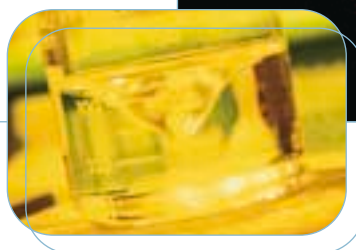




FINANCIAL OVERVIEW

THE SIAM CEMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



	2002	2001	2000	1999	1998
STATEMENT OF INCOME (MILLION BAHT)					
→ REVENUES	130,072	122,643	128,197	101,851	105,236
→ COSTS AND EXPENSES	121,402	117,593	123,904	99,770	107,977
→ 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)	31,403	34,511	30,832	28,600	23,935
→ INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS*	11,142	4,797	1,313	(3,821)	22,672
→ NET PROFIT (LOSS)	14,604	7,634	41	(4,785)	19,301
→ NET CASH PROVIDED BY OPERATING ACTIVITIES	17,943	14,252	10,963	4,669	18,979
BALANCE SHEET (MILLION BAHT)					
→ ASSETS	235,644	235,981	260,309	266,348	290,297
→ LIABILITIES	147,714	169,896	195,549	202,000	214,124
→ SHAREHOLDERS' EQUITY AND MINORITY INTEREST	87,931	66,085	64,760	64,348	76,173
→ SHAREHOLDERS' EQUITY	75,624	57,311	54,133	50,006	57,623
SHARE INFORMATION					
→ TOTAL NUMBER OF SHARES ISSUED (MILLION SHARES)	120	120	120	120	120
→ BOOK VALUE PER SHARE (BAHT)	630	478	451	417	480
→ EARNINGS (LOSS) PER SHARE (BAHT)	122	64	-	(40)	161
→ DIVIDENDS PER SHARE (BAHT)	10	-	-	-	-
→ RETURN ON TOTAL REVENUES (%)	11	6	-	(5)	18
→ RETURN ON EQUITY (%)	22	14	-	(9)	34
→ RETURN ON ASSETS (%)	6	3	-	(2)	6
* INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS.					

MESSAGE FROM THE BOARD OF DIRECTORS

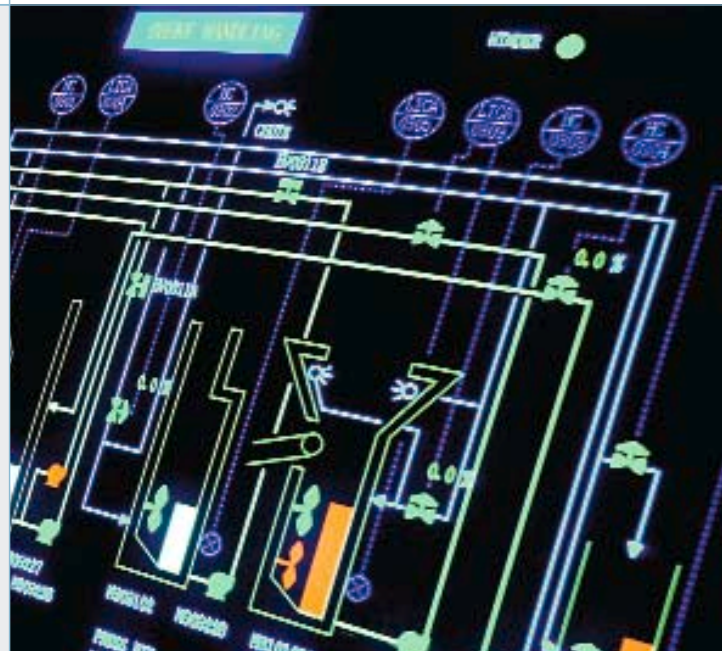


CHAIRMAN



CHAOVANA NASYLVANTA

The pursuit of excellence in all facets, with full consideration to the principles of good corporate governance, has resulted in stronger performance for the Siam Cement Group. This practice has also earned the Group great praise and renown recognition, both internationally and domestically, as witnessed by the numerous awards and other recognition received from established independent organizations.



PRESIDENT



CHUMPOL NALAMLIENG

The Siam Cement Group has achieved continuously improved results and post-crisis it has emerged as strong as ever. These successes can be attributed to the cohesive efforts of the Group's employees at all levels, while the strong commitment to corporate restructuring continues to pay handsome rewards. Moreover, the Group's core value belief and practice in "Quality and Fairness", complemented by its transparent management system, has culminated in today's world-class management standard. All of these factors have made significant contributions towards the Group's continued growth and prosperity, in addition to its outstanding recognition throughout the world.





Taking into account the improved operating performance and the solid financial status of the Group, the Board of Directors agree to submit for proposal at the ordinary general meeting of shareholders on March 26, 2003, a dividend payment of Baht 30 per share for the performance in 2002.

The Board would like to extend its sincere appreciation to all shareholders, joint venture partners, customers and employees as well as domestic and foreign financial institutions for their continuing support. With the guidance of good corporate governance and ethical principles, we pledge our commitment to move forward and continuously develop the Group's competitiveness by being at the leading edge of the world's changing business climate and maintaining our leadership position in the market place, both domestically and internationally.

Bangkok, March 6, 2003.

Chaovana Nasylvanta
CHAOVANA NASYLVANTA
 Chairman

Chumpol Nalamleng
CHUMPOL NALAMLIENG
 President

MESSAGE FROM THE BOARD OF DIRECTORS

In 2002 the Thai economy extended its gradual recovery from the previous year as evidenced by various key economic indicators such as increased private consumption, strong export growth, stable currency valuations and a low rate of inflation.

The Siam Cement Group achieved healthy results for 2002, particularly in the Paper and Packaging, Petrochemicals, and Cement business areas. This improvement is attributed mainly to a rise in domestic demand fueled by government stimulus policies. In addition low savings and lending interest rates encouraged investments in the real estate sector and was a major factor in its revival, adding much momentum to our nation's economic recovery.

The Siam Cement Group witnessed a strong operating performance in 2002 based on increased competitiveness of its core businesses and the strengthening of its financial position. The Group established new targets to further reduce its outstanding debt, particularly foreign loans, while continuing to strengthen its core business fundamentals.

During 2002 the Group's exports accounted for an impressive 30 percent of the Group's total sales and extended market coverage to all regions of the world.

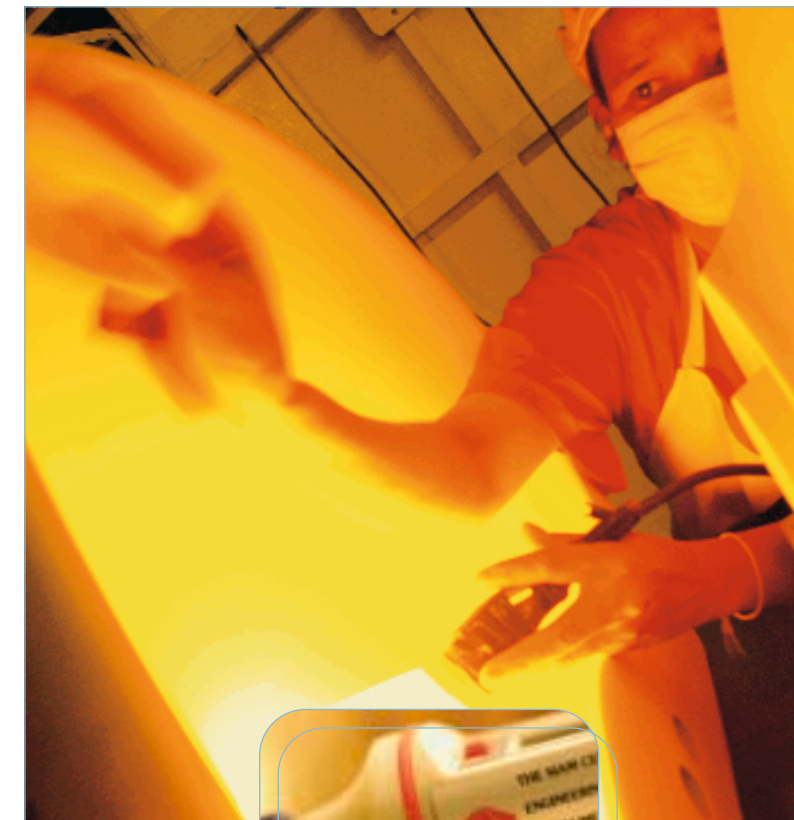
On January 1, 2003, as part of its efforts to further streamline operations and keep pace with a changing global business climate, the Group merged its Ceramics Business into its existing Building Products Business to achieve a greater scale economies and better utilize its shared resources. The advantages realized through this merger will be higher operating efficiency and greater overall competitiveness.

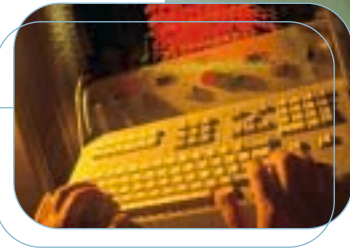
As further acknowledgement of its strong commitment to good corporate governance, the Board of Directors established in 2002 the Governance and Nomination Committee to manage and implement the company's disclosure and transparency framework to ensure that the established procedures and guidelines are followed accordingly. The Office of the Securities Exchange Commission endowed the Group with the "Disclosure Award 2002" acknowledging that the Group's business

practices are conducted with transparency, full disclosure, and openness to full audit. In addition, as a result of the Group's excellent in investor relations, the Group was also awarded the "Best Investor Relations by a Thai Company" by Investor Relations Magazine in association with The Asian Wall Street Journal.

The Siam Cement Group proudly operates in accordance to the principles of Total Quality Management (TQM). This guarantees that employees at all levels are kept well informed of the merits of higher achievement in performance improvements through greater efficiency and stronger overall competitiveness. The Group's Cement Business became the first cement manufacturer in the world to be awarded the prestigious Deming Prize, an internationally recognized award honoring "total quality management" by the Union of Japanese Scientists and Engineers (JUSE).

The Siam Cement Public Company Limited and subsidiaries reported total revenues of Baht 130,072 million in 2002, an increase of 6 percent over 2001, and net profit of Baht 14,604 million.





THE BOARD OF DIRECTORS

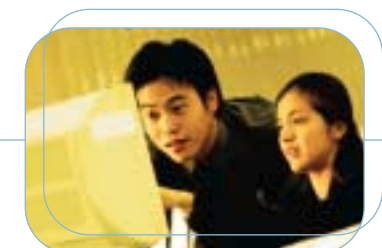
THE SIAM CEMENT PUBLIC COMPANY LIMITED

CHAOVANA NASYLVANTA	→ 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
BOONSITHI CHOKWATANA	→ DIRECTOR
CHUMPOL NALAMLIENG	→ DIRECTOR
WORAPOL JENNAPAR	→ SECRETARY TO THE BOARD AND CORPORATE SECRETARY

THE MANAGEMENT COMMITTEE

THE SIAM CEMENT PUBLIC COMPANY LIMITED

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





SCG is convinced that conducting business with transparency, disclosure, and verifications reflects on the professionalism of management, and is accordance to the concept of good corporate governance. Additionally, these practices will earn greater local and international acceptance for the company, and further develop transparency and efficiency in its management. Above all, the incorporation of good corporate governance into the business practice will inspire confidence among shareholders, investors, and stakeholders, leading to further mutual benefits for all concerned parties towards the sustainable, long-term success of the company.

 **DISCLOSURE AND TRANSPARENCY
THE ESSENCE OF GOOD CORPORATE
GOVERNANCE**

The Siam Cement Group (SCG) firmly believes and is committed to disclosure and transparency as they are essential components to the company's good corporate governance, in addition to upholding its reputation and stakeholders' confidence. SCG conducts its business with full transparency, and discloses complete information in a timely manner. Moreover, the company's Board of Directors has established the Governance and Nomination Committee as a mechanism to implement the company's disclosure and transparency framework, while also ensuring that the established procedures and guidelines are followed in accordance.

The company continues to maintain its excellent communication with shareholders, the investment community, journalists, and other related parties through various media channels such as publications, newspapers, radio, television, and press conferences. Electronic media such as the company's web-site and e-mails are utilized that allows for fast and accurate dissemination of information. Moreover, the Investor Relations Department

was established to provide continuous dialogue between the company and the investment community, in addition to coordinating periodic trips with senior management to meet with investors and analysts to provide information on the company's businesses.

Through its dedicated commitment to disclosing information with transparency, the Office of the Securities and Exchange Commission (SEC) has awarded SCG the "Disclosure Award 2002." This award gives recognition to listed companies for their excellence in the transparent disclosure of information. It is hoped that this award will set an example for other companies to follow to eventually enhance the quality of information disclosed, and contribute to the overall greater confidence in Thai capital markets.

Most recently, SCG was awarded "Best Investor Relations by a Thai Company" at the Investor Relations Magazine Awards 2002 event, by Investor Relations Magazine in association with The Asian Wall Street Journal. This award is given annually to outstanding companies throughout the world and is an internationally recognized measure

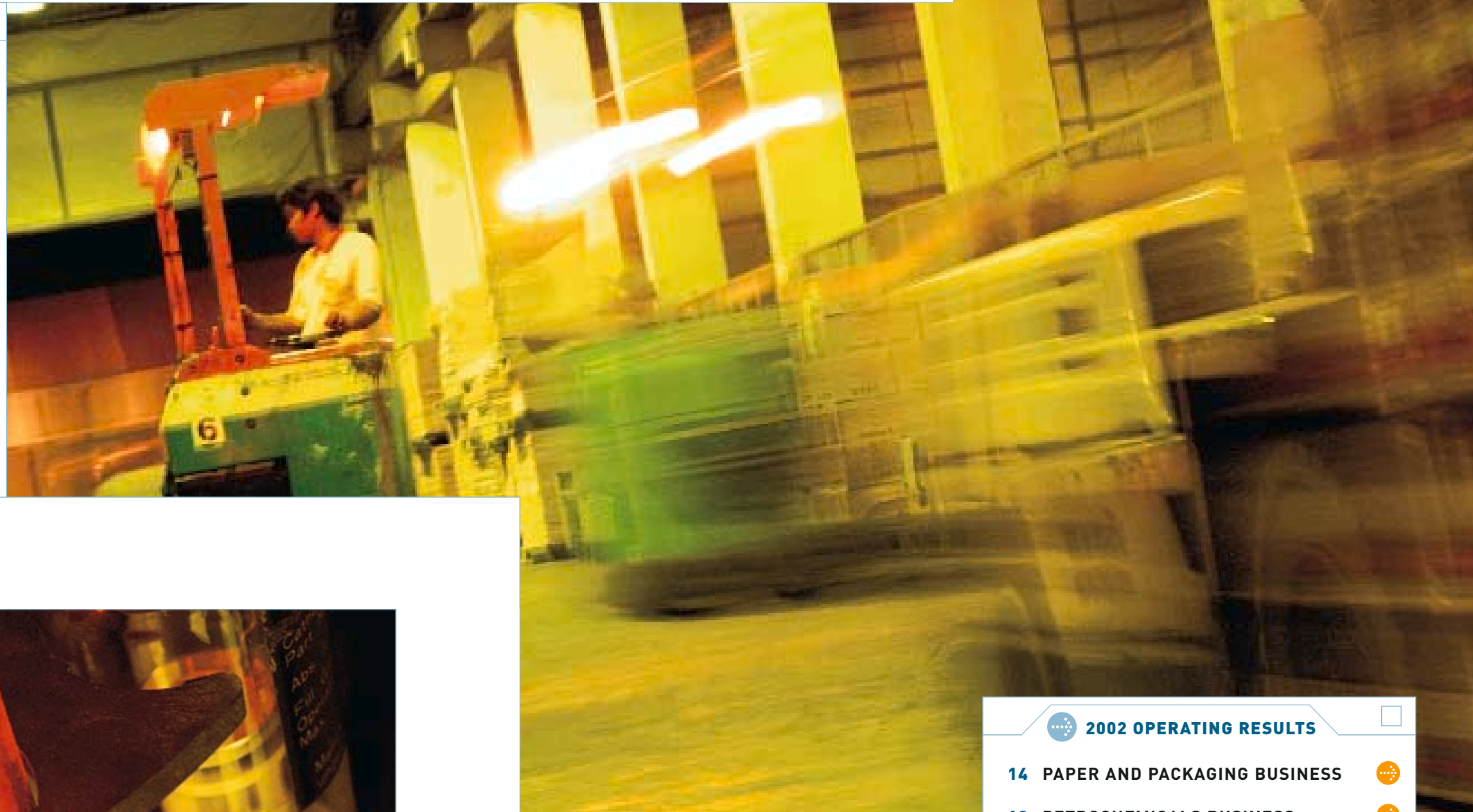
of excellence in the field of investor relations (IR). Based on the independent evaluation of equity fund managers and equity analysts on the company's IR activities, the award takes into account were the company's communications to investors, quality of information disclosed, and other good corporate governance practices.

The Siam Cement Public Company Limited is well known to being one of the quickest of all the large-cap listed companies to submit its quarterly and year-end financial statements, together with the Management Discussion and Analysis (MD&A), to the Stock Exchange of Thailand (SET). As mandated by the SET, listed companies are requested to submit quarterly MD&A to provide insightful explanations to the company's financial status and performance, however, not all listed companies have been able to meet this requirement. Before being made compulsory by the SET, the company has long posted its MD&A to the investment community via its website in order to provide concise information of its business performances and financial status, thus enabling investors to make informed investment decisions.



OPERATING RESULTS

In 2002 The Siam Cement Group achieved improved results in both domestic and international markets. To prepare itself for the evolving changes in the business environment, each business unit focuses on devising effective corporate strategies along with developing operations and procedures to reduce costs and to better meet customer demand and expectation. The endeavor has retained The Siam Cement Group's status as the industry leader with the potential to ensure sustainable growth.



2002 OPERATING RESULTS

- 14 PAPER AND PACKAGING BUSINESS
- 18 PETROCHEMICALS BUSINESS
- 22 CEMENT BUSINESS
- 26 BUILDING PRODUCTS BUSINESS
- 30 DISTRIBUTION BUSINESS

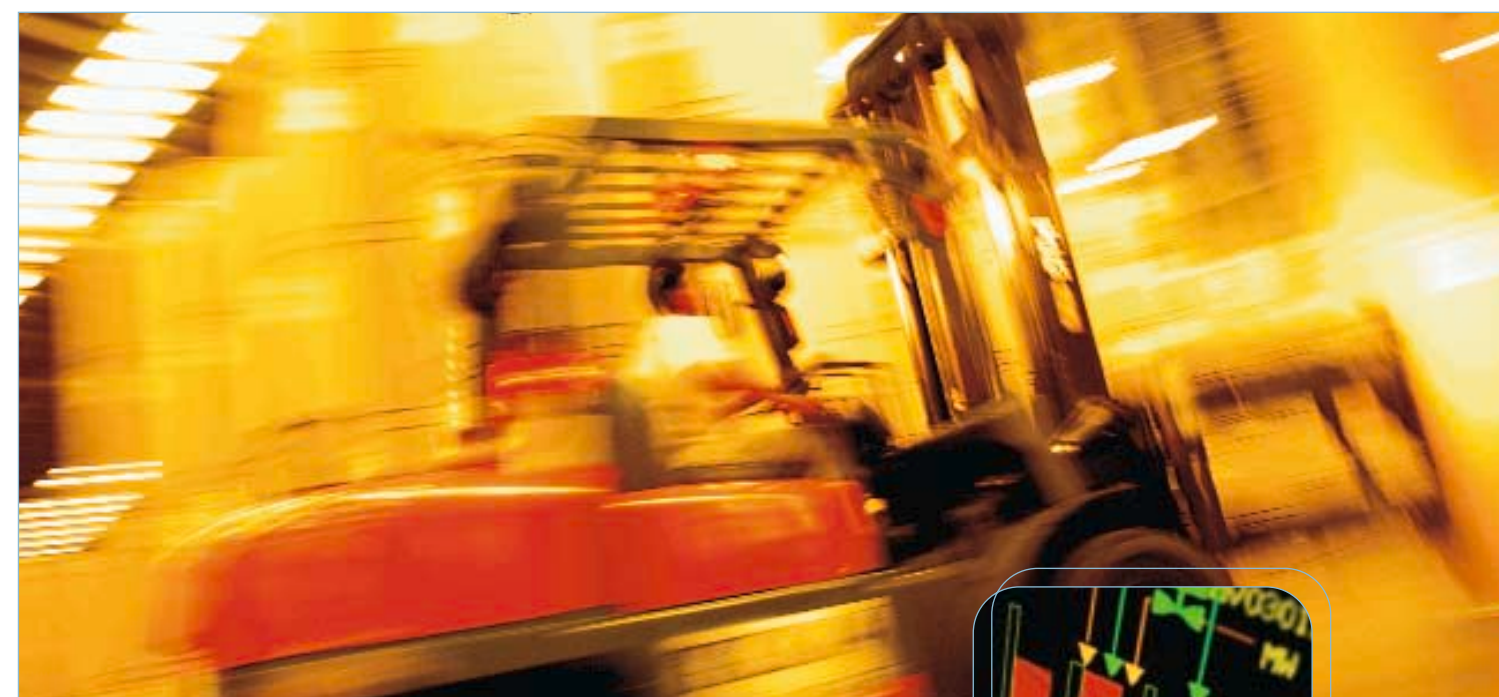




 **CONSOLIDATED FINANCIAL INFORMATION**

	MILLION BAHT				
	2002	2001	2000	1999	1998
BALANCE SHEET DATA					
→ TOTAL CURRENT ASSETS	9,937	9,397	8,100	7,228	8,055
→ TOTAL ASSETS	44,443	35,982	36,416	36,325	40,482
→ TOTAL LIABILITIES	13,611	15,301	16,691	19,742	23,828
→ SHAREHOLDERS' EQUITY & MINORITY INTEREST	30,832	20,681	19,725	16,583	16,654
STATEMENTS OF INCOME DATA					
→ TOTAL REVENUES	29,401	27,121	27,465	21,764	19,865
→ TOTAL COSTS AND EXPENSES	23,718	22,432	23,242	19,541	19,051
→ INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	4,079	3,274	2,798	1,183	4,159
→ NET INCOME (LOSS)	4,079	3,272	2,798	1,183	4,159
TOTAL EBITDA*	9,536	8,194	8,062	6,257	5,735

* 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
 PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED
 SIAM CELLULOSE 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.
 THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED
 UNITED PULP AND PAPER CO., INC. (THE PHILIPPINES)



OPERATING RESULTS

In 2002, the Paper and Packaging Business showed an increase of 25 percent in net income after tax and 9 percent in sales over the preceding year, due in part to the acquisition of a majority share in Phoenix Pulp and Paper Public Company Limited. The Business was able to retain its leadership position in the domestic markets for all products in the range.

Printing & Writing Paper: Sales volume in the domestic market rose 14 percent with exports accounting for 23 percent of the total sales volume. Major export markets included the United States, Hong Kong, Malaysia and Singapore. The Business has been awarded to be the qualified supplier for the Thai Edition of the "National Geographic" magazine.

Industrial Paper: Sales volume in the domestic market increased 10 percent with exports accounting for 25 percent of the total sales volume. Against this background, the Business has targeted emerging Indochina as another major export market. In addition to improving machinery to increase production capacity, the Business was

committed to developing the quality of its service through an on-line procurement and payment system.

Packaging: Sales volume increased 15 percent due to recovery in the market demand for electronic and agricultural goods, as well as the relocation of many international companies' production bases to Thailand. The Business worked to enhance efficiency in logistics and placed more emphasis on packaging design services. New products such as E-Flute corrugated box were added to offer customers a wider choice of new applications. The Business' commitment to become a "hygiene factory" has resulted in the Business being widely accepted by customers in the food and pharmaceutical industries.

PROGRESS OF BUSINESS DEVELOPMENT

The Business purchased a 49.33 percent stake in Thai British Security Printing Public Company Limited, the manufacturer of security documents, business forms and plastic cards.

ORGANIZATIONAL DEVELOPMENT

Siam Kraft Industry Co., Ltd., is the first pilot company in Thailand to publish an internationally recognized sustainability report in conformance with the "Global Reporting Initiative". The report is designed to communicate the company's efforts to achieve sustainable development through the emphasis on economic, environmental and social responsibilities. The company is the first in Asia to participate in the program.



CONSOLIDATED FINANCIAL INFORMATION

	MILLION BAHT				
	2002	2001	2000	1999	1998
BALANCE SHEET DATA					
→ TOTAL CURRENT ASSETS	12,448	10,445	11,628	12,251	11,483
→ TOTAL ASSETS	64,122	59,132	55,343	57,202	57,926
→ TOTAL LIABILITIES	34,313	32,925	32,987	35,858	40,645
→ SHAREHOLDERS' EQUITY & MINORITY INTEREST	29,809	26,207	22,356	21,344	17,281
STATEMENTS OF INCOME DATA					
→ TOTAL REVENUES	42,721	38,629	40,086	25,059	15,853
→ TOTAL COSTS AND EXPENSES	40,946	36,449	36,700	21,446	14,288
→ INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	5,256	2,611	1,611	2,129	3,482
→ NET INCOME (LOSS)	5,285	2,611	1,558	2,133	981
TOTAL EBITDA*	6,457	6,443	7,004	6,769	2,819

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

OPERATING RESULTS

Sales in the Petrochemicals Business rose 8 percent over the previous year in the face of weakening prices in the world market, a result of the increased production capacity of olefins and polyolefins resins. This year saw the Business' net profit grew by 95 percent. Equity in subsidiaries and associated companies increased 250 percent because of higher selling prices for styrene monomer, PVC and PTA. 2002 also marked the first year for the Petrochemicals Business' production of polyolefins resins to reach one million tons, putting it at the fore-front of the petrochemical industry in Asia.

PROGRESS OF BUSINESS DEVELOPMENT

Siam Mitsui PTA Co., Ltd., a joint venture partner of Mitsui Chemicals of Japan, completed the construction of a second plant for PTA (Purified Terephthalic Acid) well ahead of the schedule, boosting total production capacity to 800,000 tons annually.

Thai PET Resin Co., Ltd. was jointly formed with Mitsui Chemicals to produce PET (Polyethylene Terephthalic), a main raw material for the manufacture of PET bottles.

A Supply Chain Management System was developed to optimize the corporate resources to better accommodate the needs of customers.

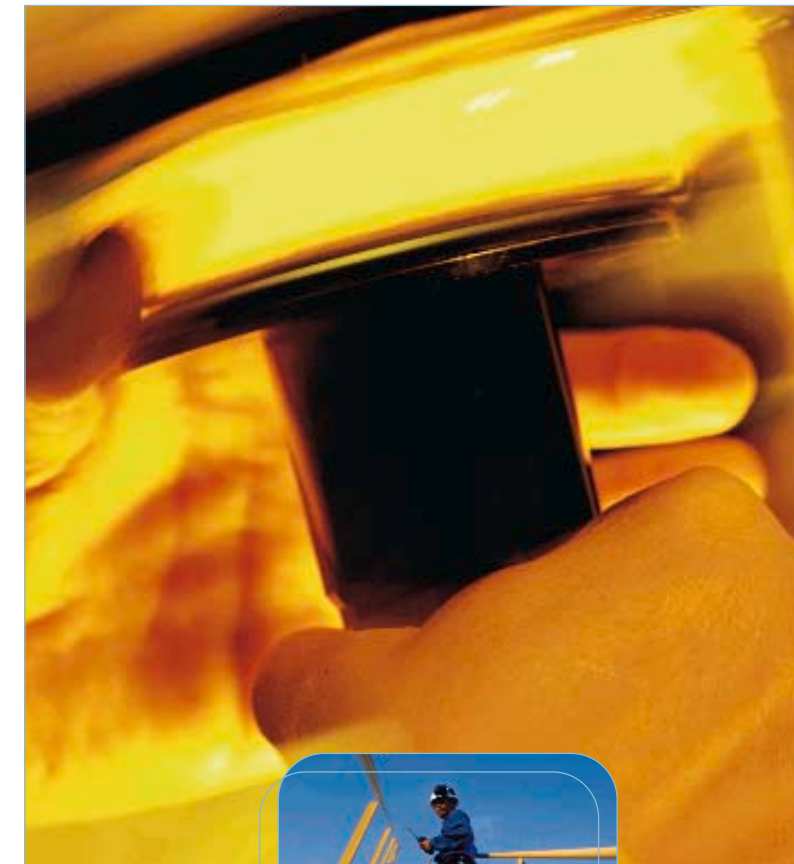
ORGANIZATIONAL DEVELOPMENT

The operations of all supporting units have been streamlined to provide shared services in the areas of accounting, finance, human resource management and procurement, thus ensuring efficient utilization of resources and enhancement of employees' professional skills .

C-ChEPS program (Constructionism Chemicals Engineering Practice School) has been implemented to develop the technicians' analytical and problem-solving skills, bringing them on the par with those of engineers.

Visiting scholars from Wharton Business School were invited to give lectures on Management Principle to managers and management executives.

Technical information on the petrochemicals business and best practices in the industry was provided in the form of electronic media to encourage self-learning by employees. This was very much in line with the concept of a Learning Organization.





CONSOLIDATED FINANCIAL INFORMATION

	MILLION BAHT				
	2002	2001	2000	1999	1998
BALANCE SHEET DATA					
→ TOTAL CURRENT ASSETS	6,145	4,865	8,641	3,351	4,055
→ TOTAL ASSETS	65,630	60,928	70,700	67,887	66,277
→ TOTAL LIABILITIES	40,385	48,408	55,109	56,670	47,103
→ SHAREHOLDERS' EQUITY & MINORITY INTEREST	25,245	12,520	15,591	11,217	19,174
STATEMENTS OF INCOME DATA					
→ TOTAL REVENUES	27,488	24,352	22,328	22,847	25,507
→ TOTAL COSTS AND EXPENSES	25,203	22,734	21,261	21,385	24,734
→ INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	1,546	859	(15)	(791)	9,342
→ NET INCOME (LOSS)	2,006	859	(12)	(799)	9,342
TOTAL EBITDA*	8,557	7,613	7,337	8,817	8,839

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

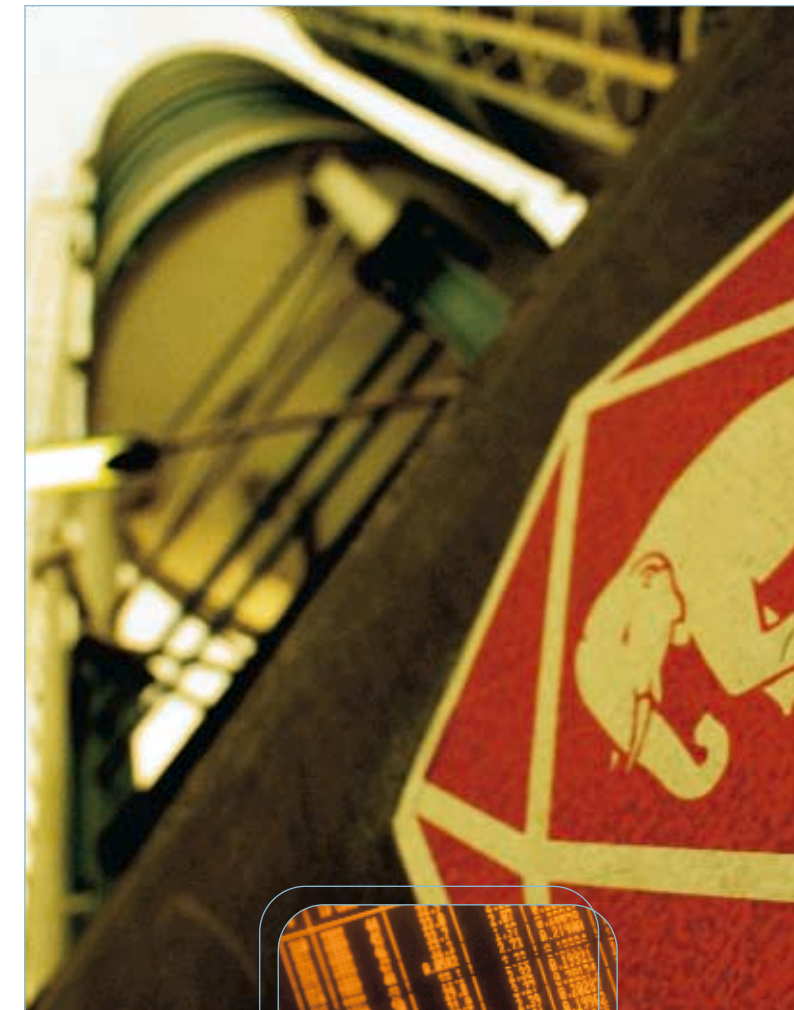




MAJOR COMPANIES

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 SIAM WHITE CEMENT CO., LTD.
- SIAM MORTAR CO., LTD.
- THE CONCRETE PRODUCTS AND AGGREGATE CO., LTD.
- THE CPAC READY MIXED (SOUTH) CO., LTD.
- THE SIAM REFRACTORY INDUSTRY CO., LTD.



OPERATING RESULTS

In 2002, the Cement Business achieved higher sales than in the preceding year due to rising domestic market demand. Profit also rose as a result of a reduction in expenses and production costs and through the use of substitute energy.

Grey cement: Total sales rose 6 percent while domestic sales increased 7 percent due to recovery in the real estate market. Export sales recorded a growth of 5 percent, with higher volume and selling prices.

Ready-mixed concrete: Sales volume grew 19 percent as a result of sales to small construction projects with expansion of production base under the franchise system. By the end of 2002, 55 franchisees were enlisted, leading to higher market share and sales.

White cement: Sales in the domestic market rose 9 percent while exports declined 18 percent due to intense competition. This resulted in a decline in total sales by 4 percent.

Mortar: Total sales rose 20 percent due to an increase in both domestic and export sales by 33 and 22 percent, respectively.

Refractory: Total sales rose 2 percent. Despite an 8 percent increase in the domestic market, export sales dropped 14 percent with the sale of kiln furniture business to the Imerys Group of France in September 2002.

PROGRESS OF BUSINESS DEVELOPMENT

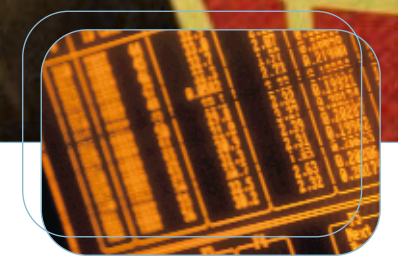
The Business signed MOU to provide technical support for grey cement production to Technical Construction and Building Materials Company (COTEC), a major construction contractor under Vietnam's Ministry of Construction. Technical support for the production of white cement was also provided to Materials Trading and Building Materials Import-Export Company (BMT) in Vietnam. The agreements cover the supply of clinker for use as a raw material, a human resource training service and technical advice and auditing.

SCI Plant Services Co., Ltd., was established to provide services in the areas of maintenance, repair, modification of machinery and equipment together with other technical services to companies within the Business.

ORGANIZATIONAL DEVELOPMENT

The Siam Cement (Thung Song) Co., Ltd., was awarded the Deming Application Prize from the Union of Japanese Scientists and Engineers (JUSE). The company is the first cement producer in the world and the first Thai company to win the award for its successful application of total quality management.

Two pilot projects built upon the concept of Constructionism: C-Cement (Constructionism-Cement Industry Engineering program) and CPAC C-Conc (Constructionism-Concrete Technology Training Program) were launched at the Siam Cement (Lampang) and the Concrete Products and Aggregate Co., Ltd., respectively. The goal was to provide employees with skills necessary for driving the progress of the Business and making it a regional industry leader.

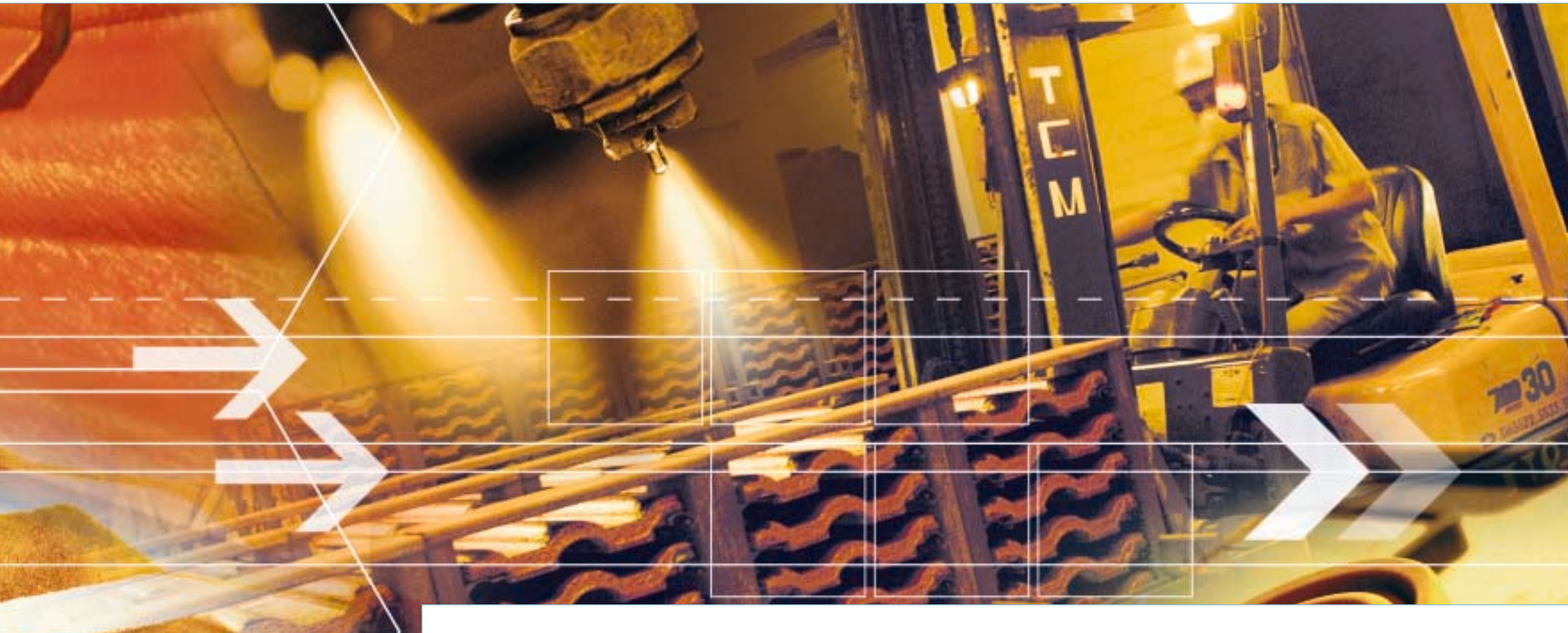




CONSOLIDATED FINANCIAL INFORMATION

	MILLION BAHT				
	2002	2001	2000	1999	1998
BALANCE SHEET DATA					
→ TOTAL CURRENT ASSETS	6,620	5,388	5,774	5,013	4,825
→ TOTAL ASSETS	22,592	23,400	27,435	27,917	30,100
→ TOTAL LIABILITIES	10,992	11,527	14,686	14,964	14,816
→ SHAREHOLDERS' EQUITY & MINORITY INTEREST	11,600	11,873	12,749	12,953	15,284
STATEMENTS OF INCOME DATA					
→ TOTAL REVENUES	16,279	13,231	13,443	11,700	11,304
→ TOTAL COSTS AND EXPENSES	14,231	12,454	12,917	12,152	12,346
→ INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	1,443	442	(172)	(834)	835
→ NET INCOME (LOSS)	1,521	410	(253)	(701)	835
TOTAL EBITDA*	3,728	3,108	2,823	2,088	1,962

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



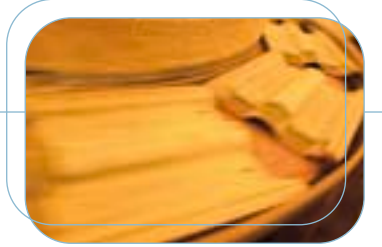
MAJOR COMPANIES

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 INDUSTRY (INDONESIA)
- SIAM FIBERGLASS CO., LTD.
- THE SIAM NAWAPHAN CO., LTD.
- CEMENTHAI GYPSUM CO., LTD.
- THE SIAM RESEARCH AND DEVELOPMENT CO., LTD.
- CEMENTHAI CERAMICS CO., LTD.
- THAI CERAMIC CO., LTD.
- THE SOSUCO GROUP INDUSTRIES CO., LTD.
- PT. SURYA SIAM KERAMIK

ASSOCIATED

- THE SIAM GYPSUM INDUSTRY CO., LTD.
- THE SIAM GYPSUM INDUSTRY (SARABURI) CO., LTD.
- THE SIAM GYPSUM INDUSTRY (SONGKHLA) CO., LTD.
- THE SIAM MOULDING PLASTER CO., LTD.
- SOSUCO CERAMIC CO., LTD.
- SIAM SANITARY WARE INDUSTRY (NONGKAE) CO., LTD.
- SIAM SANITARY WARE INDUSTRY CO., LTD.
- THE SIAM SANITARY FITTINGS CO., LTD.
- MARIWASA MANUFACTURING, INC.



OPERATING RESULTS

In 2002, sales of the Building Products Business increased 24 percent over the previous year, due to higher sales of ceramic floor and wall tiles, fiber-cement roofing sheets and concrete roof tiles.

Recovery in the real estate market, as well as government stimulus measures and lowering interest rates, contributed to a higher demand for building products. The Business was committed to improving the quality of its products and services to gain a competitive edge. In addition to introducing a wide range of new products to the market, the Business' focus also extended to strengthening its brand image in both domestic and overseas markets.

Export sales also increased 36 percent over the previous year. Major export products were ceramic floor and wall tiles, fiber-cement roofing sheets and fiberglass products. Chief among the major markets were the United States, Cambodia and Laos.

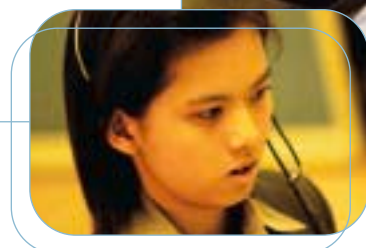
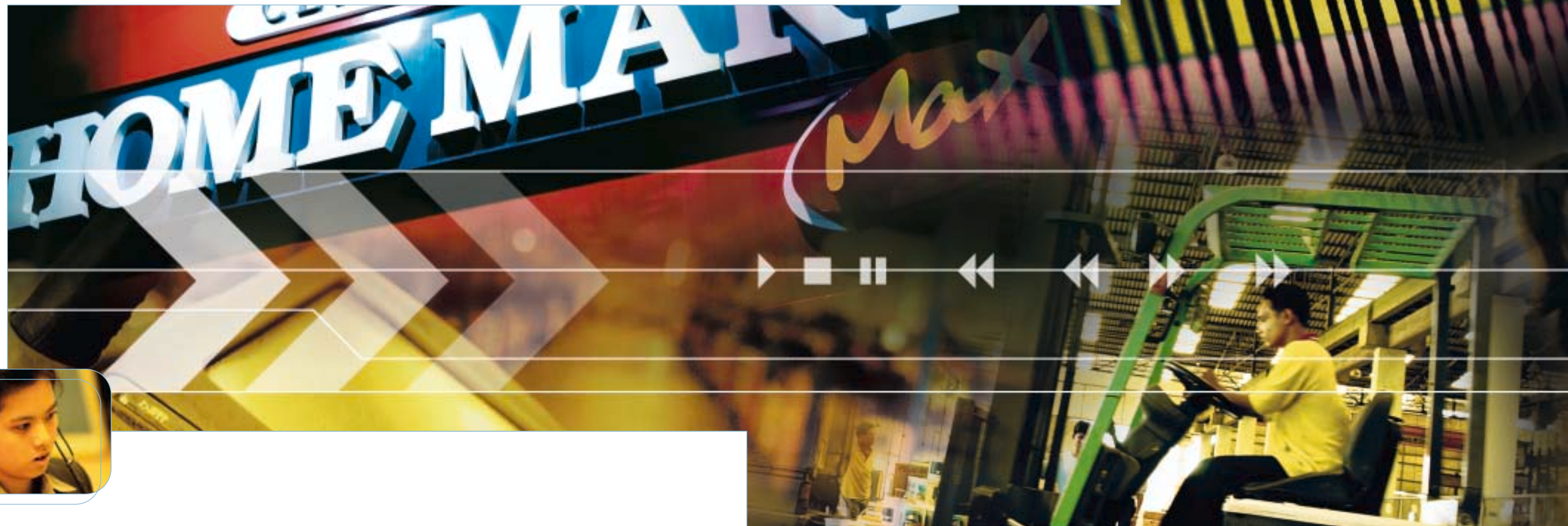
PROGRESS OF BUSINESS DEVELOPMENT

Business development plans implemented in 2002 were as follows:

- Increase in the production capacity of wood plank coating
- Debottlenecking of ceramic floor and wall tiles capacity
- Sale of 30 percent share in Siam Moulding Plaster Co., Ltd., to Noritake
- Forming a joint venture deal with Lafarge to produce clay roof tiles with the Business holding a 25% share in the joint initiative

ORGANIZATIONAL DEVELOPMENT

The Building Products Business has carried out organization development initiative to achieve more flexibility and agility in coping with the highly competitive business environment.



CONSOLIDATED FINANCIAL INFORMATION

	MILLION BAHT				
	2002	2001	2000	1999	1998
BALANCE SHEET DATA					
→ TOTAL CURRENT ASSETS	4,858	6,006	5,595	4,051	6,395
→ TOTAL ASSETS	7,144	8,072	7,345	5,851	10,145
→ TOTAL LIABILITIES	6,613	7,177	5,718	4,913	8,018
→ SHAREHOLDERS' EQUITY & MINORITY INTEREST	531	895	1,627	938	2,127
STATEMENTS OF INCOME DATA					
→ TOTAL REVENUES	52,540	53,632	46,890	45,064	47,867
→ TOTAL COSTS AND EXPENSES	51,653	52,609	46,017	44,555	47,738
→ INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENT SOLD FOR RESTRUCTURING	586	680	564	219	47
→ NET INCOME (LOSS)	586	680	669	207	47
TOTAL EBITDA*	1,214	1,268	1,039	1,113	677

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



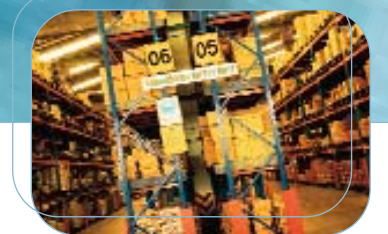
MAJOR COMPANIES

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

In 2002, the Distribution Business had total sales of 54,000 million baht. Because of a growth in the domestic construction sector, a larger portion of output was supplied to the domestic market, resulting in decreased export sales. Major export products were cement, construction steel and building products while energy products remained the major imports.

PROGRESS OF BUSINESS DEVELOPMENT

Cementhai Sales and Marketing Co., Ltd., focuses on enhancing efficiency in management of its more than 550 nationwide dealership network, using Partner Relationship Management to create value for the company and trade partners along with meeting customer demand.

The retail business has embraced sophisticated technology and adopted know-how of U.S.- based Do It Best, the leading operator of home products retail business. At the same time, Cementhai Homemart outlets nationwide

have been remodeled, based on the proven concept and methodology of the prototype Cementhai Homemart store to better meet customer expectations and provide more shopping comfort and convenience.

SCT Co., Ltd., which is involved in international trading, has continued to pursue opportunities in new markets, striving towards becoming a center for procurement. In addition, the company also supported medium-sized industries to increase exports. It has expanded into neighbouring countries, appointing dealers in Cambodia, Laos and Burma.

Cementhai Logistics Co., Ltd., commits itself to the development of logistics management using sophisticated technology to strengthen its nationwide distribution system. The company has also expanded services to customers beyond the Group with the goal of becoming a leading integrated logistics provider.

ORGANIZATIONAL DEVELOPMENT

The Business attaches great significance to human resource development in line with the corporate culture, which positions itself as a customer-oriented organization. Along with providing computer-based training, the Business encourages sharing of knowledge and experience among people within and outside the organization. This valuable knowledge and information has been documented and now features in the Best Practice guidelines.

THE SIAM CEMENT PUBLIC COMPANY LIMITED

- Thailand Corporate Excellence Award in three categories: Overall Corporate Excellence, Commitment to Human Resource Management, and Commitment to Social and / or Environmental Issues
From the Thailand Management Association and the Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Disclosure Award
From the Office of the Securities and Exchange Commission
- Best Investor Relations by a Thai Company
From Investor Relations Magazine in Association with the Asian Wall Street Journal

PAPER AND PACKAGING BUSINESS

THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED

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

PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED

- Winner of Honourable Mention for safety management
From the Ministry of Industry

THAI PAPER CO., LTD.

- Winner of Honourable Mention for quality management
From the Ministry of Industry
- Outstanding Award for Safety, Occupational Health and Environment
From the Ministry of Labour and Social Welfare
- ISO/IEC 17025 Certificate of laboratory accreditation for the competence of testing laboratory
From Management System Certification Institute (Thailand)

THAI UNION PAPER PUBLIC COMPANY LIMITED

- CPIE Cleaner Production Awards
From the Ministry of Science, Technology and Environment
- TIS 18001 Certification for occupational health and safety management
From Management System Certification Institute (Thailand)

SIAM KRAFT INDUSTRY CO., LTD.

- Outstanding Award for Safety, Occupational Health, and Environment
From the Ministry of Labour and Social Welfare

THAI UNION PAPER INDUSTRY CO., LTD.

- Outstanding Award for Safety, Occupational Health, and Environment
From the Ministry of Labour and Social Welfare
- ISO 9000 : 2000 Certification for quality management system
From Management System Certification Institute (Thailand)
- TIS 18001 Certification for occupational health and safety management
From Management System Certification Institute (Thailand)

THAI CONTAINERS LTD.

- The Prime Minister's Industry Award for Productivity Category
From the Ministry of Industry
- Thai Star Packaging Award (Transport Package)
From the Ministry of Industry
- ISO 9000 : 2000 Certification for quality management system
From Management System Certification Institute (Thailand)

THAI CONTAINERS INDUSTRY CO., LTD.

- Thai Star Packaging Award (Transport Package)
From the Ministry of Industry

THAI CONTAINERS CHONBURI (1995) CO., LTD.

- ISO 9000 : 2000 Certification for quality management system
From Management System Certification Institute (Thailand)
- TIS 18001 Certification for occupational health and safety management
From Management System Certification Institute (Thailand)

CITYPACK CO., LTD.

- Thai Star Packaging Award (Consumer Package)
From the Ministry of Industry

SIAM TOPPAN PACKAGING CO., LTD.

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

PETROCHEMICALS BUSINESS

THAI POLYETHYLENE CO., LTD.

- The Prime Minister's Industry Award for an outstanding achievement in safety management
From the Ministry of Industry
- TIS 18001 Certification for occupational health and safety management
From Management System Certification Institute (Thailand)
- ISO/IEC 17025 Certificate of laboratory accreditation for the competence of testing laboratory
From Thai Industrial Standards Institute
- ISO/IEC 17025 Certificate of laboratory accreditation for the competence of calibration laboratory
From Thai Industrial Standards Institute

THAI POLYETHYLENE (1993) CO., LTD.

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

THAI POLYPROPYLENE CO., LTD.

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

THAI POLYPROPYLENE (1994) CO., LTD.

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

RAYONG OLEFINS CO., LTD.

- ISO 9000 : 2000 Certification for quality management system
From Management System Certification Institute (Thailand)

MAP TA PHUT TANK TERMINAL CO., LTD.

- ISO 9002 : 1994 Certification for quality management system
From SGS (Thailand) Limited
- ISO 14001 Certification for environmental management
From SGS (Thailand) Limited
- OHSAS 18001 Occupational health and safety management system
From SGS (Thailand) Limited

SIAM MITSUI PTA CO., LTD.

- ISO 9000 : 2000 Certification for quality management system
From Management System Certification Institute (Thailand)
- TIS 18001 Certification for occupational health and safety management
From Management System Certification Institute (Thailand)
- OHSAS 18001 Occupational health and safety management system
From Management System Certification Institute (Thailand)
- Group Executive's Award for achievement in management
From Mitsui Chemicals Inc.

GRAND SIAM COMPOSITES CO., LTD.

- ISO 14001 Certification for environmental management
From Underwriter Laboratory Inc., U.S.A.

THAI MMA CO., LTD.

- The Prime Minister's Industry Award for an outstanding achievement in environmental conservation
From the Ministry of Industry
- Certificate of Commendation for safety management
From the Ministry of Industry
- Outstanding Award for Safety, Occupational Health and Environment
From the Ministry of Labour and Social Welfare
- EIA Award
From the Ministry of Natural Resource and Environment
- ISO 14001 Certification for environmental management
From SGS (Thailand) Limited

CEMENT BUSINESS

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

- ISO/IEC 17025 : 1999 Certificate of laboratory accreditation for the competence of calibration and testing laboratory
From the Ministry of Industry

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

- Best Manufacturer Award for safety, occupational health and working condition
From the Saraburi Provincial Government

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

- Deming Application Prize
From the Union of Japanese Scientists and Engineers (JUSE)
- Certification for waste quality improvement facilities Type 101
From the Ministry of Industry
- White Factory Award (Drug Free Factory)
From the Ministry of Labour and Social Welfare

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

- Certification for waste quality improvement facilities Type 101
From the Ministry of Industry

THE SIAM CEMENT (LAMPANG) CO., LTD.

- Certification for waste quality improvement facilities Type 101
From the Ministry of Industry

THE CONCRETE PRODUCTS AND AGGREGATE CO., LTD.

- White Factory Award (Drug Free Factory)
From the Ministry of Labour and Social Welfare
- ISO 14001 Certification for environmental management
From Management System Certification Institute (Thailand)

BUILDING PRODUCTS BUSINESS

THE CPAC BLOCK INDUSTRY CO., LTD.: SRIRACHA PLANT

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

THE SIAM FIBRE-CEMENT CO., LTD.: TA LUANG PLANT

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

SIAM SANITARY WARE INDUSTRY CO., LTD.

- OHSAS 18001 occupational health and safety management system
From SGS International Certification Service AG.

SIAM SANITARY WARE INDUSTRY (NONGKAE) CO., LTD.

- ISO 9001 : 2000 Certification for quality management system
From SGS International Certification Service AG.

THAI CERAMIC CO., LTD.

- Mobius Awards for TV commercials entitled "Climbing" and "Feel The Difference"
From The United States



THE AUDIT COMMITTEE REPORT (2002)

The Audit Committee has fulfilled its commitment to the company's Board of Directors, which includes performing reviewing functions in compliance with the charter of the Audit Committee, as well as adhering to good corporate governance and the Siam Cement Group (SCG) codes of ethics. In 2002, the main duties performed by the Audit Committee can be summarized as follows:

1. The Audit Committee reviewed the operations of the Group to ensure full compliance with the 15 principles of good corporate governance of The Stock Exchange of Thailand (SET). The Committee found nothing of significance that was not in conformity with the guidelines. The Audit Committee was also responsible for preparing SCG Good Corporate Governance Booklet to provide guidelines on good conduct, which shall observe in addition to SCG Code of Ethics.

2. The Audit Committee reviewed the company's quarterly and annual financial statements for the financial year 2002 and consolidated financial statements in accordance with the generally accepted accounting standards of The Institute of Certified Accountants and Auditors of Thailand as well as the regulations of SET and the Office of the Securities and Exchange Commission (SEC). The Committee also ensured correct, sufficient and timely disclosure of financial data so that it could be of benefit to investors, who would rely on data for making informed investment decisions or other purposes. The company received the Disclosure Award 2002 from SEC for its transparent disclosure of the information. The company submitted financial statements together with management discussion and analysis (MD&A) to SET on a quarterly basis. Moreover, the company can also propose unaudited financial statements at the end of each month after quarterly closing the book of accounts sooner than the period specified by SET. There were no significant changes made after the auditors' review.

3. The Audit Committee has institutionalized the enterprise wide risk management to every business in the group. The committee has also recommended that the risk management system should be incorporated into each company's annual and medium-term plans. The assessment of the risk management system has been done on a quarterly

basis. The committee has not found any significant risk for the year 2002.

4. The evaluation of the company's internal control system has been found to be efficient and sufficient with no significant problems or flaws. To enhance efficiency of the internal control system, the Audit Committee has enforced the Control Self Assessment to create an operating mechanism for best results. The performance has been satisfactory.

5. The Audit Committee oversaw and monitored the operations of the internal audit office to ensure compliance with the plan. The maturity of fact finding placed on enhancing business efficiency and effectiveness. To this effect the Committee made recommendations to the relevant business units for improving their operations. The execution of the recommended plan was followed up closely and documented to serve as a case study for other business units.

6. The Audit Committee has continuously developed the audit management. Focus to these are developing computer audit programs and applying new technology in the audit procedures in order to cope with the rapidly changing information technology environment. The Committee also required each business unit to assess the audit results to ensure the company's effective audit performance.

The Audit Committee has nominated four auditors and proposed Mr. Vichien Thamtrakul or Mr. Winid Silamongkol of SGV-Na Thalang & Co.,Ltd to the Board to be considered as the auditors for the year 2003.

February 18, 2003
On behalf of the Audit Committee

Air Vice Marshal 
(KAMTHON SINDHVANANDA)
Chairman of the Audit Committee



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FINANCIAL STATEMENTS OF THE SIAM CEMENT PUBLIC COMPANY LIMITED

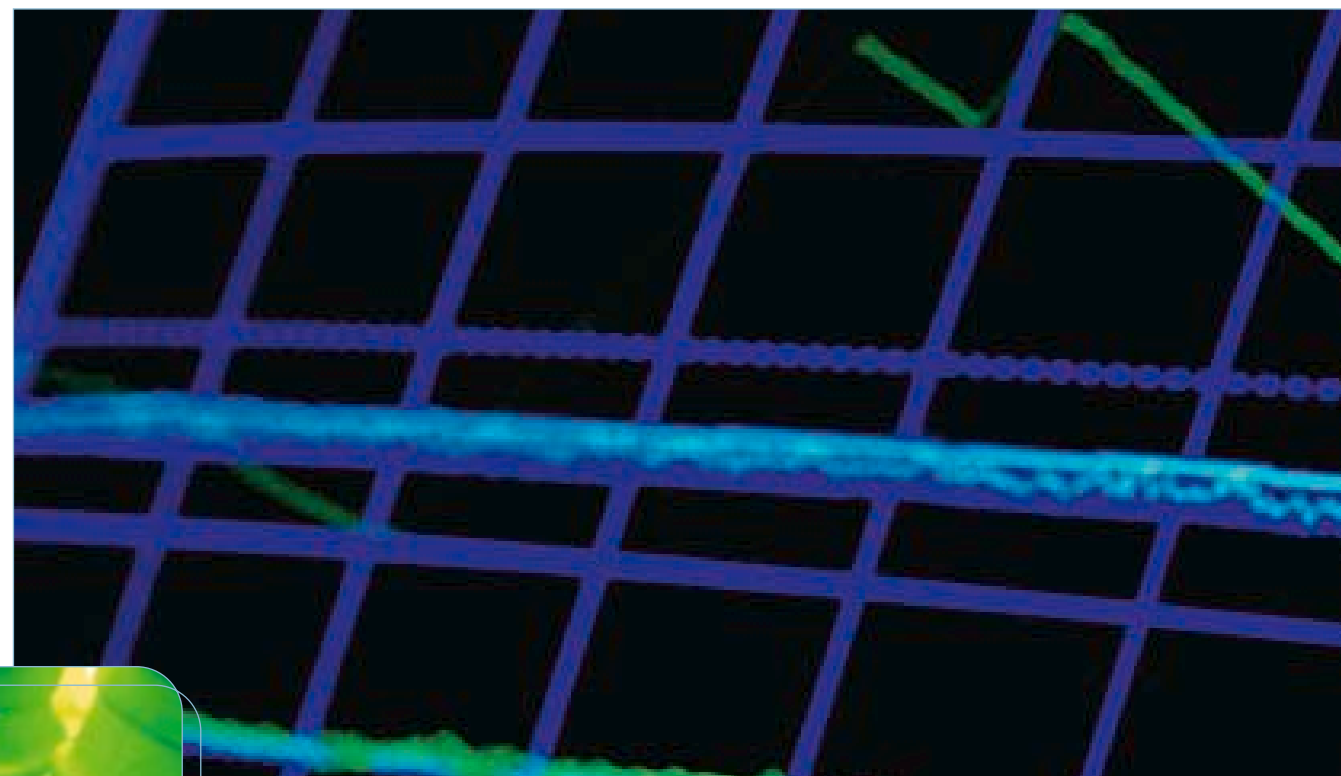
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CONSOLIDATED FINANCIAL STATEMENTS

OF THE SIAM CEMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



55.91 %
 P7LIC0115 PV
 NO.2 MIXING CHEST
 80.00
 50.59 %



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, 2002 and 2001, and the related consolidated statements of income, changes in shareholders' equity, 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, 2002 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

(Methee Ratanasrimetha)
 C.P.A. (Thailand)
 Registration No. 3425

Bangkok
 February 7, 2003

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



DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

ASSETS	NOTES	2002	2001
CURRENT ASSETS			
→ CASH ON HAND AND AT BANKS		3,481,485	7,592,539
→ SHORT-TERM INVESTMENTS		274,115	335,914
→ ACCOUNTS AND NOTES RECEIVABLE - TRADE - NET			
- AFFILIATED COMPANIES	1,4	1,743,007	1,775,467
- OTHER COMPANIES	3	10,697,003	9,976,125
→ RECEIVABLES FROM AND LOANS TO AFFILIATED COMPANIES	1,4	2,388,493	2,787,435
→ INVENTORIES - NET	5	19,466,471	19,777,576
→ OTHER CURRENT ASSETS		2,525,241	2,323,059
TOTAL CURRENT ASSETS		40,575,815	44,568,115
LONG-TERM RECEIVABLES - NET		708,478	921,816
INVESTMENTS IN SHARES AND LONG-TERM			
LOANS TO ASSOCIATED AND OTHER COMPANIES - NET	6	35,793,913	31,609,802
PROPERTY, PLANT AND EQUIPMENT - AT COST - NET	7	75,024,050	78,488,060
ASSETS REVALUATION SURPLUS	7	65,562,462	58,056,772
OTHER ASSETS	8	17,979,747	22,336,002
TOTAL ASSETS		235,644,465	235,980,567

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

		IN THOUSAND BAHT	
LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	2002	2001
CURRENT LIABILITIES			
→ BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	9	9,391,385	9,815,042
→ ACCOUNTS PAYABLE - TRADE			
- AFFILIATED COMPANIES	1,4	1,821,766	1,075,593
- OTHER COMPANIES		6,910,304	4,838,635
→ CURRENT PORTION OF LONG-TERM DEBT	11	8,816,059	8,260,348
→ CURRENT PORTION OF DEBENTURES	12	17,537,515	14,840,600
→ PAYABLES TO AND LOANS FROM AFFILIATED COMPANIES	1,4	419,754	1,355,542
→ ACCRUED EXPENSES		3,692,709	4,134,007
→ INCOME TAX PAYABLE		619,958	381,016
→ OTHER CURRENT LIABILITIES		1,382,944	1,075,182
TOTAL CURRENT LIABILITIES		50,592,394	45,775,965
PROVIDENT FUND	10	689,888	679,774
LONG-TERM DEBT - NET OF CURRENT PORTION	11	20,969,436	38,425,269
DEBENTURES - NET OF CURRENT PORTION	12	72,917,675	83,643,753
OTHER LIABILITIES	10	2,544,138	1,371,266
TOTAL LIABILITIES		147,713,531	169,896,027

DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	2002	2001
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	10,672
→ REVALUATION SURPLUS IN PROPERTY - NET	7	61,120,501	56,120,410
→ UNREALIZED LOSS ON INVESTMENT IN SECURITIES	6	(496,734)	(932,236)
→ ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		(368,308)	(158,897)
→ EQUITY IN ASSOCIATED COMPANIES		(724,834)	(1,163,026)
RETAINED EARNINGS (DEFICIT)			
APPROPRIATED			
→ RESERVE FUND	13	120,000	120,000
→ GENERAL RESERVE		10,140,000	10,105,000
UNAPPROPRIATED (DEFICIT)			
- FROM OPERATIONS OF THE COMPANY AND SUBSIDIARIES		4,622,397	(7,991,307)
TOTAL SHAREHOLDERS' EQUITY		75,623,694	57,310,616
MINORITY INTEREST IN SUBSIDIARIES			
- FROM CAPITAL AND OPERATIONS		7,865,279	6,837,562
- FROM ASSETS REVALUATION SURPLUS	7	4,441,961	1,936,362
TOTAL MINORITY INTEREST IN SUBSIDIARIES		12,307,240	8,773,924
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTEREST		87,930,934	66,084,540
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		235,644,465	235,980,567

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.

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

	NOTES	2002	2001
REVENUES			
→ NET SALES		128,201,292	120,353,430
→ OTHER INCOME	14	1,870,928	2,289,177
TOTAL REVENUES		130,072,220	122,642,607
COSTS AND EXPENSES			
→ COST OF SALES		96,167,780	92,321,759
→ SELLING EXPENSES		7,422,006	7,045,845
→ ADMINISTRATIVE EXPENSES	15	7,742,439	7,133,284
→ DIRECTOR FEE	16	32,430	17,428
→ INTEREST EXPENSE AND FINANCIAL CHARGES	17	10,037,746	11,157,142
TOTAL COSTS AND EXPENSES		121,402,401	117,675,458
INCOME BEFORE INCOME TAX		8,669,819	4,967,149
→ INCOME TAX	18	2,519,479	1,767,637
INCOME FROM OPERATIONS		6,150,340	3,199,512
→ MINORITY INTEREST IN INCOME OF SUBSIDIARIES - NET		(685,383)	(1,200,597)
INCOME BEFORE EQUITY IN EARNINGS OF ASSOCIATED COMPANIES		5,464,957	1,998,915
→ EQUITY IN EARNINGS OF ASSOCIATED COMPANIES - NET		5,676,864	2,797,774
INCOME BEFORE INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS		11,141,821	4,796,689
→ GAIN ON INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS - NET OF INCOME TAX	6, 7	3,461,901	2,837,485
NET INCOME		14,603,722	7,634,174
BASIC EARNINGS PER SHARE (IN BAHT)		121.70	63.62

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

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

	2002	2001
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	10,672	10,752
→ ADDITION	-	-
→ DEDUCTION	-	(80)
→ ENDING BALANCE	10,672	10,672
REVALUATION SURPLUS IN PROPERTY		
→ BEGINNING BALANCE	56,120,410	62,238,556
→ ADDITION	5,000,091	-
→ DEDUCTION	-	(6,118,146)
→ ENDING BALANCE	61,120,501	56,120,410
UNREALIZED LOSS ON INVESTMENT IN SECURITIES		
→ BEGINNING BALANCE	(932,236)	(961,505)
→ ADDITION	435,502	29,269
→ DEDUCTION	-	-
→ ENDING BALANCE	(496,734)	(932,236)
ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		
→ BEGINNING BALANCE	(158,897)	(109,153)
→ ADDITION	-	-
→ DEDUCTION	(209,411)	(49,744)
→ ENDING BALANCE	(368,308)	(158,897)

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

	2002	2001
EQUITY IN ASSOCIATED COMPANIES		
FROM CHANGE IN PERCENTAGE OF HOLDINGS		
→ BEGINNING BALANCE	488,287	488,412
→ ADDITION	-	-
→ DEDUCTION	-	(125)
→ ENDING BALANCE	488,287	488,287
FROM REVALUATION SURPLUS IN PROPERTY		
→ BEGINNING BALANCE	3,119,956	2,281,712
→ ADDITION	-	838,244
→ DEDUCTION	(387,497)	-
→ ENDING BALANCE	2,732,459	3,119,956
FROM UNREALIZED GAIN (LOSS) ON INVESTMENT IN SECURITIES		
→ BEGINNING BALANCE	(220)	11,969
→ ADDITION	31,301	-
→ DEDUCTION	-	(12,189)
→ ENDING BALANCE	31,081	(220)
FROM ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		
→ BEGINNING BALANCE	(40,606)	(98,824)
→ ADDITION	4,370	58,218
→ DEDUCTION	-	-
→ ENDING BALANCE	(36,236)	(40,606)
FROM OPERATIONS OF ASSOCIATED COMPANIES		
→ BEGINNING BALANCE	(4,730,443)	(3,984,385)
→ ADDITION	5,676,864	2,797,774
→ DEDUCTION	(4,886,846)	(3,543,832)
→ ENDING BALANCE	(3,940,425)	(4,730,443)
TOTAL EQUITY IN ASSOCIATED COMPANIES	(724,834)	(1,163,026)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

IN THOUSAND BAHT

	2002	2001
APPROPRIATED RETAINED EARNINGS		
RESERVE FUND		
→ BEGINNING BALANCE	120,000	120,000
→ ADDITION	-	-
→ DEDUCTION	-	-
→ ENDING BALANCE	120,000	120,000
GENERAL RESERVE		
→ BEGINNING BALANCE	10,105,000	10,062,000
→ ADDITION	35,000	43,000
→ DEDUCTION	-	-
→ ENDING BALANCE	10,140,000	10,105,000
UNAPPROPRIATED (DEFICIT)		
FROM OPERATIONS OF THE COMPANY AND SUBSIDIARIES		
→ BEGINNING BALANCE	(7,991,307)	(16,371,539)
→ ADDITION	13,813,704	8,380,232
→ DEDUCTION	(1,200,000)	-
→ ENDING BALANCE	4,622,397	(7,991,307)
MINORITY INTEREST IN SUBSIDIARIES		
FROM CAPITAL AND OPERATIONS		
→ BEGINNING BALANCE	6,837,562	6,424,402
→ ADDITION	1,027,717	413,160
→ DEDUCTION	-	-
→ ENDING BALANCE	7,865,279	6,837,562
FROM REVALUATION SURPLUS IN PROPERTY		
→ BEGINNING BALANCE	1,936,362	1,951,625
→ ADDITION	2,505,599	-
→ DEDUCTION	-	(15,263)
→ ENDING BALANCE	4,441,961	1,936,362
TOTAL MINORITY INTEREST IN SUBSIDIARIES	12,307,240	8,773,924
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTEREST	87,930,934	66,084,540

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

IN THOUSAND BAHT

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
→ NET INCOME	14,603,722	7,634,174
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
→ UNREALIZED LOSS (GAIN) ON FOREIGN CURRENCY EXCHANGE	181,476	(321,728)
→ PROVISION FOR DOUBTFUL ACCOUNTS	426,503	56,143
→ DEPRECIATION AND AMORTIZATION	9,875,879	10,371,731
→ PROVISION FOR (REVERSAL OF) DECLINE IN VALUE OF INVESTMENTS - NET	(67,590)	23,766
→ DIMINUTION IN INVESTMENT - NET	181,849	-
→ GAIN ON SALES OF INVESTMENTS AND ASSETS FOR RESTRUCTURING - NET	(3,576,160)	(2,861,251)
→ GAIN ON SALES OF FIXED ASSETS	(8,402)	(93,234)
→ EQUITY IN EARNINGS OF ASSOCIATED COMPANIES	(5,676,864)	(2,797,774)
→ MINORITY INTEREST IN INCOME OF SUBSIDIARIES	685,383	1,200,597
→ DEFERRED INCOME TAX - NET	1,346,601	931,931
NET INCOME BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	17,972,397	14,144,355
DECREASE (INCREASE) IN OPERATING ASSETS:		
→ ACCOUNTS AND NOTES RECEIVABLE - TRADE	(779,718)	(551,943)
→ RECEIVABLES FROM AFFILIATED COMPANIES	(365,432)	75,554
→ INVENTORIES - NET	(618,950)	2,008,123
→ OTHER CURRENT ASSETS	(205,490)	157,443
→ OTHER ASSETS	130,043	(1,085,244)
NET DECREASE (INCREASE) IN OPERATING ASSETS	(1,839,547)	603,933
INCREASE (DECREASE) IN OPERATING LIABILITIES:		
→ ACCOUNTS PAYABLE-TRADE	2,646,480	(777,583)
→ PAYABLES TO AFFILIATED COMPANIES	(172,453)	(59,132)
→ ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES	(688,658)	285,040
→ PROVISION FOR PROVIDENT FUND - NET	25,251	55,275
NET INCREASE (DECREASE) IN OPERATING LIABILITIES	1,810,620	(496,400)
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,943,470	14,251,888
CASH FLOWS FROM INVESTING ACTIVITIES:		
INVESTMENTS IN ASSOCIATED AND OTHER COMPANIES	(5,226,512)	(3,207,816)
DIVIDEND INCOME FROM ASSOCIATED COMPANIES	1,834,166	2,388,154
INVESTMENTS IN SUBSIDIARIES		
→ ACQUISITION OF SUBSIDIARY NET OF CASH	(2,063,955)	-
→ EXCESS OF COST OVER EQUITY OF SUBSIDIARIES	(107,291)	(102,817)
→ MINORITY INTEREST IN SUBSIDIARIES	(540,433)	63,706
NET INCREASE IN INVESTMENTS IN SUBSIDIARIES	(2,711,679)	(39,111)

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

IN THOUSAND BAHT

	2002	2001
PROCEEDS FROM SALES OF INVESTMENTS AND ASSETS FOR RESTRUCTURING	7,704,639	7,780,799
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(2,879,492)	(5,290,115)
PROCEEDS FROM SALES OF FIXED ASSETS	655,316	1,270,760
PAYMENT RECEIVED ON LOANS TO AFFILIATED COMPANIES AND OTHER RECEIVABLES	7,057,283	2,488,379
OTHERS	74,569	(49,744)
NET CASH PROVIDED BY INVESTING ACTIVITIES	6,508,290	5,341,306
CASH FLOWS FROM FINANCIAL ACTIVITIES:		
BORROWINGS		
→ BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	(84,540)	(5,460,504)
→ REPAYMENT OF LONG-TERM DEBT	(43,639,354)	(25,450,391)
→ PROCEEDS FROM LONG-TERM DEBT	23,722,992	4,524,147
→ PROCEEDS FROM (REPAYMENT OF) LOANS FROM AFFILIATED COMPANIES	(750,418)	21,829
→ LIABILITIES UNDER FINANCIAL LEASE	2,211,920	-
→ PROCEEDS FROM (REDEMPTION OF) DEBENTURES	(8,029,163)	11,965,243
NET BORROWING DECREASE	(26,568,563)	(14,399,676)
DIVIDEND		
→ CASH DIVIDEND TO MINORITY INTEREST	(850,091)	(642,313)
→ CASH DIVIDEND	(1,200,000)	-
TOTAL DIVIDEND	(2,050,091)	(642,313)
OTHER LIABILITIES	(5,959)	(44,946)
NET CASH USED IN FINANCING ACTIVITIES	(28,624,613)	(15,086,935)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,172,853)	4,506,259
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,928,453	3,422,194
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,755,600	7,928,453
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH AND CASH EQUIVALENTS:		
THESE CONSIST OF		
→ CASH ON HAND AND AT BANKS	3,481,485	7,592,539
→ SHORT-TERM INVESTMENTS	274,115	335,914
TOTAL	3,755,600	7,928,453
CASH PAID DURING THE YEARS		
→ INTEREST EXPENSE	10,297,947	11,555,753
→ INCOME TAX	1,022,503	654,299

SUPPLEMENTARY DISCLOSURES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

In the first quarter of 2002, The Siam Pulp and Paper Public Company Limited - a subsidiary, purchased additional shares of Phoenix Pulp & Paper Public Company Limited until it is a subsidiary of The Siam Cement Public Company Limited. The details of net assets of Phoenix Pulp & Paper Public Company Limited as of the acquisition date are as follows:

	IN MILLION BAHT
→ ACCOUNTS RECEIVABLE – TRADE – NET	652
→ INVENTORIES – NET	556
→ PROPERTY, PLANT AND EQUIPMENT – NET	5,734
→ BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS	(255)
→ ACCOUNTS PAYABLE – TRADE	(110)
→ LONG-TERM LOANS	(964)
→ OTHERS – NET	175
→ NET ASSETS	5,788
→ EFFECT OF DEFERRED INCOME TAX ADJUSTMENT	66
→ NET ASSETS AFTER ADJUSTMENT	5,854
→ LESS MINORITY INTEREST	(2,267)
→ NET ASSETS ACQUIRED	3,587
→ NEGATIVE GOODWILL	(58)
→ TOTAL PURCHASE PRICE	3,529
→ LESS CASH ON HAND AND AT BANKS	26
→ CASH OUTFLOW FOR PURCHASE OF THE BUSINESS	3,503
→ LESS CASH PAID FOR INVESTMENT IN THE FORTH QUARTER OF 2001	1,439
→ NET CASH OUTFLOW FOR PURCHASE OF THE BUSINESS IN THE FIRST QUARTER OF 2002	2,064

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

DECEMBER 31, 2002 AND 2001

1. BASIC 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 in 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, Distribution, Cementsai Holding and Cementsai Property. The number of the employees of the Company and subsidiaries at the end of years are 16,913 persons in 2002 and 16,525 persons in 2001.

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 related 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, 2002 and 2001 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
→ THE SIAM REFRACTORY INDUSTRY Co., LTD.	100
→ THE SIAM WHITE CEMENT Co., LTD.	100
→ THE CPAC READY MIXED (SOUTH) Co., LTD.	100
→ SIAM MORTAR Co., LTD.	100
PETROCHEMICALS BUSINESS	
→ CEMENTHAI CHEMICALS Co., LTD.	100
→ RAYONG OLEFINS Co., LTD.	62
→ THAI POLYETHYLENE Co., LTD.	100
→ THAI POLYETHYLENE (1993) Co., LTD.	100
→ THAI POLYPROPYLENE Co., LTD.	100

	DIRECT/INDIRECT HOLDING (%)
→ THAI POLYPROPYLENE (1994) Co., LTD.	100
→ MAP TA PHUT TANK TERMINAL Co., LTD.	81
→ RAYONG PIPELINE Co., LTD.	91
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
→ SIAM KRAFT 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
→ THAI CONTAINERS V&S Co., LTD.	55
→ PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED	54
BUILDING PRODUCTS BUSINESS	
→ CEMENTHAI BUILDING PRODUCTS Co., LTD.	100
→ THE SIAM FIBRE-CEMENT Co., LTD.	100
→ THE SIAM FIBRE-CEMENT PRODUCTS (LAMPANG) Co., LTD.	100
→ THE CPAC ROOF TILE Co., LTD.	75
→ THE CPAC ROOF TILE INDUSTRY 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
→ SARABURIRAT Co., LTD.	83
→ THE CPAC CONCRETE INDUSTRY Co., LTD.	100
→ PT SIAM-INDO CONCRETE PRODUCTS (INDONESIA)	50
→ PT SIAM-INDO GYPSUM INDUSTRY (INDONESIA)	50
→ THE SIAM RESEARCH AND DEVELOPMENT Co., LTD.	100
→ CEMENTHAI CERAMICS Co., LTD.	100
→ THAI CERAMIC Co., LTD.	100
→ THE SOSUCO GROUP INDUSTRIES Co., LTD.	100
→ PT. SURYA SIAM KERAMIK	66
DISTRIBUTION BUSINESSES	
→ 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

	DIRECT/INDIRECT HOLDING (%)
CEMENTHAI PROPERTY	
→ CEMENTHAI PROPERTY (2001) PUBLIC COMPANY LIMITED	100
→ RAYONG INDUSTRIAL LAND Co., LTD.	100
→ SIL INDUSTRIAL LAND Co., LTD.	100
→ RIL 1996 Co., LTD.	100
→ SIAM INTEGRATED STEEL Co., LTD.	100
→ CMT SERVICES Co., LTD.	100

Most of the above subsidiaries are established in Thailand.

In November 2001, The Siam Pulp and Paper Public Company Limited (SPPC) – a subsidiary purchased outstanding shares (24.98%) of Phoenix Pulp & Paper Public Company Limited (PPPC) at Baht 1,439 million. As at December 31, 2001, the Company accounted for the above investment at cost since the Company had no significant influence in management of this company.

In January 2002, SPPC purchased additional outstanding shares (36.28%) of PPPC at Baht 2,090 million, and PPPC became a subsidiary since then. The financial statements of this subsidiary are included in consolidated financial statement for the year ended December 31, 2002.

In 2002, The Siam Pulp and Paper Public Company Limited purchased outstanding shares (49.33%) of Thai British Security Printing PCL (TBSP) at Baht 230.8 million.

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, 2002 and 2001 are as follows:

	IN MILLION BAHT		PRICING POLICY
	2002	2001	
→ PURCHASES	13,554	14,465	MARKET PRICE
→ SALES	10,931	9,998	MARKET PRICE
→ SERVICE INCOME AND OTHERS	496	423	MAINLY BASED ON PERCENTAGE OF NET SALES
→ DIVIDEND INCOME	1,834	2,388	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.

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 classified as available-for-sale and carried at their fair value.

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 - 15
→ TRANSPORTATION EQUIPMENT	5
→ FURNITURE, FIXTURES AND OFFICE EQUIPMENT	5

Except for Phoenix Pulp & Paper Public Co., Ltd. which depreciation of property, plant and equipment has been computed by the following method at rates which approximate the economic useful lives of the assets as follows:

	PERIOD (YEARS)	DEPRECIATION METHOD
→ LAND IMPROVEMENTS	30	STRAIGHT-LINE
→ BUILDING AND STRUCTURES		
- ACQUIRED PRIOR TO JANUARY 1, 2002	30	SINKING FUND
- ACQUIRED FROM JANUARY 1, 2002	20, 30	STRAIGHT-LINE
→ MACHINERY AND EQUIPMENT	15	SINKING FUND
→ CERTAIN MACHINERY AND EQUIPMENT	5, 6, 8	STRAIGHT-LINE
→ FURNITURE, FIXTURES AND OFFICE EQUIPMENT	5	STRAIGHT-LINE
→ TRANSPORTATION EQUIPMENT	5	STRAIGHT-LINE

However, the effect of the above different depreciation policy to the consolidated financial statements is insignificant.

Depreciation expense for the finance lease assets is charged as expense for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

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.

FINANCIAL LEASE

Certain subsidiaries entered into sale and lease back agreements for certain machinery and equipment, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognized as income. Instead it is deferred and amortized over the lease term.

The subsidiaries recognized finance lease as assets and liabilities in the consolidated balance sheets at amounts equal at the inception of the lease to the fair value of the leased property. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 and 2002, 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 carryforwards 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 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 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 2002 and 2001).

3. ACCOUNTS AND NOTES RECEIVABLE - TRADE

	IN MILLION BAHT	
	2002	2001
ACCOUNTS RECEIVABLE-TRADE	10,485	9,794
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	849	656
NET	9,636	9,138
NOTES RECEIVABLE	1,061	838
TOTAL	10,697	9,976

As at December 31, 2002 and 2001, the Company and subsidiaries have long outstanding accounts receivable aged as follows:

	IN MILLION BAHT	
	2002	2001
OVER 3 TO 6 MONTHS	65	117
OVER 6 TO 12 MONTHS	337	42
OVER 1 YEAR	676	637
TOTAL	1,078	796

The Company and subsidiaries provided an allowances for doubtful accounts amounting to approximately Baht 849 million in 2002 and Baht 656 million in 2001 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	
	2002	2001
ACCOUNTS RECEIVABLE - TRADE		
→ SIAM POLYETHYLENE Co., LTD.	392	293
→ HMC POLYMERS Co., LTD.	327	191
→ BANGKOK SYNTHETIC Co., LTD.	195	228
→ CCC CHEMICAL COMMERCE (CHINA) Co., LTD.	164	169
→ SIAM STYRENE MONOMER Co., LTD.	109	120
→ THAI PLASTIC AND CHEMICAL PUBLIC COMPANY LIMITED	97	104
→ SOSUCO CERAMIC Co., LTD.	63	165
→ GRAND SIAM COMPOSITES Co., LTD.	43	37
→ NATIONAL PETROCHEMICAL PUBLIC COMPANY LIMITED	41	-
→ SIAM TYRE INDUSTRY Co., LTD.	37	1
→ SIAM TOPPAN PACKAGING Co., LTD.	32	40
→ THE SIAM INDUSTRIAL WIRE Co., LTD.	15	36
→ CEMENTHAI TRADING (M) SDN. BSD.	-	98
→ OTHER COMPANIES	228	293
TOTAL	1,743	1,775

IN MILLION BAHT			IN MILLION BAHT		
	2002	2001		2002	2001
RECEIVABLES AND LOANS			PAYABLES AND LOANS		
CURRENT ACCOUNTS			CURRENT ACCOUNTS		
→ BEIJING CEMENTHAI CERAMIC CO., LTD.	632	-	→ SOSUCO CERAMIC CO., LTD.	57	32
→ HMC POLYMERS CO., LTD.	146	-	→ PT. TRANS-PACIFIC POLYETHYLENE INDONESIA	-	104
→ THAI PLASTIC AND CHEMICAL PUBLIC COMPANY LIMITED	70	-	→ OTHER COMPANIES	39	156
→ MARIWASA HOLDING., INC.	69	73	TOTAL	96	292
→ SIAM KUBOTA INDUSTRY CO., LTD.	35	3	NOTES PAYABLE		
→ SIAM ASAHU TECHNOGLASS CO., LTD.	28	46	→ MILLENNIUM STEEL PUBLIC COMPANY LIMITED	106	-
→ SIAM MICHELIN MARKETING AND SALES CO., LTD.	27	67	→ PT. TRANS-PACIFIC POLYETHYLENE INDONESIA	101	-
→ THE AROMATICS (THAILAND) PUBLIC COMPANY LIMITED	26	2	→ SIAM FURUKAWA CO., LTD.	60	-
→ OTHER COMPANIES	219	116	→ THE SIAM KUBOTA INDUSTRY CO., LTD.	-	820
TOTAL	1,252	307	→ SOSUCO CERAMIC CO., LTD.	-	150
NOTES RECEIVABLE			→ OTHER COMPANIES	57	94
→ MILLENNIUM STEEL PUBLIC COMPANY LIMITED	1,038	-	TOTAL	324	1,064
→ THE SIAM MOULDING PLASTER CO., LTD.	41	-	TOTAL	420	1,356
→ IT ONE Co., LTD.	34	34			
→ SIAM NAWALOHA FOUNDRY CO., LTD.	-	875	5. INVENTORIES		
→ SIAM FURUKAWA Co., LTD.	-	790			
→ THE SIAM INDUSTRIAL WIRE Co., LTD.	-	742			
→ OTHER COMPANIES	23	39			
TOTAL	1,136	2,480			
TOTAL	2,388	2,787			
ACCOUNTS PAYABLE - TRADE					
→ NATIONAL PETROCHEMICAL PUBLIC COMPANY LIMITED	693	382			
→ THAI OLEFINS Co., LTD.	319	61			
→ SIAM CONSTRUCTION STEEL Co., LTD.	197	-			
→ SIAM POLYETHYLENE Co., LTD.	178	182			
→ THE AROMATICS (THAILAND) PUBLIC COMPANY LIMITED	131	79			
→ THE SIAM GYPSUM INDUSTRY (SARABURI) Co., LTD.	114	71			
→ THE SIAM INDUSTRIAL WIRE Co., LTD.	83	31			
→ THE SIAM GYPSUM INDUSTRY Co., LTD.	10	39			
→ SIAM SANITARY WARE INDUSTRY Co., LTD.	4	94			
→ OTHER COMPANIES	93	137			
TOTAL	1,822	1,076			

6. INVESTMENTS IN SHARES AND LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES - NET						
	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT			
	2002	2001	INVESTMENT		DIVIDEND	
			2002	2001	2002	2001
A. ASSOCIATED COMPANIES AT EQUITY						
CEMENT						
→ AALBORG SIAM WHITE CEMENT PTE., LTD.	50	-	3	-	-	-
			3	-	-	-
PETROCHEMICALS						
→ NATIONAL PETROCHEMICAL PUBLIC COMPANY LIMITED	26	23	4,540	3,954	206	321
→ SIAM STYRENE MONOMER Co., LTD.	50	50	3,170	2,645	-	-
→ SIAM MITSUI PTA Co., LTD.	50	50	2,534	1,675	247	392
→ THAI PLASTIC AND CHEMICAL PUBLIC COMPANY LIMITED	26	26	1,765	1,522	103	40
→ SIAM POLYETHYLENE Co., LTD.	50	50	1,011	428	-	-
→ THAI MMA Co., LTD.	46	46	957	907	205	187
→ SIAM POLYSTYRENE Co., LTD.	50	50	376	367	-	-
→ SIAM SYNTHETIC LATEX Co., LTD.	50	50	316	267	-	-
→ PACIFIC PLASTICS (THAILAND) Co., LTD.	48	48	257	244	-	-
→ GRAND SIAM COMPOSITES Co., LTD.	46	46	241	166	65	46
→ PT. TRANS-PACIFIC PETROCHEMICAL INDOTAMA	20	20	174	174	-	-
→ THAI MFC Co., LTD.	45	45	151	97	-	-
→ PT. SIAM MASPION TERMINAL	50	50	107	81	-	-
→ SD GROUP SERVICE Co., LTD.	49	49	82	82	-	-
→ TIANJIN CEMENTHAI PLASTIC PRODUCTS Co., LTD.	25	25	53	57	-	-
→ OTHERS			48	57	11	10
			15,782	12,723	837	996
PAPER						
→ UNITED PULP AND PAPER Co., INC.	37	37	729	810	-	-
→ THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED	49	-	243	-	-	-
→ SIAM TOPPAN PACKAGING Co., LTD.	49	49	228	191	-	-
→ P&S HOLDING PHILLIPINES	40	40	43	58	-	-
			1,243	1,059	-	-
BUILDING PRODUCTS						
→ THE SIAM GYPSUM INDUSTRY Co., LTD.	29	29	170	10	13	474
→ THE SIAM MOULDING PLASTER Co., LTD.	40	-	49	-	-	-
→ MARIWASA MANUFACTURING., INC.	46	46	297	523	-	-
→ SOSUCO CERAMIC Co., LTD.	45	45	242	222	32	27
→ SIAM SANITARY WARE Co., LTD.	36	36	150	87	-	-
→ THE SIAM SANITARY FITTINGS Co., LTD.	45	45	100	75	-	-
→ OTHERS			58	58	-	-
			1,066	975	45	501
DISTRIBUTION						
→ THAI PROSPERITY TERMINAL Co., LTD.	50	50	65	72	15	17
→ SIAM PULSAWAT LIGHTER Co., LTD.	29	29	18	16	-	-
→ SURVEY MARINE SERVICE Co., LTD.	48	48	18	18	-	-
→ OTHERS			16	19	-	-
			117	125	15	17

	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT						
			INVESTMENT		DIVIDEND				
			2002	2001	2002	2001	2002	2001	
CEMENTHAI HOLDING									
→ SIAM YAMATO STEEL CO., LTD.	46	46	2,533	2,414	-	-			
→ MICHELIN SIAM GROUP CO., LTD.	39	39	1,838	1,667	624	296			
→ SIAM ASAHI TECHNOGLASS CO., LTD.	27	27	1,370	1,028	98	222			
→ THAI CRT CO., LTD.	48	48	1,343	1,528	-	48			
→ MILLENNIUM STEEL PUBLIC COMPANY LIMITED	45	-	1,270	-	-	19			
→ THE SIAM KUBOTA INDUSTRY CO., LTD.	42	42	991	990	175	166			
→ THE DEVES INSURANCE PUBLIC COMPANY LIMITED	21	21	325	319	20	19			
→ MUSASHI AUTO PARTS CO., LTD.	21	21	301	249	13	13			
→ THAI TOKAI CARBON PRODUCT CO., LTD.	22	22	196	163	-	-			
→ THAI ENGINEERING PRODUCTS CO., LTD.	30	30	181	112	7	-			
→ SIAM LEMMERZ CO., LTD.	30	30	177	177	-	-			
→ THE SIAM INDUSTRIAL WIRE CO., LTD.	29	100	111	183	-	-			
→ AISIN TAKAOKA FOUNDRY BANGPAKONG CO., LTD.	30	30	105	113	-	-			
→ SIAM FURUKAWA CO., LTD.	29	69	82	7	-	-			
→ OTHERS			67	55	-	21			
			10,890	9,005	937	804			
CEMENTHAI PROPERTY									
→ NAWA 84 CO., LTD.	25	25	295	295	-	-			
			295	295					
IT ONE CO., LTD.	49	50	41	29	-	-			
OTHERS			-	-	-	89			
			41	29	-	89			
TOTAL INVESTMENTS IN ASSOCIATES			29,437	24,211	1,834	2,407			
B. ASSOCIATED COMPANIES									
AT COST									
PAPER									
→ PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED	-	25	-	1,439	-	-			
			-	1,439	-	-			
C. OTHER COMPANIES									
AT COST									
CEMENT									
→ ASIA CEMENT PUBLIC COMPANY LIMITED	10	10	1,255	1,255	59	-			
→ HOLCIM (BANGLADESH) CO., LTD.	10	10	361	361	4	-			
→ OTHERS			-	17	-	-			
			1,616	1,633	63	-			
PETROCHEMICALS									
→ THAI OLEFINS CO., LTD.	10	13	1,133	1,133	-	-			
→ BANGKOK SYNTHETIC CO., LTD.	18	18	352	352	-	-			
→ PT. TRANS - PACIFIC STYRENE INDONESIA	10	10	31	31	-	-			
→ PT. TRANS - PACIFIC POLYPROPYLENE INDONESIA	10	10	22	22	-	-			
→ OTHERS			18	18	3	3			
			1,556	1,556	3	3			

	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT						
			INVESTMENT		DIVIDEND				
			2002	2001	2002	2001	2002	2001	
BUILDING PRODUCTS									
→ FINFLOOR S.R.L.	10	10	299	299	2	3			
→ YA-HUA BUILDING MATERIAL	20	18	50	50	-	-			
			349	349	2	3			
DISTRIBUTION									
→ ADVANCE PAINT & CHEMICAL (THAILAND) CO., LTD.	7	7	23	23	-	-			
→ OTHERS			5	5	-	-			
			28	28	-	-			
CEMENTHAI HOLDING									
→ TOYOTA MOTOR (THAILAND) CO., LTD.	10	10	881	881	-	-			
→ SIAM TOYOTA MANUFACTURING CO., LTD.	4	4	98	98	-	-			
→ OTHERS			27	46	-	-			
			1,006	1,025	-	-			
OTHERS									
			123	99	-	-			
			4,678	4,690	68	6			
AT FAIR VALUE (AVAILABLE-FOR-SALE)									
→ THE AROMATIC (THAILAND) PUBLIC COMPANY LIMITED	13	13	665	299	-	-			
→ THAI GYPSUM PRODUCTS PUBLIC COMPANY LIMITED	-	4	-	70	-	-			
→ OTHERS			-	-	-	5			
			665	369	-	5			
TOTAL			34,780	30,709	1,902	2,418			
→ LESS ALLOWANCE FOR DECLINE IN VALUE OF INVESTMENTS			381	532	-	-			
TOTAL INVESTMENT IN ASSOCIATED AND OTHER COMPANIES - NET			34,399	30,177	1,902	2,418			
LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES									
→ THE AROMATIC (THAILAND) PUBLIC COMPANY LIMITED			1,225	1,224	-	-			
→ UNITED PULP AND PAPER CO., INC.			161	165	-	-			
→ IT ONE CO., LTD.			9	43	-	-			
→ OTHERS			-	1	-	-			
TOTAL LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES			1,395	1,433	-	-			
TOTAL INVESTMENTS IN SHARES OF AND LONG - TERM LOANS TO ASSOCIATED AND OTHER COMPANIES			35,794	31,610	1,902	2,418			

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 (Close price) in the Stock Exchange as at December 31, 2002, is as follows:

IN MILLION BAHT				
	COST	NET BOOK VALUE OR QUOTED MARKET PRICE (CLOSE PRICE)	ALLOWANCE FOR DECLINE IN VALUE OF INVESTMENTS	UNREALIZED LOSS ON INVESTMENTS IN SECURITIES
→ NON-MARKETABLE	4,678	4,293	(381)	-
→ MARKETABLE	1,162	665	-	(497)
TOTAL	5,840	4,958	(381)	(497)

According to the corporate restructuring plan of the Siam Cement Group, in 2001, the Company and subsidiaries sold its investments in shares of certain affiliated 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., and in 2002, the Company sold its investments in shares of certain affiliated companies such as Siam Iron and Steel (2001) Co., Ltd., Siam Construction Steel Co., Ltd., The Siam Moulding Plaster Co., Ltd., and The Siam Industrial Wire Co., Ltd., etc., and reverse an allowance for decline in value of investment. In addition, the Company solds its parcels of land which is located at Bangkok Research Center (Donmung) and Sanambinnam.

The Company presented gains on investments and assets sold approximately Baht 3,462 million in 2002 and Baht 2,837 million in 2001 net of income tax under the caption of "Gain on investments and assets sold for restructuring and provision for decline in value of investments net of income tax" in the accompanying consolidated statements of income.

7. PROPERTY, PLANT AND EQUIPMENT

IN MILLION BAHT					
	BALANCE AS OF DECEMBER 31, 2001	INCREASE	DECREASE	TRANSFER	BALANCE AS OF DECEMBER 31, 2002
AT COST					
→ LAND AND LAND IMPROVEMENTS	13,486	556	1,183	144	13,003
→ BUILDINGS AND STRUCTURES	24,839	1,165	2,500	126	23,630
→ PLANT MACHINERY AND EQUIPMENT	133,500	11,076	10,127	1,301	135,750
→ TRANSPORTATION EQUIPMENT	3,088	194	132	27	3,177
→ FURNITURE, FIXTURES AND OFFICE EQUIPMENT	3,991	166	348	66	3,875
→ OTHER DEPRECIABLE ASSETS	401	25	24	(2)	400
→ CONSTRUCTION IN PROGRESS	2,039	1,976	295	(1,652)	2,068
→ ADVANCES FOR PURCHASES OF LAND, MACHINERY AND EQUIPMENT	12	77	4	(10)	75
TOTAL	181,356	15,235	14,613	-	181,978
LESS ACCUMULATED DEPRECIATION					
→ LAND IMPROVEMENTS	3,504	453	274	-	3,683
→ BUILDINGS AND STRUCTURES	10,424	1,073	1,147	1	10,351
→ PLANT MACHINERY AND EQUIPMENT	82,566	10,851	7,083	19	86,353
→ TRANSPORTATION EQUIPMENT	2,679	243	67	(1)	2,854
→ FURNITURE, FIXTURES AND OFFICE EQUIPMENT	3,258	343	281	(19)	3,301
→ OTHER DEPRECIABLE ASSETS	395	8	27	-	376
TOTAL ACCUMULATED DEPRECIATION	102,826	12,971	8,879	-	106,918
ACCUMULATED IMPAIRMENT LOSSES	42	-	6	-	36
TOTAL ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	102,868	12,971	8,885	-	106,954
PROPERTY, PLANT AND EQUIPMENT - NET	78,488	2,264	5,728	-	75,024

Interest and other related financial charges incurred in 2002 and 2001 amounting to Baht 14 million and Baht 87 million, respectively, were capitalized as part of the cost of constructing new plant facilities.

Depreciation expense amounted to Baht 9,194 million in 2002 and Baht 9,624 million in 2001.

The cost of machinery and equipment held under financial leases was Baht 2,208 million and has a net book value of Baht 2,190 million as at December 31, 2002.

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 1 million in 2002 and Baht 12 million in 2001.

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, 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 (fair value basis) 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.

As at December 31, 2002, 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 7,990 million.

- Buildings, machinery and equipment - at appraised value (fair value basis) reported by an independent appraiser dated January 9, 2003, with a revaluation surplus of Baht 57,572 million as at December 31, 2002, consisting of Baht 5,117 million for buildings and Baht 52,455 million for machinery and equipment.

8. OTHER ASSETS

IN MILLION BAHT		
	2002	2001
→ DEFERRED INCOME TAX – NET	12,350	16,075
→ DEPOSITS, CLAIMS AND DEFERRED CHARGES – NET	1,870	2,251
→ LAND, BUILDING AND LAND IMPROVEMENTS NOT USED IN OPERATIONS - NET OF ACCUMULATED DEPRECIATION ON IMPROVEMENTS	1,283	1,532
→ EXCESS OF COST OVER NET BOOK VALUE OF INVESTMENTS IN NET ASSETS - NET	1,117	1,572
→ OTHERS	1,360	906
TOTAL	17,980	22,336

Amortization of deferred charges were Baht 693 million in 2002 and Baht 747 million in 2001.

9. BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS

IN MILLION BAHT		
	2002	2001
→ BANK OVERDRAFTS	227	701
→ LOANS	2,878	6,665
→ NOTES PAYABLE	6,228	2,300
→ ACCEPTANCES PAYABLES AND LIABILITIES UNDER TRUST RECEIPTS	58	149
TOTAL	9,391	9,815

In 2002, the Company and subsidiaries have overdraft lines with several banks amounted to approximately Baht 5,200 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 trusted 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 two (2) funds amounted to approximately Baht 344 million and Baht 405 million in 2002 and 2001, respectively.

11. LONG-TERM DEBT

	IN MILLION BAHT	
	2002	2001
→ DEFERRED PAYMENT PLANS	3,619	4,619
→ FINANCIAL LEASE LIABILITIES	2,212	-
→ LOANS	23,954	42,066
TOTAL	29,785	46,685
LESS: CURRENT PORTION DUE WITHIN ONE YEAR		
→ LOANS	8,207	8,260
→ FINANCIAL LEASE LIABILITIES	609	-
LONG-TERM DEBT - NET	20,969	38,425

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 4.78% p.a..

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

FINANCE LEASE

In 2002, six (6) subsidiaries entered into leased machinery and equipment agreements. Lease terms are for a period of 3 years. Finance leases liabilities as at December 31, 2002 were Baht 2,212 million.

	IN MILLION BAHT
REPRESENTING FINANCE LEASE LIABILITIES	
→ NEXT 1 YEAR	609
→ OVER 1 YEAR THROUGH 3 YEARS	1,603
	2,212

Lease payments commitment (including interest) for the above finance leases are as follows:

	IN MILLION BAHT
→ NEXT 1 YEAR	717
→ OVER 1 YEAR THROUGH 3 YEARS	1,721
TOTAL MINIMUM LEASE OBLIGATIONS	2,438

12. DEBENTURES

As at December 31, 2002, the Company and subsidiary issued unsubordinated and unsecured debentures totalling Baht 92,500 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	1,033
No. 2/1999	8,800	10.5% P.A.	5 YEARS	APRIL 1, 2004	1,119
No. 3/1999	12,000	8.0% P.A.	3.5 YEARS	APRIL 1, 2003	1,014
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	1,058
No. 6/1999	6,000	8.75% P.A.	5 YEARS	NOVEMBER 1, 2004	1,116
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	1,094
No. 1/2002	7,500	4.5% P.A.	3 YEARS	OCTOBER 1, 2005	1,040
DEBENTURES - THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED					
No. 1/2001	5,000	5.50% P.A.	3 YEARS	OCTOBER 1, 2004	1,045
No. 2/2001	5,000	6.50% P.A.	5 YEARS	OCTOBER 1, 2006	1,122
	10,000				
TOTAL	92,500				
LESS:					
DEBENTURES HELD BY SUBSIDIARY	2,045				
NET	90,455				
LESS: CURRENT PORTION	17,537				
NET	72,918				

* 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, 2002.

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, 2002, 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	
	2002	2001
→ MANAGEMENT FEE INCOME	436	319
→ GAIN ON SCRAP SOLD AND OTHERS	397	810
→ RENTAL INCOME	130	127
→ INTEREST INCOME FROM FINANCIAL INSTITUTIONS	89	257
→ GAIN ON FIXED ASSETS SOLD	86	117
→ INCOME FROM DELAY PAYMENT	73	64
→ IMPORT SERVICE INCOME	71	128
→ DIVIDEND INCOME FROM OTHER COMPANIES	68	11
→ OTHERS	521	456
TOTAL	1,871	2,289

15. ADMINISTRATIVE EXPENSES

	IN MILLION BAHT	
	2002	2001
→ SALARY AND WAGES	3,899	3,505
→ AMORTIZATION OF EXCESS OF COST	504	592
→ DEPRECIATION AND AMORTIZATION EXPENSE	492	546
→ BAD DEBT	427	56
→ PROFESSIONAL FEES	299	192
→ PER DIEM AND TRAVELLINGS	297	267
→ OUTSIDE WAGES	245	262
→ LICENSE FEES AND OTHER FEES	238	247
→ COMMUNICATION AND TRANSPORTATION	215	227
→ EMPLOYEE TRAINING AND DEVELOPMENT	176	165
→ EARLY RETIREMENT EXPENSE	174	412
→ REPAIR AND MAINTENANCE	164	148
→ STAFF WELFARE	139	155
→ OTHERS	473	359
TOTAL	7,742	7,133

16. DIRECTOR FEE

Director fee represents the remuneration under the articles of the Company, paid to the directors of The Siam Cement Public Company Limited.

17. INTEREST EXPENSE AND FINANCIAL CHARGES

	IN MILLION BAHT	
	2002	2001
→ INTEREST - LOANS LOCAL	8,758	9,420
→ INTEREST - LOANS ABROAD	1,132	1,972
→ INTEREST - PROVIDENT FUND	75	95
→ LOSS (GAIN) ON EXCHANGE RATE	73	(330)
TOTAL	10,038	11,157

18. INCOME TAX

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

	IN MILLION BAHT	
	2002	2001
→ CORPORATE INCOME TAX PAYABLE FOR THE YEAR	1,172	837
→ DEFERRED INCOME TAX - NET	1,347	931
PROVISION FOR INCOME TAX	2,519	1,768

19. AGREEMENTS

As at December 31, 2002:

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, 2002, 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 2002 and 2001. 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.

20. SEGMENT INFORMATION

The Company operates in five reportable business segments which are organized by similar products and services: cement, petrochemicals, paper, building products 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, gypsum boards, 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 Cementai Holding. The property business is presented in the Cementai 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.

Information relating to industry segments for the year 2002 as compared with 2001 are as follows:

	IN MILLION BAHT					
	TOTAL ASSETS		NET SALES		TOTAL EBITDA (1)	
	2002	2001	2002	2001	2002	2001
TOTAL CONSOLIDATED	235,644	235,981	128,201	120,353	31,403	34,511
BUSINESS GROUP						
→ CEMENT	65,630	60,928	27,269	24,183	8,577	7,613
→ PETROCHEMICALS	64,122	59,132	42,394	38,152	6,457	6,443
→ PAPER (3)	44,443	35,982	29,305	26,995	9,536	8,194
→ BUILDING PRODUCTS	22,592	23,400	16,129	13,046	3,728	3,108
→ DISTRIBUTION	7,144	8,072	52,191	53,326	1,214	1,268
→ CEMENTHAI HOLDING	13,082	20,443	-	6,599	930	5,248
→ CEMENTHAI PROPERTY	6,273	5,929	513	206	265	17

	IN MILLION BAHT					
	OPERATING INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS (2)		NET INCOME (LOSS)		DEPRECIATION AND AMORTIZATION	
	2002	2001	2002	2001	2002	2001
TOTAL CONSOLIDATED	11,142	4,797	14,604	7,634	9,876	10,372
BUSINESS GROUP						
→ CEMENT	1,546	859	2,006	859	2,624	2,764
→ PETROCHEMICALS	5,256	2,611	5,285	2,611	2,545	2,210
→ PAPER	4,079	3,274	4,079	3,272	2,859	2,587
→ BUILDING PRODUCTS	1,443	422	1,521	410	960	1,162
→ DISTRIBUTION	586	680	586	680	145	138
→ CEMENTHAI HOLDING	2,278	1,235	5,148	2,417	-	563
→ CEMENTHAI PROPERTY	(50)	(149)	(50)	(149)	38	122

(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) Includes the assets revaluation surplus (in case of excluding the assets revaluation surplus, total assets will be Baht 28,720 million and Baht 25,844 million as at December 31, 2002 and December 31, 2001, respectively).

21. OPERATIONS OF BUSINESS GROUP

BUSINESS GROUP (IN MILLION BAHT)

	BUSINESS GROUP (IN MILLION BAHT)							
	CEMENT		PETROCHEMICALS		PAPER		BUILDING PRODUCTS	
	2002	2001	2002	2001	2002	2001	2002	2001
INFORMATION FROM BALANCE SHEETS								
→ CURRENT ASSETS	6,145	4,865	12,448	10,445	9,937	9,397	6,620	5,388
→ INVESTMENTS IN SHARES OF AND LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES – NET	3,617	4,637	17,882	14,537	1,403	2,663	1,366	1,590
→ PROPERTY, PLANT AND EQUIPMENT-NET	47,016	47,815	27,749	29,646	16,941	13,126	6,575	7,835
→ ASSETS REVALUATION SURPLUS	5,006	1,310	3,963	2,181	15,723	10,138	6,957	7,023
→ OTHER ASSETS	3,846	2,301	2,080	2,323	439	658	1,074	1,564
TOTAL ASSETS	65,630	60,928	64,122	59,132	44,443	35,982	22,592	23,400
→ SHORT TERM LOAN	36,349	43,243	12,288	13,566	678	772	7,253	7,676
→ CURRENT LIABILITIES	2,620	4,780	4,637	2,569	2,140	1,842	2,873	1,989
→ LONG TERM LOAN	701	150	15,635	15,761	10,712	12,633	461	1,568
→ OTHER LIABILITIES	715	235	1,753	1,029	81	54	405	294
TOTAL LIABILITIES	40,385	48,408	34,313	32,925	13,611	15,301	10,992	11,527
→ TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTEREST IN SUBSIDIARIES	25,245	12,520	29,809	26,207	30,832	20,681	11,600	11,873
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	65,630	60,928	64,122	59,132	44,443	35,982	22,592	23,400

BUSINESS GROUP (IN MILLION BAHT)

	BUSINESS GROUP (IN MILLION BAHT)					
	DISTRIBUTION		CEMENTHAI HOLDING		CEMENTHAI PROPERTY	
	2002	2001	2002	2001	2002	2001
INFORMATION FROM BALANCE SHEETS						
→ CURRENT ASSETS	4,858	6,006	1,352	4,509	4,980	4,974
→ INVESTMENTS IN SHARES OF AND LONG-TERM LOANS TO ASSOCIATED AND OTHER COMPANIES - NET	124	132	11,715	9,826	295	295
→ PROPERTY, PLANT AND EQUIPMENT - NET	1,138	1,230	8	2,379	648	369
→ ASSETS REVALUATION SURPLUS	280	259	-	2,940	-	-
→ OTHER ASSETS	744	445	7	789	350	291
TOTAL ASSETS	7,144	8,072	13,082	20,443	6,273	5,929
→ SHORT TERM LOAN	1,910	2,407	8,042	11,286	5,023	269
→ CURRENT LIABILITIES	4,639	4,680	220	615	227	180
→ LONG TERM LOAN	-	12	-	-	-	-
→ OTHER LIABILITIES	64	78	15	101	-	-
TOTAL LIABILITIES	6,613	7,177	8,277	12,002	5,250	449
→ TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTEREST IN SUBSIDIARIES	531	895	4,805	8,441	1,023	5,480
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	7,144	8,072	13,082	20,443	6,273	5,929

BUSINESS GROUP (IN MILLION BAHT)

	BUSINESS GROUP (IN MILLION BAHT)							
	CEMENT		PETROCHEMICALS		PAPER		BUILDING PRODUCTS	
	2002	2001	2002	2001	2002	2001	2002	2001
INFORMATION FROM STATEMENTS OF INCOME								
→ NET SALES	27,269	24,183	42,394	38,152	29,305	26,995	16,129	13,046
→ COST OF SALES	(19,751)	(17,067)	(37,900)	(33,938)	(19,651)	(19,259)	(10,997)	(9,386)
GROSS MARGIN	7,518	7,116	4,494	4,214	9,654	7,736	5,132	3,660
→ OPERATING EXPENSES	(2,444)	(2,434)	(1,751)	(1,454)	(3,073)	(2,243)	(2,682)	(2,368)
INCOME (LOSS) FROM OPERATION BEFORE INTEREST EXPENSE AND INCOME TAX	5,074	4,682	2,743	2,760	6,581	5,493	2,450	1,292
→ INTEREST EXPENSE AND FINANCIAL CHARGES	(3,008)	(3,446)	(1,295)	(777)	(994)	(910)	(552)	(777)
→ OTHER INCOME	219	169	327	477	96	126	150	185
INCOME (LOSS) BEFORE INCOME TAX	2,285	1,405	1,775	2,460	5,683	4,709	2,048	700
→ INCOME TAX	(736)	(547)	(215)	(451)	(1,061)	(1,178)	(491)	(362)
INCOME (LOSS) AFTER INCOME TAX	1,549	858	1,560	2,009	4,622	3,531	1,557	338
→ MINORITY INTEREST IN INCOME	(2)	1	556	(684)	(487)	(99)	(232)	25
→ EQUITY IN INCOME (LOSS) OF ASSOCIATED COMPANIES	(1)	-	3,140	1,286	(56)	(158)	118	79
INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD AND OTHERS	1,546	859	5,256	2,611	4,079	3,274	1,443	442
→ GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD AND OTHERS*	460	-	29	-	-	(2)	78	(32)
NET INCOME (LOSS)	2,006	859	5,285	2,611	4,079	3,272	1,521	410

BUSINESS GROUP (IN MILLION BAHT)

	BUSINESS GROUP (IN MILLION BAHT)					
	DISTRIBUTION		CEMENTHAI HOLDING		CEMENTHAI PROPERTY	
	2002	2001	2002	2001	2002	2001
INFORMATION FROM STATEMENTS OF INCOME						
→ NET SALES	52,191	53,326	-	6,599	513	206
→ COST OF SALES	(47,158)	(48,356)	-	(6,272)	(258)	(230)
GROSS MARGIN	5,033	4,970	-	327	255	(24)
→ OPERATING EXPENSES	(4,328)	(4,163)	(65)	(537)	(171)	(86)
INCOME (LOSS) FROM OPERATION BEFORE INTEREST EXPENSE AND INCOME TAX	705	807	(65)	(210)	84	(110)
→ INTEREST EXPENSE AND FINANCIAL CHARGES	(167)	(95)	(273)	(614)	(312)	(52)
→ OTHER INCOME	349	306	41	561	143	5
INCOME (LOSS) BEFORE INCOME TAX	887	1,018	(297)	(263)	(85)	(157)
→ INCOME TAX	(305)	(299)	118	(80)	39	15
INCOME (LOSS) AFTER INCOME TAX	582	719	(179)	(343)	(46)	(142)
→ MINORITY INTEREST IN INCOME	(1)	1	(1)	(1)	(4)	1
→ EQUITY IN INCOME (LOSS) OF ASSOCIATED COMPANIES	5	(40)	2,458	1,579	-	(8)
INCOME (LOSS) BEFORE GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD AND OTHERS	586	680	2,278	1,235	(50)	(149)
→ GAIN (LOSS) ON INVESTMENTS AND ASSETS SOLD AND OTHERS*	-	-	2,870	1,182	-	-
NET INCOME (LOSS)	586	680	5,148	2,417	(50)	(149)

* Gain (loss) on investments and assets sold and others represent gain (loss) on investments and assets sold for restructuring and provision for decline in value of investment net of income tax.

22. 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.

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 interests 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, 2002 and 2001.

IN MILLION BAHT

CURRENCY	SHORT-TERM		LONG-TERM		TOTAL	
	2002	2001	2002	2001	2002	2001
→ BAHT	34,531	32,055	93,828	121,522	128,359	153,577
→ FOREIGN	1,538	1,925	59	547	1,597	2,472
TOTAL	36,069	33,980	93,887	122,069	129,956	156,049

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, 2002, the Company and subsidiaries have financial derivatives aged as follows:

CONTRACT AMOUNT (IN MILLION BAHT)

	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
→ US. DOLLARS	7,671	3,735	11,406
→ JAPANESE YEN	3,560	2,876	6,436
→ EURO	2,733	131	2,864
TOTAL	13,964	6,742	20,706

In managing foreign exchange risk, the Company and subsidiaries obtained more Baht loans up to 99% of total borrowings as at the end of 2002 and 98% as at the end of 2001. Furthermore, the Company and subsidiaries also have adequate export and other income in foreign currencies to reduce impact of exchange rate fluctuation.

23. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, the Company and subsidiaries have:

IN MILLION BAHT

	2002	2001
a) CONTINGENT LIABILITIES FOR		
-GUARANTEES ON LOANS OF RELATED COMPANIES	14,522	9,708
-BANK GUARANTEE ISSUED BY BANKS TO GOVERNMENT AGENCIES	1,062	529
b) UNUSED LETTER OF CREDIT	189	404
c) COMMITMENT FOR PURCHASE OF RAW MATERIAL CONTRACTS	2,200	1,756

d) Contingent liability arising from assessment of valued added tax and special business tax totalling of Baht 202 million, 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.

24. SUBSEQUENT EVENTS

At Board of Directors' meeting of The Siam Pulp and Paper Public Company Limited held on January 28, 2003, the Board of Directors passed the following resolutions:

- To submit for consideration at the ordinary shareholders' meeting for delisting shares of the Company from The Stock Exchange of Thailand.
- To purchase 100 million newly issued shares of Thai Cane Paper Public Company Limited at Baht 1,000 million.

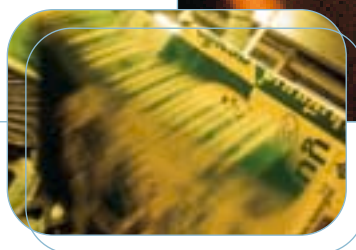
25. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2001 were reclassified to conform with those in the 2002 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, 2002 and 2001, and the related statements of income, changes in shareholders' equity, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

(Methee Ratanasrimetha)
C.P.A. (Thailand)
Registration No. 3425

Bangkok
February 7, 2003

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

DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

ASSETS	NOTES	2002	2001
CURRENT ASSETS			
→ CASH ON HAND AND AT BANKS		878,869	3,859,361
→ ACCOUNTS RECEIVABLE - TRADE - NET	3	-	-
→ RECEIVABLES FROM AND LOANS TO AFFILIATED COMPANIES	1,4	65,702,635	73,687,385
→ ADVANCE FOR SHARE SUBSCRIPTION - SUBSIDIARIES		252,218	253,066
→ CURRENT PORTION OF SWAP CONTRACT RECEIVABLES		94,114	101,989
→ CURRENT PORTION OF LONG-TERM RECEIVABLES		179,737	283,031
→ OTHER CURRENT ASSETS		55,057	83,612
TOTAL CURRENT ASSETS		67,162,630	78,268,444
LONG-TERM RECEIVABLES - NET		662,834	886,164
LONG-TERM SWAP CONTRACT RECEIVABLES - NET		141,171	235,286
INVESTMENTS IN SHARES AND LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES - NET	5	100,887,656	87,673,550
PROPERTY, PLANT AND EQUIPMENT - AT COST - NET	6	2,840,955	2,645,094
ASSETS REVALUATION SURPLUS	6	6,525,637	7,611,938
OTHER ASSETS	7	4,397,955	4,362,238
TOTAL ASSETS		182,618,838	181,682,714

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

		IN THOUSAND BAHT	
LIABILITIES AND SHAREHOLDERS' EQUITY	NOTES	2002	2001
CURRENT LIABILITIES			
→ BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	8	4,916,986	1,422,079
→ ACCOUNTS PAYABLE - TRADE		41,328	64,711
→ CURRENT PORTION OF LONG-TERM DEBT	10	4,977,558	3,243,096
→ CURRENT PORTION OF DEBENTURES	12	18,000,000	15,000,000
→ PAYABLES TO AND LOANS FROM AFFILIATED COMPANIES	1, 4	3,828,063	3,533,339
→ ACCRUED INTEREST EXPENSE		1,682,219	1,842,037
→ ACCRUED EXPENSES		30,816	393,044
→ OTHER CURRENT LIABILITIES		191,427	217,932
TOTAL CURRENT LIABILITIES		33,668,397	25,716,238
PROVIDENT FUND	9	6,774	8,680
LONG-TERM LOAN FROM SUBSIDIARY COMPANY	1, 4	-	150,000
LONG-TERM DEBT - NET OF CURRENT PORTION	10	8,642,977	23,254,277
DEBENTURES - NET OF CURRENT PORTION	12	64,500,000	75,000,000
OTHER LIABILITIES	9	187,668	253,574
TOTAL LIABILITIES		107,005,816	124,382,769
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	6,525,637	7,611,938
→ UNREALIZED LOSS ON INVESTMENT IN SECURITIES	5	(496,779)	(862,681)
→ EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES		47,651,710	29,148,888
RETAINED EARNINGS			
APPROPRIATED			
→ RESERVE FUND	13	120,000	120,000
→ GENERAL RESERVE		10,140,000	10,105,000
UNAPPROPRIATED			
- FROM OPERATION OF THE COMPANY		10,472,454	9,976,800
TOTAL SHAREHOLDERS' EQUITY		75,613,022	57,299,945
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		182,618,838	181,682,714

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.


STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

	NOTES	2002	2001
REVENUES			
→ INTELLECTUAL PROPERTY INCOME	1, 4	1,686,421	1,626,626
→ MANAGEMENT INCOME	1, 4	1,394,622	1,224,433
→ OTHER INCOME	14	297,220	301,658
TOTAL REVENUES		3,378,263	3,152,717
EXPENSES			
→ ADMINISTRATIVE EXPENSES	4, 15	359,961	531,126
→ DIRECTOR FEE		32,430	17,428
→ INTEREST EXPENSE AND FINANCIAL CHARGES - NET	4, 16	3,452,690	4,516,885
TOTAL EXPENSES		3,845,081	5,065,439
LOSS BEFORE INCOME TAX		(466,818)	(1,912,722)
→ INCOME TAX	17	(125,964)	(532,944)
LOSS FROM OPERATIONS		(340,854)	(1,379,778)
→ EQUITY IN EARNINGS OF SUBSIDIARIES AND ASSOCIATED COMPANIES - NET		13,629,587	6,821,763
INCOME BEFORE EFFECTS OF INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS		13,288,733	5,441,985
→ GAIN ON INVESTMENTS AND ASSETS SOLD FOR RESTRUCTURING AND PROVISION FOR DECLINE IN VALUE OF INVESTMENTS - NET OF INCOME TAX	5, 6	1,314,989	2,192,189
NET INCOME		14,603,722	7,634,174
BASIC EARNINGS PER SHARE (IN BAHT)		121.70	63.62


STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
IN THOUSAND BAHT

	2002	2001
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	7,611,938	8,412,552
→ ADDITION	-	-
→ DEDUCTION	(1,086,301)	(800,614)
→ ENDING BALANCE	6,525,637	7,611,938
UNREALIZED LOSS ON INVESTMENT ON SECURITIES		
→ BEGINNING BALANCE	(862,681)	(895,268)
→ ADDITION	365,902	32,587
→ DEDUCTION	-	-
→ ENDING BALANCE	(496,779)	(862,681)
EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES		
FROM CHANGE IN PERCENTAGE OF HOLDINGS		
→ BEGINNING BALANCE	488,287	488,412
→ ADDITION	-	-
→ DEDUCTION	-	(125)
→ ENDING BALANCE	488,287	488,287
FROM REVALUATION SURPLUS IN PROPERTY		
→ BEGINNING BALANCE	51,628,428	56,107,716
→ ADDITION	5,698,895	-
→ DEDUCTION	-	(4,479,288)
→ ENDING BALANCE	57,327,323	51,628,428
FROM UNREALIZED GAIN (LOSS) ON INVESTMENTS IN SECURITIES		
→ BEGINNING BALANCE	(69,775)	(54,268)
→ ADDITION	100,900	-
→ DEDUCTION	-	(15,507)
→ ENDING BALANCE	31,125	(69,775)

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

IN THOUSAND BAHT

	2002	2001
FROM ACCUMULATED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		
→ BEGINNING BALANCE	(199,503)	(207,977)
→ ADDITION	-	8,474
→ DEDUCTION	(205,041)	-
→ ENDING BALANCE	(404,544)	(199,503)
FROM OPERATIONS OF SUBSIDIARIES AND ASSOCIATED COMPANIES		
→ BEGINNING BALANCE	(22,698,549)	(22,383,254)
→ ADDITION	13,629,587	6,821,763
→ DEDUCTION	(721,519)	(7,137,058)
→ ENDING BALANCE	(9,790,481)	(22,698,549)
TOTAL EQUITY IN SUBSIDIARIES AND ASSOCIATED COMPANIES	47,651,710	29,148,888
APPROPRIATED RETAINED EARNINGS		
RESERVE FUND		
→ BEGINNING BALANCE	120,000	120,000
→ ADDITION	-	-
→ DEDUCTION	-	-
→ ENDING BALANCE	120,000	120,000
GENERAL RESERVE		
→ BEGINNING BALANCE	10,105,000	10,062,000
→ ADDITION	35,000	43,000
→ DEDUCTION	-	-
→ ENDING BALANCE	10,140,000	10,105,000
UNAPPROPRIATED		
FROM OPERATION OF THE COMPANY		
→ BEGINNING BALANCE	9,976,800	2,027,330
→ ADDITION	1,695,654	7,949,470
→ DEDUCTION	(1,200,000)	-
→ ENDING BALANCE	10,472,454	9,976,800
TOTAL SHAREHOLDERS' EQUITY	75,613,022	57,299,945

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

IN THOUSAND BAHT

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
→ NET INCOME	14,603,722	7,634,174
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH		
PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
→ UNREALIZED LOSS (GAIN) ON FOREIGN CURRENCY EXCHANGE	156,572	(278,097)
→ DEPRECIATION AND AMORTIZATION	246,057	362,888
→ PROVISION FOR (REVERSAL OF) DECLINE IN VALUE OF INVESTMENTS - NET	(139,684)	18,476
→ REVERSAL OF PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS	(463,958)	-
→ GAIN ON SALES OF FIXED ASSETS	(79,091)	(60,917)
→ GAIN ON SALES OF INVESTMENTS AND ASSETS FOR RESTRUCTURING - NET	(711,347)	(2,210,665)
→ EQUITY IN EARNINGS OF SUBSIDIARIES AND ASSOCIATED COMPANIES	(13,629,587)	(6,821,763)
→ DEFERRED INCOME TAX - NET	(125,964)	(532,944)
NET INCOME BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	(143,280)	(1,888,848)
DECREASE (INCREASE) IN OPERATING ASSETS:		
→ RECEIVABLES FROM AFFILIATED COMPANIES	1,212,612	6,733,046
→ OTHER CURRENT ASSETS	36,430	(197,983)
→ OTHER ASSETS	(62,390)	(308,471)
NET DECREASE IN OPERATING ASSETS	1,186,652	6,226,592
INCREASE (DECREASE) IN OPERATING LIABILITIES:		
→ ACCOUNTS PAYABLE - TRADE	(23,384)	(11,173)
→ PAYABLES TO AFFILIATED COMPANIES	(129,607)	43,638
→ OTHER CURRENT LIABILITIES	(193,186)	(33,826)
→ PROVISION FOR PROVIDENT FUND - NET	(1,906)	(5,952)
NET DECREASE IN OPERATING LIABILITIES	(348,083)	(7,313)
NET CASH PROVIDED BY OPERATING ACTIVITIES	695,289	4,330,431

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

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

IN THOUSAND BAHT

	2002	2001
CASH FLOWS FROM INVESTING ACTIVITIES:		
INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES	(774,524)	(2,029,289)
DIVIDEND INCOME FROM SUBSIDIARIES AND ASSOCIATED COMPANIES	3,339,834	3,586,532
ADVANCE FOR SHARE SUBSCRIPTION - SUBSIDIARIES	849	15,515
PROCEEDS FROM SALES OF INVESTMENTS AND ASSETS FOR RESTRUCTURING	4,434,943	17,092,493
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(835,543)	(25,579)
PROCEEDS FROM SALES OF FIXED ASSETS	295,323	160,620
PAYMENTS RECEIVED ON (ADDITION TO) LOANS TO AFFILIATED COMPANIES	7,847,845	(2,732,200)
NET CASH PROVIDED BY INVESTING ACTIVITIES	14,308,727	16,068,092
CASH FLOWS FROM FINANCING ACTIVITIES:		
BORROWINGS		
→ BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS	3,494,907	(2,860,286)
→ REPAYMENTS OF LONG-TERM DEBT	(34,480,628)	(13,606,759)
→ PROCEEDS FROM LONG-TERM DEBT	21,446,696	716,600
→ PROCEEDS FROM (REPAYMENT OF) LOANS FROM AFFILIATED COMPANIES	301,531	(1,798,169)
→ REDEMPTION OF DEBENTURES	(7,500,000)	-
NET BORROWINGS DECREASE	(16,737,494)	(17,548,614)
CASH DIVIDEND	(1,200,000)	-
OTHER LIABILITIES	(47,014)	(70,495)
NET CASH USED IN FINANCING ACTIVITIES	(17,984,508)	(17,619,109)
NET INCREASE (DECREASE) IN CASH ON HAND AND AT BANKS	(2,980,492)	2,779,414
CASH ON HAND AND AT BANKS AT BEGINNING OF YEAR	3,859,361	1,079,947
CASH ON HAND AND AT BANKS AT END OF YEAR	878,869	3,859,361
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH PAID DURING THE YEAR		
→ INTEREST EXPENSE	8,509,580	9,643,053
→ INCOME TAX	-	-

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

DECEMBER 31, 2002 AND 2001

1. BASIS FOR FINANCIAL STATEMENTS

1.1 GENERAL

The Siam Cement Public Company Limited is the parent company of The Siam Cement Group, listed in 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 core business segments: Cement, Petrochemicals, Paper, Building Products, Distribution and other businesses under Cemen Thai Holding Co., Ltd. and Cemen Thai Property (2001) Public Company Limited.

1.2 BASIS FOR FINANCIAL STATEMENT PRESENTATION

Significant intercompany transactions with subsidiaries and associated companies in 2002 and 2001 are as follows:

	IN MILLION BAHT		
	2002	2001	PRICING POLICY
→ INTELLECTUAL PROPERTY INCOME, MANAGEMENT INCOME, SERVICES AND OTHERS	3,242	2,957	MAINLY BASED ON PERCENTAGE OF NET SALES
→ PURCHASE LAND	802	-	MARKET PRICE
→ GAIN ON ASSETS SOLD	588	5	MARKET PRICE
→ INTEREST INCOME	4,931	5,169	CONTRACT RATE
→ INTEREST EXPENSE	54	93	CONTRACT RATE

The Company presents interest expense and financial charges Baht 8,384 million net of interest income from related companies Baht 4,931 million in the statement of income for the year ended December 31, 2002 and interest expense and financial charges Baht 9,686 million net of interest income from related companies Baht 5,169 million in the statement of income for the year ended December 31, 2001.

No purchases, sales, guarantees and commitment have been made with any individual related party who may have 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, management income and service 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 classified as available-for-sale and carried at their fair value.

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 and 2002, 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 carryforwards 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 2002 and 2001).

3. ACCOUNTS RECEIVABLE - TRADE - NET

	IN MILLION BAHT	
	2002	2001
ACCOUNTS RECEIVABLE-TRADE	125	130
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	125	130
NET	-	-

As at December 31, 2002 and 2001, the Company has long outstanding accounts receivable aged as follows:

	IN MILLION BAHT	
	2002	2001
OVER 1 YEAR	125	130
TOTAL	125	130

As at December 31, the Company provided the allowances for doubtful accounts in the amount of approximately Baht 125 million in 2002 and Baht 130 million in 2001 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	
	2002	2001
RECEIVABLES AND LOANS		
CURRENT ACCOUNTS		
→ CEMENTHAI CERAMIC (SINGAPORE) PTE. LTD.	286	-
→ CEMENTHAI SALES AND MARKETING Co., LTD.	238	220
→ CEMENTHAI CHEMICALS Co., LTD.	93	11
→ THE SIAM CEMENT (TA LUANG) Co., LTD.	89	77
→ THAI POLYETHYLENE Co., LTD.	88	76
→ THE SIAM CEMENT (THUNG SONG) Co., LTD.	81	129
→ SCT Co., LTD.	77	103
→ SIAM CEMENT INDUSTRY Co., LTD.	58	1,543
→ THE SIAM CEMENT (KAENG KHOI) Co., LTD.	57	132
→ THE SIAM FIBRE - CEMENT Co., LTD.	45	19
→ THE CONCRETE PRODUCTS AND AGGREGATE Co., LTD.	38	28
→ THAI CERAMIC Co., LTD.	28	22
→ OTHERS COMPANIES	349	379
	1,527	2,739

IN MILLION BAHT

NOTES RECEIVABLE

→ SIAM CEMENT INDUSTRY Co., LTD.	32,133	43,203
→ CEMENTHAI HOLDING Co., LTD.	10,980	5,368
→ CEMENTHAI CHEMICALS Co., LTD.	6,718	5,500
→ CEMENTHAI PROPERTY (2001) PUBLIC COMPANY LIMITED (FORMERLY SIAM TYRE PUBLIC COMPANY LIMITED)	4,824	3,307
→ THE SIAM FIBRE - CEMENT Co., LTD.	4,014	1,425
→ BANGSUE MANAGEMENT Co., LTD.	2,108	1,568
→ CEMENTHAI DISTRIBUTION Co., LTD.	1,643	1,441
→ CEMENTHAI CERAMICS Co., LTD.	1,520	1,430
→ IT ONE Co., LTD.	34	34
→ SIAM CONSTRUCTION STEEL Co., LTD.	-	2,610
→ SIAM IRON AND STEEL (2001) Co., LTD.	-	1,802
→ CEMENTHAI BUILDING PRODUCTS Co., LTD.	-	944
→ SIAM NAWALOHA FOUNDRY Co., LTD.	-	875
→ SIAM FIBERGLASS Co., LTD.	-	401
→ SCT Co., LTD.	-	270
→ THE SIAM REFRACTORY INDUSTRY Co., LTD.	-	180
→ SIAM NAWAPHAN Co., LTD.	-	155
→ RIL 1996 Co., LTD.	-	108
→ RAYONG INDUSTRIAL LAND Co., LTD.	-	46
→ OTHER COMPANIES	2	81
	63,976	70,748

SHORT - TERM LOANS TO SUBSIDIARIES

→ SIAM CEMENT INDUSTRY Co., LTD.	150	-
→ THAI CERAMIC ROOF TILE Co., LTD.	50	-
→ CEMENTHAI CHEMICALS Co., LTD.	-	200
	200	200
TOTAL	65,703	73,687

IN MILLION BAHT

PAYABLES AND LOANS

CURRENT ACCOUNTS	160	289
NOTES PAYABLE		
→ THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED	1,784	1,000
→ CEMENTHAI GYPSUM (SINGAPORE) PTE., LTD.	278	41
→ THE CPAC ROOF TILE Co., LTD.	140	-
→ CEMENTHAI CONCRETE PRODUCTS (SINGAPORE) PTE., LTD.	118	121
→ MILLENNIUM STEEL PUBLIC COMPANY LIMITED	106	-
→ THE THAI WANAPHAN Co., LTD.	75	35
→ CEMENTHAI MANAGEMENT SERVICES Co., LTD.	42	187
→ THE SIAM KUBOTA INDUSTRY Co., LTD.	-	820
→ OTHERS COMPANIES	65	109
	2,608	2,313
SHORT-TERM LOANS FROM SUBSIDIARIES		
→ TUBAN PETROCHEMICALS PTE., LTD.	650	665
→ CEMENTHAI GYPSUM (SINGAPORE) PTE., LTD.	260	266
→ CEMENTHAI CHEMICALS Co., LTD.	150	-
	1,060	931
TOTAL	3,828	3,533
LONG-TERM LOAN FROM SUBSIDIARY		
→ CEMENTHAI CHEMICALS Co., LTD.	-	150

	PERCENTAGE OF DIRECT AND INDIRECT HOLDINGS		IN MILLION BAHT	
	2002	2001	2002	2001
	5. INVESTMENTS IN SHARES AND LONG - TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES - NET			
INVESTMENTS IN SHARES				
A. SUBSIDIARIES AND ASSOCIATED COMPANIES				
AT EQUITY				
→ SIAM CEMENT INDUSTRY Co., LTD. AND SUBSIDIARIES	100	100	25,877	20,443
→ CEMENTHAI CHEMICALS Co., LTD. AND SUBSIDIARIES	100	100	28,789	24,197
→ THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED AND SUBSIDIARIES	87	87	24,672	19,658
→ CEMENTHAI BUILDING PRODUCTS Co., LTD. AND SUBSIDIARIES	100	100	12,410	13,318
→ CEMENTHAI DISTRIBUTION Co., LTD. AND SUBSIDIARIES	100	100	1,289	1,625
→ CEMENTHAI HOLDING Co., LTD. AND SUBSIDIARIES	100	100	2,134	2,485
→ CEMENTHAI PROPERTY (2001) PUBLIC COMPANY LIMITED AND SUBSIDIARIES	100	100	1,624	1,981
TOTAL SUBSIDIARIES AND ASSOCIATED COMPANIES - AT EQUITY			96,795	83,707
B. OTHER COMPANIES				
AT COST				
→ THAI OLEFINS Co., LTD.	10	13	1,133	1,133
→ TOYOTA MOTOR THAILAND Co., LTD.	10	10	882	882
→ FINFLOOR S.R.L.	10	10	299	299
→ THAI LNG Co., LTD.	-	9	-	6
TOTAL OTHER COMPANIES - AT COST			2,314	2,320
AVAILABLE-FOR-SALE SECURITIES - AT FAIR VALUE				
→ THE AROMATICS (THAILAND) PUBLIC COMPANY LIMITED	13	13	665	299
TOTAL OTHER COMPANIES			2,979	2,619
TOTAL INVESTMENTS IN SHARES				
→ LESS ALLOWANCE FOR DECLINE IN VALUE OF INVESTMENTS			170	369
TOTAL INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES - NET			99,604	85,957
LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES				
→ THE AROMATIC (THAILAND) PUBLIC COMPANY LIMITED			1,225	1,224
→ THAI CERAMIC ROOF TILE Co., LTD.			50	-
→ IT ONE Co., LTD.			9	43
→ CEMENTHAI CERAMICS Co., LTD.			-	300
→ SIAM CEMENT INDUSTRY Co., LTD.			-	150
TOTAL LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES			1,284	1,717
TOTAL INVESTMENTS IN SHARES AND LONG-TERM LOANS TO SUBSIDIARIES, ASSOCIATED AND OTHER COMPANIES			100,888	87,674

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 (Close price) as at December 31, 2002 is as follows:					
IN MILLION BAHT					
	COST	NET BOOK VALUE / QUOTED MARKET PRICE (CLOSE PRICE)	ALLOWANCE FOR DECLINE IN VALUE OF INVESTMENTS	UNREALIZED LOSS ON INVESTMENTS IN SECURITIES	
→ NON-MARKETABLE	2,314	2,304	(170)	-	
→ MARKETABLE	1,162	665	-	(497)	
TOTAL	3,476	2,969	(170)	(497)	
According to the corporate restructuring plan of the Siam Cement Group, in 2001, the Company sold its investments in shares of certain affiliated 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., and in 2002, the Company sold its investments in shares of certain affiliated companies and reverse an allowance for decline in value of investment. In addition, the Company sold its parcels of land which is located at Bangkok Research Center (Donmung) and sold its machinery, building and equipment at Amphur Kaeng Khoi to a subsidiary.					
The Company presented a gain on investments and assets sold of approximately Baht 1,315 million in 2002 and Baht 2,192 million in 2001 net of income tax under the caption of "Gain on investments and assets sold for restructuring and provision for decline in value of investments net of income tax" in the statements of income.					
6. PROPERTY, PLANT AND EQUIPMENT					
IN MILLION BAHT					
	BALANCE AS OF DECEMBER 31, 2001	INCREASE	DECREASE	TRANSFER	BALANCE AS OF DECEMBER 31, 2002
AT COST					
→ LAND AND LAND IMPROVEMENT	1,609	802	207	1	2,205
→ BUILDINGS AND STRUCTURES	2,138	-	522	7	1,623
→ PLANT MACHINERY AND EQUIPMENT	1,863	-	532	3	1,334
→ TRANSPORTATION EQUIPMENT	51	-	5	-	46
→ FURNITURE, FIXTURES AND OFFICE EQUIPMENT	951	5	112	1	845
→ CONSTRUCTION IN PROGRESS	89	10	1	(12)	86
TOTAL	6,701	817	1,379	-	6,139
LESS ACCUMULATED DEPRECIATION					
→ LAND IMPROVEMENT	296	9	42	-	263
→ BUILDINGS AND STRUCTURES	1,197	91	313	-	975
→ PLANT MACHINERY AND EQUIPMENT	1,651	92	532	-	1,211
→ TRANSPORTATION EQUIPMENT	51	-	5	-	46
→ FURNITURE, FIXTURES AND OFFICE EQUIPMENT	861	53	111	-	803
TOTAL	4,056	245	1,003	-	3,298
PROPERTY, PLANT AND EQUIPMENT - NET	2,645	572	376	-	2,841
Depreciation expenses amounted to Baht 245 million in 2002 and Baht 362 million in 2001.					
The gross carrying amounts of certain depreciable assets totalling of Baht 2,218 million and Baht 2,321 million are fully depreciated as of December 31, 2002 and 2001, respectively but these items are still in active use.					

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 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, 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 (fair value basis) 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 buildings and Baht 1,154 million for machinery and equipment.

As at December 31, 2002, the Company appraised its property, plant and equipment as follows:

- Land - at appraised value of the Land Department with a revaluation surplus of Baht 4,996 million.
- Buildings, machinery and equipment - at appraised value (fair value basis) reported by an independent appraiser dated January 9, 2003 with a revaluation surplus of Baht 1,530 million as at December 31, 2002 consisting of Baht 592 million for building and Baht 938 million for machinery and equipment.

7. OTHER ASSETS

	IN MILLION BAHT	
	2002	2001
⇨ DEFERRED INCOME TAX - NET	3,739	3,860
⇨ DEPOSITS, CLAIMS AND DEFERRED CHARGES - NET	78	112
⇨ LAND, BUILDING AND LAND IMPROVEMENTS NOT USED IN OPERATIONS - NET OF ACCUMULATED DEPRECIATION	42	39
⇨ OTHERS	539	351
TOTAL	4,398	4,362

8. BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS

	IN MILLION BAHT	
	2002	2001
⇨ BANK OVERDRAFTS	5	4
⇨ PROMISSORY NOTES	3,590	-
⇨ NOTES PAYABLE	1,322	1,418
TOTAL	4,917	1,422

In 2002, the Company has overdraft lines with several local banks amounted to approximately Baht 403 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 two (2) funds amounted to approximately Baht 25 million and Baht 45 million in 2002 and 2001, respectively.

10. LONG-TERM DEBT

	IN MILLION BAHT	
	2002	2001
⇨ DEFERRED PAYMENT PLANS	3,620	4,516
⇨ LOANS	10,001	21,981
TOTAL	13,621	26,497
⇨ LESS: CURRENT PORTION DUE WITHIN ONE YEAR	4,978	3,243
LONG-TERM DEBT - NET	8,643	23,254

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. in 2002 and 2001.

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

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.

12. DEBENTURES

As at December 31, 2002, the Company issued unsubordinated and unsecured debentures totalling Baht 82,500 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	1,033
No. 2/1999	8,800	10.5% P.A.	5 YEARS	APRIL 1, 2004	1,119
No. 3/1999	12,000	8.0% P.A.	3.5 YEARS	APRIL 1, 2003	1,014
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	1,058
No. 6/1999	6,000	8.75% P.A.	5 YEARS	NOVEMBER 1, 2004	1,116
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	1,094
No. 1/2002	7,500	4.50% P.A.	3 YEARS	OCTOBER 1, 2005	1,040
TOTAL	82,500				
LESS: CURRENT PORTION DUE WITHIN 1 YEAR	18,000				
NET	64,500				

* 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, 2002.

The above debentures are guaranteed by 4 subsidiaries.

11. COMPOSITION OF LOANS

As at December 31, 2002, the composition of loans of the Company are as follows:

CURRENCY	IN MILLION BAHT		
	SHORT-TERM	LONG-TERM	TOTAL
⇨ BAHT	30,398	73,143	103,541
⇨ FOREIGN	1,165	-	1,165
TOTAL	31,563	73,143	104,706

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, 2002, 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		
	2002	2001
→ GAIN ON ORE SOLD AND OTHERS	88	88
→ GAIN ON FIXED ASSETS SOLD	79	61
→ INTEREST INCOME FROM OTHER COMPANIES	26	101
→ INTEREST INCOME FROM BANK AND FINANCIAL INSTITUTIONS	25	18
→ DIVIDEND FROM OTHER COMPANIES	2	8
→ OTHERS	77	26
TOTAL	297	302

15. ADMINISTRATIVE EXPENSES

IN MILLION BAHT		
	2002	2001
→ SALARY AND WAGES	357	399
→ DEPRECIATION	137	176
→ PROFESSIONAL FEES	112	82
→ RENT	58	71
→ COMMUNICATION AND TRANSPORTATION	52	62
→ REPAIR AND MAINTENANCE	45	49
→ LICENSE FEES AND OTHERS	34	41
→ OUTSIDE WAGES	34	31
→ PER DIEM AND TRAVELLINGS	18	17
→ STAFF BENEFIT	14	11
→ EARLY RETIREMENT EXPENSE	28	125
→ REIMBURSED AMOUNT	(759)	(769)
→ OTHERS	230	236
TOTAL	360	531

The numbers of the Company's employees at the end of years is 284 persons in 2002 and 344 persons in 2001.

16. INTEREST EXPENSE AND FINANCIAL CHARGES

IN MILLION BAHT		
	2002	2001
→ INTEREST - LOANS ABROAD	484	1,022
→ INTEREST - LOANS LOCAL		
- INTEREST EXPENSE - OUTSIDE	7,798	8,607
- INTEREST EXPENSE - AFFILIATED COMPANIES	54	93
- INTEREST INCOME - AFFILIATED COMPANIES	(4,931)	(5,169)
→ INTEREST - PROVIDENT FUND	10	11
→ LOSS (GAIN) ON EXCHANGE RATE	38	(47)
TOTAL	3,453	4,517

17. INCOME TAX

Provision for income tax of 2002 and 2001 are as follows:

IN MILLION BAHT		
	2002	2001
→ CORPORATE INCOME TAX PAYABLE FOR THE YEAR	-	-
→ DEFERRED INCOME TAX - NET	(126)	(533)
PROVISION FOR INCOME TAX	(126)	(533)

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

IN MILLION BAHT		
	2002	2001
→ SETTLEMENT DEFERRED INCOME TAX AND UTILIZING DEFERRED INCOME TAX ON TIMING DIFFERENCE BASIS.		
- BENEFIT OF LOSS CARRYFORWARDS	(378)	(696)
- PROVISION FOR DECLINING IN VALUE OF INVESTMENT	266	52
- BAD DEBT AND OTHERS	(18)	6
- PROVIDENT FUND	4	105
DEFERRED INCOME TAX - NET	(126)	(533)

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 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 2002 and 2001. 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 rates 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 financial derivatives 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, 2002, the Company have financial derivatives aged as follows:

CURRENCY	CONTRACT AMOUNT (IN MILLION BAHT)		
	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
→ US. DOLLARS	1,739	1,474	3,213
→ JAPANESE YEN	1,344	1,077	2,421
→ EURO	2,732	131	2,863
TOTAL	5,815	2,682	8,497

20. OTHERS

The Company had:

	IN MILLION BAHT	
	2002	2001
A) CONTINGENT LIABILITIES FOR GUARANTEES ON LOANS OF AFFILIATED COMPANIES	34,357	34,042
B) CONTINGENT LIABILITIES FOR BANK GUARANTEE ISSUED BY BANKS TO GOVERNMENT AGENCIES	616	251
C) CONTINGENT LIABILITY ARISING FROM ASSESSMENT OF VALUED ADDED TAX AND SPECIAL BUSINESS TAX FOR THE TRANSFER OF LAMPANG PLANT PROJECT WHICH WAS 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.	202	202

21. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2001 were reclassified to conform with those in the 2002 financial statements.

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	9,427	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	5,500	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	443	100	100
8. THE CONCRETE PRODUCTS AND AGGREGATE Co.,LTD.	BANGKOK	0-2555-5000	READY-MIXED CONCRETE	5,500	100	100
9. THE CPAC READY MIXED (SOUTH) Co.,LTD.	BANGKOK	0-2555-5000	READY-MIXED CONCRETE	380	100	100
10. THE SIAM REFRACTORY INDUSTRY Co.,LTD.	BANGKOK	0-2586-3333	REFRACTORY	300	100	100
ASSOCIATED AND OTHER COMPANIES						
11.ASIA CEMENT PUBLIC COMPANY LIMITED	BANGKOK	0-2375-4540	CEMENT	7,800	10	10
12.HOLCIM (BANGLADESH) Co.,LTD.	BANGLADESH	880-2988-1002-3	CEMENT	3,471	10	10
PETROCHEMICALS BUSINESS						
SUBSIDIARIES						
13. CEMENTHAI CHEMICALS Co.,LTD.	BANGKOK	0-2586-4865	HOLDING COMPANY	7,108	100	100
14. RAYONG OLEFINS Co.,LTD.	BANGKOK	0-2586-3882	RAW MATERIALS FOR PLASTIC RESINS	7,700	43	62
15. THAI POLYETHYLENE Co.,LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	1,850	100	100
16. THAI POLYETHYLENE (1993) Co.,LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	450	100	100
17. THAI POLYPROPYLENE Co.,LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	700	100	100
18. THAI POLYPROPYLENE (1994) Co.,LTD.	BANGKOK	0-2586-4750	PLASTIC RESINS	600	100	100
19. MAP TA PHUT TANK TERMINAL Co.,LTD.	BANGKOK	0-2586-5442	WAREHOUSE AND TRANSPORTATION SERVICE	1,100	81	81
20. RAYONG PIPELINE Co.,LTD.	BANGKOK	0-2586-5442	RIGHT OF WAY, AND USED	400	91	91
ASSOCIATED AND OTHER COMPANIES						
21. SIAM MITSUI PTA Co.,LTD.	BANGKOK	0-2586-5282	PTA	2,800	49	50
22. SIAM POLYSTYRENE Co.,LTD.	BANGKOK	0-2381-1038	PLASTIC RESINS	1,015	49	50
23. PACIFIC PLASTICS (THAILAND) LTD.	BANGKOK	0-2381-1038	PLASTIC RESINS	539	48	48
24. SIAM SYNTHETIC LATEX Co.,LTD.	BANGKOK	0-2381-1038	SYNTHETIC LATEX	325	49	50
25. SIAM STYRENE MONOMER Co.,LTD.	BANGKOK	0-2381-1038	RAW MATERIALS FOR POLYSTYRENE	3,500	49	50

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT / INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
26. SIAM POLYETHYLENE Co.,LTD.	BANGKOK	0-2381-1038	PLASTIC RESINS	3,300	49	50
27. GRAND SIAM COMPOSITES Co.,LTD.	BANGKOK	0-2586-2515	PLASTIC RESINS	60	46	46
28. THAI MFC Co.,LTD.	BANGKOK	0-2586-3894	MELAMINE	200	45	45
29. THAI MMA Co.,LTD.	BANGKOK	0-2586-5814	RAW MATERIALS FOR COATING RESINS	1,300	45	46
30. THAI PLASTIC AND CHEMICALS PUBLIC COMPANY LIMITED	BANGKOK	0-2676-6000	PLASTIC RESINS	875	26	26
31. NATIONAL PETROCHEMICAL PUBLIC COMPANY LIMITED	BANGKOK	0-2260-1311	RAW MATERIALS FOR PLASTIC RESINS	3,100	25	26
32. BANGKOK SYNTHETIC Co.,LTD.	BANGKOK	0-2679-5120	RAW MATERIALS FOR PLASTIC RESINS	1,173	18	18
33. THAI OLEFINS Co.,LTD.	BANGKOK	0-2537-5400	RAW MATERIALS FOR PLASTIC RESINS	8,483	10	12
34. THE AROMATICS (THAILAND) PUBLIC COMPANY LIMITED	BANGKOK	0-2537-5700	RAW MATERIALS FOR PLASTIC RESINS	9,580	13	13
35. THAI PET RESIN Co.,LTD.	BANGKOK	0-2634-5894-7	RAW MATERIALS FOR PET BOTTES	900	-	15
PAPER AND PACKAGING BUSINESS						
SUBSIDIARIES						
36. THE SIAM PULP AND PAPER PUBLIC COMPANY LIMITED	BANGKOK	0-2586-3333	BLEACHED PULP AND HOLDING COMPANY	1,563	87	87
37. SIAM CELLULOSE Co.,LTD.	BANGKOK	0-2586-3333	BLEACHED PULP	300	100	87
38. THAI PAPER Co.,LTD.	BANGKOK	0-2586-3333	PRINTING AND WRITING PAPER	1,200	100	87
39. THAI UNION PAPER PUBLIC COMPANY LIMITED	SAMUT PRAKAN	0-2394-0622	PRINTING AND WRITING PAPER	430	100	87
40. THAI UNION PAPER INDUSTRY Co.,LTD.	BANGKOK	0-2586-3333	PRINTING AND WRITING PAPER	400	100	87
41. SIAM KRAFT INDUSTRY Co.,LTD.	BANGKOK	0-2586-3333	KRAFT PAPER	250	100	87
42. THAI KRAFT PAPER INDUSTRY Co.,LTD.	BANGKOK	0-2586-3333	KRAFT PAPER	1,000	100	87
43. THAI CONTAINERS LTD.	PATHUM THANI	0-2529-3370-3	CORRUGATED BOXES	110	70	61
44. THAI CONTAINERS INDUSTRY Co.,LTD.	SAMUT PRAKAN	0-2324-0761	CORRUGATED BOXES	160	70	61
45. THAI CONTAINERS RATCHABURI (1989) Co.,LTD.	BANGKOK	0-2586-3333	CORRUGATED BOXES	100	70	61
46. THAI CONTAINERS SONGKHLA (1994) Co.,LTD.	BANGKOK	0-2586-3333	CORRUGATED BOXES	280	70	61
47. THAI CONTAINERS CHONBURI (1995) Co.,LTD.	CHON BURI	0-3833-8500-1	CORRUGATED BOXES	180	70	61
48. CITY PACK Co.,LTD.	SARABURI	0-3625-1724-8	CORRUGATED BOXES	450	70	61
49. NIPPON HI-PACK (THAILAND) Co.,LTD.	PRACHINBURI	0-3720-8568-70	CORRUGATED BOXES	416	52	45
50. THAI CONTAINERS V&S Co.,LTD.	PATHUM THANI	0-2976-0701-10	CORRUGATED BOXES	260	63	55
51. PHOENIX PULP AND PAPER PUBLIC COMPANY LIMITED	BANGKOK	0-2391-9270	BLEACHED PULP	1,200	61	54

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT / INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
ASSOCIATED AND OTHER COMPANIES						
52. SIAM TOPPAN PACKAGING Co.,LTD.	SAMUT PRAKAN	0-2324-0592	OFFSET-PRINTED CARTONS	500	49	43
53. THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED	SAMUT PRAKAN	0-2314-4407	SECURITIES DOCUMENT	110	49	43
54. UNITED PULP AND PAPER Co., INC.	PHILIPPINES	63-2870-0100	KRAFT PAPER	3,021	37	38
BUILDING PRODUCTS BUSINESS						
SUBSIDIARIES						
55. CEMENTHAI BUILDING PRODUCTS Co.,LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	1,651	100	100
56. THE SIAM FIBRE-CEMENT Co.,LTD.	BANGKOK	0-2586-3333	NATURAL-FIBRE ROOFING SHEETS	200	100	100
57. TIP FIBRE-CEMENT Co.,LTD.	SAMUT PRAKAN	0-2526-8761	NATURAL-FIBRE ROOFING SHEETS	50	100	100
58. THE CPAC ROOF TILE Co.,LTD.	BANGKOK	0-2586-3333	CONCRETE ROOF TILES	211	75	75
59. THE CPAC ROOF TILE INDUSTRY Co.,LTD.	BANGKOK	0-2586-3333	CONCRETE ROOF TILES	60	75	75
60. THAI CERAMIC ROOF TILE Co.,LTD.	BANGKOK	0-2586-5081	CERAMIC ROOF TILES	200	75	75
61. THE SIAM CPAC BLOCK Co.,LTD.	NONHABURI	0-2526-1981	CONCRETE PAVING BLOCKS	60	100	100
62. THE CPAC BLOCK INDUSTRY Co.,LTD.	NONHABURI	0-2526-1981	CONCRETE PAVING BLOCKS	40	100	100
63. SARABURIRAT Co.,LTD.	NONHABURI	0-2526-1981	CONCRETE FLOOR TILES	148	83	83
64. THE CPAC CONCRETE PRODUCTS Co.,LTD.	NONHABURI	0-2526-1981	READY-TO-USE CONCRETE PRODUCTS	1,630	100	100
65. THE CPAC CONCRETE INDUSTRY Co.,LTD.	NONHABURI	0-2526-1981	READY-TO-USE CONCRETE PRODUCTS	540	100	100
66. CEMENTHAI GYPSUM Co.,LTD.	BANGKOK	0-2586-3987	HOLDING COMPANY	690	100	100
67. THE SIAM NAWAPHAN Co.,LTD.	SAMUT PRAKAN	0-2394-2146	STEEL DOORS	368	100	100
68. SIAM FIBERGLASS Co.,LTD.	SARABURI	0-3637-3441-4	GLASS WOOLS	1,280	100	100
69. THE SIAM RESEARCH AND DEVELOPMENT Co.,LTD.	BANGKOK	0-2585-9677	PRODUCT RESEARCH	100	100	100
70. PT. SIAM-INDO GYPSUM INDUSTRY (INDONESIA)	INDONESIA	6221-8832-0028	GYPSUM BOARDS	306	50	50
71. PT. SIAM-INDO CONCRETE PRODUCTS (INDONESIA)	INDONESIA	622-6743-2140	NATURAL-FIBRE ROOFING SHEETS	446	50	50
72. CEMENTHAI CERAMICS Co.,LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	1,030	100	100
73. THAI CERAMIC Co.,LTD.	BANGKOK	0-2586-4094-9	CERAMIC TILE	450	100	100
74. THE SOSUCO GROUP INDUSTRIES Co.,LTD.	BANGKOK	0-2913-2156-62	CERAMIC TILE	960	100	100
75. PT. SURYA SIAM KERAMIK	INDONESIA	622-1538-0811	CERAMIC TILE	87	66	66
ASSOCIATED AND OTHER COMPANIES						
76. THE SIAM GYPSUM INDUSTRY Co.,LTD.	BANGKOK	0-2586-3987	GYPSUM BOARDS	150	29	29
77. THE SIAM GYPSUM INDUSTRY (SARABURI) Co.,LTD.	SARABURI	0-3637-3503-9	GYPSUM BOARDS	470	29	29
78. THE SIAM GYPSUM INDUSTRY (SONGKHLA) Co.,LTD.	SONGKHLA	0-7447-2142-8	GYPSUM BOARDS	120	29	29
79. THE SIAM MOULDING PLASTER Co.,LTD.	SARABURI	0-3637-3578-82	MOULDING PLASTER	125	40	40
80. SOSUCO CERAMIC Co.,LTD.	BANGKOK	0-2913-2156-62	CERAMIC TILE	400	45	45
81. SIAM SANITARY WARE INDUSTRY (NONGKAE) Co.,LTD.	BANGKOK	0-2973-5040-54	SANITARY WARE	160	-	36
82. SIAM SANITARY WARE INDUSTRY Co.,LTD.	BANGKOK	0-2973-5040-54	SANITARY WARE	200	-	36
83. THE SIAM SANITARY FITTINGS Co.,LTD.	BANGKOK	0-2973-5101-7	SANITARY WARE FITTINGS	200	33	45

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT / INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
84. MARIWASA MANUFACTURING, INC.	PHILIPPINES	63-2655-0281	CERAMIC TILE	909	40	46
85. SIAM MARIWASA TOTO, INC.	PHILIPPINES	63-2655-0281	SANITARY WARE	430	14	20
DISTRIBUTION BUSINESS						
SUBSIDIARIES						
86. CEMENTHAI DISTRIBUTION Co.,LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	825	100	100
87. SCT Co.,LTD.	BANGKOK	0-2586-3333	INTERNATIONAL TRADING	400	100	100
88. CEMENTHAI SALES AND MARKETING Co.,LTD.	BANGKOK	0-2586-3333	TRADING	545	100	100
89. CEMENTHAI LOGISTICS Co.,LTD.	BANGKOK	0-2586-3333	TRANSPORTATION SERVICE	40	100	100
ASSOCIATED AND OTHER COMPANIES						
90. THAI PROSPERITY TERMINAL Co.,LTD.	SAMUT PRAKAN	0-2394-7591	PORTS	100	50	50
91. RAYONG BULK TERMINAL Co.,LTD.	BANGKOK	0-2618-8100	PORTS	640	38	38
CEMENTHAI HOLDING						
SUBSIDIARIES						
92. CEMENTHAI HOLDING Co.,LTD.	BANGKOK	0-2586-3333	HOLDING COMPANY	1	100	100
93. CEMENTHAI STEEL Co.,LTD.	BANGKOK	0-2586-2617	HOLDING COMPANY	1,250	100	100
ASSOCIATED AND OTHER COMPANIES						
94. THAI CRT Co.,LTD.	CHON BURI	0-3849-0232	TV TUBES	1,700	48	48
95. CRT DISPLAY TECHNOLOGY Co.,LTD.	BANGKOK	0-2586-3333	CATHODE RAY TUBES FOR COMPUTER MONITORS	3,000	-	48
96. THAI ELECTRON GUN Co.,LTD.	CHON BURI	0-3895-4756-63	ELECTRON GUNS IN PICTURE TUBES	120	-	48
97. SIAM YAMATO STEEL Co.,LTD.	BANGKOK	0-2586-3333	STRUCTURAL STEEL	7,000	45	45
98. THE MILLENIUM STEEL PUBLIC COMPANY LIMITED	BANGKOK	0-2586-3333	HOLDING COMPANY	8,813	45	45
99. THE SIAM IRON AND STEEL (2001) Co.,LTD.	BANGKOK	0-2586-4072	CONSTRUCTION STEEL	1	-	45
100. THE SIAM CONSTRUCTION STEEL Co.,LTD.	BANGKOK	0-2586-3333	CONSTRUCTION STEEL	1,750	-	45
101. NTS STEEL GROUP PUBLIC COMPANY LIMITED	BANGKOK	0-2719-9800	CONSTRUCTION STEEL	38,600	-	45
102. THE SIAM KUBOTA INDUSTRY Co.,LTD.	BANGKOK	0-2909-0300	AGRICULTURAL DIESEL ENGINES	208	42	42
103. SIAM TYRE PHRA PRADAENG Co.,LTD.	SAMUT PRAKAN	0-2384-4171	AUTOMOTIVE TYRES	200	-	40
104. SIAM TYRE INDUSTRY Co.,LTD.	SARABURI	0-3637-3276	TRUCK TYRES	400	-	40
105. MICHELIN SIAM Co.,LTD.	CHON BURI	0-3849-0534	AUTOMOTIVE TYRES	500	-	40
106. MICHELIN SIAM MARKETING AND SALES Co.,LTD.	BANGKOK	0-2619-3000-19	AUTOMOTIVE TYRES	200	-	40
107. THE SIAM STEEL CORD Co.,LTD.	RAYONG	0-3889-2100	TYRE BEAD WIRES AND STEEL TYRE CORDS	760	-	40
108. SIAM LEMMERZ Co.,LTD.	SARABURI	0-3637-3311	ALLOY WHEELS	107	30	30
109. THE NAWALOHA INDUSTRY Co.,LTD.	SARABURI	0-3633-6531-45	CAST IRON	300	30	30
110. SIAM AT INDUSTRY Co.,LTD.	CHON BURI	0-3821-5011-9	AUTOMOTIVE PARTS	240	30	30
111. AISIN TAKAOKA FOUNDRY BANGPAKONG Co.,LTD.	CHON BURI	0-3821-4963-70	CAST IRON	475	30	30
112. THAI ENGINEERING PRODUCTS Co.,LTD.	PATHUM THANI	0-2529-3518-22	AUTOMOTIVE PARTS	85	29	30
113. THE SIAM INDUSTRIAL WIRE Co.,LTD.	BANGKOK	0-2586-4065	CONSTRUCTION STEEL	260	29	29

NAME	LOCATION (HEAD OFFICE)	TELEPHONE	PRINCIPAL BUSINESS	REGISTERED SHARES (MILLION BAHT)	DIRECT / INDIRECT HOLDING (%)	INDIRECT HOLDING (%)
114. SIAM FURUKAWA Co.,LTD.	SARABURI	0-3637-3570	AUTOMOTIVE AND MOTORCYCLE BATTERIES	240	29	29
115. SIAM ASAHI TECHNOGLASS Co.,LTD.	CHON BURI	0-3849-0680	TV GLASS BULBS FOR COLOR PICTURE TUBES	1,600	27	27
116. THE SIAM NAWALOHA FOUNDRY Co.,LTD.	SARABURI	0-3633-6531-45	CAST IRON	308	20	25
117. THAI TOKAI CARBON PRODUCT Co.,LTD.	BANGKOK	0-2266-3232	CARBON BLACK	800	20	22
118. MUSASHI AUTO PARTS Co.,LTD.	PATHUM THANI	0-2529-1753	MOTORCYCLE SPARE PARTS	200	21	21
119. THE DEVES INSURANCE PUBLIC COMPANY LIMITED	BANGKOK	0-2280-0985	INSURANCE	120	21	21
120. THE SIAM UNITED STEEL (1995) Co.,LTD.	BANGKOK	0-2586-3333	COLD-ROLLED STEEL	9,000	20	20
121. SIAM NGK TECHNOCERA Co.,LTD.	BANGKOK	0-2586-3333	PROCESSING APPARATUS, ELECTRONIC COMPONENTS	60	19	19
122. TOYOTA MOTOR THAILAND Co.,LTD.	SAMUT PRAKAN	0-2386-1000	AUTOMOTIVES	7,520	10	10
123. SIAM TOYOTA MANUFACTURING Co.,LTD.	CHON BURI	0-3821-3421	AUTOMOTIVE ENGINES AND AUTOMOTIVE PARTS	850	4	4
CEMENTHAI PROPPERTY						
SUBSIDIARIES						
124. CEMENTHAI PROPERTY (2001) PUBLIC COMPANY LIMITED	BANGKOK	0-2586-3333	HOLDING COMPANY	72	100	100
125. RAYONG INDUSTRIAL LAND Co.,LTD.	BANGKOK	0-2586-2233	INDUSTRIAL SITES	2,220	100	100
126. SIL INDUSTRIAL LAND Co.,LTD.	BANGKOK	0-2586-2233	INDUSTRIAL SITES	500	100	100
127. RIL 1996 Co.,LTD.	BANGKOK	0-2586-2233	INDUSTRIAL SITES	1,100	100	100
128. SIAM INTEGRATED STEEL Co.,LTD.	BANGKOK	0-2586-3333	INDUSTRIAL SITES	144	100	100

NOTE: REISTERED SHARE IS ORDINARY SHARE ONLY

<p>2. SUMMARY OF SIGNIFICANT INFORMATION</p> <p>1. GENERAL INFORMATION</p> <p>1.1 Company's name and location (front and back covers)</p> <p>1.2 Investment in companies with 10 percent or more equity (pp.86-90)</p> <p>1.3 Other reference</p> <ul style="list-style-type: none"> - Registrars Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2229-2800, 0-2654-5599 Fax. 0-2359-1262-3 - 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 Ratanasrimetha or Mr. Pisit Chiwaruangroch or Miss Wipa Jindanuwat Tel. 0-2658-5000 Fax. 0-2658-0660-3 - Legal advisors Cementhai Legal Counsel Limited - Financial advisors None - Advisors/Managers None - Financial institutions with established relations Domestic and foreign commercial banks and finance companies numbering approximately 20 institutions <p>2. SUMMARY OF FINANCIAL DATA</p> <p>2.1 Financial statements (pp. 2-3)</p> <p>2.2 Financial ratio (pp. 2-3)</p> <p>3. PRINCIPAL ACTIVITIES</p> <p>3.1 Summary of significant information (pp. 12-33)</p> <p>3.2 Ratio of revenues from each business group (pp. 12-33)</p> <p>4. RISK FACTORS</p> <p>The Company has a policy of managing all risk factors with due care. In the past year, the impact of fluctuating product and raw material prices in the global market carried over to the Group's businesses such as Petrochemicals and Paper and Packaging as the local market prices are dominated by global market prices. To minimize the effects of such risk factors, the Company has taken multiple actions and steps including making forward purchase contracts for raw materials, securing raw materials locally, and making long-term supply contracts.</p>	<p>Financially, risks arising from the fluctuation of interest and foreign exchange rates had very little effect on the Company's performance. This could be attributed to the use of debentures, local sources of fund, to minimize possible risks with regard to interest rates and foreign exchange risks. Other measures taken to manage credit risk include setting credit limits and appropriate levels of guarantee and improving receivables collection (as disclosed in Note 22 to the consolidated financial statements).</p> <p>5. SHAREHOLDERS AND MANAGEMENT</p> <p>5.1 Shareholders First 10 major shareholders as at March 7, 2002</p> <p style="text-align: right;">Unit : Share</p> <table border="1"> <thead> <tr> <th>Name</th> <th>No. of Shares</th> <th>% of total Shares</th> </tr> </thead> <tbody> <tr> <td>1. Bureau of The Crown Property</td> <td>36,000,000</td> <td>30.00</td> </tr> <tr> <td>2. Non-Voting Depository Receipt Co., Ltd.</td> <td>10,842,435</td> <td>9.04</td> </tr> <tr> <td>3. CPB Equity Co., Ltd.</td> <td>4,727,200</td> <td>3.94</td> </tr> <tr> <td>4. Thailand Securities Depository Co., Ltd. For Depositors</td> <td>3,490,453</td> <td>2.91</td> </tr> <tr> <td>5. State Street Bank and Trust Company</td> <td>2,971,468</td> <td>2.48</td> </tr> <tr> <td>6. HSBC Bank Plc</td> <td>2,934,139</td> <td>2.45</td> </tr> <tr> <td>7. HSBC (Singapore) Nominees Pte Ltd.</td> <td>2,768,351</td> <td>2.31</td> </tr> <tr> <td>8. The Siam Commercial Bank Public Company Limited</td> <td>2,490,940</td> <td>2.08</td> </tr> <tr> <td>9. Littledown Nominees Limited 5</td> <td>2,241,827</td> <td>1.87</td> </tr> <tr> <td>10. Chase Nominees Limited 1</td> <td>1,554,593</td> <td>1.30</td> </tr> </tbody> </table> <p>5.2 Management Structure (1) Group's Management Chart (pp. 8-9)</p> <p>Board of Directors</p> <p>1. H.E. Dr. Chaovana Nasylyvanta Chairman</p> <p>Education</p> <ul style="list-style-type: none"> - 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 	Name	No. of Shares	% of total Shares	1. Bureau of The Crown Property	36,000,000	30.00	2. Non-Voting Depository Receipt Co., Ltd.	10,842,435	9.04	3. CPB Equity Co., Ltd.	4,727,200	3.94	4. Thailand Securities Depository Co., Ltd. For Depositors	3,490,453	2.91	5. State Street Bank and Trust Company	2,971,468	2.48	6. HSBC Bank Plc	2,934,139	2.45	7. HSBC (Singapore) Nominees Pte Ltd.	2,768,351	2.31	8. The Siam Commercial Bank Public Company Limited	2,490,940	2.08	9. Littledown Nominees Limited 5	2,241,827	1.87	10. Chase Nominees Limited 1	1,554,593	1.30
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<p>Previous Experience</p> <ul style="list-style-type: none"> - 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 <p>Other Current Positions</p> <ul style="list-style-type: none"> - Privy Councillor - Director, Bureau of The Crown Property <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1"> <thead> <tr> <th>Type of Securities</th> <th>No. of Shares held as at December 31,2002</th> <th>No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td>scc</td> <td>-</td> <td>(400)</td> </tr> </tbody> </table> <p>scc - Common Shares of The Siam Cement Public Company Limited</p> <p>Total of Attendance at The Board of Directors in the year 2002 - 8 times (Totaling 9 times)</p> <p>2. Air Vice Marshal Kamthon Sindhvananda Director Chairman, The Audit Committee</p> <p>Education</p> <ul style="list-style-type: none"> - B.E. (Electrical), Chulalongkorn University - Honorary Degree, Doctor of Engineering <ul style="list-style-type: none"> - King Mongkut's Institute of Technology North Bangkok - Kasetsart University - Chulalongkorn University - Prince of Songkha University - Siam University - Honorary Degree, Doctor of Philosophy (Public Administration), The National Institute of Development Administration <p>Seminar</p> <ul style="list-style-type: none"> - Chairman 2000 Program, Thai Institute of Directors Association 			Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	scc	-	(400)			
Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year									
scc	-	(400)									
<p>Previous Experience</p> <ul style="list-style-type: none"> - 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 Foundation - Founder and Chairman of The Institute of Electrical and Electronics Engineer Inc Thailand Section <p>Other Current Positions</p> <ul style="list-style-type: none"> - 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 - Vice President, Sai Jai Thai Foundation Under Royal Patronage - Director, Tapasa Foundation <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1"> <thead> <tr> <th>Type of Securities</th> <th>No. of Shares held as at December 31,2002</th> <th>No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td>scc-d</td> <td>36,000</td> <td>3,000</td> </tr> <tr> <td>spp-d</td> <td>15,000</td> <td>-</td> </tr> </tbody> </table> <p>scc-d - Debentures of The Siam Cement Public Company Limited spp-d - Debentures of The Siam Pulp and Paper Public Company Limited</p> <p>Total of Attendance at The Board of Directors in the year 2002 - 9 times (Totaling 9 times)</p> <p>3. Mr.Paron Israsena Director Member of The Audit Committee Chairman, The Governance and Nomination Committee</p> <p>Education</p> <ul style="list-style-type: none"> - B.E. (Electrical) (Hons), Chulalongkorn University - B.E. (Mechanical), Chulalongkorn University - S.M., Massachusetts Institute of Technology, U.S.A. - Honorary Degree, Doctor of Business Administration <ul style="list-style-type: none"> - Chulalongkorn University - Yonok College - Honorary Degree, Doctor of Science, Chiang Mai University - Honorary Degree, Doctor of Engineering, Suranaree University 			Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	scc-d	36,000	3,000	spp-d	15,000	-
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<p>Seminar</p> <ul style="list-style-type: none"> - 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 <p>Previous Experience</p> <ul style="list-style-type: none"> - President, The Siam Cement Public Company Limited - Senator - Member of National Legislative Assembly - Chairman, Committee on Economics & Industry of The Senate - Chairman, The Federation of Thai Industries <p>Other Current Positions</p> <ul style="list-style-type: none"> - Chairman, Shin Satellite Public Company Limited - Director, National Competitiveness Development Board - Director, Thailand Productivity Institute - Director, The National Economic and Social Development Board - Member, Council of Chulalongkorn University - Chairman of The Board of Directors and Chairman of The Audit Committee, Sammakorn Public Company Limited - Member, Council of Chiang Mai University - Director, Darunsikkhalai School and Advisor to The University Council, King Mongkut's University of Technology Thonburi - Member, Rachsuda Foundation - Director, Office of The National Primary Education - Director, Suksapattana Foundation <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1"> <thead> <tr> <th>Type of Securities</th> <th>No. of Shares held as at December 31,2002</th> <th>No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td>scc-d</td> <td>38,000</td> <td>-</td> </tr> <tr> <td>spp-d</td> <td>5,000</td> <td>2,000</td> </tr> </tbody> </table> <p>scc-d - Debentures of The Siam Cement Public Company Limited spp-d - Debentures of The Siam Pulp and Paper Public Company Limited</p> <p>Total of Attendance at The Board of Directors in the year 2002 - 9 times (Totaling 9 times)</p>			Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	scc-d	38,000	-	spp-d	5,000	2,000
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<p>4. Mr.Snoh Unakul Director Member of The Governance and Nomination Committee</p> <p>Education</p> <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - Chulalongkorn University - Thammasat University - Bura Pha University - Khon Kaen 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 <p>Previous Experience</p> <ul style="list-style-type: none"> - 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 Commerce - Governor of Bank of Thailand - Secretary - General, The National Economic and Social Development Board - Chairman of the Board of Directors and Chairman of the Executive Committee, Bank of Asia Public Company Limited - Chairman, Council of Bura Pha University - Deputy Prime Minister - Council Member of Asian Institute of Technology - Chairman, Premier Group - Director, Thai Mutual Fund - Director, Thailand Mutual Fund <p>Other Current Positions</p> <ul style="list-style-type: none"> - Chairman, Foundation for Thailand Development Research Institute - Vice Chairman, Thai Environment Institute - Director, Bureau of The Crown Property - Director, Dole (Thailand) Co.,Ltd. <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1"> <thead> <tr> <th>Type of Securities</th> <th>No. of Shares held as at December 31,2002</th> <th>No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Total of Attendance at The Board of Directors in the year 2002 - 9 times (Totaling 9 times)</p>			Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	-	-	-			
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<p>5. Mr.Sivavong Changkasiri Director Member of The Audit Committee Chairman, The Remuneration Committee</p> <p>Education</p> <ul style="list-style-type: none"> - 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. - Honorary degree, Doctor of Engineering, Chulalongkorn University <p>Seminar</p> <ul style="list-style-type: none"> - The Board's Role in Setting Effective Compensation Policy, Thai Institute of Directors Association - Director Certificate Program 18/2002, Thai Institute of Directors Association <p>Previous Experience</p> <ul style="list-style-type: none"> - 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 the 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 - Chairman, PTT Exploration and Production Public Company Limited - Chairman, National Petrochemical Public Company Limited - Chairman, National Fertilizer Public Company Limited - Chairman, Ratchaburi Electricity Generating Holding Public Company Limited <p>Other Current Positions</p> <ul style="list-style-type: none"> - Chairman, Unithai Line Public Company Limited - Co- Chairman, Malaysia - Thai Joint Authority - Director, The Siam Pulp and Paper Public Company Limited - Chairman, Petroleum Institute of Thailand's Council of Trustees - Director, Suksapattana Foundation - Director, Industry Development Foundation - Director, Foundation of Petroleum Institute of Thailand 	<p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type of Securities</th> <th style="width: 40%;">No. of Shares held as at December 31,2002</th> <th style="width: 40%;">No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>			Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	-	-	-
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<p>6. Mr.Sumet Tantivejkul Director Member of The Audit Committee Member of The Governance and Nomination Committee</p> <p>Education</p> <ul style="list-style-type: none"> - B.A. (Political Science), Grenoble University, France - M.A. (Political Science and International Law), Monpolier University, France - Ph.D. (Political Science), Monpolier University, France <p>Seminar</p> <ul style="list-style-type: none"> - 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 <p>Previous Experience</p> <ul style="list-style-type: none"> - Secretary-General, Office of The National Economic and Social Development Board - Advisor to the Board of Directors and the Executive Committee, The Siam Cement Public Company Limited - Secretary-General, The Royal Development Projects Board - Director, Thai Farmers Bank Public Company Limited - Director, Thai Airways International Public Company Limited <p>Other Current Positions</p> <ul style="list-style-type: none"> - Director and Secretary-General, The Chaipattana Foundation <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type of Securities</th> <th style="width: 40%;">No. of Shares held as at December 31,2002</th> <th style="width: 40%;">No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>				Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	-	-	-
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<p>Total of Attendance at The Board of Directors in the year 2002 - 7 times (Totaling 9 times)</p>									

□															
<p>7. Mr.Yos Euarchukiati Director Member of The Remuneration Committee</p> <p>Education</p> <ul style="list-style-type: none"> - B.Sc.(Civil Engineering), University of London, U.K. <p>Seminar</p> <ul style="list-style-type: none"> - Chairman 2000 Program, Thai Institute of Directors Association - The Board's Role in Setting Effective Compensation Policy, Thai Institute of Directors Association <p>Previous Experience</p> <ul style="list-style-type: none"> - Managing Director, Thai Plastic and Chemical Co.,Ltd. - President and Director, Bank of Asia Public Company Limited - Vice Chairman, Bank of Asia Public Company Limited - Advisor to the Board of Directors and the Executive Committee, The Siam Cement Public Company Limited - Chairman, Thai Industrial Gases Public Company Limited <p>Other Current Positions</p> <ul style="list-style-type: none"> - Chairman, Thai Plastic and Chemical Public Company Limited - Advisor, Bureau of The Crown Property - Chairman, CPB Equity Co.,Ltd. - Chairman, CPB Property Co.,Ltd. <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type of Securities</th> <th style="width: 40%;">No. of Shares held as at December 31,2002</th> <th style="width: 40%;">No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">scc</td> <td style="text-align: center;">-</td> <td style="text-align: center;">(25,000)</td> </tr> </tbody> </table> <p style="margin-left: 20px;">scc - Common Shares of The Siam Cement Public Company Limited</p>	Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	scc	-	(25,000)	<p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type of Securities</th> <th style="width: 40%;">No. of Shares held as at December 31,2002</th> <th style="width: 40%;">No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>			Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	-	-	-
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<p>8. Mr.Pricha Attavipach Director Member of The Audit Committee</p> <p>Education</p> <ul style="list-style-type: none"> - B.Sc.(Industrial Engineering), Chulalongkorn University - M.S. (Industrial Engineering & Management), Oklahoma State University, U.S.A. <p>Previous Experience</p> <ul style="list-style-type: none"> - 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 the 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 <p>Other Current Positions</p> <ul style="list-style-type: none"> - 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. - Director, Ministry of University Affairs - Law Councillor of Ministry of Labour <p>Subscription of common shares and debentures issued by the Company, its parent companies and affiliated companies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type of Securities</th> <th style="width: 40%;">No. of Shares held as at December 31,2002</th> <th style="width: 40%;">No. of Shares increase (decrease) during the fiscal year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>				Type of Securities	No. of Shares held as at December 31,2002	No. of Shares increase (decrease) during the fiscal year	-	-	-						
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<p>Total of Attendance at The Board of Directors in the year 2002 - 9 times (Totaling 9 times)</p>															

9. Mr.Panas Simasathien

Director
Member of The Governance and Nomination Committee

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, The Comptroller - General's Department
- Director-General, Revenue Department
- Permanent Secretary, Ministry of Finance
- Minister of Finance
- Director, Thai Airways International Co., Ltd.
- Chairman, Government Savings 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

Other Current Positions

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

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 31,2002	No. of Shares increase (decrease) during the fiscal year
-	-	-

Total of Attendance at The Board of Directors in the year 2002 - 8 times (Totaling 9 times)**10. Mr.Arsa Sarasin**

Director
Member of The Governance and Nomination Committee

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

Other Current 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
- 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 31,2002	No. of Shares increase (decrease) during the fiscal year
scc	-	(1,000)

scc - Common Shares of The Siam Cement Public Company Limited

Total of Attendance at The Board of Directors in the year 2002 - 5 times (Totaling 9 times)**11. Mr.Boonsithi Chokwatana**

Director
Member of The Remuneration Committee

Education

- Honorary Degree, Doctor of Environmental Engineering, Khon Kaen University
- Honorary Degree, Doctor of Business Administration, Bura Pha University
- Honorary Degree, Doctor of Business Administration, Thammasat University

Previous Experience

- Academic Committee of the Board of Investment (BOI)
- Advisor to the Board of Investment (BOI)
- Advisor to the Deputy Minister of Commerce

Other Current Positions

- Advisor Committee of Thai - Japanese Association
- Advisor Committee of the Institute of Asia Pacific Studies, Waseda University, Japan
- Economic Committee of Thai Chamber of Commerce
- Committee member of the MBA Program in Business Administration, Bura Pha University
- Advisor to the Minister of Finance
- President of Saha Pathana Inter-holding Public Company Limited
- Chairman of Thanulux Public Company Limited
- Vice Chairman I.C.C. International Public Company Limited
- Chairman, Saha Pathanapibul 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 31,2002	No. of Shares increase (decrease) during the fiscal year
-	-	-

Total of Attendance at The Board of Directors in the year 2002 - 7 times

(Elected to be a director since March 27, 2002)
(Total of The Board of Directors Meetings between the period of April to December 2002 - 7 times)

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 Farmer Bank Public Company Limited
- Director and Chairman of the Executive Committee, The Siam Commercial Bank Public Company Limited
- Director, The Industrial Finance Corporation of Thailand

Other Current Positions

- Chairman, The Siam Pulp and Paper Public Company Limited
- Director, SembCorp Industries, Singapore
- Chairman, Phoenix Pulp and Paper Public Company Limited
- Director and Member of The Audit Committee, Singapore Telecommunication Limited, Singapore

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 31,2002	No. of Shares increase (decrease) during the fiscal year
scc	150,100	-

scc - Common Shares of The Siam Cement Public Company Limited

Total of Attendance at The Board of Directors in the year 2002 - 9 times (Totaling 9 times)**13. Mr. Worapol Jennapar**

Secretary to the Board of Directors
Corporate Secretary

Scope of authority of the Board, the Audit Committee, the Remuneration Committee, and the Governance and Nomination Committee

Board of Directors

Two of the five directors of the Company, namely, Mr. Chaovana NaSylvanta, or Mr. Snoh Unakul, or Mr. Yos Euarchukiati, or Mr. Panas Simasathien, or Mr. Chumpol NaLamlieng jointly signed 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 anytime as deemed appropriate; and a number 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. Sivavong Changkasiri | Chairman |
| 2. Mr. Yos Euarchukiati | Member |
| 3. Mr. Boonsithi Chokwatana | 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.

The Governance and Nomination Committee

The Governance and Nomination Committee comprises the following members:

- | | |
|--------------------------|----------|
| 1. Mr. Paron Israsena | Chairman |
| 2. Mr. Snoh Unakul | Member |
| 3. Mr. Sumet Tantivejkul | Member |
| 4. Mr. Panas Simasathien | Member |
| 5. Mr. Arsa Sarasin | Member |

Scope of Authority

1. To make recommendations to the Board of Directors regarding the best practices in corporate governance.
2. To review the Company's corporate governance affairs and compare them with those of the leading international companies. The Committee also recommends plans for further improvement of the Company's corporate governance.
3. To oversee and monitor the effectiveness of the Company's Board and Management with reference to The Siam Cement Group Corporate Governance. The Committee also gives advice to the Board on corporate governance practices.
4. To develop a succession plan and establish a process for proposing nominees to the Board to replace directors who have reached the end of their terms.

5. To propose new nominees to the Board to fill positions made vacant by directors who complete their terms. The Committee then makes recommendations to the Board for ultimate shareholder approval.
6. To recommend a plan to the Board for succession of the Company's President and senior management.
7. To implement a process for assessing the effectiveness of other committees and the Board of Directors and follow up the results.
8. To assess the independence of the Board in fulfilling its responsibilities and to recommend a plan for improvement.

Management

In addition to the President, the Siam Cement Group Management Committee is comprised of other nine executives which include: Vice President, Executive Vice President and Presidents responsible for each business units, namely, paper and packaging, petrochemicals, cement, building products, distribution, property, and holding company. These 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

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
- Director, The Industrial Finance Corporation of Thailand

Other Current Positions

- Chairman, The Siam Pulp and Paper Public Company Limited
- Director, SembCorp Industries, Singapore
- Chairman, Phoenix Pulp and Paper Public Company Limited
- Director and Member of the Audit Committee, Singapore Telecommunication Ltd., Singapore

2. Mr. Kan Trakulhoon

Vice President

Education

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

Previous Experience

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

Other Current Positions

- Director, Thai British Security Printing Public Company Limited

3. Mr. Somboon Chuchawal

President,
The Siam Pulp and Paper Public Company Limited

Education

- B.E. (Mechanical Engineering), Second Class Honours, Chulalongkorn University
- M.S. (Logistics Engineering), Asia Institute of Technology

Previous Experience

- Managing Director, Thai Union Paper Public Company Limited
- Managing Director, Siam Kraft Industry Co., Ltd.
- Managing Director, Thai Paper Co., Ltd.
- Managing Director, Siam Cellulose Co., Ltd.

Other Current Positions

- Director, Phoenix Pulp and Paper Public Company Limited
- Note Printing Works, Board of Directors, Bank of Thailand
- Director, Thai British Security Printing Public Company Limited

4. 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.

Previous Experience

- Vice President, The Siam Cement Public Company Limited

Other Current Positions

- Director, National Petrochemical Public Company Limited
- Director and Executive Director, Thai Plastic and Chemicals Public Company Limited
- Director, The Aromatics (Thailand) Public Company Limited
- Director, Bangkok Synthetics Co.,Ltd.
- Director, BST Elastomers Co., Ltd.
- Member to PTIT Council of Trustees' Meeting
- Executive Board of Vajiravudh College
- Executive Board of The Petroleum and Petrochemical College, Chulalongkorn University

5. 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.
- M.B.A., University of Southern California, U.S.A.

Previous Experience

- Senior Vice President, The Siam Cement Public Company Limited

Other Current Positions

- Chairman, Thailand Fellowship of Cement Manufacturers, The Federation of Thai Industries

6. Mr. Pramote Techasupatkul

Executive Vice President, Siam Cement Industry Co.,Ltd.

Education

- B.E. (Industrial), Chulalongkorn University

Previous Experience

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

Other Current Positions

- Director, Millennium Steel Public Company Limited

7. Mr. Kajohndet Sangsuban

President, Cementhai Building Products Co., Ltd.

Education

- B.E. (Civil), Chulalongkorn University

Previous Experience

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

8. 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.

Previous Experience

- Vice President, The Siam Cement Public Company Limited

9. Mr. Chalaluck Bunnag

President, Cementhai Holding Co.,Ltd.

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.

Previous Experience

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

Other Current Positions

- Director, Phoenix Pulp and Paper Public Company Limited
- Director, Millennium Steel Public Company Limited

10. Mr. Aviruth Wongbuddhapitak

President,
Cementhai Property (2001) Public Company Limited

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

Previous Experience

- Managing Director, Thai Ceramic Industrial Co.,Ltd.
- President, Tile Cera, Inc, U.S.A.
- Vice President, The Siam Cement Public Company Limited

Other Current Positions

- Director and Executive Director, The Deves Insurance Public Company Limited
- Director, The Siam Pulp and Paper Public Company Limited
- Director, Phoenix Pulp and Paper Public Company Limited

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

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

Previous Experience

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

(2) Election of Executives and Directors

The election of Directors shall be conducted at the Ordinary General Meeting of Shareholders in accordance with the following rules and procedures:

- 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.
- 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 shareholder 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.

The Governance and Nomination Committee is responsible for nominating candidates in replacement for the Directors who complete their terms. The Committee then makes recommendations to the Board for ultimate shareholder approval.

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 2002 totalled 12,709,668 Baht, with detail as follows:

DIRECTORS/POSITION	REMUNERATION (BAHT/YEAR)	BONUS FOR 2002 (BAHT)
1. H.E. Dr. Chaovana NaSylvanta Chairman	1,296,000	1,440,000
2. Mr. Osot Kosin Vice Chairman (Retired by rotation on March 27, 2002)	216,000	960,000
3. Air Vice Marshal Kamthon Sindhvananda Director Chairman of The Audit Committee	864,000 271,000	960,000
4. Mr. Paron Israsena Director Member of The Audit Committee Chairman of The Governance and Nomination Committee Chairman of The Remuneration Committee (Resigned from office as of October 30, 2002)	864,000 164,667 234,000 132,000	960,000
5. Mr. Snoh Unakul Director Member of The Governance and Nomination Committee	864,000 144,000	960,000
6. Mr. Sivavong Changkasiri Director Member of The Audit Committee Chairman of The Remuneration Committee (Commence the office on October 30, 2002)	864,000 164,667 106,000	960,000
7. Mr. Sumet Tantivejkul Director Member of The Audit Committee Member of The Governance and Nomination Committee	864,000 164,667 44,000	960,000
8. Mr. Yos Euarchukiati Director Member of The Remuneration Committee	864,000 108,000	960,000
9. Mr. Pricha Attavipach Director Member of The Audit Committee	864,000 180,667	960,000

DIRECTORS/POSITION	REMUNERATION (BAHT/YEAR)	BONUS FOR 2002 (BAHT)
10. Mr. Panas Simasathien Director Member of The Governance and Nomination Committee	864,000 144,000	960,000
11. Mr. Arsa Sarasin Director Member of The Governance and Nomination Committee	864,000 32,000	400,000
12. Mr. Boonsithi Chokwatana Director (Directorship commenced on March 27, 2002) Member of The Remuneration Committee	648,000 20,000	-
13. Mr. Chumpol NaLamlieng President	864,000	960,000
TOTAL	12,709,668	11,440,000

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 10 directors in 2002, totalled 117,264,000 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 7,233,600 baht. The company cars have been provided for the management committee.

(4) Supervision

The Board of Directors pledged its commitment to operate in tune with the principles of good corporate governance as prescribed by the Stock Exchange of Thailand. Moreover, the Company has embraced the international best practice by establishing the Governance and Nomination Committee responsible for overseeing and reviewing the Company's corporate governance affairs and carrying out nominations for the selection of Directors in replacement for the directors who complete their terms.

The Management Team are authorized to oversee and monitor the Company's operations and performances at company, strategic business unit, and Group levels. The Management meet and prepare a report according to the specified format on a monthly basis. They are under consistent supervision of the Board of Directors to ensure the Company's operations are followed up closely and proper corrective actions are taken to improve the Company's performance.

(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 internal control system in conformance with the guideline of the Stock Exchange of Thailand and good corporate governance practice. For the year 2002, 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 36).

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 accounts 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 of year ended at December 31, 2002."



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 2002, total revenue of The Siam Cement Public Company Limited and subsidiaries amounted to 128,201 million baht, representing an increase of 7% from the previous year due to a recovery in the construction market and the steady growth of the Paper and Packaging business. Of which, the Petrochemicals, Paper and Packaging, and Cement businesses accounted for the largest percentage with an average increase of 9 to 13% in sales.

Net income for the year was 14,604 million baht, an increase of 91% from last year. Factors contributing to the growth include better operating results of all businesses, lower interest expenses, and improved performance of associated companies. Excluding special items, the income from operating was 11,142 million baht - a rise of 132%.

Consolidated total assets of The Siam Cement Public Company Limited and subsidiaries as of December 31, 2002 amounted to 235,644 million baht, similar to last year. The largest assets were Property, Plant and Equipment – at cost – net, Revaluation Surplus, and Current Assets, which accounted for 32%, 28%, and 17% of the total assets, respectively.

8. FINANCIAL STATEMENTS.

(pp. 40-85)