



FINANCIAL OVERVIEW

THE SIAM CEMENT
PUBLIC COMPANY LIMITED
AND SUBSIDIARIES

	2001	2000	1999	1998	1997
STATEMENT OF INCOME (MILLION BAHT)					
» REVENUES	122,643	128,197	101,851	105,236	122,629
» COST AND EXPENSES*	117,593	123,904	99,770	107,977	116,483
» INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT (TOTAL EBITDA)	34,511	30,832	28,600	23,935	28,840
» INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS**	4,797	1,313	(3,821)	22,672	(52,560)
» NET PROFIT (LOSS)	7,634	41	(4,785)	19,301	(52,551)
» NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	14,208	10,963	4,669	18,979	(4,825)
BALANCE SHEET (MILLION BAHT)					
» ASSETS	235,981	260,309	266,348	290,297	350,831
» LIABILITIES	169,896	195,549	202,000	214,124	273,620
» SHAREHOLDERS' EQUITY AND MINORITY INTEREST	66,085	64,760	64,348	76,173	77,211
» SHAREHOLDERS' EQUITY	57,311	54,133	50,006	57,623	57,103
SHARE INFORMATION					
» TOTAL NUMBER OF SHARES ISSUED (MILLION SHARES)	120	120	120	120	120
» BOOK VALUE PER SHARE (BAHT)	478	451	417	480	476
» EARNINGS (LOSS) PER SHARE (BAHT)	64	0	(40)	161	(438)
» DIVIDENDS PER SHARE (BAHT)	-	-	-	-	10
» PAYOUT RATIO (%)	-	-	-	-	N.A.
» RETURN ON TOTAL REVENUES (%)	6	0	(5)	18	(43)
» RETURN ON EQUITY (%)	14	0	(9)	34	(117)
» RETURN ON ASSETS (%)	3	0	(2)	6	(20)

FIGURES FOR THE YEAR 1997-2000 WERE NON-RESTATEd.

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS.

Chaovana NaSylvanta
Chairman



»» With great perseverance and unyielding determination to the obstacles confronted, the Siam Cement Group has developed into a stronger and more flexible organization, ready to meet future changes and challenges. Operating under the principles of good corporate governance and under the guidance of strategies designed to add long-term value to the organization, strong synergies have emerged to booster the development of the Group towards greater prosperity. ««





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»» The combination of the experienced management team and the dedicated employees who are highly knowledgeable of their duties, is the primary factor behind the success of the Siam Cement Group to withstand the recent economic crisis. The Group has emerged post-crisis as a more focused and solidified organization than ever before. Not only has the Group set its sights on being a market leader, but is also ready to fully participate in the building of the future for the industrial sector in Thailand. ««



Chumpol NaLamlieng
President

»» In 2001, the Thai economy expanded at a lower rate than the previous year, as evident by the various key indicators of the economy such as growths in exports and imports, and rates of consumption and investments. Moreover, the combined effects of a global economic slowdown, with that of a stagnant U.S. economy have adversely effected Thailand's economic expansion during the past year.

» It appears that a recovery of the global economy remains uncertain for the time being, and is dependent, in part, on the recovery of the U.S. economy which can also give effects to an Asian economic recovery as well. In 2002, the Thai economy is expected to experience some growth, as the government

financial footing since commencing its business restructuring, in response to the economic crisis in 1998. Today, the Group aims to fully utilize its resources to further strengthen the six strategic business units: Paper and Packaging, Petrochemicals, Cement, Building Products, Ceramics and Distribution. It is expected that the business restructuring will strengthen the operating fundamentals of the businesses, and increase its flexibility to better cope with the expected future changes in each industry.



MESSAGE FROM THE BOARD OF DIRECTORS

continues with its fiscal spending programs, aimed at stimulating the economy, easing the unemployment rate, and increasing the per capita income. Other government initiatives aimed at supporting the private business sector are as follows: increased housing loans, financial support programs for small and medium enterprises, establishment of the Thailand Asset Management Company to handle debt and business restructuring, and creation of a favorable investment climate for foreigners, consumers and investors.

» Although the well being of the Thai economy is generally considered to be in the recovery stage, the determined and cooperative efforts of The Siam Cement Group's employees in 2001 have produced generally satisfactory operating results, as most of the Group's businesses recorded improved operating results.

» The year 2001 will be considered as a significant transitional year for the Group, as once again it has returned to a firmer

» By issuing domestic debentures and increasing the portion of total loans denominated in Thai Baht, the Group was able to reduce its exposure to foreign debts from 90% of the total debt in 1997, to 2% in 2001. As a result, fluctuations in the foreign exchange will now have very little effect on the Group's profit and loss results.

» Moreover, the Group was able to increase its export sales, extending its market coverage to all regions around the world. As a percentage of the Group's total sales, exports account for 30% in 2001.

» One of the key indications of the Groups' level of preparedness to the changes in the global business environment is the efforts put forth by each business units to establish its own corporate culture. As each business operates in differing environments, their own corporate culture will allow for greater flexibility to response to demands changes, while retaining its optimal efficiency.

» The Siam Cement Group has operated under the guidance of good corporate governance for an extended period of time and is confident that under the close supervision and guidance of the Board of Directors, the principle transparency, full and timely disclosure, and fair treatment to all stakeholders. By adhering to these principles the results will be future stable growth and prosperity

» The operation results of The Siam Cement Public Company Limited and subsidiaries in 2001 reported total revenues of 122,643 million Baht, up 4% from the previous year, and net profit of 7,634 million Baht.

» As a result of the company's operating performance and its firm financial status, the Board of Directors has agreed to approve a dividend payment of 10 Baht per share for the performance in 2001, payable on April 22, 2002.



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for Group, and in the long term the formation of a solid foundation for the country's economy. With this in mind, the Group is determined to promote the concept of good corporate governance to local business organizations to fully benefit from the principle.

» The Siam Cement Group will continue to operate under the principles of Total Quality Management (TQM). Employees at all levels are given training on the merits derived from increasing productivity for greater efficiency and overall competitiveness, in order to invoke their awareness. Other programs include promotion of employee safety awareness, and environmental conservation especially within the company and the surrounding communities. In addition, the Group further provides active support to a wide range of activities and projects that are beneficial to society, whether it be at the local community, regional and national levels.

» The Board takes this opportunity to express its sincere appreciation to all shareholders, joint venture partners, customers, employees, and both domestic and foreign financial institutions, for the support given to the Group. The Board gives reassurance to all parties that the company is committed to strive for the highest returns, and will continue to develop competitiveness of the Group to its full potential, so as to keep pace with the world's changing business environment. <<



Bangkok, March 1, 2002.

Chaovana NaSylvanta

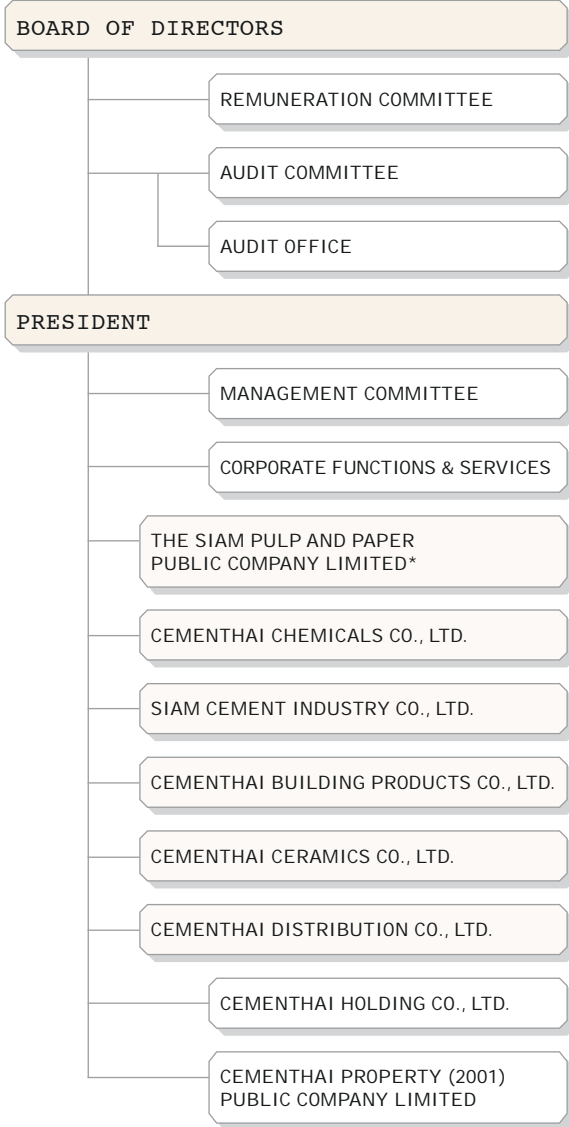
Chaovana NaSylvanta
Chairman

Chumpol NaLamlieng

Chumpol NaLamlieng
President

BUSINESS STRUCTURE

» THE SIAM CEMENT PUBLIC COMPANY LIMITED*



* LISTED COMPANIES IN THE STOCK EXCHANGE OF THAILAND

BUSIN STRUC

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» THE BOARD OF DIRECTORS

THE SIAM CEMENT PUBLIC COMPANY LIMITED

- CHAOVANA NASYLVANTA » CHAIRMAN
OSOT KOSIN » VICE CHAIRMAN
KAMTHON SINDHVANANDA » DIRECTOR
PARON ISRASENA » DIRECTOR
SNOH UNAKUL » DIRECTOR
SIVAVONG CHANGKASIRI » DIRECTOR
SUMET TANTIVEJKUL » DIRECTOR
YOS EUARCHUKIATI » DIRECTOR
PRICHA ATTAVIPACH » DIRECTOR
PANAS SIMASATHIEN » DIRECTOR
ARSA SARASIN » DIRECTOR
CHUMPOL NALAMLIENG » DIRECTOR AND PRESIDENT
WORAPOL JENNAPAR » SECRETARY TO THE BOARD
AND CORPORATE SECRETARY

» THE MANAGEMENT TEAM

THE SIAM CEMENT PUBLIC COMPANY LIMITED

- CHUMPOL NALAMLIENG » PRESIDENT,
THE SIAM CEMENT PUBLIC COMPANY LIMITED
PRESIDENT,
CEMENTHAI HOLDING CO., LTD.
AVIRUTH WONGBUDDHAPITAK » VICE PRESIDENT,
THE SIAM CEMENT PUBLIC COMPANY LIMITED
CHALALUCK BUNNAG » VICE PRESIDENT,
THE SIAM CEMENT PUBLIC COMPANY LIMITED
PRESIDENT,
CEMENTHAI PROPERTY (2001) PUBLIC COMPANY LIMITED
PRAMOTE TECHASUPATKUL » VICE PRESIDENT,
THE SIAM CEMENT PUBLIC COMPANY LIMITED
SOMBOON CHUCHAWAL » PRESIDENT,
SIAM PULP AND PAPER PUBLIC COMPANY LIMITED
APIPORN PASAWAT » PRESIDENT,
CEMENTHAI CHEMICALS CO., LTD.
SOBSON KETSUWAN » PRESIDENT,
SIAM CEMENT INDUSTRY CO., LTD.
KAJOHNDET SANGSUBAN » PRESIDENT,
CEMENTHAI BUILDING PRODUCTS CO., LTD.
KAN TRAKULHOON » PRESIDENT,
CEMENTHAI CERAMICS CO., LTD.
DUSIT NONTANAKORN » PRESIDENT,
CEMENTHAI DISTRIBUTION CO., LTD.

» The principles of corporate governance are expected to become increasingly acceptable guidelines used to manage an organization and its operations. Its primary principal stresses the Board of Directors' supervisory role in ensuring that all parties within an organization are fully aware of their shared responsibilities.

» The Siam Cement Group is confident of its continuance to operate under the guidelines of good corporate governance, and actively promotes other corporations in Thailand to do the same. The Group firmly believes that by doing so, other companies will realize the inherent benefits. Since the concept of corporate governance is relatively new to Thailand, its objectives and benefits are often misinterpreted. In light of this, the Group has since decided to embark on a mission aimed at creating public awareness of corporate governance, its inherited benefits, its importance, and how to implement its practices.



THE SIAM CEM SUPPORTS PUBLIC CORP GOVER

» The Group's efforts to create awareness in corporate governance have taken many different forms, and have included the likes of the short radio documentaries since 2000, Televised corporate advertisement titled "Good Corporate Governance", spot radio advertisement, and TV

In practicing good corporate governance, great emphasis is placed on managing with fairness, full and timely disclosure, and transparency. In addition, respect of shareholders' rights and maximization of their interests, risk management, and responsibility to both society and the nation, are all vital components of good corporate governance.

mini-series simulating real life dilemmas on corporate governance. Other examples of the Group's continuing efforts includes the distribution of booklets detailing the principles of corporate governance, in addition to sending qualified company representatives to lecture on the issue at various venues around the country. These activities are expected to

generate strong interest in good corporate governance from all groups, including opinion leaders, strategic leaders, executives, employees of public and private sector organizations, and students.

» In addition to the above specific campaigns, good corporate governance is also highlighted and mentioned in the Group's wide array of media, such as its website, journals, social activities, and in

efficiency. It is with great hope that should all the domestic organizations instill into practice the principles of good corporate governance, foreign investors will then become more confident of investing in the country, resulting in



ENT GROUP AWARENESS OF CORPORATE GOVERNANCE

various print media. All of these contain informative contents aimed at stimulating the awareness and importance of practicing good corporate governance.

» The Siam Cement Group continues to create awareness in good corporate governance, in the hope of having other organizations adopt it for eventual use. With strong conviction, the Group believes that the implementation of good corporate governance will allow other organization to become more competitive, increase their value added, in addition to creating additional stability and increased



Thailand having a more stable economy, and society.

In the long run, Thailand will become more prosperous and better developed. <<

OPERATING RESULTS

➤➤ The operating results of the Siam Cement Group's business units (paper and packaging, petrochemicals, cement, building products, ceramics and distribution) reports continued improvements. This is despite strong competition in both the domestic and foreign markets, as a result of the slowdown in world and U.S. economies. All of the Group's business units have undertaken strategic planning and have implemented corporate culture programs, which will give flexibility to meet future customer demands and market efficiently, thus further ensuring the Group's stability and prosperity. ◀◀





RATING RESULTS



» 2001 OPERATING RESULTS

Paper and Packaging Business »

Petrochemicals Business »

Cement Business »

Building Products Business »

Ceramics Business »

Distribution Business »

OPERATING RESULTS

PAPER AND PACKAGING BUSINESS



CONSOLIDATED FINANCIAL INFORMATION

MILLION BAHT

	2001	2000	1999	1998	1997
BALANCE SHEET DATA					
» TOTAL CURRENT ASSETS	9,397	8,100	7,228	8,055	8,540
» TOTAL ASSETS	35,982	36,416	36,325	40,482	49,431
» TOTAL LIABILITIES	15,301	16,691	19,742	23,828	31,740
» SHAREHOLDERS' EQUITY & MINORITY INTEREST	20,681	19,725	16,583	16,654	17,691
STATEMENTS OF INCOME DATA					
» TOTAL REVENUES	27,121	27,465	21,764	19,865	17,086
» TOTAL COSTS AND EXPENSES*	22,432	23,242	19,541	19,051	16,099
» INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	3,274	2,798	1,183	4,159	(5,735)
» NET INCOME (LOSS)	3,272	2,798	1,183	4,159	(5,735)
TOTAL EBITDA**	8,194	8,062	6,257	5,735	5,050

FIGURES FOR THE YEAR 1997-2000 WERE NON-RESTATEd.

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT.

▶▶ MAJOR COMPANIES

SUBSIDIARIES

- ▶▶ THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED
- ▶▶ SIAM CELLULOSE Co., LTD.
- ▶▶ THE SIAM FORESTRY Co., LTD.
- ▶▶ THAI PAPER Co., LTD.
- ▶▶ THAI UNION PAPER PUBLIC COMPANY LIMITED
- ▶▶ THAI UNION PAPER INDUSTRY Co., LTD.
- ▶▶ SIAM KRAFT INDUSTRY Co., LTD.
- ▶▶ THAI KRAFT PAPER INDUSTRY Co., LTD.
- ▶▶ THAI CONTAINERS LTD.
- ▶▶ THAI CONTAINERS INDUSTRY Co., LTD.

- ▶▶ THAI CONTAINERS RATCHABURI (1989) Co., LTD.
- ▶▶ THAI CONTAINERS SONGKHLA (1994) Co., LTD.
- ▶▶ THAI CONTAINERS CHONBURI (1995) Co., LTD.
- ▶▶ CITY PACK Co., LTD.
- ▶▶ THAI CONTAINERS V&S Co., LTD.
- ▶▶ NIPPON HI-PACK (THAILAND) Co., LTD.

ASSOCIATED

- ▶▶ SIAM TOPPAN PACKAGING Co., LTD.
- ▶▶ UNITED PULP & PAPER Co., INC. (THE PHILIPPINES)
- ▶▶ PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED



OPERATING RESULTS

OPERATING RESULTS

» In 2001, the domestic demand for overall paper grew by 5%. Although total sales of the paper and packaging business remained at the same level as the previous year, an increase in operating profit was recorded. Moreover, the Group was able to retain its leadership in the domestic, due to its

During the period, operating levels were at its maximum production capacity utilization, and in response to the demands of the consumers products were further improved and developed.



advantageous cost structure that is competitive in both domestic and international markets. These attributes can be traced to the company's high quality products that are of high demand by the consumers, the exceptional service quality, and the benefits gained from the use of the supply chain management which adds value to each working process. During the past year, improvements made to the information technology, especially e-Commerce, have raised the level of service to the customers.

» *Industrial Paper:* The Group retained its status as market leader for industrial paper in 2001, increasing domestic sales by 4%, while export sales account for 30% of all sales.

» *Packaging:* Despite a slowdown in the electrical appliance and electronics sector in 2001, sales increased by 17% due to a diverse client base. With this exposure to other sectors, sales increases were reported in the food and consumer products sectors. The establishment of the Printing Technology Center is further evidence that emphasis has been placed on the development of packaging products. The aims of this

center is to provide clients with services related to printing and package design for increased attractiveness and durability of the package.

PROGRESS OF BUSINESS DEVELOPMENT

» In November 2001, the Siam Pulp and Paper Plc., purchased 29.98 million shares or 24.98% in Phoenix Pulp and Paper Plc. (or PPPC) from Janpath Investments and Holdings Ltd., and further proceeded with a



» *Printing & Writing Paper:* In 2001, the Group retained its status as market leader for printing & writing paper, increasing domestic sales by 15%, while export sales account for 30% of all sales. During the period, operating levels were at its maximum production capacity utilization, and further improvements were made to the production process in the efforts to keep product quality at its best.

tender offer for an unlimited amount of the remaining shares. Upon the closing of the tender offer, the company has together secured 61% of shares in PPPC. This is an example of the company's commitment towards the integration of its operations, aimed at enhancing value added for the printing and writing paper unit. <<

OPERATING RESULTS

PETROCHEMICALS BUSINESS



CONSOLIDATED FINANCIAL INFORMATION

MILLION BAHT

	2001	2000	1999	1998	1997
BALANCE SHEET DATA					
» TOTAL CURRENT ASSETS	10,445	11,628	12,251	11,483	9,759
» TOTAL ASSETS	59,132	55,343	57,202	57,926	53,850
» TOTAL LIABILITIES	32,925	32,987	35,858	40,645	40,609
» SHAREHOLDERS' EQUITY & MINORITY INTEREST	26,207	22,356	21,344	17,281	13,241
STATEMENTS OF INCOME DATA					
» TOTAL REVENUES	38,629	40,086	25,059	15,853	12,959
» TOTAL COSTS AND EXPENSES*	36,449	36,700	21,446	14,288	11,628
» INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	2,611	1,611	2,129	3,482	(4,665)
» NET INCOME (LOSS)	2,611	1,558	2,133	981	(4,665)
TOTAL EBITDA**	6,443	7,004	6,769	2,819	2,535

FIGURES FOR THE YEAR 1997-2000 WERE NON-RESTATEd.

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT.

▶▶ MAJOR COMPANIES

SUBSIDIARIES

- ▶▶ CEMENTHAI CHEMICALS CO., LTD.
- ▶▶ THAI POLYETHYLENE CO., LTD.
- ▶▶ THAI POLYETHYLENE (1993) CO., LTD.
- ▶▶ THAI POLYPROPYLENE CO., LTD.
- ▶▶ THAI POLYPROPYLENE (1994) CO., LTD.
- ▶▶ RAYONG OLEFINS CO., LTD.
- ▶▶ MAP TA PHUT TANK TERMINAL CO., LTD.
- ▶▶ RAYONG PIPELINE CO., LTD.

ASSOCIATED

- ▶▶ SIAM POLYSTYRENE CO., LTD.
- ▶▶ PACIFIC PLASTICS (THAILAND) LTD.
- ▶▶ SIAM SYNTHETIC LATEX CO., LTD.
- ▶▶ SIAM STYRENE MONOMER CO., LTD.
- ▶▶ SIAM POLYETHYLENE CO., LTD.
- ▶▶ THAI MMA CO., LTD.
- ▶▶ GRAND SIAM COMPOSITES CO., LTD.
- ▶▶ SIAM MITSUI PTA CO., LTD.
- ▶▶ THAI PLASTIC AND CHEMICAL PUBLIC COMPANY LIMITED
- ▶▶ NATIONAL PETROCHEMICAL PUBLIC COMPANY LIMITED



OPERATING RESULTS

OPERATING RESULTS

» In 2001, net profit was 51% higher than in 2000, despite a decline of 4% in overall sales. This is due to the steadily lower world market prices resulting from the contraction of demand, because of the prevailing economic situation, caused by the results of the September 11 events in the United States.



» Sales of ethylene and propylene decreased, as a result of the plant turnaround at Rayong Olefins Co. Ltd., for the scheduled plant maintenance. During the shutdown, the company took the opportunity to carry out its debottlenecking plan to increase the production capacity.

» Domestic demand for plastic pellets increased by 6%. At the same time, the company expanded its production capacity of polyethylene by 200,000 tons annually, resulting in higher recorded for the domestic market. Export sales rose by 20% during the year, as China, Indochina and Southeast Asia were the major sales destinations. Moreover, the company was able to increase export sales to the South Asia, African and Australian markets.

PROGRESS OF BUSINESS DEVELOPMENT

» Production capacity expansion projects in 2001 are as follows:



- Ethylene production capacity was increased to 800,000 tons per annum.
- High Density Polyethylene (HDPE) production capacity was increased to 500,000 tons per annum.
- Polypropylene production capacity was increased to 320,000 tons per annum.



ORGANIZATIONAL DEVELOPMENT

» Development of human resources places great emphasis on self-learning, through the use of the information technology system. In the long term, the intention is to implant a corporate culture which has concepts and practice guidelines that will support the organization's future growth and stability. With the collaboration of King Mongkut's University of Technology Thonburi, the company



» In addition, the company established Rayong Engineering and Plant Service Co., Ltd., so as to provide consulting and supervisory work in projects related to engineering, construction, as well as services in machinery repair and maintenance to companies both within and outside the Group.

has organized C-ChEPS program (Construction Chemicals Engineering Practice School) so as to enhance the knowledge in chemical engineering, a key component in the business, for staff members whose academic background is lower than a Bachelor's degree. It is expected that this will enable these employees to increase their future potential and prepare them for higher levels of job responsibilities.

» The company has also introduced the most advance technologies to boost efficiencies in all facets of the business, such as management, administration, production and marketing. Some of the technologies introduced include e-Supply chain solution, Enterprise Resource Planning system (ERP), Advance Process Control technology (APC), and e-Ordering, and have been introduced in order to attain higher competitiveness in the world market. <<

OPERATING RESULTS

CEMENT BUSINESS



CONSOLIDATED FINANCIAL INFORMATION

MILLION BAHT

	2001	2000	1999	1998	1997
BALANCE SHEET DATA					
» TOTAL CURRENT ASSETS	4,865	8,641	3,351	4,055	4,946
» TOTAL ASSETS	60,928	70,700	67,887	66,277	83,340
» TOTAL LIABILITIES	48,408	55,109	56,670	47,103	65,052
» SHAREHOLDERS' EQUITY & MINORITY INTEREST	12,520	15,591	11,217	19,174	18,288
STATEMENTS OF INCOME DATA					
» TOTAL REVENUES	24,352	22,328	22,847	25,507	31,328
» TOTAL COSTS AND EXPENSES*	22,734	21,261	21,385	24,734	27,631
» INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	859	(15)	(791)	9,342	(5,832)
» NET INCOME (LOSS)	859	(12)	(799)	9,342	(5,832)
TOTAL EBITDA**	7,613	7,337	8,817	8,839	10,517

FIGURES IN 2000 WERE RECLASSIFIED TO CONFORM WITH THOSE IN 2001 (FIGURES FOR THE YEAR 1997-1999 WERE NON-RESTATED)

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT.

➤➤ MAJOR COMPANIES

SUBSIDIARIES

- » SIAM CEMENT INDUSTRY CO., LTD.
- » THE SIAM CEMENT (LAMPANG) CO., LTD.
- » THE SIAM CEMENT (TA LUANG) CO., LTD.
- » THE SIAM CEMENT (KAENG KHOI) CO., LTD.
- » THE SIAM CEMENT (THUNG SONG) CO., LTD.
- » THE CONCRETE PRODUCTS AND AGGREGATE CO., LTD.



OPERATING RESULTS

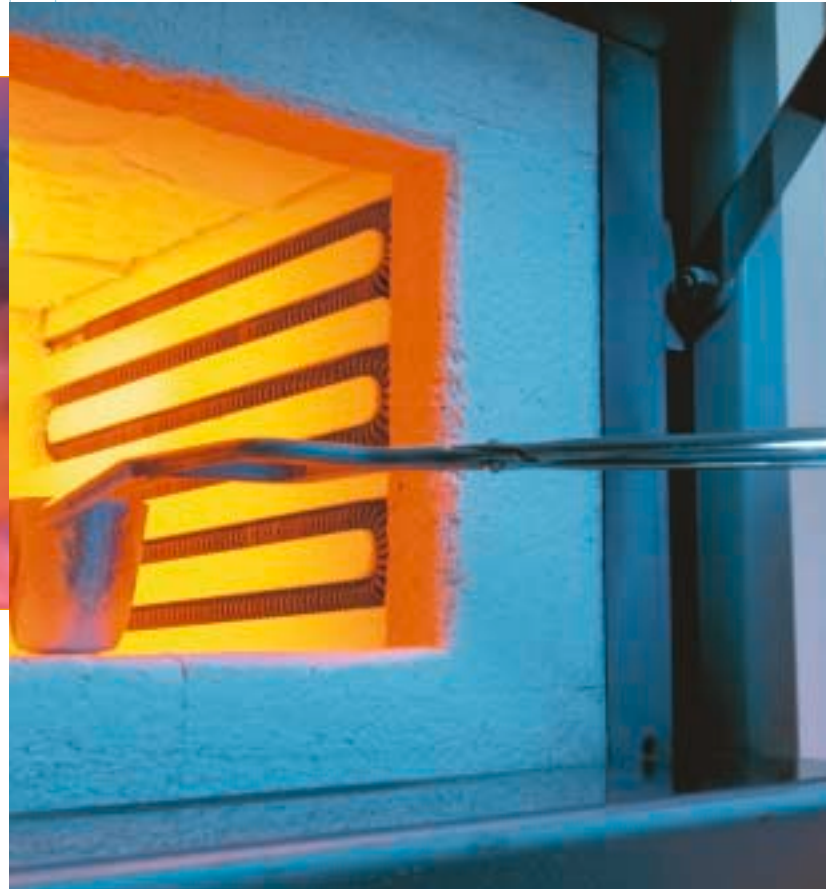
OPERATING RESULTS

» In 2001, the overall sales were 10% higher than in 2000, due to better sales performance for all products.

» *Grey cement:* Sales grew 10%, while domestic demand remained flat over the year. Domestic cement prices rose slightly

by expanding its nationwide production base with 49 new franchisees enlisted.

» *White cement:* Sales grew by 22% in 2001, as a result of the sharp increase in exports by 76%. Domestic sales, however, declined by 6%.



from the previous year, while export sales increased by 32%. This increase in export sales is attributed to an increase in the portion of bulk cement sales versus clinker cement sales. Export sales price of bulk cement commands a higher price than that of clinker cement. Moreover, the company has penetrated new export markets in South Asia, Africa, Europe, North America and Latin America.

» *Ready-mixed concrete:* Domestic demand grew by 7% in 2001, however, intense price competition has resulted in lower selling prices. Regardless, the company was able to increase its sales by 3% by targeting small construction projects, and

» *Mortar:* The 16% increase in sales for 2001 is on par with the local market's demand growth of 15%.

PROGRESS OF BUSINESS DEVELOPMENT

» The company entered into a 10% stake in a joint venture with Siam City Cement Plc., and Holcim Group of Switzerland, a major global cement producer, to purchase the largest cement

» In addition, the company entered into a 50:50 joint venture with Aalborg Portland White of Denmark, the world's second largest producer of white cement. Named Aalborg Siam White



Cement Pte. Ltd., initially, this joint venture company will have its branch office in Taiwan to import white cement from The Siam White Cement Co., Ltd. and Aalborg RCI White Cement in Malaysia for further distribution to the Asian market. <<

grinding plant in Bangladesh. This has allowed the company to further develop its cement export into the South Asia region.

OPERATING RESULTS

BUILDING PRODUCTS BUSINESS



CONSOLIDATED FINANCIAL INFORMATION

MILLION BAHT

	2001	2000	1999	1998	1997
BALANCE SHEET DATA					
» TOTAL CURRENT ASSETS	2,577	3,339	3,287	3,038	3,258
» TOTAL ASSETS	11,842	16,190	16,842	18,230	19,380
» TOTAL LIABILITIES	6,536	8,998	8,911	8,979	10,203
» SHAREHOLDERS' EQUITY & MINORITY INTEREST	5,306	7,192	7,931	9,251	9,177
STATEMENTS OF INCOME DATA					
» TOTAL REVENUES	8,011	8,664	8,145	8,111	11,565
» TOTAL COSTS AND EXPENSES*	7,425	8,027	7,813	8,422	10,213
» INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	370	95	50	965	(1,123)
» NET INCOME (LOSS)	338	26	189	965	(1,123)
TOTAL EBITDA**	2,041	1,836	1,735	1,480	2,476

FIGURES FOR THE YEAR 1997-2000 WERE NON-RESTATED.

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT.

» MAJOR COMPANIES

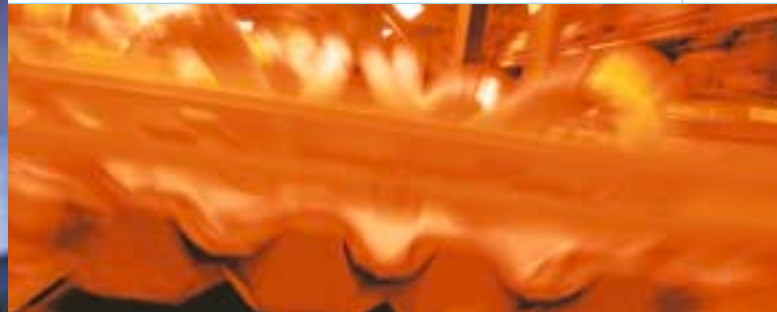
SUBSIDIARIES

- » CEMENTHAI BUILDING PRODUCTS CO., LTD.
- » THE SIAM FIBRE-CEMENT CO., LTD.
- » TIP FIBRE-CEMENT CO., LTD.
- » THE CPAC ROOF TILE CO., LTD.
- » THE CPAC ROOF TILE INDUSTRY CO., LTD.
- » THAI CERAMIC ROOF TILE CO., LTD.
- » THE CPAC CONCRETE PRODUCTS CO., LTD.
- » THE CPAC CONCRETE INDUSTRY CO., LTD.
- » THE SIAM CPAC BLOCK CO., LTD.
- » THE CPAC BLOCK INDUSTRY CO., LTD.

- » SARABURIRAT Co., LTD.
- » PT SIAM-INDO CONCRETE PRODUCTS (INDONESIA)
- » PT SIAM-INDO GYPSUM PRODUCTS (INDONESIA)
- » SIAM FIBERGLASS Co., LTD.
- » THE SIAM NAWAPHAN Co., LTD.
- » THE SIAM MOULDING PLASTER Co., LTD.

ASSOCIATED

- » THE SIAM GYPSUM INDUSTRY Co., LTD.
- » THE SIAM GYPSUM INDUSTRY (SARABURI) Co., LTD.
- » THE SIAM GYPSUM INDUSTRY (SONGKHLA) Co., LTD.



OPERATING RESULTS

OPERATING RESULTS

» Sales in 2001 were 13% higher than the previous year, due to higher product prices and increased sales volume for fibre-cement roofing sheets, concrete roof tiles, ceramic roof tiles, and moulding plaster.

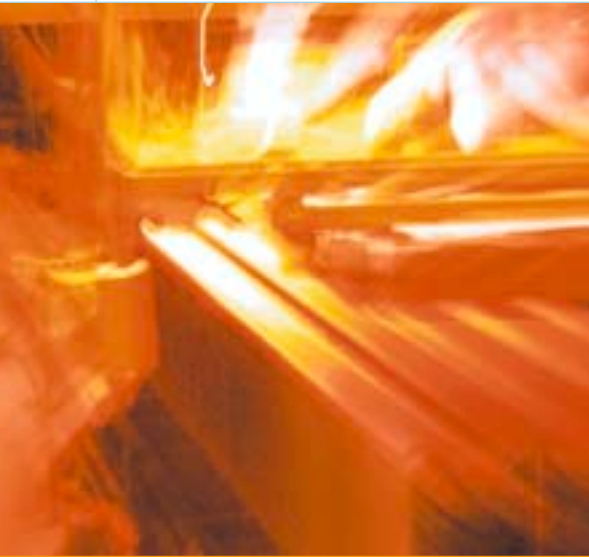
PROGRESS OF BUSINESS DEVELOPMENT

» Business development plans implemented in 2001 were as follows:

» Domestic sales recorded a 12% growth from the previous year, despite the continued slowdown in the construction sector since 1997. In addition, the company has carried out operational adjustments to reduce production costs, sell more products with higher value added, and offer a wider variety of products.

» Export sales in 2001 increased by 9% from the previous year. Major export products were fibre-cement roofing sheets, glasswool insulation products and concrete roof tiles. Major export market were Laos, Cambodia and Myanmar.

» *Roofing products:* Production capacity of fibre-cement roofing sheets in Indonesia was increased to 85,000 tons per year, while production capacity of Neustile concrete roof tiles was increased to 400,000 square metres per year. Moreover, CPAC Monier (Cambodia) Co., Ltd., a joint venture with



Lafarge, was established to produce 1.5 million square metre of concrete roof tiles annually for domestic sales in Cambodia.

» *Concrete products:* The paving blocks unit and CPAC concrete products unit were consolidated for enhanced flexibility and reduced expenses.

ORGANIZATIONAL DEVELOPMENT

» An organizational culture development project was initiated with aims for increased corporate flexibility in today's competitive marketplace. Also initiated in collaboration with The Siam Cement Group's cement



and distribution businesses was the "Integrated Supply and Demand Planning" project, aimed for reduced cost and increase customer service efficiency. <<

» *Gypsum and others:* Sold 71% stake in Siam Gypsum Co. Ltd. to Lafarge Boral Gypsum Asia, and discontinued production of good such as wall panels and steel doors that had low future potential for profitability.

OPERATING RESULTS

CERAMICS BUSINESS



CONSOLIDATED FINANCIAL INFORMATION

MILLION BAHT

	2001	2000	1999	1998	1997
BALANCE SHEET DATA					
» TOTAL CURRENT ASSETS	2,811	2,435	1,726	1,787	2,417
» TOTAL ASSETS	11,558	11,245	11,075	11,870	11,897
» TOTAL LIABILITIES	4,991	5,688	6,053	5,837	7,163
» SHAREHOLDERS' EQUITY & MINORITY INTEREST	6,567	5,557	5,022	6,033	4,734
STATEMENTS OF INCOME DATA					
» TOTAL REVENUES	5,220	4,779	3,555	3,193	4,303
» TOTAL COSTS AND EXPENSES*	5,029	4,890	4,339	3,924	4,586
» INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	72	(267)	(884)	(130)	(1,186)
» NET INCOME (LOSS)	72	(279)	(890)	(130)	(1,186)
TOTAL EBITDA**	1,067	987	353	482	855

FIGURES FOR THE YEAR 1997-2000 WERE NON-RESTATED.

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT.

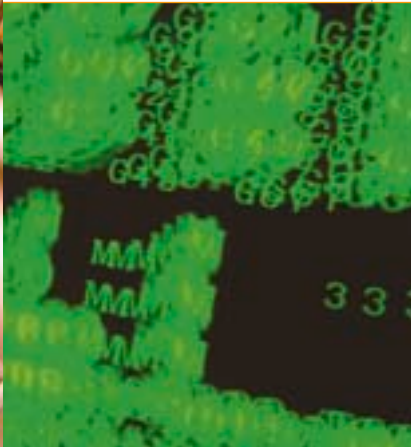
▶▶ MAJOR COMPANIES

SUBSIDIARIES

- ▶▶ CEMENTHAI CERAMICS Co., LTD.
- ▶▶ THAI CERAMIC Co., LTD.
- ▶▶ THE SOSUCO GROUP INDUSTRIES Co., LTD.
- ▶▶ PT.SURYA SIAM KERAMIK
- ▶▶ BEIJING CEMENTHAI CERAMIC Co., LTD.

ASSOCIATED

- ▶▶ SOSUCO CERAMIC Co., LTD.
- ▶▶ SIAM SANITARY WARE Co., LTD.
- ▶▶ SIAM SANITARY WARE INDUSTRY Co., LTD.
- ▶▶ THE SIAM SANITARY FITTINGS Co., LTD.
- ▶▶ MARIWASA MANUFACTURING, INC.
- ▶▶ SIAM MARIWASA TOTO, INC.



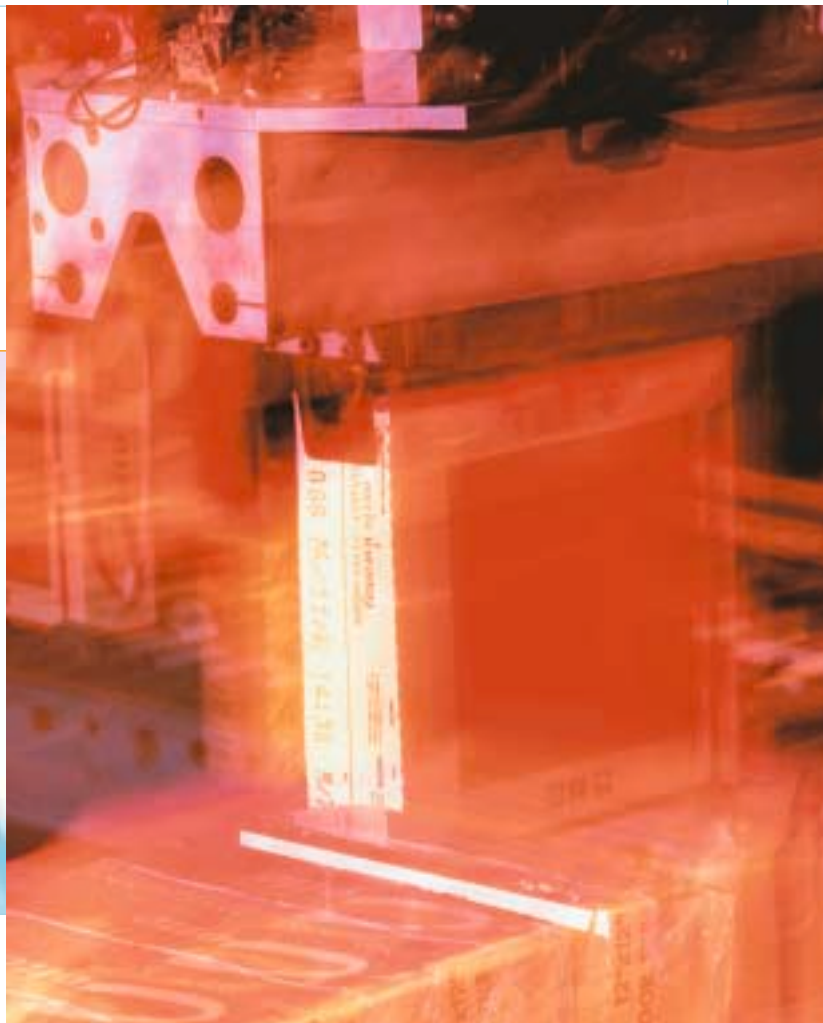
OPERATING RESULTS

OPERATING RESULTS

» Sales in 2001 were 28% higher than the previous year, due to the introduction of new products, enhanced brand identity by way of advertisements and marketing promotions, as well as through the improved production efficiency which resulted in higher productivity and reduced costs.



» Domestic demand for ceramic tiles increased by 19%, while demand for sanitary wares and fittings increased by 12%. The company was successful in avoiding direct price competition by enhancing the consumers' perception of its products from being that of a basic construction material to that of being fashionable decorative products. This was achieved through improved product design and through product repositioning for higher standards, resulting in higher product prices.



» Export sales accounted for 25% of total sales in 2001, and increased of 9% from the previous year due to higher sales in United States, Australia, ASEAN, and Europe. Moreover, the company penetrated new exports markets in Africa and Eastern Europe.

PROGRESS OF BUSINESS DEVELOPMENT

» At the Nongkae facility, production capacity of sanitary ware goods was increased to allow for greater export sales to Japan. This capacity expansion was fully supported by TOTO (Japan), and was complete in the middle of 2001.

ORGANIZATIONAL DEVELOPMENT

» It is the company's intention to establish a new corporate culture; one that has behavior guidelines that encourages and guides employees towards accomplishing their future endeavors. These include, among others, guidelines on how



to be adaptive, energetic, open minded, responsive and service-minded. These positive developments are deemed necessary in today's fashion-oriented ceramic business, where responsiveness to the changes of the market is of great importance. <<

OPERATING RESULTS

DISTRIBUTION BUSINESS



CONSOLIDATED FINANCIAL INFORMATION

MILLION BAHT

	2001	2000	1999	1998	1997
BALANCE SHEET DATA					
» TOTAL CURRENT ASSETS	6,006	5,595	4,051	6,395	3,100
» TOTAL ASSETS	8,072	7,345	5,851	10,145	7,087
» TOTAL LIABILITIES	7,177	5,718	4,913	8,018	5,802
» SHAREHOLDERS' EQUITY & MINORITY INTEREST	895	1,627	938	2,127	1,285
STATEMENTS OF INCOME DATA					
» TOTAL REVENUES	53,632	46,890	45,064	47,867	63,171
» TOTAL COSTS AND EXPENSES*	52,609	46,017	44,555	47,738	62,937
» INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	680	564	219	47	298
» NET INCOME (LOSS)	680	669	207	47	298
TOTAL EBITDA**	1,268	1,039	1,113	677	755

FIGURES IN 2000 WERE RECLASSIFIED TO CONFORM WITH THOSE IN 2001 (FIGURES FOR THE YEAR 1997-1999 WERE NON-RESTATED)

* EXCLUDING LOSS (GAIN) ON EXCHANGE RATE AND EARLY RETIREMENT EXPENSE.

** INCOME BEFORE INCOME TAX, INTEREST EXPENSE AND FINANCIAL CHARGES, DEPRECIATION AND AMORTIZATION INCLUDE DIVIDEND FROM ASSOCIATED AND OTHER COMPANIES AND PROFIT FROM DIVESTMENT.

▶▶ MAJOR COMPANIES

SUBSIDIARIES

- ▶▶ CEMENTHAI DISTRIBUTION CO., LTD.
- ▶▶ CEMENTHAI SALES AND MARKETING CO., LTD.
- ▶▶ SCT Co., LTD.
- ▶▶ CEMENTHAI LOGISTICS Co., LTD.

ASSOCIATED

- ▶▶ THAI PROSPERITY TERMINAL Co., LTD.
- ▶▶ RAYONG BULK TERMINAL Co., LTD.



OPERATING RESULTS

OPERATING RESULTS

» Total sales in 2001 were 17% higher than the previous year, as sales from domestic and international increased 12% and 24%, respectively. Major export products were cement,



steel, construction materials, and decorative products of The Siam Cement Group.

PROGRESS OF BUSINESS DEVELOPMENT

» Cementhai Sales and Marketing Co., Ltd. implemented a nationwide project based on the concept of Partner Relationship



Management (PRM) to enhance the service efficiency for all its dealers. This will enable the company to fully meet its customer demands in order to enable their long-term satisfaction.

» In the retail business, through the cooperative efforts with Do it Best Corp. of U.S.A., the development of a nationwide network of Cementhai Homemart outlets has been enhanced. Through the implementation of an initial prototype Cementhai Homemart store, there is expected to be transfer of knowledge and experience to the company and its related sales outlets.

» The international operations, handled by SCT Co., Ltd., has been strengthened further with the increase in the number of dealers in the major cities of Cambodia.

» Cementhai Logistics Co., Ltd. has commenced the use of its Transportation Management System (TMS). It is expected that this system will help manage delivery operations, and improve demand planning where the customers' orders can

ORGANIZATIONAL DEVELOPMENT

» The company is committed to a corporate culture that emphasizes responsive to customer demands, and giving services that are prompt and accurate. Another aspect of its corporate culture is the fostering of an environment conducive to learning, by ways of seminars and self-learning through the computer. In the future, it is expected that self-learning



be anticipated in advance. Moreover, as the system will be used in conjunction with the other business units of the Siam Cement Group, the level of preparedness of the supply chain management will be much higher, resulting in greater service efficiency for the customers.

through the computer will evolve to web-based training. Moreover, as part of its ongoing Best Practices project, company employees are encouraged to detail both their work experiences and past accomplishments, so that it can be retained internally within the company for others to learn from. <<

AWARDS AND STANDARDS CERTIFICATION IN 2001

PAPER AND PACKAGING BUSINESS

SIAM KRAFT INDUSTRY CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » Asia Waste Management Excellence Award
 - From Regional Institute of Environmental Technology

THAI KRAFT PAPER INDUSTRY CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)

THAI UNION PAPER INDUSTRY CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)

THAI CONTAINERS LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » World Excellence Corrugated Graphics 2001 Award
 - From Flexographic Technical Association (FTA)

THAI CONTAINERS INDUSTRY CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » Asia Star Award 2000
 - From Asian Packaging Federation (APF)

THAI CONTAINERS RATCHABURI (1989) CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » Gold Award - FTA Design Award
 - From Flexographic Technical Association (FTA)

THAI CONTAINERS SONGKHLA (1994) CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
- » ISO 14001 Certification for environmental management
 - From Management System Certification Institute (Thailand)

CITYPACK CO., LTD.

- » ISO 9002 Certification for quality management system
 - From Management System Certification Institute (Thailand)

THE SIAM FORESTRY CO., LTD.

- » ISO 9002 Certification for quality management system
 - From Management System Certification Institute (Thailand)

THAI PAPER CO., LTD.

- » The Prime Minister's Industry Award for an outstanding achievement in environmental conservation
 - From the Ministry of Industry
- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » Best Manufacturer Award for safety, occupational health and working condition
 - From the Ministry of Labour and Social Welfare

THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED

- » ISO 14001 Certification for environmental management
 - From Management System Certification Institute (Thailand)
- » EIA Award
 - From the Ministry of Science, Technology and Environment

PETROCHEMICALS BUSINESS

THAI POLYETHYLENE CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » EIA Award
 - From the Ministry of Science, Technology and Environment

THAI POLYETHYLENE (1993) CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)

THAI POLYPROPYLENE CO., LTD.

- » The Prime Minister's Industry Award for an outstanding achievement in environmental conservation
 - From the Ministry of Industry
- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)
- » EIA Award
 - From the Ministry of Science, Technology and Environment

THAI POLYPROPYLENE (1994) CO., LTD.

- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)

SIAM MITSUI PTA CO., LTD.

- » ISO 14001 Certification for environmental management
 - From the Ministry of Industry
- » Best Manufacturer Award for safety, occupational health and working condition
 - From the Ministry of Labour and Social Welfare

THAI MMA CO., LTD.

- » ISO 9002 Certification for quality management system
 - From SGS (Thailand) Limited
- » Best Manufacturer Award for safety, occupational health and working condition
 - From the Ministry of Labour and Social Welfare
- » EIA Award
 - From the Ministry of Science, Technology and Environment

CEMENT BUSINESS

SIAM CEMENT INDUSTRY CO., LTD.: INSTRUMENTAL CALIBRATION CENTER

- » ISO/IEC 17025 Certification of laboratory accreditation
 - From the Ministry of Industry

THE SIAM CEMENT (KAENG KHOI) CO., LTD.

- » ISO 9001 : 2000 Certification for quality management system
 - From Management System Certification Institute (Thailand)
- » Best Manufacturer Award for safety, occupational health and working condition
 - From the Ministry of Labour and Social Welfare
- » CE-Mark Product Standard Certification for sale of Portland cement Type 1 in all European countries
 - From AENOR, Spain
- » Certification for waste quality improvement facilities Type 101
 - From the Ministry of Industry
- » EIA Award
 - From the Ministry of Science, Technology and Environment

THE SIAM CEMENT (TA LUANG) CO., LTD.: KHAO WONG PLANT

- » The Prime Minister's Industry Award for an outstanding achievement in safety management
 - From the Ministry of Industry
- » ISO 9001 : 2000 Certification for quality management system
 - From Management System Certification Institute (Thailand)

THE SIAM CEMENT (TA LUANG) CO., LTD.: TA LUANG PLANT

- » ISO 9001 : 2000 Certification for quality management system
 - From Management System Certification Institute (Thailand)

THE SIAM CEMENT (THUNG SONG) CO., LTD.

- » ISO 9001 : 2000 Certification for quality management system
 - From Management System Certification Institute (Thailand)

THE SIAM CEMENT (LAMPANG) CO., LTD.

- » ISO 9001 : 2000 Certification for quality management system
- » TIS 18001 Certification for occupational health and safety management
 - From Management System Certification Institute (Thailand)

SIAM MORTAR CO., LTD.

- » ISO 9001 : 2000 Certification for quality management system
- » ISO 14001 Certification for environmental management
 - From Management System Certification Institute (Thailand)

BUILDING PRODUCTS BUSINESS

THE SIAM FIBRE-CEMENT CO., LTD.: THUNG SONG PLANT

- » ISO 14001 Certification for environmental management
 - From Management System Certification Institute (Thailand)

THE SIAM NAWAPHAN CO., LTD.: RAYONG PLANT

- » ISO 14001 Certification for environmental management
 - From Management System Certification Institute (Thailand)

CERAMICS BUSINESS

SOSUCO CERAMIC CO., LTD.

- » ISO 9001 : 2000 Certification for quality management system
 - From ANSI-RAB (USA)

THE SOSUCO GROUP INDUSTRIES CO., LTD.

- » ISO 9002 Certification for quality management system
 - From TUV RHEINLAND (Thailand)

DISTRIBUTION BUSINESS

SCT CO., LTD.

- » ISO 9001 : 2000 Certification for quality management system
 - From Management System Certification Institute (Thailand)
- » Certificate for licensed customs broker
 - From The Customs Department

MESSAGE FROM THE AUDIT COMMITTEE

» The Audit Committee had fulfilled its commitment assigned by the company's Board of Directors, which include supervision and scrutiny of the company's financial statements and consolidated financial statements to be in full conformity with the Accounting Standard deemed appropriate for business operations, good corporate governance, and code of ethics in compliance with the regulations of the Stock Exchange of Thailand and all statutes concerned. The Committee has also organized the company's audit system including the auditing in management, financial, operations, and information technology in accordance with generally accepted auditing standards. Moreover, the Committee also responsible for selected and proposed appointment of auditor, and carried out other Board's assignments.

» In the financial year 2001, the Audit Committee supervised and scrutinized the company's quarterly and annual financial statements for financial year 2001 and consolidated financial statements of the Group in accordance with the generally accepted standard principles of The Institute of Certified Accountants and Auditors of Thailand and the regulations of The Stock Exchange of Thailand. The Audit Committee also ensured adequate disclosure of financial data and proposed the consolidated financial statements in accordance with the US GAAP, so that it could be of benefit for foreign investors, who would normally rely on data which is audited in conformance with the US GAPP for making investment decisions. Moreover, the company can also propose financial statements before quarterly review by auditors at the end of each month after quarterly closing the book of accounts much sooner than the period specified by the Stock Exchange of Thailand in every quarter, after the review by the auditors without significant changes.

» In supervision of the operations of the Group based on good corporate governance, the Audit Committee has reviewed business operations in accordance with business philosophy, policy, regulations, orders, and code of ethics of the Group as duly defined. The Audit Committee found nothing significant not in conformity with good corporate governance. There has been constant development in supervision and recommendation for appropriate updating of company

regulations, particularly in the field of IT Auditing with new technology applied in the audit work.


» The Assessment of Risk Management in the year under review found no significant risks. However, in order to ensure full compliance with the international standard, the Audit Committee has appointed a working group and hired advisors with expertise in risk management to assess the Group's long-standing principle to define the guidelines for practices to achieve more efficiency and international standing.

» In general, the Group has been ensuring an adequately significant internal control system to operate business in accordance with the principle of good corporate governance, in which the auditor has found no significant problems or flaws. To enhance efficiency of the internal control system, the Audit Committee has enforced Control Self Assessment to create an operating control mechanism for best results, and constantly promote higher productivity in all units.

» For the year 2002, the Audit Committee has proposed Mr. Methee Rattanasrimetha or Miss Wipa Jindanuwat or Mr. Pisit Chiwaruangroch of SGV-Na Thalang & Co., Ltd. (Andersen), to the Board to be considered as auditor by one more year. The proposal will be presented to the shareholders' meeting for approval.

March 1, 2002

On behalf of the Audit Committee

Air Vice Marshal 
(Kamthon Sindhvananda)
Chairman of the Audit Committee



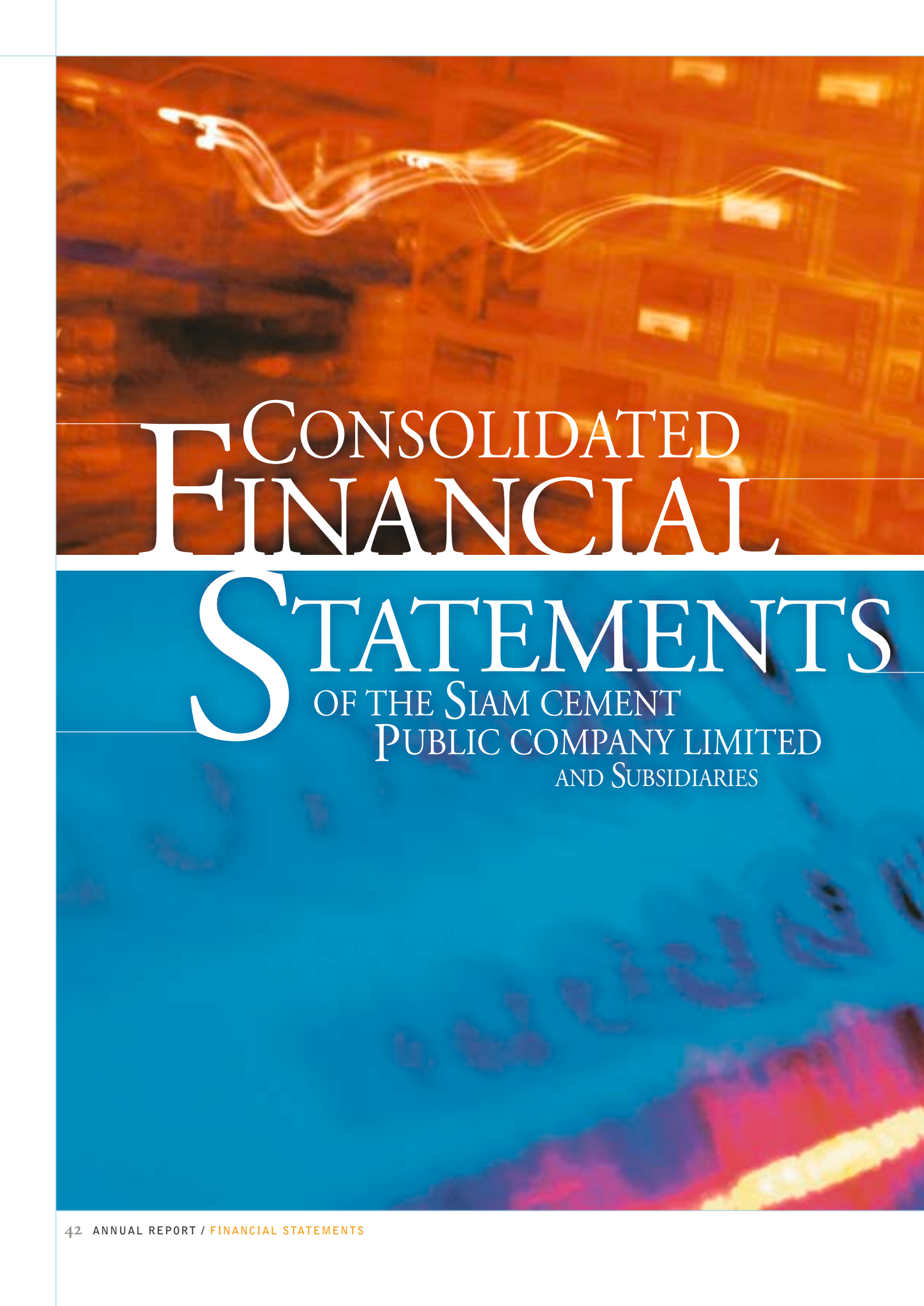
FINANCIAL STATEMENTS

» CONSOLIDATED FINANCIAL STATEMENTS OF THE SIAM CEMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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CONSOLIDATED
FINANCIAL
STATEMENTS
OF THE SIAM CEMENT
PUBLIC COMPANY LIMITED
AND SUBSIDIARIES

REPORT OF CERTIFIED PUBLIC ACCOUNTANT TO THE SHAREHOLDERS OF THE SIAM CEMENT PUBLIC COMPANY LIMITED

I have audited the consolidated balance sheets of The Siam Cement Public Company Limited and subsidiaries as at December 31, 2001 and 2000, and the related consolidated statements of income, changes in shareholders' equity, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Siam Cement Public Company Limited and subsidiaries as at December 31, 2001 and 2000, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company has given retroactive effect to the change in the accounting for investments in shares and the change in reporting entity.



(Methee Ratanasrimetha)

C.P.A. (Thailand)

Registration No. 3425

Bangkok

February 15, 2002

Certified Public Accountants

SGV-Na Thalang & Co., Ltd., 22nd Floor, Siam Tower, 989 Rama I Road, Pathumwan, Bangkok 10330

FINANCIAL STATEMENTS

»» CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

ASSETS	NOTES	2001	2000 (RESTATED)
CURRENT ASSETS			
» CASH ON HAND AND AT BANKS		7,592,539	3,079,950
» SHORT-TERM INVESTMENTS		335,914	342,244
» ACCOUNTS AND NOTES RECEIVABLE - TRADE - NET			
- AFFILIATED COMPANIES	1, 4	1,775,467	1,824,911
- OTHER COMPANIES	3	9,976,125	9,462,913
» RECEIVABLES FROM AND LOANS TO AFFILIATED COMPANIES	1, 4	2,787,435	4,426,090
» INVENTORIES - NET	5	19,777,576	21,805,789
» OTHER CURRENT ASSETS		2,323,059	2,352,819
TOTAL CURRENT ASSETS		44,568,115	43,294,716
LONG-TERM RECEIVABLES - NET		921,816	1,188,505
INVESTMENTS IN SHARES AND LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES - NET	6	31,609,802	30,354,894
PROPERTY, PLANT AND EQUIPMENT - AT COST - NET	7	78,488,060	85,014,591
ASSETS REVALUATION SURPLUS	7	58,056,772	64,190,182
OTHER ASSETS	8	22,336,002	24,643,932
TOTAL ASSETS		235,980,567	248,686,820

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS

		IN THOUSAND BAHT	
LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	2001	2000 (RESTATED)
CURRENT LIABILITIES			
» BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	9	9,815,042	15,241,994
» ACCOUNTS PAYABLE - TRADE			
- AFFILIATED COMPANIES	1, 4	1,075,593	1,199,995
- OTHER COMPANIES		4,838,635	5,545,122
» CURRENT PORTION OF LONG-TERM DEBT	11	8,260,348	10,075,516
» CURRENT PORTION OF DEBENTURES	12	14,840,600	-
» PAYABLES TO AND LOANS FROM			
AFFILIATED COMPANIES	1, 4	1,355,542	1,340,371
» ACCRUED EXPENSES		4,134,007	3,948,190
» INCOME TAX PAYABLE		381,016	279,435
» OTHER CURRENT LIABILITIES		1,075,182	1,122,811
TOTAL CURRENT LIABILITIES		45,775,965	38,753,434
PROVIDENT FUND	10	679,774	624,499
LONG-TERM DEBT - NET OF CURRENT PORTION	11	38,425,269	57,902,189
DEBENTURES - NET OF CURRENT PORTION	12	83,643,753	86,519,110
LOSS OF ASSOCIATES IN EXCESS OF			
CARRYING VALUE OF INVESTMENT IN SHARES		-	388,234
OTHER LIABILITIES	10	1,371,266	1,235,332
TOTAL LIABILITIES		169,896,027	185,422,798

FINANCIAL STATEMENTS

»» CONSOLIDATED BALANCE SHEETS (CONTINUED)

DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	2001	2000 (RESTATED)
SHAREHOLDERS' EQUITY			
» SHARE CAPITAL - COMMON STOCK, BAHT 10 PAR VALUE AUTHORIZED SHARES - 160,000,000 SHARES ISSUED AND FULLY PAID SHARE CAPITAL - 120,000,000 SHARES		1,200,000	1,200,000
» PREMIUM ON SHARE CAPITAL		10,672	10,752
» REVALUATION SURPLUS IN PROPERTY - NET	7	56,120,410	62,238,556
» UNREALIZED LOSS ON INVESTMENT IN SECURITIES	6	(932,236)	(961,505)
» ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		(158,897)	(109,153)
» EQUITY IN ASSOCIATED COMPANIES		(1,163,026)	(1,301,116)
RETAINED EARNINGS (DEFICIT) APPROPRIATED			
» RESERVE FUND	13	120,000	120,000
» GENERAL RESERVE		10,105,000	10,062,000
UNAPPROPRIATED (DEFICIT) - FROM OPERATIONS OF THE COMPANY AND SUBSIDIARIES		(7,991,307)	(16,371,539)
TOTAL SHAREHOLDERS' EQUITY		57,310,616	54,887,995
MINORITY INTEREST IN SUBSIDIARIES			
- FROM CAPITAL AND OPERATIONS		6,837,562	6,424,402
- FROM ASSETS REVALUATION SURPLUS	7	1,936,362	1,951,625
TOTAL MINORITY INTEREST IN SUBSIDIARIES		8,773,924	8,376,027
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTEREST		66,084,540	63,264,022
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		235,980,567	248,686,820

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHAOVANA NASYLVANTA
CHAIRMAN

CHUMPOL NALAMLIENG
PRESIDENT

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF INCOME 

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	NOTES	2001	2000 (RESTATED)
REVENUES			
» NET SALES		120,353,430	116,336,954
» OTHER INCOME	14	2,289,177	1,889,943
TOTAL REVENUES		122,642,607	118,226,897
COSTS AND EXPENSES			
» COST OF SALES		92,321,759	89,724,490
» SELLING EXPENSES		7,045,845	5,662,855
» ADMINISTRATIVE EXPENSES	15	6,717,517	6,220,512
» EARLY RETIREMENT EXPENSE		412,397	769,601
» DIRECTOR FEE		20,798	23,987
» INTEREST EXPENSE AND FINANCIAL CHARGES	16	11,486,905	13,545,584
» LOSS (GAIN) ON EXCHANGE RATE		(329,763)	2,745,581
TOTAL COSTS AND EXPENSES		117,675,458	118,692,610
INCOME (LOSS) BEFORE INCOME TAX		4,967,149	(465,713)
» INCOME TAX	17	1,767,637	(1,168,137)
INCOME FROM OPERATIONS		3,199,512	702,424
» MINORITY INTEREST IN INCOME OF SUBSIDIARIES - NET		(1,200,597)	(659,123)
INCOME BEFORE EQUITY IN INCOME OF ASSOCIATED COMPANIES		1,998,915	43,301
» EQUITY IN EARNINGS OF ASSOCIATED COMPANIES - NET		2,797,774	1,700,903
INCOME BEFORE INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS		4,796,689	1,744,204
» GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS - NET OF INCOME TAX	6, 7	2,837,485	(1,271,327)
NET INCOME		7,634,174	472,877
EARNINGS PER SHARE (IN BAHT)		63.62	3.94

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS

»» CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATED)
COMMON SHARE		
»» BEGINNING BALANCE	1,200,000	1,200,000
»» ADDITION	-	-
»» DEDUCTION	-	-
»» ENDING BALANCE	1,200,000	1,200,000
PREMIUM ON SHARE CAPITAL		
»» BEGINNING BALANCE	10,752	10,752
»» ADDITION	-	-
»» DEDUCTION	80	-
»» ENDING BALANCE	10,672	10,752
REVALUATION SURPLUS IN PROPERTY		
»» BEGINNING BALANCE	62,238,556	57,093,727
»» ADDITION	-	5,144,829
»» DEDUCTION	6,118,146	-
»» ENDING BALANCE	56,120,410	62,238,556
UNREALIZED LOSS ON INVESTMENT IN SECURITIES		
»» BEGINNING BALANCE	(961,505)	(260,279)
»» ADDITION	29,269	-
»» DEDUCTION	-	701,226
»» ENDING BALANCE	(932,236)	(961,505)
ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		
»» BEGINNING BALANCE	(109,153)	(314,302)
»» ADDITION	-	205,149
»» DEDUCTION	49,744	-
»» ENDING BALANCE	(158,897)	(109,153)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATED)
EQUITY IN ASSOCIATED COMPANIES		
FROM CHANGE IN PERCENTAGE OF HOLDINGS	488,287	488,412
FROM REVALUATION SURPLUS OF ASSETS	3,119,956	2,281,712
FROM UNREALIZED GAIN (LOSS) ON INVESTMENT IN SECURITIES	(220)	11,969
FROM ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	(40,606)	(98,824)
FROM OPERATIONS OF ASSOCIATED COMPANIES	(4,730,443)	(3,984,385)
TOTAL EQUITY IN ASSOCIATED COMPANIES	(1,163,026)	(1,301,116)
APPROPRIATED RETAINED EARNINGS		
RESERVE FUND		
» BEGINNING BALANCE	120,000	120,000
» ADDITION	-	-
» DEDUCTION	-	-
» ENDING BALANCE	120,000	120,000
GENERAL RESERVE		
» BEGINNING BALANCE	10,062,000	10,062,000
» ADDITION	43,000	-
» DEDUCTION	-	-
» ENDING BALANCE	10,105,000	10,062,000
UNAPPROPRIATED (DEFICIT)		
FROM OPERATIONS OF THE COMPANY AND SUBSIDIARIES		
» BEGINNING BALANCE	(16,371,539)	(16,639,305)
» ADJUSTMENTS	-	(192,968)
» AS ADJUSTED	(16,371,539)	(16,832,273)
» ADDITION	8,380,232	460,734
» DEDUCTION	-	-
» ENDING BALANCE	(7,991,307)	(16,371,539)
MINORITY INTEREST IN SUBSIDIARIES		
FROM CAPITAL AND OPERATIONS	6,837,562	6,424,402
FROM ASSETS REVALUATION SURPLUS	1,936,362	1,951,625
TOTAL MINORITY INTEREST IN SUBSIDIARIES	8,773,924	8,376,027
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTEREST	66,084,540	63,264,022

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS

»» CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	NOTE	2001	2000 (RESTATED)
APPROPRIATED RETAINED EARNINGS			
» RESERVE FUND		120,000	120,000
» GENERAL RESERVE		10,105,000	10,062,000
TOTAL APPROPRIATED RETAINED EARNINGS		10,225,000	10,182,000
UNAPPROPRIATED RETAINED EARNINGS (DEFICIT)			
FROM OPERATIONS OF THE COMPANY AND SUBSIDIARIES			
» DEFICIT AT BEGINNING OF YEAR		(16,371,539)	(16,832,273)
» NET INCOME FOR THE YEAR		8,380,232	460,734
» DEFICIT		(7,991,307)	(16,371,539)
FROM OPERATIONS OF ASSOCIATED COMPANIES			
» DEFICIT AT BEGINNING OF YEAR		(4,714,639)	(3,919,221)
» ADJUSTMENT EQUITY IN ASSOCIATES IN PRIOR YEARS	1	730,254	(77,307)
» AS ADJUSTED		(3,984,385)	(3,996,528)
» EQUITY IN INCOME (LOSS) FOR THE YEAR		(746,058)	12,143
» DEFICIT		(4,730,443)	(3,984,385)
TOTAL DEFICIT		(2,496,750)	(10,173,924)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATEd)
CASH FLOWS FROM OPERATING ACTIVITIES:		
» NET INCOME	7,634,174	472,877
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
» UNREALIZED LOSS (GAIN) ON FOREIGN CURRENCY EXCHANGE	(321,728)	2,913,654
» DEPRECIATION AND AMORTIZATION	10,371,731	10,953,883
» PROVISION FOR DECLINE IN VALUE OF INVESTMENTS - NET	23,766	(108,417)
» IMPAIRMENT LOSS IN ASSETS AND DIMINUTION IN INVESTMENTS	-	777,096
» GAIN ON SALES OF FIXED ASSETS	(93,234)	(31,462)
» LOSS (GAIN) ON SALES OF INVESTMENTS - NET	(2,861,251)	602,648
» EQUITY IN EARNINGS OF ASSOCIATED COMPANIES - NET	(2,797,774)	(1,700,903)
» MINORITY INTEREST IN INCOME OF SUBSIDIARIES	1,200,597	659,123
» DEFERRED INCOME TAX - NET	931,931	(1,646,351)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
» ACCOUNTS AND NOTES RECEIVABLE - TRADE - NET	(495,800)	(232,949)
» RECEIVABLES FROM AFFILIATED COMPANIES	75,554	1,012,815
» INVENTORIES - NET	2,008,123	(2,011,431)
» OTHER CURRENT ASSETS	157,443	661,896
» OTHER ASSETS	(1,085,244)	441,024
» ACCOUNTS PAYABLE - TRADE	(777,583)	107,317
» PAYABLES TO AFFILIATED COMPANIES	(59,132)	29,944
» OTHER CURRENT LIABILITIES	285,040	1,379
» PROVISION FOR PROVIDENT FUND - NET	55,275	(12,743)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14,251,888	12,889,400

FINANCIAL STATEMENTS

»» CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATED)
CASH FLOWS FROM INVESTING ACTIVITIES:		
»» INVESTMENTS IN ASSOCIATED AND OTHER COMPANIES	(3,207,816)	168,657
»» DIVIDEND INCOME FROM ASSOCIATED COMPANIES	2,388,154	1,646,474
»» EXCESS OF COST OVER NET BOOK VALUE	(102,817)	(2,042,057)
»» PROCEEDS FROM SALES OF INVESTMENTS	7,799,295	1,730,426
»» CASH FROM SUBSIDIARIES SOLD	(18,496)	-
»» MINORITY INTEREST IN SUBSIDIARIES	63,706	(1,579,161)
»» PROPERTY, PLANT AND EQUIPMENT	(5,290,115)	(7,400,484)
»» PROCEEDS FROM SALES OF FIXED ASSETS	1,270,760	538,028
»» LOANS TO AFFILIATED COMPANIES	2,488,379	142,993
»» ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	(49,744)	205,147
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	5,341,306	(6,589,977)
CASH FLOWS FROM FINANCING ACTIVITIES:		
»» BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	(5,460,504)	(7,661,457)
»» REPAYMENTS OF LONG-TERM DEBT	(25,450,391)	(45,199,616)
»» PROCEEDS FROM LONG-TERM DEBT	4,524,147	6,442,115
»» LOANS FROM AFFILIATED COMPANIES	21,829	1,528,008)
»» DIVIDEND PAID TO MINORITY INTEREST	(642,313)	(755,196)
»» DEBENTURES	11,965,243	37,491,110
»» OTHER LIABILITIES	(44,946)	113,905
NET CASH USED IN FINANCING ACTIVITIES	(15,086,935)	(11,097,147)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,506,259	(4,797,724)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,422,194	8,219,918
CASH AND CASH EQUIVALENTS AT END OF YEAR	7,928,453	3,422,194
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH AND CASH EQUIVALENTS		
THIS CONSISTS OF		
»» CASH ON HAND AND AT BANKS	7,592,539	3,079,950
»» SHORT-TERM INVESTMENTS	335,914	342,244
TOTAL	7,928,453	3,422,194
CASH PAID DURING THE YEARS		
»» INTEREST EXPENSE	9,921,734	14,478,361
»» INCOME TAX	639,521	318,296

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

1. BASIS FOR FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

1.1 NATURE OF OPERATIONS

» The Siam Cement Public Company Limited (“The parent company”) is a Thai public company limited, listed on the Stock Exchange of Thailand (stock code “SCC”). SCC was incorporated in 1913, and is located at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand. SCC is Thailand’s largest industrial group, with leading market positions in each of its businesses of cement, petrochemicals and paper. The Company’s other operations included Building Products, Ceramics, Distribution, Cementhai Holding and Cementhai Property. The number of the employees of the Company and subsidiaries at the end of years are 16,525 persons in 2001 and 17,119 persons in 2000.

1.2 BASIS OF FINANCIAL STATEMENT PRESENTATION

» The Company owns substantial portion of the capital shares of the companies in The Siam Cement Group. A substantial portion of the Company’s business is represented by transactions with subsidiaries, associated and other companies and the financial statements reflect the effects of these transactions on the basis determined by the companies concerned which are in the normal course of business.

» The consolidated financial statements for the years ended December 31, 2001 and 2000 include the accounts of The Siam Cement Public Company Limited and subsidiaries which the Company has controlling power and/or significant influence in identifying financial management policies and operations.

» Subsidiaries included in the consolidated financial statements (only those with significant operations) are as follows:

	DIRECT/INDIRECT HOLDING (%)
» CEMENT BUSINESS	
» Siam Cement Industry Co., Ltd.	100
» The Siam Cement (Lampang) Co., Ltd.	100
» The Siam Cement (Ta Luang) Co., Ltd.	100
» The Siam Cement (Kaeng Khoi) Co., Ltd.	100
» The Siam Cement (Thung Song) Co., Ltd.	100
» The Concrete Products and Aggregate Co., Ltd.	100
» PETROCHEMICALS BUSINESS	
» Cementhai Chemicals Co., Ltd.	100
» Rayong Olefins Co., Ltd.	51
» Thai Polyethylene Co., Ltd.	100
» Thai Polyethylene (1993) Co., Ltd.	100
» Thai Polypropylene Co., Ltd.	100
» Thai Polypropylene (1994) Co., Ltd.	100
» Map Ta Phut Tank Terminal Co., Ltd.	78

	DIRECT/INDIRECT HOLDING (%)
» PAPER BUSINESS	
» The Siam Pulp and Paper Public Company Limited	87
» Siam Cellulose Co., Ltd.	87
» Thai Paper Co., Ltd.	87
» Thai Union Paper Public Company Limited	87
» Thai Union Paper Industry Co., Ltd.	87
» SiamKraft Industry Co., Ltd.	87
» Thai Kraft Paper Industry Co., Ltd.	87
» Thai Containers Co., Ltd.	61
» Thai Containers Industry Co., Ltd.	61
» Thai Containers Ratchaburi (1989) Co., Ltd.	61
» Thai Containers Songkhla (1994) Co., Ltd.	61
» Thai Containers Chonburi (1995) Co., Ltd.	61
» City Pack Co., Ltd.	61
» BUILDING PRODUCTS BUSINESS	
» Cementhai Building Products Co., Ltd.	100
» The Siam Fibre-Cement Co., Ltd.	100
» The Siam Fibre-Cement Products (Lumpang) Co., Ltd.	100
» The CPAC Roof Tile Co., Ltd.	75
» Thai Ceramic Roof Tile Co., Ltd.	75
» The CPAC Concrete Products Co., Ltd.	100
» The Siam CPAC Block Co., Ltd.	100
» The CPAC Block Industry Co., Ltd.	100
» Tip Fibre-Cement Co., Ltd.	100
» The Siam Nawaphan Co., Ltd.	100
» Siam Fiberglass Co., Ltd.	100
» CERAMICS BUSINESS	
» Cementhai Ceramics Co., Ltd.	100
» Thai Ceramic Co., Ltd.	100
» The Sosuco Group Industries Co., Ltd.	90
» DISTRIBUTION	
» Cementhai Distribution Co., Ltd.	100
» SCT Co., Ltd.	100
» Cementhai Sales and Marketing Co., Ltd.	100
» Cementhai Logistics Co., Ltd.	100
» CEMENTHAI HOLDING	
» Cementhai Holding Co., Ltd.	100
» The Siam Iron and Steel (2001) Co., Ltd.	100
» The Siam Construction Steel Co., Ltd.	100
» The Siam Refractory Industry Co., Ltd.	100
» The Siam Research and Development Co., Ltd.	100
» CEMENTHAI PROPERTY	
» Cementhai Property (2001) Public Company Limited	100
» Rayong Industrial Land Co., Ltd.	100
» SIL Industrial Land Co., Ltd.	100

» Most of the above subsidiaries are established in Thailand.

FINANCIAL STATEMENTS

» In the first quarter of 2001, the Company also decreased its participation in management of Soso Ceramic Co., Ltd. As a result, the consolidated financial statements for the year ended December 31, 2001 did not include financial statements of the company. However, the Company accounted for the investment by the equity method.

» In the second quarter of 2001, the Company sold a portion of its investments in shares of Siam Gypsum Industry Co., Ltd. and subsidiaries and changed from subsidiaries to associated companies. As a result, the consolidated financial statements for the year ended December 31, 2001 did not include financial statements of those companies. However, the Company accounted for those investments by the equity method.

» In the third quarter of 2001, the Company sold all of its investments in share of SCG Car Services Co., Ltd. As a result, the consolidated financial statements for the year ended December 31, 2001 did not include its financial statements.

» In the fourth quarter of 2001, the Company sold out its investments in Siam NPR Co., Ltd. As a result, the consolidated financial statements for the year ended December 31, 2001 did not include its financial statements. Furthermore, the Company sold a portion of investments in the Siam Nawaloha Foundry Co., Ltd. It changed from a subsidiary to an associated company. As a result, the consolidated financial statements for the year ended December 31, 2001 did not include its financial statements. However, the Company accounted for its investments by the equity method.

» Furthermore, starting in the fourth quarter of 2001 the management of the Company agreed to change the reporting entity by excluding the financial statements of Siam Industrial Wire Co., Ltd. because the Company has an agreement to sell a portion of its investment excluding Thai CRT Co., Ltd. and subsidiaries and Siam Furukawa Co., Ltd. and subsidiaries due to decreasing its participation in management. However, the Company recorded those investments by the equity method.

» Furthermore, in the first quarter of 2001, the Company increased the percentage of holding in National Petrochemical Public Company Limited until it changed from other company to be an associated company. In prior years, the Company accounted for the investment at market.

» In addition, in 2001, the Company adjusted its equity on revaluation surplus in properties of certain associates.

» As a result of the above changes, the Company, for comparative purpose, adopted the change retroactively to the consolidated financial statements for the year ended December 31, 2000. As a result of the change, the consolidated total assets as at December 31, 2000 decreased by Baht 11,622 million and unappropriated retained earnings

as of December 31, 2000 increased by Baht 730 million, consolidated net income for the year ended December 31, 2000 increased by Baht 432 million and earnings per share increased by Baht 3.60 per share.

» All significant intercompany transactions with subsidiaries included in the consolidated financial statements have been eliminated.

» Significant transactions with associated companies for the years ended December 31, 2001 and 2000 are as follows:

IN MILLION BAHT			
	2001	2000	PRICING POLICY
» Purchases	14,465	11,848	Market price
» Sales	9,998	11,408	Market price
» Service income and others	423	351	Mainly based on percentage on net sales
» Dividend income	2,388	1,646	Upon declaration

» No transactions of purchases, sales, guarantees and commitment are made to individual related party who may have an interest in the Company.

» The Company maintains its official accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with financial accounting standards in Thailand which may differ from generally accepted accounting principles in other countries. Accordingly, the users of these financial statements should have sufficient knowledge about Thai accounting principles and practices.

» For the convenience of the reader, an English translation of financial statements has been prepared from the statutory Thai language financial statements which are issued for domestic reporting purposes.

» The accompanying consolidated financial statements include the effects of the economic crisis to the extent they are known and can be estimated. The operations of the Company and subsidiaries have been affected and may continue to be affected for the foreseeable future by the country's crisis. The accompanying consolidated financial statements do not include any adjustments that might result from these uncertainties. Related effects will be reported in the financial statements as they become known and estimable.

2. SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

» The Company recognizes revenue from the sale of goods when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

» Dividends are recognized when declared.

» Service fee income is recognized on an accrual basis in accordance with the terms of agreement.

» Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

CASH AND CASH EQUIVALENTS

» Cash and cash equivalents included cash on hand and at banks and short-term investments which mainly are time deposits with original maturities of three months or less.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

» The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

INVESTMENTS IN SHARES

» The Company accounts for its investments in shares in associated companies by the equity method, except for the investment in Phoenix Pulp and Paper Public Company Limited, an associated company acquired late in 2001, which the Company has no significant influence in management. This associated company is accounted by the cost method.

» Investments in other companies are valued at cost and provision is taken up in the accounts for possible loss on decline in value of the investments. Investments in marketable securities are valued at market.

INVENTORY VALUATION

» The Company values its inventories at cost or net realizable value, whichever is lower by the following methods:

- » Finished goods
 - at standard cost which approximates current production cost
- » Merchandise
 - at average cost
- » Goods in process
 - at standard cost which includes raw materials, variable labor and manufacturing overhead costs.

- » Raw materials, spare parts, stores, supplies and others
 - at average cost

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

» Depreciation of property, plant and equipment has been computed by the straight-line method at the maximum rates allowed by law or the rates which approximate the economic useful life of the assets as follows:

	PERIOD (YEARS)
» Land improvements	10 - 40
» Buildings and structures	20
» Plant machinery and equipment	5 - 10
» Transportation equipment	5
» Furniture, fixtures and office equipment	5

INTANGIBLES AND AMORTIZATION

» The excess of the cost of investments in subsidiaries over the fair values of the assets and liabilities at the date of acquisition is accounted as goodwill and included in other assets. Goodwill is amortized on a straight-line basis over its estimated useful life of 5 years.

» Other assets recorded as deferred charges are amortized over one (1) to twenty (20) years.

» Development costs of products are deferred and amortized by the straight-line method over five (5) to fifteen (15) years.

IMPAIRMENT OF ASSETS

» Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in current operations.

EARLY RETIREMENT EXPENSE

» In 2000, the Company offered certain qualifiable employees the option to take early retirement from the Company. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service and the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance by both the Company and the employees. In 2001, the plan has been extended to certain employees with mutual consent.

INCOME TAX

» The Company and subsidiaries provide for deferred income tax resulting from timing differences in reporting expenses for financial reporting purposes compared to income tax reporting purposes e.g. allowance for doubtful accounts, loss carry forwards up to 5 years.

FINANCIAL STATEMENTS

The deferred income tax is amortized as the timing differences later reverse.

» Deferred income tax is recognized to the extent that it is probable that the future taxable profit will be available against and the timing difference can be utilized.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCIES FINANCIAL STATEMENTS

» Foreign currency transactions are recorded at the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the year - end exchange rates unless hedged by forward foreign exchange contracts in which case they are translated at the rates specified in the forward contracts. Gains or losses on translation are recognized in the consolidated statement of income. Fees on hedging contracts are amortized over the life of the contracts.

» The financial statements of the foreign subsidiaries have been translated into Baht at the rates prevailing at the balance sheet date for assets and liabilities. Revenues and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments that arise from the translation of foreign subsidiaries' financial statements are accumulated as a separate component of shareholders' equity.

FINANCIAL INSTRUMENTS

» Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, trade and other accounts receivable and payable, long-term receivables, loans, borrowings, investments and debentures. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

» The Company and subsidiaries operate internationally and are exposed to market risks from changes in interest and foreign exchange rates. The Company and certain subsidiaries use derivative financial instruments to mitigate those risks. All gains and losses on hedge transactions are recognized in the income statement in the same period as the exchange differences on the items covered by the hedge. Costs on such contracts are amortized over the life of the contracts.

EARNINGS PER SHARE

» Basic earnings per share is calculated by dividing the net income by the weighted average number of shares outstanding during the year (120,000,000 shares for 2001 and 2000).

3. ACCOUNTS AND NOTES RECEIVABLE - TRADE

	IN MILLION BAHT	
	2001	2000
Accounts receivable-trade	9,794	9,298
Less: Allowance for doubtful accounts	656	703
Net	9,138	8,595
Notes receivable	838	868
TOTAL	9,976	9,463

» As at December 31, 2001 and 2000, the Company and subsidiaries have long outstanding accounts receivable aged as follows:

	IN MILLION BAHT	
	2001	2000
Over 3 to 6 months	117	73
Over 6 to 12 months	42	63
Over 1 year	637	835
TOTAL	796	971

» The Company and subsidiaries provided an allowances for doubtful accounts amounting to approximately Baht 656 million in 2001 and Baht 703 million in 2000 which are adequate to absorb possible losses and comply with the accounting policy for allowance for doubtful accounts.

4. RELATED COMPANY TRANSACTIONS

	IN MILLION BAHT	
	2001	2000
ACCOUNTS RECEIVABLE - TRADE		
» Siam Polyethylene Co., Ltd.	293	321
» Bangkok Synthetic Co., Ltd.	228	141
» HMC Polymers Co., Ltd.	191	282
» Siam Chemical Trading (China) Co., Ltd.	169	124
» Sosuco Ceramic Co., Ltd.	165	122
» Siam Styrene Monomer Co., Ltd.	120	117
» Thai Plastic and Chemical Public Company Limited	104	319
» Cementsai Trading (M) SDN. BSD.	98	75
» Siam Toppan Packaging Co., Ltd.	40	32
» Grand Siam Composites Co., Ltd.	37	78
» The Siam Industrial Wire Co., Ltd.	36	56
» Other companies	294	158
TOTAL	1,775	1,825

FINANCIAL STATEMENTS

6. INVESTMENTS IN SHARES AND LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES - NET

	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT	
	2001	2000	2001	2000
A. ASSOCIATED COMPANIES				
At Equity				
» National Petrochemical Public Company Limited	23	17	3,954	2,157
» Siam Styrene Monomer Co., Ltd.	50	50	2,645	2,465
» Siam Yamato Steel Co., Ltd.	46	46	2,414	2,161
» Siam Mitsui PTA Co., Ltd.	50	50	1,675	1,820
» Michelin Siam Group Co., Ltd.	39	39	1,667	1,384
» Thai CRT Co., Ltd.	48	47	1,528	1,681
» Thai Plastic and Chemical Public Company Limited	26	26	1,522	1,547
» Siam Asahi Technoglass Co., Ltd.	27	27	1,028	949
» The Siam Kubota Industry Co., Ltd.	42	42	990	970
» Thai MMA Co., Ltd.	46	46	907	837
» United Pulp and Paper Co., Inc.	37	37	810	977
» Mariwasa Manufacturing Inc.	46	46	523	628
» Siam Polyethylene Co., Ltd.	50	50	428	765
» Siam Polystyrene Co., Ltd.	50	50	367	391
» The Deves Insurance Public Company Limited	21	21	319	303
» Nava 84 Co., Ltd.	25	25	295	303
» Siam Synthetic Latex Co., Ltd.	50	50	267	184
» Musashi Auto Parts Co., Ltd.	21	21	249	203
» Pacific Plastics (Thailand) Co., Ltd.	48	48	244	225
» Sosuco Ceramic Co., Ltd.	45	51	222	216
» The Siam Gypsum Industry Co., Ltd.	29	100	10	371
» Siam Compressor Industry Co., Ltd.	-	49	-	1,342
» Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	-	20	-	726
» Siam Aisin Co., Ltd.	-	47	-	215
» Other companies			2,147	2,283
			24,211	25,103
B. ASSOCIATED COMPANY				
At Cost				
» Phoenix Pulp and Paper Public Company Limited	25	-	1,439	-
			1,439	-
C. OTHER COMPANIES				
At Cost				
» Asia Cement Public Company Limited	10	10	1,255	1,255
» Thai Olefins Co., Ltd.	13	13	1,133	1,133
» Toyota Motor Thailand Co., Ltd.	10	10	881	581
» Holcim Bangladesh Co., Ltd.	10	-	361	-
» Bangkok Synthetic Co., Ltd.	18	18	352	352
» Asia Industrial Park (Map Ta Phut) Co., Ltd.	-	13	-	333
» Finfloor S.R.L.	10	10	299	299
» Other companies			409	271
			4,690	4,224

FINANCIAL STATEMENTS

	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT	
	2001	2000	2001	2000
At Market				
» Thai Farmers Bank Public Company Limited	-	N.A.	-	39
» Siam Commercial Bank Public Company Limited	-	N.A.	-	39
» The Aromatics (Thailand) Public Company Limited	13	15	299	181
» Thai Industrial Gases Public Company Limited	-	8	-	105
» Thai Gypsum Product Public Company Limited	4	4	70	74
			369	438
TOTAL			30,709	29,765
» Less: Allowance for decline in value of investments			532	701
INVESTMENT IN ASSOCIATED AND OTHER COMPANIES - NET			30,177	29,064
LONG-TERM LOANS TO ASSOCIATED COMPANIES AND OTHER COMPANIES				
» The Aromatic (Thailand) Public Company Limited			1,224	1,129
» United Pulp and Paper Co., Inc.			165	162
» Other companies			44	-
TOTAL LONG-TERM LOANS TO ASSOCIATED COMPANIES AND OTHER COMPANIES			1,433	1,291
TOTAL INVESTMENT IN AND LONG-TERM LOANS TO RELATED AND OTHER COMPANIES			31,610	30,355

» The aggregate values of the above investments in shares of other companies, based on the latest available audited/reviewed financial statements or the quoted market prices in the Stock Exchange as at December 31, 2001, is as follows:

	IN MILLION BAHT			
	COST	NET BOOK VALUE OR QUOTED MARKET PRICE	ALLOWANCE FOR DECLINE IN VALUE OF INVESTMENTS	UNREALIZED LOSS ON INVESTMENTS IN SECURITIES
» Non-marketable	4,690	3,901	532	-
» Marketable	1,301	369	-	(932)
TOTAL	5,991	4,270	532	(932)

» According to the corporate restructuring plan of the Siam Cement Group, the Company sold its investments in certain subsidiaries, associated and other companies such as SCG Car Services Co., Ltd., Siam Compressor Industry Co., Ltd., Siam Gypsum Industry Co., Ltd. and subsidiaries and Siam Nawaloha Foundry Co., Ltd. etc., in 2001 and Tile Cera, Inc., Tile Cera Distributing, Inc., Michelin Siam Group Co., Ltd. and subsidiaries etc., in 2000. The Company presented a gain on investments sold of approximately Baht 2,861 million in 2001 and a loss on investments sold of approximately Baht 603 million in 2000 net of income tax under the caption of "Gain (loss) on investments and assets sold for restructuring and provision for decline in value of investments - net of income tax" in the accompanying financial statements.

FINANCIAL STATEMENTS

7. PROPERTY, PLANT AND EQUIPMENT

	IN MILLION BAHT			
	BALANCE AS OF DECEMBER 31, 2000	INCREASE	DECREASE	BALANCE AS OF DECEMBER 31, 2001
AT COST				
» Land and land improvements	13,518	272	304	13,486
» Buildings and structures	24,038	1,391	590	24,839
» Plant machinery and equipment	129,494	6,983	2,977	133,500
» Transportation equipment	4,743	30	1,685	3,088
» Furniture, fixtures and office Equipment	4,192	179	380	3,991
» Other depreciable assets	104	300	3	401
» Construction in progress	3,759	4,154	5,874	2,039
» Advances for purchases of land, machinery and equipment	23	14	25	12
TOTAL	179,871	13,323	11,838	181,356
LESS ACCUMULATED DEPRECIATION				
» Land improvements	3,151	407	54	3,504
» Buildings and structures	9,376	1,131	83	10,424
» Plant machinery and equipment	75,386	8,517	1,337	82,566
» Transportation equipment	3,313	142	776	2,679
» Furniture, fixtures and office equipment	3,158	341	241	3,258
» Other depreciable assets	99	296	-	395
TOTAL ACCUMULATED DEPRECIATION	94,483	10,834	2,491	102,826
ACCUMULATED IMPAIRMENT LOSSES	373	-	331	42
TOTAL ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	94,856	10,834	2,822	102,868
PROPERTY, PLANT AND EQUIPMENT - NET	85,015	2,489	9,016	78,488

» Interest and other related financial charges incurred in 2001 and 2000 amounting to Baht 87 million and Baht 35 million, respectively, were capitalized as part of the cost of constructing new plant facilities.

» Depreciation expense amounted to Baht 9,624 million in 2001 and Baht 10,369 million in 2000.

» The Company and subsidiaries entered into agreements with various companies in connection with the expansion of its plant and the acquisition of machinery. As at December 31, the Company and subsidiaries had outstanding commitments under these agreements totalling approximately Baht 12 million in 2001 and Baht 2,233 million in 2000.

REVALUATION SURPLUS

» In the 1997 accounting period, the Company and subsidiaries adopted a policy to present 3 classes of assets which carrying values are substantially lower than the replacement costs. This includes land, buildings and machinery and equipment. The Company engaged American Appraisal Company (Thailand) Limited, as independent appraiser to appraise the value of buildings and machinery and equipment. The Company also has a policy to revalue of assets every year without

presenting the revaluation surplus in the consolidated statement of income. The revaluation surplus will be presented in the consolidated balance sheet as Assets revaluation surplus, and under the Shareholders' equity caption as Revaluation surplus in property and Minority interest in subsidiaries - from assets revaluation surplus. Summarize below are basis for the revaluation:

» As at December 31, 2000, the Company and subsidiaries appraised their property, plant and equipment as follows:

- Land - at appraised value of the Land Department with a revaluation surplus of Baht 10,149 million.

- Buildings, machinery and equipment - at appraised value reported by an independent appraiser dated January 10, 2001, with a revaluation surplus of Baht 54,041 million as at December 31, 2000, consisting of Baht 5,376 million for buildings and Baht 48,665 million for machinery and equipment.

» As at December 31, 2001, the Company and subsidiaries appraised their property, plant and equipment as follows:

- Land - at appraised value of the Land Department with a revaluation surplus of Baht 8,849 million.

- Buildings, machinery and equipment - at appraised value reported by an independent appraiser dated January 10, 2002 with a revaluation surplus of Baht 49,208 million as at December 31, 2001 consisting of Baht 5,781 million for buildings and Baht 43,427 million for machinery and equipment.

8. OTHER ASSETS

	IN MILLION BAHT	
	2001	2000
» Deferred income tax - net	16,075	18,775
» Deposits, claims and deferred charges - net	1,724	1,382
» Excess of cost over net book value of investments in net assets - net	1,572	2,061
» Land, building and land improvements not used in operations - net of accumulated depreciation on improvements	1,532	1,425
» Development costs of products	329	375
» Others	1,104	626
TOTAL	22,336	24,644

» Amortization of deferred charges were Baht 747 million in 2001 and Baht 585 million in 2000.

9. BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS

	IN MILLION BAHT	
	2001	2000
» Bank overdrafts	701	1,202
» Loans	6,665	7,413
» Notes payable	2,300	6,572
» Acceptances payables and liabilities under trust receipts	149	55
TOTAL	9,815	15,242

» In 2001, the Company and subsidiaries have overdraft lines with several banks amounted to approximately Baht 5,000 million.

» Under the terms of the agreements covering the Company's liabilities under trust receipts, certain raw materials, finished goods, spare parts, machinery and equipment have been released to the Company in trust for the banks. The Company is accountable to the banks for the trustee raw materials, finished goods, spare parts, machinery and equipment or their sales proceeds.

10. PROVIDENT FUND

» The Company and certain subsidiaries have provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits made solely by the companies are payables to the employees upon resignation at 5% to 10% of the employees' salaries depending on the length of employment. In addition to the above provident fund, since April 1995, the Company and subsidiaries have established a contributory provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon attaining permanent status. Under the regulations of the fund, members are required to make monthly contribution to the fund at 2% to 10% of the members' basic salaries and the Company is required to make monthly contribution to the fund at 5% to 10% of the members' basic salaries, depending on the length of employment.

» Total provision and contribution to the above funds amounted to approximately Baht 405 million and Baht 377 million in 2001 and 2000, respectively.

11. LONG-TERM DEBT

	IN MILLION BAHT	
	2001	2000
» Deferred payment plans	4,619	7,638
» Loans	42,066	60,340
TOTAL	46,685	67,978
» Less: current portion due within one year	8,260	10,076
LONG-TERM DEBT - NET	38,425	57,902

» Long-term debt mainly represents foreign currency loans which most of them are hedged by financial derivatives to manage exchange rate risk. The average interest rate is approximately 5% p.a..

» The repayments of liabilities amounting to approximately Baht 1,705 million in 2000 arising from purchases of certain machinery and equipment and foreign loans are guaranteed by a group of local banks and certain foreign financial institutions.

» The Company and subsidiaries hedges its most foreign exchange risk by entering into Currency swap agreements with foreign banks, whereby the Company will repay the loans by other foreign currencies as specified in the agreements.

FINANCIAL STATEMENTS

12. DEBENTURES

» As at December 31, 2001, the Company and subsidiary issued unsubordinated and unsecured debentures totalling Baht 100,000 million by issuance in 10 placements, the details are as follows:

DEBENTURES NO.	IN MILLION BAHT	INTEREST RATE (% P.A.)	TERM	MATURITY DATE	FAIR VALUE**
DEBENTURES - THE SIAM CEMENT PUBLIC COMPANY LIMITED					
No. 1/1999	5,200	*floating rate+ 3.50% p.a.	5 years	April 1, 2004	1,040
No. 2/1999	8,800	10.5% p.a.	5 years	April 1, 2004	1,150
No. 3/1999	12,000	8.0% p.a.	3.5 years	April 1, 2003	1,048
No. 4/1999	12,000	9.50% p.a.	5.5 years	April 1, 2005	1,140
No. 5/1999	6,000	8.0% p.a.	4 years	November 1, 2003	1,081
No. 6/1999	6,000	8.75% p.a.	5 years	November 1, 2004	1,126
No. 1/2000	25,000	7.75% p.a. for first 4 years and *floating rate+ 2.00% p.a. for last 2 years	6 years	March 31, 2006	1,042
No. 2/2000	15,000	5.75% p.a.	2 years	October 1, 2002	1,016
	90,000				
DEBENTURES - THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED					
No. 1/2001	5,000	5.50% p.a.	3 years	October 1, 2004	1,031
No 2/2001	5,000	6.50% p.a.	5 years	October 1, 2006	1,047
	10,000				
Total	100,000				
Less: Debentures Held by Subsidiary	1,516				
Net	98,484				
Less: Current Portion	14,840				
Net	83,644				

* Floating rate is equal average rate of 12 months fixed deposit of 4 banks.

** Latest price (Baht per unit : 1 unit = Baht 1,000) as at December 31, 2001.

13. RESERVE FUND

» Under the provisions of the Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income (after deduction of the deficit brought forward, if any) as reserve fund until the reserve reaches 10% of the authorized share capital. As at December 31, 2001, the reserve fund amounted to 10% of the issued and fully paid-up share capital. This reserve is not available for dividend distribution.

14. OTHER INCOME

	IN MILLION BAHT	
	2001	2000
» Gain on scrap sold and others	810	297
» Management fee income	319	274
» Interest income from financial institutions	257	302
» Import service income	128	99
» Rental income	127	114
» Gain on fixed assets sold	117	117
» Income from delay payment	64	96
» Dividend income from other companies	11	11
» Others	456	580
TOTAL	2,289	1,890

15. ADMINISTRATIVE EXPENSES

	IN MILLION BAHT	
	2001	2000
» Salary and wages	3,505	3,229
» Amortization of excess of cost	592	473
» Depreciation and amortization expense	546	625
» Per diem and travellings	267	253
» Outside wages	262	251
» License fees and other fees	247	231
» Communication and transportation	227	266
» Professional fees	192	168
» Employee training and development	165	158
» Staff welfare	155	179
» Repair and maintenance	148	152
» Bad debt	56	92
» Others	356	144
TOTAL	6,718	6,221

16. INTEREST EXPENSE AND FINANCIAL CHARGES

	IN MILLION BAHT	
	2001	2000
» Interest - loans local	9,420	10,417
» Interest - loans abroad	1,972	3,052
» Interest - provident fund	95	77
TOTAL	11,487	13,546

17. INCOME TAX

» Provision for income tax for the year ended December 31, are as follows:

	IN MILLION BAHT	
	2001	2000
» Corporate income tax payable for the year	837	478
» Deferred income tax - net	931	(1,646)
PROVISION FOR INCOME TAX	1,768	(1,168)

18. AGREEMENTS

» As at December 31, 2001:

A. Certain subsidiaries had entered into agreements with several foreign companies for the latter to provide technical information, technical know-how and technical assistance to manufacture licensed products. As at December 31, 2001, the subsidiaries are committed to pay technical know-how fee for a lump sum amount and royalty fee based on a percentage of net sales of products as indicated in the agreements.

B. A subsidiary jointly with certain local companies, has entered into raw materials sales agreement with a local company for the latter to be the sole supplier of the raw materials. The sale prices of such raw materials are committed from time to time for the agreed period. The agreement shall continue in force at least 15 years from the date of commercial operations and is renewable.

C. The Company had a Financial Support Agreement with a company in which the Company is a shareholder. According to the financial support agreement, the major shareholders must comply with the conditions as indicated in the agreement based upon their ownership interest. As of December 31, the Company complied with the agreement by providing financial support totalling USD 31.5 million in 2001 and USD 26.25 million in 2000. The above loans are presented as loans is the caption of "Investments in shares and long-term loans to associated companies and other companies" in the accompanying consolidated financial statements.

19. SEGMENT INFORMATION

» The Company operates in six reportable business segments which are organized by similar products and services: cement, petrochemicals, paper, building products, ceramics and distribution. The Company accounts for intersegment sales at market prices.

» The cement segment is principally involved in the manufacture and sale of grey cement, ready-mixed concrete, white cement and dry mortar.

» The petrochemicals segment manufactures and sells olefins, polyolefins and other petrochemical products.

» The paper segment produces and sells printing and writing paper, gypsum linerboard, industrial paper and corrugated boxes.

» The building products segment produces roof tiles, concrete paving blocks and gypsum boards.

» The Ceramics segment manufactures ceramic tiles, sanitary wares and sanitary fittings.

» The distribution segment is principally involved in distribution of cement, steel and building and decorative products of the Group companies as well as importing fuel products, waste paper and scrap iron.

» Other businesses, mainly electronics, steel and tires, are presented in the Cement Thai Holdings. The property business is presented in the Cement Thai Property.

» The following segment information is used by management to evaluate the performance of segments and to allocate resources. The Company evaluates operating performance based on income from operations before interest expense, income tax and depreciation and amortization.

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» Information relating to industry segments for the year 2001 as compared with 2000 are as follows:

	IN MILLION BAHT					
	TOTAL ASSETS		TOTAL SALES		TOTAL EBITDA (1)	
	2001	2000	2001	2000	2001	2000
TOTAL CONSOLIDATED	235,981	248,687	120,353	116,337	34,511	28,739
Business group:						
» Cement	60,928	70,700	24,183	22,098	7,613	7,337
» Petrochemicals	59,132	57,060	38,152	39,820	6,443	7,004
» Paper (3)	35,982	36,416	26,995	27,350	8,194	8,062
» Building Products	11,842	13,618	7,881	7,057	2,041	1,734
» Ceramics	11,558	11,239	5,165	4,059	1,067	862
» Distribution	8,072	7,345	53,326	46,498	1,268	1,039
» Cementhai Holding	20,443	24,808	6,599	7,020	5,248	1,577
» Cementhai Property	5,929	7,371	206	733	17	473

	IN MILLION BAHT					
	OPERATING INCOME (LOSS) BEFORE EXTRAORDINARY ITEM (2)		NET INCOME (LOSS)		DEPRECIATION AND AMORTIZATION	
	2001	2000	2001	2000	2001	2000
TOTAL CONSOLIDATED	4,797	1,744	7,634	473	10,372	10,954
Business group:						
» Cement	859	(15)	859	(12)	2,764	2,857
» Petrochemicals	2,611	2,043	2,611	1,990	2,210	2,157
» Paper (3)	3,274	2,798	3,272	2,798	2,587	2,532
» Building Products	370	95	338	26	617	622
» Ceramics	72	(267)	72	(279)	545	707
» Distribution	680	564	680	669	138	128
» Cementhai Holding	1,235	35	2,417	(332)	563	746
» Cementhai Property	(149)	(82)	(149)	(82)	122	335

(1) Represents income before income tax, interest expense and financial charges, depreciation and amortization, includes dividend from associated and other companies and cash gain from investment sold.

(2) Represents income (loss) before gain (loss) on investments and assets sold for restructuring and provision for decline in value of investments.

(3) Total assets of Paper Business includes the assets revaluation surplus to comply with the consolidated financial statement presentation.

20. OPERATIONS OF BUSINESS GROUP

BUSINESS GROUP (IN MILLION BAHT)

	CEMENT		PETROCHEMICALS		PAPER		BUILDING PRODUCTS	
	2001	2000	2001	2000	2001	2000	2001	2000
INFORMATION FROM BALANCE SHEETS								
» Current assets	4,865	8,641	10,445	11,628	9,397	8,100	2,577	2,863
» Property, plant and Equipment - net	47,815	50,205	29,646	28,144	13,126	15,137	3,903	4,242
» Asset revaluation surplus	1,310	4,764	2,181	2,342	10,138	10,575	4,346	5,065
» Other assets	6,938	7,090	16,860	14,946	3,321	2,604	1,016	1,448
TOTAL ASSETS	60,928	70,700	59,132	57,060	35,982	36,416	11,842	13,618
» Short term loan	43,243	50,362	13,566	7,836	772	6,188	4,757	5,014
» Current liabilities	4,780	4,534	2,569	2,710	1,842	1,693	1,093	1,253
» Long term loan	150	-	15,761	20,789	12,633	8,767	453	905
» Other liabilities	235	213	1,029	844	54	43	233	218
TOTAL LIABILITIES	48,408	55,109	32,925	32,179	15,301	16,691	6,536	7,390
» Total shareholders' equity and minority interest in subsidiaries	12,520	15,591	26,207	24,881	20,681	19,725	5,306	6,228
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	60,928	70,700	59,132	57,060	35,982	36,416	11,842	13,618

BUSINESS GROUP (IN MILLION BAHT)

	CERAMICS		DISTRIBUTION		CEMENTHAI HOLDING		CEMENTHAI PROPERTY	
	2001	2000	2001	2000	2001	2000	2001	2000
INFORMATION FROM BALANCE SHEETS								
» Current assets	2,811	2,184	6,006	5,595	4,509	4,760	4,974	5,069
» Property, plant and Equipment - net	3,932	4,029	1,230	1,334	2,379	4,020	369	1,379
» Asset revaluation surplus	2,677	2,759	259	11	2,940	3,667	-	-
» Other assets	2,138	2,267	577	405	10,615	12,361	586	923
TOTAL ASSETS	11,558	11,239	8,072	7,345	20,443	24,808	5,929	7,371
» Short term loan	2,919	2,979	2,407	826	11,286	7,426	269	1,644
» Current liabilities	896	869	4,680	4,796	615	7,424	180	205
» Long term loan	1,115	1,585	12	41	-	424	-	-
» Other liabilities	61	51	78	55	101	475	-	-
TOTAL LIABILITIES	4,991	5,484	7,177	5,718	12,002	15,749	449	1,849
» Total shareholders' equity and minority interest in subsidiaries	6,567	5,755	895	1,627	8,441	9,059	5,480	5,522
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,558	11,239	8,072	7,345	20,443	24,808	5,929	7,371

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BUSINESS GROUP (IN MILLION BAHT)

	CEMENT		PETROCHEMICALS		PAPER		BUILDING PRODUCTS	
	2001	2000	2001	2000	2001	2000	2001	2000
INFORMATION FROM STATEMENT OF INCOME								
‣ Net sales	24,183	22,098	38,152	39,820	26,995	27,350	7,881	7,057
‣ Cost of sales	(17,067)	(15,498)	(33,938)	(33,837)	(19,259)	(20,043)	(5,678)	(5,238)
GROSS MARGIN	7,116	6,600	4,214	5,983	7,736	7,307	2,203	1,819
‣ Operating expenses	(2,434)	(2,351)	(1,454)	(1,420)	(2,243)	(1,893)	(1,351)	(1,242)
INCOME FROM OPERATION BEFORE INTEREST EXPENSE AND INCOME TAX	4,682	4,249	2,760	4,563	5,493	5,414	852	577
‣ Interest expense and loss on exchange rate	(3,446)	(3,899)	(777)	(2,908)	(910)	(1,835)	(479)	(702)
‣ Other Income	169	230	477	203	126	115	130	75
INCOME (LOSS) BEFORE INCOME TAX	1,405	580	2,460	1,858	4,709	3,694	503	(50)
‣ Income tax	(547)	(598)	(451)	(6)	(1,178)	(819)	(253)	(234)
INCOME (LOSS) AFTER INCOME TAX	858	(18)	2,009	1,852	3,531	2,875	250	(284)
‣ Minority interest in income	1	3	(684)	(581)	(99)	(30)	(5)	168
‣ Equity in income (loss) of associated companies	-	-	1,286	772	(158)	(47)	125	211
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	859	(15)	2,611	2,043	3,274	2,798	370	95
‣ Extraordinary items	-	3	-	(53)	(2)	-	(32)	(69)
NET INCOME (LOSS)	859	(12)	2,611	1,990	3,272	2,798	338	26

BUSINESS GROUP (IN MILLION BAHT)

	CERAMICS		DISTRIBUTION		CEMENTHAI HOLDING		CEMENTHAI PROPERTY	
	2001	2000	2001	2000	2001	2000	2001	2000
INFORMATION FROM STATEMENT OF INCOME								
‣ Net sales	5,165	4,059	53,326	46,498	6,599	7,020	206	733
‣ Cost of sales	(3,708)	(3,200)	(48,356)	(42,337)	(6,272)	(6,871)	(230)	(563)
GROSS MARGIN	1,457	859	4,970	4,161	327	149	(24)	170
‣ Operating expenses	(1,017)	(781)	(4,163)	(3,712)	(537)	(890)	(86)	(112)
INCOME (LOSS) FROM OPERATION BEFORE INTEREST EXPENSE AND INCOME TAX	440	78	807	449	(210)	(741)	(110)	58
‣ Interest expense and loss (gain) on exchange rate	(298)	(331)	(95)	9	(614)	(522)	(52)	(93)
‣ Other Income	55	50	306	392	561	359	5	80
INCOME (LOSS) BEFORE INCOME TAX	197	(203)	1,018	850	(263)	(904)	(157)	45
‣ Income tax	(109)	(55)	(299)	(256)	(80)	6	15	(130)
INCOME (LOSS) AFTER INCOME TAX	88	(258)	719	594	(343)	(898)	(142)	(85)
‣ Minority interest in income	30	80	1	(6)	(1)	61	1	-
‣ Equity in income (loss) of associated companies	(46)	(89)	(40)	(24)	1,579	872	(8)	3
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	72	(267)	680	564	1,235	35	(149)	(82)
‣ Extraordinary items	-	(12)	-	105	1,182	(367)	-	-
NET INCOME (LOSS)	72	(279)	680	669	2,417	(332)	(149)	(82)

21. DISCLOSURE OF FINANCIAL INSTRUMENT

CREDIT RISK

» Credit risk arises from the possibility that customers may not be able to settle obligations to the Company as per contracts which may cause financial loss. The Company and subsidiaries have a policy to protect this risk by assessing the credit of customers, defining the credit limit, asking for bank guarantees and/or personnel guarantees, credit terms, controlling credit utilization and reviewing collections. Fair value of receivables which are presented in the balance sheet are the balances net of allowance for doubtful accounts which are provisioned accounting to the policy. Management believes that they are adequate.

INTEREST RATE RISK

» Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Company and subsidiaries manage debt by using both fixed interest rate and floating interest rates depending on the market circumstance.

FOREIGN EXCHANGE RISK

» Foreign exchange risk arises from the fluctuation of foreign exchange rates.

» Shown below are the composition of Baht and foreign currency debt as of December 31, 2001 and 2000.

CURRENCY	IN MILLION BAHT					
	SHORT-TERM		LONG-TERM		TOTAL	
	2001	2000	2001	2000	2001	2000
» Baht	32,055	23,340	121,522	125,747	153,577	149,087
» Foreign	1,925	2,998	547	18,674	2,472	21,672
TOTAL	33,980	26,338	122,069	144,421	156,049	170,759

» The Company and subsidiaries use derivative instruments to manage their foreign exchange risk on foreign debt. This is in compliance with the policy and guideline agreed and approved by the Board of Directors and there are controls on operating procedures for compliance with the policy.

» The financial derivatives utilized are forward exchange contracts and cross currency swaps.

» As of December 31, 2001, the Company and subsidiaries have financial derivatives aged as follows:

CURRENCY	CONTRACT AMOUNT (IN MILLION BAHT)		
	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
» US. Dollars	10,500	7,413	17,913
» Japanese Yen	7,037	2,357	9,394
» Euro	2,752	392	3,144
TOTAL	20,289	10,162	30,451

» Fair values of the above financial instruments are valued at approximately the contract amounts.

» In managing foreign exchange risk, the Company and subsidiaries obtained more Baht loans up to 98% of total borrowings as at the end of 2001 and 87% as at the end of 2000. Furthermore, the Company and subsidiaries also have adequate export and other income in foreign currencies to reduce impact of exchange rate fluctuation.

22. OTHER

» As at December 31, the Company and subsidiaries have:

	IN MILLION BAHT	
	2001	2000
a) Contingent liabilities for		
- guarantees on loans of related companies	8,949	14,154
- bank guarantee issued by banks to government agencies	529	822
b) Unused letter of credit	404	7,431
c) Commitment for purchase of raw material contracts	1,756	708

d) Contingent liability arising from assessment of valued added tax and special business tax totalling of Baht 202 million in 2001, for the transfer of Lampang plant project which is under construction to a subsidiary company. The Company is contesting the assessment to the Supreme Court. The ultimate outcome of this can not be determined presently. However, no provision for possible loss on such assessment has been made in the accounts.

23. RECLASSIFICATION OF ACCOUNTS

» Certain accounts in 2000 were reclassified to conform with those in the 2001 financial statements.

FINANCIAL STATEMENTS

OF THE SIAM CEMENT
PUBLIC COMPANY LIMITED

REPORT OF CERTIFIED PUBLIC ACCOUNTANT TO THE SHAREHOLDERS OF THE SIAM CEMENT PUBLIC COMPANY LIMITED

I have audited the balance sheets of The Siam Cement Public Company Limited as at December 31, 2001 and 2000, and the related statements of income, changes in shareholders' equity, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Siam Cement Public Company Limited as at December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, the Company has given retroactive effect to the change in the accounting for investments in shares.



(Methee Ratanasrimetha)

C.P.A. (Thailand)

Registration No. 3425

Bangkok

February 15, 2002

Certified Public Accountants

SGV-Na Thalang & Co., Ltd., 22nd Floor, Siam Tower, 989 Rama I Road, Pathumwan, Bangkok 10330

FINANCIAL STATEMENTS

»» BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

ASSETS	NOTES	2001	2000 (RESTATED)
CURRENT ASSETS			
» CASH ON HAND AND AT BANKS		3,859,361	1,079,947
» ACCOUNTS RECEIVABLE - TRADE - NET	3	-	-
» RECEIVABLES FROM AND LOANS TO AFFILIATED COMPANIES	1, 4	73,687,385	73,473,806
» ADVANCE FOR SHARE SUBSCRIPTION - SUBSIDIARIES		253,066	268,581
» CURRENT PORTION OF SWAP CONTRACT RECEIVABLES		101,989	-
» CURRENT PORTION OF LONG-TERM RECEIVABLES		283,031	-
» OTHER CURRENT ASSETS		83,612	81,230
TOTAL CURRENT ASSETS		78,268,444	74,903,564
LONG-TERM RECEIVABLES - NET		886,164	1,054,598
LONG-TERM SWAP CONTRACT RECEIVABLES - NET		235,286	-
INVESTMENTS IN SHARES AND LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES - NET	5	87,673,550	103,525,263
PROPERTY, PLANT AND EQUIPMENT - AT COST - NET	6	2,645,094	3,082,105
ASSETS REVALUATION SURPLUS	6	7,611,938	8,412,552
OTHER ASSETS	7	4,362,238	6,216,739
TOTAL ASSETS		181,682,714	197,194,821

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS

		IN THOUSAND BAHT	
LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	2001	2000 (RESTATEd)
CURRENT LIABILITIES			
» BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	8	1,422,079	4,282,365
» ACCOUNTS PAYABLE - TRADE		64,711	75,885
» CURRENT PORTION OF LONG-TERM DEBT	10	3,243,096	2,236,761
» CURRENT PORTION OF DEBENTURES	12	15,000,000	-
» PAYABLES TO AND LOANS FROM AFFILIATED COMPANIES	1, 4	3,533,339	5,265,195
» ACCRUED INTEREST EXPENSE		1,842,037	1,960,408
» ACCRUED EXPENSES		393,044	374,455
» OTHER CURRENT LIABILITIES		217,932	194,974
TOTAL CURRENT LIABILITIES		25,716,238	14,390,043
PROVIDENT FUND	9	8,680	14,632
LONG-TERM LOAN FROM SUBSIDIARY COMPANY	1, 4	150,000	150,000
LONG-TERM DEBT - NET OF CURRENT PORTION	10	23,254,277	37,428,056
DEBENTURES - NET OF CURRENT PORTION	12	75,000,000	90,000,000
OTHER LIABILITIES	9	253,574	334,846
TOTAL LIABILITIES		124,382,769	142,317,577
SHAREHOLDERS' EQUITY			
» SHARE CAPITAL - COMMON STOCK, BAHT 10 PAR VALUE AUTHORIZED SHARES - 160,000,000 SHARES, ISSUED AND FULLY PAID SHARE CAPITAL - 120,000,000 SHARES		1,200,000	1,200,000
» REVALUATION SURPLUS IN PROPERTY	6	7,611,938	8,412,552
» UNREALIZED LOSS ON INVESTMENT IN SECURITIES	5	(862,681)	(895,268)
» EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES		29,148,888	33,950,630
RETAINED EARNINGS APPROPRIATED			
» RESERVE FUND	13	120,000	120,000
» GENERAL RESERVE		10,105,000	10,062,000
UNAPPROPRIATED - FROM OPERATION OF THE COMPANY		9,976,800	2,027,330
TOTAL SHAREHOLDERS' EQUITY		57,299,945	54,877,244
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		181,682,714	197,194,821

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHAOVANA NASYLVANTA

CHAIRMAN

CHUMPOL NALAMLIENG

PRESIDENT

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	NOTES	2001	2000 (RESTATED)
REVENUES			
» INTELLECTUAL PROPERTY INCOME	1, 4	1,626,626	1,056,030
» MANAGEMENT INCOME	1, 4	1,224,433	-
» GAIN ON EXCHANGE RATE		47,219	73,472
» OTHER INCOME	14	301,658	492,265
TOTAL REVENUES		3,199,936	1,621,767
EXPENSES			
» ADMINISTRATIVE EXPENSES	4, 15	406,340	168,491
» EARLY RETIREMENT EXPENSE		124,786	188,190
» DIRECTOR FEE		17,428	15,073
» INTEREST EXPENSE AND FINANCIAL CHARGES - NET	4, 16	4,564,104	7,256,256
TOTAL EXPENSES		5,112,658	7,628,010
LOSS BEFORE INCOME TAX		(1,912,722)	(6,006,243)
» INCOME TAX	17	(532,944)	(2,614,020)
LOSS FROM OPERATIONS		(1,379,778)	(3,392,223)
» EQUITY IN EARNINGS OF SUBSIDIARIES AND ASSOCIATED COMPANIES - NET		6,821,763	4,495,899
INCOME BEFORE EFFECTS OF INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING, PROVISION FOR DECLINE IN VALUE OF INVESTMENTS		5,441,985	1,103,676
» GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS - NET OF INCOME TAX	5, 6	2,192,189	(630,799)
NET INCOME		7,634,174	472,877
EARNINGS PER SHARE (IN BAHT)		63.62	3.94

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATEd)
COMMON SHARE		
» BEGINNING BALANCE	1,200,000	1,200,000
» ADDITION	-	-
» DEDUCTION	-	-
» ENDING BALANCE	1,200,000	1,200,000
REVALUATION SURPLUS IN PROPERTY		
» BEGINNING BALANCE	8,412,552	8,287,217
» ADDITION	-	125,335
» DEDUCTION	800,614	-
» ENDING BALANCE	7,611,938	8,412,552
UNREALIZED LOSS ON INVESTMENT ON SECURITIES		
» BEGINNING BALANCE	(895,268)	(260,279)
» ADDITION	32,587	-
» DEDUCTION	-	634,989
» ENDING BALANCE	(862,681)	(895,268)
EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES		
FROM CHANGE IN PERCENTAGE OF HOLDINGS	488,287	488,412
FROM REVALUATION SURPLUS IN PROPERTY	51,628,428	56,107,717
FROM UNREALIZED LOSS ON INVESTMENTS IN SECURITIES	(69,775)	(54,268)
FROM ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	(199,503)	(207,977)
FROM OPERATIONS OF SUBSIDIARIES AND ASSOCIATED COMPANIES	(22,698,549)	(22,383,254)
TOTAL EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES	29,148,888	33,950,630
APPROPRIATED RETAINED EARNINGS		
RESERVE FUND		
» BEGINNING BALANCE	120,000	120,000
» ADDITION	-	-
» DEDUCTION	-	-
» ENDING BALANCE	120,000	120,000
GENERAL RESERVE		
» BEGINNING BALANCE	10,062,000	10,062,000
» ADDITION	43,000	-
» DEDUCTION	-	-
» ENDING BALANCE	10,105,000	10,062,000

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATED)
UNAPPROPRIATED		
FROM OPERATION OF THE COMPANY		
» BEGINNING BALANCE	2,027,330	160,456
» ADJUSTMENT	-	2,665,740
» AS ADJUSTED	2,027,330	2,826,196
» ADDITION	7,949,470	-
» DEDUCTION	-	798,866
» ENDING BALANCE	9,976,800	2,027,330
TOTAL SHAREHOLDERS' EQUITY	57,299,945	54,877,244

STATEMENTS OF RETAINED EARNINGS (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	NOTE	2001	2000 (RESTATED)
APPROPRIATED RETAINED EARNINGS			
» RESERVE FUND		120,000	120,000
» GENERAL RESERVE		10,105,000	10,062,000
TOTAL APPROPRIATED RETAINED EARNINGS		10,225,000	10,182,000
UNAPPROPRIATED RETAINED EARNINGS			
FROM OPERATION OF THE COMPANY			
» UNAPPROPRIATED RETAINED EARNINGS AT BEGINNING OF YEAR		2,027,330	160,456
» ADJUSTMENT IN PRIOR YEARS		-	2,665,740
» AS ADJUSTED		2,027,330	2,826,196
» NET INCOME (LOSS) FOR THE YEAR		7,949,470	(798,866)
TOTAL RETAINED EARNINGS - FROM OPERATION OF THE COMPANY		9,976,800	2,027,330
FROM OPERATIONS OF SUBSIDIARIES AND ASSOCIATED COMPANIES			
» DEFICIT AT BEGINNING OF YEAR		(23,113,507)	-
» ADJUSTMENT ON EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES IN PRIOR YEARS	2	730,253	(23,654,997)
» AS ADJUSTED		(22,383,254)	(23,654,997)
» EQUITY IN INCOME (LOSS) FOR THE YEAR		(315,295)	1,271,743
TOTAL DEFICIT - FROM OPERATIONS OF SUBSIDIARIES AND ASSOCIATED COMPANIES		(22,698,549)	(22,383,254)
TOTAL DEFICIT		(2,496,749)	(10,173,924)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENTS OF CASH FLOWS ◀◀

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES:		
» NET INCOME	7,634,174	472,877
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
» UNREALIZED LOSS (GAIN) ON FOREIGN CURRENCY EXCHANGE	(278,097)	378,986
» DEPRECIATION AND AMORTIZATION	362,888	439,824
» PROVISION FOR DECLINE IN VALUE OF INVESTMENTS - NET	18,476	(136,792)
» DIMINUTION IN VALUE OF INVESTMENTS	-	480,379
» GAIN ON SALES OF FIXED ASSETS	(60,917)	(5,777)
» LOSS (GAIN) ON SALES OF INVESTMENTS - NET	(2,210,665)	287,211
» EQUITY IN EARNINGS OF SUBSIDIARIES AND ASSOCIATED COMPANIES	(6,821,763)	(4,495,899)
» DEFERRED INCOME TAX - NET	(522,167)	(2,517,016)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
» ACCOUNTS AND NOTES RECEIVABLE - TRADE - NET	-	1,324,458
» RECEIVABLES FROM AFFILIATED COMPANIES	6,733,046	3,603,549
» OTHER CURRENT ASSETS	(197,983)	560,953
» OTHER ASSETS	(308,471)	(74,081)
» ACCOUNTS PAYABLE - TRADE	(11,173)	(1,424,567)
» PAYABLES TO AFFILIATED COMPANIES	43,638	25,471
» OTHER CURRENT LIABILITIES	(33,826)	62,166
» PROVISION FOR PROVIDENT FUND - NET	(21,220)	(20,929)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4,325,940	(1,039,187)
CASH FLOWS FROM INVESTING ACTIVITIES:		
» INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES	(2,029,289)	(10,404,242)
» DIVIDEND INCOME FROM SUBSIDIARIES AND ASSOCIATED COMPANIES	3,586,532	3,978,768
» ADVANCE FOR SHARE SUBSCRIPTION - SUBSIDIARIES	15,515	146,099
» PROPERTY, PLANT AND EQUIPMENT	(25,579)	(70,129)
» PROCEEDS FROM SALES OF INVESTMENTS	17,092,493	3,295,566
» PROCEEDS FROM SALES OF FIXED ASSETS	160,620	9,524
» LOANS TO AFFILIATED COMPANIES	(2,732,200)	(2,846,959)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	16,068,092	(5,891,373)

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

IN THOUSAND BAHT

	2001	2000 (RESTATED)
CASH FLOWS FROM FINANCING ACTIVITIES:		
» BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	(2,860,286)	(7,144,334)
» REPAYMENTS OF LONG-TERM DEBT	(13,606,759)	(33,796,353)
» PROCEEDS FROM LONG-TERM DEBT	716,600	3,691,500
» LOANS FROM AFFILIATED COMPANIES	(1,798,169)	(779,633)
» DEBENTURES	-	40,000,000
» OTHER LIABILITIES	(66,004)	118,767
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(17,614,618)	2,089,947
NET INCREASE (DECREASE) IN CASH ON HAND AND AT BANKS	2,779,414	(4,840,613)
CASH ON HAND AND AT BANKS AT BEGINNING OF YEAR	1,079,947	5,920,560
CASH ON HAND AND AT BANKS AT END OF YEAR	3,859,361	1,079,947
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH PAID DURING THE YEAR		
» INTEREST EXPENSE	5,806,617	6,680,830
» INCOME TAX	-	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

1. BASIS FOR FINANCIAL STATEMENTS

1.1 GENERAL

» The Siam Cement Public Company Limited is a parent company of The Siam Cement Group, listed on the Stock Exchange of Thailand (stock code “SCC”). The Company was incorporated in 1913, and is located at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand. The Company holds investments in the following business segments: Cement, Petrochemicals, Paper, Building Products, Ceramics, Distribution, Cementhai Holding and Cementhai Property.

1.2 BASIS FOR FINANCIAL STATEMENT PRESENTATION

» Significant intercompany transactions with subsidiaries and associated companies in 2001 and 2000 are as follows:

	IN MILLION BAHT		
	2001	2000	PRICING POLICY
» Intellectual property income, management income, services and others	2,957	1,612	Mainly based on percentage of net sales
» Interest income - net of interest expense	5,076	3,927	Contract rate

» No purchases, sales, guarantees and commitment have been made with any individual related party who may have an interest in the Company.

» The Company maintains its official accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with financial accounting standards in Thailand which may differ from generally accepted accounting principles in other countries. Accordingly, the users of these financial statements should have sufficient knowledge about Thai accounting principles and practices.

» For the convenience of the reader, an English translation of financial statements has been prepared from the statutory Thai language financial statements which are issued for domestic reporting purposes.

» The accompanying financial statements include the effects of the economic crisis to the extent they are known and can be estimated. The operations of the Company have been affected and may continue to be affected for the foreseeable future by the country’s crisis. The accompanying financial statements do not include any adjustments that might result from these uncertainties. Related effects will be reported in the financial statements as they become known and estimable.

2. SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

» Intellectual property income and management income are recognized on an accrual basis in accordance with the terms of agreement.

» Dividends are recognized when declared.

» Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

» The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

INVESTMENTS IN SHARES

» The Company accounts for its investments in shares in subsidiaries and associated companies by the equity method.

» Investments in other companies are valued at cost and provision is taken up in the accounts for possible loss on decline in value of the investments. Investments in marketable securities are valued at market.

» In 2001, the Company purchased certain additional shares of National Petrochemicals PCL and the percentage of holding increased until it was changed from other company to be an associated company. In prior years, the Company accounted for this investment at market value.

» Furthermore, the Company adjusted its equity in certain associated companies.

» As a result of the above changes, the Company, for comparative purpose, adopted the change retroactively to the financial statements for the year ended December 31, 2000. The impact on total assets as of December 31, 2000 was an increase by Baht 1,050 million and unappropriated retained earnings as of December 31, 2000 increased by Baht 730 million. Net income for the year ended December 31, 2000 increased by Baht 432 million and earnings per share increased by Baht 3.60 per share.

FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION AND AMORTIZATION

» Depreciation of property, plant and equipment has been computed by the straight-line method at the maximum rates allowed by law or the rates which approximate the economic useful life of the assets as follows:

	PERIOD (YEARS)
» Land improvement	10 - 20
» Buildings and structures	20
» Plant, machinery and equipment	5 -10
» Transportation equipment	5
» Furniture, fixtures and office equipment	5

» Deferred charges are amortized over five (5) to twenty (20) years.

IMPAIRMENT OF ASSETS

» Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in current operations.

EARLY RETIREMENT EXPENSE

» In 2000, the Company offered certain qualifying employees the option to take early retirement from the Company. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service and the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance by both the Company and the employees. In 2001, the plan has been extended to certain employees with mutual consent.

INCOME TAX

» The Company provided for deferred income tax resulting from timing differences in reporting expenses for financial reporting purposes compared to income tax reporting purposes (e.g. allowance for doubtful accounts, loss carry forwards up to 5 years). The deferred income tax is amortized as the timing differences later reverse.

» Deferred income tax is recognized to the extent that it is probable that the future taxable profit will be available against and the timing difference can be utilized.

FOREIGN CURRENCY TRANSACTIONS

» Foreign currency transactions are recorded at the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the year - end exchange rates unless hedged by forward foreign exchange contracts in which case they are translated at the rates specified in the forward contracts. Gains or losses on translation are recognized in the statement of income. Fees on hedging contracts are amortized over the life of the contract.

EARNINGS PER SHARE

» Basic earnings per share is calculated by dividing the net income by the weighted average number of shares outstanding during the year (120,000,000 shares for 2001 and 2000).

3. ACCOUNTS RECEIVABLE - TRADE - NET

	IN MILLION BAHT	
	2001	2000
Accounts receivable-trade	130	142
Less Allowance for doubtful accounts	130	142
NET	-	-

» As at December 31, 2001 and 2000, the Company has long outstanding accounts receivable aged as follows:

	IN MILLION BAHT	
	2001	2000
Over 1 year	130	142
TOTAL	130	142

» As at December 31, the Company provided the allowances for doubtful accounts in the amount of approximately Baht 130 million in 2001 and Baht 142 million in 2000 which are adequate to absorb possible losses and comply with the accounting policy for allowance for doubtful accounts.

4. RELATED COMPANY TRANSACTIONS

	IN MILLION BAHT	
	2001	2000
RECEIVABLES AND LOANS		
CURRENT ACCOUNTS		
» Siam Cement Industry Co., Ltd.	1,543	1,347
» Cemen Thai Sales and Marketing Co., Ltd.	220	525
» The Siam Cement (Kaeng Khoi) Co., Ltd.	132	144
» The Siam Cement (Thung Song) Co., Ltd.	129	146
» SCT Co., Ltd.	103	213
» The Siam Cement (Ta Luang) Co., Ltd.	77	151
» Cemen Thai Building Products Co., Ltd.	30	112
» Cemen Thai Holding Co., Ltd.	28	6,396
» Others	477	436
	2,739	9,470
NOTES RECEIVABLE		
» Siam Cement Industry Co., Ltd.	43,203	50,309
» Cemen Thai Chemicals Co., Ltd.	5,500	-
» Cemen Thai Holding Co., Ltd.	5,368	-
» Cemen Thai Property (2001) Public Company Limited (Formerly Siam Tyre Public Company Limited)	3,307	250
» Siam Construction Steel Co., Ltd.	2,610	-
» Siam Iron and Steel (2001) Co., Ltd.	1,802	-
» Bangsue Management Co., Ltd.	1,568	3,573
» Cemen Thai Distribution Co., Ltd.	1,441	231
» Cemen Thai Ceramics Co., Ltd.	1,430	1,415
» The Siam Fibre-Cement Co., Ltd.	1,425	2,143
» Cemen Thai Building Products Co., Ltd.	944	829
» Siam Nawaloha Foundry Co., Ltd.	875	1,283
» Siam Fiberglass Co., Ltd.	401	88
» SCT Co., Ltd.	270	-
» The Siam Refractory Industry Co., Ltd.	180	464
» Siam Nawaphan Co., Ltd.	155	155
» RIL 1996 Co., Ltd.	108	102
» Rayong Industrial Land Co., Ltd.	46	547
» IT One Co., Ltd.	34	-
» The Siam Gypsum Industry Co., Ltd.	-	1,005
» Other companies	81	1,540
	70,748	63,934
SHORT-TERM LOANS TO SUBSIDIARIES		
» Cemen Thai Chemicals Co., Ltd.	200	-
» Siam Fiberglass Co., Ltd.	-	70
	200	70
TOTAL	73,687	73,474

	IN MILLION BAHT	
	2001	2000
PAYABLES AND LOANS		
CURRENT ACCOUNTS	289	245
NOTES PAYABLE		
» The Siam Pulp and Paper Public Company Limited	1,000	-
» The Siam Kubota Industry Co., Ltd.	820	680
» Cemen Thai Management Services Co., Ltd.	187	195
» Cemen Thai Concrete Products (Singapore) Pte., Ltd.	121	119
» Cemen Thai Gypsum (Singapore) Pte., Ltd.	41	167
» Cemen Thai Holding Co., Ltd.	-	2,773
» Others	144	167
	2,313	4,101
SHORT-TERM LOANS FROM SUBSIDIARIES		
» Tuban Petrochemicals Pte., Ltd.	665	651
» Cemen Thai Gypsum (Singapore) Pte., Ltd.	266	268
	931	919
TOTAL	3,533	5,265
LONG-TERM LOAN FROM SUBSIDIARY		
» Cemen Thai Chemicals Co., Ltd.	150	150

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5. INVESTMENTS IN SHARES AND LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES - NET

	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT	
	2001	2000	2001	2000
INVESTMENTS IN SHARES				
A. SUBSIDIARIES AND ASSOCIATED COMPANIES				
At Equity				
» Siam Cement Industry Co., Ltd. and Subsidiaries	100	100	20,443	23,485
» Cementhai Chemicals Co., Ltd. and Subsidiaries	100	100	24,197	26,194
» The Siam Pulp and Paper Public Company Limited and Subsidiaries	87	87	19,658	19,114
» Cementhai Building Products Co., Ltd. and Subsidiaries	100	100	7,535	8,655
» Cementhai Ceramics Co., Ltd. and Subsidiaries	100	100	5,783	4,632
» Cementhai Distribution Co., Ltd. and Subsidiaries	100	100	1,625	2,232
» Cementhai Holding Co., Ltd. and Subsidiaries	100	100	2,485	5,589
» Cementhai Property Co., Ltd. and Subsidiaries	100	100	1,981	5,304
TOTAL SUBSIDIARIES AND ASSOCIATED COMPANIES - AT EQUITY			83,707	95,205
B. OTHER COMPANIES				
At Cost				
» Thai Olefins Co., Ltd.	13	13	1,133	1,133
» Toyota Motor Thailand Co., Ltd.	10	10	882	582
» Finfloor S.R.L.	10	10	299	299
» Thai LNG Co., Ltd.	9	9	6	6
» Asia Industrial Estate Co., Ltd.	-	13	-	333
» Siam Aisin Co., Ltd.	-	47	-	215
Total Other Companies - At Cost			2,320	2,568
At Market				
» The Aromatics (Thailand) Public Company Limited	13	15	299	181
» Thai Industrial Gases Public Company Limited	-	8	-	105
» Thai Farmers Bank Public Company Limited	-	N.A.	-	39
» Siam Commercial Bank Public Company Limited	-	N.A.	-	39
Total Other Companies - At Market			299	364
TOTAL OTHER COMPANIES			2,619	2,932
TOTAL INVESTMENTS IN SHARES			86,326	98,137
» Less: Allowance for decline in value of investments			369	541
INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES - NET			85,957	97,596
LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES				
» The Aromatic (Thailand) Public Company Limited			1,224	1,129
» Cementhai Ceramics Co., Ltd.			300	300
» Siam Cement Industry Co., Ltd.			150	-
» IT One Co., Ltd.			43	-
» Siam Pulp and Paper Public Company Limited			-	4,300
» Cementhai Chemicals Co., Ltd.			-	200
TOTAL LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES			1,717	5,929
TOTAL INVESTMENTS IN SHARES AND LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES			87,674	103,525

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» The aggregate values of the above investments in shares of other companies, based on the latest available audited/ reviewed statements or the quoted market prices in the Stock Exchange as at December 31, 2001 is as follows:

IN MILLION BAHT				
	COST	NET BOOK VALUE/ QUOTED MARKET PRICE	ALLOWANCE FOR DECLINE IN VALUE OF INVESTMENTS	UNREALIZED LOSS ON INVESTMENTS IN SECURITIES
» Non Marketable	2,320	1,810	369	-
» Marketable	1,162	299	-	(863)
TOTAL	3,482	2,109	369	(863)

» According to the corporate restructuring plan of the Siam Cement Group, the Company sold its investments in certain subsidiaries such as SCG Car Services Co., Ltd., Siam Compressor Industry Co., Ltd., Siam Gypsum Industry Co., Ltd., and subsidiaries and Siam Nawaloha Foundry Co., Ltd. etc., in 2001 and Tile Cera, Inc., Tile Cera Distributing, Inc. etc., in 2000. The Company presented a gain on investments sold of approximately Baht 2,192 million in 2001 and a loss on investment sold of approximately Baht 287 million in 2000 net of income tax under the caption of "Gain (loss) on investments and assets sold for restructuring and provision for decline in value of investments net of income tax" in the accompanying financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

IN MILLION BAHT				
	BALANCE AS OF DECEMBER 31, 2000	INCREASE	DECREASE	BALANCE AS OF DECEMBER 31, 2001
AT COST				
» Land and land improvement	1,608	1	-	1,609
» Buildings and structures	2,140	6	8	2,138
» Plant and machinery and equipment	1,864	-	1	1,863
» Transportation equipment	61	-	10	51
» Furniture, fixtures and office equipment	1,117	17	183	951
» Construction in progress	90	-	1	89
TOTAL	6,880	24	203	6,701
LESS ACCUMULATED DEPRECIATION				
» Land improvement	279	17	-	296
» Buildings and structures	1,096	107	6	1,197
» Plant, machinery and equipment	1,489	163	1	1,651
» Transportation equipment	61	-	10	51
» Furniture, fixtures and office equipment	873	75	87	861
TOTAL	3,798	362	104	4,056
PROPERTY, PLANT AND EQUIPMENT - NET	3,082			2,645

» Depreciation expenses amounted to Baht 362 million in 2001 and Baht 440 million in 2000.

» The gross carrying amounts of certain depreciable assets totalling of Baht 2,321 million and Baht 1,929 million are fully depreciated as of December 31, 2001 and 2000, respectively but these items are still in active use.

» The Company entered into agreements with various companies in connection with the expansion projects. As at December 31, 2000 the Company had outstanding contracted commitments totalling approximately Baht 855 million.

REVALUATION SURPLUS

» Starting in 1997 accounting period, the Company adopted a policy to present 3 classes of assets which carrying values are substantially lower than the replacement costs. This includes land, buildings and machinery and equipment. The Company engaged American Appraisal Company (Thailand) Limited, as independent appraiser, to appraise the value of building and machinery and equipment. The Company also has a policy to revalue every year without presenting the revaluation surplus in the statement of income. The revaluation surplus

FINANCIAL STATEMENTS

will be presented in the balance sheet as assets revaluation surplus, and under the Shareholders' equity as Revaluation surplus in property. Summarize below are basis for the revaluation:

» As at December 31, 2000, the Company appraised its property, plant and equipment as follows:

- Land - at appraised value of the Land Department with a revaluation surplus of Baht 6,590 million.

- Buildings, machinery and equipment - at appraised value reported by an independent appraiser dated January 10, 2001 with a revaluation surplus of Baht 1,823 million as at December 31, 2000 consisting of Baht 693 million for buildings and Baht 1,130 million for machinery and equipment.

» As at December 31, 2001, the Company appraised its property, plant and equipment as follows:

- Land - at appraised value of the Land Department with a revaluation surplus of Baht 5,676 million.

- Buildings, machinery and equipment - at appraised value reported by an independent appraiser dated January 10, 2002 with a revaluation surplus of Baht 1,936 million as at December 31, 2001 consisting of Baht 782 million for building and Baht 1,154 million for machinery and equipment.

7. OTHER ASSETS

IN MILLION BAHT

	2001	2000
» Deferred income tax - net	3,860	5,788
» Deposits, claims and deferred charges - net	112	121
» Land, building and land improvements not used in operations - net of accumulated depreciation	39	40
» Others	351	268
TOTAL	4,362	6,217

8. BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS

IN MILLION BAHT

	2001	2000
» Bank overdrafts	4	15
» Notes payable	1,418	4,267
TOTAL	1,422	4,282

» In 2001, the Company has overdraft lines with several local banks amounted to approximately Baht 400 million, bearing interest at the minimum overdraft rate.

9. PROVIDENT FUND

» The Company has provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits

made solely by the companies are payables to the employees upon resignation at 5% to 10% of the employees' salaries depending on the length of employment. In addition to the above provident fund, since April, 1995, the Company has established a contributory funded provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon attaining permanent status. Under the regulations of the fund, members are required to make monthly contribution to the fund at 2% to 10% of the members' basic salaries and the Company is required to make monthly contribution to the fund at 5% to 10% of the members' basic salaries, depending on the length of employment.

» Total provision and contribution to the above funds amounted to approximately Baht 45 million and Baht 40 million in 2001 and 2000, respectively.

10. LONG-TERM DEBT

IN MILLION BAHT

	2001	2000
» Deferred payment plans	4,516	6,780
» Loans	21,981	32,885
TOTAL	26,497	39,665
» Less: Current portion due within one year	3,243	2,237
LONG-TERM DEBT - NET	23,254	37,428

» Long-term debt mainly represented foreign currency loans which are hedged by financial derivatives to decrease exchange rate risk. The average interest rate is approximately 5% p.a..

» All foreign and local long-term loans are guaranteed by 4 subsidiaries.

» The repayments of liabilities amounting to approximately Baht 1,705 million in 2000 arising from purchases of certain machinery and equipment and foreign loans are guaranteed by a group of local banks and certain foreign financial institutions.

» The Company hedges all of its foreign exchange risk by entering into Currency swap Agreements with foreign banks, whereby the Company will repay the loans by other foreign currencies as specified in the agreements.

11. COMPOSITION OF LOANS

» As at December 31, 2001, the composition of loans of the Company are as follows:

IN MILLION BAHT

CURRENCY	SHORT-TERM	LONG-TERM	TOTAL
» Baht	21,816	98,404	120,220
» Foreign	1,093	-	1,093
TOTAL	22,909	98,404	121,313

12. DEBENTURES

» As at December 31, 2001, the Company issued unsubordinated and unsecured debentures totalling Baht 90,000 million by issuance in 8 placements, the details are as follows:

DEBENTURES	IN MILLION BAHT	INTEREST RATE	TERM	MATURITY DATE	FAIR VALUE**
No. 1/1999	5,200	*floating rate+ 3.50% p.a.	5 years	April 1, 2004	1,040
No. 2/1999	8,800	10.5% p.a.	5 years	April 1, 2004	1,150
No. 3/1999	12,000	8.0% p.a.	3.5 years	April 1, 2003	1,048
No. 4/1999	12,000	9.50% p.a.	5.5 years	April 1, 2005	1,140
No. 5/1999	6,000	8.0% p.a.	4 years	November 1, 2003	1,081
No. 6/1999	6,000	8.75% p.a.	5 years	November 1, 2004	1,126
No. 1/2000	25,000	7.75% p.a. for first 4 years and *floating rate+ 2.00% p.a. for last 2 years	6 years	March 31, 2006	1,042
No. 2/2000	15,000	5.75% p.a.	2 years	October 1, 2002	1,016
Total	90,000				
Less: Current portion due within 1 year	15,000				
NET	75,000				

* Floating rate is equal average rate of 12 month fixed deposit of 4 banks.

** Latest price (Baht per unit : 1 unit = Baht 1,000) as at December 31, 2001.

The above debentures are guaranteed by 4 subsidiaries.

13. RESERVE FUND

» Under the provisions of the Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income (after deduction of the deficit brought forward, if any) as reserve fund until the reserve reaches 10% of the authorized share capital. As at December 31, 2001, the reserve fund amounted to 10% of the issued and fully paid-up share capital. This reserve is not available for dividend distribution.

14. OTHER INCOME

	IN MILLION BAHT	
	2001	2000
» Interest income from other company	101	134
» Gain on scrap sold and others	88	4
» Gain on fixed assets sold	61	6
» Interest income from bank and financial institution	18	83
» Dividend from other companies	8	9
» Others	26	256
TOTAL	302	492

15. ADMINISTRATIVE EXPENSES

	IN MILLION BAHT	
	2001	2000
» Salary and wages	399	440
» Depreciation	176	226
» Professional fees	82	42
» Rent	71	105
» Communication and transportation	62	69
» Repair and maintenance	49	66
» License fees and others	41	23
» Outside wages	31	27
» Per diem and travelling	17	18
» Staff benefit	11	16
» Reimbursed amount	(769)	(1,075)
» Others	236	211
TOTAL	406	168

» The numbers of the Company's employees at the end of years is 344 persons in 2001 and 523 persons in 2000.

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16. INTEREST EXPENSE AND FINANCIAL CHARGES

IN MILLION BAHT

	2001	2000
» Interest - loans abroad	1,022	1,505
» Interest - loans local		
- Interest expense - Outside	8,607	9,662
- Interest expense - Affiliated companies	93	108
- Interest income - Affiliated companies	(5,169)	(4,035)
» Interest - provident fund	11	16
TOTAL	4,564	7,256

17. INCOME TAX

» Provision for income tax of 2001 and 2000 are as follows:

IN MILLION BAHT

	2001	2000
» Corporate income tax payable for the year	-	-
» Deferred income tax - net	(533)	(2,614)
PROVISION FOR INCOME TAX	(533)	(2,614)

» Deferred income tax consisted of income tax (tax benefit) for:

IN MILLION BAHT

	2001	2000
» Settlement deferred income tax and utilizing deferred income tax on timing difference basis.		
- Provident Fund	105	106
- Provision for declining in value of investment	52	1,507
- Bad debt and others	6	(255)
- Benefit of loss carry forwards	(696)	(3,972)
DEFERRED INCOME TAX - NET	(533)	(2,614)

18. FINANCIAL SUPPORT AGREEMENT

» The Company had a Financial Support Agreement with a company which the Company is a shareholder. According to the financial support agreement, the major shareholder must to comply with conditions as indicated in the agreement based upon their ownership interest. As of December 31, the Company complied with the agreement by providing financial support totalling USD 31.5 million in 2001 and USD 26.25 million in 2000. The above loans are presented as loans in the caption of "Investments in shares and long-term loans to subsidiaries, associated and other companies" in the accompanying financial statement.

19. DISCLOSURE OF FINANCIAL INSTRUMENT

INTEREST RATE RISK

» Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Company manage debt by using both fixed interest rate and floating interest rates depending on the market circumstance.

FOREIGN EXCHANGE RISK

» Foreign exchange risk arises from the fluctuation of foreign exchange rates.

» The Company uses derivative instruments to manage their foreign exchange risk on foreign debt. This is in compliance with the policy and guideline agreed and approved by the Board of Directors and there are controls on operating procedures for compliance with the policy.

» The financial derivatives utilized are forward exchange contracts and cross currency swaps.

» As of December 31, 2001, the Company have financial derivatives aged as follows:

CONTRACT AMOUNT (IN MILLION BAHT)

CURRENCY	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
» US. Dollars	1,252	5,169	6,421
» Japanese Yen	3,651	1,794	5,445
» Euro	2,729	393	3,122
TOTAL	7,632	7,356	14,988

» Fair value of the above financial instruments are valued at approximately the contract amounts.

20. OTHERS

» As at December 31, 2001 and 2000, the Company has:

- a. Contingent liabilities for guarantees on loans of related companies of Baht 29,750 million in 2001 and Baht 32,645 million in 2000.
- b. Contingent liabilities for bank guarantee issued by banks to government agencies of Baht 251 million in 2001 and Baht 273 million in 2000.
- c. Contingent liability arising from assessment of valued added tax and special business tax totalling of Baht 202 million in 2001, for the transfer of Lampang plant project which is under construction to a subsidiary company. The Company is contesting this assessment to the Supreme Court. The ultimate outcome of this can not be determined presently. However, no provision for possible loss on such assessment has been made in the accounts.

21. RECLASSIFICATION OF ACCOUNTS

» Certain accounts in 2000 were reclassified to conform with those in the 2001 financial statements.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

1. INVESTMENT IN SUBSIDIARIES, ASSOCIATED, AND OTHER COMPANIES OF WHICH THEIR OPERATIONS ARE SIGNIFICANT.

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT/ INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
» CEMENT BUSINESS						
SUBSIDIARIES						
1. SIAM CEMENT INDUSTRY Co., LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	12,236	100	100
2. THE SIAM CEMENT (LAMPANG) Co., LTD.	LAMPANG	0-5422-8266	CEMENT	2,427	100	100
3. THE SIAM CEMENT (TA LUANG) Co., LTD.	BANGKOK	0-2586-3333	CEMENT	2,300	100	100
4. THE SIAM CEMENT (KAENG KHOI) Co., LTD.	BANGKOK	0-2586-3333	CEMENT	2,500	100	100
5. THE SIAM CEMENT (THUNG SONG) Co., LTD.	BANGKOK	0-2586-3333	CEMENT	3,500	100	100
6. THE SIAM WHITE CEMENT Co., LTD.	BANGKOK	0-2586-3333	CEMENT	200	100	100
7. SIAM MORTAR Co., LTD.	BANGKOK	0-2586-3333	DRY MORTAR	163	100	100
8. THE CONCRETE PRODUCTS AND AGGREGATE Co., LTD.	BANGKOK	0-2555-5000	READY-MIXED CONCRETE	1,390	100	100
ASSOCIATED AND OTHER COMPANIES						
9. ASIA CEMENT PUBLIC COMPANY LIMITED	BANGKOK	0-2375-4540	CEMENT	7,800	10	10
10. HOLCIM (BANGLADESH) Co., LTD.	BANGLADESH	880-2988-1002-3	CEMENT	3,471	10	10
» PETROCHEMICALS BUSINESS						
SUBSIDIARIES						
11. CEMENTHAI CHEMICALS Co., LTD.	BANGKOK	0-2586-4865	HOLDING COMPANY	7,108	100	100
12. RAYONG OLEFINS Co., LTD.	BANGKOK	0-2586-3882	RAW MATERIALS FOR PLASTIC RESINS	7,700	39	51
13. THAI POLYETHYLENE Co., LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	1,850	100	100
14. THAI POLYETHYLENE (1993) Co., LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	450	100	100
15. THAI POLYPROPYLENE Co., LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	700	100	100
16. THAI POLYPROPYLENE (1994) Co., LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	600	100	100
17. MAP TA PHUT TANK TERMINAL Co., LTD.	BANGKOK	0-2586-5442	WAREHOUSE AND TRANSPORTATION SERVICE	1,500	78	78
18. RAYONG PIPELINE Co., LTD.	BANGKOK	0-2586-5442	RIGHT OF WAY, AND USE	400	88	88
ASSOCIATED AND OTHER COMPANIES						
19. SIAM MITSUI PTA Co., LTD.	BANGKOK	0-2586-5282	PTA	2,800	49	50
20. SIAM POLYSTYRENE Co., LTD.	BANGKOK	0-2381-1038	PLASTIC RESINS	1,015	49	50

SUPPLEMENTARY INFORMATION

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT/ INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
21. PACIFIC PLASTICS (THAILAND) LTD.	BANGKOK	0-2381-1038	PLASTIC RESINS	539	48	48
22. SIAM SYNTHETIC LATEX Co., LTD.	BANGKOK	0-2381-1038	SYNTHETIC LATEX	325	49	50
23. SIAM STYRENE MONOMER Co., LTD.	BANGKOK	0-2381-1038	RAW MATERIALS FOR POLYSTYRENE	3,500	49	50
24. SIAM POLYETHYLENE Co., LTD.	BANGKOK	0-2381-1038	PLASTIC RESINS	3,300	49	50
25. GRAND SIAM COMPOSITES Co., LTD.	BANGKOK	0-2586-2515	RAW MATERIALS FOR PLASTIC RESINS	60	46	46
26. THAI MFC Co., LTD.	BANGKOK	0-2586-3894	MELAMINE	200	45	45
27. THAI MMA Co., LTD.	BANGKOK	0-2586-5814	RAW MATERIALS FOR COATING RESINS	1,300	45	46
28. THAI PLASTIC AND CHEMICALS PUBLIC COMPANY LIMITED	BANGKOK	0-2676-6000	PLASTIC RESINS	875	26	26
29. NATIONAL PETROCHEMICAL PUBLIC COMPANY LIMITED	BANGKOK	0-2260-1311	RAW MATERIALS FOR PLASTIC RESINS	3,100	22	23
30. BANGKOK SYNTHETIC Co., LTD.	BANGKOK	0-2679-5120	RAW MATERIALS FOR PLASTIC RESINS	1,173	18	18
31. THAI OLEFINS Co., LTD.	BANGKOK	0-2537-5400	RAW MATERIALS FOR PLASTIC RESINS	8,483	13	17
32. THE AROMATICS (THAILAND) PUBLIC COMPANY LIMITED	BANGKOK	0-2537-5700	RAW MATERIALS FOR PLASTIC RESINS	9,580	13	13
» PAPER AND PACKAGING BUSINESS						
SUBSIDIARIES						
33. THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED	BANGKOK	0-2586-3333	BLEACHED PULP AND HOLDING COMPANY	1,563	87	87
34. SIAM CELLULOSE Co., LTD.	BANGKOK	0-2586-3333	BLEACHED PULP	300	100	87
35. THAI PAPER Co., LTD.	BANGKOK	0-2586-3333	PRINTING AND WRITING PAPER	2,280	100	87
36. THAI UNION PAPER PUBLIC COMPANY LIMITED	SAMUT PRAKAN	0-2394-0622	PRINTING AND WRITING PAPER	430	100	87
37. THAI UNION PAPER INDUSTRY Co., LTD.	BANGKOK	0-2586-3333	PRINTING AND WRITING PAPER	400	100	87
38. SIAMKRAFT INDUSTRY Co., LTD.	BANGKOK	0-2586-3333	KRAFT PAPER	250	100	87
39. THAI KRAFT PAPER INDUSTRY Co., LTD.	BANGKOK	0-2586-3333	KRAFT PAPER	1,000	100	87
40. THAI CONTAINERS LTD.	PATHUM THANI	0-2529-3370-3	CORRUGATED BOXES	110	70	61
41. THAI CONTAINERS INDUSTRY Co., LTD.	SAMUT PRAKAN	0-2324-0761	CORRUGATED BOXES	160	70	61
42. THAI CONTAINERS RATCHABURI (1989) Co., LTD.	BANGKOK	0-2586-3333	CORRUGATED BOXES	100	70	61
43. THAI CONTAINERS SONGKHLA (1994) Co., LTD.	BANGKOK	0-2586-3333	CORRUGATED BOXES	280	70	61
44. THAI CONTAINERS CHONBURI (1995) Co., LTD.	CHON BURI	0-3833-8500-1	CORRUGATED BOXES	180	70	61
45. CITY PACK Co., LTD.	SARABURI	0-3625-1724-28	CORRUGATED BOXES	450	70	61
46. NIPPON HI-PACK (THAILAND) Co., LTD.	PRACHINBURI	0-3720-8568-70	CORRUGATED BOXES	416	52	45
47. THAI CONTAINERS V&S Co., LTD.	PATHUM THANI	0-2976-0701-10	CORRUGATED BOXES	260	56	49

SUPPLEMENTARY INFORMATION

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT/ INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
ASSOCIATED AND OTHER COMPANIES						
48. SIAM TOPPAN PACKAGING CO., LTD.	SAMUT PRAKAN	0-2324-0592	OFFSET-PRINTED CARTONS	500	49	43
49. PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED	BANGKOK	0-2391-9270	BLEACHED PULP	1,200	25	22
» BUILDING PRODUCTS BUSINESS						
SUBSIDIARIES						
50. CEMENTHAI BUILDING PRODUCTS CO., LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	1	100	100
51. THE SIAM FIBRE-CEMENT CO., LTD.	BANGKOK	0-2586-3333	NATURAL-FIBRE ROOFING SHEETS	200	100	100
52. TIP FIBRE-CEMENT CO., LTD.	SAMUT PRAKAN	0-2526-8761	NATURAL-FIBRE ROOFING SHEETS	50	100	100
53. THE CPAC ROOF TILE CO., LTD.	BANGKOK	0-2586-3333	CONCRETE ROOF TILES	211	75	75
54. THE CPAC ROOF TILE INDUSTRY CO., LTD.	BANGKOK	0-2586-3333	CONCRETE ROOF TILES	60	75	75
55. THAI CERAMIC ROOF TILE CO., LTD.	BANGKOK	0-2586-5081	CERAMIC ROOF TILES	200	75	75
56. THE SIAM CPAC BLOCK CO., LTD.	NONTHABURI	0-2526-1981	CONCRETE PAVING BLOCKS	60	100	100
57. THE CPAC BLOCK INDUSTRY CO., LTD.	NONTHABURI	0-2526-1981	CONCRETE PAVING BLOCKS	40	100	100
58. SARABURIRAT CO., LTD.	NONTHABURI	0-2526-1981	CONCRETE FLOOR TILES	148	83	83
59. THE CPAC CONCRETE PRODUCTS CO., LTD.	NONTHABURI	0-2526-1981	READY-TO-USE CONCRETE PRODUCTS	80	100	100
60. THE CPAC CONCRETE INDUSTRY CO., LTD.	NONTHABURI	0-2526-1981	READY-TO-USE CONCRETE PRODUCTS	160	100	100
61. CEMENTHAI GYPSUM CO., LTD.	BANGKOK	0-2586-3987	HOLDING COMPANY	690	100	100
62. THE SIAM MOULDING PLASTER CO., LTD.	SARABURI	0-3637-3578-82	MOULDING PLASTER	125	70	70
63. THE SIAM NAWAPHAN CO., LTD.	SAMUT PRAKAN	0-2394-2146	STEEL DOORS	168	100	100
64. SIAM FIBERGLASS CO., LTD.	SARABURI	0-3637-3441-4	GLASS WOOLS	350	100	100
ASSOCIATED AND OTHER COMPANIES						
65. THE SIAM GYPSUM INDUSTRY CO., LTD.	BANGKOK	0-2586-3987	GYPSUM BOARDS	150	29	29
66. THE SIAM GYPSUM INDUSTRY (SARABURI) CO., LTD.	SARABURI	0-3637-3503-9	GYPSUM BOARDS	470	29	29
67. THE SIAM GYPSUM INDUSTRY (SONGKHLA) CO., LTD.	SONGKHLA	0-7447-2142-8	GYPSUM BOARDS	120	29	29
» CERAMICS BUSINESS						
SUBSIDIARIES						
68. CEMENTHAI CERAMICS CO., LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	1,030	100	100
69. THAI CERAMIC CO., LTD.	BANGKOK	0-2586-4094-9	CERAMIC TILE	450	100	100
70. THE SOSUCO GROUP INDUSTRIES CO., LTD.	BANGKOK	0-2913-2156-62	CERAMIC TILE	960	90	90
71. PT.SURYA SIAM KERAMIK	INDONESIA	622-1538-0811	CERAMIC TILE	87	66	66
72. BEIJING CEMENTHAI CERAMIC CO., LTD.	CHINA	8610-8291-2233	CERAMIC TILE	767	69	69

SUPPLEMENTARY INFORMATION

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT/ INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
ASSOCIATED AND OTHER COMPANIES						
73. SOSUCO CERAMIC CO., LTD.	BANGKOK	0-2913-2156-62	CERAMIC TILE	400	45	45
74. SIAM SANITARY WARE CO., LTD.	BANGKOK	0-2973-5040-54	SANITARY WARE	80	36	36
75. SIAM SANITARY WARE INDUSTRY CO., LTD.	BANGKOK	0-2973-5040-54	SANITARY WARE	200	-	36
76. THE SIAM SANITARY FITTINGS CO., LTD.	BANGKOK	0-2973-5101-7	SANITARY WARE FITTINGS	200	33	45
77. MARIWASA MANUFACTURING, INC.	PHILIPPINES	63-2655-0281	CERAMIC TILE	909	40	46
78. SIAM MARIWASA TOTO, INC.	PHILIPPINES	63-2655-0281	SANITARY WARE	430	21	30
» DISTRIBUTION BUSINESS						
SUBSIDIARIES						
79. CEMENTHAI DISTRIBUTION CO., LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	825	100	100
80. SCT Co., LTD.	BANGKOK	0-2586-3333	INTERNATIONAL TRADING	400	100	100
81. CEMENTHAI SALES AND MARKETING CO., LTD.	BANGKOK	0-2586-3333	TRADING	545	100	100
82. CEMENTHAI LOGISTICS CO., LTD.	BANGKOK	0-2586-3333	TRANSPORTATION OF CEMENT	40	100	100
ASSOCIATED AND OTHER COMPANIES						
83. THAI PROSPERITY TERMINAL CO., LTD.	SAMUT PRAKAN	0-2394-7591	PORTS	100	50	50
84. RAYONG BULK TERMINAL CO., LTD.	BANGKOK	0-2618-8100	PORTS	640	38	38
» CEMENTHAI HOLDING						
SUBSIDIARIES						
85. CEMENTHAI HOLDING CO., LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	1	100	100
86. CEMENTHAI STEEL CO., LTD.	BANGKOK	0-2586-2617	HOLDING COMPANY	1,250	100	100
87. THE SIAM IRON AND STEEL (2001) Co., LTD.	BANGKOK	0-2586-4072	CONSTRUCTION STEEL	1	100	100
88. THE SIAM CONSTRUCTION STEEL CO., LTD.	BANGKOK	0-2586-3333	CONSTRUCTION STEEL	1,750	100	100
89. THE SIAM REFRACTORY INDUSTRY CO., LTD.	BANGKOK	0-2586-3333	REFRACTORY	300	100	100
90. THE SIAM RESEARCH AND DEVELOPMENT Co., LTD.	BANGKOK	0-2585-9677	PRODUCT RESEARCH	100	100	100
ASSOCIATED AND OTHER COMPANIES						
91. THE SIAM INDUSTRIAL WIRE Co., LTD.	BANGKOK	0-2586-4065	CONSTRUCTION STEEL	260	100	100
92. SIAM FURUKAWA Co., LTD.	SARABURI	0-3637-3570	AUTOMOTIVE AND MOTORCYCLE BATTERIES	345	69	69
93. SIAM NGK TECHNOCERA Co., LTD.	BANGKOK	0-2586-3333	PROCESSING APPARATUS, ELECTRONIC COMPONENTS	40	29	29
94. SIAM YAMATO STEEL Co., LTD.	BANGKOK	0-2586-3333	STRUCTURAL STEEL	7,800	46	46
95. THE SIAM KUBOTA INDUSTRY Co., LTD.	BANGKOK	0-2909-0300	AGRICULTURAL DIESEL ENGINES	208	42	42
96. THE NAWALOHA INDUSTRY Co., LTD.	SARABURI	0-3633-6531-45	CAST IRON	300	30	30

SUPPLEMENTARY INFORMATION

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT/ INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
97. SIAM AT INDUSTRY CO., LTD.	CHON BURI	0-3821-5011-9	AUTOMOTIVE PARTS	240	30	30
98. AISIN TAKAOKA FOUNDRY BANGPAKONG CO., LTD.	CHON BURI	0-3821-4963-70	CAST IRON	475	30	30
99. THAI ENGINEERING PRODUCTS CO., LTD.	PATHUM THANI	0-2529-3518-22	AUTOMOTIVE PARTS	85	29	30
100. THE SIAM UNITED STEEL (1995) CO., LTD.	BANGKOK	0-2586-3333	COLD-ROLLED STEEL	9,000	20	20
101. SIAM ASAHI TECHNOGLASS CO., LTD.	CHON BURI	0-3849-0680	TV GLASS BULBS FOR COLOR PICTURE TUBES	1,600	27	27
102. MUSASHI AUTO PARTS CO., LTD.	PATHUM THANI	0-2529-1753	MOTORCYCLE SPARE PARTS	200	21	21
103. TOYOTA MOTOR THAILAND CO., LTD.	SAMUT PRAKAN	0-2386-1000	AUTOMOTIVES	7,520	10	10
104. SIAM TYRE PHRA PRADAENG CO., LTD.	SAMUT PRAKAN	0-2384-4171	AUTOMOTIVE TYRES	200	40	40
105. SIAM TYRE INDUSTRY CO., LTD.	SARABURI	0-3637-3276	TRUCK TYRES	400	40	40
106. MICHELIN SIAM CO., LTD.	CHON BURI	0-3849-0534	AUTOMOTIVE TYRES	500	40	40
107. MICHELIN SIAM MARKETING AND SALES CO., LTD.	BANGKOK	0-2619-3000-19	AUTOMOTIVE TYRES	200	40	40
108. THE SIAM STEEL CORD CO., LTD.	RAYONG	0-3889-2100	TYRE BEAD WIRES AND STEEL TYRE CORDS	760	40	40
109. THAI TYRE MOULD CO., LTD.	CHON BURI	0-3849-0534	TYRE MOULDS	15	40	40
110. SIAM LEMMERZ CO., LTD.	SARABURI	0-3637-3311	ALLOY WHEELS	428	30	30
111. THAI TOKAI CARBON PRODUCT CO., LTD.	BANGKOK	0-2266-3232	CARBON BLACK	800	20	22
112. THE DEVES INSURANCE PUBLIC COMPANY LIMITED	BANGKOK	0-2280-0985	INSURANCE	120	21	21
113. THAI CRT Co., LTD.	CHON BURI	0-3849-0232	TV TUBES	1,700	48	48
114. CRT DISPLAY TECHNOLOGY Co., LTD.	BANGKOK	0-2586-3333	CATHODE RAY TUBES FOR COMPUTER MONITORS	2,000	-	48
115. THAI ELECTRON GUN Co., LTD.	CHON BURI	0-3895-4756-63	ELECTRON GUNS IN PICTURE TUBES	120	-	48
116. THE SIAM NAWALOHA FOUNDRY Co., LTD.	SARABURI	0-3633-6531-45	CAST IRON	308	20	25
117. SIAM TOYOTA MANUFACTURING Co., LTD.	CHON BURI	0-3821-3421	AUTOMOTIVE ENGINES AND AUTOMOTIVE PARTS	850	4	4
» CEMENTHAI PROPERTY						
SUBSIDIARIES						
118. CEMENTHAI PROPERTY (2001) PUBLIC COMPANY LIMITED	BANGKOK	0-2586-3333	HOLDING COMPANY	72	100	100
119. CEMENTHAI PROPERTY Co., LTD.	BANGKOK	0-2586-2059	HOLDING COMPANY	1	100	100
120. RAYONG INDUSTRIAL LAND Co., LTD.	BANGKOK	0-2586-2059	INDUSTRIAL SITES	2,220	100	100
121. SIL INDUSTRIAL LAND Co., LTD.	BANGKOK	0-2586-2059	INDUSTRIAL SITES	500	100	100
122. RIL 1996 Co., LTD.	BANGKOK	0-2586-2059	INDUSTRIAL SITES	1,100	100	100

NOTE: REGISTERED SHARE IS ORDINARY SHARE ONLY

2. SUMMARY OF SIGNIFICANT INFORMATION

1 GENERAL INFORMATION

- 1.1 Company's name and location (front and back covers)
- 1.2 Investment in companies with 10 percent or more equity (pp. 86-90)
- 1.3 Other reference
 - Registrars
Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand
Rachadapisek Road, Klongtoey, Bangkok 10110
Tel. 0-2359-1200-1 Fax. 0-2359-1259
 - Debentureholder's representative
National Finance Public Company Limited
 - Auditors
SGV-Na Thalang & Co., Ltd.
989 Siam Tower Building 22nd Floors, Rama 1 Road,
Pathumwan, Bangkok 10330
Mr. Methee Rattanasrimetha or Mr. Pisit Chiwaruangroch
or Miss Wipa Jindanuwat
Tel. 0-2658-5000 Fax. 0-2658-0660-3
 - Legal advisors
Cementhai Legal Counsel Limited
 - Financial advisor
None
 - Financial institutions with established relations
Domestic and foreign commercial banks and finance
companies numbering approximately 20 institutions

2. SUMMARY OF FINANCIAL DATA

- 2.1 Financial statements (pp. 2-3)
- 2.2 Financial ratio (pp. 2-3)

3. PRINCIPAL ACTIVITIES

- 3.1 Summary of significant information (pp. 12-37)
- 3.2 Ratio of revenues from each business group (pp. 12-37)

4. RISK FACTORS

The Company has taken multiple actions and steps to manage such factors as credit risk, interest rate risk, and foreign exchange risk with due care. Various measures including tightening the criteria for credit approvals; setting credit limits and appropriate levels of guarantee; improving receivables collection; and engaging in transactions of financial derivatives, have been taken to minimize possible risks especially with regard to interest rate and foreign exchange risks (as disclosed in Note 21 to the consolidated financial statements).

5. SHAREHOLDERS AND MANAGEMENT

5.1 Shareholders

First 10 major shareholders as at March 8, 2001

Unit : Share

Name	No. of Shares	% of total Shares
1. Bureau of The Crown Property	36,000,000	30.00
2. Thailand Securities Depository Co., Ltd. For Depositors	8,332,064	6.94
3. CPB Equity Co., Ltd.	6,725,000	5.60
4. HSBC Bank Public Company Limited	3,698,050	3.08
5. Littledown Nominees Limited 5	2,811,944	2.34
6. The Siam Commercial Bank Public Company Limited	2,490,940	2.08
7. HSBC (Singapore) Nominees Pte., Ltd.	2,369,951	1.97
8. Boston Safe Deposit and Trust Company	1,916,200	1.60
9. State Street Bank and Trust Company	1,644,360	1.37
10. Office of the Privy Purse	1,547,300	1.29

5.2 Management Structure

(1) Group's Management Chart (pp. 8-9)

Directors

1. H.E. Dr. Chaovana Nasylyvanta

Chairman

Education

- B.E. (Mechanical) (Hons), Chulalongkorn University
- B.E. (Electrical), Chulalongkorn University
- S.M. Mechanical Engineering, Massachusetts Institute of Technology, U.S.A.
- Sc.D. Mechanical Engineering, Massachusetts Institute of Technology, U.S.A.
- Doctor of Science Degree (Mechanical Engineering), Massachusetts Institute of Technology, U.S.A.
- Honorary Degree, Doctor of Engineering, Chulalongkorn University
- Honorary Degree, Doctor of Business Administration, Chiang Mai University
- Honorary Degree, Doctor of Technology, Asian Institute of Technology

Previous Experience

- Minister of Transport and Communications
- Chairman, Telephone Organization of Thailand
- Senator
- Chairman, Electricity Generating Authority of Thailand
- Chairman, Petroleum Institute of Thailand
- Chairman, National Petrochemical Public Company Limited

Present Positions

- Privy Councillor
- Director, Bureau of The Crown Property

SUPPLEMENTARY INFORMATION

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
scc	400	-

scc - Common Shares of The Siam Cement Public Company Limited

2. Mr. Osot Kosin

Vice Chairman

Education

- Barrister at Law of the Thai Bar
- Barrister at Law, Lincoln's Inn, U.K.
- Honorary Degree, Doctor of Public Administration, Prince of Songkhla University
- National Defense Class 6, National Defense College of Thailand

Previous Experience

- Senator and Member of National Legislative Assembly
- Secretary-General, Department of Export Promotion
- Advisor to the Prime Minister
- Deputy Minister of Commerce
- Minister of Industry
- Chairman of Executive Committee, The Siam Cement Public Company Limited
- Chairman, Siam Tyre Public Company Limited

Present Positions

- Chairman, Councillor of State No.10, The Council of State of Thailand

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
-	-	-

3. Air Vice Marshal Kamthon Sindhvananda

Director

Chairman, The Audit Committee

Education

- B.E. (Electrical), Chulalongkorn University
- Honorary Degree, Doctor of Engineering
 - King Mongkut's Institute of Technology North Bangkok
 - Kasetsart University
 - Chulalongkorn University
 - Prince of Songkhla University
 - Siam University
- Honorary Degree, Doctor of Philosophy (Public Administration), The National Institute of Development Administration

Seminar

- Chairman 2000 Program Thai Institute of Directors Association

Previous Experience

- Member of National Legislative Assembly
- Senator
- Governor, Electricity Generating Authority of Thailand
- President, The Engineering Institute of Thailand Under H.M. The King's Patronage
- Chairman, The Executive Committee, Suan Luang Rama IX Park

Present Positions

- Chairman of Advisors to the Board of Directors, Petroleum Institute of Thailand
- Privy Councillor
- Chairman, Foundation for Petroleum Institute of Thailand
- Vice President, The Royal Project Foundation
- Vice President, Suan Luang Rama IX Foundation

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
scc-d	33,000	-
spp-d	15,000	15,000

scc-d - Debentures of The Siam Cement Public Company Limited

spp-d - Debentures of The Siam Pulp and Paper Public Company Limited

4. Mr. Paron Isarasena

Director

Director, The Audit Committee

Chairman, The Remuneration Committee

Education

- B.E. (Electrical) (Hons), Chulalongkorn University
- B.E. (Mechanical), Chulalongkorn University
- S.M. Mechanical Engineering, Massachusetts Institute of Technology, U.S.A.
- Honorary Degree, Doctor of Business Administration
 - Chulalongkorn University
 - Yonok College
- Honorary Degree, Doctor of Science, Chiang Mai University

Seminar

- The Board's Role in Setting Effective Compensation Policy Thai Institute of Directors Association
- The Audit Committee... The Expectation Increase and The Responsibility Expansion The Stock Exchange of Thailand

Previous Experience

- President, The Siam Cement Public Company Limited
- Senator
- Member of National Legislative Assembly
- Chairman, Committee on Economics & Industry of Senate
- Chairman, The Federation of Thai Industries

Present Positions

- Chairman, Shin Satellite Public Company Limited
- Director, National Compensation Committee
- Director, Thailand Productivity Institute
- Director, The National Economic and Social Development Board
- Member, Council of Chulalongkorn University
- Director and Chairman of The Audit Committee, Sammakorn Public Company Limited
- Member, Council of Chiang Mai University
- Advisor to Council Member, King Mongkut's University of Technology Thonburi
- Member, Rachsuda Foundation
- Director, Office of The National Primary Education
- Director, Suksapattana Foundation

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

- Chairman, Council of Bura Pha University
- Deputy Prime Minister
- Chairman of the Board of Directors and Chairman of the Executive Committee, The Bank of Asia Public Company Limited
- Council Member of Asian Institute of Technology
- Director, Thai Mutual Fund
- Director, Thailand Mutual Fund
- Chairman, Premier Group

Present Positions

- Chairman, Foundation for Thailand Development Research Institute
- Vice Chairman, Thai Environment Institute
- Director, Bureau of The Crown Property
- Director, Dole (Thailand) Co., Ltd.

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
scc-d	38,000	5,000
spp-d	3,000	3,000

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
-	-	-

scc-d - Debentures of The Siam Cement Public Company Limited
 spp-d - Debentures of The Siam Pulp and Paper Public Company Limited

5. Mr. Snoh Unakul

Director

Education

- Cert. (Accountancy), Thammasat University
- B.Com, University of Melbourne, Australia
- M.A. (Econ), Columbia University, U.S.A.
- Ph.D. (Econ), Columbia University, U.S.A.
- Honorary Degree, Doctor of Economics
 - Khon Kaen University
 - Bura Pha University
 - Thammasat University
 - Chulalongkorn University
- Honorary Degree, Doctor of Economics Development, The National Institute of Development Administration
- Honorary Degree, Doctor of Social Science, Srinakharin Wirot University
- Honorary Degree, Doctor of Commerce, Thammasat University

Previous Experience

- Fiscal Technical Specialist, The Comptroller General's Department
- Economic Officer, The National Economic Council
- Director of Economic and Social Planning Division
- Deputy Permanent Secretary, Ministry of Finance
- Governor of Bank of Thailand
- Secretary-General, The National Economic and Social Development Board

6. Mr. Sivavong Changkasiri

Director

Director, The Audit Committee

Director, The Remuneration Committee

Education

- S.B. Mechanical Engineering, Massachusetts Institute of Technology, U.S.A.
- S.M. Mechanical Engineering, Massachusetts Institute of Technology, U.S.A.
- S.M. Industrial Engineering, Massachusetts Institute of Technology, U.S.A.

Seminar

- The Board's Role in Setting Effective Compensation Policy Thai Institute of Directors Association

Previous Experience

- Member, National Legislative Assembly
- Deputy Director-General, Department of Industrial Promotion
- Deputy Permanent Secretary, Ministry of Industry
- Director-General, Department of Mineral Resources
- Permanent Secretary, Ministry of Industry
- Senator
- Advisor to the Board of Directors and Executive Committee, The Siam Cement Public Company Limited
- Chairman, Petroleum Authority of Thailand
- Chairman, Electricity Generating Authority of Thailand
- Chairman, Bank of Asia Public Company Limited
- Chairman of the Board of Directors and the Executive Committee, Siam City Bank Public Company Limited
- Chairman, Krung Thai Bank Public Company Limited

SUPPLEMENTARY INFORMATION

Present Positions

- Chairman, Ratchaburi Electricity Generating Holding Public Company Limited
- Chairman, Unithai Line Public Company Limited
- Director, The Siam Pulp and Paper Public Company Limited

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
-	-	-

7. Mr. Sumet Tantivejkul

- Director
- Director, The Audit Committee

Education

- B.A. (Political Science), Grenoble University, France
- M.A. (Political Science and International Law), Monpolier University, France
- Ph.D. (Political Science), Monpolier University, France

Seminar

- Bankruptcy and Rehabilitation Process : What Directors and Executive should Know? Thai Institute of Directors Association
- The Audit Committee... The Expectation Increase and The Responsibility Expansion The Stock Exchange of Thailand

Previous Experience

- Secretary-General, Office of The National Economic and Social Development Board
- Advisor to the Board of Directors and Executive Committee, The Siam Cement Public Company Limited
- Secretary-General, The Royal Development Projects Board
- Director, Thai Farmers Bank
- Director, Thai Airways International

Present Positions

- Director and Secretary-General, The Chaipattana Foundation

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
-	-	-

8. Mr. Yos Euarchukiati

- Director
- Director, The Remuneration Committee

Education

- B.Sc. (Civil Engineering), University of London U.K.

Seminar

- Chairman 2000 Program Thai Institute of Directors Association
- The Board's Role in Setting Effective Compensation Policy Thai Institute of Directors Association

Previous Experience

- Managing Director, Thai Plastic and Chemical Co., Ltd.
- President and Director, The Bank of Asia Public Company Limited
- Vice Chairman, The Bank of Asia Public Company Limited
- Advisor to the Board of Directors and Executive Committee, The Siam Cement Public Company Limited
- Chairman, Thai Industrial Gases Public Company Limited

Present Positions

- Chairman, Thai Plastic and Chemical Public Company Limited
- Advisor, Bureau of The Crown Property
- Director, National Petrochemical Public Company Limited
- Chairman, CPB Equity Co., Ltd.
- Chairman, CPB Property Co., Ltd.

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
scc	25,000	-

scc - Common Shares of The Siam Cement Public Company Limited

9. Mr. Pricha Attavipach

- Director
- Director, The Audit Committee

Education

- B.Sc. (Industrial Engineering), Chulalongkorn University
- M.S. (Industrial Engineering & Management), Oklahoma State University, U.S.A.

Previous Experience

- Director-General, Department of Industrial Work
- Director-General, Department of Mineral Resources
- Permanent-Secretary, Ministry of Industry
- Director, PTT Exploration and Production Public Company Limited
- Chairman, Electricity Generating Authority of Thailand
- Chairman, Petroleum Authority of Thailand
- Director, Siam Tyre Public Company Limited
- Advisor to the Board of Directors and Executive Committee, The Siam Cement Public Company Limited
- Chairman, Thai LNG Power Co., Ltd.

- Chairman, TLP Cogeneration Co., Ltd.
- Chairman, National Petrochemical Public Company Limited

Present Positions

- Independent Director and Chairman of The Audit Committee, Tongkah Harbour Public Company Limited
- Director, Alliance Refining Co., Ltd.
- Chairman, Ruamkijaungthong Warehouse Ltd.
- Chairman, Pan-Paper 1992 Co., Ltd.
- Honorary Advisor, National Petrochemical Public Company Limited
- Specialist Senior Engineering (Industrial Engineer), Council of Engineers
- Chairman, Chaiyananbangplee Parkland Co., Ltd.

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
-	-	-

11. Mr. Arsa Sarasin

Director

Education

- B.A. (Business Administration), Boston University, U.S.A.

Previous Experience

- Director-General, Department of Economic Affairs
- Ambassador Extraordinary and Plenipotentiary, Royal Thai Embassy of Belgium & Chief of Mission to the European Community
- Director-General, Department of Political Affairs
- Permanent Secretary, Ministry of Foreign Affairs
- Ambassador Extraordinary and Plenipotentiary, Royal Thai Embassy of United States of America
- President, Padaeng Industry Co., Ltd.
- Minister of Foreign Affairs

Present Positions

- Chairman, Padaeng Industry Public Company Limited
- His Majesty's Principal Private Secretary
- Honorary Chairman of The Foundation for International Human Resources Development
- Chairman, TOA Group of Companies
- Chairman, Amata City Co., Ltd.
- Chairman, Gaysorn Holding
- Chairman, Siam Makro Public Company Limited
- The Executive Committee Member, Institute for Management Education for Thailand (IMET)
- Director, Mitsiam International Co., Ltd.
- Director, Vinythai Public Company Limited
- Director, Thai Prime Fund
- Director, Thai Tapioca Development Institute
- Independent Director and The Audit Committee, Charoen Pokphand Foods Public Company Limited
- Member, Thailand Business Council for Sustainable Development
- Co-Chairman, Thai-Lao Association
- Advisor to the Board of Directors, Bangkok Bank Public Company Limited
- Chairman, Thai Asia Pacific Brewery Co., Ltd

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
scc	1,000	-

scc - Common Shares of The Siam Cement Public Company Limited

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
-	-	-

10. Mr. Panas Simasathien

Director

Education

- Cert. (Accountancy), Thammasat University
- B.A. Cum Laude, Claremont Men's College, California, U.S.A.
- M.S. (Accounting), University of Illinois, U.S.A.
- Ph.D. (Accounting), University of Illinois, U.S.A.

Seminar

- Director Certification Program Thai Institute of Directors Association

Previous Experience

- Comptroller-General, Comptroller General's Department
- Director-General, Revenue Department
- Permanent Secretary, Ministry of Finance
- Minister of Finance
- Director, Thai Airways International Co., Ltd.
- Chairman, Government Saving Bank
- Chairman, Government Lottery Office
- Chairman, Krung Thai Bank Ltd.
- Chairman, Padaeng Industry Co., Ltd.
- Chairman, Electricity Generating Authority of Thailand
- Chairman, Financial Restructuring Advisory Committee

Present Positions

- Chairman, Council of Economic Advisors to the Prime Minister
- Deputy Chairman of the Board of Directors and Chairman of Executive Committee, Bangkok Intercontinental Hotel Co., Ltd.
- Director, The Securities and Exchange Commission
- Deputy Chairman, The National Economic and Social Development Board
- Director, Bureau of The Crown Property

SUPPLEMENTARY INFORMATION

12. Mr. Chumpol NaLamlieng

President

Education

- B.S. (Mechanical Engineering),
University of Washington, U.S.A.
- M.B.A., Harvard Business School, U.S.A.

Seminar

- Chairman 2000
Thai Institute of Directors Association

Previous Experience

- World Bank Officer, International Finance Corporation
- Director, Thai Investment and Securities Co., Ltd.
- Director, Thai Farmers Bank Public Company Limited
- Director and Chairman of Executive Committee,
The Siam Commercial Bank Public Company Limited

Present Positions

- Chairman, The Siam Pulp and Paper Public
Company Limited
- Director, Industrial Finance Corporation of Thailand
- Director, SembCorp Industries, Singapore
- Director, Phoenix Pulp and Paper Public Company Limited

Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies

Type of Securities	No. of Shares held as at December 31,2001	No. of Shares increase (decrease) during the fiscal year
scc	150,100	-

scc - Common Shares of The Siam Cement Public Company Limited

13. Mr. Worapol Jennapar

Secretary to the Board of Directors and
Corporate Secretary
(Effective Date : January 1, 2002)

Scope of authority of the Board of Directors, the Audit Committee, and the Remuneration Committee

» Board of Directors

Directors who are authorized to sign their names on behalf of the Company, and the procedure thereof, are as follows:

Two directors of the Company jointly sign their names, with the corporate seal affixed.

Scope of authority of the Board of Directors of the Company

The Board of Directors essentially has the following authorities:

1. The Board is authorized to manage and direct the Company's operations in line with the objectives, the Articles of Association and the resolution of shareholders' meetings.
2. The Board shall authorize directors, the Board of Executive Directors, sub-committees, individuals or juristic persons to perform jointly or separately any duty in accordance with the objectives and Articles of Association of the Company in return for remuneration as determined by the Board. The Board has the right to change or revoke

the authority given to such persons, or remove such persons from duty, and appoint other individuals for replacement, as deemed appropriate.

The authorized or appointed persons must perform their duties in accordance with the regulations, orders and policies set by the Board.

3. The Board must have a meeting once every three months.
4. The Board must hold the annual general meeting of shareholders within four months after the end of the Company's fiscal year.

The Board shall hold an extraordinary meeting of shareholders with at least one-fifth of the shares sold, or at least 25 shareholders with a total of at least one-tenth of the shares sold, can jointly submit a request in writing, with adequate reasons, for the Board to hold an extraordinary meeting of shareholders anytime. In this case, the Board must organize a shareholders' meeting within one month after the receipt of the written request.

5. The Board must arrange to have the balance sheet and the profit and loss statement at the end of the fiscal year, the annual report, for the shareholders' meeting as required by law.
6. The Board has the authority to propose dividend payment to shareholders based on the profit made in any year, or accumulated from previous years, or propose that the profit should be arranged for any other objectives.

The Board may consider interim dividend payments to shareholders from time to time, when the Company earns sufficient profits for the purpose, and then report to the shareholders in the following shareholder's meeting.

» The Audit Committee

The Audit Committee of the Company comprises the following members:

- | | |
|--|----------|
| 1. Air Vice Marshal Kamthon Sindhvananda | Chairman |
| 2. Mr. Paron Israsena | Member |
| 3. Mr. Sumet Tantivejkul | Member |
| 4. Mr. Sivavong Changkasiri | Member |
| 5. Mr. Pricha Attavipach | Member |

Scope of Authority

The Audit Committee is authorized to fulfill the following duty:

1. Supervise and review that the Company has appropriate system in financial reports in accordance with the legally defined accounting principle with transparency and adequacy.
2. Support establishment of financial report development in compliance with the accounting standards set by GAAP.
3. Review and ensure that the Company has appropriate and effective internal control and internal audit systems.
4. Review on corporate risk management.
5. Review and ensure that the Company is in full compliance with the laws on securities and the Stock Exchange, and other laws relating to the Company's business.

6. Review the internal audit system on corruption.
 7. Review the internal control system, plans, and guidelines for inspection including evaluation of the result of inspection, and all proceeding of the Company in accordance with the generally accepted standard and principle.
 8. Review the righteousness and effectiveness of the information technology system relating to internal control system, financial reports and risk management and suggest an up to date improvement occasionally.
 9. Consider disclosure of corporate data in cases of, or in relation to probable conflicts of interest and ensure full propriety.
 10. Supervise, review and comment on the operation of the Internal Audit Office and also cooperate with the Company's auditor.
 11. Prepare reports on supervision of activities of the Audit Committee with disclosure in the Company's annual report which is duly signed by the Chairman of the Audit Committee.
 12. Consider, select, propose appointment and remuneration of Company's auditor.
 13. Appoint, remove, transfer or terminate the employment of the Director of the Internal Audit Office.
 14. Consider budgets and manpower of the Internal Audit Office.
 15. Take other actions in compliance with laws or assignments by the Board of Directors. In actions thereof, the Audit Committee is authorized to summon or order management, unit heads, or employees concerned to present opinions, attend meetings or submit necessary documents.
- The Audit Committee performs duty within the authority and responsibility under the order of the Board of Directors. The Board is responsible for the Company's operations and is directly accountable to shareholders, stakeholders and public.

» **The Remuneration Committee**

The Remuneration Committee comprises the following members:

- | | |
|-----------------------------|----------|
| 1. Mr. Paron Israsena | Chairman |
| 2. Mr. Sivavong Changkasiri | Member |
| 3. Mr. Yos Euarchukiati | Member |

Scope of Authority

1. Propose guidelines and methods of payment of remuneration to the Board of Directors, and committees appointed by the Board.
2. Propose policy on management incentives in line with the Company's operating results, and the performance of each management executive, and whenever it deems appropriate, the committee shall consider hiring of consulting firms to advise on project implementation.
3. Consider the annual remuneration for each member of the management team and propose to the Board for approval.
4. To consider, before presenting to the Board of Directors, the budget for the salary increase, change of wage/ remuneration and bonus of the senior executives.

» **Management**

In addition to the President, the Siam Cement Group is managed by nine executives which include: three Vice Presidents and six Presidents responsible for each business units, namely, paper and packaging, petrochemicals, cement, building products, ceramic, and distribution. The nine executives report directly to the President. The Management Committee is authorized to manage and direct the Group's operations in accordance with policies set by the Board; to take responsibility for the Group's operating results; to control expenses and capital expenditure limits as approved by the Board and as stated in the Annual Operating Plan; to manage personnel in line with the Group's policy; to resolve problems or conflicts that may affect the Group; and to maintain effective communication with the stakeholders.

The Management Committee

1. Mr. Chumpol NaLamlieng

President

Education

- B.S. (Mechanical Engineering), University of Washington, U.S.A.
- M.B.A., Harvard Business School, U.S.A.

Seminar

- Chairman 2000 Thai Institute of Directors Association

Experience

- World Bank Officer, International Finance Corporation
- Director, Thai Investment and Securities Co., Ltd.
- Director, Thai Farmers Bank Public Company Limited
- Director and Chairman of Executive Committee, The Siam Commercial Bank Public Company Limited

2. Mr. Aviruth Wongbuddhapitak

Vice President

Education

- B.A. (Accounting), Chulalongkorn University
- M.B.A., New York University, U.S.A.

Seminar

- Director Certification Program Thai Institute of Directors Association
- The Board's Role in Setting Effective Compensation Policy Thai Institute of Directors Association

Experience

- President, TileCera, Inc., U.S.A.
- Vice President, The Siam Cement Public Company Limited

3. Mr. Chalaluck Bunnag

Vice President

Education

- B.E. (Civil), Chulalongkorn University
- M.S. (Civil Engineering), Oklahoma State University, U.S.A.
- M.S. (Industrial Administration), Carnegie-Mellon University, U.S.A.

Experience

- Vice President, The Siam Cement Public Company Limited
- President, Cementhai Property (2001) Public Company Limited

4. Mr. Pramote Techasupatkul

Vice President

Education

- B.E. (Industrial), Chulalongkorn University

Experience

- Managing Director, Siam Yamato Steel Co., Ltd.
- President, Cementhai Roofing and Concrete Products Co., Ltd.
- Vice President, The Siam Cement Public Company Limited

5. Mr. Somboon Chuchawal

President,
The Siam Pulp and Paper Public Company Limited

Education

- B.E. (Civil), Chulalongkorn University
- M.E. (Transportation and System), Asian Institute of Technology

Experience

- Managing Director, Thai Paper Co., Ltd.
- Managing Director, Thai Union Paper Public Company Limited
- Managing Director, Siam Cellulose Co., Ltd.
- President, The Siam Pulp and Paper Public Company Limited

6. Mr. Apiporn Pasawat

President, Cementhai Chemicals Co., Ltd.

Education

- B.S. (Chemical Engineering), Chulalongkorn University
- M.S. (Chemical Engineering), University of Wisconsin, U.S.A.
- M.B.A., University of Wisconsin, U.S.A.

Experience

- Vice President, The Siam Cement Public Company Limited
- President, Cementhai Chemicals Co., Ltd.

7. Mr. Sobson Ketsuwan

President, Siam Cement Industry Co., Ltd.

Education

- B.E. (Industrial), Chulalongkorn University
- M.S. (Industrial and Systems), University of Southern California, U.S.A.

Experience

- Senior Vice President, The Siam Cement Public Company Limited
- President, Siam Cement Industry Co., Ltd.

8. Mr. Kajohndet Sangsuban

President, Cementhai Building Products Co., Ltd.

Education

- B.E. (Civil), Chulalongkorn University

Experience

- Managing Director, The Siam Gypsum Industry Co., Ltd.
- Managing Director, Cementhai Gypsum Co., Ltd.
- President, Cementhai Building Products Co., Ltd.

9. Mr. Kan Trakulhoon

President, Cementhai Ceramics Co., Ltd.

Education

- B.E. (Electrical), Chulalongkorn University
- M.S. (Ceramic), The Georgia Institute of Technology, U.S.A.
- M.S. (Management), The Georgia Institute of Technology, U.S.A.

Experience

- Deputy Managing Director, Rayong Olefins Co., Ltd.
- Executive Vice President, PT Trans-Pacific Petrochemical Indotama, Indonesia
- President, Cementhai Ceramics Co., Ltd.

10. Mr. Dusit Nontanakorn

President, Cementhai Distribution Co., Ltd.

Education

- B.E. (Civil), Youngstown State University, U.S.A.
- M.E. (Civil), Ohio State University, U.S.A.
- M.B.A., University of California, Los Angeles, U.S.A.

Experience

- Vice President, The Siam Cement Public Company Limited
- President, Cementhai Distribution Co., Ltd.

Related Managers

1. Mr. Padungdej Indralak

Corporate Treasurer

Education

- B.E.C. (Monetary Economics and Public Finance), Chulalongkorn University
- M.A. in South-East Asian Studies, University of Kent, Canterbury, England

Experience

- Finance Department Manager, The Siam Cement Public Company Limited

2. Mr. Amphol Raungturakit

Corporate Accounting Division Manager

Education

- B.A. (Accounting), Chulalongkorn University
- M.B.A., University of California, Berkeley, U.S.A.
- M.S. (Accounting), Thammasat University

Experience

- Information System and Business Development Manager, Cementhai Chemicals Co., Ltd.

(2) Election of Executives and Directors

The election of Directors shall be carried out in accordance with the following rules and procedures:

1. In case the number of candidates nominated for Directors does not exceed the number of Directors required for that election, the meeting shall elect all of them as Directors.
2. In case the number of candidates nominated for Directors exceeds the number of Directors required for that election, it shall be decided by votes of the shareholder meeting. The shareholders may elect the candidates nominated for Directors, but not exceeding the number of Directors required for that election and the Directors shall be individually elected. Each shareholder or proxy shall have one vote for each share he holds or represents for the election of each Director. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order until all of the Director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of Directors to be exceeded, the remaining appointment shall be made by the chairman of the meeting who shall have a casting vote.

Last year, the Board of Directors carried out nominations for the selection of Directors to fill positions made vacant by those who had reached the end of their terms. For the year 2002, the Board authorized a committee of four, consisting of Directors and advisors to make nominations for new Directors for approval at the shareholders' meeting.

Neither the President nor a majority of Directors are related to any major shareholder

(3) Remuneration of the Board of Directors and executives

1. Financial Remuneration

a) Remuneration paid to 13 directors (1 director resigned during the year) for company's directorship and director's fee for 2001 totalled 11,196,000 Baht, with detail as follows:

1. H.E. Dr. Chaovana NaSylvanta	
Chairman	1,296,000 Baht
2. Mr. Osot Kosin	
Vice Chairman	864,000 Baht
3. Air Vice Marshal Kamthon Sindhvananda	
Director	864,000 Baht
Chairman of The Audit Committee	180,000 Baht
4. Mr. Paron Israsena	
Director	864,000 Baht
Director, The Audit Committee	120,000 Baht
5. Mr. Snoh Unakul	
Director	864,000 Baht
6. Mr. Sivavong Changkasiri	
Director	864,000 Baht
Director, The Audit Committee	60,000 Baht

7. Mr. Sumet Tantivejkul	
Director	864,000 Baht
Director, The Audit Committee	120,000 Baht
8. Mr. Yos Euarchukiati	
Director	864,000 Baht
9. Mr. Pricha Attavipach	
Director	864,000 Baht
Director, The Audit Committee	60,000 Baht
10. M.R. Pridiyathorn Devakula	
(Resignation from directorship on June 5, 2001)	
Director	360,000 Baht
11. Mr. Panas Simasathien	
Director	864,000 Baht
12. Mr. Arsa Sarasin	
(Directorship commenced on July 25, 2001)	
Director	360,000 Baht
13. Mr. Chumpol NaLamlieng	
Director	864,000 Baht
Total	11,196,000 Baht

Remark:

No. 1 and No. 2 with a company car

b) Remuneration for executives (The Management Committee) in the form of salaries and cash benefits paid to 11 directors (1 director resigned during the year) in 2001, totalled 92,965,500 Baht.

2. Remuneration in kind

Company's contribution to the provident fund for directors or the management executives (The Management Committee) as being Company's employees totalled 7,192,200 Baht. Company cars have been provided for the Management Committee.

(4) Supervision

The Board of Directors has pledged to adhere to the Code of Best Practices for listed companies set by the Stock Exchange of Thailand.

The Management Committee are authorized to oversee, monitor, and measure the Company's operations and performances at company, business unit and Group levels. Each committee will have a meeting at least once a month to review performance reports and follow up corrective actions. The Management Committee are under consistent supervision of the Board of Directors to ensure that proper actions are taken to improve Company's performances.

SUPPLEMENTARY INFORMATION

(5) Controlling the usage of internal data

The Company has defined as a Code of Ethics of the Siam Cement Group that “no employees shall exploit any Company’s information for the interest of self or others despite the fact that the Siam Cement Group may lose no benefits.” The penalties for executives or employees exploiting the Company’s internal data for their own interests or disclosing information to the public are clearly stated in the Company’s approval authority.

The Company has designated that only the directly involved persons can access to specific information. Moreover, the Company has restricted on-line access to information which is classified as confidential or which may affect the Company’s operations, with a system of access control rights and passwords.

(6) Internal control

The Company has set up an independent Audit Committee to supervise the auditing of the internal control system in conformance with the guideline of the Stock Exchange of Thailand and good corporate governance practices. For the year 2001, the Internal Audit Office under supervision of the Audit Committee reported that the Company’s internal control system was proper and efficient with no significant flaws (according to the Audit Committee’s Report on page 40).

Moreover, the Company has commissioned SGV-Na Thalang & Co., Ltd., which serves as the Company’s auditor, to study and assess the efficiency of the internal control on the Company’s accounting practices. A report of SGV-Na Thalang & Co., Ltd. mentioned that “We have not found any material flaw in the internal control system relating to accounting practices which could have substantial impact on the opinions on the financial statements ended at December 31, 2001.

6. INTER-COMPANY ACCOUNTS

Except for shareholding in certain Group companies which are listed on the Stock Exchange of Thailand, neither the Board of Directors nor management executives hold stocks in any Group companies. Accordingly, transactions between Group companies are based on traditional business practices and in accordance with market prices. Most inter-company transactions are involved with trading of goods and services.

7. ANALYSIS ON FINANCIAL STATUS AND OPERATING RESULTS

For the year 2001, total revenue of The Siam Cement Public Company Limited and subsidiaries amounted to 122,643 million Baht, compared to the previous year’s total revenue of 118,227 million Baht, representing an increase of 4,416 million Baht or 4%. Of which, the Cement, Petrochemicals and Paper and Packaging businesses accounted for the largest percentage.

Net income for the year 2001 was 7,634 million Baht, with a net gain of 2,837 million Baht from divestment. Operating profit for the year was 4,797 million Baht. The major sources of the profit lay in Petrochemicals and Paper and Packaging businesses.

Consolidated total assets of The Siam Cement Public Company Limited and subsidiaries as of December 31, 2001 amounted to 235,981 million Baht, a decrease of 12,706 million or 5% from the same period last year. The largest assets were Property, Plant and Equipment -at cost -net, Revaluation Surplus, and Current Assets, which accounted for 33%, 25%, and 19%, respectively of the total assets.

8. FINANCIAL STATEMENTS.

(pp. 40-85)