietnam*

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	125.0	200
Nitrogen Oxides (NOx)	Parts per million (ppm)	29.1	191
Sulfur Oxides (SOx)	Parts per million (ppm)	16.0	452



*The Philippines*

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	53.4	150
Nitrogen Oxides (NOx)	Parts per million (ppm)	137.2	532
Sulfur Oxides (SOx)	Parts per million (ppm)	43.2	573

*Indonesia*

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	55.6	150
Nitrogen Oxides (NOx)	Parts per million (ppm)	21.4	319
Sulfur Oxides (SOx)	Parts per million (ppm)	4.6	152

To mitigate annual PM2.5 pollution, the Company has introduced additional measures beyond standard operations.

Measures	Frequency
<p><b>Production Process</b></p> <ul style="list-style-type: none"> <li>• Ensure that dust collection systems of Wet Scrubber and Dust Collectors at raw material loading points are operational.</li> <li>• Conduct additional stack air quality monitoring.</li> <li>• Measure respirable dust and total dust in the area.</li> <li>• Installing water curtains and dust barriers when PM2.5 levels are high.</li> </ul>	Annually as the monitoring and maintenance plan
<p><b>Factory Area</b></p> <ul style="list-style-type: none"> <li>• Use vacuum trucks/road sweepers around and within the factory.</li> <li>• Replace diesel forklifts with EV models.</li> <li>• Equipping employees with hand-held detectors when PM2.5 levels are high.</li> </ul>	Every day, twice a day
<p><b>Transportation</b></p> <ul style="list-style-type: none"> <li>• Ensure transport vehicles are in good condition and emit no black smoke.</li> <li>• Cover transport vehicles with tarpaulins from the start to the factory.</li> <li>• Use shuttle buses for employees instead of personal vehicles.</li> <li>• Increase the amount of Fleet cars and NGV cars for product deliveries in Bangkok and metropolitan areas.</li> </ul>	Every day when PM2.5 levels are high
<p><b>Other activities</b></p> <ul style="list-style-type: none"> <li>• Distribute N95 dust masks (PPE) to employees and relevant business partners.</li> <li>• Gather feedback or complaints from the community.</li> <li>• Prohibit burning in the factory area and ask employees' families to refrain from burning waste and crops (rice field and sugarcane farm)</li> </ul>	Every day when PM2.5 levels are high

**3.2.2.6 Preservation Nature and Environment**

The Company is committed to conduct the business as well as preserve and restore the environment to maintain biodiversity and a balanced ecosystem. The Company has initiated tree planting and reforestation in degraded areas to increase green spaces that absorb carbon dioxide, mitigating the effects of climate change, in collaboration with communities, government agencies, and educational institutions. Results are as follows:

	Number of trees planted (units)	Carbon dioxide absorption (tons of CO <sub>2</sub> )
	31 December 2024	31 December 2024
Thailand	1,000	10,000
Vietnam	500	5,000
The Philippines	500	5,000
Indonesia	-	-
<b>Company Overview</b>	<b>2,000</b>	<b>2,000</b>

Furthermore, the Company collaborated with the Nakhon Ratchasima Land Development Station and Nakhon Ratchasima Rajabhat University to research and develop soil conditioners from gypsum waste produced by the factory. In 2023-2024, the Company provided 400 tons of gypsum to improve saline soil across 800 rai in Dan Khun Thot District, Nakhon Ratchasima. Previously unproductive land was transformed into rice fields which generates income for the local community.

**The activity of planting trees to increase green spaces and help reduce greenhouse gases.**



**The support of using surplus gypsum from the production process to rehabilitate saline soil areas.**



The area before adding gypsum was unable to be cultivated.



The addition of soil amendment materials to saline soil areas.



The area after adding gypsum can now grow rice and has seen an increase in yield.

### **3.3 Sustainability Management in Social Aspect**

#### **3.3.1 Social Policy**

The Company respects human rights and promotes equality, conducting business ethically with all stakeholders while maintaining a strong commitment to social responsibility. The Company supports activities aimed at improving quality of life and fostering the well-being of communities and society where it operates. Additionally, the Company encourages employees and stakeholders to actively contribute as responsible citizens benefiting the community and society.

##### **3.3.1.1 Respect of Human Rights**

The Company and its subsidiaries, both domestically and internationally, are committed to conducting business ethically, upholding social responsibility, and addressing the interests of all stakeholders in line with corporate governance and SCG Decor's Code of Conduct. In the area of human rights protection, the Company and its subsidiaries strictly comply with laws and international standards, particularly supporting and adhering to the United Nations Global Compact (UNGC) and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Company is dedicated to implementing its Code of Conduct and various human rights policies to ensure SCG Decor's business operations are free from human rights violations. Hence, the Board of Directors has established human rights policies and guidelines to prevent violations across all SCG Decor business activities (Direct Activity), including suppliers, contractors in the business value chain, and joint ventures.

##### **3.3.1.2 Fairness of Employees Treatment**

The Company values employees as key contributors to its success and is committed to fair treatment, respecting human rights and employees' needs, and fostering positive relationships. The Company also promotes continuous skill development, career growth, and job security while ensuring fair recruitment and employment. Employees' rights and freedoms are safeguarded and encourages freedom of expression of employees' opinions.

A structured system for complaints and whistleblowing is implemented to report misconduct under the Company's Code of Conduct, with policies to protect employees from punitive actions. Comprehensive training is provided across all levels to align with responsibilities, and healthy work-life balance are encouraged in the Company.

##### **3.3.1.3 Anti-Corruption Measures**

The Company is committed to ethical business practices, adhering to social responsibility and stakeholder interests in line with good corporate governance principles, the Company's Code of Conduct, and policies and practices to groups of stakeholders. The Board of Directors has also established a written "Anti-Corruption Policy" to provide clear guidelines for business operations, promote sustainable development, and ensure the Company has robust policies outlining responsibilities, practices, and measures to prevent corruption in all business activities. This policy also ensures careful consideration and business decisions that may involve corruption risks.

##### **3.3.1.4 Diversity Management and Individual Differences Acceptance**

The Company recognizes the importance of human rights for all individuals, treating everyone equally and without discrimination. The Company is committed to ethical business practices, as outlined in SCG Decor's Human Rights Policy, which emphasizes respect for diversity and acceptance of individual differences. The Board, management, and employees at all levels of SCG Decor recognizes and upholds diversity and inclusion, treating everyone equally and respecting differences within the organization and society. This commitment aligns with SCG policies, national laws, and international treaties. The Company fosters a culture that exemplifies respect for diversity and inclusion, rejecting all forms of discrimination or inequity. It also promotes and supports ethical business practices among suppliers, contractors in business value chain, and joint ventures, encouraging them to adopt and adhere to this policy in their operations.

##### **3.3.1.5 Community and Social Development Collaboration**

The Company encourages participation from communities, society, and all stakeholders in its activities and projects, welcoming feedback, suggestions, or complaints arising from SCG Decor's operations. The goal is to sustainably coexist between industry and communities, focusing on the sustainable development of society, communities, and the environment by supporting and assisting society and communities near operational areas. Additionally, the Company implements measures to protect the environment and ensure safety in nearby communities. This includes managing waste from production processes and general use, as well as controlling contaminants released into the environment.

Advanced technology and continuous monitoring are adopted to minimize environmental impact. The Company also supports initiatives aimed at developing youth potential, particularly in science and technology education, while teaching moral and ethical values. These efforts aim to nurture responsible and capable individuals with a strong sense of social and environmental responsibility.

### **3.3.2 Social Performance Results**

#### **3.3.2.1 Performance in Employee and Workforce Development**

- **Long-Term Employee Care**

The Company is committed to long-term employee care by offering a provident fund under the Provident Fund Act B.E.2530 of the Ministry of Finance. Employees who are fund members contribute 2% to 5% of their monthly salary, while the Company matches contributions at rates of 5% to 10% of their salary to ensure financial security after retirement. The Company's contribution is based on the employee's tenure. Additionally, the Company also promotes many long-term benefits, such as providing post-retirement medical allowances, pre-retirement preparation programs covering health, financial management, investment planning, and career development, and supporting employee clubs and activities, such as financial and investment club, running club, soccer club, and cycling club.

- **Employee Training and Development**

The Company regularly conducts training programs to enhance employees' knowledge and skills, ensuring they adapt to the organization's evolving needs. Using the 70:20:10 development model, the focus extends beyond classroom training to include Action Learning and Coaching & Consulting. E-learning methods have also been introduced, offering the following programs:

Functional Training Program

The program covers topics such as ceramic tile production standards and quality control (Basic Ceramic) and includes knowledge sharing from each department. This ensures standard and effective knowledge transferred to on-site employees.

Leadership Development Program

The program promotes learning in management skills to help employees become effective leaders and work collaboratively, including change management for leaders to handle business operations and set positive examples in line with company guidelines, such as:

- On Boarding for New Manager: Focused on developing newly appointed managers.
- Business Concept Development (BCD): Designed to provide business operation knowledge for supervisors with over 6 years of experience.
- Management Development Program (MDP): Focused on management skills for employees at all managerial levels with 10 years of experience.
- Senior Management Conference (SMC): Focused on management skills for senior executives.

Skills Development with Integrated Business Excellence (IBE) Program

A system is implemented to enhance problem-solving skills and improve work processes, preparing employees to adapt to changes. Training programs focus on developing skills in the following areas:

- Feedback & Coaching: Skills for giving and receiving feedback and effective coaching techniques.
- Performance Dialogue: Principles for using visual boards, team meetings, and problem-solving.
- Inspirational Leadership: Skills to communicate vision, develop leadership accountability, and translate vision into action.
- Courageous Conversation: Techniques for effective communication, particularly in critical and challenging discussions.
- Delegation & Empowerment: Principles of prioritization, task delegation, and decision-making authority.

#### Safety Competency Program

A training program designed for employees that is related to this course. The program is divided into mandatory legal compliance training, role-specific risk-based training, and policy or management system training. These programs ensure employees work efficiently and safely, aligned with the Company's objectives.

#### Problem Solving Skill Program

A program for operational employees and supervisors to enhance understanding of problem-solving processes, focusing on applying statistical tools and fostering systematic analytical thinking to address various scenarios effectively.

#### Design Thinking Program

A program designed to foster creativity in developing new approaches and processes to effectively meet current customer needs.

#### Digital Tools Program

A program introducing digital tools to enhance work efficiency and speed, such as Power BI, RPA, and Office 365.

#### English Skills Program

A program to enhance employees' English skills, improving communication with customers and stakeholders for more effective collaboration.

#### DAP and DCP Programs (Risk management for managers)

A program to strengthen capabilities in risk assessment, organizational risk management, and business continuity planning, ensuring the organization can operate effectively during crises.

#### Risk Assessment (A refresher course)

The Company has adopted ISO 9001, 14001, and 45001 standards for factory management, requiring annual business risk assessments. To ensure effective risk evaluation and mitigation, training sessions are held to refresh knowledge and methods for risk assessment.

### **3.3.2.2 Performance in Safety, Hygiene, and Workplace Environment**

The Company is committed to adopting SCG Safety Framework for occupational health and safety, both domestically and internationally. Emphasis is placed on identifying risky employee behaviors and fostering operational discipline, which are key contributors to accidents causing injuries or fatalities and work stoppages. The Company also adapts to global trends and evolving business practices while prioritizing risk management systems for safety, by encouraging all companies and partners to implement measures to prevent and reduce health and safety risks in the workplace environment, aligning with SCG Decor's safety objectives.

#### **Strategy**

- Enhancing the implementation of Occupational Health and safety management standards and Life-Saving Rules in operational and transport areas, both domestically and internationally.
- Promoting proactive risk identification and management to cultivate a safety culture across the organization.
- Promoting safety leadership among employees and business while raising awareness to demonstrate safe behaviors in the organization.
- Implementing the Safety Performance Management System (PMS) to translate safety policies into concrete actions and set shared targets for safety performance evaluation.

#### **Management**

- The Occupational Health and Safety Committee and the Travel and Transportation Safety Committee establish policies, strategies, short-term, medium-term, and long-term plans, goals, and KPIs. They oversee, monitor, and evaluate implementation progress to achieve targets while analyzing outcomes for continuous improvement.
- Establishing a system for regular self-audits to drive continuous self-correction, improvement, and development within the organization (Ownership & Continuous Improvement).

Goal	2023	2024
Zero fatalities among employees and partners	Employee 0 person Operational partner 0 person Transport partner 0 person	Employee 0 person Operational partner 0 person Transport partner 0 person
Zero work-related injury rate resulting in lost workdays among employees and partners (person/1,000,000 working hours)	Employee 0.127 Partner 0 Total 0.09	Employee 0.188 Partner 0.307 Total 0.226
Zero work-related illness and disease rate among employees and partners (person/1,000,000 working hours)	Employee 0 Partner 0	Employee 0 Partner 0

**Workplace Safety and Health**

The Company encourages all domestic and international companies to conduct self-assessment of safety performance through the Safety Performance Assessment Program (SPAP). During the operation the safety standards for factories are required to achieve workplace safety, as well as monitoring compliance is also required, based on comprehensive risk assessments covering employees and partners. Measures are implemented to mitigate and reduce risks effectively. The risk assessment results show that minimal risk is at 39%, acceptable risk is at 36%, moderate risk is at 25%, and high and unacceptable risk is at 0%. Although no high or unacceptable risks were identified, SCG Decor conducts regular risk reviews and continues to manage moderate risks. The top 3 moderate-risk tasks include electrical work, forklift operations, and machinery handling. These risks are addressed using the Hierarchy of Control, starting with hazard elimination and ending with using personal protective equipment (PPE) as a last resort. In 2024, the Company achieved its goal of zero fatalities at its facilities.

In workplace health management, a Health Screening System has been established in collaboration with occupational medicine specialists. The process includes reviewing annual health checkup records, medical expense claims, infirmary visits, health questionnaires, and self-health declarations. These data are used to assess health risk levels and provide care tailored to the assessed risk.

**Transportation Safety**

To achieve the goal of zero fatalities from transportation and vehicle use, the Company has implemented the Goods Transportation and Road Safety Standards to oversee transportation and vehicle operations. Key measures include training drivers to enhance driving skills, conducting pre-driving readiness checks, and utilizing GPS systems and dash cameras to monitor and improve driving behavior. In 2024, the Company successfully achieved its target of zero fatalities from transportation and vehicle use.



**3.3.2.3 Performance in Social Responsibility and Collaboration**

**1. Education**

- Happy and Fun Children’s Day 2024: SCG Ceramics, in collaboration with Siam Sanitary Ware, organized Children’s Day activities for 5 schools near the factor with 700 children attending from Wat Nong Pling School, Wat Nong Sadao School, Wat Ban Mai School, Wat Rat Charoen School, and Wat Nong Ang Thong School. The event aimed to foster physical, emotional, social, and intellectual development while encouraging children to aspire to be good citizens for society and the nation.



- COTTO Scholarship for Children: SCG Ceramics, in collaboration with Siam Sanitary Ware, provided books, educational supplies, and sports equipment to schools around the factory, including Wat Nong Pling School, Wat Nong Sadao School, Wat Ban Mai School, Wat Rat Charoen School, and Wat Nong Ang Thong School. This initiative aimed to ensure students have sufficient learning tools.



- Bottle exchange for Eggs Activity: SCG Ceramics, in collaboration with Siam Sanitary Ware, organized a waste segregation initiative in local communities. Students collected bottles from home to exchange for eggs. The collected bottles were donated to schools for resale, with the proceeds used to enhance student learning opportunities.
- Kok Volunteers – Children’s Day 2024: Siam Sanitary Fittings organized activities to donate educational and sports equipment to local youth. The event included games and prize giveaways for children attending the Children’s Day celebration at the Naklang Subdistrict Administrative Organization, Nakhon Ratchasima Province.
- Kindergarten Classroom Renovation Project: Siam Sanitary Fittings donated 39,350 THB to renovate and build classrooms for kindergarten students at Nonkha Wittaya School, Nonkha Subdistrict, Non Sung District, Nakhon Ratchasima Province.
- Safety Program: Teaching Juniors: Siam Sanitary Fittings conducted training and demonstrations on the proper use of fire extinguishers for students and educators to raise awareness about accident prevention at Nonkha Wittaya School and Chaturakarm Samakki School in Sung Noen District, Nakhon Ratchasima Province.
- Scholarship for Employees’ Children: The Company organized scholarship exams to award educational grants to employees’ children, covering primary, secondary, vocational, advanced vocational, and bachelor’s degree levels.
- New School Opening and Scholarship Program in Vietnam: Prime Group organized the Opening Ceremony of the new school to provide scholarships to underprivileged students from schools near the factory.

## 2. Community Development

- Food and Supplies Donation for the Underprivileged and Patients: SCG Ceramics, in collaboration with Siam Sanitary Ware, donated food, essentials, and medical supplies to underprivileged individuals and bedridden patients in Khok Yae Subdistrict, Nong Khae District, Saraburi Province. The initiative aimed to improve their quality of life by providing balanced nutrition, beverages, medications, and daily living necessities.
- Sanitary Ware Donation: Siam Sanitary Ware donated sanitary ware to temples, schools, government offices, meditation centers, and shelters in Saraburi Province. The donations replaced damaged items and increased awareness of COTTO products in the area.
- Support the Center for Blind and Disabilities (Baan Ruensuk): SCG Ceramics, in collaboration with Siam Sanitary Ware, donated essential items needed by the center, including financial support for utilities and consumables, to ensure continuous assistance for individuals with disabilities.
- Household Waste Management Program: SCG Ceramics promoted waste segregation awareness and integrated community waste management in collaboration with Nong Pling Health Promoting Hospital. Training sessions on household waste segregation were conducted for 9 villages in Nong Pling Subdistrict, Nong Khae District, Saraburi Province.
- Cycling Tourism and Community Service: Siam Sanitary Fittings organized a cycling tour in Sung Noen District, coupled with a community service activity to clean the grounds of Wat Kutjik in Sung Noen District, Nakhon Ratchasima Province.
- Darunphiwat Project by Kok Volunteers: Siam Sanitary Fittings donated sanitary ware to Naklang School and Nonkha School to address issues of old, damaged and insufficient school bathrooms for the students.
- Donation for Victims of Yagi Typhoon: Prime Group donated a total of 310 million Vietnamese dong to assist victims of Super Typhoon Yagi in Vinh Phuc, Thai Nguyen, Tuyen Quang, and Vinh Yen provinces.
- Tile Donation for Persons with Disabilities: Prime Group donated 361 square meters of tiles to the Red Cross organization in Binh Xuyen Province, Vietnam, to support the construction of suitable housing for individuals with disabilities.
- Tile Donation for Community and Government: KIA donated 1,000 square meters of tiles to communities and government agencies in Karawang Province, Indonesia, to repair homes for the underprivileged and renovate damaged government buildings.





### 3. Community Healthcare

- Blood Donation Program: The Company, in collaboration with the Thai Red Cross Society, set up blood donation booths at various factories to ensure an adequate blood supply for patients in urgent need of medical treatment.
- Drinking Water Station in Local Health Promoting Hospital: SCG Ceramics established a clean drinking water station at Nong Pling Health Promoting Hospital, Nong Khae District, Saraburi Province, to provide convenience for visitors.
- Football Match for Community near Factory: The Company organized football matches between factory teams and surrounding communities to promote health among employees and community members while fostering positive relationships.



### 4. Local Traditions and Cultures

- Buddhist Activity: The Company organized religious events such as community Kathina ceremonies, Royal Kathina offerings, and food offerings during Buddhist Lent to support and preserve Buddhist traditions.
- Sanitary Ware for Happiness at Hua Plee Market: Siam Sanitary Ware provided sanitary ware for building toilets at Hua Plee OTOP Village Life Market in Saraburi. The initiative supports local traditions through the promotion of village lifestyles and OTOP products which is a community knowledge.
- Mid-Autumn Festival: Prime Dai Loc promoted the annual Mid-Autumn Festival in Phung Trung Village to preserve and sustain local traditions.

### 5. Career Support & Creating Income for the Community

- Local Market: Chim Shop Chai: Siam Sanitary Ware opened its factory to local vendors, allowing them to sell products to employees and business partners. This initiative created a marketplace to promote community products from 6 districts, generating income of 360,000 baht for local communities.
- Prime Dream Come True: Prime Group, in collaboration with local government agencies, identified and supported underprivileged individuals in Vinh Phuc Province by providing tools to help them start a career and earn. In 2024, 2 persons were supported: one received a cart for selling goods, and the other received a set of tables and chairs for a restaurant business, totaling 26 million Vietnamese dong.

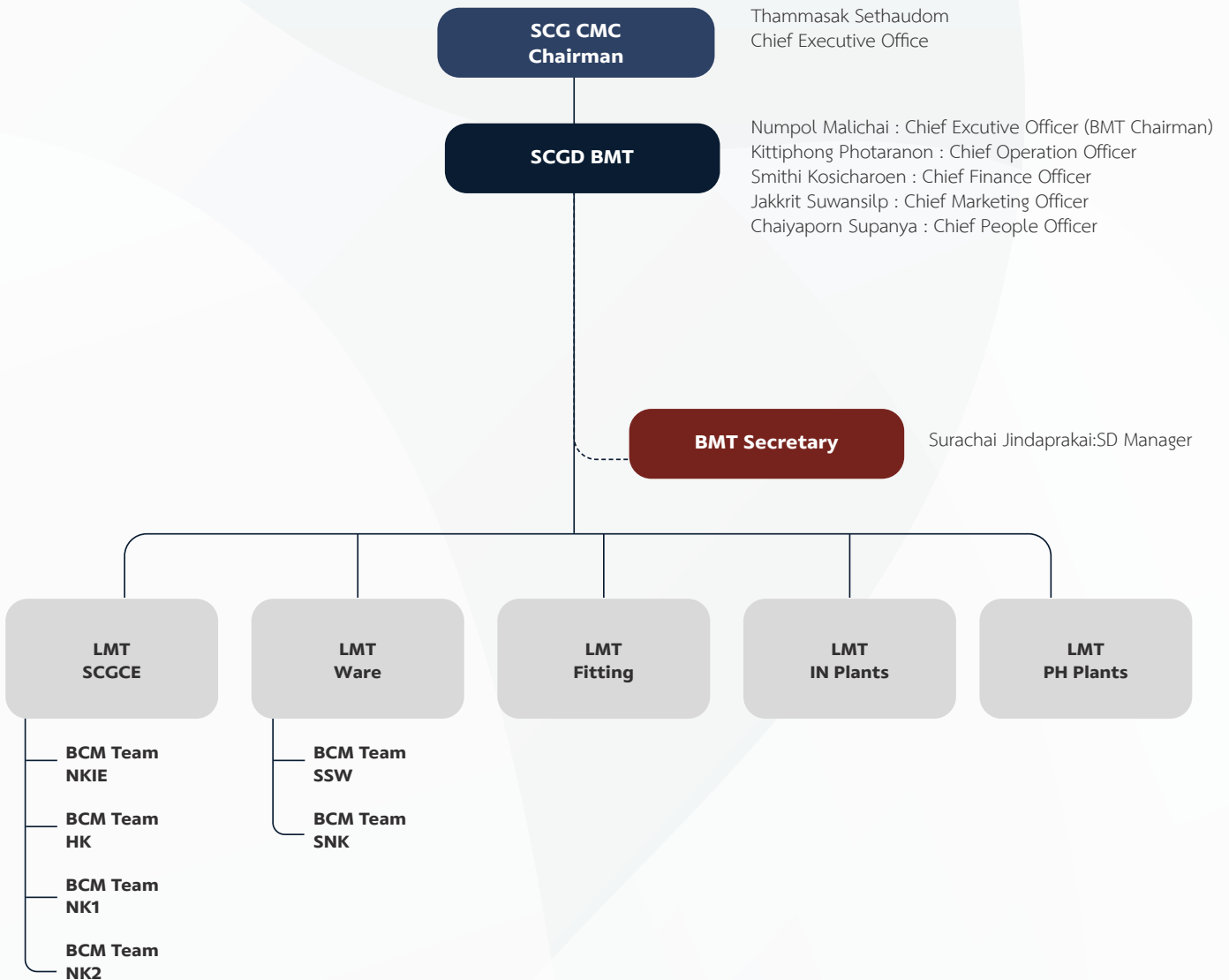


### 3.4 Business Continuity Management

The Company recognizes the importance of operations and has implemented a business continuity management system and plan to identify threats and mitigate business impacts. This enhances organizational flexibility and resilience to threats, protecting stakeholder interests, the Company’s reputation, and its image. The Business Continuity Plan (BCP) is then implemented and it provides a framework for assigned employee to maintain uninterrupted operations during crises. It includes guidelines and methods for managing disruptions to production and delivery processes effectively. However, the Business Continuity Plan (BCP) covers scenarios where disruptions prevent SCG Decor Public Company Limited from maintaining normal business operations; high-risk threats such as fire, flooding, gas explosions, and other potential incidents. In such cases, the BCP provides procedures to ensure that SCG Decor’s core activities such as production, product delivery, and other services can continue at a level.

The structure of the Business Continuity Management team includes the following:

#### SCG Decor Business Continuity Management Structural



### **3.5 Sustainability Data Verification**

The Company hired SGS (Thailand) Co., Ltd. to verify its 2024 sustainability data, certifying the following performance indicators:

1. Total energy consumed
2. Total greenhouse gas emissions scope 1,2,3
3. Total external water and recycled water
4. Total waste water
5. Waste water quality
6. Total emissions of Nitrogen Oxides, Sulfur Oxides, particulate matter, and air pollutants
7. Total waste in categories and management
8. Waste management
9. Number and rate of fatal work-related injuries, severe work-related injuries, work-related injuries that caused lost-time, recorded injuries, total work hours
10. Number of fatal occupational illnesses, and rate of recorded work-related illnesses
11. Ratio of base salary, total compensation, and gender pay gap between female and male employees
12. Key issues in sustainable development
13. Number of tier-1 business partners, cost with tier-1 business partners, number of indirect business partners
14. Number of risk-assessed business partners, significant business partners, proactively evaluated business partners
15. Number of business partners with corrective action plans and number of partners who completed it



# ASSURANCE STATEMENT

## SGS (THAILAND) LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN SCG DECOR PUBLIC COMPANY LIMITED'S FOR 2024

### NATURE OF THE ASSURANCE/VERIFICATION

SGS (Thailand) Limited (hereinafter referred to as SGS) was commissioned by SCG Decor Public Company Limited (hereinafter referred to as SCG Decor (SCGD)) to conduct an independent assurance of SCG Decor (SCGD) Sustainability Report 2024 and the Sustainability Report webpage (hereinafter referred to as the Sustainability Report) the year ended December 31, 2024 in accordance with the reporting criteria.

### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all SCG Decor (SCGD)'s Stakeholders.

### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors or governing body (as applicable) and the management of SCG Decor (SCGD). SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all SCG Decor (SCGD)'s stakeholders.

### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards. Assurance has been conducted at a limited level of level of scrutiny.

The assurance of this report has been conducted according to the following Assurance Standards:

- ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- GRI Standards 2021 (in Accordance with)
- WBCSD/WRI Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
- Sustainability Accounting Standards Board (SASB)

### SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

SCG's Sustainability Report are adequately in line with the Sustainability Reporting Standard and fulfills all the required content and quality criteria for the identified aspects listed as below;

- a) Environmental dimension performance indicators expressed numerically or in descriptive text
  - Energy consumption (petajoules)
  - Greenhouse gas emissions scope 1 & 2 & 3 (tons CO<sub>2</sub> equivalent)
  - Water withdrawal (million cubic meters) and recycled water (million cubic meters)
  - Water discharge (million cubic meters)
  - Water discharge by quality (BOD, COD and TSS (tons))
  - Oxides of Nitrogen (NO<sub>x</sub>), Oxides of Sulfur (SO<sub>x</sub>), dust and other significant air emissions
  - Production and raw materials (thousand tons)
  - Total weight of waste by type and disposal method (tons)
  - Waste management (waste generated, waste diverted from disposal, waste directed to disposal) (tons)
- b) Social dimension performance indicators or in descriptive text
  - Number and rate of fatality work-related Injury, high-consequence work-related Injury, lost time injury, recordable work-related Injury and number of hours worked
  - Number of fatality work-related occupational illness & disease and occupational illness & disease frequency rate and number of hours worked
  - Ratio of the basic salary and remuneration of women to men and gender pay gap
- c) Governance dimension performance indicators or in descriptive text
  - Business ethics assessment
  - Double materiality assessment
  - Number of Tier-1 supplier, significant supplier in Tier-1, spend on significant supplier in Tier-1 and significant supplier in non Tier-1

- Number of supplier assessed assessment, significant supplier assessed and supplier assessed with substantial actual/potential negative impact
- Number of suppliers in corrective action plan implementation and supplier assessed with substantial actual/potential negative impact supported in corrective action plan implementation

#### **ASSURANCE METHODOLOGY**

SGS's assurance engagements are carried out in accordance with assurance procedure.

The assurance comprised a combination of

- SCG Decor (SCGD)'s Management interviews, including the Sustainable Development team with responsibility for performance in the areas within scope
- Interview with data owners &/or managers responsible for internal data collection and reporting databases
- Document review of relevant systems, policies, and procedures where available
- Understanding, analysing and sample testing the key data collection, aggregation, validation and reporting systems, processes, procedures, and controls
- Sampling evidence to confirm the reliability of the selected reporting standards, selected SOSUCO Ceramic Co., Ltd. for onsite visit

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### **LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitation. Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the Report.

#### **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SCG Decor (SCGD), being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 14064-1, ISO 14067, ISO 26000, WFP, SA 8000 and experience on the SRA Assurance service provisions.

#### **ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. For future reporting, more descriptions of SCG Decor (SCGD) and subsidiaries' involvement with reconsidering data collection tool and establish mechanism for internal audit on the data performance and should maintain the system in place.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS (Thailand) Limited



Montree Tangtermsirikul

General Manager

238 TRR Tower, 19<sup>th</sup>-21<sup>st</sup> Floor, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yannawa, Bangkok 10120, Thailand

19 February 2025

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04

# 04

## Management Discussion and Analysis: MD&A



### Operating Results

In 2024, the Company's performance improved compared to the previous year. The Company has continuously implemented measures to enhance its competitiveness. Key initiatives include accelerating investments in cost-reduction projects, such as utilizing solar energy for electricity generation, using biomass energy derived from agricultural waste for heat production, improving or increasing the production capacity of Glazed Porcelain tiles, expediting the development for delivering high-value-added (HVA) products and services, and restructuring business operations to enhance efficiency through the adoption of artificial intelligence (AI) and robotics and adjust production to align with market demand. Additionally, the Company has accelerated the expansion of its distribution channels to comprehensively cover the domestic market, boosted sales of complementary products, and expanded international distribution channels, including increasing exports and focusing on selling

sanitary products overseas to mitigate the impact of slowdown markets both in Thailand and abroad, as well as the flooding situations in Thailand and Vietnam in late last year.

Over the past year, the overall market in Thailand was impacted by declining purchasing power due to economic conditions and high household debt levels, while the project-based sector remained stagnant. The overall international market has not yet recovered. In Vietnam, although the amended Land Law was enforced in August 2024 to tackle challenges in the real estate sector, the implementation details are still taking time. In the Philippines, inflation increased, and financial institutions imposed stricter credit policies. Meanwhile, in Indonesia, the real estate market is still awaiting positive effects from policy announcements following the president's inauguration at the end of last year.

### Table shows the Market Growth Rate for Ceramic Tiles

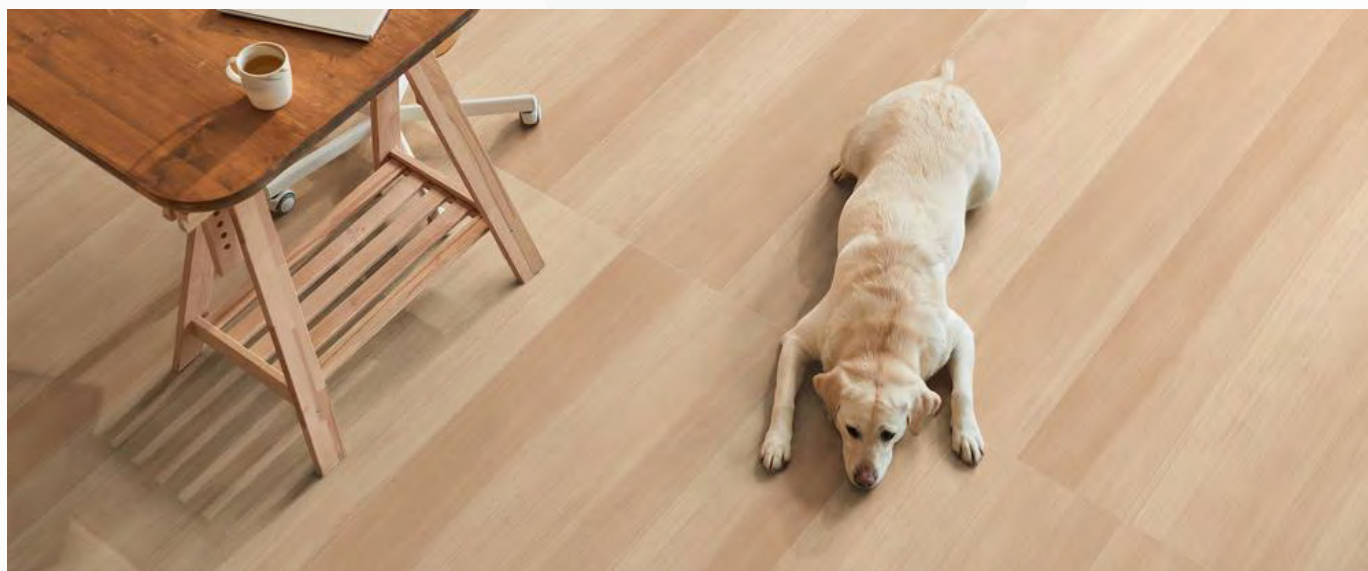
Country	2024 Vs. 2023 (%)
Thailand	-6
Vietnam	-11
Indonesia	-7
The Philippines	-19

In 2024, profit attributable to owners of the Company was 810 million Baht, while EBITDA reached 3,134 million Baht, reflecting increases of 147% and 4%, respectively, compared to the previous year. Meanwhile, revenue from sales declined in line with market conditions, totaling 25,563 million Baht, a decrease of 10% from the prior year. Additionally, the Company incurred approximately 100 million Baht one-time expenses (Non-Recurring expenses) due to business restructuring and flood-related damages to its factory in the Philippines at the end of 2024. However, if these Non-Recurring expenses in late 2024, as well as restructuring expenses associated with the IPO in 2023 were excluded, the EBITDA margin, excluding Non-Recurring expenses, would improve to 12.8% from 11.8% in the previous year, while the profit margin attributable to owners of the Company, excluding Non-Recurring expenses, increased to 3.6% from 2.9% in the prior year.

At the end of 2024, the Company maintained a strong financial position, with a Net Debt to EBITDA ratio of 1.4 times. Cash flow remained stable, resulting from solid operating performance. The Company also reduced its working capital by approximately 10%, totaling over 500 million Baht, through effective inventory control and trade accounts receivable management. As a result, the Board of Directors resolved to propose to the Annual General Meeting of Shareholders the approval of the 2024 annual dividend payment at a rate of 0.20 Baht per share. An interim dividend of 0.10 Baht per share was already paid in August 2024, and the remaining dividend is 0.10 Baht per share.

### Operating results, Key Financial Ratios and Financial Status

The Company completed its IPO at the end of 2023. As a result, the financial performance and position in 2023 were primarily impacted by IPO-related expenses which is one-time expenses (Non-Recurring Expenses). Similarly, at the end of 2024, the Company incurred Non-Recurring Expenses related to business restructuring and flood-related damages in the Philippines. Given these factors, the Company has presented its financial performance and key financial ratios, excluding the impact of these Non-Recurring Expenses, for analysis.





## 2024 Financial Performance Analysis



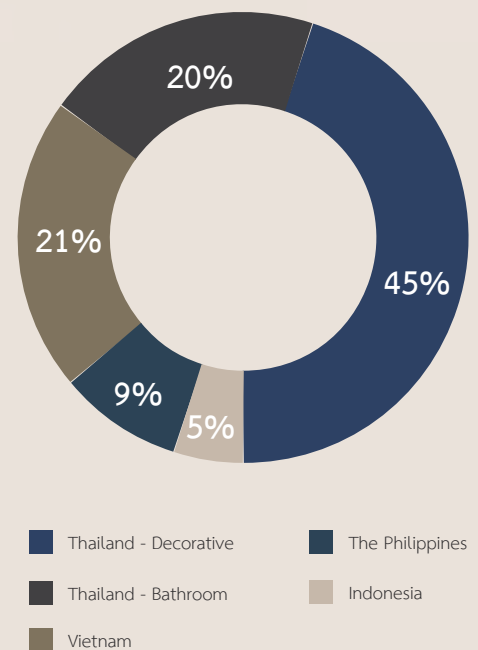
**Revenue from Sales** was impacted by market conditions, as previously mentioned. Below are the details by country:

In 2024, for the Thailand business, revenue from Decorative Surface and Other businesses amounted to 11,923 million Baht, a decrease of 13% compared to the previous year (8% decrease excluding the impact from downscaling the solar installation business). Meanwhile, sales revenue from the Bathroom business was 5,234 million Baht, decreasing by 2% compared to the previous year.

The sales revenue from the Vietnam business was 5,490 million Baht, a decrease of 10% compared to the previous year. The sales revenue was affected by both market conditions and the strengthening of the Thai Baht, which rose 4% against the Vietnamese Dong throughout 2024.

In 2024, the sales revenue from the Philippines business was 2,337 million Baht, a 13% decrease compared to the previous year. The sales revenue from Indonesia business was 1,318 million Baht, an increase of 3% compared to the previous year. These sales revenues were also impacted by both market conditions and the strengthening of the Thai Baht, which appreciated by 1% compared to the Philippine Peso and 2% compared to the Indonesian Rupiah throughout 2024.

In term of contribution by country, in 2024 Thailand contributed 65% of the total sales revenue, while sales revenues from international markets accounted for 35%. (Vietnam, the Philippines, and Indonesia).



### EBITDA Margin and Profit Margin attributable to the owners of the Company for 2024

From the EBITDA mentioned previously, the EBITDA margin for 2024 excluding non-recurring expenses increased to 12.8%, up from 11.8% in the previous year. The main reasons include (1) the continued acceleration of cost reduction projects, which will be discussed in detail later, and (2) the improvement or increase in porcelain tile production capacity and the acceleration of launching HVA products, which have a higher Net Contribution Margin than general products. Currently, HVA products represent 34% of total sales revenue, including X-Strong Tiles that can support greater weights, Paws & Play Tiles for pets, Smart Toilets, and SPC LT by COTTO.

For 2024, the profit margin attributable to the owners of the Company, excluding non-recurring expenses, increased to 3.6%, up from 2.9% in the previous year.



Table 1 – Operating Results excluding the Impact of Restructuring and Other Non-Recurring Items

Operating Result	Unit	As of and for the year ended December 31		
		2024	2023	%YoY
Revenue from Sales	MB	25,563	28,312	-10%
Total Revenue	MB	26,141	28,941	-10%
EBITDA <sup>(1)</sup>	MB	3,134	3,014	4%
Net Profit	MB	818	474	73%
Profit attributable to owners of the Company	MB	810	328	147%

Operating Result excluding restructuring and Non-Recurring items <sup>(2)</sup>	Unit	As of and for the year ended December 31		
		2024	2023	%YoY
Revenue from Sales	MB	25,563	28,325	-10%
Total Revenue	MB	26,141	28,953	-10%
EBITDA <sup>(1)</sup>	MB	3,261	3,350	-3%
Net Profit	MB	915	963	80%
Profit attributable to owners of the Company	MB	908	816	11%

**Remark**

<sup>(1)</sup> EBITDA is calculated as profit before finance costs, income tax, depreciation, and amortization. It excludes dividend income from associates and includes gains or losses from exchange rate fluctuations on loans.

<sup>(2)</sup> Non-recurring items or non-recurring expenses include costs related to the IPO in 2023, expenses for business restructuring, and costs arising from the flooding in the Philippines at the end of 2024, totaling approximately 100 million baht.

Table 2 – Key Financial Ratios (Excluding Non-Recurring Items)

Key Financial Ratio	Unit	As of and for the year ended December 31	
		2024	2023
EBITDA Margin	%	12.8%	11.8%
Net Profit Margin <sup>(1)</sup>	%	3.6%	1.8%
Profit margin which attributable to owners of the Company <sup>(2)</sup>	%	3.6%	2.9%
Return on Equity <sup>(3)</sup>	%	4%	4%
Return on Total Assets <sup>(4)</sup>	%	2%	2%

Remark

<sup>(1)</sup> Net Profit Margin is calculated by dividing profit (or loss) for the period/year by total revenue.

<sup>(2)</sup> Profit Margin attributable to owners of the Company is calculated by dividing the profit attributable to owners of the Company by total revenue.

<sup>(3)</sup> Return on Equity (ROE) is calculated by dividing the profit for the period/year by the average shareholders' equity.

<sup>(4)</sup> Return on Total Assets (ROA) is calculated by dividing the profit for the period/year by the average total assets.

**Total Assets**

As of December 31, 2024, the Company's total assets amounted to 39,823 million Baht. The Company's cash and cash equivalents account for 9,174 million Baht.

**Total Liabilities and Equity**

The Company maintained a solid financial position. As of December 31, 2024, the Company reported total liabilities of 19,117 million Baht, including interest-bearing debt of 13,870 million Baht. Total shareholders' equity amounted to 20,706 million Baht, resulting in Net Debt-to-EBITDA ratio of 1.4 times and Net Debt-to-Equity of 0.2 times.

In 2024, the Company's capital expenditures and investments totaled 2,047 million Baht. The Company has plan to continuously invest in business expansion, efficiency enhancement projects, and Merger and Partnership which align with the Company's strategies. Currently, the Company is on negotiation with both domestic and international partners to expand its bathroom business and diversify into various decorative surface and decorative material segments within the Decor Surface group. These efforts are part of the Company's core strategy to achieve rapid growth as part of its business plan.

Table 3 – Financial position

Financial Status	Unit	As of and for the year ended December 31		
		2024	2023	%YoY
Total Assets	MB	39,823	41,651	-4%
Total Liabilities	MB	19,117	20,339	-6%
Net Debt	MB	4,695	4,725	-1%
Total Shareholder's Equity	MB	20,706	21,312	-3%
Net Debt to Equity <sup>(1)</sup>	Times	0.2	0.2	
Net Debt to EBITDA <sup>(2)</sup>	Times	1.4	1.4	

Remark

<sup>(1)</sup> Net Debt-to-Equity Ratio is calculated by dividing net debt by total shareholders' equity.

<sup>(2)</sup> Net Debt-to-EBITDA Ratio is calculated by dividing net debt by EBITDA over the past 12 months.

## **Examples of the Company's significant additional investment projects in 2024**

### **Cost-saving projects completed in 2024**

1. The solar energy project at the Mariwasa factory in the Philippines, with a capacity of 3.2 megawatts, and at the Prime factory in Vietnam, with a total capacity of 4.8 megawatts, resulting in a total cost reduction of 34 million Baht per year.
2. The installation of a Hot Air Generator system to enhance the ability to utilize biomass energy instead of fossil fuels at the Nong Khae factory, resulting in a total cost reduction of 30 million Baht per year.

### **The Glazed Porcelain projects completed in 2024**

1. An investment to upgrade technology and machinery for producing Glazed Porcelain tiles at the Prime factory in northern Vietnam, with a total investment value of approximately 693 million Baht and a production capacity of 9.1 million square meters.
2. An investment to upgrade technology and machinery for producing large-sized Glazed Porcelain tiles (60x60, 80x80, 30x60, and 40x80) at the Prime factory in central Vietnam, with a total investment value of approximately 76 million Baht and a production capacity of 2.2 million square meters.
3. An investment to upgrade technology and machinery for producing Glazed Porcelain tiles at the Nong Khae factory, with a total investment value of approximately 80 million Baht and a production capacity of 3.5 million square meters.

### **Other surface-covering projects completed in 2024**

4. The installation of SPC (Stone Plastic Composite) tile production line in Thailand. The total investment value is 138 million Baht, with a production capacity of 1.8 million square meters, and was completed in July 2024.



**Expansion of retail stores completed in 2024 to increase customer reach and better understand customer needs:**

- OK Tiles in Cambodia, the Company's first store opened in June 2024.
- COTTO LiFE in Don Mueang, Thailand, opened in August 2024.
- V Ceramic in southern Vietnam opened in October 2024.
- CTM in the Philippines reached 31 branches, with 4 new stores opening in 2024.



Additionally, there are several ongoing projects expected to be completed within the next year, including:

**Continuous cost-reduction projects:**

1. The additional solar energy project with a capacity of 5.5 megawatts in Thailand, with a total investment of approximately 140 million Baht. It is expected to be completed with 4.0 megawatts in Q1/2025 and 1.5 megawatts in Q2/2025.
2. The installation of a Hot Air Generator system at the NKE factory with an investment of approximately 63.2 million Baht, expected to be completed in Q2/2025.

**Glazed porcelain tile projects**

3. The investment project for upgrading technology and machinery for the production of Glazed Porcelain tiles at Pho Yen and Pho Yen 2 factories in Vietnam, with a total investment of 227 million Baht for a production capacity of 5 million square meters, to be completed in Q2 and Q3 of 2025, respectively.

**Increasing the number of retail stores**

4. The construction of a COTTO LiFE store in Phuket, the 5<sup>th</sup> COTTO LiFE store to cover all regions of Thailand, with an area of 1,109 square meters and an investment of 48 million Baht, expected to be completed in early 2025.

From the above project information, it can be seen that the Company has accelerated its projects to utilize solar energy for electricity generation and to use biomass fuels for generating heat used in production processes. By the end of the year, the Company had increased its solar energy capacity to 10% of the total electricity used in production and biomass fuels to 20% of the total heat energy used in production. This has resulted in cost savings of approximately 280 million Baht annually, with plans for further continuous improvements. In addition, the Company has undertaken the Glazed Porcelain tile project, known for its strength and beauty, both in Vietnam and Thailand. In 2024, the Company has increased the production capacity of Glazed Porcelain tiles in Vietnam and Thailand by a total of 14 million square meters. Currently, the kilns are operating at full production capacity, prompting the Company to speed up the upgrade of technology and machinery for additional production of Glazed Porcelain in Vietnam by another 5 million square meters. Aside from the investment in the Glazed Porcelain project, the Company has also launched the SPC LT by COTTO surface decoration product line, aligning with the strategy to generate sales revenue and grow by expanding into new surface decoration materials.

The Company has been opening more stores to better understand market needs. In Thailand, the Company has opened the COTTO LiFE store in Don Mueang, which serves as a large flagship showroom that gathers Lifestyle Tiles & Solutions and Bathroom with complete services and opened 8 additional Klang Ceramic stores. Overseas, the company has expanded the CTM (Ceramic Tiles and More) store chain in the Philippines by 4 additional branches, opened the first V-Ceramic Manufacturing Outlet in southern Vietnam, and launched the first OK Tiles Outlet in Cambodia to meet the growing demand. The Company is also accelerating the expansion of sales channels to increase exports. For Bathroom business expansion internationally, the Company has appointed a total of 170 distributors, up from 150 in the previous year. This has resulted in the sales of Bathroom business abroad reaching approximately 500 million Baht, a 7% increase per year compared to the previous year. Regarding the expansion of Complementary product and service businesses in Thailand to later extend into ASEAN, in 2024, the Company had sales from related products and services totaling more than 416 million Baht, an 18% increase compared to the previous year.

Additionally, in late 2024, the Company restructured its business by integrating Artificial Intelligence (AI) and Robotics technology. This strategic integration aims to meet market demand and generate annual cost savings exceeding 70 million Baht in the coming years.



### Investment and Development of New Products Following Sustainable Development (ESG) Guidelines

The Company is working towards the goal of achieving net-zero greenhouse gas emissions by 2050. It has been investing in electricity generation from solar energy projects, while continuously investing in improving production processes and increasing the use of biomass fuel. In 2024, the Company was able to increase the use of solar power to 10% and increase the use of alternative fuel energy to 20%, against its targets of 15% and 46% by 2030, respectively. This has resulted in a reduction of approximately 300,000 tons of carbon dioxide emissions annually.

Furthermore, the Company has been continuously introducing Green products that reduce resource consumption or use recycled materials, making them environmentally friendly. By the end of 2024, the Company's Green products will account for approximately 80% of total sales to meet consumer demand.



05

# 05

## General Information and Other Key Information

### 5.1 General Information

<b>Company Name (In Thai):</b>	บริษัทเอสซีจี เดคคอร์ด จำกัด (มหาชน)
<b>Company Name (In English):</b>	SCG Decor Public Company Limited
<b>Type of Business</b>	As a holding company, it operates its businesses via subsidiaries and affiliates. Its operations have covered the production of floor tiles and wall tiles in Thailand, Vietnam, the Philippines, and Indonesia; the production of bathroom products in Thailand; the procurement of products for resales; the operations of retail shops selling ceramic tiles, bathroom products, decor surfaces, and accessories; relevant research and development; and other business namely business support services at industrial estates.
<b>Head Office</b>	1 Siam Cement Road, Bang Sue Subdistrict, Bang Sue District, Bangkok 10800
<b>Registration No.</b>	0107566000364
<b>Telephone No.</b>	02-586-3333, 02-586-1088
<b>FAX No.</b>	02-587-2118
<b>Website</b>	<a href="http://www.scgdecor.com">www.scgdecor.com</a>
<b>Registered Capital:</b>	16,550,000,000 baht
<b>Paid-up Capital</b>	16,500,000,000 baht
<b>No. of Fully-Paid Shares</b>	1,650,000,000
<b>Par Value</b>	10 baht
<b>Ordinary Shares Registrar</b>	Thailand Securities Depository Company Limite 1 <sup>st</sup> Floor, The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400 Telephone No. 0-2009-9999
<b>Auditor:</b>	KPMG Phoomchai Audit Ltd. via Ms. Sureerat Thongarunsang (CPA No. 4409) or Ms. Pornthip Rimdusit (CPA No. 5565) or Mr. Songchai Wongpiriyaporn (CPA No. 10996) 50 <sup>th</sup> Floor, Empire Tower 1 South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok, 10120 Telephone Number: 0-2677-2000



## 5.2 Legal Disputes

Claim from the Indonesian Government Authorities against PT Keramika Indonesia Assosiasi, Tbk. (“KIA”) and its Subsidiaries

At late 2022, PT Keramika Indonesia Assosiasi, Tbk. (“KIA”), a subsidiary company whose shares are listed in the Indonesia Stock Exchange, received a notification from the Indonesian government authorities informing that KIA and its subsidiary, PT KIA Serpih MAS (“KSM”), had a liability towards the Indonesian government authority totaling approximately 3,000 million Baht. This liability was referred to the debts and obligations of a minority shareholder, the founder of KIA (“KIA Founder”), who has no relation with the Company. KIA Founder received financial aid from the Indonesian government for the bank which KIA Founder owned during 1998.

As a result of the incident, the Indonesian government authority has suspended KIA, KSM and PT KIA Keramik Mas (“KKM”), a subsidiary of KIA from entering the registration system with the Ministry of Law and Human Rights of Republic of Indonesia (“MOLHR”), which is a system used for submitting changes or additions to article of association and other registered corporate information of companies in Indonesia.

In the past, KIA entered into loan agreements with a number of banks, including the bank owned by KIA Founder (the loan value from such bank is approximately 740 million Baht). When the Indonesian government authority took control of such bank, the government authority transferred the loan debt between KIA and the bank to third party. This loan was subsequently transferred multiple times until 2008 KIA’s general meeting of shareholders had approved the conversion of the loan into equity by issuing new shares (Series B) to creditors of KIA at that the time. Those creditors, consequently, became the new controlling shareholders of KIA.

In 2011, the Company had acquired those Series B shares of KIA through the Indonesia Stock Exchange. Before acquiring the shares, the Company engaged a reputable local legal advisor to conduct due diligence and from the due diligence exercise, there was no information indicating that (i) KIA nor its subsidiary had any liability towards the Indonesian government authorities; and (ii) shares of KIA nor its subsidiary were encumbered or pledged to the Indonesian government authorities.

To protect the rights of KIA, KKM and the shareholders of both companies, KIA and KKM have filed lawsuits against the government authorities as per details below.

On November 17, 2023, KIA has filed an administrative lawsuit to the Jakarta State Administrative Court (“State Court”) against the relevant Indonesian Government agencies, namely (i) Director of State Assets Management of the Ministry of Finance of the Republic of Indonesia, (ii) Directorate General of State Assets of Ministry of Finance of the Republic of Indonesia, (iii) Head of DKI Jakarta Branch Committee for State Receivable Affairs, and (iv) Executive Head of Task Force for Handling State Collection Rights for Bank Indonesia Liquidity Assistance (“Head of Satgas BLBI”), to request for the alleged liabilities to be declared invalid and revoked.

Later, on December 6, 2023, KIA has filed an administrative lawsuit to the State Court against the relevant Indonesian Government agencies, namely Head of Satgas BLBI and the Minister of Law and Human Rights of the Republic of Indonesia (“Minister of LHR”), to request for its access to the MOLHR administration system be unblocked. Besides that, KKM, on the same day, has also filed an administrative lawsuit to the State Court against the Head of Satgas BLBI and the Minister of LHR to request for its access to the MOLHR administration system be unblocked.

In July 2024, the State Court dismissed the above lawsuits in which KIA and KKM had appealed such decisions to the State Administrative Hight Court of Jakarta (“Court of Appeal”). Recently, in October 2024, the Court of Appeal upheld the decisions of the State Court, dismissing the lawsuits. Therefore, KIA and KKM are proceeding with the cassation, for the Supreme Court to reconsider the Court of Appeal’s decisions.

## 5.3 Secondary Market

- None -



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## Corporate Governance Policy

The Company recognizes the critical importance of good corporate governance. Accordingly, it is committed to conduct business responsibly, transparently, and fairly, guided by a longstanding adherence to the core values practiced under the Code of Conduct with a focus on balanced, sustainable benefits. The Company believes that strong corporate governance practices provide a robust management framework that enhances shareholder value, generates long-term returns, and fosters trust among all stakeholders. This commitment also strengthens the Company’s competitiveness and supports sustainable growth.

The Board of Directors exemplifies the principles of good corporate governance, consistently upholding SCG Decor’s Code of Conduct. Oversight of the Company’s corporate governance lies with the Nomination, Remuneration, and Corporate Governance Committee. Their responsibilities include establishing corporate governance policies and practices, monitoring the compliance of the Board of Directors and senior executives with these policies, evaluating the implementation of governance policies, and annually reviewing practices to ensure alignment with both national and international governance standards, as well as the Company’s evolving business operations. Corporate governance remains a key agenda item at Board meetings, underscoring its priority within the organization.

### Corporate Governance Assessment Results and Awards 2024



Received an “Excellent” rating in the 2024 Corporate Governance Report of Listed Companies by the Thai Institute of Directors Association (IOD).



Scored 93 out of 100 in the 2024 Annual General Meeting quality assessment (AGM Checklist) conducted by the Thai Investors Association. Notably, this was the Company’s first year participating in this assessment.



Rated A-level for SET ESG Ratings in property and construction business (PROPCON) category 2024 by the Stock Exchange of Thailand (SET). Additionally, SCGD has been included in the SET ESG Index 2024 for the period of January 1 to June 30, 2025 which reflects our commitment to sustainable business growth and adherence to good governance principles based on Environmental, Social, and Governance (ESG).

### 6.1 Overview of Corporate Governance Policy and Practice

The Company has developed comprehensive policies and practices for the Board of Directors. These include the selection and the determination of remuneration of directors and executives, the Board’s independence from the Management, the director development, and assessment of performance, including supervision of subsidiaries and associated companies. For shareholders and stakeholders, the Company has outlined policies, and practices covering protection of shareholders, equitable treatment of shareholders, promotion of shareholder rights exercising, prevention of the use of insider information, prevention of conflicts of interest, responsibility towards stakeholders, and anti-corruption action and measures imposed on persons who fail to comply with the policies and practices. All these policies and practices are aligned with the 8 principles of Corporate Governance Code for Listed Companies (CG Code) 2017. A summary of the key points for each area is provided below.

### **Principle 1: Establish Clear Leadership and Responsibilities of the Board**

The Board of Directors recognizes its role and responsibilities as leaders and drivers of the organization, ensuring operations are aligned with sustainable business growth. The Board plays a critical role in defining the vision, core objectives, strategies, and policies for the Company's business operations. The Board of Directors is tasked with supervising and managing the Company and its subsidiaries with responsibility, diligence, prudence, and integrity, safeguarding the interests of the Company and its subsidiaries for the long-term benefit of shareholders and addressing the expectations of all stakeholders comprehensively.

The scope of duties and responsibilities includes the following:

1. Manage the Company and its subsidiaries to ensure the best interests of the Company, its subsidiaries, and shareholders through adherence to four key practices (Fiduciary Duty):
  - 1.1 Performing duties with responsibility, diligence, and prudence (Duty of Care)
  - 1.2 Acting with honesty and integrity (Duty of Loyalty)
  - 1.3 Ensuring compliance with laws, objectives, Company's articles of association, resolutions of the board of directors, and shareholders' meetings (Duty of Obedience)
  - 1.4 Disclosing accurate, sufficient, complete, transparent, verifiable, and timely information to shareholders (Duty of Disclosure)
2. Oversee that the Company and its subsidiaries adhere to established policies.
3. Define the vision, mission, and business strategies of the Company and its subsidiaries. This includes integrating ethics, social responsibility, and environmental considerations as key factors, with an annual review and approval in collaboration with the Management team.
4. Manage the Company and its subsidiaries in alignment with legal requirements, objectives, articles of associations, approval authority, resolutions of the board of directors, and shareholders' meetings with responsibility, caution, integrity, and fairness to all involved parties to maximize benefits for the Company.
5. Prepare and maintain the charter for the board of directors and sub-committees. Revise and approve proposals from sub-committees to ensure the charters are current and aligned with changing regulations, rules, and circumstances. The Board reviews its charter at least once annually.

### **Principle 2: Define Objectives that Promote Sustainable Value Creation**

The Board of Directors is responsible for reviewing the Company's main operating plan, budget, goals, and policies, and for enhancing the capabilities of the Company and its subsidiaries to compete on a global scale. This includes overseeing the management and administration to ensure alignment with established policies, plans, budgets, goals, and business strategies that promote sustainability and maximize benefits for the Company, its subsidiaries, and shareholders.

The Management prepares annual strategies and plans that align with the Company's main objectives and goals, taking into account current environmental factors, as well as opportunities and risks. The strategies incorporate the use of innovation and technology to build competitiveness and meet stakeholder needs, all while upholding social and environmental responsibility. Furthermore, the Company reviews its medium-term objectives, goals, and strategies (spanning 3 to 5 years) to ensure the plans consider long-term impacts and remain reasonably predictable.

### **Principle 3: Strengthen Board Effectiveness**

#### **Determination and Review of the Board Structure**

The Board of Directors is responsible for determining and reviewing the board structure, including the number of directors, the proportion of independent directors, and the diversity of qualifications such as knowledge, experience, and specialized expertise, to align with the Company's business operations. The Board of Directors is also responsible for appointing sub-committees to support the Board in its duties.

To ensure thorough consideration of the board structure and director selection, the Board has assigned the Nomination, Remuneration, and Corporate Governance Committee to review these matters carefully and propose guidelines for the Board's consideration. These responsibilities can be summarized as follows:

1. Consider the structure, size, and composition of the Board of Directors and sub-committees to ensure they are appropriate for the size, type, and complexity of the business and determine the qualifications of directors in terms of their knowledge, experience, and expertise (Board Skills Matrix). This will help in selecting and nominating qualified individuals to be the Company's directors and bring benefit to the businesses of the Company and its subsidiaries to create sustainable business value.
2. Consider and review the suitability for holding the directorship in the case of any changes to a director's qualifications.
3. Determine the process and guidelines for nominating and selecting qualified individuals in accordance with relevant regulations and laws. Consider nominating qualified individuals to serve as directors in place of those whose terms have expired or in other cases, including the sub-committee members who are directly assigned duties and responsibilities by the Board of Directors, taking into account the diversity in the board structure in terms of knowledge, expertise, experience, gender, and specific skills, that are beneficial to the Company, before proposing to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval.
4. Consider and review the independence of the Company's directors, including conflicts of interest that may occur in performing their duties, including the independence and qualifications of each independent director to ensure that the Company's independent directors are those with fully qualified according to criteria and/or relevant laws.
5. Suggest methods for evaluating the performance of the Board of Directors and Sub-committees by reviewing them annually, as well as following up and summarizing the results of the evaluation to the Board of Directors in order to improve the effectiveness and strengthen the knowledge and abilities of the Company's directors.

The Board of Directors has defined its composition in the Charter of the Board of Directors, which includes the following key points:

#### *Composition of the Board of Directors*

1. The Board shall consist of at least five directors, appointed and removed by the shareholders' meeting. At least half of the directors must reside in the Kingdom and meet the qualifications prescribed by law.
2. At least one-third of the total number of directors, but no fewer than three, shall be independent directors. These directors must be free from influence by the Company's executives, major shareholders, or controlling persons. They should have no involvement or interest in the Company's finances and management. Independent directors must meet the qualifications specified by the Capital Market Supervisory Board and fulfill duties as defined by the Stock Exchange of Thailand.
3. The Board must consist of individuals with knowledge, experience, and expertise across various professional fields, which will benefit the Company and its subsidiaries. This diversity-regardless of gender, race, religion, age, or professional background-ensures the Board has a broad perspective to make well-informed decisions and to effectively and sustainably oversee the Company's operations.
4. The Board shall appoint one of its members as the Chairman.

When a new director is appointed, the Company will organize an orientation session. This includes providing a director's handbook and relevant materials to ensure the new director understands their roles and responsibilities. Additionally, the Board will consider structuring and composing the Board to effectively oversee the business strategy for sustainability. Responsibilities may be delegated to sub-committees to monitor operations in alignment with the sustainability strategy.

#### Roles and Duties of the Chairman

The Board of Directors Charter outlines the following duties for the Chairman:

1. The Chairman, together with the Chief Executive Officer and President, is responsible for setting the agenda for the Board of Directors' meetings. The Chairman ensures that the Board receives accurate, complete, clear, and timely information in advance, enabling the Board to make informed decisions.
2. The Chairman leads the Board of Directors and presides over Board meetings by:
  - 2.1. Conducting meetings in accordance with the agenda, the Company's Articles of Association, and applicable laws.
  - 2.2. Allocating sufficient time for all directors to discuss and exchange opinions, encouraging independent thought and careful decision-making while considering the interests of all stakeholders.
  - 2.3. Summarizing meeting resolutions and outlining the next steps clearly.
  - 2.4. Scheduling Board meetings without the attendance of executive directors when necessary.
3. The Chairman presides over shareholders' meetings, ensuring they are conducted in accordance with the agenda, the Company's Articles of Association, and applicable laws. The Chairman allocates appropriate time, provides equal opportunities for shareholders to voice their opinions, and ensures that all shareholder questions are answered transparently and adequately.
4. The Chairman serves as a role model by supporting and adhering to the principles of good corporate governance and the Company's code of conduct.
5. The Chairman works to strengthen the relationship between the Board of Directors and the Management team, supporting the Chief Executive Officer and President in fulfilling their duties in line with the Company's policies.
6. The Chairman supervises the transparent disclosure of information and manages any conflicts of interest that arise.
7. The Chairman ensures the Board of Directors has an appropriate structure and composition to effectively carry out its duties.
8. The Chairman supervises the overall performance of the Board of Directors, its sub-committees, and individual directors, ensuring efficient and effective performance.

It is also stipulated that the Chairman of the Board of Directors cannot hold the position of Chief Executive Officer and President.

## **Independence of the Board of Directors**

### Independent Directors

The Board of Directors shall consist of at least one-third independent directors, but no fewer than three. Independent directors must be free from the influence of the Company's executives, major shareholders, and controlling persons. They should not have any involvement or interest in the Company's finances or management. Independent directors must meet the qualifications outlined by the Capital Market Supervisory Board and the Company's own criteria for independent directors. They must also adhere to the scope of duties and responsibilities defined by the Stock Exchange of Thailand.

Furthermore, the Board of Directors' Charter specifies that independent directors can serve for no more than nine years from their first appointment. If the Board decides to reappoint an independent director beyond this term, it will carefully assess the necessity for such an extension. The Board has also established stricter qualifications for independent directors than those specified in the relevant notifications of the Capital Market Supervisory Board, as follows:

1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, including shares held by related persons of such independent director.
2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.
3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director. The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness incurred during the period of 1 year prior to the date on which the business relationship with the person commences.
5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million

baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.
8. Shall not undertake any business in the same nature and in significant competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
9. Shall be able to attend meetings of the Board of Directors and make independent judgment.
10. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.
11. Shall be able to look after the interests of all shareholders equally.
12. Shall be able to prevent conflicts of interest.

The qualifications of the Lead Independent Director shall be as specified in the Lead Independent Director Charter.

After being appointed as an independent director with all qualification items 1-12 specified above, such independent director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person which may have a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In case that the appointed independent director is the person who has or used to have a business relationship, or provision of professional services at a value exceeding the specified amount under item 4 or 6, the Company shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that the Company has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with Section 89/7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the relevant information is disclosed in the notice of shareholders' meeting under the agenda of the appointment of an independent director.

Additionally, under the Charter of the Nomination, Remuneration, and Corporate Governance Committee, the Board of Directors has established duties and responsibilities for the Committee. These include the review and assessment of the independence of the Company's directors, addressing any potential conflicts of interest that may arise during the performance of their duties. This includes evaluating the independence and qualifications of each independent director to ensure compliance with the established criteria and/or relevant laws.

In 2024, none of the five independent directors of the Company engaged in any business relationships or provided professional services exceeding the value criteria outlined in the Notification of Capital Market Supervisory Board Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares and the Company's qualifications of independent directors.

#### Lead Independent Director

The Board of Directors has appointed an independent director as the Lead Independent Director and established a charter outlining the scope, powers, and duties of the Lead Independent Director. This charter is designed to support the Board of Directors in fulfilling its responsibilities in alignment with good corporate governance principles. It ensures a balanced distribution of authority between the Board and the Management while providing guidance and opinions on significant matters that benefit the Company, its shareholders, and minority shareholders. The Lead Independent Director plays a key role in enhancing the Board's efficiency and diligence, fostering stakeholder



confidence through transparent business practices, and safeguarding the interests of all parties equitably.

On August 18, 2024, the Lead Independent Director convened a special meeting of Independent Directors to address key matters outlined in the Lead Independent Director Charter. This meeting included independent discussions to review and provide input on other critical issues beneficial to the Company, the Board of Directors, and the Management. The Lead Independent Director serves as a representative to communicate the outcomes of these discussions to the Chairman of the Board and the Management. This collaborative process aims to drive improvements and developments that align with the Company's best interests.

#### *Independence of the Board from the Management*

The Board of Directors has outlined its scope of duties and responsibilities in the Board of Directors Charter. This includes clearly defining the Board's authority in various matters of the Company, as stipulated by law, the Company's Articles of Association, the Board of Directors Charter, resolutions of the shareholders' meeting, and the Delegation of Authority. This framework clearly delegates business management authority to the Chief Executive Officer and President, and the Management.

The Board of Directors is responsible for setting policies and overseeing their implementation at the strategic level, whereas the Management is responsible for overseeing operations across various areas, ensuring alignment with the established policies. The Chief Executive Officer and President performs his duties within the scope of authority approved by the Board of Directors, acting as a bridge to communicate and align with senior executives on business goals and policies approved by the Board. They are also responsible for supervising the Management team's performance, serving as the leader of the Management.

To ensure a balance of power, the roles of Chairman of the Board, the Chief Executive Officer and President are distinct and held by different individuals. This separation prevents any one person from wielding excessive control.

The Chairman leads the Board of Directors during Board and shareholders' meetings, fosters a positive relationship between the Board and the Management, and supports the Chief Executive Officer and President and the Management in executing the Company's policies. The Chairman also facilitates board meetings without participation of the

Management team when appropriate, ensuring independent oversight. The Chief Executive Officer and President supervises the Management team, acting as the primary connection between the Board and senior executives. The Chief Executive Officer and President translates the Board's approved policies and goals into actionable plans, ensuring alignment and consistency in the Management's execution.

This division of responsibilities ensures accountability, transparency, and a robust governance structure, strengthening the independence of the Board from the Management team.

In 2024, the Board of Directors convened a meeting of the non-executive directors, excluding the Management, on January 22, 2024. The purpose of the meeting was to discuss significant management matters, including the performance evaluation of the Chief Executive Officer and President, and to provide an opportunity for the non-executive directors to express their opinions openly. The Chairman of the Board, or a director designated by the Chairman, was responsible for communicating the meeting outcomes to the Chief Executive Officer and President.

#### **Nomination and Election of Board Members**

The Company prioritizes the nomination and election of directors in alignment with the principles of corporate governance, recognizing the critical role the Board of Directors plays in shaping strategies and business guidelines to drive the organization's sustainable growth. To this end, the Board of Directors has established the Nomination, Remuneration, and Corporate Governance Committee to support and facilitate the director nomination process.

A policy has been implemented to define the qualifications and criteria for selecting directors, including Core Qualifications and the Board Skills Matrix. This ensures a transparent and structured selection process that identifies professional directors while maintaining a Board of Directors with an appropriate size and a balanced composition. The selection process emphasizes diversity in qualifications, skills, knowledge, expertise, and experience, which collectively enhance the alignment with the Company's business strategies and long-term sustainable growth objectives. Additionally, diversity is a key consideration during the selection process, with attention given to the proportion of female directors and independent directors to create a well-rounded and effective Board.

### Policy on Determination of Director Qualifications and Nomination of Directors

The Board of Directors is comprised of individuals who meet all legal qualifications and do not possess any prohibited characteristics. The Company values board diversity, ensuring that directors bring a wide range of skills, experience, knowledge, and expertise that contribute positively to the Company's objectives and goals. This approach is inclusive and non-discriminatory, considering attributes such as gender, age, race, nationality, religion, place of origin, culture, and traditions. By fostering a diverse Board, the Company aims to support its business strategies effectively while upholding the principles of good corporate governance. This commitment ensures fairness, transparency, and the ability to generate sustainable returns, enhancing long-term value for shareholders. It also builds trust among all stakeholders, promoting the Company's sustainable growth.

#### 1. Qualifications of the Company's Directors

The Board of Directors has delegated the responsibility of selecting and proposing qualified individuals for directorships in place of those due to retire by rotation or other vacancies to the Nomination, Remuneration, and Corporate Governance Committee. The Committee identifies candidates with diverse professional backgrounds, leadership

skills, broad vision, integrity, and ethical standards. They should also possess a transparent and unblemished work history and demonstrate the ability to provide independent opinions. Their responsibility also includes proposing qualified candidates to the Board of Directors and/or the shareholders' meeting for further consideration and election. The Committee also takes into account the following key qualifications:

#### 1.1 Qualifications of the Company's Directors as Specified in the Board of Directors' Charter

- Directors must possess all qualifications and be free of prohibited characteristics as outlined in the Public Limited Companies Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended), and relevant notifications, regulations, and/or rules, as well as the Company's Articles of Association. They must also not exhibit characteristics deemed untrustworthy for directors or executives as per the Securities and Exchange Commission's announcements. Additionally, they must be listed in the database of directors and executives of companies issuing securities, in accordance with the criteria specified by the Capital Market Supervisory Board.



- Directors are prohibited from engaging in businesses of the same nature that compete with the Company's business. They must not act as partners in a general partnership, unlimited partners in a limited partnership, or directors of other entities conducting competing businesses, whether for personal benefit or for others, unless they have disclosed this information to the shareholders' meeting prior to their appointment.
  - Directors must possess knowledge, skills, and experience that benefit the Company's operations. They should demonstrate leadership, broad vision, and a strong understanding of the Company's business and industry. They must also exhibit honesty, integrity, and business ethics, while being capable of fulfilling their responsibilities independently. Furthermore, directors must dedicate sufficient time to their roles.
  - Directors may hold positions in no more than four other listed companies outside the SCG Group that are listed on the Stock Exchange of Thailand.
- 1.2 Desired characteristics for directors. The Nomination, Remuneration, and Corporate Governance Committee considers and identifies specific attributes for individuals being nominated as directors. These attributes include:
- Morality and responsibility
  - Informed and reasoned decision-Making
  - Maturity and stability. Being an attentive listener, and having the courage to express differing and independent opinions constructively.
  - Commitment to principles and professional standards
  - Other essential characteristics deemed important by the Nomination, Remuneration, and Corporate Governance Committee, in alignment with legal criteria and the Company's needs.
- 1.3 Required expertise in the Board of Directors. The Nomination, Remuneration, and Corporate Governance Committee considers the following key areas of expertise when selecting and nominating individuals for the Board of Directors. A Board Skills Matrix is used to ensure the Board has the necessary skills to effectively set strategies, policies, and oversee their execution as follows:
- Knowledge of the Company's business or related to the Company's business chain.
  - Knowledge of accounting and finance.
  - Organizational management for sustainable development in the areas of environment, economy, and society, including risk management and crisis management.
  - Promotion of innovation and research and development.
  - Management of digital information technology in industry and business sectors, and cybersecurity.
  - Other specialized expertise deemed necessary for the Company in the next 3-5 years.
- 1.4 Diversity of the Board of Directors. The Nomination, Remuneration, and Corporate Governance Committee establishes guidelines to ensure diversity within the Board of Directors. This diversity is considered across various characteristics, such as gender, age, race, nationality, religion, place of origin, culture, and traditions.
2. Term of Office of the Company's Directors and Independent Directors
- 2.1 At the annual general meeting of shareholders, one-third of the Company's directors must retire from office by rotation. If the number of directors is not divisible by three, the number closest to one-third must retire. The directors who are to retire will be those who have served the longest period. However, the retiring directors may be re-elected to their positions.
- 2.2 The election of directors must be in compliance with the Company's Articles of Association and applicable laws. The nomination process must be transparent and clear by considering each candidate's educational background, professional experience, qualifications, and absence of any prohibited characteristics. Sufficient details will be provided to help the Board of Directors and shareholders make well-informed decisions.

- 2.3 In addition to the expiration of term of office as per the Company's Articles of Association, the Company's directors may be removed from their position under the following circumstances:
- 1) Failure to meet the qualifications required for a company director or possessing prohibited characteristics as specified by the Company's Articles of Association, the Public Limited Company Act, and/or the Securities and Exchange Act;
  - 2) Submission of a resignation letter to the Board of Directors, effective upon receipt by the Company;
  - 3) Absence from three consecutive regular Board of Directors meetings without prior leave, and a resolution by the Board of Directors to terminate the directorship, supported by a vote of no less than half of the total number of directors;
  - 4) A resolution by the shareholders' meeting to terminate the directorship in accordance with the Public Limited Company Act;
  - 5) A court order for termination;
  - 6) Death.
- 2.4 In the event that the entire Board of Directors vacates their positions, the outgoing Board must remain in office to oversee only the essential operations of the Company until the new Board assumes their roles.
- 2.5 Should a position on the Board become vacant for reasons other than the expiration of the term, the remaining Board members may appoint a qualified individual, who is not prohibited by law, to fill the vacancy at the next Board meeting, except for the case where the remaining term is less than two months. The replacement director may be appointed only for the predecessor's remaining term.
- 2.6 An independent director may not hold office for more than nine years from the date of their initial appointment. If an independent director is to continue beyond this term, the Board must provide a reasonable assessment of the necessity for such an extension.

### 3. Director Nomination and Selection Process

The Board of Directors is the leader of the organization with very important roles, duties and responsibilities to ensure that the nomination and selection of directors has clear, systematic and transparent procedures, in line with the policy on Policy on Determination of Director Qualifications and Nomination of Directors and the SCG Decor Corporate Governance Principles. To be able to select individuals with qualifications, knowledge, abilities, skills and experience that are consistent with the Company's strategy, a process for nominating and selecting new directors has been established in writing, divided into 4 main steps: planning, nomination, selection and election, including setting a time frame for each step.

In the process of nominating and selecting directors, the Nomination, Remuneration and Corporate Governance Committee is responsible for selecting a list of qualified individuals to be considered for election as new directors from various sources, including lists suggested by shareholders, Chartered Directors and the Director Pool database of the Thai Institute of Directors Association (IOD). The suitability of the qualifications of the directors will be considered from the Board Skills Matrix, which is reviewed annually, to screen the names of persons who are suitable to be new directors in accordance with the Company's Policy on Determination of Director Qualifications and Nomination of Directors. The Company considers diversity in the structure of the Board of Directors, ensuring no restrictions or discrimination based on gender, age, race, nationality, religion, origin, culture, or traditions, among other factors. Candidates are selected based on their knowledge, expertise, or experience that can provide valuable insights for formulating strategies and business policies aligned with sustainable development principles. These candidates are proposed to the Board of Directors for consideration.

### 4. Criteria and Selection Process for Election of Directors

The nomination of individuals for election as directors to replace those retiring is conducted by the Nomination, Remuneration, and Corporate Governance Committee. This committee selects candidates to propose to the Board of Directors for consideration before presenting them to the shareholders' meeting. All shareholders have an equal



right to nominate other individuals for consideration. The authority to decide on the selection of directors rests with the shareholders. This is stipulated in Article 34 of the Company's Articles of Association, which states as follows:

- 1) A shareholder shall have one vote per share.
- 2) In the election of directors, the shareholders shall vote on each individual candidate nominated for election. The shareholders shall elect candidates as directors up to the number of directors to be elected in such election. The vote shall not be distributed.
- 3) The candidates receiving the highest number of votes in descending order shall be elected as directors until all of the director positions in such election are filled. Where the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to exceed the number of directors to be elected in such election, the chairman shall have the casting vote.

In the case of appointing a director to replace those resigning during their terms, the process will follow the same procedure as the election of a director to replace those retiring. However, the Board of Directors will consider and appoint the director, without the need to submit the election to the shareholders' meeting.

In the case where a director who resigns during their term has less than 2 months remaining in their position, the law requires the shareholders' meeting to elect a director to replace the one who has resigned.

### **Board Development**

Under the Board Charter, the Board of Directors is responsible for fostering an effective Board, including the development and evaluation of its performance. The Nomination, Remuneration, and Corporate Governance Committee has been assigned to prepare a director development plan to enhance and improve the knowledge and skills of the Board of Directors and Sub-committees. This aims to ensure a clear understanding of their roles and responsibilities. This includes gaining an understanding of the business, economic conditions, technology, and laws or regulations relevant to the Company's and its subsidiaries' operations. The Board ensures that the development of knowledge and expertise for the Board of Directors and Sub-committees is carried out through various formats. This guarantees that the Board and its Sub-committees possess a comprehensive understanding of the organization's business sustainability.

In 2024, there were 3 directors of the Company who attended the training course of the Thai Institute of Directors Association (IOD) as follows:

- Mr. Lucksananoi Punkrasamee attended Advanced Audit Committee Program course of 51/2024
- Mrs. Malinee Panichapong attended Director Accreditation Program course of 217/2024
- Mrs. Sirivipa Supantanet attended Advanced Audit Committee Program course of 53/2024

## Summary of Director Training Courses from Thai Institute of Directors Association (IOD) Attended by the Board of Directors

List of directors	Training courses of Thai Institute of Directors Association							
	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Role of the Chairman Program (RCP)	Ethical Leadership Program (ELP)	Advanced Audit Committee Program (AACP)	Board Nomination and Compensation Program (BNCP)	The Board's Role in Mergers and Acquisitions (BMA)	Director Leadership Certification Program (DLCP)
1. Mr. Roongrote Rangsiyopash	DAP 2/2004							
2. Mr. Wiroat Rattanachaisit	DAP 163/2019	DCP 329/2022		ELP 25/2022				
3. Mr. Lucksananoi Punkrasamee	DAP SCC/2004	DCP 122/2009			AACP 51/2024			
4. Mr. Nithi Patarachoke	DAP 140/2017							
5. Mr. Chaovalit Ekabut	DAP 2004	DCP 84/2007	RCP 24/2010					
6. Mr. Pakorn Matrakul		DCP 101/2008	RCP 29/2012		AACP 47/2023	BNCP 16/2023		
7. Mrs. Sirivipa Supantanet		DCP 119/2009			AACP 53/2024			
8. Mr. Thammasak Sethaudom	DAP 159/2019	DCP 298/2020						
9. Mr. Giovanni Grossi								
10. Mr. Teeranun Srihong	DAP 86/2010	DCP 179/2013		ELP 29/2023		BNCP 12/2021	BMA 4/2023	DLCP 0/2020
11. Mrs. Malinee Panichapong	DAP 217/2024							
12. Mr. Numpol Malichai	DAP 164/2019	DCP 334/2023						

In addition, the Company encourages the Company's directors to attend courses and seminars on various topics that will be beneficial in performing their duties to bring knowledge and experience to further develop the organization as follows:

List of Course/Seminar	Participation of Directors											
	Mr. Roongrote Rangsiyopash	Mr. Wiroat Rattachaisit	Mr. Lucksananoi Punkrasamee	Mr. Nithi Patarachoke	Mr. Chaovalit Ekabut	Mr. Pakorn Matrakul	Mrs. Sirivipa Supantanet	Mr. Thammasak Sethaudom	Mr. Giovanni Grossi	Mr. Teeranun Srihong	Mrs. Malinee Panichapong	Mr. Numpol Malichai
<b>Seminar for Company Directors organized by SCG</b>												
Session 1: Topic: Decarbonization: Business Strategy and Direction of the Group, exchanging ideas with SCG's senior executives.		•	•		•	•				•	•	•
Session 2: Topic: Generative Artificial Intelligence (Generative AI) by Google Thailand and case studies within SCG, exchanging issues with senior executives of SCG.		•	•	•		•	•			•	•	
<b>Seminar for Audit Committee organized by SCG</b>												
Session 1: Topic: Expectations on the Role, Duties and Responsibilities of the Audit Committee, presented by the Secretary-General of the SEC Office, and Topic: ESG Operational Guidelines, presented by Associate Director, ESG Integration, SCG.			•			•	•					
Session 2: Topic: New Global Internal Audit Standard 2024 presented by Partner-Assurance, PwC Thailand and Director-Risk Assurance, PwC Thailand and Topic: Pillar Two: Global Minimum Tax presented by Partner-Tax and Legal, PwC Thailand.			•			•						
<b>Other courses/seminars</b>												
Visit SCG's Low Carbon Prototype City Innovation Exhibition at Sustainability Expo 2024 and ESG Symposium 2024: Driving Inclusive Green Transition. The more "change" is accelerated, the more "opportunities" are created.		•	•					•			•	
The Cullinan: The Making of the Digital Board course, organized in collaboration between the Digital Economy Promotion Agency (depa) and the Thailand Management Association (TMA).						•	•					
<b>Company's business</b>												
Visit the factory of Siam Sanitary Ware Industry Co., Ltd., Saraburi Province	•	•	•	•	•	•	•	•	•	•	•	•
Visit COTTO Life Don Mueang	•		•		•	•		•			•	•

### **Preparation for Becoming a Board Member**

The Company has established the Director Induction Program for newly elected directors to enable the new directors to perform their duties as quickly as possible. The Secretary to the Board of Directors and the Company Secretary are responsible for coordinating various matters according to the 3 new director orientation plans as follows:

1. Collect necessary information about directors for the purpose of monitoring and ensuring compliance with laws regarding directors.
2. Providing essential and necessary information for performing the duties of a director, such as the Company's Memorandum of Association and Articles of Association, an overview of operational performance, the Company's charters and policies, and key company manuals necessary for the directors' responsibilities. This ensures that directors have reference materials readily available for initial inquiries.
3. Arranging meetings with the Chief Executive Officer and President, and senior executives or office directors from various departments to gain insights and discuss detailed information regarding the Company's operations.

### **Performance Evaluation of Directors**

The Board Charter requires the Directors to evaluate the performance of the Board of Directors annually, with three formats of performance evaluations: evaluation of the performance of the Board as a whole, self-assessment of each individual, and evaluation of the performance of the Chairman. This includes following up on the evaluation results of the Board of Directors and Sub-committees for joint consideration by the Board of Directors and regularly reviewing the evaluation forms of the performance of the Board of Directors and Sub-committees, and disclosing the criteria, procedures and overall evaluation results in the annual report.

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to be responsible for, under the Charter, proposing methods for evaluating the performance of the Board of Directors and Sub-committees, reviewing them annually, and following up and summarize the evaluation results for the Board of Directors to improve the efficiency of the work and enhance the knowledge and skills of the Company's directors.

### **Performance Evaluation Process**

For the evaluation process of the overall Board of Directors' performance and self-assessments, the Nomination, Remuneration, and Corporate Governance Committee reviews the evaluation forms for the Board of Directors, its Sub-committees, and the Chairman of the Board. These forms are then presented to the Board of Directors for further consideration.

The Corporate Secretary Office will send the performance evaluation form to all directors to evaluate the performance of the Board of Directors and Sub-committees in which they serve. The Corporate Secretary will then summarize the results and present them to the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors for acknowledgement, as well as to find measures to improve the efficiency of the Board of Directors and Sub-committees.

### **2024 Board of Directors Performance Evaluation Results**

#### *1. Board of Directors Evaluation Results*

The Board evaluates its performance in two formats as follows:

##### **1) As a Whole**

Evaluate the performance of the Board of Directors as a whole in 3 main topics, including: (1) structure, qualifications, and composition of the Board; (2) roles, duties and responsibilities such as oversight of business operations in accordance with corporate governance principles, oversight of internal control, nurture of innovation, support for policies, social and environmental responsibility, personnel development plans and succession plans; and (3) Board of Directors meeting.

##### **2) Self-Assessment**

Evaluate the director's own performance in terms of knowledge, understanding, and support for the role.

The performance evaluation results of the Board of Directors for 2024 indicate that both areas are at an "appropriate" level.

#### *2. Sub-committees' Evaluation Results*

For 2024, the Board of Directors has arranged for the performance evaluation of 3 Sub-committees, namely (1) the Audit and Risk Management Committee,



(2) the Nomination, Remuneration and Corporate Governance Committee, and (3) the Executive Committee, in 2 formats as follows:

**1) As a Whole**

Evaluate the performance of the Sub-committees on which they serve, as a whole, in 3 main topics, including: (1) structure, qualifications, and composition of the Sub-committee; (2) roles, duties and responsibilities of the Sub-committee; and (3) Sub-committees' meeting

**2) Self-Assessment**

Evaluate the committee member's own performance in terms of knowledge, understanding, and support for the role

The performance evaluation results of the Sub-committees for 2024, across the three committees, indicate that both areas are at an "appropriate" level."

In addition, the Board has provided extensive feedback and suggestions to help promote and improve the efficiency of the Board and its Sub-committees.

**Determination of the Number of Directorship Positions a Director may Hold Simultaneously in Other Listed Companies**

The Board of Directors has established a policy in the Charter of the Board of Directors to determine the maximum number of listed companies a director may simultaneously hold directorships in, which is consistent with and in line with the consideration guidelines of the Thai Institute of Directors Association (IOD), stipulating that a director may hold directorships in no more than four other listed companies on the Stock Exchange of Thailand, excluding listed companies within SCG.

**Supervision of Subsidiaries and Associated Companies Operating the Core Business**

The Board of Directors has the duty to appoint persons to serve as directors of subsidiaries and associated companies operating the core business. This includes determining the scope of duties and responsibilities of the appointed directors. The Board is responsible for setting the framework of voting authority in meetings of the Board of Directors of subsidiaries and associated companies operating the core business on important matters that require prior approval from the Company's Board of Directors. Additionally,

the Board supervises the management and administration of subsidiaries and associated companies operating the core business to ensure compliance with the Company's operational plans and policies. The Board ensures adherence to Principles of Corporate Governance, Code of Conduct, Anti-corruption Policy, and other Company's policies. It also oversees and ensures that subsidiaries have appropriate internal control systems, risk management systems, and anti-corruption mechanisms in place. Furthermore, the Board monitors and supervises subsidiaries and associated companies operating the core business to ensure complete and accurate disclosure of financial position, operating results, related party transactions, and the acquisition or disposition of significant assets. The Company has established the policy on supervision and management of subsidiaries operating the core business and associated companies operating the core business in order to provide a framework and mechanism for supervision of policies and operations of subsidiaries and associated companies, both directly and indirectly, including measures to monitor the performance of subsidiaries and associated companies at an appropriate level in order to effectively maintain the benefits of the Company's investment. This shall be enforced in accordance with the rights and proportion of the Company's shareholding in such subsidiaries and associated companies and to the extent that it does not conflict or contradict any laws, regulations of foreign laws applicable to such subsidiaries and associated companies and to the extent that it does not cause the Company's overseas subsidiaries and associated companies to lose any benefits that they should receive under the relevant foreign laws, divided into 2 parts as follows:

Section 1: Oversight and Management of Subsidiaries with Core Business Operations (a) Centralized Companies (b) Subsidiaries not under the centralized company (c) Subsidiaries under the centralized company but of significant size, and joint ventures with core business operations

1. Appointment or Nomination of Directors in Subsidiaries and Joint Ventures
  - The Company will appoint or nominate individuals to serve as directors in subsidiaries and joint ventures to oversee and manage the operations of those

subsidiaries and joint ventures. The Company should appoint individuals as directors in the subsidiaries or joint ventures at least in proportion to the Company's shareholding in those subsidiaries or joint ventures, unless there are restrictions or to comply with applicable laws and regulations, or in cases where limitations or agreements in business joint ventures or shareholder agreements apply. This is particularly in cases where subsidiaries or joint ventures require business partners for strategic reasons, such as expertise in business operations, technology, customer or supplier networks, resource and raw material procurement, ability to obtain licenses or patents, human resources, or knowledge in local business practices. However, the Company's management power in the subsidiary or joint venture remains proportional to its shareholding. The appointment or nomination of any individual as a director in a subsidiary or joint venture, as mentioned above, must be approved by the Company's board of directors, or listed in the approved list by the Company's board for nomination as a director of the subsidiary.

When appointing or nominating individuals as directors in subsidiaries or joint ventures, the Company's board of directors shall act responsibly, with due diligence, and integrity, prioritizing the best interests of the Company, subsidiaries, and joint ventures.

- The company's board of directors will review and establish a list of individuals who may be appointed as directors of core business subsidiaries and joint ventures at least once a year. The Chief Executive Officer and President will be responsible for evaluating the appointment and movement of individuals who will represent the company as directors in the subsidiaries and joint ventures from the approved list. The Chief Executive Officer and President will report to the board of directors at least once a year.
- Define the roles and responsibilities of appointed or nominated directors, emphasizing overseeing the compliance of subsidiaries and joint ventures with relevant laws, regulations, and rules. This

includes requiring subsidiaries and joint ventures to report their operations and disclose information to the Company accurately, completely, and on time.

2. Approval/ Authorization of Matters by the Company's Board of Directors or Shareholders Meeting Before Proceeding:

- It is specified that before entering into any transaction or taking any action that is significant or may affect the financial position and operating results of a subsidiary or joint venture as defined in the subsidiary's or joint venture's manual of powers and regulations, such as transactions related to the acquisition or disposal of assets, capital increases through the issuance of additional shares, or the allocation of shares that do not follow the existing shareholders' proportion, approval or authorization must be obtained from the company's Board of Directors or the shareholders meeting (depending on the case).

3. Disclosure of Subsidiary Information:

- It is stipulated that the directors of a subsidiary must disclose information about the financial status, operating results, related-party transactions, potential conflicts of interest, as well as the acquisition or disposal of assets and/or significant transactions to the company in a complete, accurate, and timely manner. If any transactions potentially conflict with the subsidiary's interests, they must notify the subsidiary's board of directors. The board of directors of the subsidiary is then required to inform the company's board of directors for further consideration, taking into account the overall benefit of both the subsidiary and the company. Additionally, the directors of the subsidiary must ensure that the subsidiary has adequate internal control systems, risk management systems, and anti-corruption measures that are efficient and sufficient.

4. Use of Insider Information of the Subsidiary:

- It is prohibited for directors, executives, employees, staff, or assigned personnel of the subsidiary, including their spouses, cohabiting partners, and

minor children, to use insider information of the company or the subsidiary—whether obtained through their duties or in any other way—that may significantly affect the Company’s stock price for personal or third-party benefit, whether directly or indirectly, and regardless of whether compensation is received.

5. Transactions by Directors, Executives, or Related Persons of the Company:

- Directors, executives, or related persons of the Company may only engage in transactions with subsidiaries if such transactions have been approved by the subsidiary’s board of directors and/or the Company’s board of directors, and/or the subsidiary’s shareholders meeting and/or the Company’s shareholders meeting (depending on the case), based on the size of the transaction as calculated (following the calculation criteria set forth in the relevant announcements from the Securities and Exchange Commission and the Stock Exchange of Thailand, with the appropriate adjustments). This is unless the transaction is a commercial agreement conducted on terms similar to those an ordinary person would agree to in the same circumstances, with bargaining power that is not influenced by the individual’s position as a director, executive, or related person. The agreement must also be approved by the Company’s board of directors or comply with principles previously approved by the Company’s board.

*Section 2: Governance and Management of Subsidiaries Engaged in Core Business under the Central Company, and the Size of Such Subsidiaries Being Non-Significant to the Company*

1. Appointment or Nomination of Individuals as Directors in Subsidiaries

- The principles for the appointment or nomination of individuals as directors, as outlined in Section 1, shall be applied accordingly. The central company shall assign the Chief Executive Officer and President (CEO) to appoint or nominate individuals as directors in the subsidiary from a list of individuals who have been approved by the Company’s board of directors.

2. Matters Requiring Approval/Authorization from the Central Company’s Board of Directors or Shareholders’ Meeting Before Proceeding

- The principles for matters requiring approval/authorization from the board of directors or shareholders’ meeting of the central company before proceeding, as specified in Section 1, shall be applied accordingly. The subsidiary must obtain approval/authorization from the central company’s board of directors or shareholders’ meeting before proceeding with specific matters. The central company or its board of directors (as the case may be) may proceed with obtaining approval/authorization from the central company’s board of directors or shareholders’ meeting as deemed necessary or appropriate.

3. Disclosure of Information by Subsidiaries

- The principles of disclosure of information by subsidiaries, as specified in Section 1, shall be applied accordingly. The subsidiary must disclose, report, or provide information (as the case may be) to the central company or the central company’s board of directors (as the case may be), and the central company or its board of directors (as the case may be) must disclose, report, or provide information to the Company as deemed appropriate.

4. Use of Insider Information by Subsidiaries

- The principles regarding the use of insider information by subsidiaries, as outlined in Section 1, shall apply.

5. Transactions by Directors, Executives, or Related Parties of the Company

- The principles regarding transactions by directors, executives, or related parties of the company, as specified in Section 1, shall be applied accordingly. The subsidiary must obtain approval/authorization from the central company’s board of directors or shareholders’ meeting before proceeding with specific matters. The central company or its board of directors (as the case may be) may proceed to seek approval/authorization from the board of directors or shareholders’ meeting of the Company as deemed necessary or appropriate.

The full policy on the supervision and management of subsidiaries operating the core business and associated companies operating the core business is outlined in Appendix 5 (Full Corporate Governance Policies and Code of Conduct prepared by the Company—“Policy on Supervision and Management of Subsidiaries Operating the Core Business and Associated Companies Operating the Core Business”).

Additionally, in 2024, the Company organized an online seminar on “Supervision and Management of Subsidiaries Operating the Core Business and Associated Companies Operating the Core Business,” targeted at relevant executives and management teams. A speaker from SCG Legal Company was invited to provide insights on the laws and practices in accordance with the policies related to this topic, raising awareness about the management of subsidiaries and associated companies engaged in core business in alignment with the governance framework and policies, both directly and indirectly, as the Company is a holding company.

#### **Directors’ Remuneration Determination**

##### *Determining Directors’ Remuneration and the Remuneration of the Company’s Board of Directors and Sub-Committees*

In order to comply with good corporate governance principles for listed companies, the Board of Directors has assigned the Nomination, Remuneration, and Corporate Governance Committee to be responsible for determining the remuneration of directors. The scope of authority and duties regarding the consideration of the remuneration of the Company’s directors, as outlined in the Charter of the Nomination, Remuneration, and Corporate Governance Committee, is as follows:

1. Propose guidelines and methods for paying remuneration, both monetary and non-monetary, including other benefits for the Company’s directors. This is to create both short-term and long-term incentives, while being comparable with industry standards. The Committee will also consider conditions for offering new securities or warrants to purchase shares for directors, senior executives, and employees (if applicable), and present these for approval by the Board of Directors and/or the shareholders’ meeting, as appropriate. If deemed necessary, the hiring of a consulting firm to provide recommendations for the project will be proposed.

2. Review and monitor changes and trends in the remuneration of the Company’s directors and various sub-committees, and propose them for consideration and approval by the Board of Directors.
3. Review the payment of remuneration for the Company’s directors and various sub-committees and compare them with other leading listed companies engaged in similar businesses to ensure that the Company remains an industry leader and provides motivation for management.

#### **Practice 4: Ensure Effective CEO and People Management Recruitment of the Chief Executive Officer and President and Managing Director**

The Board of Directors is responsible for appointing the Chief Executive Officer and President as recommended by the Nomination, Remuneration, and Corporate Governance Committee. The Committee is responsible for evaluating performance, as well as considering the succession plan for the Chief Executive Officer and President, Managing Director, and senior executives, to ensure the continuity of operations. The Chief Executive Officer and President have authority and responsibilities concerning the Company’s management, as assigned by the Board of Directors, as outlined in the scope of authority and responsibilities of the Chief Executive Officer and President.

#### **Performance Evaluation of the Chief Executive Officer and President**

The Board of Directors monitors and evaluates the performance of the Chief Executive Officer and President through fair and careful consideration. The performance results will be used to assess remuneration. The process of evaluating performance and determining remuneration will be initially reviewed and approved by the Nomination, Remuneration, and Corporate Governance Committee before being presented to the Board of Directors for further comments and approval. The evaluation criteria are based on three factors as follows:

1. Company Performance

Evaluate the growth of the company from the perspective of Absolute Performance, comparing the most recent results with the goals set.

## 2. Key Performance Indicators (KPI)

Evaluate based on four key areas according to the Balanced Scorecard, which covers both internal and external factors, including:

- Financial: Evaluate business performance in various aspects, such as revenue, net profit, EBITDA.
- Innovation: Develop new products to increase product value and drive new products.
- Process: Improve internal management systems to create value and efficiency in work processes.
- ESG: Operate in accordance with the policy on developing environmentally friendly products (Green Choice) and reducing greenhouse gas emissions in production processes.

## 3. Employee Feedback on the Chief Executive Officer and President (CEO Survey)

Evaluate based on three main areas according to the Leadership Profile, which include:

- Engagement: Scored 4.7 (out of 5)
- Innovation & Strategy: Scored 4.5 (out of 5)
- Excellence: Scored 4.4 (out of 5)

In addition, factors regarding establishing and sharing the vision on SCG ESG Pathway through ESG 4 Plus, both within SCG and externally, were considered, with a score of 4.3 (out of 5).

For the performance evaluation in 2024, the Chief Executive Officer and President's performance was rated as "Meeting Expectations" based on the three factors above. Additionally, the Board of Directors provided positive feedback regarding the Chief Executive Officer and President's work, attitude, and continuous business development through identifying new opportunities. This also includes the successful listing of SCG Decor on the stock exchange, which was accomplished as planned.

Regarding the management of remuneration, SCG Decor has set a budget for managing remuneration in line with the company's performance, considering the company's performance each year and the efficiency of operations to achieve continuous success.

For remuneration management, SCG Decor allocates a remuneration budget aligned with the company's performance, considering annual results and work efficiency to ensure sustained success.

### **Nomination and Development of Top Executives**



To ensure that the organization effectively nominates and develops Top Executives and manages personnel efficiently, the duties of the Board of Directors are as follows:

1. Reviewing the succession plan for top executives, ensuring regular and effective annual performance evaluations, as well as carefully and transparently determining appropriate remuneration for top executives in alignment with their responsibilities and performance, to provide both short-term and long-term incentives.
2. Encouraging the Chief Executive Officer & President, and other top executives to attend seminars beneficial to their roles, as well as to regularly engage in discussions and exchanges ideas with different organizations and experts.

### *Nomination and Succession Planning for Top Executives*

The Company has implemented a transparent and proper nomination process for key management positions at all levels to ensure that all Top Executives perform their duties independently from major shareholders or other stakeholders. A succession plan for the Chief Executive Officer & President, and other top executives is conducted by the Nomination, Remuneration, and Corporate Governance Committee, which is then presented to the Board of Directors for approval. The Company's nomination process evaluates individuals based on their characteristics, knowledge, and abilities to manage operations according to the organization's suitable strategy (Organizational Capability) in the future. This includes having integrity and a proven track record. The process involves providing personalized development plans, assigning challenging tasks, job rotations, and supporting participation in courses offered by leading global institutions. This aims to develop leadership skills in various aspects of management and prepare individuals for succession according to the predefined timeline.

### **Determination of Top Executive Remuneration**

The Board of Directions has established a transparent and proper process and criteria for determining remuneration. The Nomination, Remuneration, and Corporate Governance Committee has been assigned responsibilities and authority as outlined in its charter, as follows:

1. Evaluating the performance of the Chief Executive Officer & President to determine remuneration before presenting to the Board of Directors for approval annually.
2. Evaluating the performance of each top executive based on recommendations from the Chief Executive Officer & President to determine remuneration. The proposed remuneration is then submitted to the Board of Directors for annual approval, with particular emphasis on long-term shareholder value as a key consideration in the evaluation process.
3. Reviewing the salary structure, budget for salary increases, and annual bonus budget for top management, as well as any changes to the remuneration and benefits of top executives, before presenting them to the Board of Directors for consideration.
4. Reviewing and monitoring changes and trends regularly in top executive remuneration to present recommendations to the Board of Directors for approval.
5. Evaluating the remuneration of the company's management by comparing it with that of leading publicly listed companies in the same industry to maintain the company's leadership position and incentivize effective management.
6. Developing a succession plan for the Chief Executive Officer & President, and other top executives of the Company.
7. Reviewing and recommending any changes to the charter of the Nomination, Remuneration, and Corporate Governance Committee to the Board of Directors for approval, ensuring it remains relevant and current.
8. Disclosing various forms of remuneration determination and prepare a detailed report by the Nomination, Remuneration, and Corporate Governance Committee to be included in the Company's annual report.

## **Principle 5: Nurture Innovation and Responsible Business**

### **Nurturing Innovation**

The Company is committed to promoting innovation development. The guidelines for promoting development in various areas can be summarized as follows:

1. Developed tile innovation to cater to modern lifestyle with Health & Clean+ technology, emphasizing on improving the quality of life, such as Anti Virus & Anti Bacteria tiles, which can prevent more than 90% of virus and bacteria through out their lifespans; AIR ION tile, which captures up to 72% of PM 2.5 dust in 1 hour and provide fresh air conditioning for 24 hours without requiring electricity; R11 tile, which reduce slippery on wet surfaces, such as toilets and swimming pools; Paw&Play tile, good for homes with pets and with emphasis on safety and hygiene for both pets and residents; X-STRONG tile, which is resistant to scratches and is able to take more weight than normal tiles; and WetGuard+ tiles, a new innovation with R10 surface which leads to safety of the surface and sticky texture when wet.
2. Smart Bathroom: for complete utilization of personal area, led by VIZIO automatic sanitary ware, unique in its automatic full function, which is an automatic seat cover system with improve speed with microwave system. Moreover, the bidet can be controlled with a remote controller. The V-silent cleaning system is powerful and silent, able to work with only 6 liters of water. Double protection cleanliness is added, preventing the growth of bacteria up to 99% with Ion-mist and Ultraclean+ system.
3. LT by COTTO is an SPC brand focusing on creating a balance between beauty, quality, and sustainability. It is manufactured from 100% Virgin Material, which has superior characteristics to recycled materials, from strength, durability, to being formaldehyde-free. Moreover, it has received international standard certification, such as CE, Green Choice, ISO 9001, ISO 14001, Green Guard, FloorScore, and Carbon Zero Material, emphasizing environmental friendliness and user's health and safety with modern and environmentally friendly manufacturing processes. LT by COTTO presents 100% water resistant SPC tile, with various designs, catering to every lifestyle and creating beautiful living space fit for modern life.

4. NEW SURFACE: Presenting 2 premium floor decoration brands: COTTO STONE DECOR and COTTO CLAY DECOR. CLAY DECOR is a choice with outstanding sustainability, possessing global standard certification, such as Green Guard, Singapore Green Building Materials, CE, Low VOC, and Ultra-Low Carbon Emissions. Moreover, CLAY DECOR has especially low carbon-footprint. 1 square meter manufacturing only produced 1.02 kilogram of CO<sub>2</sub> emissions, which is a new standard for environmentally friendly materials. The design combining beauty and sustainability of CLAY DECOR is well suited to decorating areas desiring both elegant design and contribution to the world's sustainability.

#### **Policies and Practices for Stakeholder Groups:**

The Company has consistently prioritized its treatment of stakeholders, as shown by its commitment to conducting business with integrity, upholding social responsibility, and being a good citizen. This includes establishing a code of conduct to guide employee, implementing corporate governance principles for organizational management, and adopting sustainability practices. The Board of Directors has established a stakeholder policy to provide guidance for business operations, aimed at creating long-term value for shareholders while considering the interests of other stakeholders. The framework of policies and practices for stakeholder groups are as follows:

##### *1. Policies and Practices for Shareholders*

Directors, executives, and employees conduct business in accordance with corporate governance principles and the Company's core values to maximize benefits and create sustained long-term value for shareholders. The practices include the following:

- Operating the organization with integrity and transparency, aligning with the Company's vision and corporate governance principles, to ensure sustainable returns for all shareholders.
- Respecting shareholders' rights, ensuring fair and equitable treatment, and avoiding any actions that violate or infringe upon shareholders' rights.
- Allowing shareholders to propose agenda items for the Annual General Meeting and nominating directors in advance within a timeframe that is reasonable and in compliance with legal requirements.
- Providing sufficient details in advance about shareholder meetings and all relevant matters that require shareholder decisions.
- The use of internal information from the Board of Directors, executives, employees in relevant department, their spouses, or minor children is prohibited for seeking improper personal or third-party benefits that disadvantage shareholders.
- Appointing independent directors to oversee minority shareholders and receive complaints or suggestions from shareholder through accessible channels provided by the Company.
- Establishing effective measures for internal control, internal audit, and risk management.
- Providing key company information, financial reports, and performance results accurately, comprehensively, timely, and transparently to ensure credibility. Shareholders are regularly informed about the Company's operational status through accessible channels.



## 2. Policies and Practices for Employees

### 1. Compensation Management

The Company has established compensation policies to appeal to potential highly-skilled-employees to join the Company. The policies also promote the morale of current employees to retain skilled employees within the organization, which will encourage higher achievements in their duties. This will motivate employees to further develop their skills so they can be ready and attentive to career advancement in accordance with the evaluations at various levels within the organization. The Company has established a suitable compensation system that can compete with other labor markets that are in the same industry or in the same vicinity. There is also a performance evaluation system that strictly adheres to equality and fairness within the

organization, while considering the communication between supervisors, employees, and the Company to ensure the understanding of expectations, plans, and the unity of the organization's goals. The compensation formats include salary, annual bonuses, special compensation, and other benefits. Compensation budget is set to be in accordance with the Company's economic performance each year, such as sales, net profit, and EBITDA. The compensation will be paid to employees individually based on their performance according to the PMS (Performance Management System), which is correlated with operation plans of departments, companies, and businesses. The summary of the number of employees and compensation, separating male and female employees, is as follows:

Item	2022	2023	2024
Total number of employees (Person)	11,220	10,667	10,036
Total number of male employees (Person)	8,241	7,757	7,323
Total number of female employees (Person)	2,979	2,910	2,713

Item	2022	2023	2024
Total employee compensation (Baht)	5,419,452,300	5,308,650,000	5,194,724,356
Total male employee compensation (Baht)	4,100,621,000	3,948,742,200	3,789,891,104
Total female employee compensation (Baht)	1,318,831,300	1,359,907,800	1,404,833,251

### 2. Benefits Management

The Company regularly reviews its benefits management to keep up with the changing economic conditions and social conditions, and to cover other areas beyond those that are demanded by the law, such as allowances and travel expenses, accommodation, uniforms, employee shuttle buses, and health benefits including dental care expenses, annual health check-ups (based on risk factors, job positions, and employee age group), accident insurance, emergency loans, funeral assistant for employees and their families, scholarships for employees' children, gifts for hospitalized employee, gifts for employee who gave birth, et cetera.





3. Long-term Employee Care

The Company is committed to taking care of its employees in the long term and has created policies to show commitment to this cause. The Company has established a provident fund which is registered as a juristic person with the Ministry of Finance, under the Provident Fund Act B.E. 2530 (1987). Employees who are members will pay monthly savings into the fund at a rate of 2%–15% and the Company will pay monthly contributions at a rate of 5%-13% of the employee’s salary according to the employee’s length of service, in order for the employees to have more financial stability once they retire. Further details are summarized as follows:

Item	2022	2023	2024
Total number of employees who registered as members (Person)	5,337	5,088	4,867
Ratio of employees who are members (Percentage)	47.57	47.70	48.51
Total amount of money that the Company contributed (Baht)	184,220,000	180,860,000	168,480,000

The Company also promotes providing other long-term employee welfare services, such as financial assistance for medical expenses after retirement according to the conditions set by the Company, organizing a retirement planning project for employees before their retirement in areas such as health and welfare, financial management and investment, promoting careers, and starting activity clubs such as:

- **Finance and Investment Club** to inform and encourage employees to have knowledge and understanding of finance, investing, and saving money.
- **Running Club, Football Club, and Cycling Club** to promote employees’ good health with exercise.
- **Nature Studies Club** to promote knowledge on environment, specifically in the Company’s waste management, to the employees.













Additionally, in 2024, there was an Employee Engagement Survey conducted by Gallup within the Company, with 7,842 feedbacks from respondents, which is 98% percent of the total number of employees. The results of the survey were 4.07 out of 5.00, which is the highest score in the SCG group. Companies in SCG Decor then used the survey results to develop improvement plans according to the employee feedbacks. Examples of work environment improving plans in 2024 by SCG Ceramics are as follows:

**Facility Improvement Details for Employees 2024 As suggestions given by employees in Employee Engagement Survey 2024**

1	Issue	Action Done (Jan-Mar 2024)	Next Step
Environment Rest Area and Scenery	- Add more green space - Add more rest areas	- Add and improve rest areas - Improve scenery	- Add and improve rest areas - Improve scenery
Environment - Dust	- There is a lot of dust in the factory	- Regularly organize for industrial cleaning machine services	

2	Issue	Action Done (Jan-Mar 2024)	Next Step
Cafeteria	<ul style="list-style-type: none"> <li>- Small servings</li> <li>- Cleanliness</li> <li>- Food quality</li> <li>- Not many food selections</li> <li>- Broken building structure</li> </ul>	<ul style="list-style-type: none"> <li>- Monthly food shop assessments and notifications of improvements</li> <li>- Increase rotating food shops</li> <li>- Organize a mobile food market</li> <li>- Conduct food shop evaluations</li> <li>- Change the pillars and steel beams where needed.</li> </ul>	<ul style="list-style-type: none"> <li>- Increase rotating food shops</li> </ul>
3	Issue	Action Done (Jan-Mar 2024)	Next Step
Toilet	<ul style="list-style-type: none"> <li>- Bad smell</li> <li>- Cleanliness</li> <li>- Broken toilets</li> </ul>	<ul style="list-style-type: none"> <li>- Schedule toilet cleaning hours</li> <li>- Fix/change toilets</li> <li>- stall doors</li> </ul>	<ul style="list-style-type: none"> <li>- Fix/Change toilets</li> <li>- Fix doors, mirrors, and paint the toilet.</li> </ul>
4	Issue	Action Done (Jan-Mar 2024)	Next Step
Security	<ul style="list-style-type: none"> <li>- Improve the basics to take care of the employees</li> </ul>	<ul style="list-style-type: none"> <li>- Paint the road markings</li> <li>- Add more street lights</li> <li>- Put gravel stones in potholes and where puddles form</li> </ul>	<ul style="list-style-type: none"> <li>- Add more security cameras</li> <li>- Add more street lights</li> </ul>

**Improve Facility – HK**

Renovating the factory's office toilets	Fixing the Control Room's ceiling in the training center	Painting road markings in the factory's area
Before      After	Before      After	Before      After
 	 	 
Renovating Recycle 2 fence	Renovating the pathway in front of the factory	Adding a coffee shop and a bakery
Before      After	Before      After	Before      After
 	 	 

Overall, improvement plans according to the employee feedback prove to be effective. Employee resignation rate has been decreasing, as seen below:

	2022	2023	2024
Percentage of total employees	5.7	7.4	11.1

#### 4. Employee Development

The Company has prepared employees in terms of physical health, mental health, and knowledge in various areas such as professional skills, technical skills, leadership skills, as well as technology skills which is now critically important in working and assisting customers more efficiently and promptly. The Company had been developing the employees in terms of flexibility and adaptability to ensure that they can be ready for the Company's ever-changing circumstances, so that the employees can smoothly work together within the Company through 70:20:10 development plan, which focuses on both Classroom Training, Action Learning, as well as Coaching & Consulting. E-Learning has been introduced to aim for business excellence and sustainable growth. The Company has organized development plans are as follows:

##### Functional Training Course

This course focuses on letting the employees develop their knowledge and skills according to the Core Competency, which are necessary to apply their knowledge and skills in their work. Production process has been adjusted to emphasize on efficient and effective joint resource management. Every factory must be able to produce products with the same quality for every brand. The Company has therefore established a learning process in order to create the same operational standards amongst the employees to ensure that the Company is able to supply the customers the products of the same quality regardless of which factory they were manufactured in. Starting with the ceramics and tiles production standards and quality control, followed by Knowledge Sharing process of each function, as well as establishment of labor skill standards according to Section 26 of each function to achieve a standard and to inform such knowledge to on-site employees.



##### Leadership Development Course

This course encourages employees to learn about management and leadership so they can lead and work with others more effectively. The course also focuses on change management for employees with leadership roles who must take on both business management and being a role model according to the Company's work guidelines, such as:

- On Boarding for New Manager Course to train supervisory employees who will be promoted to a manager.
- Business Concept Development (BCD) Course for supervisory employees with 6 or more years of service.
- Management Development Program (MDP) Course for management level employees with 10 or more years of service.
- Advance Management Program (AMP) Course for senior management employees.
- Integrated Business Excellence (IBE) Course, a system that the Company has adopted to develop a problem-solving perspective and improve work processes throughout the Company, in order to be coordinated and ready to handle changes. There are courses that aim to develop employee skills to promote participation in various aspects.

##### Safety Competency Course

This course is for employees who are involved in training and development as required by the law, according to risk factors of each position, policies, and management systems, to ensure that all employees are able to work efficiently and safely, free from work-related injuries and illnesses. Additionally, the number of employee training hours and expenses conducted by the Company are summarized as follows:

Item	2022	2023	2024
Average number of employee training hours (hours/person/year)	6.21	7.04	10.11
Training and employee development expenses (Baht)	13,937,515	16,485,907	16,510,400

### Promoting Corporate Culture

In 2024, the Company has established new corporate culture of employee participation to align with challenging business strategies and goals, as well as improving mindsets and work process to keep up with changes to support business expansion and to be adaptable to changes from both internal and external factors, using the term GREAT Team Champion – joining forces to create something better, for a greater goal – which consists of:

**Growth Mindset:** Dare to challenge yourself and explore new perspectives and opportunities. Actively develop and learn new things. Take action to reach challenging goals.

**Resilience:** Be flexible and adaptable. Know how to get up after stumbling down. Promptly respond to change. Be broad-minded and stay vigilant for any possible changes.

**Empathy:** Be understanding towards the customers, your team, and yourself. Be committed to supplying products and services of high quality to both internal and external customers within the specified time period.

**Achievement:** Be professional and responsible for your duties. Be determined and aim for the success of the organization with swiftness and efficiency.

**Team Collaboration:** Have a joint goal and work together as a team both inside and outside the organization. Respect different opinions, have mutual trust, cooperate, share and inspire each other. The Company encourages employees to understand the meaning behind GREAT Team Champion Culture through various channels such as, CEO/MD Talk, Culture Dialogue with MD, Culture Engagement Workshop, GREAT Promotion Activities By Area, as well as 70:20:10 development plans and other activities to enable employees to apply GREAT Team Champion Culture to their work.

### 5. Customer Service Policy

The Company is committed to providing the most benefits and satisfaction to users, both in terms of product quality and fair price., together with developing and maintaining sustainable relationship with the users. Customer service guidelines are as follows:

- Deliver products and services according to the customer needs and partake in improving quality of life and promoting sustainable social growth.
- Continue to innovate and research to develop products and serviced of higher value, and quality, to meet the customer needs in various aspects.
- Develop products and services that are environmentally friendly by using less resources, saving energy, to create reusable products with longer lifespan.
- Manufacture products and services that are safe and present no risks to the customers. Give customers correct and sufficient information about the products.
- Store customer data in an organized and secured place, without using the data for unlawful purposes.
- Set fair prices for products and services.
- Provide quality management systems that are up to international standards.
- Establish a department responsible for providing product recommendations, suggestions, solutions, and receiving complaints, in order to offer the most satisfaction to the customers.

### 6. Trading Partner Policy

The Company aims to comply with the honest trade competition framework by strictly complying to the contract, SCG Decor’s Code of Conduct, and commitments made to the trading partners. The guidelines include:

- Appraise a reasonable and fair price, considering the reasonableness of the price, quality, and service received. As well as being able to provide an appropriate reason when an inspection is being conducted.
- Pay the trading partners the amount owed in a timely manner.
- Establish regulations on procurement and various operations.
- Operate the business in a sustainable and transparent manner, strictly following the trading terms and contracts. Be reasonable and fair to all stakeholders.
- Do not request for or receive any compensations or benefits from trading partners.
- Regularly visit trading partners to exchange opinions and suggestions.
- Promote environmentally friendly procurement and local community products.
- Avoid purchasing from trading partners who violate human rights and/or intellectual property rights.
- Do not disclose trading partners' information unless permitted.
- Do not do business with trading partners who violate the law and morality, and/or pose a risk to the public order.
- Encourage trading partners to operate their businesses with social and environmental responsibility, by conforming to the principles of sustainable business development, and by adhering to Supplier Code of Conduct.

#### 7. Business Partner Policy

The Company had policies on conducts toward business partners in terms of human rights standards, environment, work safety, and compensation. The Company also promotes developing skills and knowledge in areas both inside and outside of the business partners' work, in order to increase effectiveness and efficiency of the work process. The guidelines include:

- Consider reasonable and fair compensation amount and ensure that business partners pay their workers no lower than the compensation amount stipulated by the law.

- Encourage and ensure safety and good work environment in business partners' operations.
- Provide opportunities for business partners to meet with the Company's executives to exchange opinions and suggestions in order to carry out work according to the goal.
- Encourage business partners to develop their knowledge to ensure the highest efficiency in their work process.
- Encourage business partners to operate their businesses with social and environmental responsibility, by conforming to the principles of sustainable business development, and by adhering to Supplier Code of Conduct.

#### 8. Co-investor Policy

The Company respects the rights of co-investors and treats every co-investor equally. It encourages co-investors to also respect the rights of every stakeholders to be in accordance with human rights policies by coordinating with co-investors to promote and support the operation of co-investments, encourage exchanging ideas and suggestions among co-investors, determining the business plan of co-investments together so that they can develop sustainably, promote lawful and sustainable business operations, as well as considering the allocation of compensation and benefits of co-investments in a fair and transparent manner.

#### 9. Creditor Policy

The Company has established policy on fair and transparent conducts towards creditors, by complying to conditions and contracts. The Company makes contracts with every creditor in accordance with the law. It aims to be fair and comply to conditions of each contract made with creditors without taking advantage of the creditors, using fraudulent ways, or concealing any important information that may result in damages to the creditors. The Company commits to paying loans, as well as interest, to all creditors in the amount and on time as agreed upon.

10. Community and Society Policy

The Company respects human rights and equality, by encouraging activities that improve the quality of life in the society and neighborhood that the Company operates on, as well as encouraging employees and stakeholders to be good citizens. The policy includes instilling a sense of responsibility towards the society in employees of every level, such as participating and supporting activities that are in line with the community and society policy, taking the lead in promoting effective resourcing according to Circular Economy, aiming for sustainable societal and environmental development, providing appropriate support to the community near the Company's premises, taking care of the environment and safety of the community, supervising and monitoring waste and contaminants that are disposed into the environment, as well as encouraging activities that focus on developing the potential of the youths and the community. The Company also provides opportunities for the community and stakeholders to partake in activities and projects, and give feedbacks or complaints on the Company's operations.

11. Public Sector Policy

The Company has established guidelines for making transactions with government bodies in the SCG Decor Code of Conduct. The Company must strictly comply to relevant laws and regulations and be constantly mindful of possible regional differences in terms of laws, regulations, and traditions as each region may have their own conditions and work process. The Company will not perform any actions that may induce government officers to commit fraudulent actions. The Company also support the activities of public sectors, including attending meeting, giving suggestions, and receiving feedback and advice of the public sector, such as hiring people with disabilities to comply with the requirements of the Persons with Disabilities Empowerment Act of Thailand. In 2024, companies in SCG Decor business have hired people with disabilities in proportion to the total number of employees as follows:

Employees with no disabilities as of 1st of October, 2024	5,372 persons
Number of people with disabilities required (ratio of 100:1)	54 persons
Employment of people with disabilities under Section 33	9 persons
Promote occupations by granting concessions under Section 35	43 persons
Contributing money to the fund under Section 34	2 persons

Additionally, the Company is committed to hire more people with disabilities to create more career opportunities for people with disabilities so that they can provide for themselves and their family, and ultimately contributing to the society.

12. Media Policy

The Company recognizes the importance of disclosure of information to the media. Therefore, the Company has established guidelines on information disclosure. The information must be accurate and to the point. The Company also gives opportunities for the media to meet high level executives to build good relationships between the Company and the media.

13. Policy on Civil Society, Academic, and Thought Leader

The Company conducts its business by receiving opinions and suggestions from all sectors of civil society. The Company discloses documents and electronic data on its business operations, annual reports, articles and news in a transparent and verifiable manner. It conducts its business with consideration for environmental and societal impact, and encourages civil society, academics, and thought leaders to participate maintaining environmental quality. The Company also welcomes feedbacks, suggestions, and/or complaints from all sectors of civil society in order to joint approaches for cooperation.

## 14. Competition Policy

The Company operates its business by following policies regarding competitors within the framework of honest trade competition. The Company strictly adheres to the law and SCG Decor's Code of Conduct, all the while considering the trade ethics and Trade Competition Act, and operating under the framework of good competition and the law with ethic and transparency, including not unlawfully taking advantage of competitors, not seeking confidential information by dishonest means, not taking any actions that will violate competitors' intellectual property rights, not damaging the competitors' reputations by making malicious accusations without factual information, supporting free trade, and avoiding making agreements with competitors that will reduce or restrict trade competition.

Overall, the full version of stakeholder policies is published in Appendix 5 (Policies and guidelines on business management and Code of Conduct – *Stakeholders Engagement Policy*)

### **Contact Information for Stakeholders**

The Company provides channels for stakeholders to give feedbacks and suggestions through the Company's investor relation channels -- telephone: 0-2586-1088, e-mail: scgdecor\_ir@scg.com. Any feedback received will be collected and filtered to be reported to senior executives and the Board of Directors subsequently.

The Company has provided channels for employees and external stakeholders to give feedbacks and report any misconduct through the intranet's whistleblowing system for employees, and through the website (<https://investor.scgdecor.com/en/sustainable-development/whistleblowing-channel>) for every group of stakeholders. Any feedback or report will be then systematically processed.

### **Principle 6: Strengthen Effective Risk Management and Internal Control**

#### **Risk Management and Internal Control System**

To ensure that the Company and its subsidiaries have risk management and internal control systems that will allow the Company and its subsidiaries to effectively achieve their goals, the Company realizes the importance of corporate governance to drive the organization to grow and expand its business sustainably, to have a strong

financial status, and to be able to generate appropriate amount of returns for the shareholders, to comply with the relevant laws and regulations, to implement international-standard risk management system throughout the organization, to establish measures and guidelines to reduce the remaining risk to an acceptable level by taking into account measures that will effectively reduce chances and/or possible negative impacts, in order to be able to determine risks or unexpected crises, and to be able to appropriately and promptly reduce any loss or damage to the Company.

Each department is responsible for identifying, assessing, creating risk management plans, and regularly managing major risks. There must be a Risk Management Committee which is responsible for the structure and employees who will be tasked with risk managing, defining the risk management framework and risk management reviewing plans, and monitoring risk management in accordance with the international standards. The Internal Audit Office is responsible for assessing the risk management system and internal control system in order to identify risks and manage those risks effectively, and to verify the accuracy and efficiency of the risk management process, control, supervising, and effective maintenance of information and communication system, in accordance with the international standards. The Audit and Risk Management Committee is tasked with assessing the process of determining policies, strategies, risk management framework, risk management plans, overseeing risk management process of the Risk Management Committee, as well as ensuring that there is a risk management review and risk management process throughout the organization.

The Board of Directors has taken the following actions:

1. Approving the Risk Management Policy to ensure that the risk management system in the Company has a clear and published framework, is in accordance with corporate governance and in line with international standards and practices. Supervision is to ensure that the risk management system is effective and is regularly assessed and reviewed.
2. Appointing an Audit and Risk Management Committee to review and ensure that work operations are complying to policies, laws and regulations, practices, and requirements of regulatory agencies. The Committee is also responsible for promoting the development of financial and accounting report systems to be up to

par with the international standards. As well as reviewing the internal control system, risk management system to ensure that they are strict, appropriate, up-to-date, and effective. The Audit and Risk Management Committee are to perform its duties and give feedbacks freely.

3. Establishing a Risk Management Committee to be tasked with determining the structure, staff, strategies, risk management framework, reviewing risk, monitoring the results of risk management process, and approving risk management plans in order to ensure that the risk management system is effective and further report to the Audit and Risk Management Committee.
4. Establishing an Internal Audit Office that can perform its duties effectively and independently. It is responsible for reviewing the efficiency of the risk management system and internal control system, as well as reporting to the Audit and Risk Management Committee.

The full Risk Management Policy is published in Appendix 5 (Policies and guidelines on business management and Code of Conduct – *Risk Management Policy*)

#### **Insider Information Management**

In the Company's operations, there are cases where the directors, executives, employees, and related persons must review and be informed of material non-public information that may affect securities prices. The Board of Directors realizes the importance of proper insider information management and has established the Insider Trading Policy as well as measures to prevent misuse of insider information, guidelines for recording, reporting, and filing information, to prevent leakage of the Company's information and possible misuse of information. The directors, executives, and every employee of the Company must manage insider information with great care, and not disclose any insider information to people who are not involved in the work operation in order to prevent information leakage.

Additionally, the Board of Directors has also established measures prohibiting trading of securities or entering into derivatives relating to the securities of listed companies related to insider information in order to prevent misuse of insider information. The Company has a system for storing and preventing the use of insider information to ensure that insider information will not be leaked or used to trade securities.

#### *Maintaining and Preventing the Use of Insider Information*

Insider information is considered sensitive information. Joint use of insider information must be under the scope of the users' assigned duties and responsibilities. Any disclosure of insider information or information relating to insider information to the public must only be permitted by the Chief Executive Officer and President, the Chief Financial Officer, or an authorized person.

#### *Blackout Period*

The Company has scheduled a period of prohibiting the Company's directors, executives including persons holding executive positions in accounting or finance department whose rank is not lower than departmental manager, as well as employees of the offices relating to insider information, including their spouses, cohabiting couples, and minor children from trading securities or entering into derivatives related to the securities of the Company, its listed subsidiaries, listed affiliated companies, or other listed companies related to insider information. This prohibition applies during a period of one (1) month before disclosure of any quarter and annual financial statements and within 24 hours after such disclosure.

Additionally, from the aforementioned measures, the Company has also established guidelines on the management of insider information that may affect securities prices. The guidelines cover the management of insider information and are regularly communicated to the employees in order to decrease the risk of the information being misused. In the past year, there were no cases of directors or executives trading securities during the Blackout Period.

#### *Guidelines on Reporting Changes in Directors' and Executives' Securities Holdings*

Directors and executives of the Company are responsible for reporting changes in their securities holdings as stipulated by the SEC and the Company's practice which requires directors and executives to report any changes in their securities holdings at every meeting of the Board of Directors. The reports include their holdings and changes in their holdings of the Company's ordinary shares, including the shares held by their spouses, cohabiting couples, and minor children. The directors must also report their holdings and changes in their holdings of ordinary shares and debentures in affiliated companies. The Company will disclose the report on the holdings and changes in securities holdings



of directors and executives during the accounting year in Form 56-1 One Report.

#### Guidelines on Notification of Intention to Trade the Company's Securities in Advance

The Board of Directors has established an additional practice, requiring directors and executives to notify the Company Secretary of their intention to trade the Company's securities at least 1 business day in advance by submitting a form expressing their intention to trade and transfer the Company's securities. The Company also prepares notification letters to directors, executives, employees, and persons involved with insider information, informing them of the Blackout Period of the Company and other listed companies related to insider information.

#### Monitoring of Compliance with Policy on Prevention of Misuse of Insider Information

The Company encourages its personnel to be aware of the prevention of misuse of insider information. The Company has communicated the guidelines on the policies and practices to all directors, executives, and employees (100%) through the publication of SCGD's Code of Conduct. The directors, executives and employees at all level can study, comprehend anywhere and anytime, Additionally, the policy has been communicated to the Board and executives for further awareness, with a focus on reinforcing this awareness through regular annual Ethics e-Testing. All directors, executives, and employees must accept that they have an understanding of the Company's policies and Code of Conduct every time before starting the test and must achieve a 100% pass rate on the test.

In 2024, there have been no instances of misconduct by directors, senior executives, and employees involved in handling insider information. Further details on the report of misconducts are disclosed in Important Performance Report on corporate governance: "Whistleblowing".

Additionally, the full version of Insider Trading Policy can be found in Appendix 5 (Unabridged Policies and Guidelines on Corporate Governance and Code of Conduct prepared by the Company – Insider Trading Policy)

#### **Prevention of Conflicts of Interest**

The Company is committed to operating its business with transparency, fairness, and accountability. It places much importance on considering transactions that may have conflicts of interest, related transactions, inter-company

transactions, as well as clear establishment of a shareholding structure, no cross-shareholding with major shareholders in order to prevent conflicts of interest for any party. Consequently, the Board of Directors has established a policy to prevent conflicts of interest and to ensure that the directors, executives, and employees have an understanding on the matter and will act in accordance to the laws and regulations, Code of Conduct, and for the most benefits for the Company, which can be summarized as follows:

1. Establish a policy for directors and executives to disclose and submit reports on their own and related persons' interests to the Company Secretary, and the Company Secretary must then submit this report to the Chairman of the Board and the Chairman of the Audit and Risk Management Committee within 7 business days from the date of receipt of the report in order to understand the relationship and transactions with the Company and subsidiaries that may cause conflicts of interest before any transactions are made. The Company has tasked the Company Secretary to be responsible for surveying items of interest on an annual basis.
2. Avoid making transactions related to oneself and/or related persons that may cause conflicts of interest with the Company and its subsidiaries, and do not act in any manner that conflicts with the interests of the Company or its subsidiaries or seek personal benefits and/or benefits of other related persons, and strictly comply with the Company's Code of Conduct.
3. Directors must notify the Board of Directors of their interests in the meeting. If the matter in the meeting is related to their interests or conflicts of interest, they must not attend the meeting and not participate in expressing opinions and approving matters both directly and indirectly, so that the decision of the Board of Directors and executives is fair and truly for the benefit of the Company and shareholders. The meeting minutes must also be recorded in writing. However, in the aforementioned instance, such directors may be present to answer questions and provide additional information to the Board of Directors beforehand, but must not be present at the meeting while the Board of Directors is making a resolution on such matter so that the Board of Directors can exercise their discretion for the best benefit of the Company freely.

If there is any doubt, directors should assume that they have an interest to avoid legal problems in the event that there is a final opinion as to whether or not such directors have an interest in the matter.

4. The following actions which result in directors, executives or related persons receiving financial benefits other than those normally received or which cause damage to the Company or its subsidiaries shall be presumed to be actions which are in conflict with the interests of the Company and its subsidiaries:
  - Transactions between the Company or subsidiaries and directors, executives or related persons that do not comply with the related-party transaction criteria.
  - Use of information of the Company or its subsidiaries unless that information has already been disclosed to the public.
  - Use of asset or business opportunities of the Company or its subsidiaries in violation of the general rules or practices as announced by the Capital Market Supervisory Board.
5. In instances when transactions with general commercial conditions in a manner that a reasonable person would do with a general counterparty in the same situation, with commercial bargaining power that is free from the influence of the person's status as a director, executive or related person as approved in principle by the board of directors, a summary of the transactions shall be prepared for the Audit and Risk Management Committee and the Board of Directors to acknowledge and provide comments every quarter in which the transactions are made.
6. In conducting other related transactions that are not normal transactions, the Audit and Risk Management Committee shall consider and give feedbacks on the necessity of the transaction and the appropriateness of the price of that transaction first. The Committee shall then proceed in accordance with the criteria related to related transactions in accordance with the Securities Act and the Company's related transaction policy.
7. The Board of Directors shall supervise the Company and its subsidiaries to comply with the Securities Act and other relevant laws, and disclose information in

accordance with the rules of the Stock Exchange of Thailand and other related agencies.

8. Establish a clear work system to demonstrate that subsidiaries and associated companies operating the core business have sufficient systems to be able to continuously and reliably disclose information on significant transactions in accordance with the specified criteria, and provide channels for the Company's directors and executives to obtain information on subsidiaries and associated companies operating the core business, in order to monitor the operating results and financial position, transactions between subsidiaries or associated companies operating the core business and the Company's directors and executives, and significant transactions of subsidiaries and associated companies operating the core business efficiently. Additionally, there must be a mechanism to audit such work systems in subsidiaries and associated companies operating the core business, allowing independent directors, the Audit and Risk Management Committee, and the Company's internal auditors to have direct access to the information. The results of the audit of the work systems must be reported to the Board, the Audit and Risk Management Committee, and the Company's executives to ensure that subsidiaries and associated companies operating the core business are consistently in compliance with the established work systems.
9. Avoid holding shares, being a director, executive or consultant in businesses that are operating business of the same nature as the Company or its subsidiaries and are competitors of the Company or its subsidiaries. Holding shares and being a director, executive or consultant in other organizations can be done if holding shares or being in such positions does not conflict with the Company's interests and does not affect the performance of the individual's duties the Company or its subsidiaries, or the shareholders' meeting has been notified before the appointment of such directors, and is in accordance with the criteria specified in the Securities and Exchange Act B.E. 2535 (and amendments).

Additionally, the Company has published measures on preventing conflicts of interests in SCG Decor's Code of Conduct for employees to understand and strictly comply

with said measures. In 2024, the Company continuously monitored and supervised policies and practices on conflicts of interest, as disclosed in Section 1.4: Monitoring compliance with policies and practices on corporate governance, subsection (5) Whistleblowing.

#### Monitoring of Compliance with Policy on Prevention of Conflicts of Interest

The Company encourages its personnel to be aware of the prevention of conflicts of interest. The Company has communicated the guidelines on the policies and practices to all directors, executives, and employees (100%) through the publication of SCGD's Code of Conduct. The directors, executives and employees at all level can study, comprehend anywhere and anytime, Additionally, the policy has been communicated to the Board and executives for further awareness, with a focus on reinforcing this awareness through regular annual Ethics e-Testing. All directors, executives, and employees must accept that they have an understanding of the Company's policies and Code of Conduct every time before starting the test and must achieve a 100% pass rate on the test.

In 2024, there have been no instances of misconduct by directors, senior executives, and employees involved in prevention of conflicts of interest. Further details on the report of misconducts are disclosed in Important Performance Report on corporate governance: "Whistleblowing".

Additionally, the full version of Conflicts of Interest Prevention Policy can be found in Appendix 5 (Unabridged Policies and Guidelines on Corporate Governance and Code of Conduct prepared by the Company – Conflicts of Interest Prevention Policy).

Furthermore, in order for the Chief Executive Officer and President and senior executives to perform their duties in accord with the main goals and business strategies for sustainability, as well as the intention to have employees to dedicate themselves and devote their time to the company for the benefit of the organization in the long run, the Board of Directors has also established policies and procedures for the Chief Executive Officer and President, and senior executives to assume directorship positions in other companies, based on the basic principles of corporate governance and SCG Decor's Code of Conduct on the Company's conflict of interest, which requires employees not to engage in any business that is or may be in competition with the business of the Company and its

subsidiaries, leaving it to the Company's discretion to consider appropriateness on a case-by-case basis, as detailed below:

The Chief Executive Officer and President, and Executives are able to act as directors of or use the Company's time to work for external companies, organizations, or institutions which are not a subsidiary company, an associated company, or another company in which the Company has invested in, as follows:

1. A government organization providing support to the officials which contributes to the benefits of the public.
2. A private organization established for public benefits, such as Federation of Thai Industries, Thai Chamber of Commerce, Thailand Management Association etc.
3. A private organization established for commercial purposes which does not have a conflict of interest with the Company and its subsidiaries. Moreover, such work must not negatively impact their duties for the Company.

The organization must not be established for the benefits of political parties.

Moreover, details of policies and guidelines regarding the Chief Executive Officer and President, and Executives acting as directors of other companies can be found in Attachment 5 (The Company has created a full corporate governance policy and guideline and code of conduct - "Policy and Guidelines on Director Positions at Other Companies")

#### **Anti-Corruption**

SCG Decor Public Company Limited has uprightly conducted business by adhering to social responsibility and every stakeholder, in accordance with the good corporate governance and the Company's code of conduct, as well as the policy and guidelines of stakeholders. Thus, the directors have determined that the anti-corruption policy be established and reviewed regularly as a means to be the operational guidelines for business procedure and way to sustainable organization and to ensure that the policy, guidelines, and regulations are suitable for corruption prevention in every business activity. Also, the Company will be able to make decisions and deliberately analyze the case during business procedure that may lead to fraud risk.

Therefore, the Company has determined the definition of “corruption,” duties and responsibilities of Directors and the Audit and Risk Management Committees in policy specification and overseeing system that supports efficient Anti-corruption Policy. Also, accepting corruption evidence that are rooted from the Company’s personnel, assessing fact, and proposing the case to the Board of Directors for punishment, solving the case, consulting, and monitoring anti-corruption policy practices. Chief Executive Officer and President, Management Team, and Executives are responsible for implementing the anti-corruption policy. They are tasked with establishing systems, promoting, and supporting anti-corruption policies, as well as reviewing the appropriateness of the systems and measures and communicating them to Company personnel and all parties involved.

On the other hand, the Internal Audit Office is responsible for examining risk assessments, providing recommendations for developing measures and guidelines to prevent corruption-related risks. They are also accountable for verifying operational practices to ensure compliance with policies, guidelines, authorities, regulations, laws, and supervisory agency requirements. They also report to the Audit and Risk Management Committee.

The Company has thus established operational guidelines: Company’s personnel must comply with SCG Decor’s anti-corruption policy and corporate governance without direct or indirect corruption involvement, must not neglect when detecting any action regarding business corruption, and cooperate in the investigation. The Company will uphold justice and protect the complainants, personnel who reject or report corruption relating to the Company, under the policy of protection for complainants, or the person who gave evidence and cooperate in the corruption report regarding the Whistleblowing Policy provided by the Company.

The Company emphasizes the importance of publishing and educating, striving for organizational culture preservation that the corruption is unacceptable regardless of transaction with government or private sectors. Also, the Company has established the risk management department to assess corruption risk that may occur in the future. The internal audit office has provided auditing process and internal management system that are suitable and efficient at auditing process, finance, accounting, and data collection, including

constant reassessment. Moreover, the Company has the policy in accordance with the anti-corruption policy of Thailand or any country that it is operating in, and will announce the guidelines regarding this policy for representative, counterparties, person on behalf of the Company.

In addition, any personnel who conduct any action against the anti-corruption policy will be analyzed for penalty, in accordance with the SCG Decor’s regulation. Moreover, that person will be punished by the law if that action is considered to be illegal.

The full Anti-corruption Policy can be found in Attachment 5 (The Company has created a full corporate governance policy and guideline and code of conduct – “Anti-corruption Policy”)

#### **Whistleblowing policy and the following operations**

The Company has established a whistleblowing policy, which is regularly reviewed for appropriateness to demonstrate the importance of good corporate governance and provide opportunities for employees and stakeholders to report information or clues of any violations or irregularities in the Company’s business operations, such as in governance, ethics, morality, corruption, financial transactions, compliance with laws and regulations, and anti-corruption policies, through specified channels. The information and complaints can then be investigated according to the process specified in the Company’s Whistleblowing Policy and reported to the Audit and Risk Management Committee and the Board of Directors. In addition, the contact information is clearly provided for complainants, with the process and channels disclosed on the Company’s website.

In order to ensure employees and stakeholders that reporting or providing information or clues will not damage the complainant or informant, the Company has established measures to protect and alleviate any damage to those who report or provide information that have been maltreated, such as being harassed or threatened, as well as maintain confidentiality and provide protection to complainants according to the Whistleblowing policy. The Internal Audit Office is responsible for maintaining data security, encrypting the database, storing it separately and independently, and giving limited rights to only involved parties.

The Company communicates to employees and stakeholders 24/7 whistleblowing channels, which accommodate Thai, English, and local languages of Vietnam, Indonesia, and Cambodia, as well as oral or written channels through letters or emails.

The full Whistleblowing Policy can be found in Attachment 5. (The Company has created a full corporate governance policy and guideline and code of conduct – “Whistleblowing Policy”)

#### **Principle 7: Ensure Disclosure and Financial Integrity**

The Board of Directors has duties to maintain financial integrity and disclosure, as well as oversee the Company and its subsidiaries to have accounting systems, financial reporting, and financial statement reviews compliant with relevant rules and practices. The Board shall monitor financial liquidity and debt service coverage, including plans or mechanisms in case of problem arising, as well as prepare sustainability reports as appropriate. Moreover, the Board must disclose appropriate information to stakeholders, including the disclosure of material information regarding financial statements and reports prepared for shareholders appropriately. Such information should be disclosed through the Stock Exchange of Thailand’s system first and may be later disclosed through the Company’s website. In addition, the Board must assign a responsible person for providing information to investors.

The Board of Directors should disclose information accurately, adequately, completely, appropriately, and timely, and promote the use of information technology to disclose information.

#### **Information Disclosure Policy**

The Board of Directors has determined the Information Disclosure Policy to its shareholders, investors, stakeholders, and the general public that the Company’s disclosure of information is clear, accurate, compliant with the laws, and equitable. The important content are as follows:

1. The Company is committed to complying with laws relevant to disclosure in every country it operates in.
2. The Company must disclose material non-public information accurately, completely, and with utmost caution so as not to distort its essence, in accordance with relevant laws, criteria, standards, and practice of agencies concerned. The disclosure must also be timely and fair to make certain that shareholders and investors receive sufficient information for decision making equitably and can easily access the information. To this end, the information may be disclosed through

the Company’s website, or other channels defined by related agencies as appropriate. Caution must be exercised with regard to the time of disclosure.

In addition, the Company must clearly define persons authorized to disclose material non-public information and their scope of authority, so that material information of the Company is disclosed through one channel to ensure consistency and prevent potential confusion. Employees are prohibited from disclosing material non-public information under all circumstances unless assigned by the Chief Executive Officer and President.

3. Disclosure of material public information must be clear and complete to prevent potential confusion. Furthermore, any related additional information that will be provided must be clear and consistent with the disclosed information to prevent any misunderstanding about the latter.
4. Disclosure of forward-looking information must be conducted with utmost care to prevent any misunderstanding of the essence of the information, and the conditions or assumptions that inform the prediction must be set forth clearly. The source and accuracy of the information must be verified before it can be used in analyses and forecasts.
5. Non-material information must be disclosed on the basis of truthfulness and without an intent to mislead others with regard to facts about financial statements, operating results, and securities prices. In addition, it must not be disclosed in such a manner that leads others to conceive that the securities prices are affected.
6. Disclosure of material information or other related information requires utmost caution. The Company must not disclose such information before the date of disclosure to the Stock Exchange of Thailand, foreign stock markets, and the general public.
7. When disclosing information to the public, the Company must ensure there is a disclosure system in place that guarantees transparency, clarity, accuracy, timeliness, and adequacy of the disclosed material information for investment decision-making.

8. Adhere to this policy, the Company and its corporate governance manual should be utilized as guidelines for operational practices.
9. Failure to comply with the Company's Information Disclosure Policy is considered a violation of the SCG Decor Code of Conduct.

The full Information Disclosure Policy can be found in Attachment 5. (The Company has created a full corporate governance policy and guideline and code of conduct – “Information Disclosure Policy”)

### **Disclosure and Transparency**

The Board of Directors recognizes the importance of information disclosure because it greatly affects decision making by investors and stakeholders. It is necessary, therefore, to define and administer measures concerning the disclosure of information, both financial and non-financial. Information shall be complete, sufficient, transparent, reliable and up to date, in both Thai and English. The information is disclosed through the SETLink system of the Stock Exchange of Thailand (SET) and the Company's website. Moreover, the Board oversees the disclosure of financial statements and 56-1 One Report, to sufficiently reflect the financial status and performance, as well as encouraging the Company to prepare the Management Discussion and Analysis (MD&A) to inform and create better understanding for shareholders and investors about changes in financial status and performance of the Company in each quarter.

In the Company's information disclosure, the Board of Directors oversee and ensure the disclosure, preparing sustainability reports as appropriate, as well as ensuring fair practices, with respect to human rights and responsibilities toward society and environment, in accordance with international frame for reporting, as part of the Company's 56-1 One Report. Moreover, it ensures the information disclosed are material and reflection of practices which will lead to sustainable business value.

In addition to the Company's Information Disclosure Policy, the Board of Directors is determined to adhere to practices regarding disclosure of information relating to the Company to organize systematic information disclosure, preventing possible damage from inaccurate information disclosure. The Board of Directors strictly obey the law, regulations, and obligations mandated by the Securities

and Exchange Commission (SEC), the SET and relevant government bodies, as well as Corporate Governance principles. Regular amendments are carried out to ensure accurate information disclosure and to guarantee the transparency, straightforwardness, and righteousness in conducting business. For example, the Company:

1. Compiling reports as required by laws related to directors and senior executives and submitting such reports to the Securities and Exchange Commission and the relevant regulatory agencies;
2. Establishing a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or its subsidiaries according to the criteria and reporting procedures as follows:
  - 2.1 Report when starting to act in the role of Director or Executive for the first time.
  - 2.2 Report once there is change in information about their interests.
  - 2.3 In case of resignation and returning to the position of Director subsequently, the Director is not required to submit a new report if there are no changes in information about their interests.
  - 2.4 Directors and executives are required to disclose and submit their interests, and those of any related persons, by reporting to the Company Secretary. The Secretary must submit this information to the Chairman of the Board of Directors and the Chairman of the Audit and Risk Management Committee within 7 business days of the date of receiving report to acknowledge the connections and transactions with the Company and its subsidiaries with a possible conflict of interests prior to entering into transactions. The Company has determined that the Company Secretary is responsible for surveying reports of interests every year-end. The survey will be conducted with directors, executives, and/or related parties, including related employees; the result of which will be presented to the Audit and Risk Management Committee and the Board of Directors at least once a year.
3. Establishing a policy requiring all directors and executives to disclose their securities trading and holdings of the Company's ordinary shares, as well as those held by their spouses, co-habiting couples,

and minor children. Directors are also required to report their holdings and any changes in their holdings of ordinary shares and debentures in the affiliated companies to the Board of Directors at every meeting. The policy also requires the disclosure of changes in securities holdings by directors and senior executives during the accounting year in the Company's 56-1 One Report.

4. Preparing a report of the Board of Directors' responsibilities for financial reports and present it along with the Auditor's report in 56-1 One Report.
5. Publishing Notice of Annual General Meeting of Shareholders and 56-1 One Report within 120 days after the end of each accounting year.
6. Disclosing financial and non-financial information completely, correctly, and timely.
7. Disclosing the roles and responsibilities of the Board of Directors and Sub-committees, the number of meetings held, and the number of meetings each individual director and Sub-committee member attend.
8. Disclosing the date of the director's appointment in 56-1 One Report.
9. Disclosing the director nomination and performance evaluation process.
10. Disclosing the policy on determining the remuneration of directors and senior executives, including forms, types, and amount of remuneration for each Sub-committee member.
11. Disclosing details of each individual director's attendance of courses offered by the Thai Institute of Directors Association (IOD).
12. Disclosing detailed information on the operations and investments structure of subsidiaries, associates, and other companies.
13. Disclosing the audit fee and other non-audit fees in 56-1 One Report.

14. Disclosing the Company's Memorandum of Association and Articles of Association on the Company's website.
15. Disclosing the latest Minutes of the Annual General Meeting of Shareholders on the Company's website.
16. Disclosing corporate governance policies and related performance.
17. Disclosing significant investment projects and relevant impacts of the projects via the SETLink of the Stock Exchange of Thailand and the Company's website to ensure that shareholders, investors, analysts, the press, and related parties are kept informed of information accurately, extensively, and transparently.

#### **The Company's Information Distribution Channels**

The Board of Directors places great importance upon transparency and full disclosure of significant financial, operational, and other relevant information, so that it is accurate, complete, and timely. In addition to fulfilling legal and SET reporting requirements, the Company has established its own broad infrastructure of dissemination channels to reach interested parties. These communication channels include:

1. Person responsible for Investor Relations is established for direct communication with both local and international investors.
2. Press conferences on a quarterly basis to announce operating results, and regular press briefings to announce significant investment projects and activities.
3. Activities to meet with investors and other stakeholders.
4. Activities to disseminate policy and operational guidelines to employees.
5. Distribution to the media of press releases, photo captions, new stories, and advertisements.
6. Periodical publications and media to disclose the Company's information, such as annual reports, newsletters, customer journals, dealer journals, and employee journals.
7. Electronic channel for communications with employees, such as Intranet, e-mail, and social media.
8. Website: "www.scgdecor.om" and social media.

### *Investor Relations*

Employees with knowledge and skills in finance and investment are assigned to be in the investor relations department of the Company, responsible for contacting investors, institutions, small investors, shareholders, as well as analysts and related government organizations equally and fairly. If shareholders want additional information, they can contact the investor relations through these channels:

Address 1 Headquarter Building 1, Floor 5,  
SCG Decor Public Company Limited,  
Siam Cement Road, Bangsue, Bangkok, 10800.  
Phone 0-2586-1088  
Website [www.scgdecor.com](http://www.scgdecor.com)  
E-mail [scgd\\_ir@scg.com](mailto:scgd_ir@scg.com)

### **Principle 8: Ensure Engagement and Communication with Shareholders**

The Board of Directors is responsible for overseeing that shareholders participate in decision-making on important matters of the Company and its subsidiaries, as well as to ensure smooth, transparent, and efficient operations of the shareholders' meeting, and to support shareholders to exercise of their rights, ensuring the accurate and complete disclosure of shareholders' resolutions and the preparation of shareholders' meeting minutes. Moreover, the Board is responsible for respecting the rights of and treating shareholders, both major and minor, fairly and transparently, as well as supervising the creation of processes and whistleblowing channels or all stakeholders effectively, including to provide opportunities for all stakeholders to contact/complaint on matters that may be problematic to the Board of Directors directly.

The Board of Directors has a policy to support, promote and facilitate every shareholder and group, including institutional shareholder, to exercise their rights as investors in securities and as owners of the Company via accepted and reliable methods and standards. The Company has taken actions to promote and facilitate the exercise of shareholders' rights, such as providing shareholders with important and necessary information about business operations in a clear and timely manner, disclosing such information through the Company's website and the Stock Exchange of Thailand's website, granting shareholders the right to independently buy, sell and transfer their securities, receive profit shares from the Company, participate in shareholders' meetings, propose agendas in advance,

nominate individuals to be elected as directors of the Company, express opinions in meetings independently, and contribute to important decisions on the Company's matters, such as the election of directors, the appointment of auditors and the determination of audit fees, the approval of remuneration for the Board of Directors and Sub-committees, the amendment of the Company's Memorandum of Association and Articles of Association, and the approval of important transactions with impact on the Company's business direction.

Every shareholder has a right to vote according to their shares. Each share equals one vote, and no share possess special rights above the others.

### *2024 Annual General Meeting of Shareholders*

The Company organized the 2024 Annual General Meeting of Shareholders on Monday, March 25, 2024, in the form of an e-Meeting to facilitate shareholders who are abroad or in the rural provinces and cannot attend the meeting in person. All 9 directors, accounting for 100 percent, attended the meeting. In this Annual General Meeting of Shareholders, Inventech Systems (Thailand) Co., Ltd. (Inventech), a provider of electronic meeting control systems who meets the standards of the Electronic Transactions Development Agency, facilitated shareholders with registration process (E-Register), granting proxies, attendance, asking questions in the meeting via video and audio channels (Video Conference), voting (E-Voting), and vote counting. The Company has prepared the procedures for submitting a request to attend the meeting (E-Request) and using the electronic meeting system for shareholders to study before the meeting, sending it along with the Notice of the Meeting. The meeting was conducted in accordance with the relevant regulations.

Moreover, the Board of Directors made various preparations to facilitate the shareholders' exercise of rights, as follows:

1. To ensure that all stakeholders receive clear and sufficient detailed information, allowing them to have adequate time to study the information before attending the Shareholders' Meeting, the Company has clearly notified shareholders of the venue, date, time, detailed description of each agenda item together with the opinion of the Board of Directors and related documents, such as registration form, documents



- and evidence required prior to attending the Meeting, proxy procedure, registration, and proxy forms, in Thai and English, posted on the Company website more than 28 days before the meeting. Such documents are submitted to shareholders not less than 21 days prior the meeting.
2. For the convenience of shareholders unable to attend the meeting, the Company provided an opportunity for them to appoint a representative, e.g., an independent director or any other person to act as proxy, using Proxy Form B., attached to the Notice of the Meeting. The proxy form is prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce allow shareholders to exercise their voting rights as they wish. The Company has attached documents and evidence required prior to attending the meeting, proxy procedure, and registration with the Notice of the Meeting, including information of the independent directors who were proposed by the Company to act as proxy holders. The independent directors of which must not have any interests in the agenda of director nomination as stated in the Notice. Shareholders can download proxy forms through the Company's website, in Thai and English.
  3. Granting right to a shareholder or shareholders holding shares amounting to no less than 10 percent of the total number of issued shares, to submit request directing the Board of Directors to call an extraordinary general meeting of shareholders to comply with the Public Limited Companies Act.
  4. The Company provides opportunities for the shareholders to submit questions related to items on the agenda or other important information prior to the meeting through these channels:  
Address: The Corporate Secretary Office,  
SCG Decor Public Company Limited, 1  
Siam Cement Road, Bangsue Sub-district,  
Bangsue District, Bangkok, 10800  
Website: [www.scgdecor.com](http://www.scgdecor.com)  
E-mail: [scgdecor\\_ir@scg.com](mailto:scgdecor_ir@scg.com)
  5. The Company assigned independent representatives from the auditor to be witness to the vote counting throughout the meeting with the shareholders' right protection volunteer from Thai Investor Association serving as an observer.
  6. Prepare an English interpreter to facilitate international shareholders in the meeting.
  7. Prior to the meeting via electronic media, the Company had established a Call Center to facilitate shareholders in registration to participate in the e-Meeting. The Company also sent procedures for requesting to attend the meeting and electronic meeting guidelines along with the Notice, allowing them to have adequate time to study and understand the procedures before attending the Shareholders' Meeting. The Company allowed shareholders or their proxies to submit relevant request forms and documents prior to the meeting.
  8. Prior to the meeting, the Company had informed the shareholders of their rights according to the Company's Articles of Association, meeting procedure, as well as voting rights. Each topic is considered in order of their order in the determined meeting agenda detailed in the Notice already sent to the shareholders, the order of which cannot be changed. The Meeting shall not consider other topics outside of the Notice. Moreover, the Chairman shall give an opportunity for shareholders to ask questions about any interested matter before the end of the meeting, following all agendas are considered.
  9. The Company grants shareholders the right to enter the meeting after the Chairman has commenced the meeting to vote on the currently considered agenda item that has yet to be resolved. The shareholders are considered part of the quorum for the agenda item they joined onwards, which may result in varying numbers of individuals with voting rights in each agenda item.
  10. The Company disclosed the voting result and resolutions for each agenda item at the 2024 Annual General Meeting of Shareholders to the public via SETLink after the meeting ended.

11. The Company prepared the minutes of the Shareholders' Meeting completely, encompassing all material information: names of directors and executives attending the meeting, voting procedure, resolutions of the Meeting, voting results for each agenda item, key questions and clarification, sent prior to the meeting and asked during the meeting. The Company prepared the Minutes of the 2024 Annual General Meeting of Shareholders within 14 days from the date of the meeting and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce as stipulated by law.

12. Following the 2024 Annual General Meeting of Shareholders, the Management will collect the questions and suggestions made by shareholders and propose them to the Board of Directors to determine appropriate response measure and improve the next shareholders' meeting.

*Assigning Independent Directors to Oversee the Benefits of the Company and the Shareholders*

Independent directors play an important role in corporate governance. As such, the Company realizes the importance of independent directors' duties in supporting policies which benefit shareholders or opposing those that affect shareholders' interests. The Company provides channels for shareholders to make suggestions, express opinions, or file complaints to independent directors via email at [scgdecor\\_id@scg.com](mailto:scgdecor_id@scg.com). Independent directors will consider appropriate action in each case, such as investigating facts and finding relevant remedies. In the case that independent

directors consider that the suggestion is of the important opinion with effect on stakeholders as a whole or on the Company's business operations, they will propose such matters to the Board of Directors' meeting for consideration and inclusion in the agenda of the shareholders' meeting. So far, no shareholders have expressed any opinions or complaints.

## 6.2 Code of Conduct

### Core Values

The present prosperity, success, and stability of the Company are the result of conducting business according to its ethical core values – the ideals that have been held in high regard and put into practice by the Board of Directors, by the Management, and by employees at all levels. The values are as follows:

**Adherence to fairness:** The Company has the responsibility to ensure that all who come in contact with it are treated with equal fairness.

**Dedication to excellence:** The Company is dedicated to right conduct and achieving the best results in all it undertakes.

**Belief in the value of the individual:** The Company is convinced that each of its staff constitutes its most valuable assets.

**Concern for social responsibility:** The Company behaves as a good corporate citizen in all communities and countries where it operates, diligently performing its social duties and responsibilities while engaging in activities to preserve natural resources and sustainability of the environment.



### **SCG Decor Code of Conduct**

The SCG Decor Code of Conduct determines that all directors, executives, and employees are obliged to observe principles and guidelines stipulated in SCG Decor Code of Conduct, and directors shall serve as role models of such conduct. Every director, executive, and employee must adhere to the following guidelines:

1. Study principles and guidelines stipulated in SCG Decor Code of Conduct, particularly in areas relevant to your own roles and responsibilities.
2. Consult their supervisors or refer to the Code of Conduct consultation system when they are not certain whether an action is in line with SCG Decor Code of Conduct.
3. Communicate with colleagues and relevant parties to establish an understanding of practices prescribed in SCG Decor Code of Conduct.
4. Notify the Company upon encountering violations of SCG Decor Code of Conduct via provided channels and cooperate in the fact-finding process.

#### Results of Non-Compliance with SCG Decor Code of Conduct

Non-compliance with SCG Decor Code of Conduct may have the following effects:

1. May result in disciplinary or legal actions, to be reviewed on a case-by-case basis, and may be liable to penalties as prescribed.
2. In addition to non-compliance with SCG Decor Code of Conduct mentioned above, any promotion of non-compliance, failure to report non-compliance, obstruction of fact-finding processes, and unfair treatment of informants also constitutes non-compliance with SCG Decor Code of Conduct.

#### Encouraging Compliance with SCG Decor Code of Conduct

The Company has published the SCG Decor Code of Conduct on its website with English translation, as well as communicated it to employees of the Company and its international subsidiaries through a message from the Chief Executive Officer and President. The Company has also created e-Learning media about SCG Decor Code of Conduct and organized an Ethics e-Testing for employees at all levels to emphasize awareness of the SCG Decor Code of Conduct, so that employees can adhere to the

SCG Decor Code of Conduct and use it as a guideline for appropriate practices in the context of each country and each company. Prior to the Ethics e-Testing, the Company communicates examples of right practices according to the SCG Decor Code of Conduct, the creation of a learning plan, and the communication to employees via the infographic “Know First, Can Answer, with Janya” to enable employees at all levels to better understand the practices and apply them.

Moreover, the Company has also established the Whistleblowing System and GRC Helpline system, providing advice on SCG Decor Code of Conduct practices. The Company also established channels for employees to express their opinions and ask questions related to SCG Decor Code of Conduct and operations at any time through its internal website.

#### Raising Governance and GRC Principle (Governance, Risk, and Compliance) Awareness

The Board of Directors and Executives have promoted knowledge and awareness of corporate governance, SCG Decor Code of Conduct, and the application of GRC principles to create understanding of the goals of their responsibilities and ability to assess risks, and perform their duties in accordance with the rules correctly, and to strictly apply them as principles in their work. Activities are continuously promoted through various media for employees at all levels since the start of their employment. These activities serve as an important factor in assessing employee potential annually to ensure that the Company’s business operations are fair, transparent, and in line with the ESG 4 Plus guidelines.

In addition, the Company has organized activities to promote awareness and understanding of SCG Decor Code of Conduct and GRC principles through public relations media, and learning media such as GRC Intranet, SCG Code of Conduct Intranet & GRC VOICE, e-Newsletter, e-Learning, and other channels for employees to contact for information via email, etc.

### **Investor Relations Code of Conduct**

The Company has compiled this Investor Relations Code of Conduct to establish guidelines for correct and proper practices to which investor relations officers (IROs) can adhere. The Code of Conduct details fundamental principles regarding information disclosure, inside information protection, fair and equitable treatment of stakeholders,

and integrity, all of which are consistent with SCG Corporate Governance and form a basis on which added value can be created and on which the Company can inspire confidence in its shareholders, investors, the general public, and stakeholders.

#### **Supplier Code of Conduct**

The Company drew up the SCG Supplier Code of Conduct, in which suppliers are defined as any suppliers, contractors, and/or service providers for SCG, to ensure an accurate understanding among SCG suppliers. The Code serves as guidelines for SCG suppliers in cooperating with the Company in becoming good corporate citizens and in adhering to good corporate governance, guided by the interests of society and the environment. The Code of Conduct also serves as mutual standards for business conduct and suppliers are required to sign the acknowledgment of the SCG Supplier Code of Conduct before conducting business with the Company.

The full SCG Decor Code of Conduct, Investor Relations Code of Conduct, and SCG Supplier Code of Conduct can be found in Attachment 5. (The Company has created a full corporate governance policy and guideline and code of conduct – “Corporate Governance Policy”)

### **6.3 Corporate Governance Development in 2024**

#### **Development in Policy, Guidelines, and Corporate Governance or Board of Directors Charter Development in 2024**

In 2024, the Company has important operations regarding the review of the Company’s Corporate Governance policies, practices and systems, as well as the charters of the Board of Directors and sub-committees, to ensure a continuous corporate governance system, increase the efficiency of governance, and demonstrate that the Company’s corporate governance are up to standard with the Corporate Governance Code 2017 (CG Code), as follows:

- Reviewed the structure, number and composition of the Company’s Board of Directors to ensure their appropriateness for the large size of the Company’s business, which has investments both domestically and internationally; added directors with the knowledge and skills required according to the Board Skills Matrix, resulting in the Company having 12 directors, with higher proportion of independent directors and female directors.

- Reviewed the Sub-committees’ structure by appointing the Sustainable Development Committee as an additional Sub-committee to consider issues related to business sustainability.
- Reviewed the charter of the Board of Directors and Sub-committees, as well as the Company’s corporate governance policies. The Audit and Risk Management Committee Charter has been revised in accordance with the current scope of duties and best practice guidelines of Audit Committee as announced by the Securities and Exchange Commission. The Sustainable Development Committee Charter has been established, specifying the duties and responsibilities of the Sustainable Development Committee, for reference in performing its duties. The Insider Trading Policy has been revised in accordance with the criteria for reporting changes in securities holdings as announced by the Securities and Exchange Commission.
- Reviewed the 2024 performance assessment form of the Board of Directors, the Audit and Risk Management Committee, the Nomination, Remuneration and Corporate Governance Committee, the Executive Committee and the Chairman of the Board to ensure that the Board’s performance is effective and in accordance with the principles of corporate governance. The performance assessment form of the Audit and Risk Management Committee has been revised for consistency with the amendments to the Audit and Risk Management Committee Charter.
- Minority shareholders are entitled to propose agenda items and nominate directors prior to the 2025 Annual General Meeting of Shareholders from 1 August to 30 November 2024. The Company has published the criteria via the SETLink system of the Stock Exchange of Thailand and on the Company’s website.

#### **Reviewing the Implementation of SEC’s Corporate Governance Code**

As suggested by the Nomination, Remuneration, and Corporate Governance Committee, the Board of Directors has reviewed the appropriate implementation of the 8 principles of the Corporate Governance Code 2017

(CG Code) suggested by the Securities and Exchange Commission (SEC), considering and realizing the roles and duties of organizational leaders. All directors have deliberately considered said practices and understood the benefits and significant of following the CG Code to create business sustainability.

For any criteria that have not yet been established as a policy or have not yet been implemented, the Company has determined appropriate replacement measures and has recorded them in the Board of Directors' resolutions for annual review. In 2024, there are significant issues that are not yet covered by the CG Code as follows:

*1. In case the The Chairman is not an Independent Director*

Currently, the Chairman of the Board of Directors is nominated by major shareholders. However, the Company has followed the replacement measures proposed by the CG Code in the guidelines. In 2023, the Board of Directors resolved to appoint Mr. Lucksananoi Punkrasamee as the Lead Independent Director to consider the meeting agenda and the matters to be included in the agenda of the Board of Directors' meetings together with the Chairman of the Board of Directors and the Chief Executive Officer and President to ensure that important matters included to be considered and acknowledged by the Board of Directors. In addition, the Board of Directors has approved the Charter of the Lead Independent Director, clearly defining the roles and responsibilities of the Lead Independent Director.

Moreover, the Board of Directors has clearly defined and reviewed the role and duties of the Chairman of the Board, focusing on the benefits of the Company, shareholders, and all stakeholders. All directors can freely discuss and make suggestions in the meeting. The Board also arranged for all directors to assess the performance of the Chairman of the Board annually.

*2. Establishment of the Nomination, Remuneration and Corporate Governance Committee (NRC), of which the Majority and the Chairman are Independent Directors*

The NRC Committee currently consists of 4 directors, 1 of whom is an independent director. However, the Company will annually consider the appointment of directors and Sub-committees annually, considering both qualifications and suitability as specified in the sub-committee charters.

### **Good Corporate Governance Evaluation**

Since the Board of Directors has recognized the importance of corporate governance, it has determined clear guidelines to grant freedom to the Management in initiation and improvement of corporate governance continuously under the guidance of the Nomination, Remuneration, and Corporate Governance Committee. In 2024, the Company was assessed on governance issues as follows:

- Received an "Excellent" rating in the 2024 Corporate Governance Report of Listed Companies by the Thai Institute of Directors Association (IOD).
- Scored 93 out of 100 in the 2024 Annual General Meeting quality assessment (AGM Checklist) conducted by the Thai Investors Association. Notably, this was the Company's first year participating in this assessment.
- Rated A-level for SET ESG Ratings in property and construction business (PROPCON) category 2024 by the Stock Exchange of Thailand (SET).

Additionally, SCGD has been included in the SET ESG Index 2024 for the period of January 1 to June 30, 2025 which reflects our commitment to sustainable business growth and adherence to good governance principles based on Environmental, Social, and Governance (ESG).



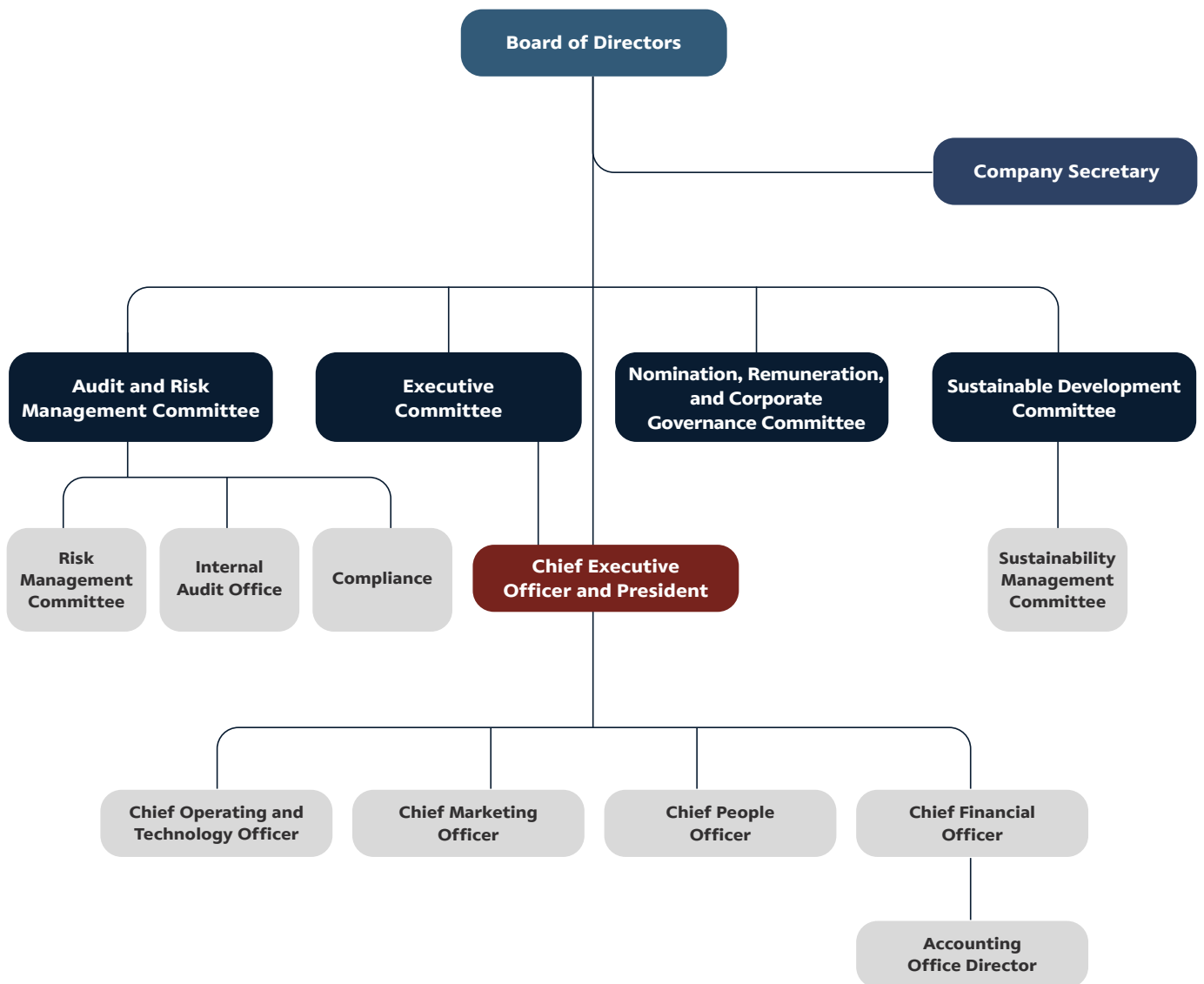
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## Corporate Governance Structure and Key Information on Board of Directors, Sub-Committees, Executives, Employees and Others

### 7.1 Corporate Governance Structure

As of December 31, 2024, the Company's management structure has been as follows:



## 7.2 Information on Board of Directors

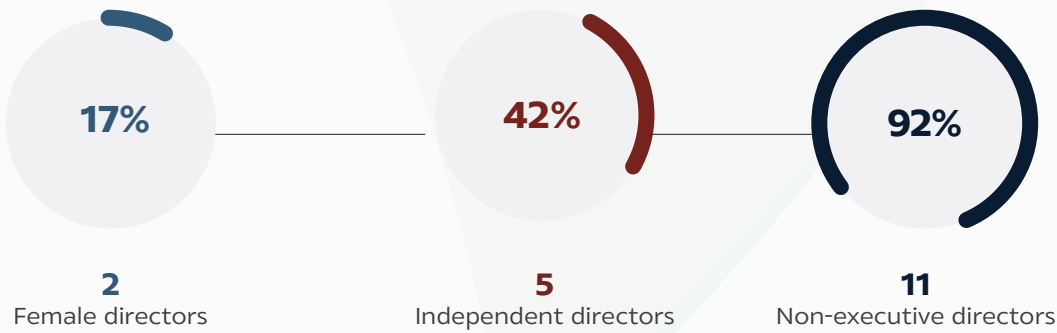
### 7.2.1 Components of Board of Directors

The Board of Directors consists of qualified persons with skills, knowledge, expertise and experiences that support the Company’s strategies, business guidelines, and sustainable growth. The Board of Directors plays a key role in the formulation of the Company’s vision, missions, and business strategies alongside senior executives. It also formulates the Company’s short-term and long-term policies on operations, finance, risk management, and overall organization. Moreover, it annually reviews the Company’s policies and key strategies. It independently oversees and evaluates the Company’s as well as that of its senior executives’ performance based on prescribed plans.

As of December 31, 2024, the Board of Directors has consisted of twelve members, in line with the Company’s Articles of Association. Of them, five, accounting for 42% of the total board members, or no fewer than one-third of the directors, are independent directors. On the board are eleven non-executive directors as per the definitions of the SEC Announcement at Kor Jor 17/2551 on Definitions Used for Notifications about Issuance and Offering of Securities (as amended in revisions). Non-executive directors in the Company’s Board have thus accounted for 92% of

its total board members. Two of the board members are female, accounting for 17% of the total board members. The Chairman of the Board of Directors does not hold the position of the Chief Executive Officer and President. In addition, the Board of Directors requires that independent directors together with their related persons hold no more than 0.5% of the total number of voting shares of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons. Such requirement is stricter than what is prescribed by the Capital Market Supervisory Board. The Board of Directors has appointed an independent director to be the Lead Independent Director to participate in the process of determining meeting agendas for the Board and perform duties within the scope and authority specified in the Charter of Lead Independent Director, which supports the performance of the Board of Directors’ duties in accordance with the principles of good corporate governance, including coordinating and balancing the power between the Board of Directors and management at an appropriate level in case the Chairman is not an independent director.

### Components of Board of Directors





## 7.2.2 Information on Directors of the Company, Subsidiaries that Serve as Management Centers within their Respective Group of Subsidiaries, Associates, and Subsidiaries that are not under Management-Center Subsidiaries

### (1) The Company

As of December 31, 2024 the Board of Directors has consisted of twelve members as follows:

Name	Position(s)
1. Mr. Roongrote Rangsiyopash	<ul style="list-style-type: none"> <li>Chairman</li> </ul>
2. Mr. Wiroat Rattanachaisit	<ul style="list-style-type: none"> <li>Vice Chairman</li> <li>Chairman of the Nomination, Remuneration, and Corporate Governance Committee</li> <li>Chairman of the Executive Committee</li> <li>Member of the Sustainable Development Committee</li> </ul>
3. Mr. Lucksananoi Punkrasamee	<ul style="list-style-type: none"> <li>Lead Independent Director</li> <li>Chairman of the Audit and Risk Management Committee</li> </ul>
4. Mr. Nithi Patarachoke	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Sustainable Development Committee</li> <li>Member of the Nomination, Remuneration, and Corporate Governance Committee</li> </ul>
5. Mr. Chaovalit Ekabut	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Nomination, Remuneration, and Corporate Governance Committee</li> </ul>
6. Mr. Pakorn Matrakul	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Audit and Risk Management Committee</li> <li>Member of the Nomination, Remuneration, and Corporate Governance Committee</li> </ul>
7. Mrs. Sirivipa Supantanet	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Audit and Risk Management Committee</li> </ul>
8. Mr. Thammasak Sethaudom	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Executive Committee</li> </ul>
9. Mr. Giovanni Grossi	<ul style="list-style-type: none"> <li>Director</li> </ul>
10. Mr. Teeranun Srihong	<ul style="list-style-type: none"> <li>Independent Director</li> </ul>
11. Mrs. Malinee Panichapong	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Sustainable Development Committee</li> </ul>
12. Mr. Numpol Malichai	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Sustainable Development Committee</li> <li>Member of the Executive Committee</li> <li>Chief Executive Officer and President</li> </ul>

The twelve members of the Board of Directors do not have the following prohibited characteristics:

- No history of offences against property committed with dishonesty.
- No history of entering into any transaction which may cause conflict of interest against the Company during the past year.

Information and details of the Board of Directors are available in Appendix 1 (Details of Directors, Executives,

Controlling Persons, Holder of the Highest Accounting and Financial Position, the Person Directly Assigned to Control Accounting, and the Company Secretary).

#### *Directors with Signing Authority*

Two out of the three board members namely Mr. Wiroat Rattanachaisit, Mr. Thammasak Sethaudom, and Mr. Numpol Malichai, have the authority to bind the Company to legal effects.

### Independent Directors of the Company

There are five independent directors as follows:

1. Mr. Lucksananoi Punkrasamee
2. Mr. Pakorn Matrakul
3. Mrs. Sirivipa Supantanet
4. Mr. Teeranun Srihong
5. Mrs. Malinee Panichapong

The Board of Directors' Charter stipulates the qualifications for the Company's independent director, which are more stringent than those prescribed by the Capital Market Supervisory Board. The details of the Board of Directors' Charter are available in Appendix 5 (Full Version of the Policy and Guidelines on Corporate Governance and the Full Version of the Code of Business Ethics).

In addition, in 2024, the five independent directors of the Company neither had any business relationships nor provided professional services with a value exceeding the criteria prescribed by the Capital Market Supervisory Board on application for approval and granting of approval for offering of newly issued shares, and the Company's qualifications for independent director.

The Company has accorded serious importance to nominating and selecting directors based on the principles of good corporate governance, recognizing that the Board of Directors plays a crucial role in the formulation of business

strategies and guidelines for Company's sustainable growth. Therefore, the Board of Directors has formulated the Policy on Director Qualifications and Nomination to ensure the nomination process is clear, transparent, and effective in acquiring qualified directors for the Company. In addition, the policy seeks to ensure that the Board of Directors' structure, components, size, and diversity are appropriate.

Directors of the Company must meet the proper qualifications and be free from characteristics prohibited by laws. Furthermore, the Board should consist of directors with a diverse range of skills, experiences, knowledge, and specialized expertise that are beneficial to the Company. The policy, moreover, does not allow discrimination on the basis of sex, age, race, nationality, religion, birthplace, culture, tradition, etc.

In 2024, the Board of Directors has reviewed a Board Skills Matrix to specify the types of knowledge, expertise and experiences needed to support the Company's business strategies over the next three to five years. The Board Skills Matrix covers 13 dimensions, with each director required to complete a self-assessment based on the Company's director nomination and selection criteria outlined in the aforementioned policy. By structure, the Board of Directors has consisted of eleven non-executive directors, all of whom have knowledge and work experience relevant to the Company's business operation. Details are as follows:

<b>Diverse Knowledge/Expertise of Directors</b>		<b>No. of Directors</b>
1.	Knowledge of the Company's business at national or global level	12
2.	Knowledge of the related businesses in the Company's value chain	9
3.	Accounting and financial knowledge	9
4.	Organizational management for sustainable development in environmental, economic, and social respects	11
5.	Risk management and crisis management	11
6.	Nurturing innovation and R&D	7
7.	ICT management, innovation and technology, application of technology for supply chain industry, e-commerce, robotic automation and artificial intelligence	9
8.	Relevant laws and regulations	5
9.	Retail business	6
10.	Architecture, design, interior design and property development	2
11.	Domestic and/or foreign market insights	6
12.	Geopolitics (particularly China and ASEAN)	4
13.	Environmental, Social & Governance (ESG)/Decarbonization	11

### Controlling Persons of the Company

As of December 31, 2024, the parent and ultimate parent companies have been the Siam Fibre-Cement Company Limited and the Siam Cement Public Company Limited, respectively. Both companies are juristic persons incorporated in Thailand.

### Company Secretary

Ms. Karnjane Tamsuk has served as the Company Secretary since her appointment at the Board of Directors' meeting No. 200 (4/2022) on December 1, 2022. The appointment has taken effect from December 1, 2022.

The Company has operated its core businesses via many subsidiaries due to legal and business reasons. To support its operations, the Company therefore established subsidiaries that would serve as the centers of each business group within the Company. By holding a significant number of shares in management-center subsidiaries, the Company has ensured they control subsidiaries in their respective group and handle the latter's key issues. The list of management-center subsidiaries and subsidiaries under their supervision is as follows:

### Ceramic-Tile Business Group in Thailand

#### (2) COTTO

As of December 31, 2024 the COTTO Board of Directors consists of eight members as follows:

Name	Position(s)
1. Mr. Nithi Patarachoke	Chairman
2. Mr. Wiroat Rattanachaisit	Director/Chairman of the Executive Committee
3. Mr. Prawit Ninsuvannakul	Independent Director
4. Mr. Damri Tunshevavong	Independent Director
5. Mr. Surasak Kraiwitthaicharoen	Director
6. Mr. Numpol Malichai	Director/Member of the Executive Committee
7. Mr. Kittiphong Photaronon	Director/Member of the Executive Committee
8. Mr. Sitichai Sukkitprasert	Managing Director/Member of the Executive Committee

- Ceramic-tile business group in Thailand: The management-center subsidiary is COTTO, which oversees two subsidiaries namely (1) SSC and (2) SCG-Ly Heng.
- Bathroom-product business group in Thailand: The management-center subsidiary is SSW, which oversees three subsidiaries namely (1) SSI, (2) SNK and (3) SSF. SSI is the group's significant subsidiary.
- Ceramic-tile business group in Vietnam: The management-center subsidiary is PRIME, which oversees 14 subsidiaries namely (1) PT1, (2) Vinh Phuc, (3) Tien Phong, (4) Yen Binh, (5) Pho Yen, (6) Truong Xuan, (7) Dai Loc, (8) Dai An, (9) Phong Dien, (10) Dai Viet, (11) Thien Phuc, (12) Hao Phu, and (13) Dai Quang (14) V-Ceramic. PT1 is the group's significant subsidiary.
- Subsidiaries that operate core businesses and are not under the management-center subsidiary are MSC and KIA, which conduct ceramic-tile businesses in the Philippines and Indonesia respectively.

Bathroom-Product Business Group in Thailand

(3) SSW

As of December 31, 2024, the SSW Board of Directors consists of five members as follows:

	<b>Name</b>	<b>Position(s)</b>
1.	Mr. Numpol Malichai	Chairman
2.	Mr. Kittiphong Photaranon	Director
3.	Mr. Smithi Kosicharoen	Director
4.	Mrs. Voranun Sodanin	Director
5.	Mr. Sitichai Sukkitprasert	Managing Director

(4) SSI

As of December 31, 2024, the SSI Board of Directors consists of six members as follows:

	<b>Name</b>	<b>Position(s)</b>
1.	Mr. Numpol Malichai	Chairman
2.	Mr. Smithi Kosicharoen	Director
3.	Mr. Kittinut Thamrak	Director
4.	Mr. Wattagon Rangsirochana	Director
5.	Mr. Attasit Sittichokkulchai	Director
6.	Mr. Sitichai Sukkitprasert	Managing Director

Ceramic-tile business group in Vietnam

(5) Prime Group

As of December 31, 2024, the PRIME Board of Directors consists of five members as follows:

	<b>Name</b>	<b>Position(s)</b>
1.	Mr. Wiroat Ratanachaisit*	Chairman
2.	Mr. Numpol Malichai*	Director
3.	Mr. Smithi Kosicharoen*	Director
4.	Mr. Prakich Yongpradern*	Director/Chief Financial Officer
5.	Mr. Jakkrit Suwansilp*	Director/General Director

Remark:

\* Director who has Thai nationality and residence in Thailand

(6) PT1

As of December 31, 2024 the PT1 Board of Directors consists of four members as follows:

Name	Position(s)
1. Mr. Jakkrit Suwansilp*	Chairman
2. Mr. Prakich Yongpraderm*	Director
3. Mr. Smithi Kosicharoen*	Director
4. Mr. Prasit Sethaworaphan*	Director/General Director

Remark:

\* Director who has Thai nationality and residence in Thailand

Subsidiaries operating a core business and not under management-center subsidiaries

(7) MSC

As of December 31, 2024 the MSC Board of Directors consists of eleven members as follows:

Name	Position(s)
1. Ms. Regina S. Co Seteng	Chairman
2. Ms. Marise Carmelia Yvette S Co Seteng	Director
3. Mr. Wiroat Ratanachaisit*	Director
4. Mr. Anuvat Chalermchai*	Director
5. Ms. Emilie B. Maramag	Director
6. Mr. Jakkrit Suwansilp*	Director
7. Mr. Numpol Malichai*	Director
8. Mr. Smithi Kosicharoen*	Director
9. Mr. Kittiphong Photaranon*	Director
10. Mrs. Voranun Sodanin*	Director
11. Mr. Pavaret Lila*	Director/President

Remark:

\* Director who has Thai nationality and residence in Thailand

(8) KIA

As of December 31, 2024, the KIA Board of Directors consists of three members as follows:

Name	Position(s)
1. Mr. Anuvat Chalermchai*	Chairman
2. Mr. Warit Jintanawan*	Director
3. Mrs. Krisana Eamvorasombat*	Independent Director

Remark:

\* Director who has Thai nationality and residence in Thailand

### 7.2.3 Information on Roles and Duties of the Board of Directors, Chief Executive Officer and President

#### 7.2.3.1 Scope of Power, Duties and Responsibilities of Board of Directors

At its meeting No. 200 (4/2022) on December 1, 2022, the Board of Directors approved the Board of Directors Charter for the first time. Later at its meeting No. 206 (6/2023) or No. 1/2023 of its first meeting following the Company's conversion into a public company limited on June 9, 2023, the Board of Directors approved an amendment to the charter. Currently, the Board of Directors Charter has prescribed the following duties and responsibilities to the Board of Directors:

#### Responsibility to Deliver Sustainable Value to the Company as Organizational Leader

1. The Board of Directors shall manage the Company's and subsidiaries' business operations in the best interests of the Company, subsidiaries and their shareholders to honor fiduciary duty by embracing the four followings:

- 1.1 Duty of Care
- 1.2 Duty of Loyalty
- 1.3 Duty of Obedience or compliance with laws, the Company's objectives and Articles of Association, as well as the resolutions of the Board of Directors and shareholders' meetings
- 1.4 Duty of Disclosure or the disclosure of adequate, accurate, and complete data to shareholders in a timely, transparent and accountable manner

2. The Board of Directors shall ensure that the Company and subsidiaries comply with the Company's and subsidiaries' policies.

3. The Board of Directors shall formulate the vision, missions, and business strategies of the Company and subsidiaries mainly based on ethics and considerations for social and environmental impacts. Every year, it shall also review and approve them in consultation with the Management.

4. The Board of Directors shall manage the Company and subsidiaries for their compliance with laws, their objectives, the Articles of Association and the Delegation of Authority Table, as well as the resolutions of the Board of Directors and shareholders' meetings, true to its duty of care and duty of loyalty, in pursuit of the Company's best interests and fairness to all parties concerned.

5. The Board of Directors shall prepare charters for the Board of Directors and Sub-committees, amend the Board of Directors Charter, and approve Sub-committees' proposed amendments to their respective charter to update their content and ensure its suitability to changing rules, regulations, and context. Also, the Board of Directors shall conduct an annual review of the Board of Directors Charter.

Formulation of Key Business Objectives and Goals based on Sustainability

6. The Board of Directors shall consider key operational plans, budget, business goals and policies; develop Company's and subsidiaries' international competitiveness; and ensure the Management's compliance with policies, work plans, budget, goals, as well as business policies and strategies support sustainability for the best interests of the Company, subsidiaries and shareholders.

Strengthening the Board of Directors' Effectiveness

7. The Board of Directors shall formulate and review its structure in terms of size, percentage of independent directors, diversity and skill matrix to ensure it suits the Company's business operations.

8. The Board of Directors shall ensure the process of director nomination and election is transparent via the Board Skills Matrix, which specifies the qualifications of directors for the nomination process. The Board Skills Matrix is prepared based on the Company's business strategies. The remuneration of directors and sub-committee members is appropriately set and proposed to shareholders' meetings for approval. The remuneration is determined based on several factors such as its appropriateness in light of the Company's short-term and long-term goals, experiences, duties, responsibilities, industry rate, and expected benefits from each of directors/sub-committee members.

9. The Board of Directors shall devote adequate time to its duties, including participation in board meetings and shareholders' meetings. In case the director is unable to attend a meeting, he/she must notify the Chairman or the Secretary to the Board or the Company Secretary in advance of the said meeting.

10. The Board of Directors shall consider mechanisms for the Company's supervision and management of subsidiaries' operations in a way that ensures these subsidiaries function like units of the Company. Measures shall also be prepared for the monitoring of subsidiaries' management so as to protect the Company's investments in the subsidiaries in accordance with applicable announcements of the SEC and/or the Capital Market Supervisory Board.

11. The Board of Directors shall appoint persons to serve as directors of the subsidiaries and associate that have operated a core business at least in proportion to their shareholding except when prohibited or restricted by applicable laws/regulations, joint-venture agreements, or shareholders' agreements. Such conditions apply when subsidiaries or associates have a business need to engage a certain joint-venture partner to acquire business expertise, technology expertise, customer base or distributor network, ability to acquire resources or raw materials for the production and sales, qualifications or capabilities needed to obtain a license or patent to operate businesses, human resources, or knowledge/understanding of how to operate a business in the local context. Still, the Company's management power over the said subsidiaries or the associate shall still be in accordance with its shareholding percentage. The nomination or appointment of any person as directors of the subsidiaries and associates, as outlined in Clause 1, is subject to approval by the Company's Board of Directors or the said person must be from the Director Pool for subsidiaries, which has been approved by the Company's Board of Directors.

In addition, the Board of Directors shall determine the remuneration and the scope of power, duties and responsibilities of directors and executives appointed to subsidiaries and associates engaged in core business. The appointed directors and executives mentioned in Clause 1 shall vote at board meetings of the subsidiaries and associates, exercising their voting rights within the scope determined by the Company's Board of Directors. In addition, any vote on key decisions must receive prior approval from the Board of Directors. Furthermore, the Board of Directors shall supervise the administration and management of subsidiaries and associates that have operated a core business to ensure compliance with the Company's operational plans and policies. The Board of Directors shall also ensure that transactions made comply with applicable laws and regulations, and that subsidiaries and associates that have operated a core business disclose information on their financial position, operating results, connected transactions, and acquisition/disposition of key assets accurately and completely. Aside, the Board of Directors through monitoring shall ensure that directors and executives of subsidiaries and associates operating a core business carry out their duties and show responsibility in accordance with laws.

12. The Board of Directors shall evaluate its own performance every year. The performance evaluation covers three parts namely As-a-Whole assessment, Self-Assessment, and assessment of the Chairman's performance. In addition, the Board of Directors shall follow up with and consider the evaluations of the Board of Directors' as well as Sub-committees' performance. It, moreover, shall review evaluation forms used for the evaluations of their performance on a regular basis. Evaluation criteria, process, and results are included in annual reports.

13. The Board of Directors shall improve the work-related knowledge and abilities of its members, who must attend training or programs related to their duties as directors, or seminars that will enrich their operational knowledge.

14. The Board of Directors shall appoint the Company Secretary and specify his/her scope of power and duties in accordance with securities and stock market regulations.

The Company Secretary shall carry out works on behalf of the Company and the Board of Directors, and support the Board of Directors' work to ensure the Company's business operations proceed in line with applicable laws, regulations and announcements such as those governing the compilation and storage of a director register, invitations to the Board of Directors' meetings, minutes of the Board of Directors' meetings, invitations to shareholders' meetings, minutes of shareholders' meetings, and reports on interests.

*Nomination and Development of Senior Executives, and Human Resources Management*

15. The Board of Directors shall consider the management structure, development plans for senior executives, and succession plans for the posts of Chief Executive Officer and the President. Also, it shall ensure the effective evaluation of senior executives' performance on an annual basis. In addition, it shall prepare the careful and transparent system for determining senior executives' remuneration to ensure their remuneration is commensurate with their responsibilities and performance, provide both short-term and long-term motivations, and is on par with industry rate.

16. The Board of Directors shall ensure a proper remuneration structure and performance evaluations based on a solid understanding of shareholders' structure and relationships that may affect the management and operations of the Company's businesses. Also, the Board of Directors shall monitor human resources management and development to ensure the Company's workforce is appropriate in terms of size, knowledge, skills, and experiences with proper motivations in place.

*Promotion of Innovations and Responsible Business Operations*

17. The Board of Directors shall supervise and support the creation of innovations that will generate value for the Company and its subsidiaries and benefits to all stakeholder groups.

18. The Board of Directors, through monitoring, shall ensure the Code of Conduct is prepared in writing to provide the Company's directors, executives and employees with guidelines on how to carry out their work. Also, the Board of Directors shall ensure strict compliance with the Code of Conduct.

19. The Board of Directors, through monitoring, shall ensure the implementation of the Company's and subsidiaries' business strategies and plans. Also, it shall monitor the performance of the Management and requires regular reports on the Company's, subsidiaries', and associate's operating results. Moreover, the Board of Directors shall issue policies in the improvement of their business operations by taking into account safety, hygiene, social and environmental responsibility, as well as human resource development.

20. The Board of Directors shall supervise the management of information technology and IT security measures.

*Ensuring Proper Risk Management and Internal Control System*

21. The Board of Directors shall formulate the Risk Management Policy for organization-wide implementation, ensure effective risk management system, and review/evaluate risk management system on a regular schedule as well as when risk level changes.



22. The Board of Directors shall encourage employees at all levels to be morally and ethically conscious and follow the principles of good corporate governance, the Code of Conduct as well as policies. Also, The Board of Directors through supervision shall ensure that the Company and subsidiaries have appropriate internal control and internal audit system. It, moreover, shall regularly evaluate the appropriateness of the Company' and subsidiaries' internal control system for the purposes of reducing corruption and abuse authority, as well as preventing legal violations.

23. The Board of Directors shall set up the Audit and Risk Management Committee that can effectively and independently carry out its duties.

24. The Board of Directors shall supervise, control, and manage a possible conflict of interest between the Company's/subsidiaries' and their stakeholders as well as between the Company and its Management, the Board of Directors, or shareholders. Also, the Board of Directors through supervision shall prevent the abuse of the Company's/subsidiaries' assets and their inappropriate connected transactions. If a director has any interest in transactions with the Company and/or subsidiaries or changes his/her Company's/subsidiaries' shareholding percentage, he/ she shall inform the Company without delay.

25. The Board of Directors shall consider, approve and/or issue opinions on transactions that may significantly affect the business operations including transactions to acquire/dispose the Company's/subsidiaries' assets, as well as connected transactions based on the definitions of the Securities and Exchange Act or regulations of the SET and the Capital Market Supervisory Board. Also, the Board of Directors shall consider and approve the principles of Fair and Arm's Length Basis to govern the transactions between the Company/subsidiaries and directors, executives or related persons so as to provide the Management with guidelines to approve connected transactions under the legal and regulatory framework. In addition, the Board of Directors shall consider and/ or issue opinions on the Company's transactions (when the value of the transactions requires the review and approval from shareholders' meetings) in accordance with applicable laws, regulations, announcements, and requirements

26. The Board of Directors shall ensure the Company and subsidiaries issue policies, which are based on the principles of good corporate governance, in writing and comply with them. Also, it shall communicate about the policies with all of the Company's members to promote acknowledgement and strict compliance. These policies shall include the Anti-Corruption Policy, the Whistleblowing Policy and the Insider Trading Policy. The Board of Directors shall apply the policies efficiently as an assurance that the Company and subsidiaries have treated all parties concerned with responsibility and fairness. Moreover, the Board of Directors shall ensure through supervision and development that the Company's and subsidiaries' corporate governance is on par with international standards. It shall monitor and lead by example compliance with the principles of corporate governance and the Code of Conduct.

27. The Board of Directors shall consider and approve the adequacy and appropriateness of mechanisms used by management-center subsidiaries to supervise the management and operations subsidiaries under their supervision.

28. The Board of Directors, through supervision, shall ensure the availability of effective whistleblowing process/channels for stakeholders as well as others, with all stakeholders having the means to directly contact/complain to the Board of Directors about issues that may cause problems.

#### *Upholding Financial Credibility and Data Disclosure*

29. The Board of Directors shall through supervision ensure that the Company's and subsidiaries' accounting system, preparations and audits of financial statements comply with applicable regulations and guidelines.

30. The Board of Directors shall monitor liquidity and debt serviceability, and plans/mechanisms to address problems related to them, if any arises.

31. The Board of Directors shall consider compilation of sustainability reports as deemed appropriate.

32. The Board of Directors shall ensure proper data disclosure to stakeholders, persons with conflict of interest, and relevant parties. Also, it shall ensure that key information

is properly disclosed to shareholders via financial statements and reports. Such information should be first disclosed via SET systems and later possibly via the Company's website as well. The Board of Directors, moreover, shall assign a person to the task of disclosing information to investors. The Board of Directors is expected to provide the proper and timely disclosure of adequate, complete and accurate data, and to promote the use of information technology for data disclosure.

#### Promotion of Shareholder Engagement and Communications with Shareholders

33. The Board of Directors shall ensure that shareholders participate in the process to make key decisions on the Company and subsidiaries, and that shareholders' meetings proceed smoothly, transparently, and efficiently in a way that enables shareholders to exercise their rights. Also, the Board of Directors shall ensure the disclosure of the resolutions of shareholders' meetings and the compilation of complete and accurate minutes of shareholders' meetings. It, moreover, shall respect the rights of all shareholders, major and minor, as well as all stakeholders groups, and treat them fairly and transparently.

While carrying out its duties, the Board of Directors should be able to receive additional essential information from the Chief Executive Officer and President, the Company Secretary, and other assigned executives under the scope of applicable policies. When necessary, the Board of Directors may ask for independent opinions from external consultants or professionals at the Company's expense.

#### Board of Directors Meeting

The Company has stipulated that the Board of Directors Meeting must be held at least once every three months. The main agendas for each meeting are to be clearly determined in advance. Special meetings may be called to consider important or urgent matters. The Chairman, the Lead Independent Director, and the Chief Executive Officer and President participate in the process of determining meeting agendas for the Board.

In calling a meeting of the Board of Directors, the Chairman or the Secretary to the Board, by order of the Chairman, shall serve a written notice calling for such meeting as well as meeting documents to the directors not less than 3 days prior to the date of the meeting. Where it is necessary or urgent for the Company's rights

or benefits, the meeting may be called by other methods, and an earlier meeting date may be chosen.

An average attendance of all directors should be at least 80 percent of the total Board of Directors meetings each year. Each director should also attend at least 75 percent of all the meetings held throughout the year. Should any director not be able to attend a meeting of the Board of Directors due to necessity, his/her shall notify the Chairman of his/her reasons at the first opportunity he/she has and prior to the said meeting. In this regard, the Board of Directors Meetings also include those of electronics meetings held by the Company, which allows the directors to discuss, and share opinions with one another despite being in different locations. In addition, while the Board of Directors will vote in the meeting, not less than two-thirds of the total number of the directors present at the meeting including directors who attended the meeting via electronic media.

#### Term of Office of the Board of Directors and Independent Director

The Company's Articles of Association stipulates the director's term of office in accordance with the Public Limited Companies Act B.E. 2535 that at the annual general meeting of shareholders each year, one-third of the total directors shall retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third shall retire from the office. However, once retired, they are eligible for re-election as directors. An independent director can continue to hold his/her position for no more than nine consecutive years from the date of his/her first appointment as an independent director. If an independent director is appointed to continue his/her position, the Board of Directors should consider his/her necessity reasonably. As of December 31, 2024, there has been no independent director of the Company who has held the position for more than 9 years.

#### **7.2.3.2 Scope of Power, Duties and Responsibility of Chairman (as shown in Board of Directors Charter)**

1. The Chairman shall consider and set agendas for the Board of Directors' meetings in consultation with the Chief Executive Officer and President. Also, the Chairman shall ensure that directors receive accurate, complete, clear and timely information ahead of meetings in order for them to make proper decisions.

2. The Chairman shall lead the Board of Directors and chair its meetings.

- 2.1 The Chairman shall preside over the Board of Directors' meetings in accordance with meeting-agenda list, the Company's Articles of Association and laws.
- 2.2 The Chairman shall allocate adequate time for directors' discussions, and shall encourage all directors to actively and independently debate and exchange opinions as well as to carefully exercise judgements with considerations for all groups of stakeholders.
- 2.3 The Chairman shall conclude on the resolutions of the aforementioned meetings and clearly list what actions must be taken next.
- 2.4 The Chairman shall convene the Board of Directors' meetings that exclude executive directors too.

3. The Chairman shall preside over shareholders' meetings in accordance with meeting-agenda lists, the Company's Articles of Association and laws, and shall ensure proper time allocation with shareholders equally given opportunities to express their opinions. Also, the Chairman shall ensure that shareholders' questions be answered properly and transparently.

4. The Chairman shall support and lead by example compliance with the principles of good corporate governance and the Company's Code of Conduct.

5. The Chairman shall promote good ties between the Board of Directors and the Management, and support the work of the Chief Executive Officer and President and the Management in accordance with the Company's policies.

6. The Chairman shall ensure transparent data disclosure and management in events of conflict of interest.

7. The Chairman shall ensure that the Board of Directors has appropriate structure and components.

8. The Chairman shall ensure, through supervision, that the Board of Directors, Sub-committees, and each director carry out duties effectively and efficiently.

The Chairman must not be the same person as the Chief Executive Officer and President.

### **7.2.3.3 Scope of Power, Duties and Responsibilities of Lead Independent Director**

At its meeting No 204 (4/2023) on March 29, 2023, the Board of Directors approved the Lead Independent Director Charter. According to the charter, the Lead Independent Director has the following duties:

1. The Lead Independent Director shall consider and set agendas for the Board of Directors' meetings in consultation with the Chairman, the Chief Executive Officer and President to ensure that key issues are included as meeting agendas for the Board of Directors to consider and acknowledge.

2. The Lead Independent Director shall chair meetings of independent directors.

3. The Lead Independent Director shall represent independent directors in discussions with the Chairman and the Management on corporate governance and issues considered as important by independent directors. Also, the Lead Independent Director shall present independent directors' opinions and remarks so that they can be addressed at the Board of Directors' meetings.

4. The Lead Independent Director shall chair the Board of Directors' meetings when they discuss an agenda involving the Chairman's interest.

5. The Lead Independent Director shall chair the Board of Directors' meetings when the Chairman and Vice Chairman are unable to attend the meetings.

6. The Lead Independent Director shall review the Lead Independent Director Meeting at least once a year to ensure its content is up-to-date and aligned with the Company's business operations.

7. The Lead Independent Director shall carry out any other task as assigned.

#### **7.2.3.4 Scope of Power, Duties and Responsibilities of Chief Executive Officer and President**

At its meeting No. 200 (4/2022) on December 1, 2022, the Board of Directors approved the scope of power, duties and responsibilities of the Chief Executive Officer and President. Later at its meeting no. 206 (6/2023) or No 1/2023 or its first meeting since the Company's conversion into a public company limited on 9 June 2023, the Board of Directors passed a resolution to endorse the validity of the scope for use after the transformation. Based on the charter, the Chief Executive Officer and the President have the following duties:

1. The Chief Executive Officer and the President shall formulate vision, missions, strategies, key operational plans, budget, business goals and policies in pursuit of sustainable growth based on the principles of good corporate governance in consultation with the Board of Directors.

2. The Chief Executive Officer and the President shall communicate and connect with senior executives about the vision, missions, strategies, key operational plans, budget, and business goals and policies that have already been approved by the Board of Directors so that the Management has the framework for the formulation of work plans and administration that head towards the same direction.

3. The Chief Executive Officer and the President shall supervise the Management in their capacity as the leaders of the Management to ensure its work proceeds in line with work plans, budget, business goals and policies approved by the Board of Directors and fulfill the Company's key goals. Also, the Chief Executive Officer and the President shall report progress to the Board of Directors on a regular basis.

4. The Chief Executive Officer and the President shall oversee the overall management of the Company's and subsidiaries' financial affairs, investments, marketing, production, supply chain, human resources, opportunities, risks, business continuity, competitive status, internal control system, and other operations to ensure compliance with the Company's business policies and plans that have been approved by the Board of Directors. Moreover, the Chief Executive Officer and the President shall ensure the Company's compliance with applicable laws and regulations, as well as the Company's objectives, Articles of Association, Delegation of Authority Table, and the resolutions of the Board of Directors and shareholders' meetings in a responsible, careful, and loyal manner for the Company's best interests and fairness to all parties concerned.

5. The Chief Executive Officer and the President shall constantly develop and improve the Company's operational efficiency, research and development, information technology usage, and the creation of innovative process, products and services, as well as business models in a way that creates added value in accordance with the Company's business strategies in support of sustainability that spans across economic, environmental, social and corporate governance dimensions.

6. The Chief Executive Officer and the President, through supervision, shall ensure that senior executives play a role in the promotion of corporate value and culture related to ethics, corporate governance, and long-term operations. They are also expected to lead by example.

7. The Chief Executive Officer and the President shall monitor and evaluate subsidiaries' and/or associate's operating results based on indicators. In place shall be information system, process, and regular reporting in support of the monitoring and evaluation to ensure that if a need arises, improvements can be immediately done. In addition, the Chief Executive Officer and the President shall ensure the preparations of financial statements and the disclosure of accurate, adequate, and timely data in accordance with applicable regulations and guidelines.

8. The Chief Executive Officer and the President shall formulate regulations, criteria, guidelines and requirements about the organizational structure for parts that are not under the scope of the Board of Directors' or committees' power, including the employment, appointment, transfers, dismissal and the termination of employment of employees whose positions are not under the scope of the Board of Directors' or committees' power.

9. The Chief Executive Officer and the President shall determine the pay, remuneration, financial rewards, bonus and salary adjustment rates applicable to executives and employees whose positions are not under the scope of the Board of Directors' or committees' power based on the framework and guidelines prescribed by the Board of Directors as well as the Company's business goals.

10. The Chief Executive Officer and the President shall issue the Company's regulations, criteria, announcements and internal memos in accordance with the Company's policies for its benefits. Also, they shall uphold proper order within the organization.

11. The Chief Executive Officer and the President shall represent the Company in communicating with the Company's stakeholders including shareholders, as well as support the Board of Directors' creation of channels to communicate with stakeholders in an appropriate, comprehensive, and regular manner. Moreover, the Chief Executive Officer and the President shall ensure transparent data disclosure in accordance with applicable criteria, standards, and guidelines.

12. The Chief Executive Officer and the President shall represent the Company in promoting their organization to the public, especially for networking and creating its good image at national and international levels.

13. The Chief Executive Officer and the President shall consider and approve normal business transactions and operations that support these transactions, which are done at arm's length basis, within the budget approved by the Board of Directors. The approval shall also be subject to the SEC Office's and SET's guidelines on connected transactions and the acquisition and disposition of assets. In approving items/transactions, the Chief Executive Officer and the President shall comply with the Delegation of Authority Table that has been approved by the Board of Directors.

14. The Chief Executive Officer and the President shall proceed in line with the Securities and Exchange Act B.E. 2535 (including its revisions), the SEC Office's and SET's guidelines on connected transactions and the acquisition and disposition of assets, other relevant laws, as well as the Company's regulations, which have been approved by the Board of Directors or shareholders' meetings.

15. The Chief Executive Officer and the President shall appoint advisors needed for the Company's operations.

16. The Chief Executive Officer and the President shall authorize and/or assign another person or a group of persons to carry out tasks on their behalf within the scope of authorization as per the Company's power of attorney and/or regulations, rules and resolutions issued by the Board of Directors' meetings. Such authorization or assignment, however, must not create a conflict of interest or a conflict, no matter what form between the Chief Executive Officer / President and the Company. In an event of a conflict, transactions must be proposed to the Board of Directors and/or shareholders' meetings (whichever the case is) for review and approval. However, transactions may go ahead without the involvement of the Board of Directors and/or shareholders' meetings if they are just normal transactions of the Company and are done on the arm's length basis.

17. The Chief Executive Officer and the President shall carry out any task as assigned and authorized by the Board of Directors and/or committees in accordance with the Company's regulations and Articles of Association, as well as relevant laws.

The Chief Executive Officer and the President cannot attend a meeting or approve a transaction that they or a person with a possible conflict of interest (as per definitions mentioned in the announcements of the SEC or the Capital Market Supervisory Board) may have interest in, receive benefit from, or cause a conflict of interest to the Company except in events that the approval of that transaction is in line with policies or criteria approved by shareholders' meeting and/or the Board of Directors.

### 7.2.3.5 Board of Directors' Approval Authority

The Board of Directors has the power to approve the affairs of the Company under laws, the Company's Articles of Association, the Board of Directors Charter, and resolutions of shareholders' meetings. Its scope of power covers the Delegation of Authority Table, the formulation and review of vision, missions, key operational strategies, the Risk Management Policy, budget plans, annual business plans, business plans, the formulation of business targets, the monitoring and evaluation of performance based on plans, supervision of capital expenditure, connected transactions, business acquisition and merging, business separation, and participation in a joint venture or cancellation of joint venture.

### 7.2.3.6 Separate Roles and Duties of Board of Directors and Management

The Company has laid down the clear line of roles, duties and responsibilities between the Board of Directors and the Management in its Delegation of Authority Table. While the Board of Directors has the duty to formulate policies and supervise the Management's work at the policy

level, the Management is in charge of managing operations based on the policies. The Chairman, the Chief Executive Officer and President therefore are not the same person. Holders of the positions are chosen from the Board of Directors, with the most qualified getting the positions. The Board of Directors, moreover, has the duty to prepare succession plans for the Company's senior executives. The plans have also been reviewed every year at a meeting, without the presence of the Management in this agenda. The Chairman shall not be an executive director. Neither shall he participate in the administration of the Company. Therefore, there is a clear line between policy-based supervision of the Company's overall operations and the administration of the Company's operations. The Management shall carry out tasks assigned to it based on policies given, be responsible for overall operating results, control expenses and investment budget based on annual plans approved by the Board of Directors, implement human-resources policy, solve problems/conflicts affecting the Company, and maintain effective communications with relevant parties.



### 7.3 Information on the Sub-Committees

As of December 31, 2024, the Company has had four Sub-committees: (1) the Audit and Risk Management Committee; (2) the Nomination, Remuneration, and Corporate Governance Committee; (3) the Sustainable Development Committee\*; and (4) the Executive Committee.

Name - Surname	Position(s) in Board of Directors and Sub-committees				
	Board	Audit and Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Sustainable Development Committee	Executive Committee
Mr. Roongrote Rangsiyopash	Chairman				
Mr. Wiroat Rattanachaisit	Vice Chairman		Chairman	Committee Member	Chairman
Mr. Lucksananoi Punkrasamee <sup>**,**</sup>	Lead Independent Director	Chairman			
Mr. Nithi Patarachoke	Director		Committee Member	Chairman	
Mr. Chaovalit Ekabut	Director		Committee Member		
Mr. Pakorn Matrakul <sup>**</sup>	Independent Director	Committee Member	Committee Member		
Mrs. Sirivipa Supantanet <sup>**,**</sup>	Independent Director	Committee Member			
Mr. Thammasak Sethaudom	Director				Committee Member
Mr. Giovanni Grossi	Director				
Mr. Teeranun Srihong <sup>**</sup>	Independent Director				
Mrs. Malinee Panichapong <sup>**</sup>	Independent Director			Committee Member	
Mr. Numpol Malichai	Chief Executive Officer and President			Committee Member	Committee Member

Remarks:

<sup>\*</sup>Appointed since August 1, 2024

<sup>\*\*</sup>Independent director

<sup>\*\*\*</sup>He/she is a member of the Audit and Risk Management Committee because he/she has adequate knowledge and experience for the reviews of financial statements' credibility.

### 7.3.1 Scope of Sub-Committees' Duties and Responsibilities

#### 7.3.1.1 Scope of Power, Duties and Responsibilities of Audit and Risk Management Committee

At its meeting No. 200 (4/2022) on December 1, 2022, the Board of Directors approved the Audit and Risk Management Committee Charter. Later at its meeting No. 206 (6/2023) or No. 1/2023 of its first meeting following the Company's transformation into a public company limited on June 9, 2023, the Board of Directors approved endorsed the validity of the charter for use after the transformation. Based on the charter, the Audit and Risk Management Committee has the following duties:

##### Audits

1. The Audit and Risk Management Committee shall conduct audits to ensure financial reporting and data disclosure systems are in line with financial reporting standards through consultation with the External Auditor and executives who are responsible for preparing quarterly and annual financial reports. The Audit and Risk Management Committee may suggest that the Auditor should audit or investigate a transaction or an item deemed as important and necessary during the audit of the Company's financial statements. Also, it shall promote the development of financial reporting system so as to bring it to par with financial reporting standards.

2. The Audit and Risk Management Committee shall review connected transactions, the acquisition and disposition of assets, or transactions that may pose a conflict of interest to the Company and subsidiaries for the purposes of ensuring compliance with laws and requirements set by the SEC Office and SET and providing an assurance that the transactions are reasonable and in the best interests of the Company and subsidiaries.

3. The Audit and Risk Management Committee shall ensure that the Anti-Corruption Policy is appropriate and adequate for business operations. Also, it shall conduct audits to ensure the effective anti-corruption system is in place and in accordance with guidelines laid down by regulators such as the Private Sector Collective Action against Corruption (CAC), the Thai Institute of Directors (IOD), and the National Anti-Corruption Commission. The system features raising anti-corruption awareness,

assessing risks, implementing internal control, developing preventative system against corruption, preparing whistleblowing process, probing, and providing advice and monitoring of the Anti-Corruption Policy implementation. In addition, the Audit and Risk Management Committee shall review self-assessment forms related to anti-corruption measures that have already been reviewed and evaluated by the Audit Office.

4. The Audit and Risk Management Committee shall audit the Company's and subsidiaries' control process and compliance monitoring in regard to laws on securities and stock marketing, requirements prescribed by SEC and the Capital Market Supervisory Board, as well as other regulations, rules and laws related to the Company's and subsidiaries.

5. The Audit and Risk Management Committee shall conduct audits to ensure the Company and subsidiaries have effective and appropriate internal control and internal audit systems based on widely accepted international standards. Also, it shall consider the "Adequacy of Internal Control System Evaluation Form" that has already been reviewed and evaluated by the Audit Office as a means to ensure that the Company and subsidiaries have adequate internal control system before submitting the form for the Board of Directors to review.

6. The Audit and Risk Management Committee, through supervision, shall ensure that the Whistleblowing Policy is adequate and appropriate for business operations. Also, it shall review the results of probes into corruption complaints and punishments. Moreover, the Audit and Risk Management Committee shall formulate preventative measures against corruption and audit the Company's / subsidiaries' internal processes for whistleblowing.

7. The Audit and Risk Management Committee shall perform audits to ensure the preventative system is in place and useful to relevant units paving the way for their greater efficiency and effectiveness.

8. The Audit and Risk Management Committee shall select, nominate, or end employment of an independent person as the Company's Auditor. Also, it shall propose an audit fee, evaluate the Auditor's performance, and approve any service other than reviews, audits, and



assurances that has been proposed by the Auditor, his/her team members, or network based on criteria and guidelines prescribed in the Handbook of the International code of Ethics for Professional Accountants and other applicable principles.

9. The Audit and Risk Management Committee shall compile the Report of Audit and Risk Management Committee and submit it to the Board of Directors' meeting at least once a year. The report shall also be included in the Company's annual report. Signed by the Chair of the Audit and Risk Management Committee, the report must also include opinions on issues that must be addressed based on SET requirements.

10. The Audit and Risk Management Committee shall review and issue opinions on the Audit Office's performance, coordinate with the Auditor, and hold at least one meeting with the Auditor in absence of Management each year to review the results of quarterly/annual financial statements and to discuss problems/obstacles that the Auditor may come across during audits.

11. The Audit and Risk Management Committee shall consider and approve the internal-audit plan as well as the budget/workforce of the Audit Office. Also, it shall be in charge of approving the appointment, removal, transfer, or termination of employment of the directors of the Audit Office as well as any other unit related to internal audits.

12. The Audit and Risk Management Committee shall review the independence of internal audit units based on its performance and reports, including line of command. Also, the Audit and Risk Management Committee shall audit the Audit Office's performance based on international standards.

13. The Audit and Risk Management Committee shall oversee tasks mentioned in Items 1 to 12 done by subsidiaries' audit committees via their reports if the subsidiaries are listed companies or have their own audit committees. The audit committees of management-center subsidiaries shall also take charge of the aforementioned tasks of subsidiaries under their supervision.

### Risk Management

1. The Audit and Risk Management Committee shall consider the formulation of risk management policy, strategy, and framework, as well as risk prevention and management plan. Also, it shall oversee risk management by the Risk Management Panel and audit the Enterprise Risk Management Framework, work process, control, supervision, operations, information technology, information security, and communication networks to ensure their effectiveness and compliance with international standards.

2. The Audit and Risk Management Committee shall monitor risk management, key risks and information, risk trend and risk overview. Also, it shall evaluate risk management performance by the Risk Management Panel to ensure that risk management proceeds effectively and efficiently, is able to identify risks and forecast crises, and is capable of reducing losses, damages, financial impacts or non-financial impacts on corporate image and reputation in an appropriate and timely manner. Taken into account are risk appetite, feasibility at a reasonable cost, and compliance with the principles of good corporate governance as well as the check and balance.

3. The Audit and Risk Management Committee shall audit measures and guidelines on how to handle existing risks to ensure risk appetite is at an acceptable level. As a part of the audits, it shall consider measures to efficiently lower risks and/or impacts from those risks in support of corporate goals.

4. The Audit and Risk Management Committee shall promote and support communications that highlight the importance of risk management; regular internal distribution / sharing of risk-management knowledge/experience; and executives' exemplary risk management to foster employees' understanding in risk management and awareness of their status as risk owners with responsibility to manage risks under their work scope especially at the time a significant incident or change occurs within the Company. Also, the Audit and Risk Management Committee shall push for risks to be addressed as agendas for the Company's / subsidiaries' meetings.

### Others

1. The Audit and Risk Management Committee shall conduct its performance evaluation on an annual basis, covering two parts namely as-a-whole performance assessment and self-assessment. Also, it shall review the Audit and Risk Management Committee Charter at least once a year and present its review results to the Board of Directors for approval.

2. The Audit and Risk Management Committee shall report its progress and performance to the Board of Directors after its every meeting.

3. The Audit and Risk Management Committee shall carry out any task required by laws or assigned by the Board of Directors and agreed to by it.

In carrying out duties under its scope of work, the Audit and Risk Management Committee may summon relevant members of the Management, heads of units or employees of the Company and subsidiaries to provide opinions and attend meetings or order them to submit documents deemed necessary. Also, the Audit and Risk Management Committee may seek independent opinions from professional advisors at the Company's expense in accordance with its rules where necessary.

The Audit and Risk Management Committee shall carry out duties within its scope of duties and responsibilities as ordered by the Board of Directors and agreed to by it. However, the Board of Directors shall be accountable for the Company's operations and have direct responsibility for shareholders, stakeholders and the public. If the duties of the Audit and Risk Management Committee is changed, the Company must notify SET within three workdays of the change by declaring its resolution to change the duties and include the list of committee members as well as the committee's scope of work using the form prescribed by SET. Methods used for the notification must be in line with SET requirements on listed companies' data disclosure and document submission via electronic media.

### **7.3.1.2 Scope of Power, Duties and Responsibilities of Nomination, Remuneration and Corporate Governance Committee**

At its meeting No. 200 (4/2022) on December 1, 2022, the Board of Directors approved the Nomination, Remuneration and Corporate Governance Committee Charter. Later at its meeting No. 206 (6/2023) or No. 1/2023 of the first meeting following the Company's conversion into a public company limited on June 9, 2023, the Board of Directors endorsed the validity of the charter for use after the conversion. Based on the charter, the Nomination, Remuneration and Corporate Governance Committee has the following duties:

#### Nomination

1. The Nomination, Remuneration and Corporate Governance Committee shall review the size, structure and components of both the Board of Directors and Sub-committees to ensure they are appropriate for the size, nature and complexity of businesses involved. In addition, the Nomination, Remuneration and Corporate Governance Committee shall set the qualifications of directors/committee members in terms of knowledge, experience and expertise. It shall also be responsible for preparing the Board Skills Matrix to support the nomination of persons to the posts of the Company's directors as well as the Company's/subsidiaries' businesses in pursuit of sustainable value for their operations.

2. The Nomination, Remuneration and Corporate Governance Committee shall reassess the suitability of directors when they have any change in qualifications.

3. The Nomination, Remuneration and Corporate Governance Committee shall set the process and guide-lines on the nomination of qualified persons to the posts of directors/committee members in accordance with applicable laws and regulations, when the posts become vacant because of the end of tenure or any other cause. Committees here refer to committees whose power, duties, and responsibilities are directly assigned by the Board of Directors. Taken into consideration is Board Diversity in terms of knowledge, expertise, experience, sex, and specialized competence that will benefit the Company.

The Nomination, Remuneration and Corporate Governance Committee shall submit its proposals for the Board of Directors and/or shareholders' meetings to approve.

4. The Nomination, Remuneration and Corporate Governance Committee shall review the independence of directors including any conflict of interest that may arise during their work, as well as the independence and qualifications of each independent director so as to ensure that the Company's independent directors are truly qualified based on applicable criteria and/or laws.

5. The Nomination, Remuneration and Corporate Governance Committee shall propose methods to evaluate the Board of Directors' as well as Sub-committees' performance and review these methods every year. It shall also monitor and summarize evaluation results for the Board of Directors to acknowledge, paving the way for performance improvement and directors' capability building.

6. The Nomination, Remuneration and Corporate Governance Committee shall formulate guidelines on talent management.

#### Determining Directors' Remuneration

1. The Nomination, Remuneration and Corporate Governance Committee shall propose guidelines and methods to pay financial remuneration including salary and annual bonus as well as non-financial remuneration including other benefits to directors, which must be commensurate with their missions, responsibilities and qualifications, as well as the Company's operating results so as to provide directors with both short-term and long-term motivations as well as industry-rate remuneration. Also, the Nomination, Remuneration and Corporate Governance Committee shall consider conditions for new-share offerings and warrants to directors, senior executives, and employees (if any) before forwarding them to the Board of Directors for consideration and approval and/or, if it is deemed appropriate to hire a consulting firm to proceed with the plan, to shareholders' meetings for approval.

2. The Nomination, Remuneration and Corporate Governance Committee shall constantly consider, study, and monitor remuneration trends related to directors and committee members, and make a proposal for the Board of Directors to consider and approve.

3. The Nomination, Remuneration and Corporate Governance Committee shall consider the payment of remuneration to directors and committee members, and compare it with the payment made by other leading listed companies in the same industry so as to uphold the Company's status as the industry leader and to motivate directors/committee members to ensure work progress.

4. The Nomination, Remuneration and Corporate Governance Committee shall evaluate the performance of the Chief Executive Officer and President in determining his remuneration before proposing the rate to the Board of Directors for annual approval.

5. The Nomination, Remuneration and Corporate Governance Committee shall evaluate the performance of each of the Company's senior executives based on the recommendation from the Chief Executive Officer and President before determining and proposing his/her remuneration to the Board of Directors for consideration and approval on an annual basis. Taken into account during the evaluation are directors' responsibilities and risks and a strong focus on long-term increase of shareholders' equity.

6. The Nomination, Remuneration and Corporate Governance Committee shall consider and review the pay structure, pay-adjustment budget, and bonus budget for senior executives, as well as their pay/remuneration changes before making relevant proposals to the Board of Directors.

7. The Nomination, Remuneration and Corporate Governance Committee shall constantly consider, review, study, and monitor remuneration changes and trends related to the Company's senior executives before making relevant proposals to the Board of Directors for consideration and approval.

8. The Nomination, Remuneration and Corporate Governance Committee shall consider the remuneration for the Company's Management Panel in comparison with the rate used by other leading listed companies in the same industry with the aim to uphold the Company's status as the industry leader and to provide panel members with motivations to drive work progress.

9. The Nomination, Remuneration and Corporate Governance Committee shall prepare succession plans for the posts of Chief Executive Officer and President and other senior executives before proposing them to the Board of Directors for consideration. The succession plans shall focus on business continuity.

10. The Nomination, Remuneration and Corporate Governance Committee shall consider, review and recommend any changes to the Nomination, Remuneration and Corporate Governance Committee Charter so as to ensure that charter is up-to-date and appropriate at all times. Changes shall be perpetuated if the Board of Directors approves the recommendation.

11. The Nomination, Remuneration and Corporate Governance Committee shall disclose the determination of all forms of remuneration and compile the Report of the Nomination, Remuneration and Corporate Governance Committee, which shall be included in the Company's annual report.

#### Corporate Governance

1. The Nomination, Remuneration and Corporate Governance Committee shall appropriately set, review, and issue opinions on corporate-governance scope, policy and guidelines in support of sustainable development based on the principles of good corporate governance and local/international corporate governance standards in pursuit of the Company's vision, key objectives and business strategy. Taken into account are also the Company's long-term business growth and sustainability topics that pose business opportunities and threats to the Company. The Nomination, Remuneration and Corporate Governance

Committee shall make relevant proposals for the Board of Directors to consider on a regular basis.

2. The Nomination, Remuneration and Corporate Governance Committee, through supervision, shall continuously and consistently ensure the review and revision of the Company's Corporate Governance Policy across all dimensions at least once a year for compliance with local / international guidelines and standards and ensuring that the policy keeps pace with changing situation, business context, trends, and global direction.

3. The Nomination, Remuneration and Corporate Governance Committee shall propose the Company's Corporate Governance Guidelines to the Board of Directors and provide advice on such matters to the Board.

4. The Nomination, Remuneration and Corporate Governance Committee shall monitor and supervise the Board of Directors' and the Management Panel's work to ensure compliance with the Corporate Governance Policy and business strategy. Also, it shall convene meetings to follow up, inquire, give direction/advice to the Management on corporate-governance topics so that they are integrated into annual strategy and work plans. The Nomination, Remuneration and Corporate Governance Committee, moreover, shall properly identify success indicators that resonate with business strategies and set proper schedule for corporate-governance monitoring in support of guidelines improvement and future-plan formulation.

5. The Nomination, Remuneration and Corporate Governance Committee shall constantly and appropriately review/revise the Corporate Governance Guidelines, providing recommendations to the Board of Directors to ensure the guidelines not only suit the Company's business operations but also comply with SET's guidelines as well as international practices.

6. The Nomination, Remuneration and Corporate Governance Committee shall consider and prepare director development plans so as to boost the knowledge/skills of

the Company's directors as well as committee members, paving the way for them to better understand their roles and duties, businesses, economy, technology, and laws/regulations related to the Company's and subsidiaries' business operations. Also, the Nomination, Remuneration and Corporate Governance Committee shall ensure directors'/committee members' knowledge and skill development as an assurance that the Company's Board of Directors and Sub-committees understand its business sustainability.

7. The Nomination, Remuneration and Corporate Governance Committee shall review and recommend to the Board of Directors any change to the charters of the Board of Directors and Sub-committees as well as policies so as to ensure their appropriateness and up-to-dateness.

#### Others

1. The Nomination, Remuneration and Corporate Governance Committee, through supervision, shall ensure the availability of efficient stakeholder engagement process. The process shall cover communications with stakeholders, listening to their opinions, disclosing data from their engagement, and presenting the results from the Company's sustainability strategy to the public via various channels in an appropriate way.

2. The Nomination, Remuneration and Corporate Governance Committee shall evaluate its performance on an annual basis. The evaluation shall cover as-a-whole performance assessment as well as self-assessment. In addition, it shall review the Nomination, Remuneration and Corporate Governance Committee Charter at least once a year and propose revision, if any, to the Board of Directors for consideration and approval.

3. The Nomination, Remuneration and Corporate Governance Committee shall report its progress and performance to the Board of Directors after each of its meetings.

4. The Nomination, Remuneration and Corporate Governance Committee shall disclose the Company's Corporate Governance Policy and performance and compile the Report of the Nomination, Remuneration and Corporate Governance Committee, which shall be included in the Company's annual reports.

5. The Nomination, Remuneration and Corporate Governance Committee shall carry out any other task as assigned by the Board of Directors.

In carrying out its duties, the Nomination, Remuneration and Corporate Governance Committee may summon relevant members of the Management, heads of units or employees of the Company and subsidiaries to provide opinions and attend meetings or order them to submit documents deemed necessary. Also, Nomination, Remuneration and Corporate Governance Committee may seek independent opinions from professional advisors at the Company's expense in accordance with its rules where necessary.

#### **7.3.1.3 Scope of Power, Duties and Responsibilities of Sustainable Development Committee**

The Company's Board of Directors No. 11 (6/2024) on October 28, 2024, resolved to approve the Charter of the Sustainable Development Committee, assigning the Sustainable Development Committee the following duties

1. Determine the direction, policies, strategies, and sustainability plans, covering environmental and social dimensions, and present them to the Board of Directors annually.

2. Oversee the integration of key sustainability issues (Double Materiality), provide sustainability advice to ensure compliance with sustainability policies and plans, achieve goals, and lead in sustainability.

3. Review policies, monitor plans, and performance to meet targets, and report results to the Board of Directors after the Sustainable Development Committee meetings.

4. Approve the disclosure of information to stakeholders, ensuring accurate and transparent operations towards stakeholders.

5. Evaluate the performance of the Sustainable Development Committee and report the evaluation results to the Board of Directors.

6. Review and recommend any changes to the Charter of the Sustainable Development Committee to the Board of Directors for approval to ensure appropriateness and alignment with changes.

In performing its duties within the scope of authority, the Sustainable Development Committee has the power to summon management, department heads, or relevant company employees to provide opinions, attend meetings, or submit necessary documents. Additionally, under the scope of this Charter, the Sustainable Development Committee may seek advice from external independent consultants or experts in other professions if deemed necessary and appropriate, with the company bearing all expenses related to the duties of the Sustainable Development Committee.

#### **7.3.1.4 Scope of Power, Duties and Responsibilities of Executive Committee**

At its meeting No. 200 (4/2022) on December 1, 2022, the Board of Directors approved the Executive Committee Charter. Later at its meeting No. 206 (6/2023) or No. 1/2023 of the first meeting following the Company's conversion into a public company limited on June 9, 2023, the Board of Directors endorsed the validity of the aforementioned charter for use after the conversion. Based on the charter, the Executive Committee has the following duties:

1. The Executive Committee shall operate and manage the Company's and its subsidiaries' businesses in accordance with their objectives, articles of association and policies, applicable regulations, requirements and orders, the resolutions of the Board of Directors as well as the Delegation of Authority Table that has been approved by the Board of Directors.

2. The Executive Committee shall consider and prepare policies, directions, business strategies, goals, operational plans, financial goals, budget, human resources management, business-expansion investments, and public relations of the Company and subsidiaries within the framework approved by the Board of Directors. Also, the Executive Committee shall appropriately consider, approve, and then supervise the work of panels to ensure the fulfillment of the goals. Taking into account all relevant business factors, the Executive Committee shall make relevant proposals and seek prior approvals from the Board of Directors. However, if the situation changes, the Executive Committee may review and revise budget usage to match the changing circumstances for as long as the revision is not against the Delegation of Authority Table.

3. The Executive Committee shall supervise, review, and monitor the Company's and subsidiaries' business operations to ensure compliance with their policies, business strategies, goals, operational plans, operational goals and budget as approved by the Board of Directors with a focus on efficiency and effectiveness that favor their respective businesses. Also, the Executive Committee shall provide management advice and recommendations to executives.

4. The Executive Committee shall study the feasibility of new investment projects and consider/approve the Company's/subsidiaries' investments or participation in a joint venture with a person, a legal entity or an enterprise deemed appropriate by the Executive Committee in pursuit of the Company's/subsidiaries' objectives. Also, the Executive Committee shall consider and approve capital expenditure, commitment to a legal contract and/or any related action until budget reimbursement is complete and/or without violating the Delegation of Authority Table, applicable laws and regulations, as well as the Company's/subsidiaries' Articles of Association.

5. The Executive Committee shall monitor the progress and performance of investment projects in each business, and report any problem or obstacle that has emerged along with recommended solutions to the Board of Directors.

6. The Executive Committee shall examine and give advice on the Company's/subsidiaries' dividend policies and make relevant proposals for the Board of Directors to consider and approve.

7. The Executive Committee shall consider and provide recommendations/opinions to the Board of Directors on projects, proposals, or transactions related to the Company's/subsidiaries' business operations. Also, it shall consider fundraising options when the funds need to be raised before advising the Board of Directors to proceed in line with applicable laws/regulations and the Company's Articles of Association that require an approval from the shareholders' meetings and/or the Board of Directors for the fundraising.

8. The Executive Committee shall consider and approve financial transactions with financial institutes namely the opening of accounts, submissions of loan/credit requests, pawning, mortgages, guarantees and others including sales, purchases, and registrations of land plots for the benefits of the Company's/subsidiaries' business operations; signing legal contracts/submitting requests to/contacting or carrying out any juristic acts with government agencies for the purpose of acquiring the right to do something for the Company/subsidiaries; and/or taking any action for budget usage based on the Delegation of Authority Table, applicable laws/regulations, and/or the Company's Articles of Association. If any other need arises, the Executive Committee may consider and approve the Company's/subsidiaries' opening of accounts at financial institutes.

9. The Executive Committee shall consider, prepare and propose to the Board of Directors regulations, rules, and policy guidelines on the Company's/subsidiaries' management, business operations, or actions that will commit the Company/subsidiaries to legal-binding effects.

10. The Executive Committee shall appoint and/or assign an executive director, executives directors, a person or a group of persons to carry out any action within the scope of its power. It may also grant the said person(s) a certain extent of authority that it deems reasonable within a specific timeframe. In such event, the Executive Committee may also cancel the authorization or change its attorney-in-fact as it deems appropriate. No authorization shall be granted to a person with conflict of interest.

11. The Executive Committee shall arrange for executives, members of the Management, or employees to attend its meetings or prepare/provide information related to topics it will discuss at its meetings.

12. The Executive Committee shall have the power, duties, and responsibilities as per the Company's policies or as assigned specifically by the Board of Directors.

13. The Executive Committee shall seek a consultant or a person giving independent opinions when necessary.

14. The Executive Committee shall report its progress and performance done within its scope of power and duties to the Board of Directors on a regular basis. It shall also report any other issue, as it deems necessary and reasonable, to the Board of Directors.

15. The Executive Committee shall consider and approve operations that are the Company's normal transactions within an investment budget/budget approved by the Board of Directors. Each transaction approved shall also comply with the Delegation of Authority Table, which has already been approved by the Board of Directors. The value of such transaction, which may be the signing of a contract, shall not exceed the annual budget approved by the Board of Directors.

16. The Executive Committee shall evaluate its performance through both as-a-whole assessment and self-assessment. Also, it shall review the Executive Committee Charter at least once a year and submit its recommendation to the Board of Directors for consideration and approval.

### 7.3.2 Lists of Sub-Committee Members

#### 7.3.2.1 Audit and Risk Management Committee

As of December 31, 2024 the Audit and Risk Management Committee has consisted of three independent directors, as follows:

Name	Position in Committee	Position in Board
1. Mr. Lucksananoi Punkrasamee	Chairman of Audit and Risk Management Committee	Lead Independent Director
2. Mrs. Sirivipa Supantanet	Member of the Audit and Risk Management Committee	Independent Director
3. Mr. Pakorn Matrakul	Member of the Audit and Risk Management Committee	Independent Director

Mr. Lucksananoi Punkrasamee and Mrs. Sirivipa Supantanet, who are in the Audit and Risk Management Committee, have adequate knowledge and experience to audit the credibility of the Company's financial statements. Details, qualifications, and experience of each of the Audit and Risk Management Committee's three members are shown in Appendix 1 ("Details of Directors, Executives, Controlling Persons, Holder of the Highest Accounting and Financial Position, Person Directly Assigned to Control Accounting, and the Company Secretary").

Mr. Arnon Jamfoong has served as the Secretary to the Audit and Risk Management Committee since appointment at the Audit and Risk Management Committee Meeting No. (1/2023) (after the conversion to a public limited company) on August 9, 2023, with the term ending on May 13, 2024, Mr. Wasan Sapa-iamjit was appointed to serve as the Secretary to the Audit and Risk Management Committee, as appointed by the Audit and Risk Management Committee meeting No. 4 (2/2024) on May 14, 2024.

#### 7.3.2.2 Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2024, the Nomination, Remuneration and Corporate Governance Committee has consisted of four members as follows:

Name	Position in Committee	Position in Board
1. Mr. Wiroat Rattanachaisit	Chairman of the Nomination, Remuneration, and Corporate Governance Committee	Vice Chairman
2. Mr. Nithi Patarachoke	Member of the Nomination, Remuneration, and Corporate Governance Committee	Director
3. Mr. Chaovalit Ekabut	Member of the Nomination, Remuneration, and Corporate Governance Committee	Director
4. Mr. Pakorn Matrakul	Member of the Nomination, Remuneration, and Corporate Governance Committee	Independent Director

Ms. Karnjane Tamsuk has served as the Secretary to the Nomination, Remuneration and Corporate Governance Committee (for Nomination and Corporate Governance affairs) while Mr. Chaiyaporn Supanya has served as the Secretary to the Nomination, Remuneration and Corporate Governance Committee (for Director Remuneration affairs) since their appointment at the Nomination, Remuneration and Corporate Governance Committee Meeting No. 1/2023 on March 21, 2023.



### 7.3.2.3 Sustainable Development Committee

As of December 31, 2024, The Sustainable development committee has consisted of four member as follows;

Name	Position in Committee	Position in Board
1. Mr. Nithi Patarachoke	Chairman of Sustainable Development Committee	Director
2. Mr. Wiroat Rattanachaisit	Member of Sustainable Development Committee	Vice Chairman
3. Mrs. Malinee Panichapong	Member of Sustainable Development Committee	Independent Director
4. Mr. Numpol Malichai	Member of Sustainable Development Committee	Chief Executive Officer and President

Mr. Kittiphong Photaranon has served as the Secretary to Sustainable Development committee since the Sustainable Development Committee Meeting No.1 (1/2024) on September 5, 2024.

### 7.3.2.4 Executive Committee

As of December 31, 2024, the Executive Committee has consisted of three members. as follows:

Name	Position in Committee	Position in Board
1. Mr. Wiroat Rattanachaisit	Chairman of the Executive Committee	Vice Chairman
2. Mr. Thammasak Sethaudom	Member of the Executive Committee	Director
3. Mr. Numpol Malichai	Member of the Executive Committee	Chief Executive Officer and President

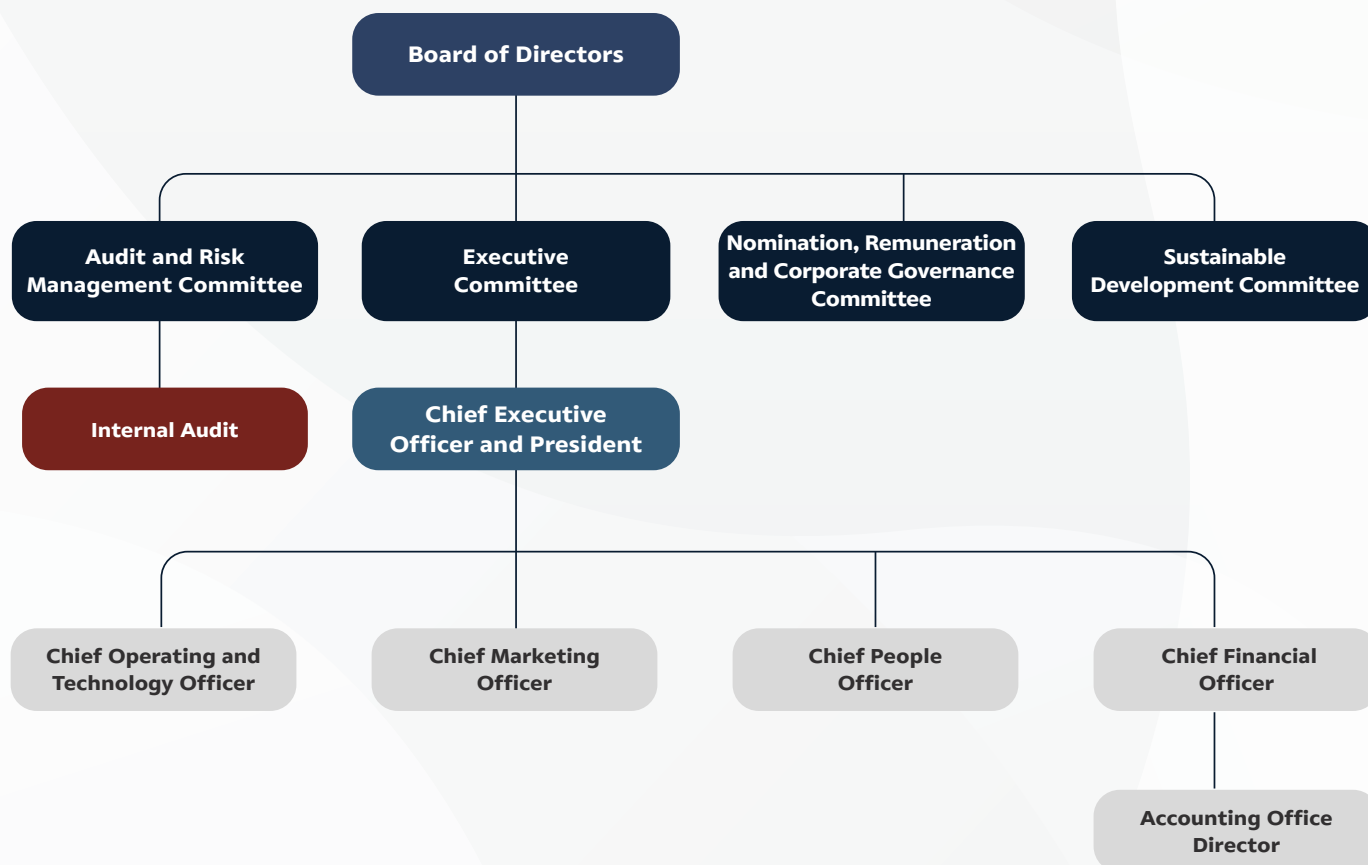
Ms. Karnjane Tamsuk has served as the Secretary to the Executive Committee since her appointment at the Executive Committee Meeting No. 1/2023 on March 21, 2023.

## 7.4 Information on Executives

### 7.4.1 Lists of Executives

#### 7.4.1.1 Company

As of December 31, 2024 the management and executive structure of the Company has been as follows:



Name	Position
1. Mr. Numpol Malichai	Chief Executive Officer and President
2. Mr. Kittiphong Photaranon	Chief Operating and Technology Officer
3. Mr. Jakkrit Suwansilp	Chief Marketing Officer
4. Mr. Chaiyaporn Supanya	Chief People Officer
5. Mr. Smithi Kosicharoen	Chief Financial Officer
6. Mrs. Voranun Sodanin	Accounting Officer Director

Details of supervision of subsidiaries operating core businesses are available under Item 7.2.2

7.4.1.2 COTTO

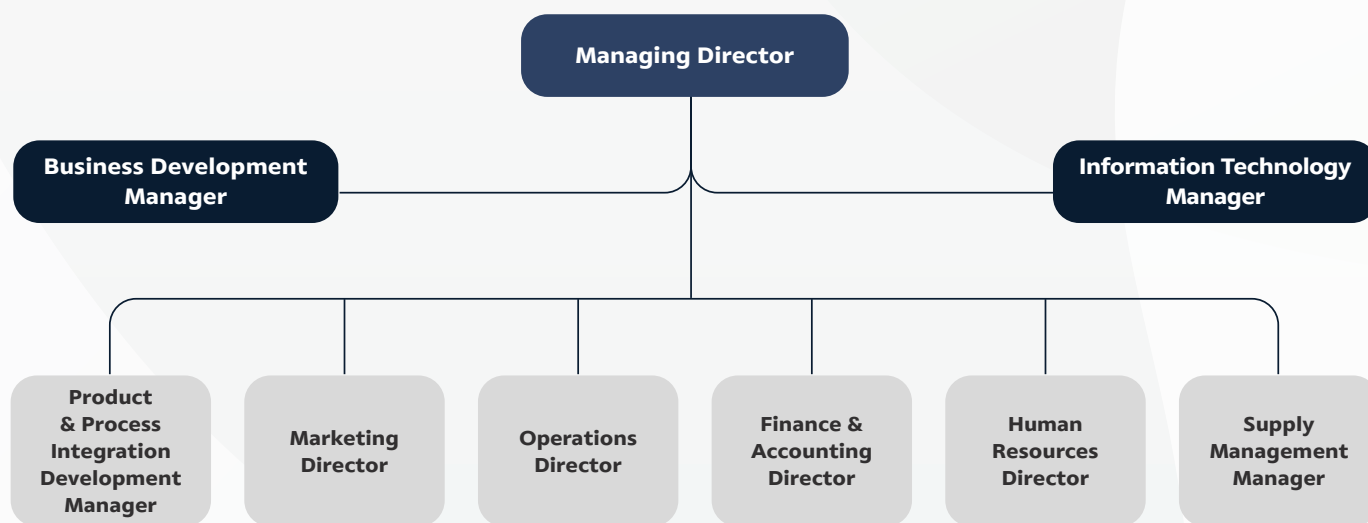
As of December 31, 2024 COTTO's management and executive structure has been as follows:



Name	Position
1. Mr. Sitichai Sukkitprasert	Managing Director
2. Mr. Somkul Boonma	Chief Marketing Officer
3. Mr. Kitiphot Sitalertpisan	Chief Operation Officer
4. Mrs. Voranun Sodanin	Chief Financial Officer

7.4.1.3 SSW

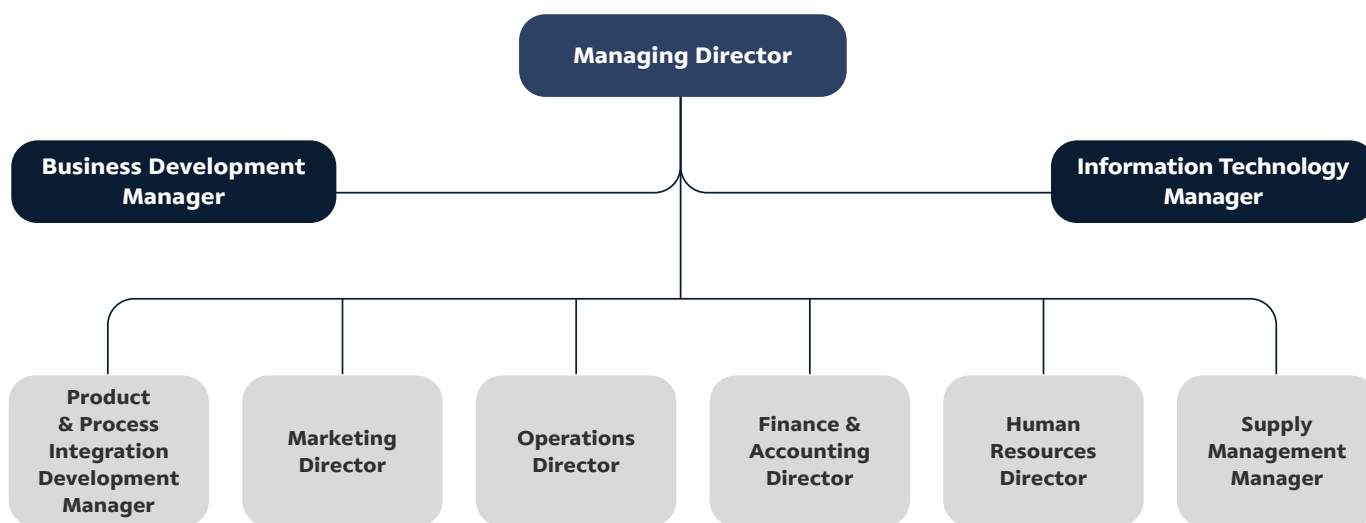
As of December 31, 2024, SSW’s management and executive structure has been as follows:



Name	Position
1. Mr. Sitichai Sukkitprasert	Managing Director/Operation Director
2. Mr. Somkul Boonma	Marketing Director
3. Mr. Somsak Boonpan	Product & Process Integration Development Manager
4. Mr. Ekkrit Sinlapakarntanakit	Human Resources Director
5. Mr. Peerawut Kachinroj	Supply Management Manager
6. Mrs. Voranun Sodanin	Finance and Accounting Director
7. Ms. Somchan Thongpussa	Business Development Manager
8. Ms. Khwansirilak Paphitsara	IT Manager

7.4.1.4 SSI

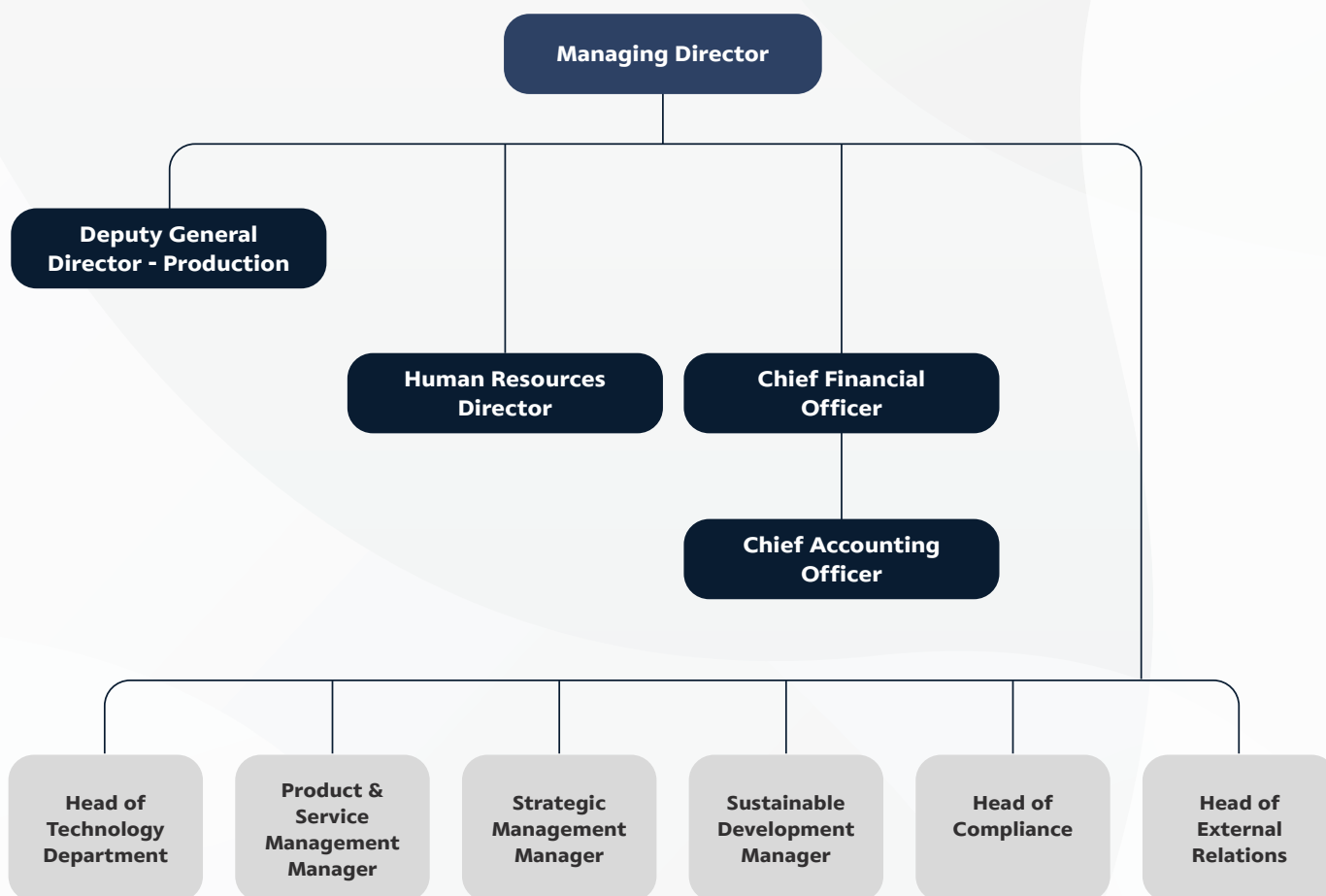
As of December 31, 2024 SSI’s management and executive structure has been as follows:



Name	Position
1. Mr. Sitichai Sukkitprasert	Managing Director/Operation Director
2. Mr. Somkul Boonma	Marketing Director
3. Mr. Somsak Boonpan	Product & Process Integration Development Manager
4. Mr. Ekkrit Sinlapakarntanakit	Human Resources Director
5. Mr. Peerawut Kachinroj	Supply Management Manager
6. Mrs. Voranun Sodanin	Finance and Accounting Director
7. Ms. Somchan Thongpussa	Business Development Manager
8. Ms. Khwansirilak Paphitsara	IT Manager

7.4.1.5 PRIME GROUP

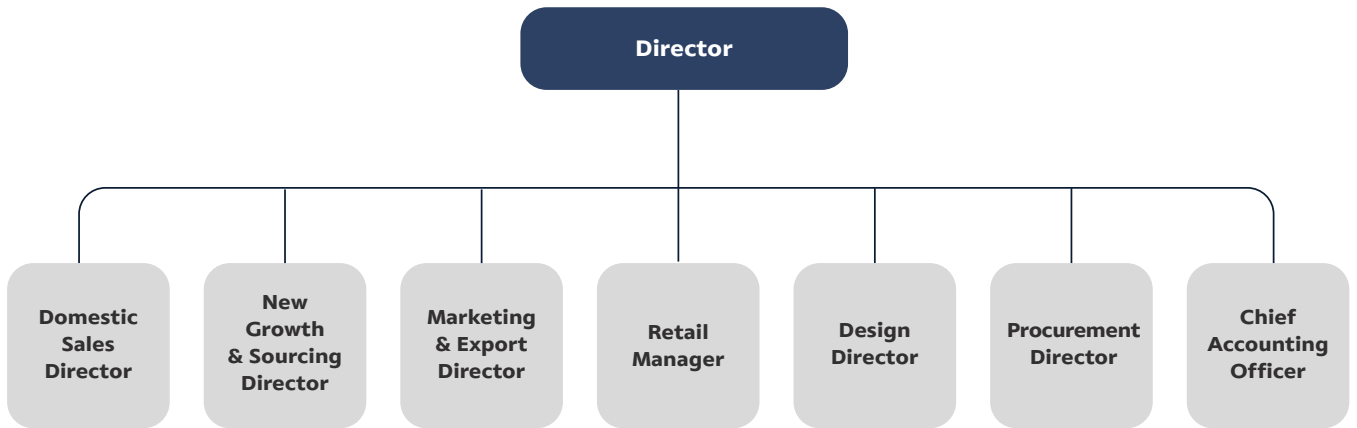
As of December 31, 2024 PRIME’s management and executive structure has been as follows:



Name	Position
1. Mr. Jakkrit Suwansilp	General Director
2. Mr. Prakich Yongpradern	Chief Financial Officer
3. Mr. Akrapol Kamnueng	Deputy General Director - Production
4. Mr. Mai Phuc	Head of Technology Department
5. Ms. Chalermkwan Chaiworasin	Product & Service Management Manager
6. Mr. Sivapon Chaichuchoat	Strategic Management Manager
7. Mr. Chaiyaporn Supanya	Human Resources Director
8. Ms. Nguyen Thi Thanh Tam	Sustainable Development Manager
9. Ms. Nguyen Thi Thuy Hanh	Head of Compliance
10. Mr. Dang Xuan Thu	Head of External Relations
11. Mr. Duong Viet Thinh	Chief Accounting Officer

7.4.1.6 PT1

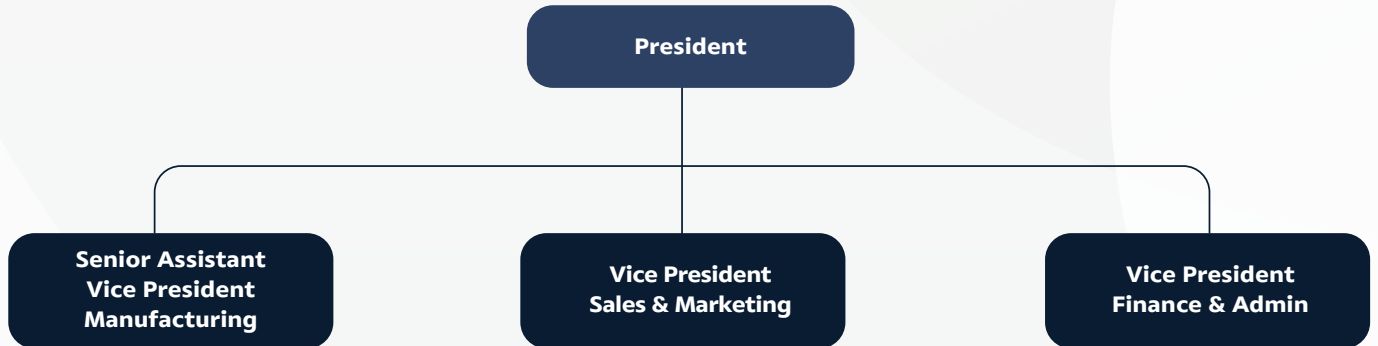
As of December 31, 2024 PT1's management and executive structure has been as follows:



Name	Position
1. Mr. Prasit Sethaworaphan	Director & Domestic Sales Director
2. Mr. Chanat Pechakonjak	New Growth & Sourcing Products Director
3. Mr. Suphakit Jongsadjanulux	Marketing & Export Director
4. Mr. Apichai Khongmongmoo	Retail Manager
5. Mr. Nguyen Manh Cuong	Design Director
6. Mr. Somyos Manoprasertkul	Procurement Director
7. Ms. Le Thu Thuy	Chief Accounting Officer

7.4.1.7 MSC

As of December 31, 2024 MSC's management and executive structure has been as follows:

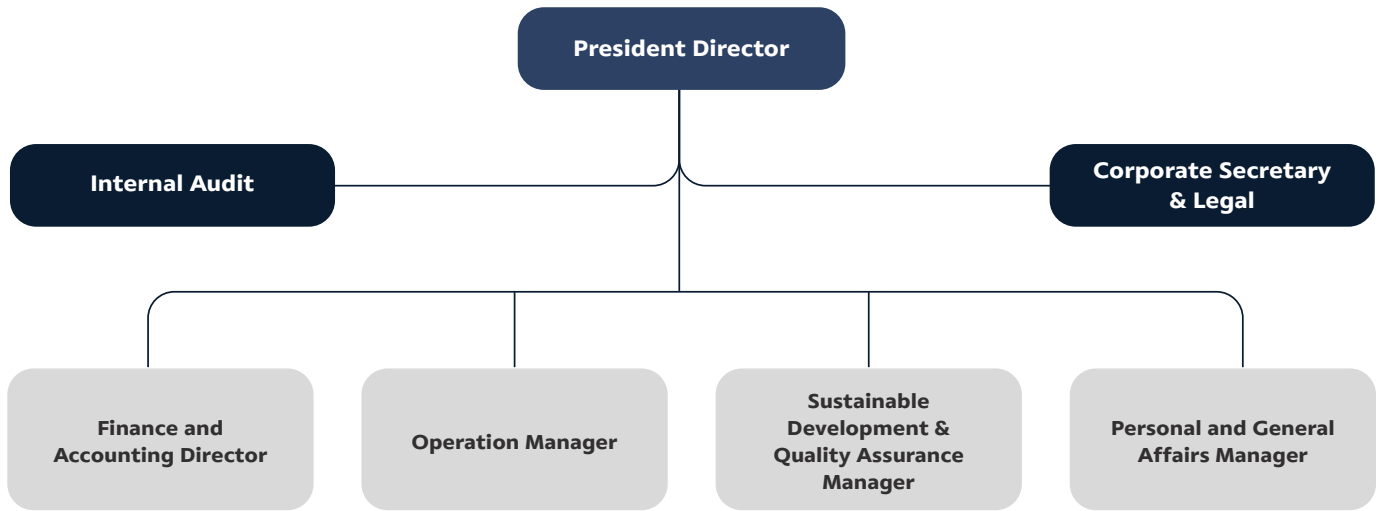


Name	Position
1. Mr. Pavaret Lila	President
2. Mr. Pasakorn Thongmee	Vice President – Sales & Marketing
3. Mr. Danilo Bahay	Senior Assistant Vice President – Manufacturing
4. Ms. Jutarat Kaewdang	Vice President - Finance & Admin



7.4.1.8 KIA

As of December 31, 2024 KIA’s management and executive structure has been as follows:



Name	Position
1. Mr. Boonyarit Jaiya	President Director
2. Mr. Saran Kaitiwong	Finance and Accounting Director
3. Mr. Chaovalit Nieamtad	Operation Director
4. Mr. Doedy Hidayat S	Sustainable Development & Quality Assurance Manager
5. Mr. Eko Raharjo	Personal and General Affairs Manager

## 7.4.2 Policy and Methods to Determine Directors' and Executives' Remuneration

### 7.4.2.1 Board of Directors and Committees

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to determine the remuneration of directors and recommend payment guidelines and methods, which shall be applicable to directors as well as committee members. The remuneration shall be commensurate with their missions, duties, responsibilities and qualifications as well as the Company's operating results so as to provide them with both short-term and long-term motivations and also to keep pace with the industry rate. The proposed remuneration shall be submitted to the Board of Directors and/or shareholders' meetings for approval.

### 7.4.2.2 Executives

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to evaluate the performance of the Chief Executive Officer, the President, as well as senior executives individually based on the proposal made by the Chief Executive Officer and the President to determine their remuneration before seeking approval from the Board of Directors. The Nomination, Remuneration and Corporate Governance Committee also has the duty to consider pay structure and monitor changes/trends related to the remuneration for the Company's senior executives before making recommendations to the Board of Directors for consideration and approval.

### 7.4.3 Executives' Remuneration

#### (1) Company

##### **Financial Remuneration**

In the fiscal year ending on 31 December 2024, the Company paid 37.2 million baht in financial remuneration to six executives in the forms of salary, bonus, and others.

##### **Other Remuneration**

In the fiscal year ending on 31 December 2024, the Company also paid financial remuneration to six executives in the form of contributions to their provident-fund accounts. This part of financial remuneration totaled 4.0 million baht during the year.

##### **Accrued Remuneration or Benefits (if any)**

- None -

#### (2) COTTO

##### **Financial Remuneration**

In the fiscal year ending on 31 December 2024, COTTO paid 18.8 million baht in financial remuneration to four executives in the forms of salary, bonus, and others.

##### **Other Remuneration**

In the fiscal year ending on 31 December 2024, COTTO also paid financial remuneration to four executives in the form of contributions to their provident-fund accounts. This part of financial remuneration totaled 2.1 million baht during the year.

##### **Accrued Remuneration or Benefits (if any)**

- None -

#### (3) SSW

##### **Financial Remuneration**

In the fiscal year ending on 31 December 2024, SSW paid 26.5 million baht in financial remuneration to eight executives in the forms of salary, bonus, and others.

##### **Other Remuneration**

In the fiscal year ending on 31 December 2024, SSW paid financial remuneration to eight executives in the form of contributions to their provident-fund accounts. This part of financial remuneration totaled 2.9 million baht during the year.

##### **Accrued Remuneration or Benefits (if any)**

- None -

#### (4) SSI

##### **Financial Remuneration**

In the fiscal year ending on 31 December 2024, SSI paid 26.5 million baht in financial remuneration to eight executives in the forms of salary, bonus, and others.

##### **Other Remuneration**

In the fiscal year ending on 31 December 2024, SSI also paid financial remuneration to eight executives in the form of contributions to their provident-fund accounts. This part of financial remuneration totaled 2.9 million baht during the year.

##### **Accrued Remuneration or Benefits (if any)**

- None -

(5) PRIME

**Financial Remuneration**

In the fiscal year ending on 31 December 2024, PRIME paid 25.2 million baht in financial remuneration to eleven executives in the forms of salary, bonus, and others.

**Other Remuneration**

In the fiscal year ending on 31 December 2024, PRIME also paid financial remuneration to eleven executives in the form of contributions to their provident-fund accounts, social-security accounts and others. This part of financial remuneration totaled 3.0 million baht during the year.

**Accrued Remuneration or Benefits (if any)**

- None -

(6) PT1

**Financial Remuneration**

In the fiscal year ending on 31 December 2024, PT1 paid 13.9 million baht in financial remuneration to seven executives in the forms of salary, bonus, and others.

**Other Remuneration**

In the fiscal year ending on 31 December 2024, PT1 also paid financial remuneration to seven executives in the form of contributions to their provident-fund accounts, social-security accounts and others. This part of financial remuneration totaled 1.5 million baht during the year.

**Accrued Remuneration or Benefits (if any)**

- None -

(7) MSC

**Financial Remuneration**

In the fiscal year ending on 31 December 2024, MSC paid 11.0 million baht in financial remuneration to four executives in the forms of salary, bonus, and others.

**Other Remuneration**

In the fiscal year ending on 31 December 2024, MSC also paid financial remuneration to four executives in the form of contributions to their provident-fund accounts. This part of financial remuneration totaled 1.1 million baht during the year.

**Accrued Remuneration or Benefits (if any)**

- None -

(8) KIA

**Financial Remuneration**

In the fiscal year ending on 31 December 2024, KIA paid 10.8 million baht in financial remuneration to five executives in the forms of salary, bonus, and others.

**Other Remuneration**

In the fiscal year ending on 31 December 2024, KIA also paid financial remuneration to five executives in the form of contributions to their provident-fund accounts. This part of financial remuneration totaled 1.1 million baht.

**Accrued Remuneration or Benefits (if any)**

- None -

## 7.5 Information on Employees

### Workforce Size

As of 31 December 2024, the Company and subsidiaries have had 10,036 employees. Details are as follows:

Field	No. of Employees
	As of December 31, 2024
1. Production & Operation	5,343
2. Marketing & Sales	1,621
3. Maintenance	757
4. Warehouse/Store & Distribution	502
5. Finance & Accounting	248
6. QA	242
7. General Affair	219
8. Research & Development	164
9. Human Resources	128
10. Procurement	118
11. Engineering	114
11. Technology	113
13. Product Development	107
14. Others	360
<b>Total</b>	<b>10,036</b>



Country	No. of Employees
	As of December 31, 2024
1. Thailand	5,451
2. Vietnam	3,029
3. The Philippines	571
4. Indonesia	985
<b>Total</b>	<b>10,036</b>

#### Significant Changes in Workforce Size in the Past Three Years

Between 2022 and 2024, the Company and subsidiaries have adjusted their workforce size as follows:

As of	No. of Employees	Increase/(Decrease)	%
December 31,2024	10,036	(631)	(6.29)
December 31,2023	10,667	(553)	(5.18)
December 31,2022	11,220	(342)	(3.05)

#### Employee Remuneration

In the fiscal year ending on 31 December 2024, the Company and subsidiaries paid 5,195 million baht as employee remuneration in the forms of salary, bonus, contributions to their provident-fund accounts, and others.

#### Provident Funds

Currently, the Company's provident funds have been under the management of:

- Principal Asset Management Company Limited
- SCB Asset Management Company Limited
- Krungthai Asset Management Public Company Limited
- Kasikorn Asset Management Company Limited

#### Significant Labor Dispute in the Past Three Years

- None -

## 7.6 Other Key Information

### 7.6.1 Person Directly Assigned to Control Accounting

Mrs. Voranun Sodanin has served as the director of the Company's Accounting Office through the appointment made at the Board of Directors No. 201 (1/2566), which has taken effect from January 25, 2023. Therefore, she is the person directly assigned to control the Company's accounting and supervise the Company's accounting practices for efficiency and compliance with the Company's regulations, Articles of Association and requirements, as well as accounting standards.

### 7.6.2 Company Secretary

Ms. Karnjane Tamsuk has served as the Company Secretary since her appointment at the Board of Directors' meeting No. 200 (4/2565) on December 1, 2022. The appointment has taken effect from December 1, 2022, with her duties and responsibilities in line with the Articles 89/15 and 89/16 of the Securities Act.

Information and details of the Company Secretary are available in Appendix 1 (Details of Directors, Executives, Controlling Persons, Holder of the Highest Accounting and Financial Position, Person Directly Assigned to Control Accounting, and the Company Secretary).

### 7.6.3 Head of Internal Audit

Mr. Arnon Jamfoong has served as the Head of Internal Audit, holding the position of The Internal Director through his appointment at the Audit and Risk Management Committee Meeting No. 1/2023. The appointment has taken effect from February 16, 2023, whose end of term on May 13, 2024, and appointed Mr. Wasan Sapa-iamjit as the Head of Internal Audit, holding the position of The Internal Director, effective on May 14, 2024. His duties are to assess risks and maintain internal control at business and organizational levels, covering both the Company and its subsidiaries.

Information and details of the Head of Internal Audit are available in Appendix 3 (Details of the Head of Internal Audit and Head of Compliance)

### 7.6.4 Head of Compliance

Mr. Surachai Jindaparakai has served as the Company's representative on the Compliance Working Committee to ensure compliance with the regulations of Siam Cement Public Company Limited, as per Order No. 16/2024, effective January 15 2024. The Committee's responsibilities include overseeing operations to ensure they comply with regulations, laws, and relevant requirements related to the overall operations of the Company and its subsidiaries. Information and details of the Head of Compliance are available in appendix 3 (Details of the Head of Internal Audit and Head of Compliance)

### 7.6.5 Head of Investor Relations and Contact Information

Ms. Supitsara Wasayangkul has served as the Head of Investor Relations from April 1, 2024.

#### *Contact Information*

SCG Decor Public Company Limited  
1 Siam Cement Road, Bang Sue Subdistrict,  
Bang Sue District, Bangkok 10800  
Tel: 02-586-1088  
Email: scgdecor\_ir@scg.com

### 7.6.6 Auditor's Remuneration

#### 7.6.6.1 Audit-Related Remuneration

For the fiscal year ending on December 31, 2023 and 2024, the Company and subsidiaries paid the audit fee of 25.6 million baht and 13.6 million baht respectively to KPMG Phoomchai Audit Company Limited and KPMG Group's overseas-based companies as well as other audit firms in foreign countries.

For the fiscal year ending on December 31, 2023 and 2024, the Company and subsidiaries paid the non-audit fee of 1.0 million baht and 10.2 million baht respectively for tax and other services.

At the annual general meeting of shareholders No. 1 on March 25, 2024, the Company appointed an auditor from KPMG Phoomchai Audit Company Limited as the Company's Auditor for Year 2024 and approved the remuneration of 2,702,000 bath for the services.



08

# 08

## Report on Key Corporate Governance Performance

### 8.1 Summary of the Board of Directors' Performance in the Past Year

The Board of Directors sought to ensure that business operations were fair to stakeholders in accordance with the principles of Good Corporate Governance and the Company's Code of Conduct. It also oversaw the Company's operations to ensure its compliance with laws, objectives, Articles of Associations, and resolutions from the Board of Directors' meetings and shareholders' meetings. In the past year, the Board of Directors conducted corporate governance work that resulted in significant changes and milestones as follows:

#### Corporate Governance Structure and Mechanisms

##### *(1) Structure of the Board of Directors*

In 2024, the Company's Management, the Board of Directors and Sub-committees were restructured to suit the size and scale of its businesses. The restructuring aimed to ensure that they shall be able to efficiently lead and drive the Company towards sustainable business growth based on the principles of good corporate governance. The nomination of directors took into account the qualifications and prohibited characteristics prescribed by applicable laws and the Company's policy on the qualifications and nomination of its directors. Guided by the policy, directors must be specialists with diverse professional skills, knowledge, abilities, experiences, and expertise in fields useful to the Company's business operations. The policy bans discrimination on other grounds including sex, age, race, nationality, and religion.

The Board of Directors, based on a proposal from the Nomination, Remuneration and Corporate Governance Committee, considered and introduced the Board Skills Matrix. Directors had already assessed themselves based on this matrix. The Board Skills Matrix seeks to ensure that persons nominated to the posts of the Company's directors match the Company's business directions, and support the development plans for its directors, Sub-committee members, the Chief Executive Officer and President, paving the way for them to enrich knowledge and skills in line with its businesses and situation. Via development, directors are

expected to understand their roles, duties, the Company's businesses, relevant laws/regulations, economic situation, and technology. In addition, one more female independent director has been appointed, making a total of two, in accordance with the SEC's CG Code.

The Board of Directors now consists of qualified persons. By structure, it also meets the applicable independent director qualification criteria that resonate with the Capital Market Supervisory Board's announcement. The criteria are integrated into the Company's Board of Directors Charter. Currently, the composition of the Board of Directors consisted of 5 independent directors out of a total of 12 directors, accounting for 42%, which is not less than one-third of the total number of directors in accordance with the Capital Market Supervisory Board's applicable announcement. An independent director can stay in his/her position for no more than nine consecutive years since his/her first appointment as an independent director. The Board of Directors must make a reasonable review if there is a plan to extend his/her tenure. The Board of Directors has already appointed the chairman of the independent director who is responsible for determining meeting agendas for the Board of Directors' meetings alongside the chairman of the Board of Directors, the Chief Executive Officer and President, as an assurance to ensure key issues have been included as meeting agendas for the Board of Directors to consider and acknowledge. The chairman of the Independent Director shall also conduct other duties as mentioned in the Chairman of the Independent Director Charter. The chairman of the Board of Directors is not the person holding the posts of the Chief Executive Officer and President. The separate scopes of duties and responsibilities of these position holders have been clearly laid down to maintain the check and balance mechanisms and prevent conflict of interest at the Company.

Regarding remuneration for the Company's board and Sub-committee members, the Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to propose remuneration and payment guidelines that apply to the Board of Directors and Sub-committees. Remuneration shall be commensurate



with duties, responsibilities and qualifications of directors, as well as the Company's operating results so as to provide directors with both long-term and short-term motivations. The rate of remuneration should be the industry rate. The Nomination, Remuneration and Corporate Governance Committee, which is in charge of determining directors' remuneration, is responsible for making the remuneration proposal for the Board of Directors and/or shareholders' meetings to consider and approve.

#### (2) Establishment of Sub-committees

The Board of Directors has established four Sub-committees namely (1) the Audit and Risk Management Committee; (2) the Nomination, Remuneration and Corporate Governance Committee; (3) the Sustainable Development Committee; and (4) the Executive Committee. Additionally, two steering committees have been established namely (1) Risk Management Steering Committee; and (2) Sustainable Development Steering Committee. It has also assigned these committees to oversee corporate governance work in line with the Company's sustainability strategy with the aim to strengthen audit mechanisms and to keep the Board of Directors as well as the management in check.

#### (3) Assigning Corporate Governance Duties to the Management and Relevant Units

The Board of Directors has assigned the Management and relevant units such as the Risk Management Panel, the Audit Office, and the Company Secretary, to carry out corporate governance duties for the consistent and continuous supervision of risk management, adequacy of the internal control system, and integration of work, and provision of support among relevant units.

#### (4) Issuing Charters of Board of Directors/ Sub-committees and Corporate Governance Policy, Guidelines, and System

To ensure the Board of Directors and Sub-committees are aware of their duties and responsibilities, and also be able to perform correctly and completely, the Board of Directors has issued the Board of Directors Charter and the charters of all its Sub-committees. These charters have specified the scope of duties and responsibilities based on the SEC's Corporate Governance Code or CG Code 2017, as well as policies/guidelines under the good corporate governance framework. The Board of Directors has reviewed and updated their content every year to ensure their appropriateness and to match the changing situation.

### **8.1.1 Nomination, Development and Performance Evaluation of Directors**

#### (1) Independent Directors

The Board of Directors has considered candidates for the posts of independent directors based on their qualifications and laws that specify prohibited characteristics. Candidates chosen by the Board of Directors are specialists with proper work experience and other qualities. Their names are submitted to shareholders' meetings for official appointment. The Company has the policy to ensure independent directors account for at least one-third of its Board members and there are at least three independent directors on the Board. In addition, the Company has appointed the chairman of the independent director whose duties and responsibilities are as mentioned in Part 7: Corporate Governance Structure and Key Data on the Board of Directors, Sub-committees, Executives, Employees and Others, Item 7.2.3.3 The Board of Directors Charter has barred independent directors from remaining in the post for more than nine consecutive years since their first appointment as independent directors. If there is a need to extend their tenure, the Board of Directors must make a reasonable review. As of December 31, 2024, none of the Company's independent directors have served for more than 9 years.

The Board of Directors specifies the qualifications of independent directors in the Board of Directors Charter, which are more stringent than the Capital Market Supervisory Board's applicable announcement. Details are listed under Item 6 "Policy and Guidelines on the Board of Directors" The Details of the Board of Directors' Charter are attached in Attachment 5 (A complete Corporate Governance Policy and Practices, and Business Code of Conduct as prepared by the Company)

Additionally, in 2024, none of the Company's 5 Independent Directors have business or professional service relationships exceeding the criteria set by the Capital Market Supervisory Board's Announcement on the approval and permission for the offering of newly issued shares and the qualifications of independent directors.

#### (2) Nomination and Appointment of Directors/ Top Executives

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to prescribe the process and methods for nominating qualified persons as per applicable laws and regulations to the posts of directors and sub-committee members.

The candidates nominated by the committee shall be submitted to the Board of Directors and/or shareholders' meeting for consideration and approval.

The Board of Directors considers the appointments of the Chief Executive Officer and President based on the recommendation of the Nomination, Remuneration and Corporate Governance Committee. This committee is responsible for evaluating the performance of the Chief Executive Officer and President and considering succession plans for the posts of Chief Executive Officer and President and senior executives before forwarding them to the Board of Directors. The appointment of the Board of Directors and top Executives is in accordance with the Company's Policy on Qualifications and Selection of the Board of Directors, and the Succession Plan as stated in Attachment 5.

In addition, at shareholder meetings, shareholders have the right to elect directors according to the criteria and procedures specified in the Company's regulations. Each shareholder has one vote per share and uses the method of voting to select directors individually. Shareholders have the right to nominate individuals to be directors, but the number of directors that can be elected at that meeting cannot be exceeded. Votes cannot be divided, and the chairman of the meeting can cast an additional vote to break a tie and determine the number of directors to be elected at that meeting.

### (3) Development and Performance Evaluation of Directors

The Board of Directors Charter requires the Board to improve directors' work-related knowledge and abilities on a continuous basis via training, courses and seminars that will help them carry out their duties with efficiency or enrich their knowledge. The charter, moreover, stipulates that the Board of Directors must arrange for the Board of Directors' performance evaluation every year. The evaluation must cover three parts: Performance As a Whole; Self-Assessment, and Performance of the chairman of the Board of Directors. Also, the charter requires that the Board of Directors follow up with the performance evaluation results of both the Board of Director and Sub-committees for discussions at its meeting. Pursuant to the charter, the performance evaluation forms for directors and sub-committee members must be reviewed on a regular basis too. Evaluation procedures and results must be included in annual reports.

The Nomination, Remuneration and Corporate Governance Committee Charter requires that the Nomination, Remuneration and Corporate Governance Committee recommend evaluation methods for the Board of Directors' and Sub-committees' performance and review them on an annual basis. The committee also has the duty to monitor and summarize evaluation results, which are then submitted to the Board of Directors to acknowledge. The Board of Directors can use the summary in improving performance and boosting Directors' knowledge and abilities.

### 8.1.2 Meeting Attendance and Remuneration of Directors

Directors' attendance in the Board of Directors' meetings in 2024 (January 1, 2024 to December 31, 2024) is as follows:

#### 8.1.2.1 Board of Directors' Meetings

Director's Name	Meeting (number of meetings attended/ number of meetings invited)			
	Total		In Person	Via Electronic Media
	Meeting	%		
1. Mr. Roongrote Rangsiyopash	7/7	100	7/7	0/7
2. Mr. Wiroat Rattanachaisit	7/7	100	6/7	1/7
3. Mr. Lucksananoi Punkrasamee	7/7	100	7/7	0/7
4. Mr. Nithi Patarachoke	7/7	100	5/7	2/7
5. Mr. Chaovalit Ekabut	7/7	100	6/7	1/7
6. Mr. Pakorn Matrakul	7/7	100	7/7	0/7
7. Mrs. Sirivipa Supantanet	7/7	100	5/7	2/7
8. Mr. Thammasak Sethaudom	7/7	100	6/7	1/7
9. Mr. Giovanni Grossi <sup>(1)</sup>	5/5	100	2/5	3/5
10. Mr. Teeranun Srihong <sup>(1)</sup>	5/5	100	3/5	2/5
11. Mrs. Malinee Panichapong <sup>(1)</sup>	5/5	100	5/5	0/5
12. Mr. Numpol Malichai	7/7	100	7/7	0/7
<b>Total of meetings in 2024</b>			<b>7</b>	
<b>% Meeting Attendance</b>			<b>100</b>	

Note:

<sup>(1)</sup> Appointment as director has taken effect from 25 March 2024.

### 8.1.2.2 Subcommittees' Meetings

Name	Audit and Risk Management Committee	Nomination, Remuneration, and Corporate Governance Committee	Sustainable Development Committee <sup>(2)</sup>	Executive Committee
	5 meetings	5 meetings	2 meetings	8 meetings
1. Mr. Roongrote Rangsiyopash	-	-	-	-
2. Mr. Wiroat Rattanachaisit	-	5/5	2/2	8/8
3. Mr. Lucksananoi Punkrasamee	5/5	-	-	-
4. Mr. Nithi Patarachoke	-	5/5	2/2	2/2
5. Mr. Chaovalit Ekabut	-	5/5	-	-
6. Mr. Pakorn Matrakul	5/5	5/5	-	-
7. Mrs. Sirivipa Supantanet	5/5	-	-	-
8. Mr. Thammasak Sethaudom	-	-	-	8/8
9. Mr. Giovanni Grossi <sup>(1)</sup>	-	-	-	-
10. Mr. Teeranun Srihong <sup>(1)</sup>	-	-	-	-
11. Mrs. Malinee Panichapong <sup>(1)</sup>	-	-	2/2	-
12. Mr. Numpol Malichai	-	-	2/2	8/8
<b>% Meeting Attendance</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note:

<sup>(1)</sup> Appointment as director has taken effect from 25 March 2024.

<sup>(2)</sup> The Sustainable Development Committee has taken effect from 1 August 2024, as resolved by the Board of Directors Meeting.

<sup>(3)</sup> Resignation as member of the Executive Committee has taken effect from 25 March 2024.

In 2024, there was one meeting of the Independent Directors, with 100% attendance of all independent directors, to review and approve the charter of the chairman of the independent directors, to review the qualifications of Independent Directors, and to conduct independent discussions to discuss and provide feedback on various matters. After the meeting, summary of key issues discussed was proposed for the chairman of the Board and the Chief Executive Officer and President's acknowledgement

In addition, there was a meeting among non-executive directors without the management team present, to provide an opportunity for the non-executive directors to express their opinions freely. This meeting was held once on 22 January 2024

### 8.1.2.3 Shareholders' Meeting

Director's Name	Meeting (number of meetings attended/ number of meetings invited)			
	Total		In Person	Via Electronic Media
	Meeting	%		
1. Mr. Roongrote Rangsiyopash	1/1	100	1/1	0/1
2. Mr. Wiroat Rattanachaisit	1/1	100	1/1	0/1
3. Mr. Lucksananoi Punkrasamee	1/1	100	1/1	0/1
4. Mr. Nithi Patarachoke	1/1	100	1/1	0/1
5. Mr. Chaovalit Ekabut	1/1	100	1/1	0/1
6. Mr. Pakorn Matrakul	1/1	100	1/1	0/1
7. Mrs. Sirivipa Supantanet	1/1	100	1/1	0/1
8. Mr. Thammasak Sethaudom	1/1	100	1/1	0/1
9. Mr. Giovanni Grossi <sup>(1)</sup>	0/0	100	0/0	0/0
10. Mr. Teeranun Srihong <sup>(1)</sup>	0/0	100	0/0	0/0
11. Mrs. Malinee Panichapong <sup>(1)</sup>	0/0	100	0/0	0/0
12. Mr. Numpol Malichai	1/1	100	1/1	0/1
<b>Total of meetings in 2024</b>			<b>1</b>	
<b>% Meeting Attendance</b>			<b>100</b>	

Note:

<sup>(1)</sup> Appointment as director has taken effect from 25 March 2024.

#### 1. Remuneration of Directors

##### (1) Financial Remuneration

At the Company's extraordinary general meeting of shareholders No. 1/2024 on 25 March 2024, a resolution was issued to approve monthly and annual remuneration, as well as meeting allowances for the Board of Directors and committees in 2024 as follows:

Board of Directors / Committees	Remuneration (baht/person/month)	Remuneration (baht/person/year)	Meeting Allowances (baht/person/time)
<b>Board of Directors</b>			
- Chairman	90,000	-	-
- Lead independent director	80,000	-	-
- Directors	70,000	-	-

Board of Directors / Committees	Remuneration (baht/person/month)	Remuneration (baht/person/year)	Meeting Allowances (baht/person/time)
<b>Audit and Risk Management Committee</b>			
- Chairman	-	140,000	60,000
- Committee members	-	120,000	40,000
<b>Nomination, Remuneration and Corporate Governance Committee</b>			
- Chairman	-	-	45,000
- Committee members	-	-	30,000
<b>Independent directors</b>			
- Lead independent director	-	-	45,000
- Independent directors	-	-	30,000
<b>Executive Committee</b>			
		-	

The following table shows the financial remuneration for the Company's directors, which includes monthly or annual remuneration as well as meeting allowances.

Remuneration for fiscal year ending on 31 December 2024

Name	Board of Directors		Audit and Risk Management Committee		Nomination, Remuneration and Corporate Governance Committee		Independent Directors	Bonus (baht)	Total (baht)
	Monthly Remuneration (baht)	Meeting Allowances (baht)	Annual Remuneration (baht)	Meeting Allowances (baht)	Annual Remuneration (baht)	Meeting Allowances (baht)	Meeting Allowances (baht)		
1. Mr. Roongrote Rangsiyopash	1,080,000	-	-	-	-	-	-	300,000	1,380,000
2. Mr. Wiroat Rattanachaisit	646,333	-	-	-	-	180,000	-	200,000	1,026,333
3. Mr. Lucksananoi Punkrasamee	960,000	-	140,000	300,000	-	-	45,000	250,000	1,695,000
4. Mr. Chaovalit Ekabut	840,000	-	-	-	-	150,000	-	200,000	1,190,000
5. Mr. Nithi Patarachoke	840,000	-	-	-	-	165,000	-	200,000	1,205,000
6. Mr. Pakorn Matrakul	840,000	-	120,000	200,000	-	150,000	30,000	200,000	1,540,000
7. Mrs. Sirivipa Supantanet	840,000	-	120,000	200,000	-	-	30,000	200,000	1,390,000
8. Mr. Thammasak Sethaudom	646,333	-	-	-	-	-	-	200,000	846,333
9. Mr. Giovanni Grossi <sup>(1)</sup>	644,000	-	-	-	-	-	-	-	644,000
10. Mr. Teeranun Srihong <sup>(1)</sup>	644,000	-	-	-	-	-	30,000	-	674,000
11. Mrs. Malinee Panichapong <sup>(1)</sup>	644,000	-	-	-	-	-	30,000	-	674,000
12. Mr. Numpol Malichai	646,333	-	-	-	-	-	-	200,000	846,333
<b>Total</b>	<b>9,270,999</b>	<b>-</b>	<b>380,000</b>	<b>700,000</b>	<b>-</b>	<b>645,000</b>	<b>165,000</b>	<b>1,950,000</b>	<b>13,110,999</b>

Note:

<sup>(1)</sup> Appointment as director has taken effect from 25 March 2024.

(2) Other Remuneration

- None -

(3) Accrued Remuneration or Benefits

- None -

**1. Remuneration for directors of subsidiaries that are management centers in their respective group of subsidiaries, subsidiaries that operate under such management centers, and subsidiaries that operate core businesses and are not under the management centers**

The Company has operated its core businesses via many subsidiaries due to legal and business reasons. For its operations, the Company therefore established subsidiaries that would serve as the centers of each business group under the Company. By holding a significant number of shares in management-center subsidiaries, the Company has ensured they control subsidiaries in their respective group and handle the latter's key issues. The list of management-center subsidiaries and subsidiaries under their supervision is as follows:

- Ceramic-tile business group in Thailand: The management-center subsidiary is COTTO, which oversees two subsidiaries namely (1) SSC and (2) SCG-Ly Heng
- Bathroom-product business group in Thailand: The management-center subsidiary is SSW, which oversees three subsidiaries namely (1) SSI, (2) SNK and (3) SSF. SSI is the group's significant subsidiary.
- Ceramic-tile business group in Vietnam: The management-center subsidiary is PRIME, which oversees 14 subsidiaries namely (1) PT1, (2) Vinh Phuc, (3) Tien Phong, (4) Yen Binh, (5) Pho Yen, (6) Truong Xuan, (7) Dai Loc, (8) Dai An, (9) Phong Dien, (10) Dai Viet, (11) Thien Phuc, (12) Hao Phu, and (13) Dai Quang (14) V-Ceramic. PT1 is the group's significant subsidiary.
- Subsidiaries that operate core businesses and are not under the management-center subsidiary are MSC and KIA, which conduct ceramic-tile businesses in the Philippines and Indonesia respectively.

Remuneration of their directors is as follows:

(1) COTTO

**Financial remuneration**

At the COTTO's annual general meeting of shareholders 2024, COTTO approved the remuneration for its Board of Directors and committees as follows:

<b>Board of Directors / Committees</b>	<b>Remuneration (baht/person/month)</b>	<b>meeting allowances (baht/person/meeting)</b>	<b>Bonus</b>
<b>Board of Directors</b>			
- Chairman	45,000	-	No more than 1% of dividends paid to shareholders
- Directors	30,000	-	
<b>Audit Committee</b>			
- Chairman	-	60,000	-
- Directors	-	40,000	-
<b>Nomination, Remuneration and Corporate Governance Committee</b>			
- Chairman	-	45,000	-
- Directors	-	30,000	-
<b>Executive Committee</b>		None	

Moreover, the Company's Directors and Sub-Committee Members are exempted from receiving remuneration in cases where they are employees of SCG.

It is proposed that the remuneration for its Board of Directors and committees has taken effect from 1 April 2024, until the shareholders' meeting resolves otherwise.

In 2024, COTTO paid financial remuneration in the amount of 9,446,043 baht to 12 of its directors (resignation as directors of Mrs. Nanthasiri Assakul, Mr. Chaovalit Ekabut, and Mr. Teeranun Srihong have taken effect from 30 May 2023, 23 January 2024, and 23 April 2024, respectively. In this regard, Mr. Sitichai Sukkitprasert was elected as a director replacing Mr. Teeranun Srihong. Mr. Arnut Changtraku and Ms. Warunyu Opanayikul were due to retire by rotation in 2024, no nomination to elect a replacement directors). The financial remuneration covers monthly remuneration, meeting allowances, and bonus.

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -

(2) SSW

**Financial Remuneration**

- None -

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -

(3) SSI

**Financial Remuneration**

- None -

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -

(4) PRIME

**Financial Remuneration**

- None -

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -

(5) PT1

**Financial Remuneration**

- None -

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -

(6) MSC

**Financial Remuneration**

In 2024, MSC paid financial remuneration in the amount of 300,000, Philippine peso and 8,680 US dollar to 11 MSC's directors. The financial remuneration covers monthly remuneration, meeting allowances, and bonus.

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -



(7) KIA

**Financial Remuneration**

At KIA's annual general meeting of shareholders 2024, the payment of remuneration for its Board of Directors and Sub-committees for the June 2024-to-June 2025 period was approved as follows:

	<b>Remuneration Type</b>	<b>Remuneration Amount</b>
Board of Directors (independent directors only)	Meeting Allowances (US dollar/person/time)	500
	Travel Allowances (US dollar/person/day)	120
	Other Expenses	Actual Amount
	Other Welfare	Equivalent to executives' welfare <sup>(1)</sup>
Audit Committee (its chairman only)	Meeting Allowances (US dollar/person/time)	700
	Travel Allowances (US dollar/person/time)	120
	Other Expenses	Actual Amount
	Other Welfare	Equivalent to executives' welfare <sup>(1)</sup>
Audit Committee (Indonesian directors only)	Monthly Remuneration (Indonesian Rupiah/person/month)	4,000,000 – 7,500,000
Executive Committee (independent directors only)	Monthly Remuneration (Indonesian Rupiah/person/month)	4,000,000
	Meeting Allowances (Indonesian Rupiah/person/month)	1,500,000

Note:

<sup>(1)</sup> Travel-related welfare only. It covers air tickets and transfers to / from airports, etc

In 2024, KIA paid financial remuneration in the amount of 199 million Indonesian Rupiah to three of KIA's directors. The financial remuneration covers monthly remuneration, meeting allowances, bonus, and other remuneration.

**Other Remuneration**

- None -

**Accrued Remuneration or Benefits**

- None -

**8.1.3 Supervision of Subsidiaries and Associates**

The Company has laid down the policy to supervise and manage subsidiaries/associates that operate core businesses with aim to create guidelines and mechanisms for the direct and indirect supervision of subsidiaries' / associates' policies and operations. Based on the policy, the Company has prepared measures to properly monitor

the operations of subsidiaries/associates for the efficient protection of the Company's financial investments in a way that increases the confidence of the Company's shareholders. The policy to supervise and manage subsidiaries/associates that operate core businesses covers two parts: (1) Supervision and management of subsidiaries that operate core businesses and are: (a) management centers; (b) are not under the supervision of management centers; and (c) are under the supervision of management centers but have a significant size of businesses or associates that operate core businesses; and (2) Supervision and management of subsidiaries that operate core businesses, are under the supervision of management centers, and whose business size is not significant to the Company. In addition, the Company has formulated process and guidelines on the supervision of subsidiaries/associates that operate core businesses. It has also compiled a director pool for these subsidiaries/

associates. Listed in the pool are qualified persons in terms of knowledge, abilities, and experience as assurances that the Company can efficiently supervise subsidiaries/ associates.

Please find additional information on the policy to supervise and manage subsidiaries/associates that operate core businesses in Part 6: Corporate Governance Policy Item 6.1.1.5 Supervision of Subsidiaries and Associates That Operate Core Businesses

#### **8.1.4 Monitoring of Compliance with Corporate Governance Policy and Guidelines**

##### *(1) Compliance with Corporate Governance Policy and Guidelines*

The Company has operated its businesses with responsibility, transparency and fairness thanks to commitment to its long-held ideal tradition under the framework of ethics and sustainable and balanced happiness. At the Company, the Corporate Governance Policy is a part of business policies. The Nomination, Remuneration and Corporate Governance Committee is responsible for governing the Company's corporate governance through the formulation of policy/guidelines; the monitoring of the Board of Directors' and senior executives' performance to ensure compliance with the corporate governance policy; the evaluation of corporate governance performance; and review of guidelines on an annual basis to ensure their appropriateness in the business context and their compliance with national and international guidelines. The Company has considered corporate governance a key agenda for its Board of Directors' meetings.

##### *(2) Compliance with Policy and Guidelines on Conflict-of-Interest Prevention*

The Company is determined to operate ethical, transparent, fair and accountable businesses. It therefore accords importance to the reviews of transactions that may pose conflict of interest, as well as related and connected transactions. Its shareholding structure is also clear and transparent, without crossholding by major shareholders, thus preventing conflict of interest. The Board of Directors, at its meeting, has also formulated the policy to prevent conflict of interest. Designed to control and prevent conflict of interest, the policy provides directors, executives, and employees with understanding of the issues and the ability

to comply with applicable laws/regulations and the Company's Code of Conduct in its best interests.

##### *(3) Compliance with Insider Trading Policy and Guidelines*

The Company recognizes the importance of inside information management as such information may be abused. Therefore, it has formulated the Insider Trading Policy for the Company's directors, executives, employees and relevant parties to follow. The Insider Trading Policy seeks to prevent the leak of information and bans trading / advance trading of securities. Moreover, the Company requires directors, executives, and holders of executives positions in accounting or financial fields such as division managers or equivalent, employees in units related to inside information, their spouses / common-law partner, and underage children who may have access to non-public data that may affect the share prices of the Company, subsidiaries, associates or any company that is related to that data to not trade the relevant securities until 24 hours have elapsed since the data became public.

##### *(4) Compliance with Anti-Corruption Policy and Guidelines*

The Company always accords importance to anti-corruption. The Board of Directors has already approved the Anti-Corruption Policy, which was initially endorsed by the Audit and Risk Management Committee, the appropriateness of the policy is reviewed regularly to ensure clarity, consistency, and appropriateness for operations as clear guidelines for its business operations. It has integrated anti-corruption into its corporate culture too based on "Commitment to Fairness: Working With Transparency, Honesty, and Accountability and Treating All Relevant Parties with Respect, Sincerity, Friendliness and Fairness". For more information on the anti-corruption policy, please visit [www.scgdecor.com](http://www.scgdecor.com).

As the Company has dedicatedly implemented its Anti-Corruption Policy, As a result, SCG Decor Public Company Limited has been certified as a Certified Company by the Private Sector Collective Action Coalition Against Corruption (CAC) on December 31, 2024.

According to the announcement of the National Anti-Corruption Commission (NACC) on "Guidelines for Establishing Appropriate Internal Control Measures for Legal

Entities to Prevent Bribery of State Officials, Foreign State Officials, and Officials of International Organizations”, the Company has boosted all its employees’ awareness of activities that may be corruption-prone. Analyses have been conducted to identify and assess corruption risks on a regular basis. Corruption risk is considered a part of compliance risks. The CEO and President communicated to all employees through “Message from CEO” and the company’s senior executives have continuously emphasized this issue to show the importance Tone at the top.

In addition, the Company has developed a preventative system against corruption with risk mitigation and control in place. The system has identified persons in charge of each duty, prescribed monitoring measures, and included reviews and evaluation of risk management. Staff at all levels thus have guidelines for corruption prevention. The Audit Office has the duty to evaluate and provide advice on anti-corruption practices, to monitor compliance with the Company’s Code of Conduct, and ensure the implementation of the Anti-Corruption Policy.

In 2024, the Company promoted awareness and understanding of the Anti-Corruption Policy to ensure employees’ strict compliance as follows:

- Review the Company’s Code of Conduct to ensure it is consistent and appropriate for current operations. It is provided in Thai and English and communicated according to the learning plan to employees so that employees at all levels understand the practices and can apply them according to the context of each country.
- The Company distributed the content of the Code of Conduct and communicated with directors, executives and all employees via various platforms such as emails and website, for better understanding of the code, the Anti-Corruption Policy, and guidelines on corruption prevention that match the changing business and regulatory context.
- The Company promoted Responsibility and Accountability Awareness related to risk management and internal control, where anti-corruption is concerned, among staff at all levels, and communicated with them about key case studies to highlight their responsibilities based on the Three Lines Model;
- The Company made all employees aware of actions that might lead to corruption risks, impacts, and damages and prepared “Anti-Corruption Compliance Evaluation Forms” for units with high risks namely project procurement unit, project-sales unit, government-relations unit, and engineering unit, etc. Each form specifies indicators/signs of corruption, and risk mitigation and control measures for work system, operational staff, and supervisors. Following evaluations, each unit can analyze its corruption risks, follow recommended measures, and use evaluation results to plan improvement. The Company also communicated with staff about proper internal control, disciplinary punishments, and the NACC announcement.
- The Company has conducted Ethics e-Testing for staff for ten consecutive years already. The test has three levels to resonate with the scope of duties and responsibilities of test takers. Key content in the test are morality, ideologies, the Code of Conduct, and the Anti-Corruption Policy. In 2024, the Company updated the test and adjusted the number of test questions for professionals in high-risk fields. Added to the test were questions about human rights, environment, health and safety, and the treatment of personal data and assets (PDPA) in line with the Inclusive Green Growth approach. All employees passed the test with full marks in 2024. Analyses were conducted to identify questions that usually got wrong answers from employees so as to communicate these points more with employees for correct understanding. It also communicates to raise awareness through case studies and guidelines through the Company’s internal communication channels, emphasizing three high-risk issues: anti-corruption, gifts and entertainment, and conflicts of interest.
- The Company conducted training on the Code of Conduct and the Anti-Corruption Policy via various programs including orientation session for new employees and Business Concept Development course in hopes of integrating them into corporate culture.

- The Company set up the whistleblowing system to receive complaints about violations of laws, regulations, the Company’s Articles of Association and Code of Conduct. The system includes the process to investigate, monitor, control and resolve the complaints.
- The Company promoted understanding in anti-corruption via IA Letter, which was sent to all employees’ email inbox. It also established a counseling system about the Company’s Code of Conduct and Anti-Corruption Policy via GRC Helpline.
- The Company introduced anti-corruption concepts to suppliers too and in collaboration with them, reviewed the Suppliers Code of Conduct in a bid to tangibly integrate good corporate citizenship into corporate-governance practices for communities, society and the environment at the level far beyond what laws require. The Company also encourages the company’s business partners to join the CAC SME Certification project of the Private Sector Anti-Corruption Coalition of Thailand.

The Audit Office, meanwhile, monitored and evaluated the Company’s corporate governance and compliance with the Code of Conduct as well as the Anti-Corruption Policy. Results were then reported to the Audit and Risk Management Committee at its every meeting. In 2024, no corruption was detected.

#### (5) Whistleblowing

The Board of Directors has already approved the “Whistleblowing Policy” and regularly reviews the appropriateness of the policy to underline its emphasis on good corporate governance. Based on this policy, the Company allows employees and stakeholders to blow the whistle if they notice any violation or irregularity related to its operations. They may lodge complaints about corporate governance, moral or ethical issues, corruption, financial transactions, compliance, and the Anti-Corruption Policy via prescribed channels. Complaints shall be investigated based on “Guidelines on Whistleblowing Policy” with results reported to both the Audit and Risk Management Committee and the Board of Directors. Moreover, the Company provides clear contact information to prospective whistleblowers with process and channels shown on its website.

As assurances that whistleblowers shall be protected, the Company prescribes measures for their protection and remedial actions if they faced unfair treatments such as persecution or intimidation. The Company shall ensure both protection and confidentiality in line with the Whistleblowing Policy. The Audit Office is responsible for protecting whistleblowing information. Access to such information, which is kept separately, requires a password. Only authorized persons have access to the whistleblowing information.

The Company has communicated with employees and stakeholders to ensure their awareness of its whistleblowing system, which is available in Thai, English, Vietnamese, Indonesian, and Cambodian language round-the-clock. Whistleblowers may lodge their complaints verbally or in writing. Complaints can be submitted as letters or emails too. The system offers the following channels:

- Internal channels for the Company’s employees accept complaints, including anonymous complaints, via the Whistleblowing System on Web Intranet that is accessible to all employees. In such cases, whistleblowers can choose the recipient of their complaints from the followings:
  - Their trusted supervisor no matter what level;
  - Chief People Officer
  - Internal Audit Director
  - Company Secretary
  - Director

Complains can be submitted verbally or in writing, by letter or email to any of the above person.

- Outsiders may lodge a complaint via the Whistleblowing System on [www.scgdecor.com](http://www.scgdecor.com). In such cases, outsiders must disclose their name. However, they also have the right to choose their recipient from any of the followings:
  - The Office of the Company Secretary
  - The Audit Office
  - Independent director
  - The Audit and Risk Management Committee

Complaints can also be sent as emails to any of the aforementioned.

Whistleblowers may follow up the progress of their complaint status via the whistleblowing system, which is a key tool in corruption control and prevention.

In 2024, outsiders and employees lodged 6 complaints about non-compliance with laws, the Company’s Anti-Corruption Policy, Corporate Governance Policy, ideals, Code of Conduct, and Suppliers Code of Conduct. Summary was as follows:

1. Investigations into 4 complaints were already completed.

These complaints can be categorized based on the nature of their breach of the Corporate Governance Policy as follows:

- Anti-Corruption Policy                      None
- Trade Competition Policy                      None
- Insider Trading Policy                      None
- Human Rights Policy                      None
- Conflict of Interest                      1 Complaint
- Environmental Policy                      None
- Other Aspects about Code of Conduct                      None
- Articles of Association                      1 Complaint

There have been no complaints regarding the anti-corruption policy, trade competition policy, disputes with competitors, personal data protection policy, or insider trading. Additionally, the Company has not been subjected to any complaints or lawsuits related to human rights violations in the past year.

2. Damages and Punishments
  - Damages with insignificance
  - Punishments
    - Dismissal of employees                      None  
(with/without benefits)
    - Others                      1 person
3. All parties involved have used the complaints to assess risks, determine or improve control points, improve practices, and set preventive measures to make operations and supervision more efficient. The Audit and Risk Management Committee has reviewed such operations, as well as measures and guidelines to prevent corruption that may occur in various systems, including risk assessment and suitability for continuous business operations.

In addition, the Company regularly assesses the risk of corruption and non-compliance with various regulations and the Company’s code of conduct by the first line staff. The the Internal Audit Office is responsible for assessing the effectiveness and efficiency of risk assessment and internal control, and reporting to the Audit and Risk Management Committee. Furthermore, the Company fosters a corporate culture, raising awareness among employees, and continuously encourages exemplary behavior (Role model) by senior management.

**8.2 Report on the Audit and Risk Management Committee’s Performance in the Past Year**

In 2024, the Audit and Risk Management Committee held a total of 5 meetings, with all members attending each meeting. The Audit and Risk Management Committee’s performance report has been disclosed, covering the following matters with details provided in Attachment 6 (Audit and Risk Management Committee Report).

1. Review of financial statements
2. Review of connected transactions, acquisition and disposition transactions, or transactions with potential conflicts of Interest
3. Review of corporate governance
4. Review of risk management assessment system
5. Review of compliance oversight
6. Review of the internal control system
7. Internal audit
8. Review of complaints handling and whistleblowing
9. Consideration of appointment of the Company’s auditor and audit fee for the fiscal year 2025

**8.3 Summary of the Sub-committees’ Performance in the Past Year**

In 2024, the Company disclosed meetings attendance and summary of the performance in the past year of Nomination, Remuneration, and Corporate Governance Committee and Sustainable Development Committee, details as stated in Attachment 7 and Attachment 8, respectively.



09

# 09

## Internal Control and Connected Transactions

### 9.1 Internal Control

#### 9.1.1 The Board of Directors' Opinion on Internal Control System

At the Board of Directors' meeting No. 13 (1/2025) on January 28, 2025, with five independent directors in attendance, three members of whom were members of the Audit and Risk Management Committee, the Board of Directors reviewed the internal control system of the Company and its subsidiaries based on the Securities and Exchange Commission's (SEC) Internal Control System Adequacy Evaluation Form, which adheres to the COSO 2013 (Committee of Sponsoring Organization of Treadway Commission) framework on Control Environment. Five key components of internal control system are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities that are reviewed and resolved to further propose by the Audit and Risk Management Committee. The Board of Directors has the opinion that the internal control system of the Company and its subsidiaries is adequate, appropriate, and free from material deficiencies. The Company and its subsidiaries have also prepared adequate staff to ensure efficient compliance with laws, regulations, policies, Code of Conduct, and guidelines. Control and monitoring systems for the operations of the Company and subsidiaries are adequately in place to prevent directors/executives from abusing or misusing their assets without authority as well as from conducting transactions with persons who may have a potential conflict of interest or related persons.

The Company has inculcated in the management, and employees the commitment to carrying out work with good corporate governance, risk management, compliance, and internal control. Also, it has prepared adequate staff and integrated proper information technology systems so as to ensure the effectiveness and efficiency of the internal control system.

In 2024, the Management promoted the development of tools to keep pace with changing risk factors in order to prepare the preventive system and enhance the internal control system as follows:

#### 1. Creation of Proactive and Preventive System

The Company has expanded its investments in Thailand and overseas. In order for the Company to achieve its goals and sustainable growth, its employees must carry out their work with ethics and morality. Therefore, the Company has promoted ethics and morality among its staff by holding seminars/training. It has also prepared the "Proactive and Preventive System" outlined as follows:

- 1.1 The Company Code of Conduct has been reviewed and revised to be clear and comprehensive content complies with relevant policies, the nationally and internationally recognized principles of good corporate governance as well as current business operations. The Company Code of Conduct has also been made available in both Thai and English, along with the learning and communication plans to ensure staff at all levels understand and properly apply the guidelines within their country's context.
- 1.2 The Company has reviewed and provided employees' ethics via "Ethics e-Testing", which applies to staff at all levels. Ethics e-Testing has been conducted for ten consecutive years already while e-Policy e-Testing has continued for eight consecutive years with the aim to educate employees, raise their awareness of morality, ideals, ethics, anti-corruption policies, and IT regulations, and ensure their application, appropriately and effectively. Test content has also been adjusted for professional fields that are subject to high risks, such as procurement, government relations, sales, and marketing. Employees are required to pass the tests with full marks. Analyses of test results are conducted to determine which question received the highest frequency of wrong answers so that the Company could emphasize such point in its communications with employees. The Company also raises awareness and practices through case studies and internal communications on three high-risk issues which are anti-corruption, gifts and entertainment, and conflicts of interest. Test

questions are reviewed annually to reflect actual risks in changing situations. The tests cover the Code of Conduct, the Anti-corruption Policy, the treatment of Personal Data and Property (PDPA), the Integrated Governance, Risk Management, and Compliance (Integrated GRC), and sustainable corporate development (Inclusive Green Growth).

1.3 Three Lines Model: This internationally recognized model has been used as the framework for all relevant stakeholders namely the Governing Body, management, and the Internal Audit Office. The management, as the First Line, has the most important role to play in the successful execution of the Three Lines Model as it contributes to the adoption of policies, risk evaluation, risk control, monitoring, coordination, as well as information sharing across both the management team and the Internal Audit Office. In addition, the Company has promoted awareness through various forms of activities, such as Communication to staff by the highest First Line staff of the Company or its units, workshops on execution, the management's close supervision of First Line and Second Line staff, and two-way communications with the Governing Body.

1.4 The Company has conducted communications, training and seminars on the "Case Study of Corruption and Non-compliance with the Company's Articles of Association, Policies, and Code of Conduct", precautions, as well as emerging risks associated with working and Digital Technology drive. Case study comes from actual cases inside and outside the Company, paving the way for employees to be more cautious at work and prevent any recurrence of unwanted incidents.

1.5 The Company has reviewed its internal control system in regard to operational functions and information technology system to determine its adequacy and suitability, recommended good practices, and set up the Proactive and Preventive System to reduce risks to its business operations.

1.6 The Company enhances internal control of companies in Vietnam and Indonesia by establishing an online Internal Control Self-Assessment system. The analyzed results have been provided to executives of each company so it can be used to improve their work processes.

1.7 The Company collects significant internal control points according to the COSO 2013 framework of the companies that have been merged and acquired in the past to be used as guidelines for the company's due diligence process.

## **2. Integrated Governance, Risk Management, and Compliance (Integrated GRC)**

The Company has conducted governance, risk management and compliance, and upgrading them into Integrated GRC based on international standards for the purposes of increasing their effectiveness and efficiency, and reducing redundancy. Integrated GRC covers governance, strategy formulation, risk management, and monitoring, including the preparation and communication of various manuals or practices, such as the ESG Guideline on MD Guidebook, etc., to serve as guidelines for the Company's executives and to communicate the operations in accordance with the ESG approach according to the Three Lines Model framework at the same time.

In 2024, there was focusing on using data integration continuously. Information crucial for interunit operations is shared on the same database to ensure continuity and the benefits to the Company's overall operations. Such data integration has contributed to the improvement of the internal control system, greater work-related effectiveness, and better decision-making. Senior executives have communicated with staff to make them aware that GRC is important for sustainable business easy access and convenient learning. GRC Helpline, meanwhile, is accessible via both Intranet and mobile devices so that staff both in Thailand and overseas can seek counseling about governance, risk management, and compliance. In addition, a Risk Assurance Map has been created to review and consider the appropriateness of the roles and responsibilities of those involved in risks according to the Three Lines Model, this assurance map is provided to confirm that operations are efficient and free from redundancy in risk management.



### 3. Compliance

The Company has strictly and continuously implemented the Compliance Policy and Guidelines with Compliance Management System (CMS) as a key mechanism for effectiveness and efficiency. The Company has regularly laid down the knowledge and educated operational staff as the First Line role to prevent the risks from non-compliance. The Compliance units, in the Second Line role, supervise and support the tangible implementation of CMS by offering counseling and setting control guidelines to ensure proper management and prevention of non-compliance. The Company provides a digital system for sending new laws as well as changes in laws, updates to important licensing information (License Overview), and important information on the master law (Law Overview) to operators so that they can act in a consistent, correct, and timely manner.

In 2024, on top of implementing the Antitrust Policy, Insider Trading Policy, and Disclosure Policy, the Company constantly conducts activities to promote the monitoring of important laws, such as the use of digital systems to assess, supervise and manage knowledge (Knowledge Management) in trade competition laws, the preparation of a manual on compliance with the law on renewable energy power generation businesses that compiles information on investment promotion benefits, and the implementation of the CMS system abroad.

### 4. Anti-corruption Practices

The Board of Directors, with its resolution, has approved the Anti-corruption Policy so as to clearly provide definitions and guidelines on how to prevent corruption in every activity of the Company. The policy is reviewed annually for its clarity, adequacy, and appropriateness to the Company's business operations. Communications with employees have been conducted to ensure their awareness of the policy for full implementation. The details of the anti-corruption policy can be found at [www.scgdecor.com](http://www.scgdecor.com).

The Company has been certified by the Private Sector Collective Action Against Corruption in Thailand, with the certification on December 31, 2024. The Company has carried out anti-corruption activities in a concrete way and continuously such as providing anti-corruption governance guidelines based on ISO 19600 standards, ensuring that the Company including its First Line units, with high corruption risks, have systematic guidance and Second Line units as counselors. Based on these guidelines the Internal Audit

Office (Third Line) has the duty to evaluate the effectiveness and efficiency of the Anti-corruption Policy as assurances for the management, the Audit and Risk Management Committee, and the Board of Directors. The Chief Executive Officer and President, in communicating with staff at all levels, have emphasized that staff must strictly comply with the notification of the National Anti-Corruption Commission (NACC). Executives in their management roles (high-level First Line), meanwhile, must evaluate risks and formulate proper measures for communicating, promoting, and implementing the Anti-corruption Policy. The Internal Audit Office has even prepared the Anti-corruption Compliance Checklist for units with high risks so that they can assess and prepare preventative measures. This checklist has also supported auditors' review of the internal control efficiency. Workshops are organized to raise awareness among employees at all levels. In addition, the Company has expanded its anti-corruption efforts to business partners by encouraging them to join the CAC SME Certification program of the Private Sector Collective Action Coalition Against Corruption in Thailand.

### 5. IT Governance, Data, and Network Security

5.1 The Company has appointed its representative to the SCG's IT Governance Work Panel, which is in charge of formulating the Company's e-Policy based on ISO/IEC27001:2022 standard. Also, it has assessed and monitored the policy implementation to uphold IT security. All employees are required to comply with the e-Policy. In 2024, the Company also took the following actions:

1. Add guidelines for practice regarding Data Masking Guidelines.
2. Three operational standards and procedures were adjusted, including 1) Cloud Computing Security Standard, 2) Security Baseline Procedure, and 3) Vulnerability Scan Standard.
3. Conducting rehearsals on how to respond to various stimulated forms of cyberattacks by the Company's guidelines so as to boost preparedness and improve guidelines effectiveness.

5.2 Implement Personal Data Protection systems for overseas companies such as Indonesia and Vietnam to comply with the personal data protection laws of each country and the Company's personal data protection policy.

5.3 The Company promoted and supported the use of Artificial Intelligence (AI) technology, Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and IA Data Lake to enhance the efficiency, accuracy, and timeliness of data analysis, enabling more effective risk identification and management.

5.4 The Company organized seminars on IT Security Awareness and Personal Data Protection to raise awareness of cyber threats and personal data protection.

5.5 The Company required its employees to pass e-Policy e-Testing with full marks so as to ensure that they fully understood and knew how to apply relevant policies.

## **6. Development and Promotion of Data Analytics in Business Governance**

The Company has deployed several information systems to ensure it can fast detect signs of abnormality for timely responses. The Internal Audit Office has compiled reports for other units in the Company using Artificial Intelligence (AI), Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and IA Data Lake to develop the audit tools and handed it to various departments as a tool to analyze, monitor, correct anomalies and determine timely prevention methods.

Examples include a program to prevent transactions with sanctioned companies/individuals, an Active Assurance Platform, a Rule-Based System that alerts about data irregularities based on specified conditions, and an analysis of Wi-Fi activation data to review cybersecurity. In addition, the Internal Audit Office supports auditors in learning digital technology and applying various techniques to conduct Data Analytics through the IA Digital Training Workshop to leverage and enhance potential and skills to keep up with changing technologies, as well as organizing an IA Digital Day activity for auditors to present the application of technology and to promote creativity in auditing.

## **7. Whistleblowing System**

The Board of Directors has approved and revised the Whistleblowing Policy for improved clarity annually and has consistently improved the Whistleblowing System to ensure employees and external stakeholders have access

to the system at all times. Via the system, employees and external stakeholders can lodge complaints about any non-compliance with the good corporate governance principles, the Company's Code of Conduct, rules, regulations, and the Anti-Corruption Policy or any dishonest practices. Employees can lodge complaints verbally or via Intranet portal. External stakeholders, meanwhile, can blow the whistle via [www.scgdecor.com](http://www.scgdecor.com). There are Thai, English, Vietnamese, Indonesian, and Cambodian languages around the clock. They may also submit their complaints in writing via letters or emails. The Company has laid down a clear process about how to respond to a complaint. The process prescribes confidential fact-finding, the establishment of a fact-finding committee and an investigation committee, the approval of punishments, and reporting complaint responses.

Whistleblowers can monitor the progress of response to their complaints via the system, which contributes to ethical business operations and sustainable development. The Internal Audit Office is responsible for maintaining data security, which encrypts the database, stores it separately, and has limited access authorized for relevant persons. The Company also maintains confidentiality and provides protection to complainants in accordance with the Whistleblowing Policy.

### **9.1.2 Internal Control**

In 2024, the Internal Audit Office audited 27 projects based on its risk-based internal audit plan that was approved by the Internal Audit and Risk Management Committee on November 15, 2023. The Internal Audit Office was in charge of assessing the adequacy of the internal control system and monitoring corrections based on recommendations. Also, it had the duty to monitor and determine if internal control system for the Company and its subsidiaries were adequate and efficient in preventing directors/executives from abusing or using their assets without authority, as well as in controlling transactions with persons having potential conflict of interest or a related person. Reports on its work were submitted to the Audit and Risk Management Committee for consideration and approval before submission to the Board of Directors on a quarterly basis. In 2024, audit results were no material deficiencies in the internal control system. The Internal Audit Office also monitored internal control improvements based on its recommendations and found that the management had completed the improvements within the deadline. The Internal Auditor of the Company,

KPMG Phoomchai Audit Company Limited, also reported that there were no material deficiencies that could affect the Company’s financial position.

### 9.1.3 Opinion of the Audit and Risk Management Committee

The Audit and Risk Management Committee’s opinion on the Company’s corporate governance, risk management, operational control and internal control in 2024 was shown in Attachment 6 Report of the Audit and Risk Management Committee.

### 9.1.4 Head of Internal Audit

The Audit and Risk Management Committee resolved to appoint Mr. Arnon Jamfoong as the Head of Internal Audit, holding the position of The Internal Audit Director, whose end of term on May 13, 2024, and appointed Mr. Wasan Sapa-iamjit as the Head of Internal Audit, holding the position of The Internal Audit Director, effective on May 14, 2024, who is primarily responsible for performing

the duties of the Company’s internal auditor, preparing reports and recommendations for the management to improve in accordance with the Company’s internal control and plan.

The Audit and Risk Management Committee considered the qualifications of Mr. Arnon Jamfoong and Mr. Wasan Sapa-iamjit and found that they were sufficiently suitable to perform such duties, as they had the qualifications, educational qualifications, and work experience, and had received appropriate training sufficient to be a supervisor of such operations. The Company has summarized the qualifications, educational qualifications, and work experience of The Internal Audit Director in the details of the Head of Internal Audit in Attachment 3.

The consideration, approval, appointment, appraisal, and removal of The Internal Audit Director must be approved by the Audit and Risk Management Committee.

## 9.2 Related Party Transaction

### 9.2.1 Persons or entities that might have conflict of interest

As of December 31, 2024, Related Party Transactions between the Company or our subsidiaries with other persons or juristic persons that may result in conflict of interest are as follow.

No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
1	The Siam Cement Pubic Company Limited (“SCC”)	Investment Business	<ul style="list-style-type: none"> <li>SCC is a major shareholder holding 73.39 percent shares of the Company</li> </ul>
<b>SCC’s Subsidiary Companies, Associate Companies and Other Companies in Cement-Building Material Business</b>			
2	The Siam Fibre-Cement Co., Ltd.	Investment Business	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
3	Quality Construction Products Public Company Limited	Manufacture and distribution of autoclaved aerated concrete products. Its products include blocks, wall panel and floor panel	<ul style="list-style-type: none"> <li>61.01 percent owned by SCC</li> </ul>
4	CPAC Construction Solution Co., Ltd.	Specialized construction business	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
5	Nexter Living Co., Ltd.	Provide business service	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
6	Nexter Digital and Solution Co., Ltd.	Provide business service	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>

Note:

<sup>1</sup> Relationship with the Company in terms of stake in the Company both directly and indirectly as of December 31, 2024

No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
7	The Siam Cement (Kaeng Khoi) Co., Ltd.	Manufacture of cement, plastering mortar and masonry mortar	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
8	The Siam Cement (Ta Luang) Co., Ltd.	Manufacture of cement, plastering mortar, masonry mortar and white cement	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
9	The Siam Cement (Thung Song) Co., Ltd.	Manufacture of cement, plastering mortar and masonry mortar	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
10	The Siam Cement (Lampang) Co., Ltd.	Manufacture of cement, plastering mortar and masonry mortar	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
11	The Concrete Products and Aggregate Co., Ltd.	Investment business and manufacture of ready-mixed concrete	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
12	Siam Global House Public Company Limited	The company engages in the merchandising of construction and decoration materials and equipment.	<ul style="list-style-type: none"> <li>32.94 percent owned by SCC</li> </ul>
13	Siam Fiberglass Co., Ltd.	Manufacture and distributor of fiberglass insulation and translucent sheets	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
14	Siam Fibre Cement Group Co., Ltd.	Manufacture and distributor of fiber cement roof sheets, wall panels, floors and decorative materials	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
15	The Siam Refractory Industry Co., Ltd.	Manufacture of refractory products	<ul style="list-style-type: none"> <li>100.00 percent owned by SCC</li> </ul>
16	SCG Cement Co., Ltd.	The company engages in investment, providing consultancy in energy conservation, energy generation business and research and development.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
17	SCG Cement-Building Materials Co., Ltd.	The company engages in investment and distribution of cement products and construction materials in Thailand.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
18	SCG Distribution Co., Ltd.	The company engages in investment business.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
19	SCG Roofing Co., Ltd.	The company engages in manufacturing and distribution of concrete and ceramic roof tiles.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>

No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
20	SCG Landscape Co., Ltd.	The company engages in manufacturing and distribution of concrete paving blocks and sheets, concrete fence and concrete wall panels	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
21	SCG International Corporation Co., Ltd.	The company engages in international business	<ul style="list-style-type: none"> <li>99.97 percent owned by SCG</li> </ul>
22	SCG Experience Co., Ltd.	The company operates SCG flagship store and provides consultation.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
23	SCG Home Retail Co., Ltd.	The company provides retail franchising business	<ul style="list-style-type: none"> <li>81.26 percent owned by SCG</li> </ul>
24	SCI Eco Services Co., Ltd.	The company engages in industrial waste disposal service.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
25	SCG Living and Housing Solution Co., Ltd.	Construction materials retailer	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
26	SCG-Sekisui Sales Co., Ltd.	The company engages in logistics business	<ul style="list-style-type: none"> <li>51.00 percent owned by SCG</li> </ul>
27	Sekisui-SCG Industry Co., Ltd.	The company engages in the manufacturing of modular housing	<ul style="list-style-type: none"> <li>49.00 percent owned by SCG</li> </ul>
28	Panel World Co., Ltd.	The company engages in the manufacturing of wood panels and wood products	<ul style="list-style-type: none"> <li>55.00 percent owned by SCG</li> </ul>
29	Cement Thai Gypsum Co., Ltd.	Gypsum products manufacturer	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
30	Saraburirat Co., Ltd.	The company engages in manufacturing of concrete floor tiles.	<ul style="list-style-type: none"> <li>82.61 percent owned by SCG</li> </ul>
31	SCG Building and Living Care Consulting Co., Ltd.	The company engages in organizing engineering related activities and in providing consultation.	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
32	Buu Long Industry and Investment Joint Stock Company	The company engages in manufacturing of white cement.	<ul style="list-style-type: none"> <li>99.20 percent owned by SCG</li> </ul>
33	Cement Thai Ceramics Philippines Holdings, Inc.	The company engages in investment business	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
34	Myanmar CBM Services Co., Ltd.	The company engages in providing business service	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>

No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
35	Prime - Ngoi Viet Joint Stock Company	The company engages in manufacturing ceramics roof tiles	<ul style="list-style-type: none"> <li>99.99 percent owned by SCG</li> </ul>
36	PT Catur Sentosa Adiprana Tbk	The company engages in modern retail business and in distribution of construction materials and home products	<ul style="list-style-type: none"> <li>30.89 percent owned by SCG</li> </ul>
37	PT Kokoh Inti Arebama Tbk.	Construction materials distributor	<ul style="list-style-type: none"> <li>90.62 percent owned by SCG</li> </ul>
38	PT SCG International Indonesia	The company engages in international trade	<ul style="list-style-type: none"> <li>99.97 percent owned by SCG</li> </ul>
39	SCG Home Vietnam Co., Ltd.	Construction materials retailer	<ul style="list-style-type: none"> <li>73.06 percent owned by SCG</li> </ul>
40	SCG International China (Guangzhou) Co., Ltd.	The company engages in international trading	<ul style="list-style-type: none"> <li>99.97 percent owned by SCG</li> </ul>
41	SCG International Hong Kong Limited	The company engages in international trading.	<ul style="list-style-type: none"> <li>99.99 percent owned by SCG</li> </ul>
42	SCG International India Private Limited	The company engages in international trading.	<ul style="list-style-type: none"> <li>99.97 percent owned by SCG</li> </ul>
43	SCG-Boonthavorn (Cambodia) Co., Ltd.	Home decorations and related products store	<ul style="list-style-type: none"> <li>40.80 percent owned by SCG</li> </ul>
44	Mariwasa Holdings, Inc.	Manufacture Ceramic Tiles	<ul style="list-style-type: none"> <li>40.00 percent owned by SCG</li> </ul>
45	Cementhai Ceramics Co., Ltd.	Investment Business	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
46	Noritake SCG Plaster Co., Ltd.	Manufacture of lime and plaster	<ul style="list-style-type: none"> <li>7.34 percent owned by SCG</li> </ul>
47	SCG Marketing Philippines Inc.	Building Materials	<ul style="list-style-type: none"> <li>100.00 percent owned by SCG</li> </ul>
48	SCGJWD Logistics Public Company Limited	Logistics and Supply Chain Services	<ul style="list-style-type: none"> <li>42.89 percent owned by SCG</li> </ul>
49	SCG Logistics Philippines, Inc.	Logistics	<ul style="list-style-type: none"> <li>25.73 percent owned by SCG</li> </ul>
50	SCG International USA Inc.	Services encompassing the wholesale distribution, marketing, and commerce of a wide variety of high quality building materials	<ul style="list-style-type: none"> <li>99.97 percent owned by SCG</li> </ul>
51	SCG International Vietnam Co., Ltd.	Supply Chain Services	<ul style="list-style-type: none"> <li>42.89 percent owned by SCG</li> </ul>
52	SCGJWD Academy Co., Ltd.	Educational Services	<ul style="list-style-type: none"> <li>42.89 percent owned by SCG</li> </ul>
53	Innovate AI Co., Ltd.	Market research and public opinion polling	<ul style="list-style-type: none"> <li>60.80 percent owned by SCG</li> </ul>
54	SCG International Corporation Vietnam Co., Ltd.	Manufacturing and Distributing Industrial Products	<ul style="list-style-type: none"> <li>99.97 percent owned by SCG</li> </ul>

No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
<b>SCC's subsidiary companies, associated companies and other companies that are the member of packaging business group (SCGP)</b>			
55	SCG Packaging Public Company Limited	The company operates as holding company that provides full scale packing solution service	<ul style="list-style-type: none"> <li>72.12 percent owned by SCG</li> </ul>
56	Thai Containers Group Co., Ltd.	Manufacturer of corrugated and fiber packaging products	<ul style="list-style-type: none"> <li>50.48 percent owned by SCG</li> </ul>
57	Thai Containers Rayong Co., Ltd.	Manufacturer and distributor of corrugated and fiber packaging products	<ul style="list-style-type: none"> <li>50.48 percent owned by SCG</li> </ul>
58	Thai Cane Paper Public Company Limited	Manufacturer and distributor of various type of Kraft paper used for making packaging products	<ul style="list-style-type: none"> <li>70.82 percent owned by SCG</li> </ul>
59	Thai Paper Co., Ltd.	Manufacturer and distributor of food packaging products, pulp and paper	<ul style="list-style-type: none"> <li>50.18 percent owned by SCG</li> </ul>
60	Siam Kraft Industry Co., Ltd.	Manufacturer and distributor of kraft paper	<ul style="list-style-type: none"> <li>72.12 percent owned by SCG</li> </ul>
61	SCG Paper Energy Co., Ltd.	Energy and infrastructure	<ul style="list-style-type: none"> <li>72.12 percent owned by SCG</li> </ul>
62	AP Packaging (Hanoi) Co., Ltd.	Manufacturer of corrugated paper containers	<ul style="list-style-type: none"> <li>50.48 percent owned by SCG</li> </ul>
63	SCGP Excellence Training Center Co., Ltd.	Organization of conventions	<ul style="list-style-type: none"> <li>72.12 percent owned by SCG</li> </ul>
64	Orient Containers Co., Ltd.	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	<ul style="list-style-type: none"> <li>50.48 percent owned by SCG</li> </ul>
65	The Siam Forestry Co., Ltd.	Silviculture and other forestry activities	<ul style="list-style-type: none"> <li>50.18 percent owned by SCG</li> </ul>
66	Precision Print Co., Ltd.	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	<ul style="list-style-type: none"> <li>72.12 percent owned by SCG</li> </ul>
67	Tawana Container Co., Ltd.	Manufacture of pulp	<ul style="list-style-type: none"> <li>36.35 percent owned by SCG</li> </ul>
68	PT Indocorr Packaging Cikarang	The company engages in manufacturing and selling corrugated packaging products	<ul style="list-style-type: none"> <li>50.47 percents owned by SCG</li> </ul>

No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
<b>SCC's subsidiary companies, associated companies and other companies in chemicals business (SCGC)</b>			
69	SCG Chemicals Public Company Limited	The company engages in investment business	• 100.00 percent owned by SCG
70	Thai Plastic and Chemicals Public Company Limited	Manufacturer of PVC plastic	• 99.81 percent owned by SCG
71	Rayong Engineering & Plant Service Co., Ltd.	The company engages in providing engineering and plant service	• 100.00 percent owned by SCG
72	Thai Polyethylene Co., Ltd.	Producer of polyethylene resin and polypropylene resin	• 100.00 percent owned by SCG
73	Thai MMA Co., Ltd.	Producer of raw materials for acrylic	• 47.36 percent owned by SCG
74	Texplore Co., Ltd.	Technical solution provider in chemical products	• 100.00 percent owned by SCG
75	Rayong Terminal Co., Ltd.	Operation of harbours and piers (except cargo handling)	• 50.00 percent owned by SCG
76	Nawaplastic Industries Co., Ltd.	Manufacture of finished plastics products	• 99.81 percent owned by SCG
77	Thai MFC Co., Ltd.	Manufacture of plastic tableware, kitchenware and toilet articles	• 45.00 percent owned by SCG
78	Bangkok Synthetics Co., Ltd.	Manufacture of bio-fuel products	• 54.20 percent owned by SCG
<b>SCC's subsidiary companies, associated companies and other companies in other business groups</b>			
79	SCG Legal Counsel Limited	The company provides legal counseling service	• 100.00 percent owned by SCG
80	BIIIC Co., Ltd.	The company operates modern online platform for retail business and others.	• 100.00 percent owned by SCG
81	SCG Learning Excellence Co., Ltd.	The company provides training service.	• 100.00 percent owned by SCG
82	SCG Vietnam Co., Ltd.	The company provides consultation in business management.	• 100.00 percent owned by SCG
83	Siam Kubota Corporation Co., Ltd.	Manufacturer and distributor of agricultural machinery	• 40.00 percent owned by SCG
84	Siam Kubota Metal Technology Co., Ltd.	Manufacturer of cast iron	• 40.00 percent owned by SCG



No.	Persons or Juristic Persons that might have conflict of interest	Type of Business	Relationship with the Company <sup>1</sup>
85	IT One Co., Ltd.	The company operates as technology service provider	• 19.90 percent owned by SCG
86	SCG Cleanergy Co., Ltd.	Total solution provider of technology and innovation and products seller	• 100.00 percent owned by SCG
87	PT SCG Indonesia	Manufacturing and distribution of products including building materials, chemicals, packaging, and cement.	• 100.00 percent owned by SCG
88	The Nawaloha Industry Co., Ltd.	Iron Casting Business	• 5.00 percent owned by SCG
89	A.I. Technology Co., Ltd.	Distributor and Trading sections	• 51.00 percent owned by SCG
90	SCG Bulk One Philippines, Inc.	Digital platform of Construction Businesses	• 18.58 percent owned by SCG
91	BetterBe Marketplace Co., Ltd.	Provide business service	• 50.00 percent owned by SCC
92	SCG Express Co., Ltd.	The company engages in logistics providing business	• 100.00 percent owned by SCG
<b>Transactions with other companies outside the group that have common directors or major shareholders or persons with controlling power</b>			
93	Siam Commercial Bank Public Company Limited	Commercial bank	-
94	Deves Insurance Public Company Limited	Insurance against fire or any other damage	-
95	Mongkhon Chaipattana Company Limited	Wholesale of other food products, not elsewhere classified	-
96	TMBThanachart Bank Public Company Limited	Commercial banks	-
97	Bangchak Corporation Public Company Limited	Manufacture of refinery petroleum products	-
98	Osotspa Public Company Limited	Manufacture of energetic beverage including electrolyte beverage	-
99	Florim Ceramiche S.P.A	Manufacture porcelain products with an innate passion for design, technical innovation and sustainability	-

Companies and Subsidiary Companies that disclose their connected transaction with entities that may have conflict of interest with the Company are as follow.

No.	Company Name	Abbreviation
1	SCG Ceramics Public Company Limited	<i>COTTO</i>
2	Sosuco Ceramic Co., Ltd.	<i>SSC</i>
3	SCG Ceramics – Ly Heng Chhay (Cambodia) Co., Ltd.	<i>Ly Heng</i>
4	SUSUNN Smart Solution Co., Ltd.	<i>SUSUNN</i>
5	Siam Sanitary Ware Co., Ltd.	<i>SSW</i>
6	Siam Sanitary Ware Industry Co., Ltd.	<i>SSI</i>
7	Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	<i>SNK</i>
8	The Siam Sanitary Fittings Co., Ltd.	<i>SSF</i>
9	Prime Group Joint Stock Company	<i>Prime Group</i>
10	Prime - Vinh Phuc Joint Stock Company	<i>Vinh Phuc</i>
11	Prime - Tien Phong Joint Stock Company	<i>Tien Phong</i>
12	Prime - Yen Binh Joint Stock Company	<i>Yen Binh</i>
13	Prime Pho Yen Joint Stock Company	<i>Pho Yen</i>
14	Prime Trading, Import and Export One Member Limited Liability Company	<i>PT1</i>
15	Prime - Truong Xuan Joint Stock Company	<i>Truong Xuan</i>
16	Prime Dai An Joint Stock Company	<i>Dai An</i>
17	Prime Phong Dien Joint Stock Company	<i>Phong Dien</i>
18	Prime - Dai Viet Joint Stock Company	<i>Dai Viet</i>
19	Prime Thien Phuc Joint Stock Company	<i>Thien Phuc</i>
20	Prime Dai Loc Joint Stock Company	<i>Dai Loc</i>
21	Prime Hao Phu Joint Stock Company	<i>Hao Phu</i>
22	Prime Dai Quang Joint Stock Company	<i>Dai Quang</i>
23	Mariwasa-Siam Ceramics, Inc.	<i>MSC</i>
24	PT Keramika Indonesia Assosiasi, Tbk.	<i>KIA</i>
25	PT KIA Keramik Mas	<i>KKM</i>
26	PT KIA Serpilh Mas	<i>KSM</i>

## 9.2.2 Connected Transaction

Connected transaction between SCG Decor Public Company Limited and our subsidiaries with entities that may result in a conflict of interest in the fiscal year ending December 31, 2023 and December 31, 2024 respectively:

Persons/Juristic Persons that may have conflict of interest	Transaction (Million baht)		Necessity and Reason
	In the fiscal year ending December 31, 2023	In the fiscal year ending December 31, 2024	
<b>Income from product sales and service and other incomes</b>			
(1) PT Kokoh Inti Arebama Tbk	1,345.6	1,416.3	Market price is at arm's length basis for non-related person.
(2) Prime Ngoi Viet Joint Stock Company	500.8	376.2	
(3) Siam Global House Public Company Limited	218.9	244.2	
(4) SCG Home Retail Co., Ltd.	416.8	419.0	
(5) SCG Living and Housing Solution Co., Ltd.	3.1	7.0	
(6) SCG Cleanergy Co., Ltd.	145.6	83.4	
(7) SCG Distribution Co., Ltd.	131.9	105.5	
(8) CEMENTHAI Gypsum Co., Ltd.	15.5	5.7	
(9) Siam Commercial Bank Public Company Limited	2.4	6.7	
(10) Osotspa Public Company Limited	9.0	1.9	
(11) Other companies in SCC group and other business groups, as well as other juristic persons that may have other conflict of interest	193.5	175.7	
<b>Purchasing List and Expense</b>			
(1) SCG International Hong Kong Limited	869.1	505.3	Market price is at arm's length basis for non-related person.
(2) SCGJWD Logistics Public Company Limited	672.6	580.5	
(3) SCG International Corporation Co., Ltd.	430.8	299.4	
(4) Prime - Ngoi Viet Joint Stock Company	217.0	191.6	
(5) SCG International India Private Limited	331.9	320.5	
(6) SCG Cement-Building Materials Co., Ltd.	32.5	12.9	
(7) Thai Containers Group Co., Ltd.	177.6	162.5	
(8) The Siam Cement Public Company Limited	190.3	198.7	
(9) Siam Commercial Bank Public Company Limited	8.4	4.2	
(10) Deves Insurance Public Company Limited	14.9	24.4	
(11) Florim Ceramiche S.P.A	-	127.5	
(12) Other companies in SCC group and other business groups, as well as other juristic persons that may have other conflict of interest	288.4	485.2	

Persons/Juristic Persons that may have conflict of interest	Transaction (Million baht)		Necessity and Reason
	In the fiscal year ending December 31, 2023	In the fiscal year ending December 31, 2024	
<b>Asset Leasing</b>			
(1) The Siam Cement Public Company Limited	0.5	1.1	Market price is at arm's length basis for non-related person.
(2) Mariwasa Holding Inc	5.7	6.2	
(3) SCG International Corporation Co., Ltd.	22.3	27.8	
(4) Prime - Ngoi Viet Joint Stock Company	2.1	29.6	
(5) Other companies in SCC group and other business groups, as well as other juristic persons that may have other conflict of interest	-	3.3	
<b>Loan and Lending List</b>			
(1) The Siam Fibre-Cement Co., Ltd.			Interest rate is as determined in the agreement
• Financial Cost	462.0	281.5	
• Balance	13,896.0	6,703.1	
(2) Siam Commercial Bank Public Company Limited			Interest rate is as determined in the agreement
• Financial Cost	-	51.2	
• Balance	-	1,500.0	

### 9.2.3 Policy and procedure of connected transaction approval

The company clearly defines the policy pertaining to the execution of connected transaction. When engaging in the connected transactions, SCG Decor Public Company Limited and our subsidiary companies strictly adhere to Securities and Exchange Act B.E. 2535 (and its amendment) (“Security Act”), Notification of Capital Market Advisory Board Tor Jor 21/2551 pertaining to the Policy for Connected Transaction, dated August 31, 2008 (and its amendment) (“Notification of Capital Market Advisory Board Tor Jor 21/2551”), Notification of The Security and Exchange Commission, Thailand (Bor Jor/Por 22-01) pertaining to the disclosure of information and operation of listed companies with regards to the connected transaction B.E. 2546, dated November 19, 2003 (and its amendment) (Notification of The Security and Exchange Commission Bor Jor / Por 22-01”), laws and regulations and related notifications or orders that enforce the Company to strictly conform to. All of these shall be named “Connected Transaction Policy”. The Company also adopts and implements the connected transaction policy of SCC within its own organization.

The directors, management, persons or entities related to the Company shall be able to conduct business transaction with the Company or the subsidiary companies that falls into the category of (“The Connected Transaction”) only when they receive approval from the Company’s Board meeting. There is also an exception that applies to the case engaging in the connected transactions that possess certain characteristics as defined in Act 89/12 of Security Act (the transaction of which is the result of business agreement conducting in the manner that normal reasonable man would do with his ordinary partners of contract under the same circumstances, with commercial leverage devoid of the influence of the directorship that such person is now holding or of the related persons. The consideration will be done on case by case basis. Such conduct can be defined as (“Business Dealings under Ordinary Business Condition”). It is also business dealings that receive approval from the Board or follow the principles approved by the Company directors and conform to the notification of Capital Market Advisory Tor Jor 21/2551. The details of the Company’s connected transaction are as follow.

## 1) Connected Transaction Policy and Procedure

The Company has defined the policy and procedure of conducting connected transaction as follow.

- (1) In view of connected transactions, the Company uses pricing criteria and business dealings conducting in the manner that reasonable ordinary man would do with his partners of contract under the same circumstances. The term and agreements must be fair, reasonable and provide maximum benefits to the Company.
- (2) In case of the products or services have clear standard price and have various buyers and sellers in the market, the Company should find more information regarding to price and market standard for consideration against the connected transaction.
- (3) In case of specialized products or made-to-order products, price and service comparison, therefore, is somewhat difficult to conduct. The Company must be able to clarify that the gross profit margin that the Company receive from the connected transaction is not different from business transactions conducting with other partners and that the terms and conditions are not different either.
- (4) The Company might reap the benefit of the report conducted by independent evaluator who is in the list of Thai SEC Board and who was appointed by the Company or the subsidiary companies to conduct price comparison for significant connected transaction. This ensure that such price is reasonable and for the maximum benefits of the Company.
- (5) Directors, management, or related persons who might have conflict of interest are able to conduct transaction with the Company or with the subsidiary companies only when such transaction has received approval from the Company's shareholder meeting, with the exception of the transaction of normal business dealing that have ordinary business agreement and of the business dealing that received approval from the directors or conforms to the principles approved by the directors. According to the connected transaction policy, the size of transaction does not necessarily receive approval from the shareholder meeting.
- (6) In the case of the Company conducting transaction or connected transaction that falls into the category of connected transaction, the Company must strictly adhere to the policy and procedure of connected transaction.
- (7) The Company must disclose information pertaining to the transaction that might result in the conflict of interest, connected transactions, or related party transaction as stipulated by The Securities and Exchange Commission, Thailand and The Stock Exchange of Thailand. The Company must disclose such information in 56-1 One Report and Annual Report or other reports per case by case basis. The Company also has to disclose information pertaining to the connected transaction to The Stock Exchange of Thailand as stipulated. The Company must disclose related party transaction in order to conform to accounting standard and principles. Furthermore, the review of connected transaction must be conducted in accordance with audit plan by internal controls division. The result must be reported to Risk Management and Inspection Board who has measure to control, inspect and randomly check the transaction to ensure the correctness and conformity to the contract, policy or term and condition previously defined.

## 2) Criteria for the Consideration of Connected Transaction Conducting Under Normal Business Dealings Condition.

The Company deliberates the circulate letter of The Securities and Exchange Commission, Thailand Kor Lor Tor Jor (Wor) 38/2551 (The recommendation on how to comply with Section 89/12 (1) of Securities Act and other related guidelines, as well as the recommendation for future amendments. Such circulate letter has cited transaction that can be explained as "business agreement that has normal business conditions". For example

- (1) The Company's normal transaction conducted with other partners (who are not directors, management or related persons) – the related products or services have clear and standard characteristics and price. When comparing the transaction between the Company and other partners and that between the Company and directors, management or related person, the price and terms and conditions are not different.
  - (2) The transaction between the Company and directors, management or related persons or entities only – the related products or services have standard characteristics and price with many buyers and sellers in the market. The Company could find information with regards to standard characteristics and price available in the market to compare with the transaction conducted with directors, management and related persons or entities. When comparing the transactions, there are no differences in price, terms and conditions and other agreements.
  - (3) Transaction that the company normally conducts with other partners (who are not directors, management, or related persons or entities) – The related product or service have certain characteristics or can be made-to-order. The pricing comparison, therefore, is somewhat difficult to conduct. However the Company is able to clarify that the gross profit margin that the Company receive from the connected transaction is no different from business transactions conducted with other partners or that the gross profit margin that directors, management, or related persons receive from the connected transaction is no different from that of other partners and have other condition or agreement that are not different from those of related person dealing with ordinary people. These are the price and condition that the Company is able to clarify that business operators in the same market offer this rate to ordinary customers.
- 3) The Consideration of the size of transaction and the conformity to the connected transaction policy**
- (1) For the transaction between the Company or subsidiary companies ordinary customers persons or entities who might have connection with the company, the Company must put the Connected transaction policy into consideration and adhere to the criteria of conducting connected transaction, This includes the disclosure of information to The Stock Exchange of Thailand, the receiving of approval from the Board meeting and/or the shareholder meeting depending on the case by case basis.
  - (2) For the transaction between subsidiary companies operating core business with related persons or entities, the Company must review and treat that transaction of such subsidiary companies in the same manner as the transaction of a similar nature and size that require approval from the Board meeting or the shareholder meeting. This includes comparing it with the size of the Company in accordance with consolidated financial statement (not comparing with the size of subsidiary company conducting such transaction) and submitting such transaction to the Board meeting or the shareholder of Directors for approval depending on the case s.

# 10

## **Report on the Board of Directors’ Responsibilities for Financial Statements 2024**

The Board of Directors of SCG Decor Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company’s external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor’s report

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company’s assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit and Risk Management Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit and Risk Management Committee’s views are reported in its report in the Company’s annual report.

The Board is confident that the internal control system and the internal audit of the SCG Decor Public Company Limited and its subsidiaries represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.



**Mr. Roongrote Rangsiyopash**

Chairman



**Mr. Numpol Malichai**

Chief Executive Officer and President

# 11

## Financial Statements and Key Financial Information



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### Independent auditor's report

#### To the Shareholders of SCG Decor Public Company Limited

##### *Opinion*

I have audited the consolidated financial statements of SCG Decor Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

##### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### *Key Audit Matters*

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





The impairment testing of goodwill	
Refer to Notes 12 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>Business risk arising from internal and external factors causes the management to pay more attention to impairment testing of goodwill arising from business acquisition. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis or whenever an indication of impairment exists. This requires management's judgments and estimates in determining the recoverable amount of cash generating unit, in particular the forecasting of future cash flows from business plan and its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• obtaining understanding of the relevant business plan, the management's identification of cash generating unit, impairment testing procedures and the calculation of the recoverable amount;</li> <li>• evaluating the appropriateness of cash generating unit to which goodwill belongs identified by management, assessing the reasonableness of the key assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates by comparing with market situations and operating environment, industry knowledge and other information obtained during the audit, including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results;</li> <li>• evaluating the appropriateness of the valuation methodology and testing the mathematical accuracy of the recoverable amount and impairment calculations; and</li> <li>• considering the adequacy of the disclosures in accordance with the financial reporting standard.</li> </ul>



Valuation of inventories	
Refer to Notes 3 (d) and 7 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The main inventories of the Group are high competition therefore the selling price is depend on market competition. Moreover, there are some long-outstanding finished goods which may not be sold at the expected selling price. The Group's accounting policy is to set-up allowance for decline in value of inventories at the lower of their cost and net realizable value and review the allowance for decline in value of inventories. Such reviews require high judgment of management level. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• inquiry of management whose responsible for this to understand the Group's policy about the allowance for decline in value of inventories and evaluate the appropriateness of policy.</li> <li>• testing the inventory's aging report by sampling with supporting documents to assess the appropriateness of aging report and testing the calculation of the allowance for decline in value of inventories whether it is in accordance with the Group's policy</li> <li>• sampling transactions after the reporting date to test selling price and cost related to sell with supporting documents and testing the calculation of net realizable value</li> <li>• considering the adequacy of the disclosures in accordance with the financial reporting standard.</li> </ul>



### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Songchai Wongpiriyaporn)  
Certified Public Accountant  
Registration No. 10996

KPMG Phoomchai Audit Ltd.  
Bangkok

11 February 2025

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of financial position

As at 31 December 2024

Assets	<i>Note</i>	2024	2023
<i>(in thousand Baht)</i>			
<b><i>Current assets</i></b>			
Cash and cash equivalents	5	4,203,720	5,203,255
Short-term investment		4,970,565	5,076,025
Trade and other current receivables	4, 6	3,759,514	4,448,511
Inventories	7	7,091,238	7,541,966
Land development for sale		394,284	394,284
Other current assets		107,941	53,527
<b>Total current assets</b>		<b>20,527,262</b>	<b>22,717,568</b>
<b><i>Non-current assets</i></b>			
Investments in associates	8	57,024	75,694
Other non-current receivables		124,358	151,727
Investment property	9	649,581	622,387
Property, plant and equipment	10, 11	12,146,556	11,620,634
Goodwill	12	5,516,840	5,684,040
Other intangible assets	12	128,095	113,228
Deferred tax assets	13	578,899	482,761
Other non-current assets		94,536	182,799
<b>Total non-current assets</b>		<b>19,295,889</b>	<b>18,933,270</b>
<b>Total assets</b>		<b>39,823,151</b>	<b>41,650,838</b>

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

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of financial position

As at 31 December 2024

Liabilities and shareholders' equity	Note	2024	2023
<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>			
Bank overdrafts and short-term borrowings			
from financial institutions	15	6,386,984	337,590
Trade and other current payables	4	3,577,534	3,768,097
Current portion of lease liabilities	4, 15	201,525	161,784
Short-term borrowings	4, 15	6,703,071	13,896,020
Corporate income tax payable		158,917	193,409
Other current liabilities		164,706	92,717
<b>Total current liabilities</b>		<b>17,192,737</b>	<b>18,449,617</b>
<b><i>Non-current liabilities</i></b>			
Lease liabilities	4, 15	578,136	609,238
Deferred tax liabilities	13	205,206	207,950
Non-current provisions for employee benefits	16	1,084,979	1,015,336
Other non-current liabilities		56,204	56,778
<b>Total non-current liabilities</b>		<b>1,924,525</b>	<b>1,889,302</b>
<b>Total liabilities</b>		<b>19,117,262</b>	<b>20,338,919</b>

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

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of financial position

As at 31 December 2024

Liabilities and shareholders' equity	Note	2024	2023
		<i>(in thousand Baht)</i>	
<b>Shareholders' equity</b>			
Share capital	17		
<i>Authorized share capital</i>		<b>16,550,000</b>	<b>16,550,000</b>
<i>Issued and paid share capital</i>		16,500,000	16,500,000
Other surpluses	17	583,727	583,727
Other deficits	1	(5,722,495)	(5,709,310)
Retained earnings			
<i>Appropriated</i>			
Legal reserve	18	360,738	284,182
<i>Unappropriated</i>		11,195,163	10,996,686
Other components of shareholders' equity		(3,787,069)	(2,958,569)
<b>Total equity attributable to owners of the Company</b>		<b>19,130,064</b>	<b>19,696,716</b>
Non-controlling interests		1,575,825	1,615,203
<b>Total shareholders' equity</b>		<b>20,705,889</b>	<b>21,311,919</b>
<b>Total liabilities and shareholders' equity</b>		<b>39,823,151</b>	<b>41,650,838</b>

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

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated income statement

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
Revenue from sales	4	25,563,315	28,312,246
Cost of sales	4	(19,039,537)	(21,633,315)
<b>Gross profit</b>		<b>6,523,778</b>	<b>6,678,931</b>
Other income	20	577,590	628,481
<b>Profit before expenses</b>		<b>7,101,368</b>	<b>7,307,412</b>
Distribution costs	4, 21	(3,462,014)	(3,499,259)
Administrative expenses	4, 22	(2,082,465)	(2,085,051)
Loss from sale of investment in subsidiaries			
from business restructuring	1	-	(248,725)
<b>Total expenses</b>		<b>(5,544,479)</b>	<b>(5,833,035)</b>
<b>Profit from operations</b>		<b>1,556,889</b>	<b>1,474,377</b>
Finance costs		(492,738)	(547,729)
Share of profit of associates			
accounted for using equity method	8	3,632	1,232
<b>Profit before income tax</b>		<b>1,067,783</b>	<b>927,880</b>
Tax expense	24	(249,405)	(453,562)
<b>Profit for the year</b>		<b>818,378</b>	<b>474,318</b>
Profit attributable to			
<b>Owners of the Company</b>		<b>809,882</b>	<b>327,745</b>
Non-controlling interests		8,496	146,573
		<b>818,378</b>	<b>474,318</b>
<b>Basic earnings per share (in Baht)</b>			
<b>Attributable to owners of the Company</b>	25	<b>0.49</b>	<b>0.28</b>

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



## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of comprehensive income

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b>Profit for the year</b>		<b>818,378</b>	<b>474,318</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements		(858,616)	(590,916)
Share of other comprehensive income of associates			
accounted for using equity method	8	8,636	3,302
<b>Total items that will be reclassified subsequently</b>			
<b>to profit or loss</b>		<b>(849,980)</b>	<b>(587,614)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	16	(154,409)	43,334
Share of other comprehensive income of associates			
accounted for using equity method	8	-	4
Income tax relating to items that will not be reclassified			
subsequently to profit or loss	24	30,882	(9,338)
<b>Total items that will not be reclassified subsequently</b>			
<b>to profit or loss</b>		<b>(123,527)</b>	<b>34,000</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(973,507)</b>	<b>(553,614)</b>
<b>Total comprehensive income for the year</b>		<b>(155,129)</b>	<b>(79,296)</b>
Total comprehensive income attributable to			
<b>Owners of the Company</b>		<b>(140,967)</b>	<b>(222,520)</b>
Non-controlling interests		(14,162)	143,224
		<b>(155,129)</b>	<b>(79,296)</b>

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

SCG Decor Public Company Limited and its Subsidiaries  
Consolidated statement of changes in shareholders' equity  
For the year ended 31 December 2024

	Retained earnings		Other components of shareholders' equity						Total shareholders' equity
	Appropriated	Unappropriated	Share of other comprehensive income of associates accounted for using equity method	Exchange differences on translating financial statements (in thousand Baht)	Total other components of shareholders' equity	Equity attributable to owners of the Company	Non-controlling interests		
<b>Balance at 1 January 2023</b>	<b>7,909,000</b>	<b>14,870,120</b>	<b>(11,938)</b>	<b>(2,363,329)</b>	<b>(2,375,267)</b>	<b>15,853,638</b>	<b>2,970,964</b>	<b>18,824,602</b>	
<b>Transactions with owners, recorded directly in shareholders' equity</b>									
<b>Contributions by and distributions to owners</b>									
Issue of ordinary shares	8,591,000	583,627	-	-	-	9,174,627	-	9,174,627	
Increase in other surpluses	-	-	78,908	-	-	78,908	-	78,908	
Dividends	-	(4,080,134)	-	-	-	(4,080,134)	(110,417)	(4,190,551)	
<b>Total contributions by and distributions to owners</b>	<b>8,591,000</b>	<b>(4,080,134)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,173,401</b>	<b>(110,417)</b>	<b>5,062,984</b>	
<b>Changes in ownership interests in subsidiaries</b>									
Changes that do not result in a loss of control	-	-	-	-	-	(1,107,803)	(1,234,043)	(2,341,846)	
Restructuring and business combination	-	-	-	-	-	-	(154,525)	(154,525)	
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,107,803)</b>	<b>(1,388,568)</b>	<b>(2,496,371)</b>	
<b>Total transactions with owners, recorded directly in shareholders' equity</b>	<b>8,591,000</b>	<b>(4,080,134)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,065,598</b>	<b>(1,498,985)</b>	<b>2,566,613</b>	
<b>Comprehensive income for the year</b>									
Profit or loss	-	327,745	-	-	-	327,745	146,573	474,318	
Other comprehensive income	-	33,037	3,302	(586,604)	(583,302)	(550,265)	(3,349)	(553,614)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>360,782</b>	<b>3,302</b>	<b>(586,604)</b>	<b>(583,302)</b>	<b>(222,520)</b>	<b>143,224</b>	<b>(79,296)</b>	
Transfer to legal reserve	-	(154,082)	-	-	-	-	-	-	
<b>Balance at 31 December 2023</b>	<b>16,500,000</b>	<b>10,996,686</b>	<b>(8,636)</b>	<b>(2,949,933)</b>	<b>(2,958,569)</b>	<b>19,696,716</b>	<b>1,615,203</b>	<b>21,311,919</b>	

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

SCG Decor Public Company Limited and its Subsidiaries  
Consolidated statement of changes in shareholders' equity  
For the year ended 31 December 2024

	Retained earnings		Other components of shareholders' equity						Total shareholders' equity
	Appropriated	Unappropriated	Share of other comprehensive income of associates accounted for using equity method	Exchange differences on translating financial statements	Total other components of shareholders' equity	Equity attributable to owners of the Company	Non-controlling interests		
Issued and paid share capital	16,500,000	583,727	284,182	(5,709,310)	8,636	19,696,716	1,615,203	21,311,919	
Balance at 1 January 2024									
Transactions with owners, recorded directly in shareholders' equity									
Contributions by and distributions to owners									
Dividends	-	-	-	-	-	(412,500)	(25,028)	(437,528)	
Total contributions by and distributions to owners	-	-	-	-	-	(412,500)	(25,028)	(437,528)	
Changes in ownership interests in subsidiaries									
Changes from dissolution in subsidiary	-	-	-	(13,185)	-	(13,185)	(188)	(13,373)	
Total changes in ownership interests in subsidiaries	-	-	-	(13,185)	-	(13,185)	(188)	(13,373)	
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	(13,185)	-	(425,685)	(25,216)	(450,901)	
Comprehensive income for the year									
Profit or loss	-	-	-	-	-	809,882	8,496	818,378	
Other comprehensive income	-	-	-	-	8,636	(950,849)	(22,658)	(973,507)	
Total comprehensive income for the year	-	-	-	-	8,636	(828,500)	(14,162)	(155,129)	
Transfer to legal reserve	-	-	76,556	-	-	-	-	-	
Balance at 31 December 2024	16,500,000	583,727	360,738	(5,722,495)	(3,787,069)	19,130,064	1,575,825	20,705,889	

18

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

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of cash flows

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Profit for the year		818,378	474,318
<b><i>Adjustments for</i></b>			
Tax expense		249,405	453,562
Depreciation and amortization		1,573,546	1,539,697
Loss on inventories devaluation (reversal)		(27,610)	47,055
Non-current provisions for employee benefit expense	23	94,323	87,577
Gain on foreign currency exchange		(8,011)	(1,188)
Share of profit of associates accounted for using equity method		(3,632)	(1,232)
Interest income		(340,994)	(378,791)
Finance costs		492,738	547,729
Reversal on impairment of assets		(3,251)	(922)
Loss from sale of investments and others		39,271	253,133
<b>Cash flows generated from operations</b>			
<b>before changes in operating assets and liabilities</b>		<b>2,884,163</b>	<b>3,020,938</b>
<b><i>Decrease in operating assets</i></b>			
Trade and other receivables		430,084	133,638
Inventories		336,567	362,050
Land development for sale		-	35,417
Other assets		1,284	10,290
<b>Net decrease in operating assets</b>		<b>767,935</b>	<b>541,395</b>

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

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of cash flows

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Increase (decrease) in operating liabilities</i></b>			
Trade and other payables		(67,976)	434,681
Non-current provisions for employee benefits		(178,841)	(76,002)
Other liabilities		82,250	(18,398)
<b>Net increase (decrease) in operating liabilities</b>		<b>(164,567)</b>	<b>340,281</b>
<b>Net cash flows generated from operations</b>		<b>3,487,531</b>	<b>3,902,614</b>
Income tax paid		(377,421)	(408,239)
<b>Net cash flows provided by operating activities</b>		<b>3,110,110</b>	<b>3,494,375</b>
<b><i>Cash flows from investing activities</i></b>			
Proceeds from sale of subsidiaries, net of cash disposed of	<i>1</i>	-	245,650
Proceeds from capital return of associate		12,875	-
Proceeds from sale of short-term investment, net		-	120,410
Acquisition of short-term investment, net		(118,948)	-
Proceeds from sale of property, plant and equipment		13,426	49,254
Acquisition of property, plant and equipment and investment property		(2,009,718)	(1,720,002)
Acquisition of intangible assets		(37,446)	(22,359)
Proceeds from repayment of loans, net		-	102,061
Proceeds from dividend of associate		3,240	-
Interest received		406,530	360,053
<b>Net cash flows used in investing activities</b>		<b>(1,730,041)</b>	<b>(864,933)</b>

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

## SCG Decor Public Company Limited and its Subsidiaries

### Consolidated statement of cash flows

For the year ended 31 December 2024

	Note	2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>			
Proceeds from issue of shares, net	17	-	6,833,281
Proceeds from increase in other surpluses		-	78,908
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	1	-	(2,643)
<b><i>Proceeds from (payments of) borrowings</i></b>			
Proceeds from (payments of) bank overdrafts and short-term borrowings, net	14	6,070,119	(163,287)
Decrease in short-term borrowings from related parties, net	14	(7,192,949)	(939,444)
Payments of lease liabilities	14	(268,649)	(281,494)
<b>Net decrease in borrowings</b>		<b>(1,391,479)</b>	<b>(1,384,225)</b>
<b>Dividends Paid</b>			
Dividends paid to owners of the Company	26	(412,465)	(4,080,134)
Dividends paid to non-controlling interests		(24,895)	(110,417)
<b>Total dividends paid</b>		<b>(437,360)</b>	<b>(4,190,551)</b>
Interest and other finance costs paid		(501,133)	(532,653)
<b>Net cash flows provided by (used in) financing activities</b>		<b>(2,329,972)</b>	<b>802,117</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(949,903)</b>	<b>3,431,559</b>
Effect of exchange rate changes on cash and cash equivalents		(49,632)	(44,825)
Cash and cash equivalents at beginning of the year		5,203,255	1,816,521
<b>Cash and cash equivalents at end of the year</b>		<b>4,203,720</b>	<b>5,203,255</b>
<b><i>Supplementary information for cash flows</i></b>			
<b>Non-cash from investing and financing transactions at end of the year</b>			
Account payables from purchase of assets		98,424	136,950
Dividend payables		2,444	2,351
Purchase of non-controlling interests by issuing shares		-	2,341,346

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

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Material accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade receivables
7	Inventories
8	Investments in associates
9	Investment property
10	Property, plant and equipment
11	Leases
12	Goodwill and other intangible assets
13	Deferred tax assets (deferred tax liabilities)
14	Changes in liabilities arising from financing activities
15	Interest-bearing liabilities
16	Non-current provisions for employee benefits
17	Share capital
18	Legal reserve
19	Business segment information
20	Other income
21	Distribution costs
22	Administrative expenses
23	Employee benefit expenses
24	Income tax
25	Basic earnings per share
26	Dividends
27	Financial instruments
28	Commitments and contingent liabilities
29	Capital management
30	Others
31	Events after the reporting period
32	Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

These notes form an integral part of the financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit and risk management committee, as appointed by the Board of Directors of the Company, on 11 February 2025.

**1 General information**

SCG Decor Public Company Limited the “Company”, is incorporated in Thailand. The Group’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800.

The parent and ultimate parent companies were The Siam Fibre-Cement Co., Ltd. and The Siam Cement Public Company Limited, respectively Both are incorporated in Thailand.

The principle activities of the Company and its subsidiaries, the “Group”, covers the production and distribution of ceramic tiles, sanitary ware and other related products including services and solutions. There are two main business segments, namely (1) Decor Surfaces Business and (2) Bathroom Business.

Subsidiaries which included in the consolidated financial statements of the Group are as follows;

Company	Country of establishment	2024	2023
		Direct/Indirect holding (%)	
The Siam Sanitary Fittings Co., Ltd.	Thailand	99.57	99.57
Siam Sanitary Ware Co., Ltd.	Thailand	98.70	98.70
Siam Sanitary Ware Industry Co., Ltd.	Thailand	98.70	98.70
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	98.70	98.70
SCG Ceramics Public Company Limited	Thailand	99.11	99.11
Sosuco Ceramic Co., Ltd.	Thailand	99.11	99.11
SUSUNN Smart Solution Co., Ltd.	Thailand	99.11	99.11
Mariwasa-Siam Ceramics, Inc.	The Philippines	80.07	80.07
SCG Ceramics - Ly Heng Chhay(Cambodia) Co., Ltd.	Cambodia	59.47	59.47
Prime Group Joint Stock Company	Vietnam	100	100
Prime Trading, Import and Export One Member Limited Liability Company	Vietnam	100	100
Prime - Tien Phong Joint Stock Company	Vietnam	100	100
Prime - Vinh Phuc Joint Stock Company	Vietnam	100	100
Ceramic research Institution	Vietnam	100	100
Prime Pho Yen Joint Stock Company	Vietnam	99.99	99.99
Prime - Yen Binh Joint Stock Company	Vietnam	99.99	99.99
Prime - Truong Xuan Joint Stock Company	Vietnam	99.49	99.49
Prime Dai An Joint Stock Company	Vietnam	95	95
Prime - Dai Viet Joint Stock Company	Vietnam	90	90
Prime Thein Phuc Joint Stock Company	Vietnam	90	90
Prime Phong Dien Joint Stock Company	Vietnam	90	90
Prime Dai Loc Joint Stock Company	Vietnam	89.90	89.90
Prime Hao Phu Joint Stock Company	Vietnam	70	70



**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Company	Country of establishment	2024	2023
		Direct/Indirect holding (%)	
Prime Dai Quang Joint Stock Company	Vietnam	56	56
V Ceramic Mekong Delta Limited Liability Company	Vietnam	60	-
PT Keramika Indonesia Assosiasi, Tbk.	Indonesia	92.04	92.04
PT KIA Keramik Mas	Indonesia	91.31	91.31
PT KIA Serpilh Mas	Indonesia	66.54	66.54
SCG Cement-Building Materials Philippines Holding, Inc.	The Philippines	100	100
SCG Roofing Philippines, Inc.	The Philippines	-	100

**Return on investment in subsidiary**

In the 2<sup>nd</sup> quarter 2024, SCG Roofing Philippines, Inc. liquidated and return all capital to the shareholders. The Group received return on capital amount of Baht 1.16 million.

**Establishment of subsidiary**

In the 3<sup>rd</sup> quarter 2024, the Group has established a subsidiary V Ceramic Mekong Delta Limited Liability Company (“V-Ceramic”), with a registered capital of Dong 10,000 million (approximately Baht 13 million). The Group holds 60% of the shares and VAN PHUC TRADING Company Limited, the local partner, holds 40% of the shares in V-Ceramic.

**2 Basis of preparation of the financial statements**

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), which are based on International Financial Reporting Standards (IFRSs) (TFRSs are effective within 1 year after the effective date of IFRSs), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The consolidated financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

***TAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies***

The Group has adopted Disclosure of Accounting Policies - Amendments to TAS 1 since 1 January 2024. The amendments require the disclosure of ‘material’ rather than ‘significant’, accounting policies. The Group has revisited the accounting policy information it has been disclosing and made updates to the information disclosed in note 3 Material accounting policies.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

***TAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to TAS 12 since 1 January 2024. The amendments narrow the scope of the initial recognition exemption by excluding transactions that give rise to equal and offsetting temporary differences - e.g. leases.

Following the amendments, the Group has recognized separately the deferred tax asset in relation to its lease liabilities and the deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offsetting in accordance with TAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized which presented in note 13 Deferred tax assets (deferred tax liabilities).

**3 Material accounting policies**

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

**(a) Basis of consolidation**

The Group applies the acquisition method. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognized as incurred.

**(b) Investments in subsidiaries**

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated on consolidation.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree when there is a change in the Group's interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition or consideration received from disposal is accounted for as other surplus or deficit in shareholders' equity.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

**(c) Investments in associates**

The Group recognized investments in associates using the equity method in the consolidated financial statements. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include dividend income, the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealized gains or losses arising from transactions with and associates are eliminated against the investment to the extent of the Group's interest in the investee.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(d) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

**(e) Land development for sale**

Land development for sale is stated at cost which consists of cost of land, cost of development and direct related project cost less accumulated impairment losses.

**(f) Investment property**

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 20 years
Buildings and structures	10 - 46 years

**(g) Property, plant and equipment**

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 40 years
Buildings and structures	5 - 47 years
Machinery and equipment	3 - 20 years
Vehicles and equipment	3 - 15 years
Furniture, fixtures and office equipment	2 - 20 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(h) Other intangible assets**

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

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Software licenses copyright patent	3 - 20 years
Others intangible assets	2 - 10 years

Amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**(i) Leases**

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurements of lease liability.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of assets.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(j) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group will estimate the assets' recoverable amounts. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

**(k) Employee benefits**

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

*Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurement is recognized in profit or loss in the period in which they arise.

**(l) Revenue from contracts with customers**

*(1) Revenue recognition*

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods and rendering of services*

Revenue from sales of goods is recognized at a point in time when the Group transfers control of the goods to customers, generally on delivery of the goods to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognize revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of the performance obligation or as the serviced are provided. The progress towards complete satisfaction is assessed based on either output or input methods.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

For bundled packages, the Group recognizes revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from the sale of goods which is recognized at a point in time.

*Revenue from industrial estate development*

Revenue is recognized in profit or loss when the right of land has been transferred.

*(2) Contract assets and liabilities*

Contract assets are recognized when the Group has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration that usually occurs when the Group issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

*(m) Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Group has determined that the global minimum top-up tax which it is required to pay under Pillar Two legislation is an income tax in the scope of TAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts for the top-up tax and accounts for it as a current tax when it is incurred.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences and that affects neither accounting nor taxable profit or loss; and differences relating to investments in associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(n) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions.

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

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign exchange differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at fair value through other comprehensive income (FVOCI) and qualifying cash flow hedges to the extent the hedge is effective are recognized in other comprehensive income.

*Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated to Thai Baht at the average rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognized in other comprehensive income, except to extent that the translation difference is allocated to non-controlling interest, accumulated and presented in other components of equity until disposal of the foreign operation.

**(o) Financial instruments**

*Classification and measurement*

Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Group becomes a party to the contractual provisions of the instrument, and measured by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivatives, which are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

# SCG Decor Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2024

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date on which the Group's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

#### *Derivatives*

Derivative are recognized at fair value and remeasured at fair value at the end of each reporting period. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

#### *Hedging accounting*

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

#### *Impairment of financial assets*

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

The Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is the investment grade. The Group recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.



**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

**4 Related parties**

Relationships with related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation /Nationality</b>	<b>Nature of relationships</b>
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
The Siam Fibre-Cement Co., Ltd.	Thailand	Immediate parent company
Noritake SCG Plaster Co., Ltd.	Thailand	An associate of SCG Decor Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Roofing Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Saraburirat Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Fibre Cement Group Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG-Sekisui Sales Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cementthai Gypsum Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Living and Housing Solution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Experience Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG International Corporation Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Home Retail Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Containers Group Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Texplora Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cleanergy Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>Name of entities</b>	<b>Country of incorporation /Nationality</b>	<b>Nature of relationships</b>
Nawaplastic Industries Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Polyethylene Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG-Boonthavorn (Cambodia) Co., Ltd.	Cambodia	A subsidiary of The Siam Cement Public Company Limited
Prime - Ngoi Viet Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
SCG Home Vietnam Co., Ltd.	Vietnam	A subsidiary of The Siam Cement Public Company Limited
PT Kokoh Inti Arebama Tbk.	Indonesia	A subsidiary of The Siam Cement Public Company Limited
PT SCG Indonesia	Indonesia	A subsidiary of The Siam Cement Public Company Limited
SCG Marketing Philippines Inc.	The Philippines	A subsidiary of The Siam Cement Public Company Limited
SCG International Hong Kong Limited	China	A subsidiary of The Siam Cement Public Company Limited
SCG International China (Guangzhou) Co., Ltd.	China	A subsidiary of The Siam Cement Public Company Limited
SCG International India Private Limited	India	A subsidiary of The Siam Cement Public Company Limited
Myanmar CBM Services Co., Ltd.	Myanmar	A subsidiary of The Siam Cement Public Company Limited
Siam Kubota Metal Technology Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Global House Public Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
SCGJWD Logistics Public Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Kubota Corporation Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
PT Catur Sentosa Adiprana Tbk	Indonesia	An associate of The Siam Cement Public Company Limited
Mariwasa Holdings, Inc.	The Philippines	An associate of The Siam Cement Public Company Limited
SCG Logistics Philippines, Inc.	The Philippines	An associate of The Siam Cement Public Company Limited

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Significant transactions with related parties for the years ended 31 December and the pricing policies were summarized as follows:

	2024	2023	Pricing policies
	<i>(in thousand Baht)</i>		
<i>Ultimate parent</i>			
Revenue from sales	303	431	Market price
Other income	3,746	3,902	Market price
Service fee and others	199,821	210,275	Market price
<i>Parent</i>			
Purchases	21,911	10,809	Market price
Interest paid	281,538	462,065	Interest rate according to the agreed contract
<i>Associates</i>			
Revenue from sales	229	1,115	Market price
Other income	50	33	Market price
Purchases	104,370	87,962	Market price
Service fee and others	1,757	18	Market price
<i>Other related parties</i>			
Revenue from sales	2,793,171	2,965,861	Market price
Other income	35,658	33,678	Market price
Purchases	1,717,969	2,331,443	Market price
Service fee and others	773,355	815,927	Market price

Balances as at 31 December with related parties were as follows:

	Note	2024	2023
		<i>(in thousand Baht)</i>	
<i>Trade receivables</i>			
Ultimate parent		117	84
Associates		-	1,011
Other related parties		690,254	636,797
<b>Total</b>	<b>6</b>	<b>690,371</b>	<b>637,892</b>
<i>Other current receivables</i>			
Ultimate parent		16,878	35,048
Associates		5	2
Other related parties		12,418	24,898
<b>Total</b>		<b>29,301</b>	<b>59,948</b>
<i>Other non-current receivables</i>			
Ultimate parent		15,386	48,648
Other related parties		3,308	4,281
<b>Total</b>		<b>18,694</b>	<b>52,929</b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023
	<i>(in thousand Baht)</i>	
<i>Trade payables</i>		
Parent	-	18
Associates	13,803	13,744
Other related parties	346,189	298,636
<b>Total</b>	<b><u>359,992</u></b>	<b><u>312,398</u></b>
<i>Other current payables</i>		
Ultimate parent	64,227	69,003
Parent	5,372	11,065
Other related parties	59,575	51,832
<b>Total</b>	<b><u>129,174</u></b>	<b><u>131,900</u></b>
<i>Short-term borrowings</i>		
Parent	6,703,071	13,896,020
<b>Total</b>	<b><u>6,703,071</u></b>	<b><u>13,896,020</u></b>
<i>Lease liabilities</i>		
<i>current and non-current portion</i>		
Other related parties	144,022	125,843
<b>Total</b>	<b><u>144,022</u></b>	<b><u>125,843</u></b>

***The Board of Directors and key management compensation***

	2024	2023
	<i>(in thousand Baht)</i>	
<b><i>For the years ended 31 December</i></b>		
Short-term employee benefits	55,494	45,634
Post-employment benefits	4,630	4,083
<b>Total</b>	<b><u>60,124</u></b>	<b><u>49,717</u></b>

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Decor Public Company Limited and its subsidiaries under the articles of the Group and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

**5 Cash and cash equivalents**

	2024	2023
	<i>(in thousand Baht)</i>	
Cash on hand and at banks	1,869,931	2,327,324
Highly liquid short-term investments	2,333,789	2,875,931
<b>Total</b>	<b><u>4,203,720</u></b>	<b><u>5,203,255</u></b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**6 Trade receivables**

<i>At 31 December</i>	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b>Related parties</b>			
Within credit terms		646,819	614,639
Overdue:			
Less than 1 month		41,188	22,387
1 - 3 months		2,357	837
Over 3 - 12 months		7	27
Over 12 months		-	2
<b>Total</b>	<b>4</b>	<b>690,371</b>	<b>637,892</b>
<b>Other companies</b>			
Within credit terms		1,739,437	2,210,374
Overdue:			
Less than 1 month		164,378	221,822
1 - 3 months		149,396	121,642
Over 3 - 12 months		144,284	213,127
Over 12 months		77,930	47,881
		<b>2,275,425</b>	<b>2,814,846</b>
<i>Less allowance for expected credit loss</i>		<i>(70,240)</i>	<i>(49,285)</i>
<b>Net</b>		<b>2,205,185</b>	<b>2,765,561</b>
<b>Total</b>		<b>2,895,556</b>	<b>3,403,453</b>

The normal credit term granted by the Group is 30 to 120 days.

	2024	2023
	<i>(in thousand Baht)</i>	
<b><i>Allowance for expected credit loss</i></b>		
At 1 January	49,285	38,813
Addition	27,893	12,175
Reversal	(3,385)	(586)
Currency translation differences	(3,553)	(1,117)
<b>At 31 December</b>	<b>70,240</b>	<b>49,285</b>

As at 31 December 2024, the outstanding overdue amounts of above trade receivables have credit guarantees in amount of Baht 175 million (2023: Baht 102 million).

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**7 Inventories**

	2024	2023
	<i>(in thousand Baht)</i>	
Finished goods	5,036,943	5,310,255
Work in progress	370,289	450,795
Raw materials	1,093,484	1,208,584
Spare parts, store supplies and others	700,335	769,293
Raw materials in transit	262,867	319,832
<b>Total</b>	<b>7,463,918</b>	<b>8,058,759</b>
Less allowance for decline in value	(372,680)	(516,793)
<b>Net</b>	<b>7,091,238</b>	<b>7,541,966</b>
Cost of inventories recognized as an expense in cost of sales	19,111,393	21,664,793
Write-down to net realizable value	119,666	189,842
Reversal of write-down	(191,522)	(221,320)
Cost of inventories recognized as an expense in administrative expenses	(72,257)	(32,637)
Changes in finished goods and work in progress	353,818	209,418
Raw materials and supplies used	5,778,779	6,918,625

**8 Investments in associates**

Movements for the years ended 31 December in investments in associates accounted for using the equity method were as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
At 1 January	75,694	70,969
Share of net profit of investments - equity method	3,632	1,232
Share of other comprehensive income of investment - equity method	8,636	3,302
Dividend income	(3,240)	-
Disposals and return on capital	(28,295)	-
Others	597	191
<b>At 31 December</b>	<b>57,024</b>	<b>75,694</b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Investments in associates as at 31 December and dividends from these investments for the years then ended were as follows:

	Total direct/ indirect holding		Paid-up capital		Cost method		Equity method		Dividend income	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(%)		(in thousand Baht)							
Noritake SCG Plater Co., Ltd. <sup>(1)</sup>	10	10	405,000	405,000	33,616	33,616	57,024	56,839	3,240	-
CMPI Holdings., Inc. <sup>(2)</sup>	-	40	-	54,982	-	17,863	-	18,855	-	-
<b>Total</b>			<b>405,000</b>	<b>459,982</b>	<b>33,616</b>	<b>51,479</b>	<b>57,024</b>	<b>75,694</b>	<b>3,240</b>	<b>-</b>

<sup>(1)</sup> The Group has classified this company as investment in associates in accordance with the shareholder agreement of such company.

<sup>(2)</sup> During 2024, CMPI Holdings., Inc. liquidate and return investment to investor, which book value by equity method is Baht 28.30 million. The Group received cash from investment returned amount of Baht 12.88 million and recognized loss from return on investment in associate amount of Baht 15.42 million.

**9 Investment property**

	Land and land improvement	Buildings and structures	Total
	(in thousand Baht)		
<b>Cost</b>			
At 1 January 2023	601,050	116,454	717,504
Disposal / written off	(165)	-	(165)
Transfer from property, plant and equipment	-	2,005	2,005
Currency translation differences	769	(797)	(28)
<b>At 31 December 2023</b>	<b>601,654</b>	<b>117,662</b>	<b>719,316</b>
Addition	15,212	-	15,212
Transfer in (out)	18,412	(18,412)	-
Transfer from property, plant and equipment	18,033	11,396	29,429
Currency translation differences	(7,433)	5,070	(2,363)
<b>At 31 December 2024</b>	<b>645,878</b>	<b>115,716</b>	<b>761,594</b>
<b>Accumulated depreciation and accumulated impairment losses</b>			
At 1 January 2023	10,709	84,197	94,906
Depreciation charge for the year	230	1,977	2,207
Impairment losses	(86)	-	(86)
Currency translation differences	-	(98)	(98)
<b>At 31 December 2023</b>	<b>10,853</b>	<b>86,076</b>	<b>96,929</b>
Depreciation charge for the year	1,957	2,548	4,505
Transfer in (out)	4,522	(4,522)	-
Transfer from property, plant and equipment	-	6,924	6,924
Currency translation differences	(50)	3,705	3,655
<b>At 31 December 2024</b>	<b>17,282</b>	<b>94,731</b>	<b>112,013</b>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<b>590,801</b>	<b>31,586</b>	<b>622,387</b>
<b>At 31 December 2024</b>	<b>628,596</b>	<b>20,985</b>	<b>649,581</b>

The Group determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2024, the fair value was Baht 1,766 million (2023: Baht 1,778 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is market approach.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**10 Property, plant and equipment**

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicle and equipment <i>(in thousand Baht)</i>	Furniture Fixtures and office equipment	Construction in progress	Total
<b>Cost</b>							
At 1 January 2023	3,477,784	9,009,819	30,432,250	651,508	715,411	1,050,726	45,337,498
Additions	50,637	149,613	653,773	249,712	40,240	908,690	2,052,665
Disposals/written off	(13,154)	(88,175)	(1,705,594)	(197,123)	(74,209)	(411)	(2,078,666)
Decrease from sold of investment in subsidiaries	(40,429)	(69,025)	(384,782)	(10,091)	(144)	(3,146)	(507,617)
Transfer in (out)	9,145	177,658	646,959	740	10,805	(845,307)	-
Transfer to investment property	-	(2,005)	-	-	-	-	(2,005)
Currency translation differences	37,260	(140,195)	8,183	(3,965)	(3,092)	(13,847)	(115,656)
<b>At 31 December 2023</b>	<b>3,521,243</b>	<b>9,037,690</b>	<b>29,650,789</b>	<b>690,781</b>	<b>689,011</b>	<b>1,096,705</b>	<b>44,686,219</b>
Additions	42,876	174,141	606,845	166,211	35,388	1,243,202	2,268,663
Disposals/written off	(22,546)	(8,699)	(468,154)	(169,509)	(23,424)	-	(692,332)
Transfer in (out)	16,617	17,149	116,463	1,692	11,853	(774,055)	(610,281)
Transfer to investment property	(18,033)	(11,396)	-	-	-	-	(29,429)
Currency translation differences	(62,518)	(190,209)	(452,145)	(9,433)	(5,427)	(17,697)	(737,429)
<b>At 31 December 2024</b>	<b>3,477,639</b>	<b>9,018,676</b>	<b>29,453,798</b>	<b>679,742</b>	<b>707,401</b>	<b>1,548,155</b>	<b>44,885,411</b>
<b>Accumulated depreciation and accumulated impairment losses</b>							
At 1 January 2023	510,227	5,986,684	26,441,987	354,122	599,788	9,956	33,902,764
Depreciation charge for the year	53,980	326,656	925,899	157,764	46,552	-	1,510,851
Impairment losses (reversal)	3,285	(8,317)	2,554	-	1,276	-	(1,202)
Disposals/written off	(8,434)	(40,738)	(1,702,758)	(118,569)	(71,070)	-	(1,941,569)
Decrease from sold of investment in subsidiaries	(275)	(41,559)	(286,769)	(2,277)	(24)	-	(330,904)
Currency translation differences	(612)	(79,395)	19,008	(10,329)	(3,083)	56	(74,355)
<b>At 31 December 2023</b>	<b>558,171</b>	<b>6,143,331</b>	<b>25,399,921</b>	<b>380,711</b>	<b>573,439</b>	<b>10,012</b>	<b>33,065,585</b>
Depreciation charge for the year	43,622	337,105	973,577	147,202	46,650	-	1,548,156
Impairment losses (reversal)	(1,418)	(3,892)	-	-	(799)	2,858	(3,251)
Disposals/written off	(22,478)	(8,574)	(457,609)	(159,705)	(23,276)	-	(671,642)
Transfer in (out)	(10,190)	(145,397)	(479,846)	(648)	(5,226)	(9,616)	(650,923)
Transfer to investment property	-	(6,924)	-	-	-	-	(6,924)
Currency translation differences	(4,492)	(118,194)	(404,471)	(10,603)	(3,990)	(396)	(542,146)
<b>At 31 December 2024</b>	<b>563,215</b>	<b>6,197,455</b>	<b>25,031,572</b>	<b>356,957</b>	<b>586,798</b>	<b>2,858</b>	<b>32,738,855</b>
<b>Carrying amount</b>							
<b>At 31 December 2023</b>							
Owned assets	2,789,118	2,709,254	4,083,986	16,051	111,992	1,086,693	10,797,094
Right-of-use assets	173,954	185,105	166,882	294,019	3,580	-	823,540
	<b>2,963,072</b>	<b>2,894,359</b>	<b>4,250,868</b>	<b>310,070</b>	<b>115,572</b>	<b>1,086,693</b>	<b>11,620,634</b>
<b>At 31 December 2024</b>							
Owned assets	2,729,324	2,619,511	4,293,221	13,958	113,440	1,545,297	11,314,751
Right-of-use assets	185,100	201,710	129,005	308,827	7,163	-	831,805
	<b>2,914,424</b>	<b>2,821,221</b>	<b>4,422,226</b>	<b>322,785</b>	<b>120,603</b>	<b>1,545,297</b>	<b>12,146,556</b>

In 2024, the right-of-use assets of the Group has increased amounting to Baht 312 million (2023: Baht 352 million).



**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**11 Leases**

The Group leases land, buildings, vehicles and equipment both in Thailand and overseas. The rental due and rate are as specified in the contract.

<i>For the years ended 31 December</i>	2024	2023
	<i>(in thousand Baht)</i>	
<b>Amounts recognized in profit or loss</b>		
Depreciation of right-of-use assets:		
- Land and land improvements	21,078	19,674
- Buildings and structures	62,126	51,230
- Machinery and equipment	40,701	22,028
- Vehicles and equipment	136,453	150,544
- Furniture, fixtures and office equipment	2,953	1,863
Interest on lease liabilities	45,924	48,917
Expenses relating to short-term leases	71,127	53,988
Expenses relating to leases of low-value assets	18,958	21,202
Variable lease payments	2,353	3,212

**12 Goodwill and other intangible assets**

	Goodwill	Other intangible assets			Total other Intangible assets
		Software licenses	Development cost <i>(in thousand Baht)</i>	Other intangible assets	
<b>Cost</b>					
At 1 January 2023	6,071,387	395,840	28,482	145,824	570,146
Additions	-	8,853	13,808	1,061	23,722
Decrease from sold of investment in subsidiaries	(230,625)	(1,002)	-	-	(1,002)
Disposals/written off	-	(8,630)	(9,853)	(657)	(19,140)
Transfer in (out)	-	10,495	(11,599)	1,104	-
Currency translation differences	(156,722)	(7,222)	279	(1,831)	(8,774)
<b>At 31 December 2023</b>	<b>5,684,040</b>	<b>398,334</b>	<b>21,117</b>	<b>145,501</b>	<b>564,952</b>
Additions	-	5,374	29,093	-	34,467
Disposals/written off	-	(10,057)	-	(337)	(10,394)
Transfer in (out)	-	16,537	(16,537)	-	-
Currency translation differences	(167,200)	591	-	(2,190)	(1,599)
<b>At 31 December 2024</b>	<b>5,516,840</b>	<b>410,779</b>	<b>33,673</b>	<b>142,974</b>	<b>587,426</b>
<b>Accumulated amortization</b>					
At 1 January 2023	-	330,409	-	109,896	440,305
Amortization charge for the year	-	24,387	-	2,257	26,644
Decrease from sold of investment in subsidiaries	-	(960)	-	-	(960)
Disposals/written off	-	(8,593)	-	(506)	(9,099)
Currency translation differences	-	(4,619)	-	(547)	(5,166)
<b>At 31 December 2023</b>	<b>-</b>	<b>340,624</b>	<b>-</b>	<b>111,100</b>	<b>451,724</b>
Amortization charge for the year	-	18,607	-	2,407	21,014
Disposals/written off	-	(10,057)	-	(337)	(10,394)
Currency translation differences	-	(2,277)	-	(736)	(3,013)
<b>At 31 December 2024</b>	<b>-</b>	<b>346,897</b>	<b>-</b>	<b>112,434</b>	<b>459,331</b>
<b>Carrying amount</b>					
At 31 December 2023	5,684,040	57,710	21,117	34,401	113,228
At 31 December 2024	5,516,840	63,882	33,673	30,540	128,095

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
Decor Surfaces Business	3,373,275	3,540,475
Bathroom Business	2,143,565	2,143,565
<b>Total</b>	<b><u>5,516,840</u></b>	<b><u>5,684,040</u></b>

The Group identify the recoverable amount was based on value in use, determined by discounting the future cash flows. The Group determined 5 year cash flows forecasts, terminal values thereafter and discount rates derived from the weighted average cost of capital of the Group, which were based on estimates and judgments of the management and considering historical data from both external and internal sources. The key assumptions used in the estimation of recoverable amount were discount rates, ranging from 6.40% to 7.59% (2023: 6.11% to 7.32%).

**13 Deferred tax assets (deferred tax liabilities)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statement of financial position as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
Deferred tax assets	578,899	482,761
Deferred tax liabilities	(205,206)	(207,950)
<b>Net</b>	<b><u>373,693</u></b>	<b><u>274,811</u></b>

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2023	Credited (charged) to		Decrease from sold investment in subsidiaries	Currency translation differences	At 31 December 2023
		profit or loss	other comprehensive income <i>(Note 24)</i>			
<i>(in thousand Baht)</i>						
<b>Deferred tax assets</b>						
Loss carry forward	116,802	(93,398)	-	-	10	23,414
Trade receivables	2,845	1,092	-	-	(52)	3,885
Inventories	97,808	(718)	-	-	203	97,293
Property, plant and equipment	180,558	(9,355)	-	-	(6,133)	165,070
Provisions for employee benefits	226,837	1,326	(9,338)	(445)	(48)	218,332
Lease liabilities	100,266	6,072	-	-	1,788	108,126
Others	68,442	(1,905)	-	-	1	66,538
<b>Total</b>	<b><u>793,558</u></b>	<b><u>(96,886)</u></b>	<b><u>(9,338)</u></b>	<b><u>(445)</u></b>	<b><u>(4,231)</u></b>	<b><u>682,658</u></b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	At 1 January 2023	Credited (charged) to		Decrease from sold investment in subsidiaries	Currency translation differences	At 31 December 2023
		profit or loss	other comprehensive income			
		(Note 24)				
		(in thousand Baht)				
<b>Deferred tax liabilities</b>						
Property, plant and equipment	(333,416)	20,507	-	-	3,473	(309,436)
Right of use assets	(93,977)	(5,249)	-	486	1,611	(97,129)
Others	(627)	(655)	-	-	-	(1,282)
<b>Total</b>	<b>(428,020)</b>	<b>14,603</b>	<b>-</b>	<b>486</b>	<b>5,084</b>	<b>(407,847)</b>
<b>Net</b>	<b>365,538</b>	<b>(82,283)</b>	<b>(9,338)</b>	<b>41</b>	<b>853</b>	<b>274,811</b>

	At 1 January 2024	Credited (charged) to		Currency translation differences	At 31 December 2024	
		profit or loss	other comprehensive income			
		(Note 24)				
		(in thousand Baht)				
<b>Deferred tax assets</b>						
Loss carry forward	23,414	100,237	-	-	123,651	
Trade receivables	3,885	2,209	-	(262)	5,832	
Inventories	97,293	(20,160)	-	(1,323)	75,810	
Property, plant and equipment	165,070	(18,187)	-	(5,053)	141,830	
Provisions for employee benefits	218,332	3,825	30,882	(1,149)	251,890	
Lease liabilities	108,126	16,831	-	360	125,317	
Others	66,538	(1,061)	-	(5)	65,472	
<b>Total</b>	<b>682,658</b>	<b>83,694</b>	<b>30,882</b>	<b>(7,432)</b>	<b>789,802</b>	

<b>Deferred tax liabilities</b>					
Property, plant and equipment	(309,436)	5,703	-	1,231	(302,502)
Right of use assets	(97,129)	(17,896)	-	4,195	(110,830)
Others	(1,282)	(1,506)	-	11	(2,777)
<b>Total</b>	<b>(407,847)</b>	<b>(13,699)</b>	<b>-</b>	<b>5,437</b>	<b>(416,109)</b>
<b>Net</b>	<b>274,811</b>	<b>69,995</b>	<b>30,882</b>	<b>(1,995)</b>	<b>373,693</b>

The unused tax losses that the Group has not recognized as deferred tax assets were as the following:

	2024	2023
	(in thousand Baht)	
Unused tax losses	650,641	499,306

The unused tax losses on which the Group has not recognized deferred tax assets are the tax losses which have not yet expired under tax legislation and will expire within 2029.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**14 Changes in liabilities arising from financing activities**

Changes in significant liabilities arising from financing activities were as follows:

	Bank overdrafts and short-term borrowings	Lease liabilities <i>(in thousand Baht)</i>	Short-term borrowings	Total
At 1 January 2023	500,444	805,649	14,835,435	16,141,528
Changes from financing cash flows	(163,287)	(281,494)	(939,444)	(1,384,225)
The effect of changes in foreign exchange rates	433	2,419	29	2,881
Other non-cash movement	-	244,448	-	244,448
<b>At 31 December 2023</b>	<b>337,590</b>	<b>771,022</b>	<b>13,896,020</b>	<b>15,004,632</b>
Changes from financing cash flows	6,070,119	(268,649)	(7,192,949)	(1,391,479)
The effect of changes in foreign exchange rates	(20,725)	(25,395)	-	(46,120)
Other non-cash movement	-	302,683	-	302,683
<b>At 31 December 2024</b>	<b>6,386,984</b>	<b>779,661</b>	<b>6,703,071</b>	<b>13,869,716</b>

**15 Interest-bearing liabilities**

	Note	2024	2023
		Unsecured <i>(in thousand Baht)</i>	
<b>Current</b>			
Bank overdrafts and short-term borrowings from financial institutions		6,386,984	337,590
Short-term borrowings from related parties	4	6,703,071	13,896,020
Current portion of lease liabilities		201,525	161,784
		<b>13,291,580</b>	<b>14,395,394</b>
<b>Non-current</b>			
Lease liabilities		578,136	609,238
		<b>578,136</b>	<b>609,238</b>
<b>Total interest-bearing liabilities</b>		<b>13,869,716</b>	<b>15,004,632</b>

In the year 2024, the Group entered into the short-term unsecured borrowing in term of promissory note with several local financial institutions in the amount of Baht 6,000 million with fixed interest rate ranging from 2.30% - 2.36% per annum and will be repaid within 2 months and on call (2023: Nil).

As at 31 December 2024, the Group has overdraft lines with several banks in amount of approximately Baht 2,495 million (2023 : Baht 641 million).

In 2024, the average interest rates of short-term borrowings are 0.84% to 6.35% per annum (2023: 3.25% to 6.14% per annum).

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**16 Non-current provisions for employee benefits**

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

*Non-current provisions for employee benefits in the consolidated statement of financial position as at 31 December*

	2024	2023
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Legal severance payment plan	1,120,707	1,063,006
Other long-term employee benefits	37,069	26,390
<b>Non-current provisions for defined benefit plans</b>	<b>1,157,776</b>	<b>1,089,396</b>
Other employee benefits	142	398
<b>Total</b>	<b>1,157,918</b>	<b>1,089,794</b>
<i>Less plan assets of foreign subsidiaries</i>	<i>(72,939)</i>	<i>(74,458)</i>
<b>Total non-current provisions for employee benefits - net</b>	<b>1,084,979</b>	<b>1,015,336</b>

*Movement in the present value of the non-current provisions for defined benefit plans*

	2024	2023
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	1,089,396	1,128,175
<b><i>Included in profit or loss</i></b>		
Current service costs	55,319	56,176
Interest on obligation	28,999	26,258
Transfers from related parties	94	3,300
Actuarial losses	9,911	1,843
	<b>94,323</b>	<b>87,577</b>
<b><i>Included in other comprehensive income</i></b>		
Actuarial losses (gains)	154,409	(43,334)
Currency translation differences	(10,601)	(1,367)
	<b>143,808</b>	<b>(44,701)</b>
<b><i>Others</i></b>		
Benefits paid	(184,629)	(87,820)
Others	14,878	6,165
	<b>(169,751)</b>	<b>(81,655)</b>
<b>As at 31 December</b>	<b>1,157,776</b>	<b>1,089,396</b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2024	2023
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	(128)	487
Financial assumptions	63,440	(53,174)
Experience adjustment	91,097	9,353
<b>Total</b>	<b>154,409</b>	<b>(43,334)</b>

**Actuarial assumptions**

*Principal actuarial assumptions as of the end of the reporting period*

	2024	2023
	<i>(%)</i>	
Discount rate *		
- Thailand	2.34 - 2.83	3.00 - 3.60
- Vietnam	2.81	3.17
- Indonesia	6.71 - 7.24	6.71 - 7.24
- The Philippines	6.04	6.04
Salary increase rate	0.50 - 6.08	0.50 - 6.00
Employee turnover rate **	3.00 - 23.00	3.00 - 22.00
Mortality rate ***	50.00 of TMO2017	50.00 of TMO2017

\* Market yields on government's bonds for legal severance payments plan

\*\* Upon the length of service

\*\*\* Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2024, the Group has the weighted-average duration for payment of long-term employee benefits approximately 6 to 19 years. (2023: 6 to 19 years).

**Sensitivity analysis**

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plan by the amounts shown below.

**Effect on the non-current provisions for defined benefit plans at 31 December**

	Increase (decrease)	
	2024	2023
	<i>(in thousand Baht)</i>	
Discount rate		
0.5% increase	(38,271)	(34,121)
0.5% decrease	40,835	36,370
Salary increase rate		
1.0% increase	82,684	74,010
1.0% decrease	(74,116)	(66,420)
Employee turnover rate		
10.0% increase	(30,555)	(27,881)
10.0% decrease	31,970	29,168

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**17 Share capital**

	Par value (in Baht)	2024		2023	
		Number of shares	Amount (in thousand shares / thousand Baht)	Number of shares	Amount
<b>Authorized</b>					
At 1 January					
- Ordinary shares	100	-	-	79,090	7,909,000
- Ordinary shares	10	1,655,000	16,550,000	-	-
Issue of new shares					
- Ordinary shares	100	-	-	42,000	4,200,000
Change in par value	100	-	-	(121,090)	-
Reduction in par value as a result of the stock split					
- From Baht 100 per share to Baht 10 per share	10	-	-	1,210,900	-
Issue of new shares					
- Ordinary shares	10	-	-	444,100	4,441,000
<b>At 31 December</b>					
<b>- Ordinary shares</b>	<b>10</b>	<b>1,655,000</b>	<b>16,550,000</b>	<b>1,655,000</b>	<b>16,550,000</b>
<b>Issued and paid-up</b>					
At 1 January					
- Ordinary shares	100	-	-	79,090	7,909,000
- Ordinary shares	10	1,650,000	16,500,000	-	-
Issue of new shares					
- 1 <sup>st</sup> 80% paid-up	100	-	-	42,000	3,360,000
- 2 <sup>nd</sup> 20% paid-up	100	-	-	42,000	840,000
Change in par value	100	-	-	(121,090)	-
Reduction in par value as a result of the stock split					
- From Baht 100 per share to Baht 10 per share	10	-	-	1,210,900	-
Issue new shares for IPO	10	-	-	439,100	4,391,000
<b>At 31 December</b>					
<b>- Ordinary shares</b>	<b>10</b>	<b>1,650,000</b>	<b>16,500,000</b>	<b>1,650,000</b>	<b>16,500,000</b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

***Issue ordinary shares***

At the extraordinary shareholders' meeting held on 10 February 2023, the shareholders passed their resolutions to increase authorized share capital from Baht 7,909 million (79.09 million ordinary shares at Baht 100 par value each) to Baht 12,109 million (121.09 million ordinary shares at Baht 100 par value each) increase amounting to Baht 4,200 million (42 million ordinary shares at Baht 100 par value each) The Company registered the capital increase with the Ministry of Commerce on 17 February 2023. First calling for additional paid-up ordinary shares at Baht 80 par value each amounting to Baht 3,360 million which paid up on 10 February 2023. Second calling for additional paid-up ordinary shares at Baht 20 par value each amounting to Baht 840 million which paid on 29 May 2023.

At the extraordinary shareholders' meeting held on 2 June 2023, the shareholders approved the following resolutions;

- a) Becoming a public limited company, in accordance with the regulations in the Public Limited Companies ACT B.E. 2535, as amended.
- b) The par value of the company's shares was changed from Baht 100 per share with a total of 121 million shares to Baht 10 per share with a total of 1,211 million shares resulting the number of share capital increased by 1,090 million ordinary shares. The change in par value of the Company's share did not cause any change to the Company's authorized share capital.
- c) The authorized share capital of the company was increased from Baht 12,109 million to Baht 16,550 million by issuing 444 million ordinary shares with a par value of Baht 10 per share for initial public offering when the Company is granted permission by the office of the Securities and Exchange Commission.

The Company registered the changes as mentioned above with the Ministry of Commerce on 7 June 2023.

***Initial public offering***

During 1 November - 13 December 2023, The Company offered 439.10 million newly issued ordinary shares for IPO with a par value of Baht 10 per share which consists of;

- (1) The offering of 121.55 million newly issued ordinary shares in the IPO and
- (2) The allocation of 113.95 million newly issued ordinary shares to the existing shareholders of COTTO (Excluding SCGD) and SCC (Pre-emptive Right).
- (3) The allocation of 203.60 million newly issued ordinary shares to the shareholders of COTTO who accepted the tender offer for securities. The swap rate of 4.7917 COTTO ordinary shares (at 2.40 Baht per share) per 1 share of the Company's newly issued capital (at 11.50 Baht per share) amounting to Baht 5,049.65 million for initial public offering ordinary shares to the public. The shares of the Company began trading on the Stock Exchange of Thailand on 20 December 2023 and the share of COTTO was delisted from the Stock Exchange of Thailand on the same date.

Expenses directly attributable to the IPO of Baht 75 million were deducted from the IPO's share premium, which was received from shares offering to investors as at 31 December 2023, resulted in net share premium of Baht 584 million.



**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Share premium*

Share premium represents share subscription monies or consideration received in excess of the par value of the shares issued. Share premium is not available for dividend distribution.

**18 Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

**19 Business segment information**

Segment information is presented in respect of the Group’s business segments, based on the Group’s management and internal financial reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

*Business segments*

The Group comprises the following main business segments:

*Decor Surfaces Business* Decor Surfaces Business consists of production and distribution of quality ceramic floor and wall tiles, and other surfaces in domestic and international market. The Company has OEM products and source ceramic tiles from external manufacturers to serves the demand including other business related to decor surfaces such as adhesive and grout products.

*Bathroom Business* Bathroom Business consists of production and distribution of sanitary ware and fittings in Thailand, and export sanitary ware to international market. The company has OEM products and source sanitary ware from external manufacturers to serves the demand.

*Others* Consists of (1) Industrial Estate Business (2) Solar Energy Equipment and Installation Business (3) Holding Company.

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The group evaluates operating performance based on gross profit of each business segment, in which management has been assigned the authority to operate. The Board of Directors believes that the gross profit is an appropriate indicator to measure financial performance of each business segments, and also is consistent with other business in the same industry.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Information relating to business segments for years ended 31 December was as follows:

	Decor Surface Business		Bathroom Business		Others		Intersegment Elimination		Consolidated	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(in thousand Baht)</i>									
<b>Information from statements of financial position</b>										
Current assets	14,181,212	16,617,461	2,419,936	2,444,198	3,960,270	3,683,352	(34,156)	(27,443)	20,527,262	22,717,568
Non-current assets	13,212,772	12,924,992	4,952,225	5,070,147	1,159,270	986,523	(28,378)	(48,392)	19,295,889	18,933,270
<b>Total assets</b>	<b>27,393,984</b>	<b>29,542,453</b>	<b>7,372,161</b>	<b>7,514,345</b>	<b>5,119,540</b>	<b>4,669,875</b>	<b>(62,534)</b>	<b>(75,835)</b>	<b>39,823,151</b>	<b>41,650,838</b>
Liabilities	4,809,622	4,665,996	1,211,747	1,266,752	13,111,542	14,417,476	(15,649)	(11,305)	19,117,262	20,338,919
Shareholders' equity									20,705,889	21,311,919
<b>Total liabilities and shareholders' equity</b>									<b>39,823,151</b>	<b>41,650,838</b>
<b>Additional information</b>										
Increasing in non-current assets	1,732,393	1,450,450	199,119	420,647	111,579	205,290	-	-	2,043,091	2,076,387

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	Decor Surface Business		Bathroom Business		Others		Intersegment Elimination		Consolidated	
	1 Jan - 31 Dec		1 Jan - 31 Dec		1 Jan - 31 Dec		1 Jan - 31 Dec		1 Jan - 31 Dec	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(in thousand Baht)</i>									
<b>Information from income statements</b>										
Revenue from sales										
External customers	19,614,794	21,409,481	5,485,219	5,623,080	463,302	1,279,685	-	-	25,563,315	28,312,246
Intersegment	521,722	502,493	230,774	120,727	19,457	112,301	(771,953)	(735,521)	-	-
Total revenue from sales	20,136,516	21,911,974	5,715,993	5,743,807	482,759	1,391,986	(771,953)	(735,521)	25,563,315	28,312,246
Cost of sales	(15,358,832)	(17,217,116)	(4,119,666)	(4,057,681)	(307,752)	(1,107,822)	746,713	749,304	(19,039,537)	(21,633,315)
Gross profit	4,777,684	4,694,858	1,596,327	1,686,126	175,007	284,164	(25,240)	13,783	6,523,778	6,678,931
Interest income	281,350	383,303	53	45	145,096	61,500	(85,505)	(66,057)	340,994	378,791
Finance cost	(80,217)	(84,969)	(76,626)	(59,828)	(421,459)	(469,098)	85,564	66,166	(492,738)	(547,729)
Depreciation and amortization	1,254,253	1,243,420	274,531	242,964	8,072	8,770	36,690	44,543	1,573,546	1,539,697
Share of profit of associates										
accounted for using equity method	-	-	-	-	3,632	1,232	-	-	3,632	1,232
Tax income (expense)	(273,275)	(276,878)	(41,029)	(54,772)	64,899	(121,912)	-	-	(249,405)	(453,562)
<b>Profit for the period</b>									<b>818,378</b>	<b>474,318</b>
Profit attributable to										
<b>Owners of the Company</b>									<b>809,882</b>	<b>327,745</b>
Non-controlling interests									8,496	146,573
									818,378	474,318

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

***Geographical segment***

The Group has expanded its investment and operation in foreign countries. All significant revenue from sales and non-current assets on the basis of geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

***Geographical segment information***

	Revenue from sales		Non-current assets	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Thailand	16,628,622	18,709,156	10,561,672	9,817,637
Vietnam	5,426,251	5,630,730	5,383,079	5,453,472
Others	3,508,442	3,972,360	2,496,321	2,769,180
<b>Total</b>	<b><u>25,563,315</u></b>	<b><u>28,312,246</u></b>	<b><u>18,441,072</u></b>	<b><u>18,040,289</u></b>

***Major customer***

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

**20 Other income**

	2024	2023
	<i>(in thousand Baht)</i>	
Interest income from financial institutions	340,994	373,974
Gain on sales of fixed assets and scrap	77,473	51,017
Gain on exchange rate	53,232	53,722
Service income	25,438	35,989
Management fee income	12,095	10,279
Others	68,358	103,500
<b>Total</b>	<b><u>577,590</u></b>	<b><u>628,481</u></b>

**21 Distribution costs**

	2024	2023
	<i>(in thousand Baht)</i>	
Salary, welfare, employee expenses	1,059,518	1,037,518
Freight expenses	859,922	929,571
Sales promotion and advertising expenses	740,950	722,223
Depreciation and amortization expenses	236,775	218,145
Packing expenses	109,538	122,463
Others	455,311	469,339
<b>Total</b>	<b><u>3,462,014</u></b>	<b><u>3,499,259</u></b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**22 Administrative expenses**

	2024	2023
	<i>(in thousand Baht)</i>	
Salary, welfare, employee expenses	1,173,507	1,102,843
IT fees and outside wages	229,177	222,614
Professional fees and other fees	108,143	169,685
Depreciation and amortization expenses	92,754	101,171
Others	478,884	488,738
<b>Total</b>	<b><u>2,082,465</u></b>	<b><u>2,085,051</u></b>

**23 Employee benefit expenses**

	2024	2023
	<i>(in thousand Baht)</i>	
Salaries and wages	3,714,871	3,954,347
Welfare and others	739,093	706,209
Contribution to defined contribution plans	159,831	163,742
Contribution to defined benefit plans	94,323	87,577
Mutual separation plan expenses	117,162	18,802
<b>Total</b>	<b><u>4,825,280</u></b>	<b><u>4,930,677</u></b>

The Group has a provident fund plan to provide retirement and gratuity benefits to the employees upon resignation at 5% to 10% of employees' salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Group at 5% to 13% of the members' basic salaries, depending on the length of employment.

**24 Income tax**

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Income tax recognized in profit or loss</i></b>			
<b>Current tax</b>			
Current year		312,541	377,196
Under (Over) provided in prior years		<u>6,859</u>	<u>(5,917)</u>
		<b><u>319,400</u></b>	<b><u>371,279</u></b>
<b>Deferred tax</b>			
Movements in temporary differences	13	<u>(69,995)</u>	<u>82,283</u>
<b>Total</b>		<b><u>249,405</u></b>	<b><u>453,562</u></b>
<b><i>Income tax recognized in other comprehensive income</i></b>			
Losses (gains) on remeasurement of defined benefit plans	13	<u>(30,882)</u>	<u>9,338</u>
<b>Total</b>		<b><u>(30,882)</u></b>	<b><u>9,338</u></b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Reconciliation of effective tax rate*

		2024		2023
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,067,783		927,880
Share of profit of associates accounted for using equity method		(3,632)		(1,232)
		<u>1,064,151</u>		<u>926,648</u>
Income tax using the Thai corporation tax rate	20	212,830	20	185,330
Effect of different tax rates in foreign jurisdictions		48		(1,422)
Tax privileges		(2,772)		(1,311)
Expenses deductible at a greater amount		(39,257)		(17,255)
Expenses not deductible for tax purposes and others		33,047		266,380
Tax losses		<u>108,645</u>		<u>(54,526)</u>
<b>Current tax</b>		<b>312,541</b>		<b>377,196</b>
Under (Over) provided in prior years		6,859		(5,917)
Movements in temporary differences		(69,995)		82,283
<b>Income tax expense</b>	<b>23</b>	<b><u>249,405</u></b>	<b>49</b>	<b><u>453,562</u></b>

The Group operates in several jurisdictions which have enacted top-up tax legislations as part of the international tax reform under the Pillar Two Model Rules to impose a global minimum tax at an effective tax rate of each jurisdiction no less than 15%. This will impact the consolidated financial statements of the Group for the year starting from 1 January 2024, onwards. The Group also operates in other several jurisdictions which the legislations will affect the consolidated financial statement of the Group for the reporting period starting from 1 January 2025, onwards.

The ultimate parent is responsible for impact assessment of the legislations and has engaged specialist firm to provide advice and guidance. Based on the impact assessment from financial information for the year ended 31 December 2024, the Group has no impact to the consolidated financial statement. For the jurisdictions that the legislation will be effective from 1 January 2025 onwards, the ultimate parent is currently considering the potential impact on the consolidated financial statements.

**25 Basic earnings per share**

The calculations of basic earnings per share for the year ended 31 December were based on the profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year, after adjusting the number of ordinary shares from the change in par value of the ordinary shares as described in note 17. The number of ordinary shares used in the calculation was adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023 (Restated)
	<i>(in thousand Baht / thousand shares)</i>	
<b><i>For the year ended 31 December</i></b>		
Profit for the period	<u>809,882</u>	<u>327,745</u>
Number of issued and paid-up shares at 1 January	1,650,000	790,900
Effectuated from issue of new shares at 10 February 2023	-	299,178
Effectuated from issue of new shares at 29 May 2023	-	49,940
Effectuated from issue of new shares at 14 December 2023	-	21,654
<b>Weighted average number of ordinary shares</b>	<b><u>1,650,000</u></b>	<b><u>1,161,672</u></b>
<b>Basic earnings per share <i>(in Baht)</i></b>	<b><u>0.49</u></b>	<b><u>0.28</u></b>

**26 Dividends**

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Amount <i>(in million Baht)</i>
<b><i>2024</i></b>			
Annual dividend 2023	25 March 2024	22 April 2024	248
1 <sup>st</sup> Interim dividend 2024	23 July 2024	22 August 2024	165
<b>Total</b>			<b><u>413</u></b>
<b><i>2023</i></b>			
1 <sup>st</sup> Interim dividend 2023	4 February 2023	10 February 2023	3,208
2 <sup>nd</sup> Interim dividend 2023	11 May 2023	31 May 2023	872
<b>Total</b>			<b><u>4,080</u></b>

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**27 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

<i>At 31 December 2023</i>	<b>Carrying amount</b>				<b>Fair value</b>		<b>Total</b>
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total (in thousand Baht)	Level 2	Level 3	
<b>Financial assets</b>							
Cash and cash equivalents	-	-	5,203,255	5,203,255	-	-	-
Short-term investment	-	-	-	-	-	-	-
- Deposit with financial institutions	-	-	5,076,025	5,076,025	-	-	-
Trade receivables	-	-	3,403,453	3,403,453	-	-	-
Derivatives assets	4,383	-	-	4,383	4,383	-	4,383
Investment in debt instruments	-	-	111,816	111,816	112,585	-	112,585
Investment in equity instruments	-	25,064	-	25,064	-	25,064	25,064
<b>Total financial assets</b>	<b>4,383</b>	<b>25,064</b>	<b>13,794,549</b>	<b>13,823,996</b>			
<b>Financial liabilities</b>							
Bank overdrafts and	-	-	-	-	-	-	-
Short-term borrowings	-	-	14,233,610	14,233,610	-	-	-
Trade payables	-	-	1,887,915	1,887,915	-	-	-
Lease liabilities	-	-	771,022	771,022	-	-	-
Derivatives liabilities	12,678	-	-	12,678	12,678	-	12,678
<b>Total financial liabilities</b>	<b>12,678</b>	<b>-</b>	<b>16,892,547</b>	<b>16,905,225</b>			
<b>At 31 December 2024</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	4,203,720	4,203,720	-	-	-
Short-term investment	-	-	-	-	-	-	-
- Deposit with financial institutions	-	-	4,970,565	4,970,565	-	-	-
Trade receivables	-	-	2,895,556	2,895,556	-	-	-
Derivatives assets	2,181	-	-	2,181	2,181	-	2,181
Investment in debt instruments	-	-	51,743	51,743	51,743	-	51,743
Investment in equity instruments	-	24,642	-	24,642	-	24,642	24,642
<b>Total financial assets</b>	<b>2,181</b>	<b>24,642</b>	<b>12,121,584</b>	<b>12,148,407</b>			
<b>Financial liabilities</b>							
Bank overdrafts and	-	-	-	-	-	-	-
Short-term borrowings	-	-	13,090,055	13,090,055	-	-	-
Trade payables	-	-	1,870,091	1,870,091	-	-	-
Dividend payables	-	-	2,444	2,444	-	-	-
Lease liabilities	-	-	779,661	779,661	-	-	-
Derivatives liabilities	6,769	-	-	6,769	6,769	-	6,769
<b>Total financial liabilities</b>	<b>6,769</b>	<b>-</b>	<b>15,742,251</b>	<b>15,749,020</b>			



**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**Financial instruments measured at fair value**

The Group determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investment in debt instruments which are simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.
- Derivatives assets and liabilities such as forward exchange contracts and commodity contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts. The fair value of interest rate swap is calculated from the difference between the present value of future cash flows based on the yield curve of the contractual interest rate and the expected interest rate based on observable market for similar financial instruments.

The Group determined Level 3 fair values for financial assets using valuation techniques as follows:

- Investments in equity instruments which are not actively traded in market were calculated using valuation techniques based on the latest reporting net assets adjusted by relevant factors. This was because the equity instruments were not listed on any stock exchanges and there were no recent observable arm's length transactions in the instruments.

***(b) Financial risk management policies***

***Risk management framework***

The Group's management has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Group's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Group's management monitors financial status and reports regularly to Management Committee.

***(1) Credit risk***

Credit risk is the risk of the Group's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

***(1.1) Cash and cash equivalent and derivatives***

The Group's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Group considers having low credit risk.

***(1.2) Investment in debt instruments***

The Group's credit risk is limited by investing only in high liquidity and credibility debt instruments.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

(1.3) Trade receivables

The Group's credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before credit limit, credit term and trade terms are offered. In case of sales exceeding the limits, it must be approval by authorized person.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at the end of each reporting period. The provision rates of expected credit loss are based on days past due to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables is disclosed in note 6.

(2) *Liquidity risk*

The Group oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The following table shows the remaining contractual maturities of interest-bearing financial liabilities at the end of the reporting period. The amounts are gross and undiscounted.

<i>As at 31 December</i>	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 years but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	
<b>2024</b>					
Bank overdrafts and					
Short-term borrowings					
from financial institutions	6,386,984	6,386,984	-	-	6,386,984
Short-term borrowings	6,703,071	6,703,071	-	-	6,703,071
Lease liabilities	779,661	236,853	492,129	311,091	1,040,073
	<u>13,869,716</u>	<u>13,326,908</u>	<u>492,129</u>	<u>311,091</u>	<u>14,130,128</u>
<b>2023</b>					
Bank overdrafts and					
Short-term borrowings					
from financial institutions	337,590	337,590	-	-	337,590
Short-term borrowings	13,896,020	13,896,020	-	-	13,896,020
Lease liabilities	771,022	187,926	441,069	423,298	1,052,293
	<u>15,004,632</u>	<u>14,421,536</u>	<u>441,069</u>	<u>423,298</u>	<u>15,285,903</u>

(3) *Market risk*

The Group has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

(3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Group has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Group manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Group has significant foreign currency risk from foreign currency assets and liabilities were as follows:

	Consolidated Financial Statement		
	US Dollars	Others	Total
	<i>(in thousand Baht)</i>		
<b>2024</b>			
Trade and other receivables	308,235	6,418	314,653
Trade and other payables	(356,707)	(149,626)	(506,333)
<b>Net statement of financial position exposure</b>	<b>(48,472)</b>	<b>(143,208)</b>	<b>(191,680)</b>
Forward exchange purchase contracts	(141,247)	(6,093)	(147,340)
Forward exchange selling contracts	313,715	107,215	420,930
<b>Net exposure</b>	<b>123,996</b>	<b>(42,086)</b>	<b>81,910</b>
<b>2023</b>			
Trade and other receivables	366,240	48,922	415,162
Trade and other payables	(374,723)	(184,825)	(559,548)
<b>Net statement of financial position exposure</b>	<b>(8,483)</b>	<b>(135,903)</b>	<b>(144,386)</b>
Forward exchange purchase contracts	(166,100)	(6,708)	(172,808)
Forward exchange selling contracts	371,315	174,269	545,584
<b>Net exposure</b>	<b>196,732</b>	<b>31,658</b>	<b>228,390</b>

*Sensitivity analysis*

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<b>Impact to profit or loss</b>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening
<b>2024</b>			
US Dollars	1	(1,358)	1,358
Others	1	(429)	429
<b>2023</b>			
US Dollars	1	(1,972)	1,972
Others	1	(301)	301

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

(3.2) Interest rate risk

The risk of interest rate is a risk that arises from changes in the future market interest rate, which affects the operation and certainty of the cash flow of the Group. This is due to borrowing from related businesses.

<i>Exposure to interest rate risk at 31 December</i>	2024	2023
	<i>(in thousand Baht)</i>	
<b><i>Financial instruments with variable interest rates</i></b>		
Financial liabilities	(6,703,071)	(13,896,020)
<b>Net exposure</b>	<b><u>(6,703,071)</u></b>	<b><u>(13,896,020)</u></b>

*Cash flow sensitivity analysis for variable-rate financial instruments*

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
<b>2024</b>		
Financial instruments with variable interest rate	(67,031)	67,031
<b>2023</b>		
Financial instruments with variable interest rate	(138,960)	138,960

**28 Commitments and contingent liabilities**

As at 31 December, the Group had:

	2024	2023
	<i>(in thousand Baht)</i>	
(a) Bank guarantees issued by banks to government, state enterprises and private sectors	99,934	67,728
(b) Unused letters of credit	17,314	7,318
(c) Commitments		
- for rental and service agreements	21,089	24,820
- for construction, installation of machinery contracts and others	106,543	272,016

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**29 Capital Management**

The management of the Group has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Group considers to have a strong financial foundation. Therefore, the Group focuses on investing in projects that have good rates of return, maintaining appropriate working capital and having sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and to maintain the confidence of shareholders, investors, creditors and other stakeholders.

**30 Others**

- (a) At late 2022, PT Keramika Indonesia Assosiasi, Tbk. (“KIA”), a subsidiary company which listed in the Indonesia Stock Exchange, received a notification from Indonesian government authorities that KIA and its subsidiary, PT KIA Serpih MAS (“KSM”), had a liability towards a government agency totaling approximately Baht 3,000 million. This liability was referred to the debts and obligations of a minority shareholders which is founder of KIA (the “KIA Founder”), who have no connection with the Company and SCC. The KIA Founder received financial aid from the Indonesian government for the bank which the KIA Founder owned during 1998. The government agency claimed that the KIA Founder had placed the shares of KIA and its subsidiaries, as collateral for debt repayment to the Indonesian government. The Indonesian government agency has taken over the banking business and ordered to close the bank's business subsequently.

As a result of the incident, the government authority in Indonesia temporarily blocked to access on legal entity administration system of KIA, KSM and “PT KIA Keramik Mas” (“KKM”) with the Ministry of Law and Human Rights (MOLHR), which is a registration system for use in submitting changes or additions to regulations and other registration information of companies in Indonesia. Currently, there is uncertainty regarding whether KIA and KSM will be held responsible for the liabilities claimed by the Indonesian government agencies and to what extent it might impact them, given the available evidence still cannot indicate that KIA and KSM are liable to the Indonesian government agencies.

In the past, KIA had entered into loan agreements with number of banks, including the bank owned by the KIA Founder (the loan value from such bank is approximately Baht 740 million). When the Indonesian government agency took control and ordered the closure of the bank owned by the KIA Founder, the government agency transferred the loan debt between KIA and the bank to third party. This loan was subsequently transferred multiple times until they were finally converted into equity in 2008 by issuing new shares (Series B) which were different from the existing shares (Series A) which the KIA Founder held and were not claimed as collateral for debt repayment to the Indonesian government. In 2011, the Company acquired shares in KIA (Series B) arising from the aforementioned conversion of loans into equity through the Indonesia Stock Exchange. Before acquiring the shares, the Company engaged a reputable local legal advisor to conduct due diligence and did not find that KIA had any liability towards Indonesian government agencies nor that KIA's shares were encumbered or pledged to any government agencies.

**SCG Decor Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

To protect the rights of KIA and KKM and their shareholders. On 17 November 2023 and on 6 December 2023, KIA and KKM filed lawsuits against the relevant Indonesian government agencies to the Jakarta State Administrative Court, requesting the alleged liability to be declared invalid and revoked and requesting KIA's and KKM's access to the MOLHR system be unblocked.

In July 2024, the State Court dismissed the above lawsuits in which KIA and KKM have appealed such decisions to the State Administrative High Court of Jakarta ("High Court"). Subsequently, in October 2024, the High Court upheld the decision of the State Court, dismissing the lawsuits. Therefore, KIA and KKM are proceeding with the cassation, for the Supreme Court to reconsider the High Court's decisions.

- (b) On 20 June 2023, the Company has signed Conditional Purchase and Sale Agreement ("Purchase and Sale Agreement") with PT Kokoh Inti Arebama Tbk. ("KOKOH"), which is related party, to purchase ordinary shares of PT Karya Makmur Kreasi Prima ("KMKP") in the amount of 10.025 million shares (representing 99.99 percent of total number of issued shares of KMKP) and/or assets related to Belanja store at the fair value appraised by an independent financial advisor with significant conditions precedent as stipulated in Sale and Purchase Agreement, e.g. demands from Indonesian's government related to PT Keramika Indonesia Assosiasi, Tbk. ("KIA"), PT KIA Keramik Mas ("KKM") and PT KIA Serpih Mas ("KSM") are terminated, and the shareholders' meeting of the related companies has approved the said transaction, etc.
- (c) On 25 March 2024, the Annual General Meeting of Shareholders approved the issuance and offering of the Company's debentures in total amount of Baht 15,000 million. To support business expansion, acquisitions and mergers, improving the efficiency of machinery including asset maintenance, working capital for business operations, or restructuring the Company's capital including repayment of loans to parent company and/or financial institutions.

**31 Events after the reporting period**

On 28 January 2025, the Board of Directors' meeting of the Company approved to submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2024 at the rate of Baht 0.20 per share, totaling approximately Baht 330 million. An interim dividend of Baht 0.10 per share was paid on 22 August 2024, as disclosed in note 26. The final dividend will be at the rate of Baht 0.10 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 165 million and is scheduled for payment on 23 April 2025. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 24 March 2025.

**32 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has revised TFRSs which are effective for accounting periods beginning on or after 1 January 2025 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the consolidated financial statements of these revised TFRSs and expected that there will be no material impact on the consolidated financial statements in the year of initial application.



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## Independent auditor's report

### To the Shareholders of SCG Decor Public Company Limited

#### *Opinion*

I have audited the financial statements of SCG Decor Public Company Limited (“the Company”), which comprise the statement of financial position as at 31 December 2024, the income statement, statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

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



Impairment testing of investments in subsidiaries	
Refer to Notes 3 (f) and 6 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
The management assessed the impairment indicators of investments in subsidiaries given rise to impairment testing by focusing on the business that its performance was below expectations. The impairment testing of investments in subsidiaries highly involves management judgments in identifying whether there are impairment indicators on the investment, including estimating the recoverable amount of the investment, in particular the forecasting of future cash flows derived from financial budget of the subsidiaries, expected growth rates and discount rate for those future cash flows, this is an area of focus in my audit.	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• obtaining understanding of the management’s identification of impairment indicators and impairment testing procedures;</li> <li>• evaluating the reasonableness of impairment indicators of a possible impairment to investments in subsidiaries and testing the reasonableness of the key assumptions used in determined the recoverable amount of investments in subsidiaries for which there was an indication of impairment which included cash flow forecasts, long-term growth rates and discount rates, by comparing with recent performance and trend analysis, and comparing with market situations and operating environment, industry knowledge and other information obtained during the audit, including evaluating the reasonableness of the forecasting of financial performance by comparing historical estimation to the actual operating results;</li> <li>• evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and</li> <li>• considering the adequacy of the disclosures in accordance with the financial reporting standard.</li> </ul>

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor’s report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.





### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Songchai Wongpiriyaporn', with a checkmark-like flourish at the end.

(Songchai Wongpiriyaporn)  
Certified Public Accountant  
Registration No. 10996

KPMG Phoomchai Audit Ltd.  
Bangkok

11 February 2025

# SCG Decor Public Company Limited

## Statement of financial position

As at 31 December 2024

Assets	Note	2024	2023
<i>(in thousand Baht)</i>			
<b>Current assets</b>			
Cash and cash equivalents	5	3,259,644	2,708,541
Other current receivables	4	59,958	49,997
Short-term loans	4	2,077,726	2,365,041
Other current assets		2,690	4,915
<b>Total current assets</b>		<b>5,400,018</b>	<b>5,128,494</b>
<b>Non-current assets</b>			
Investments in subsidiaries and associates	6	20,034,212	20,034,212
Investment property		18,641	20,067
Property, plant and equipment		13,805	14,491
Intangible assets		8,315	7,099
Deferred tax assets	8	116,786	24,565
Refundable withholding tax		23,730	20,629
Other non-current assets		2,969	2,954
<b>Total non-current assets</b>		<b>20,218,458</b>	<b>20,124,017</b>
<b>Total assets</b>		<b>25,618,476</b>	<b>25,252,511</b>

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

# SCG Decor Public Company Limited

## Statement of financial position

As at 31 December 2024

Liabilities and shareholders' equity	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Current liabilities</i></b>			
Bank overdrafts and short-term borrowings			
from financial institutions	<i>10</i>	6,000,000	-
Trade and other current payables	<i>4</i>	47,954	127,187
Current portion of lease liabilities	<i>10</i>	4,070	3,314
Short-term borrowings	<i>4,10</i>	7,391,761	13,896,020
Current provisions for employee benefits		2,285	2,445
<b>Total current liabilities</b>		<b>13,446,070</b>	<b>14,028,966</b>
<b><i>Non-current liabilities</i></b>			
Lease liabilities	<i>10</i>	5,420	6,074
Non-current provisions for employee benefits	<i>11</i>	56,129	45,933
Other non-current liabilities		53	53
<b>Total non-current liabilities</b>		<b>61,602</b>	<b>52,060</b>
<b>Total liabilities</b>		<b>13,507,672</b>	<b>14,081,026</b>
<b><i>Shareholders' equity</i></b>			
Share capital	<i>12</i>		
<i>Authorized share capital</i>		<b>16,550,000</b>	<b>16,550,000</b>
<i>Issued and paid share capital</i>		16,500,000	16,500,000
Premium on ordinary shares	<i>12</i>	583,727	583,727
Deficits from business combination			
under common control		(6,619,484)	(6,619,484)
Retained earnings			
<i>Appropriated</i>			
Legal reserve	<i>13</i>	360,738	284,182
<i>Unappropriated</i>		1,285,823	423,060
<b>Total shareholders' equity</b>		<b>12,110,804</b>	<b>11,171,485</b>
<b>Total liabilities and shareholders' equity</b>		<b>25,618,476</b>	<b>25,252,511</b>

# SCG Decor Public Company Limited

## Income statement

For the year ended 31 December 2024

	Note	2024	2023
		<i>(in thousand Baht)</i>	
Dividend income	4,6	1,740,669	3,805,857
Management fee income	4	47,636	23,217
Interest income		142,688	61,238
Other income	14	10,510	39,379
<b>Profit before expenses</b>		<b>1,941,503</b>	<b>3,929,691</b>
Administrative expenses	15	(259,799)	(294,964)
<b>Total expenses</b>		<b>(259,799)</b>	<b>(294,964)</b>
<b>Profit from operations</b>		<b>1,681,704</b>	<b>3,634,727</b>
Finance costs		(415,954)	(462,281)
<b>Profit before income tax</b>		<b>1,265,750</b>	<b>3,172,446</b>
Tax income (expenses)	17	90,991	(90,805)
<b>Profit for the year</b>		<b>1,356,741</b>	<b>3,081,641</b>
<b>Basic earnings per share <i>(in Baht)</i></b>	18	<b>0.82</b>	<b>2.65</b>

# SCG Decor Public Company Limited

## Statement of comprehensive income

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b>Profit for the year</b>		<b>1,356,741</b>	<b>3,081,641</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	<i>11</i>	(6,152)	68
Income tax relating to items that will not be reclassified subsequently to profit or loss	<i>17</i>	<u>1,230</u>	<u>(14)</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>(4,922)</u></b>	<b><u>54</u></b>
<b>Total comprehensive income for the year</b>		<b><u><u>1,351,819</u></u></b>	<b><u><u>3,081,695</u></u></b>

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

## SCG Decor Public Company Limited

### Statement of changes in shareholders' equity

For the year ended 31 December 2024

	Note	Issued and paid share capital	Other surpluses	Other deficits <i>(in thousand Baht)</i>	Retained earnings		Total shareholders' equity
					Appropriated	Unappropriated	
<b>Balance at 1 January 2023</b>		<b>7,909,000</b>	<b>100</b>	<b>(6,619,484)</b>	<b>130,100</b>	<b>1,575,581</b>	<b>2,995,297</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of ordinary shares	12	8,591,000	583,627	-	-	-	9,174,627
Dividends	19	-	-	-	-	(4,080,134)	(4,080,134)
<b>Total contributions by and distributions to owners</b>		<b>8,591,000</b>	<b>583,627</b>	<b>-</b>	<b>-</b>	<b>(4,080,134)</b>	<b>5,094,493</b>
<b>Comprehensive income for the year</b>							
Profit or loss		-	-	-	-	3,081,641	3,081,641
Other comprehensive income		-	-	-	-	54	54
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,081,695</b>	<b>3,081,695</b>
Transfer to legal reserve	13	-	-	-	154,082	(154,082)	-
<b>Balance at 31 December 2023</b>		<b>16,500,000</b>	<b>583,727</b>	<b>(6,619,484)</b>	<b>284,182</b>	<b>423,060</b>	<b>11,171,485</b>

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

## SCG Decor Public Company Limited

### Statement of changes in shareholders' equity

For the year ended 31 December 2024

	Note	Issued and paid share capital	Other surpluses	Other deficits <i>(in thousand Baht)</i>	Retained earnings		Total shareholders' equity
					Appropriated	Unappropriated	
<b>Balance at 1 January 2024</b>		<b>16,500,000</b>	<b>583,727</b>	<b>(6,619,484)</b>	<b>284,182</b>	<b>423,060</b>	<b>11,171,485</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>							
<i>Contributions by and distributions to owners</i>							
Dividends	19	-	-	-	-	(412,500)	(412,500)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(412,500)</b>	<b>(412,500)</b>
<b>Comprehensive income for the year</b>							
Profit or loss		-	-	-	-	1,356,741	1,356,741
Other comprehensive income		-	-	-	-	(4,922)	(4,922)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,351,819</b>	<b>1,351,819</b>
Transfer to legal reserve	13	-	-	-	76,556	(76,556)	-
<b>Balance at 31 December 2024</b>		<b>16,500,000</b>	<b>583,727</b>	<b>(6,619,484)</b>	<b>360,738</b>	<b>1,285,823</b>	<b>12,110,804</b>

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



# SCG Decor Public Company Limited

## Statement of cash flows

For the year ended 31 December 2024

	Note	2024	2023
<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>			
Profit for the year		1,356,741	3,081,641
<b><i>Adjustments for</i></b>			
Tax expenses (income)		(90,991)	90,805
Depreciation and amortization		6,843	6,123
Non-current provisions for employee benefit expense	16	4,128	6,150
Dividend income		(1,740,669)	(3,805,857)
Interest income		(142,688)	(61,238)
Finance costs		415,954	462,281
Loss on impairment of investments			
in subsidiaries and associates		-	20,806
Loss on sale of assets and others		125	9,296
<b>Cash flows generated from operations</b>		<b>(190,557)</b>	<b>(189,993)</b>
<b>before changes in operating assets and liabilities</b>			
<b><i>Decrease (increase) in operating assets</i></b>			
Other receivables		(4,022)	(5,301)
Other assets		-	1,514
<b>Net increase in operating assets</b>		<b>(4,022)</b>	<b>(3,787)</b>

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

# SCG Decor Public Company Limited

## Statement of cash flows

For the year ended 31 December 2024

	2024	2023
	<i>(in thousand Baht)</i>	
<b><i>Increase (decrease) in operating liabilities</i></b>		
Trade and other payables	(78,288)	59,805
Provisions for employee benefits	(244)	(2,687)
Other liabilities	-	53
<b>Net Increase (decrease) in operating liabilities</b>	<b>(78,532)</b>	<b>57,171</b>
<b>Net cash flows used in operations</b>	<b>(273,111)</b>	<b>(136,609)</b>
Income tax paid	(876)	(3,044)
<b>Net cash flows used in operating activities</b>	<b>(273,987)</b>	<b>(139,653)</b>
<b><i>Cash flows from investing activities</i></b>		
Acquisition of subsidiary, net of cash acquired	-	(2,643)
Acquisition of property, plant and equipment, intangible assets	(2,412)	(3,615)
Proceeds from (payments of) loans to related parties, net	287,315	(2,365,041)
Dividends received	1,740,669	3,830,065
Interest received	136,733	57,603
<b>Net cash flows provided by investing activities</b>	<b>2,162,305</b>	<b>1,516,369</b>

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

# SCG Decor Public Company Limited

## Statement of cash flows

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>			
Proceeds from issue of shares, net	12	-	6,833,281
<b><i>Proceeds from (payments of) borrowings</i></b>			
Proceeds from (payments of) bank overdrafts and short-term borrowings, net	9	6,000,000	(92)
Payments of short-term borrowings from related parties, net	9	(6,504,259)	(955,067)
Payments of lease liabilities	9	(3,432)	(2,894)
<b>Net decrease in borrowings</b>		<b>(507,691)</b>	<b>(958,053)</b>
Dividends paid to owners of the Company	15	(412,465)	(4,080,134)
Interest and other finance costs paid		(417,059)	(463,275)
<b>Net cash flows provided by (used in) financing activities</b>		<b>(1,337,215)</b>	<b>1,331,819</b>
<b>Net increase in cash and cash equivalents</b>		<b>551,103</b>	<b>2,708,535</b>
Cash and cash equivalents at beginning of the year		2,708,541	6
<b>Cash and cash equivalents at end of the year</b>		<b>3,259,644</b>	<b>2,708,541</b>
<b><i>Supplementary information for cash flow</i></b>			
<b>Non-cash from investing and financing transactions at end of the year</b>			
Purchase of non-controlling interests by issuing shares		-	2,341,346
Dividend payables		35	-

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

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Material accounting policies
4	Related parties
5	Cash and cash equivalent
6	Investments in subsidiaries and associates
7	Leases
8	Deferred tax assets
9	Changes in liabilities arising from financing activities
10	Interest-bearing liabilities
11	Non-current provisions for employee benefits
12	Share capital
13	Legal reserve
14	Other income
15	Administrative expenses
16	Employee benefit expenses
17	Income tax
18	Basic earnings per share
19	Dividends
20	Financial instruments
21	Capital management
22	Others
23	Events after the reporting period
24	Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit and risk management committee, as appointed by the Board of director of the Company, on 11 February 2025.

**1 General information**

SCG Decor Public Company Limited the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800.

The parent and ultimate parent companies were The Siam Fibre-Cement Co., Ltd. and The Siam Cement Public Company Limited, respectively. Both were incorporated in Thailand.

the Company are investment in business segment, covers the production and distribution of ceramic tiles, sanitary ware and other related products including services and solutions. There are two main business segments, namely (1) Decor Surfaces Business and (2) Bathroom Business.

**2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), which are based on International Financial Reporting Standards (IFRSs) (TFRSs are effective within 1 year after the effective date of IFRSs), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The separate 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.

The preparation of financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

***TAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies***

The Company has adopted Disclosure of Accounting Policies - Amendments to TAS 1 since 1 January 2024. The amendments require the disclosure of ‘material’ rather than ‘significant’, accounting policies. The Company has revisited the accounting policy information it has been disclosing and made updates to the information disclosed in note 3 Material accounting policies.

***TAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to TAS 12 since 1 January 2024. The amendments narrow the scope of the initial recognition exemption by excluding transactions that give rise to equal and offsetting temporary differences - e.g. leases.

Following the amendments, the Company has recognized separately the deferred tax asset in relation to its lease liabilities and the deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offsetting in accordance with TAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognized which presented in note 8 Deferred tax asset.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3 Material accounting policies**

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

**(a) Investment in subsidiaries and associates**

Investments in subsidiaries and associates are accounted for using the cost method less allowance for impairment losses. Dividend income is recognized in profit or loss on the date on which the Company's right to receive the dividend is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains or losses on disposal of the investments are recognized in profit or loss.

**(b) Investment property**

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 20 years
Buildings and structures	10 - 46 years

**(c) Property, plant and equipment**

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	4 - 20 years
Buildings and structures	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	2 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(d) Intangible assets**

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Software licenses	3 years
Patents	10 years

Amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**(e) Leases**

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Company has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as an expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurements of lease liability.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of assets.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

**(f) Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company will estimate the assets' recoverable amounts. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(g) Employee benefits**

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses, are recognized in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

*Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurement is recognized in profit or loss in the period in which they arise.

**(h) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**(i) Revenue from contracts with customers**

*Revenue recognition*

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

*Sale of rendering of services*

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction is assessed based on either output method.

*Dividend income*

Dividend income which is recognized in profit or loss on the date on which the Company's right to receive the dividend is established.

The Company has a timing of revenue recognition mainly from services which is recognized overtime.



**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(j) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Company has determined that the global minimum top-up tax which it is required to pay under Pillar Two legislation is an income tax in the scope of TAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts for the top-up tax and accounts for it as a current tax when it is incurred.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries, and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**(k) Foreign currency transactions**

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies of each entity in the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the foreign exchange rates ruling at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign exchange differences are generally recognized in profit or loss.

**(l) Financial instruments**

*Classification and measurement*

Other financial assets and financial liabilities, except trade receivables and trade payables are initially recognized when the Company becomes a party to the contractual provisions of the instrument, and measured by taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognized in profit or loss.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivatives, which are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income which calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date on which the Company's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

*Impairment of financial assets*

The Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is the investment grade. The Company recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

**(m) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

**4 Related parties**

Relationships with related parties that the Company had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation nationality</b>	<b>Nature of relationships</b>
The Siam Cement Public Company Limited	Thailand	The ultimate parent of the Group
The Siam Fibre-Cement Co., Ltd.	Thailand	Parent company of the Group
SCG Ceramics Public Company Limited	Thailand	A subsidiary of SCG Decor Public Company Limited
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of SCG Decor Public Company Limited
SUSUNN Smart Solution Co., Ltd.	Thailand	A subsidiary of SCG Decor Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of SCG Decor Public Company Limited
Siam Sanitary Ware Co., Ltd.	Thailand	A subsidiary of SCG Decor Public Company Limited
Siam Sanitary Fittings Co., Ltd.	Thailand	A subsidiary of SCG Decor Public Company Limited
Prime Group Joint Stock Company	Vietnam	A subsidiary of SCG Decor Public Company Limited
Mariwasa-Siam Ceramics, Inc.	The Philippines	A subsidiary of SCG Decor Public Company Limited
PT Keramik Indonesia Assosiasi, Tbk.	Indonesia	A subsidiary of SCG Decor Public Company Limited
PT KIA Keramik Mas	Indonesia	A subsidiary of SCG Decor Public Company Limited
Noritake SCG Plaster Co., Ltd.	Thailand	An associate of SCG Decor Public Company Limited
SCG Cement-Building Materials Company Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Roofing Co., Ltd	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Living and Housing Solution Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Experience Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Thai Containers Group Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Chemicals Public Company Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Legal Counsal Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
PT Kokoh Inti Arebama Tbk.	Indonesia	A subsidiary of the Siam Cement Public Company Limited

Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023	Pricing policies
	<i>(in thousand Baht)</i>		
<i>Ultimate parent</i>			
Management fee income	2,903	-	Contract rate
Other income	843	3,901	Market Price
Service fee and others	31,638	32,596	Market Price
<i>Parent</i>			
Interest expenses	281,538	462,065	Contract interest rate
<i>Subsidiaries</i>			
Dividend income	1,737,429	3,805,857	Upon declaration
Management fee income	38,409	18,489	Contract rate
Other income	1,326	1,456	Market Price
Interest income	75,155	59,221	Contract interest rate
Interest expenses	4,921	11	Contract interest rate
Service fee and others	17,616	13,374	Market Price
<i>Associates</i>			
Dividend income	3,240	-	Upon declaration
Management fee income	43	-	Contract rate
<i>Other related parties</i>			
Management fee income	6,281	4,729	Contract rate
Other income	7,711	7,395	Market Price
Service fee and others	13,357	24,767	Market Price

Balances as at 31 December with related parties were as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
<i>Other current receivables</i>		
Ultimate parent	351	1,068
Subsidiaries	22,973	19,650
Associates	4	-
Other related parties	11,675	7,498
<b>Total</b>	<b>35,003</b>	<b>28,216</b>
<i>Short-term loans</i>		
Subsidiary	2,077,726	2,365,041
<b>Total</b>	<b>2,077,726</b>	<b>2,365,041</b>
<i>Other current payables</i>		
Ultimate parent	6,999	11,201
Parent	5,372	11,066
Subsidiaries	3,359	2,145
Other related parties	3,531	9,486
<b>Total</b>	<b>19,261</b>	<b>33,898</b>

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	<i>Note</i>	2024 <i>(in thousand Baht)</i>	2023
<i>Short-term borrowings</i>			
Parent		6,703,071	13,896,020
Subsidiaries		688,690	-
<b>Total</b>	<i>10</i>	<u><b>7,391,761</b></u>	<u><b>13,896,020</b></u>

At 31 December 2024, the Company entered into the short-term loans in term of promissory note with fixed interest rate ranging from 3.00% per annum and on call (2023 : Nil) and the Company entered into the short-term borrowing in term of promissory note with fixed interest rate ranging from 0.84% - 3.25% per annum and on call (2023 : 3.25% per annum)

***The Board of Directors and key management compensation***

	2024 <i>(in thousand Baht)</i>	2023
<b><i>For the years ended 31 December</i></b>		
Short-term employee benefits	50,860	42,940
Post-employment benefits	4,630	4,083
<b>Total</b>	<u><b>55,490</b></u>	<u><b>47,023</b></u>

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Decor Public Company Limited under the articles of the Group and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

**5 Cash and cash equivalents**

	2024 <i>(in thousand Baht)</i>	2023
Cash on hand and at banks	1,151,644	500,541
Highly liquid short-term investments	2,108,000	2,208,000
<b>Total</b>	<u><b>3,259,644</b></u>	<u><b>2,708,541</b></u>

**6 Investments in subsidiaries and associates**

Movements for the years ended 31 December in investments in subsidiaries and associates accounted for using the cost method were as follows:

	2024 <i>(in thousand Baht)</i>	2023
<b>At 1 January</b>	<b>20,034,212</b>	<b>17,711,029</b>
Acquisitions	-	2,343,989
Impairment loss	-	(20,806)
<b>At 31 December</b>	<u><b>20,034,212</b></u>	<u><b>20,034,212</b></u>

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Investments in subsidiaries and associates as at 31 December and dividends from these investments for the years then ended were as follows:

	Holding		Paid-up capital		Cost method		Accumulated impairment losses		Carrying amount		Dividend income	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(in thousand Baht)											
<b>Subsidiaries</b>												
SCG Cement-Building Materials Philippines, Inc	100.0	100.0	136,308	136,308	136,507	136,507	37,593	37,593	98,914	98,914	-	-
PT Keramik Indonesia Assosiasi, Tbk.	92.0	92.0	5,603,101	5,603,101	4,919,770	4,919,770	4,025,008	4,025,008	894,762	894,762	-	-
Prime Group Joint Stock Company	100.0	100.0	1,412,647	1,412,647	6,224,960	6,224,960	-	-	6,224,960	6,224,960	-	956,877
SCG Ceramics Public Company Limited	99.1	99.1	5,387,482	5,387,482	8,514,027	8,514,027	-	-	8,514,027	8,514,027	1,737,429	197,362
Mariwasa Siam Ceramics, Inc.	80.0	80.0	430,140	430,140	654,169	654,169	-	-	654,169	654,169	-	-
Siam Sanitary Ware Co., Ltd.	98.7	98.7	60,000	60,000	2,824,798	2,824,798	-	-	2,824,798	2,824,798	-	2,054,313
The Siam Sanitary Fittings Co., Ltd	67.0	67.0	200,000	200,000	777,995	777,995	-	-	777,995	777,995	-	597,305
			<b>24,052,226</b>	<b>24,052,226</b>	<b>44,587</b>	<b>44,587</b>	<b>4,062,601</b>	<b>4,062,601</b>	<b>19,989,625</b>	<b>19,989,625</b>	<b>1,737,429</b>	<b>3,805,857</b>
<b>Associates</b>												
Noritake SCG Plaster Co., Ltd. <sup>(1)</sup>	10.0	10.0	405,000	405,000	44,587	44,587	-	-	44,587	44,587	3,240	-
			<b>44,587</b>	<b>44,587</b>	<b>24,096,813</b>	<b>24,096,813</b>	<b>4,062,601</b>	<b>4,062,601</b>	<b>20,034,212</b>	<b>20,034,212</b>	<b>3,240</b>	<b>3,805,857</b>
<b>Total</b>												

(1) The Company is classified as an investment in an associated because it is in accordance with the terms of the contract between the shareholders of company.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**7 Leases**

*For the years ended 31 December*

2024                      2023  
*(in thousand Baht)*

*Amounts recognized in profit or loss*

Depreciation of right-of-use assets:

- Land and land improvements	1,807	1,743
- Vehicles and equipment	1,696	1,219
Interest on lease liabilities	242	206
Expenses relating to leases of low-value assets	886	317

**8 Deferred tax assets**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
Deferred tax assets	<b><u>116,786</u></b>	<b><u>24,565</u></b>

Movements in total deferred tax assets and liabilities during the years are as follows:

	At 1 January	Credited /(charged) to:		At 31 December
		profit or loss	Other comprehensive income	
		<i>(Note 17)</i>		
		<i>(in thousand Baht)</i>		
<b>2023</b>				
<b>Deferred tax assets</b>				
Property, plant and equipment	261	(261)	-	-
Lease liabilities	580	721	-	1,301
Loss carry forward	105,519	(91,863)	-	13,656
Provisions	1,373	(152)	-	1,221
Provisions for employee benefits	8,229	1,461	(14)	9,676
<b>Total</b>	<b><u>115,962</u></b>	<b><u>(90,094)</u></b>	<b><u>(14)</u></b>	<b><u>25,854</u></b>
<b>Deferred tax liability</b>				
Right-of-use assets	(578)	(711)	-	(1,289)
<b>Total</b>	<b><u>(578)</u></b>	<b><u>(711)</u></b>	<b><u>-</u></b>	<b><u>(1,289)</u></b>
<b>Net</b>	<b><u>115,384</u></b>	<b><u>(90,805)</u></b>	<b><u>(14)</u></b>	<b><u>24,565</u></b>
<b>2024</b>				
<b>Deferred tax assets</b>				
Lease liabilities	1,301	601	-	1,902
Loss carry forward	13,656	89,061	-	102,717
Provisions	1,221	1,136	-	2,357
Provisions for employee benefits	9,676	777	1,230	11,683
<b>Total</b>	<b><u>25,854</u></b>	<b><u>91,575</u></b>	<b><u>1,230</u></b>	<b><u>118,659</u></b>

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	At 1 January	Credited /(charged) to:		At 31 December
		profit or loss <i>(Note 17)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
<b>Deferred tax liability</b>				
Right-of-use assets	(1,289)	(584)	-	(1,873)
<b>Total</b>	<b>(1,289)</b>	<b>(584)</b>	<b>-</b>	<b>(1,873)</b>
<b>Net</b>	<b>24,565</b>	<b>90,991</b>	<b>1,230</b>	<b>116,786</b>

The deductible temporary difference that the Company has not recognized as deferred tax asset is as the following item:

	2024	2023
	<i>(in thousand Baht)</i>	
Deductible temporary difference		
- Investments in associates and subsidiaries	<b>4,062,601</b>	<b>4,062,601</b>

**9 Changes in liabilities arising from financing activities**

Changes in significant liabilities arising from financing activities were as follows:

	Bank overdrafts and short-term borrowings	Lease liabilities <i>(in thousand Baht)</i>	Short-term borrowings	Total
At 1 January 2023	92	2,894	14,851,087	14,854,073
Changes from financing cash flows	(92)	(2,894)	(955,067)	(958,053)
Other non-cash movement	-	9,388	-	9,388
<b>At 31 December 2023</b>	<b>-</b>	<b>9,388</b>	<b>13,896,020</b>	<b>13,905,408</b>
At 1 January 2024	-	9,388	13,896,020	13,905,408
Changes from financing cash flows	6,000,000	(3,432)	(6,504,259)	(507,691)
Other non-cash movement	-	3,534	-	3,534
<b>At 31 December 2024</b>	<b>6,000,000</b>	<b>9,490</b>	<b>7,391,761</b>	<b>13,401,251</b>

**10 Interest-bearing liabilities**

	Note	2024	2023
		Unsecured <i>(in thousand Baht)</i>	
<b>Current</b>			
Bank overdrafts and short-term borrowings from financial institutions		6,000,000	-
Short-term borrowings	4	7,391,761	13,896,020
Current portion of finance lease liabilities		4,070	3,314
		<b>13,395,831</b>	<b>13,899,334</b>



**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023
	Unsecured (in thousand Baht)	
<i>Non-current</i>		
Lease liabilities	5,420	6,074
<b>Total interest-bearing liabilities</b>	<b><u>13,401,251</u></b>	<b><u>13,905,408</u></b>

In the year 2024, the Company entered into the short-term unsecured borrowing in term of promissory note with several local financial institutions in the amount of Baht 6,000 million with fixed interest rate ranging from 2.30% - 2.36% per annum and will be repaid within 2 months and on call (2023: Nil).

In the year 2024, the average interest of short-term borrowing are 0.84% - 3.25% per annum (2023: 3.25% per annum)

As at 31 December 2024, the Company has overdraft lines and other credit facilities with a local bank and unsecured in the amount of Baht 2,000 million (2023: Nil).

**11 Non-current provisions for employee benefits**

The Company operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

*Non-current provisions for employee benefits in the statement of financial position as at 31 December*

	2024	2023
	(in thousand Baht)	
Post-employment benefits		
Legal severance payment plan	54,901	45,148
Other long-term employee benefits	1,228	785
<b>Total</b>	<b><u>56,129</u></b>	<b><u>45,933</u></b>

*Movement in the present value of the non-current provisions for defined benefit plans*

	2024	2023
	(in thousand Baht)	
Non-current provisions for defined benefit plans at 1 January	45,933	39,851
<i>Included in profit or loss</i>		
Current service costs	2,048	1,094
Interest on obligation	1,545	1,714
Transfer of non-current provisions for employee benefits from related parties	94	3,300
Actuarial losses	441	42
	<b><u>4,128</u></b>	<b><u>6,150</u></b>
<i>Included in other comprehensive income</i>		
Actuarial losses (gains)	6,152	(68)
<i>Other</i>		
Benefits paid	(84)	-
<b>Non-current provisions for defined benefit plans at 31 December</b>	<b><u>56,129</u></b>	<b><u>45,933</u></b>

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Actuarial losses (gains) from post-employment benefits recognized in other comprehensive income as of the end of the reporting period arising from:

	2024	2023
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	(2)	47
Financial assumptions	4,324	(2,161)
Experience adjustment	1,830	2,046
<b>Total</b>	<b>6,152</b>	<b>(68)</b>

**Actuarial assumptions**

*Principal actuarial assumptions as of the end of the reporting period*

	2024	2023
	<i>(%)</i>	
Discount rate*	2.48	3.37 - 3.38
Salary increase rate	2.70 - 3.00	0.50 - 6.00
Employee turnover rate**	3.50 - 23.00	3.50 - 22.00
Mortality rate***	50.00 of TMO2017	50.00 of TMO2017

\* Market yields on government bonds for legal severance payments plan

\*\* Upon the length of service

\*\*\* Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2024, the Company has the weighted-average duration for payment of long-term employee benefits approximately 11 years. (2023 : 11 years)

**Sensitivity analysis**

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plan by the amounts shown below.

**Effect on the non-current provisions for defined benefit plans at 31 December**

	Increase (decrease)	
	2024	2023
	<i>(in thousand Baht)</i>	
Discount rate		
0.5% increase	(2,510)	(2,149)
0.5% decrease	2,672	2,289
Salary increase rate		
1.0% increase	5,356	4,632
1.0% decrease	(4,830)	(4,165)
Employee turnover rate		
10.0% increase	(1,897)	(1,603)
10.0% decrease	1,974	1,668

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**12 Share capital**

	Par value (in baht)	2024		2023	
		Number of shares (in thousand shares)	Amount (in thousand baht)	Number of shares	Amount
<b><i>Authorized</i></b>					
At 1 January - Ordinary shares	100	-	-	79,090	7,909,000
At 1 January - Ordinary shares	10	1,655,000	16,550,000	-	-
Issue of new shares					
- Ordinary shares	100	-	-	42,000	4,200,000
Change in par value	100	-	-	(121,090)	-
Reduction in par value as a result of the stock split					
- From Baht 100 per share to Baht 10 per share	10	-	-	1,210,900	-
Issue of new shares					
- Ordinary shares	10	-	-	444,100	4,441,000
<b>At 31 December</b>					
<b>- Ordinary shares</b>	<b>10</b>	<b>1,655,000</b>	<b>16,550,000</b>	<b>1,655,000</b>	<b>16,550,000</b>
<b><i>Issued and paid-up</i></b>					
At 1 January - Ordinary shares	100	-	-	79,090	7,909,000
At 1 January - Ordinary shares	10	1,650,000	16,500,000	-	-
Issued and paid up					
- 1st 80% paid-up	100	-	-	42,000	3,360,000
- 2nd 20% paid-up	100	-	-	42,000	840,000
Change in par value	100	-	-	(121,090)	-
Reduction in par value as a result of the stock split					
- From Baht 100 per share to Baht 10 per share	10	-	-	1,210,900	-
Issue new shares for IPO	10	-	-	439,100	4,391,000
<b>At 31 December</b>					
<b>- Ordinary shares</b>	<b>10</b>	<b>1,650,000</b>	<b>16,500,000</b>	<b>1,650,000</b>	<b>16,500,000</b>

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Issue ordinary shares*

At the extraordinary shareholders' meeting held on 10 February 2023, the shareholders passed their resolutions to increase authorized share capital from Baht 7,909 million (79.09 million ordinary shares at Baht 100 par value each) to Baht 12,109 million (121.09 million ordinary shares at Baht 100 par value each) increase amounting to Baht 4,200 million (42 million ordinary shares at Baht 100 par value each) The Company registered the capital increase with the Ministry of Commerce on 17 February 2023. First calling for additional paid-up ordinary shares at Baht 80 par value each amounting to Baht 3,360 million which paid up on 10 February 2023. Second calling for additional paid-up ordinary shares at Baht 20 par value each amounting to Baht 840 million which paid on 29 May 2023.

At the extraordinary shareholders' meeting held on 2 June 2023, the shareholders approved the following resolutions;

- a) Becoming a public limited company, in accordance with the regulations in the Public Limited Companies ACT B.E. 2535, as amended.
- b) The par value of the company's shares was changed from Baht 100 per share with a total of 121 million shares to Baht 10 per share with a total of 1,211 million shares resulting the number of share capital increased by 1,090 million ordinary shares. The change in par value of the Company's share did not cause any change to the Company's authorized share capital.
- c) The authorized share capital of the company was increased from Baht 12,109 million to Baht 16,550 million by issuing 444 million ordinary shares with a par value of Baht 10 per share for initial public offering when the Company is granted permission by the office of the Securities and Exchange Commission.

The Company registered the changes as mentioned above with the Ministry of Commerce on 7 June 2023.

*Initial public offering*

During 1 November - 13 December 2023, The Company offered 439.10 million newly issued ordinary shares for IPO with a par value of Baht 10 per share which consists of;

- (1) The offering of 121.55 million newly issued ordinary shares in the IPO and
- (2) The allocation of 113.95 million newly issued ordinary shares to the existing shareholders of COTTO (Excluding SCGD) and SCC (Pre-emptive Right).
- (3) The allocation of 203.60 million newly issued ordinary shares to the shareholders of COTTO who accepted the tender offer for securities. The swap rate of 4.7917 COTTO ordinary shares (at 2.40 Baht per share) per 1 share of the company's newly issued capital (at 11.50 Baht per share) amounting to Baht 5,049.65 million for shares of the Company began trading on the Stock Exchange of Thailand on 20 December 2023 and the share of COTTO was delisted from the Stock Exchange of Thailand on the same date.

Expenses directly attributable to the IPO of Baht 75 million were deducted from the IPO's share premium, which was received from shares offering to investors as at 31 December 2023, resulted in net share premium of Baht 584 million.

*Share premium*

Share premium represents share subscription monies or consideration received in excess of the par value of the shares issued. Share premium is not available for dividend distribution.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**13 Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

**14 Other income**

	2024	2023
	<i>(in thousand Baht)</i>	
Service income	9,686	13,092
Gain on exchange rate	-	22,882
Others	824	3,405
<b>Total</b>	<b>10,510</b>	<b>39,379</b>

**15 Administrative expenses**

	2024	2023
	<i>(in thousand Baht)</i>	
Salary and welfares	114,498	87,729
Professional and consultant fees	79,628	137,246
Service fee	41,850	29,138
Depreciation and amortization expenses	6,843	6,123
Rent expense	2,672	2,393
Loss on impairment and sale of assets	-	20,806
Others	14,308	11,529
<b>Total</b>	<b>259,799</b>	<b>294,964</b>

**16 Employee benefit expenses**

	2024	2023
	<i>(in thousand Baht)</i>	
Salaries and wages	79,641	58,220
Welfares and others	24,061	18,818
Contribution to defined benefit plans	4,128	6,150
Contribution to defined contribution plans	6,668	4,541
<b>Total</b>	<b>114,498</b>	<b>87,729</b>

The Company has a provident fund plan to provide retirement and gratuity benefits to the employees upon resignation at 5% to 10% of employees’ salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Company for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members’ basic salaries, depending on the length of employment.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**17 Income tax**

	<i>Note</i>	2024 <i>(in thousand Baht)</i>	2023
<b><i>Income tax recognized in profit or loss</i></b>			
<b>Deferred tax</b>			
Movements in temporary differences	8	(90,991)	90,805
<b>Total</b>		<b><u>(90,991)</u></b>	<b><u>90,805</u></b>
<b><i>Income tax recognized in other comprehensive income</i></b>			
Losses (gains) on remeasurement of defined benefit plans	8	(1,230)	14
<b>Total</b>		<b><u>(1,230)</u></b>	<b><u>14</u></b>

***Reconciliation of effective tax rate***

	<i>Rate (%)</i>	2024 <i>(in thousand Baht)</i>	<i>Rate (%)</i>	2023 <i>(in thousand Baht)</i>
Profit before income tax expense		1,265,750		3,172,446
Income tax using the Thai corporation tax rate	20	253,150	20	634,489
Income not subject to tax		(347,919)		(569,796)
Expenses deductible at a greater amount		-		(15,004)
Expenses not deductible for tax purposes and others		5,708		2,437
Loss carry forward		89,061		(52,126)
<b>Current tax</b>		<b>-</b>		<b>-</b>
Movements in temporary differences		(90,991)		90,805
<b>Income tax expense (benefit)</b>	<b>-</b>	<b><u>(90,991)</u></b>	<b>-</b>	<b><u>90,805</u></b>

The Company operates in Thailand and has investments in several jurisdictions which the ultimate parent has enacted top-up tax legislations as part of the international tax reform under the Pillar Two Model Rules to impose a global minimum tax of each jurisdiction at an effective tax rate of no less than 15% of Thailand. This will affect the separate financial statement of the Company for the reporting period starting from 1 January 2025, onwards.

The ultimate parent is responsible for impact assessment of the legislations and has engaged specialist firm to provide advice and guidance. The ultimate parent is currently considering the potential impact on the separate financial statements.

**18 Basic earnings per share**

The calculations of basic earnings per share for the year ended 31 December were based on the profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year, after adjusting the number of ordinary shares from the change in par value of the ordinary shares as described in note 12. The number of ordinary shares used in the calculation was adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023 (Restated)
	<i>(in thousand Baht / thousand shares)</i>	
<b><i>For the year ended 31 December</i></b>		
Profit for the period	1,356,741	3,081,641
Number of issued and paid-up shares at 1 January	1,650,000	790,900
Effected from issue of new shares at 10 February 2023	-	299,178
Effected from issue of new shares at 29 May 2023	-	49,940
Effected from issue of new shares at 14 December 2023	-	21,654
<b>Weighted average number of ordinary shares</b>	<b>1,650,000</b>	<b>1,161,672</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.82</b>	<b>2.65</b>

**19 Dividends**

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Amount <i>(in million Baht)</i>
<b><i>2024</i></b>			
Final dividend 2023	25 March 2024	22 April 2024	248
1 <sup>st</sup> Interim dividend 2024	23 July 2024	22 August 2024	165
<b>Total</b>			<b>413</b>
<b><i>2023</i></b>			
1 <sup>st</sup> Interim dividend 2023	4 February 2023	10 February 2023	3,208
2 <sup>nd</sup> Interim dividend 2023	11 May 2023	31 May 2023	872
<b>Total</b>			<b>4,080</b>

**20 Financial instruments**

**(a) Carrying amounts and fair values**

Financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

**(b) Financial risk management policies**

***Risk management framework***

The Company's management has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Company's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Company's management monitors financial status and reports regularly to Management Committee.

**(1) Credit risk**

Credit risk is the risk of Company's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

(1.1) Cash and cash equivalent

The Company's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Company considers having low credit risk.

(2) *Liquidity risk*

The Company oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Company's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The following table shows the remaining contractual maturities of interest-bearing financial liabilities at the end of the reporting period. The amounts are gross and undiscounted.

<i>At 31 December</i>	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 years but less than 5 years	More than 5 years	
<i>(in million Baht)</i>					
<b>2024</b>					
Bank overdrafts and short-term borrowings from financial institutions	6,000,000	6,000,000	-	-	6,000,000
Short-term borrowings	7,391,791	7,391,791	-	-	7,391,791
Lease liabilities	9,490	4,313	5,675	-	9,988
	<u>13,401,251</u>	<u>13,396,074</u>	<u>5,675</u>	<u>-</u>	<u>13,401,749</u>
<b>2023</b>					
Short-term borrowings	13,896,020	13,896,020	-	-	13,896,020
Lease liabilities	9,388	3,543	6,265	-	9,808
	<u>13,905,408</u>	<u>13,899,563</u>	<u>6,265</u>	<u>-</u>	<u>13,905,828</u>

(3) *Market risk*

The Company has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

*Interest rate risk*

Interest rate risk is the risk caused from future movements in market interest rates will affect the results of the Company's operations and its cash flows certainty because borrowings from related parties.

***Exposure to interest rate risk at 31 December***

2024                      2023  
*(in thousand Baht)*

***Financial instruments with variable interest rates***

Financial liabilities	<u>(7,391,761)</u>	<u>(13,896,020)</u>
<b>Net statement of financial position exposure</b>	<b><u>(7,391,761)</u></b>	<b><u>(13,896,020)</u></b>



**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Cash flow sensitivity analysis for variable-rate financial instruments*

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<b><i>Impact to profit or loss</i></b>	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
<b>2024</b>		
Financial instruments with variable interest rate	73,918	(73,918)
<b>2023</b>		
Financial instruments with variable interest rate	138,960	(138,960)

**21 Capital Management**

The management of the Company has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Company considers to have a strong financial foundation. Therefore, the Company focuses on investing in projects that have good rates of return, maintaining appropriate working capital and having sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and to maintain the confidence of shareholders, investors, creditors and other stakeholders.

**22 Others**

- (a) At late 2022, PT Keramika Indonesia Assosiasi, Tbk. (“KIA”), a subsidiary company which listed in the Indonesia Stock Exchange, received a notification from Indonesian government authorities that KIA and its subsidiary, PT KIA Serpih MAS (“KSM”), had a liability towards a government agency totaling approximately Baht 3,000 million. This liability was referred to the debts and obligations of a minority shareholders which is founder of KIA (the “KIA Founder”), who have no connection with the Company and SCC. The KIA Founder received financial aid from the Indonesian government for the bank which the KIA Founder owned during 1998. The government agency claimed that the KIA Founder had placed the shares of KIA and its subsidiaries, as collateral for debt repayment to the Indonesian government. The Indonesian government agency has taken over the banking business and ordered to close the bank’s business subsequently.

As a result of the incident, the government authority in Indonesia temporarily blocked to access on legal entity administration system of KIA, KSM and “ PT KIA Keramik Mas” (“ KKM” ) with the Ministry of Law and Human Rights (MOLHR), which is a registration system for use in submitting changes or additions to regulations and other registration information of companies in Indonesia. Currently, there is uncertainty regarding whether KIA and KSM will be held responsible for the liabilities claimed by the Indonesian government agencies and to what extent it might impact them, given the available evidence still cannot indicate that KIA and KSM are liable to the Indonesian government agencies.

In the past, KIA had entered into loan agreements with number of banks, including the bank owned by the KIA Founder (the loan value from such bank is approximately Baht 740 million). When the Indonesian government agency took control and ordered the closure of the bank owned by the KIA Founder, the government agency transferred the loan debt between KIA and the bank to third party. This loan was subsequently transferred multiple times until they were finally converted into equity in 2008 by issuing new shares (Series B) which were different from the existing shares (Series A) which the KIA Founder held and were not claimed as collateral for debt repayment to the Indonesian government. In 2011, the Company acquired shares in KIA (Series B) arising from

**SCG Decor Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

the aforementioned conversion of loans into equity through the Indonesian Stock Exchange. Before acquiring the shares, the Company engaged a reputable local legal advisor to conduct due diligence and did not find that KIA had any liability towards Indonesian government agencies nor that KIA's shares were encumbered or pledged to any government agencies.

To protect the rights of KIA and KKM and their shareholders. On 17 November 2023 and on 6 December 2023, KIA and KKM filed lawsuits against the relevant Indonesian government agencies to the Jakarta State Administrative Court, requesting the alleged liability to be declared invalid and revoked and requesting KIA's and KKM's access to the MOLHR system be unblocked.

In July 2024, the State Court dismissed the above lawsuits in which KIA and KKM have appealed such decisions to the State Administrative High Court of Jakarta ("High Court"). Subsequently, in October 2024, the High Court upheld the decision of the State Court, dismissing the lawsuits. Therefore, KIA and KKM are proceeding with the cassation, for the Supreme Court to reconsider the High Court's decisions

- (b) On 20 June 2023, the Company has signed Conditional Purchase and Sale Agreement ("Purchase and Sale Agreement") with PT Kokoh Inti Arebama Tbk. ("KOKOH"), which is related party, to purchase ordinary shares of PT Karya Makmur Kreasi Prima ("KMKP") in the amount of 10.025 million shares (representing 99.99 percent of total number of issued shares of KMKP) and/or assets related to Belanja store at the fair value appraised by an independent financial advisor with significant conditions precedent as stipulated in Sale and Purchase Agreement, e.g. demands from Indonesian's government related to PT Keramika Indonesia Assosiasi, Tbk. ("KIA"), PT KIA Keramik Mas ("KKM") and PT KIA Serpilh Mas ("KSM") are terminated, and the shareholders' meeting of the related companies has approved the said transaction, etc.
- (c) On 25 March 2024, the Annual General Meeting of Shareholders to approve the issuance and offering of the Company's debentures in total amount of Baht 15,000 million. To support business expansion, acquisitions and mergers, improving the efficiency of machinery including asset maintenance, working capital for business operations, or restructuring the Company's capital including repayment of loans to parent company and/or financial institutions.

**23 Event after the reporting period**

On 28 January 2025, the Board of Directors' meeting of the Company approved to submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2024 at the rate of Baht 0.20 per share, totaling approximately Baht 330 million. An interim dividend of Baht 0.10 per share was paid on 22 August 2024, as disclosed in note 19. The final dividend will be at the rate of Baht 0.10 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 165 million and is scheduled for payment on 23 April 2025. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 24 March 2025.

**24 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has revised TFRSs which are effective for accounting periods beginning on or after 1 January 2025 and have not been adopted in the preparation of these separate financial statements because they are not yet effective. The Company has assessed the potential initial impact on the separate financial statements of these revised TFRSs and expected that there will be no material impact on the separate financial statements in the year of initial application.

# APPENDICES



## Appendix 1

Details of Directors, Executives, Controlling Persons, Holder of the Highest Accounting and Financial Position, Person Directly Assigned to Control Accounting, and the Company Secretary

<https://scgd.listedcompany.com/misc/one-report/attachment1-2024-en.pdf>



## Appendix 2

Details of Subsidiaries' Directors

<https://scgd.listedcompany.com/misc/one-report/attachment2-2024-en.pdf>



## Appendix 3

Details of the Head of Internal Audit and Head of Compliance

<https://scgd.listedcompany.com/misc/one-report/attachment3-2024-en.pdf>



## Appendix 4

Operating Assessts and Details of Asset Appraisal

<https://scgd.listedcompany.com/misc/one-report/attachment4-2024-en.pdf>



## Appendix 5

Full version of the Policy and Guidelines on Corporate Governance and the Full Version of the "Code of Business Ethics

<https://scgd.listedcompany.com/misc/one-report/attachment5-2024-en.pdf>



- Board of Directors Charter

<https://scgd.listedcompany.com/misc/one-report/attachment5-1-2024-en.pdf>



- Charter of the Audit and Risk Management Committee

<https://scgd.listedcompany.com/misc/one-report/attachment5-2-2024-en.pdf>



- Executive Committee Charter

<https://scgd.listedcompany.com/misc/one-report/attachment5-3-2024-en.pdf>



- Nomination, Remuneration and Corporate Governance Charter

<https://scgd.listedcompany.com/misc/one-report/attachment5-4-2024-en.pdf>



- Charter of the Sustainable Development Committee

<https://scgd.listedcompany.com/misc/one-report/attachment5-5-2024-en.pdf>



- Lead Independent Director Charter

<https://scgd.listedcompany.com/misc/one-report/attachment5-6-2024-en.pdf>



- Policy on Board of Directors' Meeting Attendance

<https://scgd.listedcompany.com/misc/one-report/attachment5-7-2024-en.pdf>



- Policy on Quorum for the Issuance of the Board of Directors' Resolutions

<https://scgd.listedcompany.com/misc/one-report/attachment5-8-2024-en.pdf>



- Policy on Director Qualifications and Nomination

<https://scgd.listedcompany.com/misc/one-report/attachment5-9-2024-en.pdf>



- Policy and Guidelines on Director Positions at Other Companies

<https://scgd.listedcompany.com/misc/one-report/attachment5-10-2024-en.pdf>



- Scope and Responsibilities of Chief Executive Officer and President  
<https://scgd.listedcompany.com/misc/one-report/attachment5-11-2024-en.pdf>



- Policy and Guidelines on Supplier Selection  
<https://scgd.listedcompany.com/misc/one-report/attachment5-19-2024-en.pdf>



- Succession Plans for Chief Executive Officer and Director  
<https://scgd.listedcompany.com/misc/one-report/attachment5-12-2024-en.pdf>



- Supplier Code of Conduct  
<https://scgd.listedcompany.com/misc/one-report/attachment5-20-2024-en.pdf>



- Policy and Guidelines on Stakeholder Treatment  
<https://scgd.listedcompany.com/misc/one-report/attachment5-13-2024-en.pdf>



- Policy on Environment and Climate  
<https://scgd.listedcompany.com/misc/one-report/attachment5-21-2024-en.pdf>



- Policy on Personal Data Protection  
<https://scgd.listedcompany.com/misc/one-report/attachment5-14-2024-en.pdf>



- Internal Audit Office Charter  
<https://scgd.listedcompany.com/misc/one-report/attachment5-22-2024-en.pdf>



- Policy on the Company's/Subsidiaries' Dividend Payment  
<https://scgd.listedcompany.com/misc/one-report/attachment5-15-2024-en.pdf>



- Good Corporate Governance  
<https://scgd.listedcompany.com/misc/one-report/attachment5-23-2024-en.pdf>



- Policy on Sustainable Development  
<https://scgd.listedcompany.com/misc/one-report/attachment5-16-2024-en.pdf>



- Core value of SCG Decor  
<https://scgd.listedcompany.com/misc/one-report/attachment5-24-2024-en.pdf>



- Policy on Human Rights  
<https://scgd.listedcompany.com/misc/one-report/attachment5-17-2024-en.pdf>



- Policy on Connected Transactions  
<https://scgd.listedcompany.com/misc/one-report/attachment5-25-2024-en.pdf>



- Policy on Diversity and Inclusion  
<https://scgd.listedcompany.com/misc/one-report/attachment5-18-2024-en.pdf>



- Anti-corruption Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-26-2024-en.pdf>



- Whistleblowing Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-27-2024-en.pdf>



- Policy on Conflicts of Interest Prevention  
<https://scgd.listedcompany.com/misc/one-report/attachment5-28-2024-en.pdf>



- Policy on Trade Competition  
<https://scgd.listedcompany.com/misc/one-report/attachment5-29-2024-en.pdf>



- Insider Trading Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-30-2024-en.pdf>



- Information Disclosure Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-31-2024-en.pdf>



- Policy on Investments in Subsidiaries/Associate  
<https://scgd.listedcompany.com/misc/one-report/attachment5-32-2024-en.pdf>



- Policy on Subsidiary Supervision and Management  
<https://scgd.listedcompany.com/misc/one-report/attachment5-33-2024-en.pdf>



- Policy on the Appointment of Directors of Subsidiaries/ Associate Operating Core Businesses  
<https://scgd.listedcompany.com/misc/one-report/attachment5-34-2024-en.pdf>



- Risk Management Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-35-2024-en.pdf>



- Tax Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-36-2024-en.pdf>



- Intellectual Property Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-37-2024-en.pdf>



- Policy on Human Resources Management  
<https://scgd.listedcompany.com/misc/one-report/attachment5-38-2024-en.pdf>



- Compliance Policy  
<https://scgd.listedcompany.com/misc/one-report/attachment5-39-2024-en.pdf>



- Investor Relations Code of Conduct  
<https://scgd.listedcompany.com/misc/one-report/attachment5-40-2024-en.pdf>



- Code of Conduct  
<https://scgd.listedcompany.com/misc/one-report/attachment5-41-2024-en.pdf>

## Appendix 6

Report of the Audit and Risk Management Committee  
<https://scgd.listedcompany.com/misc/one-report/attachment6-2024-en.pdf>



## Appendix 7

Nomination, Remuneration And Corporate Governance Committee Report  
<https://scgd.listedcompany.com/misc/one-report/attachment7-2024-en.pdf>



## Appendix 8

Report from the Sustainable Development Committee  
<https://scgd.listedcompany.com/misc/one-report/attachment8-2024-en.pdf>

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Business Leader in ASEAN*

*"2X Growth Ambition in Y2030 by Horizontal and Vertical Expansion"*

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