



## Report of the Audit Committee

### Dear Shareholder,

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

The Audit Committee has consistently performed its duties independently and objectively in accordance with its charter, which is reviewed annually. This aligns with current business priorities approved by Board of Directors (BoD). The Audit Committee advocates a strong culture of governance, integrity, ethics, accountability and transparency for a long-term sustainable business.

In 2023, the Audit Committee held a total of 11 meetings, with full attendance by all members.

The annual year-end performance self-assessment of the Audit Committee, conducted both individually and as a group, yielded satisfactory results. The Audit Committee considered global business recession and cyber security, in addition to the business risks and organization effectiveness, in framing its priorities for year 2024.

The main activities of the Audit Committee in 2023 are summarized below:

- (1) Review of Financial Reports:** The Audit Committee thoroughly reviewed significant information in the quarterly and annual financial statements of Siam City Cement Public Company Limited and its subsidiaries. These statements were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and complied with the International Financial Reporting Standards (IFRS). Discussions with the Management and External Auditor covered the accuracy and completeness of the financial statements, significant adjustment affected them, adequacy and suitability of accounting methods, evaluation of internal controls, accuracy and adequacy of information disclosure, and Key Audit Matters (KAM). The Audit Committee also held a private meeting with the External Auditor in the absence of the Management to discuss the audit independency, scope, approach, and any challenges faced during the audit, finding no indications of suspicious incidents.
- (2) Review of Related Party Transactions:** The Audit Committee regularly reviewed the related party transactions and those potentially conflicting with the Company's interests. These reviews prioritized business normality, transparency, adequate disclosure, and adherence to arm's length principles. All transactions and information were reviewed and disclosed to the SET in a timely manner.

- (3) Review of Group Risk Management:** The Audit Committee quarterly assessed the appropriateness and effectiveness of the Group risk management processes, further strengthened in year 2023. This included a review of actions taken to secure cement economics and margin reinforcement through pricing, address production cost increases, and manage macro risks such as inflation, war, and global trends, as well as demand risks impacting Company performance.
- (4) Review of Internal Control System and oversight of Group Internal Audit and Compliance function:** The Audit Committee reviewed the results of internal control systems with Group Internal Audit and Compliance Department on a monthly basis, and with Group Chief Executive Officer, Group Chief Finance Officer and External Auditors on a quarterly basis. This included a review of business focus, organization effectiveness, and continuous strengthening of the internal control system through education and awareness programs. The Audit Committee was satisfied with Management's remedial actions on audit observations and recommendations, concluding that the organization's internal control was adequate. The External Auditors also opined that there were no material deficiencies impacting the Company's financial statements. The Audit Committee further reviewed and approved the Group Internal Audit and Compliance Annual Plan for 2024, including the associated budget.
- (5) Review of Compliance:** The Audit Committee evaluated the Company's compliance with the SEC, SET and other relevant laws, regulations and policies. Quarterly compliance dashboards were reviewed, and the Company's initiatives to create a compliance culture were noted, including e-learning and the "Share and Learn" program. The internal whistleblowing system "INSEE Speak Up" hot line includes external parties. The Audit Committee reviewed the results of investigations and fraud risk assessment, along with the impact of fraud cases, prescribing preventive guidelines against potential risks in the operational system. Additionally, the Audit Committee reviewed the updated Governance, Risk and Compliance (GRC) framework, which includes a revised Manual of Authorities and Policy Landscape implemented across the Group.
- (6) Appointment of the External Auditors for 2024:** The Audit Committee recommended the appointment of Ms. Kamontip Lertwitworatep and/or Ms. Sarinda Hirunprasurtwutti and/or Ms. Satida Ratananurak of EY Office Limited as the Company's External Auditors for 2024 with its audit fees for the Board's concurrence and the shareholders' approval at the AGM 2024.

In summary, the Audit Committee expressed the opinion that the financial statements were prepared in conformity with financial reporting standards, connected party transactions were at arm's length under normal business conditions, the risk management, and internal control and internal audit systems were adequate and effective. The Audit Committee confirmed full compliance with laws and regulations related to the business.

Sunee Sornchaitanasuk

**(Dr. Sunee Sornchaitanasuk)**

Chairperson of the Audit Committee