

Questions / Answers
in relation to
The Annual General Shareholders' Meeting No. 28

1) **Question:** Can the Company have the agenda on adoption of the minutes of the previous AGM?

Answer: The agenda item on adoption of the minutes of previous meeting is not a legal requirement. To conduct a concise meeting, the Company therefore did not include in the agenda items, which is in line with common practice of listed companies in the SET.

Shareholders can read minutes of previous meeting from the Company website as we publish within 14 days from the meeting.

2) **Question:** Can OD (3,356.31 mio) be repaid immediately, out of positive operating cash flow (8,931.67 mio), for big interest saving?

Answer: The consolidated financial statement of the Company also represents Bank overdrafts and short-term loans related to overseas businesses while the positive operating cash flow mainly belongs to companies in Thailand. To utilize this positive operating cash flow repaying the Bank overdraft and short-term loan of the overseas business shall invite additional foreign exchange risk and financial management risk to the Group. The Company and subsidiaries closely monitor their balance of Bank overdrafts and short-term loans to save interest payment when their liquidity position is allowed.

3) **Question:** Why market cap is declining when shareholder equity is elevating?

Answer: Market cap is based on share price fluctuation and market expectations; and shareholder equity increase is based on higher net income in 2020.

4) **Question:** Can the Company do road show? Also, the Company should participate in the Opportunity Day organized by SET at least 2-3 times per year.

Answer: The company held analyst conferences after the publication of each quarterly results and will participate in the Opportunity Day of SET when appropriate.

5) **Question:** Can the Company have EY do perpetual audit? Also, have EY do internal audit?

Answer: EY has performed perpetual audit during the year (in addition to their quarterly reviews). As a part of their financial audit, EY has assessed the Company internal controls system and activities through quarterly meetings with Group Internal Audit and Compliance which is an independent department.

6) **Question:** For plants and business acquired after 2017, what are development plans to reduce the cost and increase profit of the Group?

Answer: The Company has various initiatives under way to improve performance (increase topline and optimize cost). More details are on page 74 of the annual report.

7) **Question:** What is the plan if the Company cannot improve profit of overseas business?

Answer: The Company analyses and closely monitors performance of the overseas businesses and new initiatives are identified to further improve the performance.

8) **Question:** What is the outlook of Q1, 2021 when compared YOY? Did the oil price have impact on the Company's profit? Did the Company have a growth from last year?

Answer: The company expects a challenging business environment for 2021, also because of rising input cost.

Change in oil price will not impact the production cost but will significantly impact the logistics costs.

9) **Question:** Does the Company have expansion plan to other countries?

Answer: The Company will continuously look for opportunity to expand its business in other countries.

10) **Question:** Note to F/S No. 16.1 - Right-of-use assets 1,747 mio – what are they?

Answer: The cost of right-of-use assets are the leased assets. It includes the amount of lease liabilities initially recognized, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received. According to new TFRS 16, the right-of-use assets and lease liabilities need to be recorded in the statements of financial position (balance sheet).

11) **Question:** Derivative assets 4,128 mio – what are they?

Answer: The amount is related to foreign exchange forward contracts to hedge currency risks, see note to F/S No. 42.1.

12) **Question:** Goodwill – is it from over evaluation? From which country?

Answer: Goodwill is mainly related to Vietnam and Sri Lanka acquisitions; valuations performed at year-end 2020 have not indicated any impairment.

- 13) **Question:** Note to F/S No. 9 – Trade receivables – unrelated parties, age over 90 days for 366 mio – who is this debtor? Does the Company have to write it off from profit?
- Answer:** Trade receivables > 90 days are comprised of various debtors; for certain receivables, the company has already recognized an allowance for expected credit loss.
- 14) **Question:** What is the impact from fuel cost, and the mitigations for fuel price and employees, especially in 2021 as they will impact the operating cost? What are plans for cost controls for 2021?
- Answer:** Active cost management continues in 2021, coal purchases at fixed price are secured for 50-60% of the volume.
- 15) **Question:** What is investment situation in overseas, are they profitable? If not, what is the plan?
- Answer:** Main overseas businesses performed better than 2019; the companies continue with their plans to further optimize performance.
- 16) **Question:** Why dividend 2020 is different from the previous year?
- Answer:** Due to 17% higher net income and the Company policy to distribute at least 60% of net income as dividend.
- 17) **Question:** What is the capacity utilization of the cement plant of each country?
- Answer:** Overall plant utilization in all countries is at a very high level, above 80%.
- 18) **Question:** What is the investment plan in 2021? Does the Company have a big shut down plan in 2021?
- Answer:** The Group expects to spend around THB 1.5 bn for maintenance and rationalization capex. Regular kiln maintenance is planned in 2021 in all countries.
- 19) **Question:** The Company should hold electronic AGM, so that it does not have to limit seats and respond to questions in the meeting.
- Answer:** Holding electronic AGM will be analyzed.
- 20) **Question:** What are the reasons that the Company lowered the inventory from last year?
- Answer:** Inventory in 2020 was lower than 2019 due to lower product demand and an initiative to reduce coal inventory.