

**SCG Ceramics Public Company Limited
and its Subsidiary**

Interim financial statements
for the three-month and six-month periods ended
30 June 2019
and
Independent auditor's report
on review of interim financial information



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Independent auditor's report on review of interim financial information

To the Board of Directors of SCG Ceramics Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of SCG Ceramics Public Company Limited and its subsidiary (the“Group”) and SCG Ceramics Public Company Limited (the“Company”) as at 30 June 2019; the consolidated and separate income statement and statement of comprehensive income for the three-month and six-month periods ended 30 June 2019; the consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2019 and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.



Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

I draw attention to Note 1 to the consolidated and separate financial statements, the Company was established in accordance with the amalgamation resolution of five subsidiaries under The Siam Cement Public Company Limited. The amalgamation is considered as amalgamation under common control, accordingly, the consolidated income statement and statement of comprehensive income for the three-month and six-month ended 30 June 2018; the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2018 are presented as if the amalgamation had been taken place since 1 January 2017. My conclusion is not modified in respect of this matter.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
14 August 2019

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2019

Assets	Note	Consolidated		Separate	
		financial statement		financial statement	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		379,427	424,433	42,492	119,857
Trade and other current receivables	3, 4	1,440,043	1,370,557	1,431,840	1,367,143
Inventories		3,049,504	2,898,357	2,712,519	2,544,046
Land development for sale		486,406	581,582	486,406	581,582
Other current assets		-	4,596	-	4,596
Total current assets		5,355,380	5,279,525	4,673,257	4,617,224
Non-current assets					
Other long-term investment	5	16,605	16,605	16,605	16,605
Investment in subsidiary	6	-	-	758,919	758,919
Other non-current receivables		125,255	144,088	125,255	144,088
Investment property		402,499	402,830	400,248	400,580
Property, plant and equipment		5,464,371	5,570,222	5,009,100	5,113,986
Goodwill		25,350	25,350	-	-
Other intangible assets		118,055	114,627	117,222	113,562
Deferred tax assets		190,007	138,964	166,268	119,681
Other non-current assets		32,164	33,230	32,164	33,230
Total non-current assets		6,374,306	6,445,916	6,625,781	6,700,651
Total assets		11,729,686	11,725,441	11,299,038	11,317,875

The accompanying notes are an integral part of these interim financial statements.

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2019

	Consolidated		Separate	
	financial statement		financial statement	
Liabilities and shareholders' equity <i>Note</i>	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
<i>Current liabilities</i>				
Short-term borrowings				
from financial institutions	370,000	865,000	370,000	865,000
Trade and other current payables	3 1,639,153	1,505,898	1,687,909	1,543,740
Current income tax payable	83,282	3,445	77,692	-
Current provisions				
for employee benefits	14,951	23,010	14,449	22,508
Total current liabilities	2,107,386	2,397,353	2,150,050	2,431,248
<i>Non-current liabilities</i>				
Non-current provisions				
for employee benefits	8 542,690	399,957	465,260	343,519
Other non-current provisions	13,958	16,430	3,989	6,276
Other non-current liabilities	184	2,386	184	2,386
Total non-current liabilities	556,832	418,773	469,433	352,181
Total liabilities	2,664,218	2,816,126	2,619,483	2,783,429

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SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2019

	Consolidated		Separate	
	financial statement		financial statement	
Liabilities and shareholders' equity	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Shareholders' equity				
Share capital				
<i>Authorized share capital</i>				
- Ordinary share	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>
<i>Issued and paid share capital</i>				
- Ordinary share	5,962,621	5,962,621	5,962,621	5,962,621
Share premium on ordinary shares	1,133,594	1,133,594	1,133,594	1,133,594
Surplus on business combinations				
under common control	211,060	211,060	274,225	274,225
Retained earnings				
<i>Appropriated</i>				
Legal reserve	206,907	206,907	206,907	206,907
<i>Unappropriated</i>	<u>1,034,315</u>	<u>883,288</u>	<u>1,102,208</u>	<u>957,099</u>
Total equity attributable to owners of the parent	8,548,497	8,397,470	8,679,555	8,534,446
Non-controlling interests	516,971	511,845	-	-
Total shareholders' equity	9,065,468	8,909,315	8,679,555	8,534,446
Total liabilities and shareholders' equity	11,729,686	11,725,441	11,299,038	11,317,875

The accompanying notes are an integral part of these interim financial statements.

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the three-month period ended 30 June 2019 (Unaudited)

		Consolidated financial statement		Separate financial statement
	Note	2019	2018	2019
		<i>(in thousand Baht)</i>		
Revenue from sales of goods	3	2,790,182	2,948,631	2,789,954
Revenue from sales of land		-	-	-
Cost of sales of goods	3	(2,015,014)	(2,170,040)	(2,087,015)
Cost of sales of land		-	-	-
Gross profit		775,168	778,591	702,939
Other income	3	51,307	71,722	51,046
Profit before expenses		826,475	850,313	753,985
Distribution costs		(490,753)	(524,625)	(442,511)
Administrative expenses		(306,291)	(225,236)	(267,025)
Total expenses		(797,044)	(749,861)	(709,536)
Profit from operations		29,431	100,452	44,449
Finance costs		(1,894)	(8,748)	(1,894)
Profit before income tax		27,537	91,704	42,555
Tax expense		(11,593)	(66,327)	(15,219)
Profit for the period		15,944	25,377	27,336
Profit (loss) attributable to				
Owners of the parent		21,197	11,723	27,336
Company in the Group				
before business restructuring		-	7,358	-
Non-controlling interests		(5,253)	6,296	-
		15,944	25,377	27,336
Basic earnings per share (in Baht)				
Attributable to owners of the parent	10	0.00	0.00	0.00

The accompanying notes are an integral part of these interim financial statements.

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

For the three-month period ended 30 June 2019 (Unaudited)

	Consolidated financial statement		Separate financial statement
	2019	2018	2019
	<i>(in thousand Baht)</i>		
Profit for the period	15,944	25,377	27,336
Other comprehensive income			
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>			
Defined benefit plan actuarial losses	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss	-	-	-
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	15,944	25,377	27,336
Total comprehensive income attributable to			
Owners of the parent	21,197	11,723	27,336
Company in the Group before business restructuring	-	7,358	-
Non-controlling interests	(5,253)	6,296	-
	15,944	25,377	27,336

The accompanying notes are an integral part of these interim financial statements.