

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

Interim financial statements  
for the three-month period ended  
31 March 2021

and

Independent auditor's report  
on review of interim financial information

## **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 31 March 2021; the consolidated and separate income statement and statement of comprehensive income, changes in shareholders’ equity and cash flows for the three-month period ended 31 March 2021 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 Standards 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”.

(Vairoj Jindamaneepitak)  
Certified Public Accountant  
Registration No. 3565

KPMG Phoomchai Audit Ltd.  
Bangkok  
11 May 2021

# SCG Ceramics Public Company Limited and its Subsidiary

## Statement of financial position

As at 31 March 2021

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents		1,132,710	731,232	748,574	370,763
Trade and other current receivables	3, 4	1,300,354	1,103,839	1,297,077	1,103,175
Inventories		2,540,801	2,628,830	2,331,267	2,419,908
Land development for sale		486,406	486,406	486,406	486,406
<b>Total current assets</b>		<b>5,460,271</b>	<b>4,950,307</b>	<b>4,863,324</b>	<b>4,380,252</b>
<b>Non-current assets</b>					
Long-term investment in other company		16,605	16,605	16,605	16,605
Investment in subsidiary	5	-	-	1,333,935	1,333,935
Other non-current receivables		104,262	109,644	104,262	109,644
Investment property		401,738	401,997	399,525	399,785
Property, plant and equipment		4,981,620	5,071,246	4,522,859	4,600,062
Goodwill		25,350	25,350	-	-
Other intangible assets		95,743	101,373	95,463	101,037
Deferred tax assets		209,259	212,916	180,965	185,848
Other non-current assets		21,173	23,097	21,173	23,097
<b>Total non-current assets</b>		<b>5,855,750</b>	<b>5,962,228</b>	<b>6,674,787</b>	<b>6,770,013</b>
<b>Total assets</b>		<b>11,316,021</b>	<b>10,912,535</b>	<b>11,538,111</b>	<b>11,150,265</b>

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 31 March 2021

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021 (Unaudited)	31 December 2020	31 March 2021 (Unaudited)	31 December 2020
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Trade and other current payables	3	1,637,242	1,231,937	1,698,330	1,299,515
Current portion of lease liabilities		75,570	75,029	69,522	67,723
Corporate income tax payable		87,433	46,976	71,530	38,302
Current provisions					
for employee benefits		19,991	90,370	17,026	69,192
<b>Total current liabilities</b>		<b>1,820,236</b>	<b>1,444,312</b>	<b>1,856,408</b>	<b>1,474,732</b>
<b>Non-current liabilities</b>					
Lease liabilities		67,699	64,535	56,225	49,140
Non-current provisions					
for employee benefits		588,958	578,622	510,478	501,611
Other non-current provisions		11,979	12,442	3,694	3,694
Other non-current liabilities		1,035	654	1,035	654
<b>Total non-current liabilities</b>		<b>669,671</b>	<b>656,253</b>	<b>571,432</b>	<b>555,099</b>
<b>Total liabilities</b>		<b>2,489,907</b>	<b>2,100,565</b>	<b>2,427,840</b>	<b>2,029,831</b>

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 31 March 2021

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021 (Unaudited)	31 December 2020	31 March 2021 (Unaudited)	31 December 2020
<i>(in thousand Baht)</i>					
<b>Shareholders' equity</b>					
Share capital					
<i>Authorized share capital</i>					
<i>(5,962,621 thousand ordinary shares, par value at Baht 1 per share)</i>					
		<b>5,962,621</b>	<b>5,962,621</b>	<b>5,962,621</b>	<b>5,962,621</b>
<i>Issued and paid share capital</i>					
<i>(5,962,621 thousand ordinary shares, par value at Baht 1 per share)</i>					
		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		242,610	242,610	242,610	242,610
<i>Unappropriated</i>		1,320,086	1,305,942	1,497,221	1,507,384
Other components of shareholders' equity	5	(43,857)	(43,857)	-	-
<b>Total equity attributable to owners of the parent</b>		<b>8,826,114</b>	<b>8,811,970</b>	<b>9,110,271</b>	<b>9,120,434</b>
<b>Total shareholders' equity</b>		<b>8,826,114</b>	<b>8,811,970</b>	<b>9,110,271</b>	<b>9,120,434</b>
<b>Total liabilities and shareholders' equity</b>		<b>11,316,021</b>	<b>10,912,535</b>	<b>11,538,111</b>	<b>11,150,265</b>

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 31 March 2021 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Revenue from sales and rendering of services	3	2,805,722	2,592,489	2,805,708	2,592,711
Cost of sales and rendering of services	3	(1,995,406)	(1,857,063)	(2,088,156)	(1,935,438)
<b>Gross profit</b>		<b>810,316</b>	<b>735,426</b>	<b>717,552</b>	<b>657,273</b>
Other income	3	20,051	38,787	22,459	38,880
<b>Profit before expenses</b>		<b>830,367</b>	<b>774,213</b>	<b>740,011</b>	<b>696,153</b>
Distribution costs		(442,928)	(436,361)	(400,290)	(396,061)
Administrative expenses		(152,895)	(177,754)	(135,641)	(156,748)
<b>Total expenses</b>		<b>(595,823)</b>	<b>(614,115)</b>	<b>(535,931)</b>	<b>(552,809)</b>
<b>Profit from operations</b>		<b>234,544</b>	<b>160,098</b>	<b>204,080</b>	<b>143,344</b>
Finance costs		(834)	(2,148)	(728)	(1,901)
<b>Profit before income tax</b>		<b>233,710</b>	<b>157,950</b>	<b>203,352</b>	<b>141,443</b>
Tax expense		(46,650)	(29,017)	(40,599)	(26,359)
<b>Profit for the period</b>		<b>187,060</b>	<b>128,933</b>	<b>162,753</b>	<b>115,084</b>
Profit attributable to					
<b>Owners of the parent</b>		<b>187,060</b>	<b>124,815</b>	<b>162,753</b>	<b>115,084</b>
Non-controlling interests		-	4,118	-	-
		187,060	128,933	162,753	115,084
<b>Basic earnings per share (in Baht)</b>		<b>0.03</b>	<b>0.02</b>	<b>0.03</b>	<b>0.02</b>
Attributable to owners of the parent		0.03	0.02	0.03	0.02

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## SCG Ceramics Public Company Limited and its Subsidiary

### Statement of comprehensive income

For the three-month period ended 31 March 2021 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>187,060</b>	<b>128,933</b>	<b>162,753</b>	<b>115,084</b>
<b>Other comprehensive income</b>				
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>187,060</b>	<b>128,933</b>	<b>162,753</b>	<b>115,084</b>
Total comprehensive income attributable to				
<b>Owners of the parent</b>	<b>187,060</b>	<b>124,815</b>	<b>162,753</b>	<b>115,084</b>
Non-controlling interests	-	4,118	-	-
	<b>187,060</b>	<b>128,933</b>	<b>162,753</b>	<b>115,084</b>

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

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

**Statement of changes in shareholders' equity**

**For the three-month period ended 31 March 2021 (Unaudited)**

		<b>Consolidated financial statements</b>								
							<i>Other components of shareholders' equity</i>			
Note	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	<i>Retained earnings</i>		Changes in other components from shareholders	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
				Appropriated	Unappropriated					
				Legal reserve	<i>(in thousand Baht)</i>					
	<b>5,962,621</b>	<b>1,133,594</b>	<b>211,060</b>	<b>214,264</b>	<b>980,607</b>	-	-	<b>8,502,146</b>	<b>527,041</b>	<b>9,029,187</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>										
<i>Contributions by and distributions to owners of the parent</i>										
Dividends	7	-	-	-	-	(71,552)	-	-	(71,552)	-
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(71,552)	-	-	(71,552)	-
<i>Changes in ownership interests in subsidiary</i>										
Changes that do not result in a loss of control	5	-	-	-	-	-	(43,857)	(43,857)	(43,857)	(531,159)
<i>Total changes in ownership interests in subsidiary</i>		-	-	-	-	-	(43,857)	(43,857)	(43,857)	(531,159)
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		-	-	-	-	(71,552)	(43,857)	(43,857)	(115,409)	(531,159)
<b>Comprehensive income for the period</b>										
Profit or loss		-	-	-	-	124,815	-	-	124,815	4,118
Other comprehensive income		-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-	-	<b>124,815</b>	-	-	<b>124,815</b>	<b>4,118</b>
<b>Balance at 31 March 2020</b>	<b>5,962,621</b>	<b>1,133,594</b>	<b>211,060</b>	<b>214,264</b>	<b>1,033,870</b>	<b>(43,857)</b>	<b>(43,857)</b>	<b>8,511,552</b>	<b>-</b>	<b>8,511,552</b>

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

**Statement of changes in shareholders' equity**

**For the three-month period ended 31 March 2021 (Unaudited)**

<b>Consolidated financial statements</b>											
<i>Other components of shareholders' equity</i>											
	Note	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	<i>Retained earnings</i>		Changes in other components from shareholders	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated					
<i>(in thousand Baht)</i>											
<b>Balance at 1 January 2021</b>		<b>5,962,621</b>	<b>1,133,594</b>	<b>211,060</b>	<b>242,610</b>	<b>1,305,942</b>	<b>(43,857)</b>	<b>(43,857)</b>	<b>8,811,970</b>	<b>-</b>	<b>8,811,970</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>											
<i>Contributions by and distributions to owners of the parent</i>											
Dividends	7	-	-	-	-	(172,916)	-	-	(172,916)	-	(172,916)
<i>Total contributions by and distributions to owners of the parent</i>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,916)</u>	<u>-</u>	<u>-</u>	<u>(172,916)</u>	<u>-</u>	<u>(172,916)</u>
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,916)</u>	<u>-</u>	<u>-</u>	<u>(172,916)</u>	<u>-</u>	<u>(172,916)</u>
<b>Comprehensive income for the period</b>											
Profit or loss		-	-	-	-	187,060	-	-	187,060	-	187,060
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,060</u>	<u>-</u>	<u>-</u>	<u>187,060</u>	<u>-</u>	<u>187,060</u>
<b>Balance at 31 March 2021</b>		<u><b>5,962,621</b></u>	<u><b>1,133,594</b></u>	<u><b>211,060</b></u>	<u><b>242,610</b></u>	<u><b>1,320,086</b></u>	<u><b>(43,857)</b></u>	<u><b>(43,857)</b></u>	<u><b>8,826,114</b></u>	<u><b>-</b></u>	<u><b>8,826,114</b></u>

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

## SCG Ceramics Public Company Limited and its Subsidiary

### Statement of changes in shareholders' equity

For the three-month period ended 31 March 2021 (Unaudited)

	Note	Separate financial statements				Total shareholders' equity	
		Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	Retained earnings		
					Appropriated Legal reserve		Unappropriated
<i>(in thousand Baht)</i>							
<b>Balance at 1 January 2020</b>		<b>5,962,621</b>	<b>1,133,594</b>	<b>274,225</b>	<b>214,264</b>	<b>1,037,403</b>	<b>8,622,107</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>							
<i>Contributions by and distributions to owners of the parent</i>							
Dividends	7	-	-	-	-	(71,552)	(71,552)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(71,552)	(71,552)
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		-	-	-	-	(71,552)	(71,552)
<b>Comprehensive income for the period</b>							
Profit or loss		-	-	-	-	115,084	115,084
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-	-	<b>115,084</b>	<b>115,084</b>
<b>Balance at 31 March 2020</b>		<b>5,962,621</b>	<b>1,133,594</b>	<b>274,225</b>	<b>214,264</b>	<b>1,080,935</b>	<b>8,665,639</b>

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## SCG Ceramics Public Company Limited and its Subsidiary

### Statement of changes in shareholders' equity

For the three-month period ended 31 March 2021 (Unaudited)

	Note	Separate financial statements				Total shareholders' equity	
		Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	Retained earnings		
					Appropriated Legal reserve		Unappropriated
<i>(in thousand Baht)</i>							
<b>Balance at 1 January 2021</b>		<b>5,962,621</b>	<b>1,133,594</b>	<b>274,225</b>	<b>242,610</b>	<b>1,507,384</b>	<b>9,120,434</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>							
<i>Contributions by and distributions to owners of the parent</i>							
Dividends	7	-	-	-	-	(172,916)	(172,916)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	<b>(172,916)</b>	<b>(172,916)</b>
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		-	-	-	-	<b>(172,916)</b>	<b>(172,916)</b>
<b>Comprehensive income for the period</b>							
Profit or loss		-	-	-	-	162,753	162,753
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-	-	<b>162,753</b>	<b>162,753</b>
<b>Balance at 31 March 2021</b>		<b>5,962,621</b>	<b>1,133,594</b>	<b>274,225</b>	<b>242,610</b>	<b>1,497,221</b>	<b>9,110,271</b>

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

# SCG Ceramics Public Company Limited and its Subsidiary

## Statement of cash flows

For the three-month period ended 31 March 2021 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	187,060	128,933	162,753	115,084
<b><i>Adjustments for</i></b>				
Tax expense	46,650	29,017	40,599	26,359
Depreciation and amortization	162,601	178,895	143,794	158,854
(Reversal) loss on impairment	112	(3,397)	112	(3,397)
Reversal on inventories devaluation	(4,078)	(8,489)	(4,059)	(8,489)
Provisions for employee benefit expenses	10,539	11,918	9,069	10,262
Gain on foreign currency exchange	(1,909)	(3,706)	(1,969)	(3,902)
Interest income	(822)	(597)	(374)	(225)
Interest expense	832	2,143	726	1,896
Loss (gain) on sales of assets and others	(273)	46	(623)	457
<b>Cash flows generated from operations</b>				
<b>before changes in operating assets and liabilities</b>	<b>400,712</b>	<b>334,763</b>	<b>350,028</b>	<b>296,899</b>
<b><i>Decrease (increase) in operating assets</i></b>				
Trade and other current receivables	(193,593)	30	(182,143)	1,354
Inventories	101,149	(51,751)	92,523	(40,427)
Other assets	6,949	4,667	6,949	4,667
<b>Net increase in operating assets</b>	<b>(85,495)</b>	<b>(47,054)</b>	<b>(82,671)</b>	<b>(34,406)</b>
<b><i>Increase (decrease) in operating liabilities</i></b>				
Trade and other current payables	223,264	(36,998)	214,195	(24,913)
Provisions for employee benefits	(70,582)	(150,733)	(52,368)	(150,732)
Other liabilities	780	34	1,244	34
<b>Net increase (decrease) in operating liabilities</b>	<b>153,462</b>	<b>(187,697)</b>	<b>163,071</b>	<b>(175,611)</b>
<b>Net cash flows generated from operations</b>	<b>468,679</b>	<b>100,012</b>	<b>430,428</b>	<b>86,882</b>
Income tax paid	(2,536)	(1,452)	(2,488)	(1,423)
<b>Net cash flows provided by operating activities</b>	<b>466,143</b>	<b>98,560</b>	<b>427,940</b>	<b>85,459</b>

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## SCG Ceramics Public Company Limited and its Subsidiary

### Statement of cash flows

For the three-month period ended 31 March 2021 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Acquisition of non-controlling interests	-	-	-	(574,860)
Proceeds from sales of property, plant and equipment	588	740	938	329
Acquisition of property, plant and equipment	(36,589)	(68,558)	(24,141)	(52,780)
Acquisition of intangible assets	(963)	(230)	(963)	(230)
Interest received	-	262	-	262
<b>Net cash flows used in investing activities</b>	<b>(36,964)</b>	<b>(67,786)</b>	<b>(24,166)</b>	<b>(627,279)</b>
<b><i>Cash flows from financing activities</i></b>				
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	-	(574,860)	-	-
<b><i>Proceeds from (payments of) borrowings</i></b>				
Short-term borrowings from financial institutions	-	790,000	-	790,000
Payments of finance lease liabilities	(26,946)	(31,827)	(25,315)	(30,655)
<b>Net increase (decrease) in borrowings</b>	<b>(26,946)</b>	<b>758,173</b>	<b>(25,315)</b>	<b>759,345</b>
Interest paid	(755)	(953)	(648)	(953)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(27,701)</b>	<b>182,360</b>	<b>(25,963)</b>	<b>758,392</b>
<b>Net increase in cash and cash equivalents</b>	<b>401,478</b>	<b>213,134</b>	<b>377,811</b>	<b>216,572</b>
Cash and cash equivalents at beginning of the period	731,232	631,409	370,763	259,976
<b>Cash and cash equivalents at end of the period</b>	<b>1,132,710</b>	<b>844,543</b>	<b>748,574</b>	<b>476,548</b>
<b><i>Supplementary information for cash flows</i></b>				
<b>Non-cash transactions</b>				
Account payables from purchase of assets	18,927	16,806	15,783	12,776
Dividends payables	172,916	71,552	172,916	71,552

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

**SCG Ceramics Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 11 May 2021.

## **1 General information**

SCG Ceramics Public Company Limited, the "Company", is incorporated in Thailand and has its registered offices at:

- Head office - 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand
- Factory - 61 Moo 1 Nong Khae Industrial Estate, Tambon Kokyae, Amphur Nongkhae, Saraburi 18230, Thailand  
- 33/1 Moo 2, Suvannasorn road, Tambon Kokyae, Amphur Nongkhae, Saraburi 18230, Thailand  
- 40 Moo 2, Rim Klong Rapeepat road, Tambon Nong Pling, Amphur Nongkhae, Saraburi 18140, Thailand  
- 33/2 Moo 2, Rim Klong Rapeepat road, Tambon Nong Pling, Amphur Nongkhae, Saraburi 18140, Thailand

The Company and its subsidiary, the Group's principal activities are engaged in manufacturing and sales of ceramic floor tiles and wall tiles, industrial estate development and installation service of solar equipment.

The immediate and ultimate parent companies were Cementhai Ceramic Co., Ltd. and The Siam Cement Public Company Limited, respectively. Both were incorporated in Thailand.

## **2 Basis of preparation of the interim financial statements**

### ***(a) Statement of compliance***

The interim financial statements are presented in the same format as the annual financial statements and together with notes to the interim financial statements on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 "*Interim Financial Reporting*", guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

### ***(b) Functional and presentation currency***

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the interim financial statements to the nearest thousand unless otherwise stated.

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**(c) Use of estimates and judgments**

The preparation of interim financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies. Actual results may differ from these estimates.

The significant assumptions in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the financial statements for the year ended 31 December 2020.

The COVID-19 outbreak resulted in estimation uncertainty. In 2020 the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statements for the year ended 31 December 2020 by excluding COVID-19 situation for impairment of assets, fair value measurement and lease modifications. The accounting guidance already expired on 31 December 2020, and has no material effect on the interim financial statements for the period ended 31 March 2021.

**(d) Basis of consolidation**

The interim consolidated financial statements for the three-month period ended 31 March 2021 include the accounts of SCG Ceramics Public Company Limited and its subsidiary. Subsidiary included in the interim consolidated financial statements is Sosuco Ceramic Co., Ltd.

All significant intercompany transactions with subsidiary included in the interim financial statements have been eliminated.

**3 Related parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Significant transactions with related parties for the three-month period ended 31 March are summarized as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>For the three-month period ended 31 March</i></b>				
<i>Ultimate parent</i>				
Service fee	13,140	13,158	10,734	13,007
<i>Parent</i>				
Service fee	9,191	15,962	8,385	12,621
Other income	2,060	2,563	2,060	2,563
<i>Subsidiary</i>				
Purchases	-	-	351,420	322,627
Service fee	-	-	1,184	1,352
Sale of goods and rendering of services	-	-	-	310
Other income	-	-	3,487	918



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	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>For the three-month period ended 31 March</i></b>				
<i>Other related parties</i>				
Purchases	320,339	88,956	309,176	78,904
Service fee	169,144	74,498	141,418	71,432
Sale of goods and rendering of services	212,571	80,004	212,571	80,004
Other income	4,502	5,135	4,502	5,135

Balances as at 31 March 2021 and 31 December 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>			
<i>Trade receivables</i>				
Ultimate parent	-	29	-	29
Other related parties	112,607	68,565	112,607	68,565
<b>Total</b>	<b>112,607</b>	<b>68,594</b>	<b>112,607</b>	<b>68,594</b>
<i>Other current receivables</i>				
Ultimate parent	27,706	19,933	24,219	19,933
Parent	2,638	3,034	2,638	3,034
Subsidiary	-	-	3,389	2,361
Other related parties	23,253	7,477	23,253	7,477
<b>Total</b>	<b>53,597</b>	<b>30,444</b>	<b>53,499</b>	<b>32,805</b>
<i>Trade payables</i>				
Subsidiary	-	-	223,072	180,801
Other related parties	239,011	171,562	221,553	163,069
<b>Total</b>	<b>239,011</b>	<b>171,562</b>	<b>444,625</b>	<b>343,870</b>
<i>Other current payables</i>				
Ultimate parent	15,930	17,616	14,704	16,908
Parent	5,567	9,984	5,555	9,807
Subsidiary	-	-	1,045	1,416
Other related parties	16,412	27,237	15,661	26,266
<b>Total</b>	<b>37,909</b>	<b>54,837</b>	<b>36,965</b>	<b>54,397</b>

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*The Board of Directors and key management compensation*

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>For the three-month period ended 31 March</i>				
Short-term employee benefits	7,938	8,053	7,938	8,053
Post-employment benefits	775	747	775	747
<b>Total</b>	<b>8,713</b>	<b>8,800</b>	<b>8,713</b>	<b>8,800</b>

**4 Trade and other current receivables**

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		<i>(in thousand Baht)</i>			
<i>Trade receivables</i>					
Related parties	3	112,607	68,594	112,607	68,594
Other companies		1,052,413	941,732	1,052,413	941,732
Less allowance for expected credit loss		(216)	(105)	(216)	(105)
<b>Net</b>		<b>1,052,197</b>	<b>941,627</b>	<b>1,052,197</b>	<b>941,627</b>
		<b>1,164,804</b>	<b>1,010,221</b>	<b>1,164,804</b>	<b>1,010,221</b>
<i>Other current receivables</i>					
Related parties	3	53,597	30,444	53,499	32,805
Other companies		81,953	63,174	78,774	60,149
		<b>135,550</b>	<b>93,618</b>	<b>132,273</b>	<b>92,954</b>
<b>Total</b>		<b>1,300,354</b>	<b>1,103,839</b>	<b>1,297,077</b>	<b>1,103,175</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Expected credit loss for the three-month period ended 31 March</i>				
Reversal (Additions)	(111)	3,397	(111)	3,397

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	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>			
<b>Trade receivables</b>				
<b>Related parties</b>				
Within credit terms	111,537	59,294	111,537	59,294
Overdue:				
Less than 1 month	261	2,146	261	2,146
1 - 3 months	-	2,862	-	2,862
Over 3 - 12 months	809	603	809	603
Over 12 months	-	3,689	-	3,689
<b>Total</b>	<b><u>112,607</u></b>	<b><u>68,594</u></b>	<b><u>112,607</u></b>	<b><u>68,594</u></b>
<b>Other companies</b>				
Within credit terms	1,005,911	883,721	1,005,911	883,721
Overdue:				
Less than 1 month	41,392	49,031	41,392	49,031
1 - 3 months	3,018	6,314	3,018	6,314
Over 3 - 12 months	2,001	2,562	2,001	2,562
Over 12 months	91	104	91	104
	<u>1,052,413</u>	<u>941,732</u>	<u>1,052,413</u>	<u>941,732</u>
Less allowance for expected credit loss	<u>(216)</u>	<u>(105)</u>	<u>(216)</u>	<u>(105)</u>
<b>Net</b>	<b><u>1,052,197</u></b>	<b><u>941,627</u></b>	<b><u>1,052,197</u></b>	<b><u>941,627</u></b>
<b>Total</b>	<b><u>1,164,804</u></b>	<b><u>1,010,221</u></b>	<b><u>1,164,804</u></b>	<b><u>1,010,221</u></b>

The normal credit terms granted by the Group is 30 - 120 days.

## 5 Investment in subsidiary

	Ownership interest		Paid-up capital		Cost method		Dividend income	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Mar 2020
	<i>(%)</i>				<i>(in thousand Baht)</i>			
Sosuco Ceramic Co., Ltd.	100.00	100.00	800,000	800,000	<u>1,333,935</u>	<u>1,333,935</u>	-	-

In March 2020, the Company purchased additional ordinary shares of Sosuco Ceramic Co., Ltd. (“SSC”), totaling 3,686 shares or representing 46.11%, amounting to Baht 575 million. As a result, the Company’s ownership increased from 53.89% to 100%.

The following summarizes the effect of the change in the Group’s ownership interests.

Carrying amount of non-controlling interests acquired	<i>(in thousand Baht)</i> 531,159
Less consideration paid to non-controlling interests	<u>(575,016)</u>
<b>Decrease in equity attributable to owners of the Group from additional investments in subsidiary</b>	<b><u>(43,857)</u></b>

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**6 Business segment information**

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises the following main business segments:

- Manufacturing and sales of ceramic tiles business
- Industrial estate development, real estate business and installation service of solar equipment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information relating to business segments for the three-month period ended 31 March was as follows:

	Manufacturing and sales of ceramic tiles		Industrial estate development, real estate and installation service of solar equipment		Total	
	1 Jan - 31 Mar		1 Jan - 31 Mar		1 Jan - 31 Mar	
	2021	2020	2021	2020	2021	2020
<i>(in thousand Baht)</i>						
<b>Information from consolidated income statement</b>						
External revenue	2,712,169	2,529,284	93,553	63,205	2,805,722	2,592,489
Other income	15,839	37,660	3,390	530	19,229	38,190
Interest income	822	597	-	-	822	597
Finance costs	834	2,148	-	-	834	2,148
Depreciation and amortization	157,680	173,989	4,921	4,906	162,601	178,895
Profit before income tax	216,223	142,063	17,487	15,887	233,710	157,950
Tax expense	(43,779)	(25,868)	(2,871)	(3,149)	(46,650)	(29,017)
Profit for the period	<u>172,444</u>	<u>116,195</u>	<u>14,616</u>	<u>12,738</u>	<u>187,060</u>	<u>128,933</u>

	Manufacturing and sales of ceramic tiles		Industrial estate development and real estate and installation service of solar equipment		Total	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2021	2020	2021	2020	2021	2020
<i>(in thousand Baht)</i>						
<b>Information from consolidated statement of financial position</b>						
Land development for sale	-	-	486,406	486,406	486,406	486,406
Segment assets	10,228,561	9,855,129	601,054	571,000	10,829,615	10,426,129

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**7 Dividends**

Details of dividends are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
<i>2021</i>				
Final dividend 2020	29 March 2021	22 April 2021	0.029	172,916
<b>Total</b>			<b>0.029</b>	<b>172,916</b>
<i>2020</i>				
Interim dividend 2019	19 March 2020	17 April 2020	0.012	71,552
<b>Total</b>			<b>0.012</b>	<b>71,552</b>

**8 Financial instruments**

*Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

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	Consolidated financial statements				Fair value		
	Carrying amount				Level 2	Level 3	Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total (in thousand Baht)			
<i>At 31 March 2021</i>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	1,132,710	1,132,710			
Trade receivables	-	-	1,164,804	1,164,804			
Derivatives assets	4,855	-	-	4,855	4,855		4,855
Long-term investment in other company	-	16,605	-	16,605		16,605	16,605
<b>Total financial assets</b>	<b>4,855</b>	<b>16,605</b>	<b>2,297,514</b>	<b>2,318,974</b>			
<b>Financial liabilities</b>							
Trade payables	-	-	869,822	869,822			
Lease liabilities	-	-	143,269	143,269			
Derivatives liabilities	2,519	-	-	2,519	2,519		2,519
<b>Total financial liabilities</b>	<b>2,519</b>	<b>-</b>	<b>1,013,091</b>	<b>1,015,610</b>			

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	<b>Consolidated financial statements</b>				<b>Fair value</b>		
	<b>Carrying amount</b>				Level 2	Level 3	Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total <i>(in thousand Baht)</i>			
<i>At 31 December 2020</i>							
<b><i>Financial assets</i></b>							
Cash and cash equivalents	-	-	731,232	731,232			
Trade receivables	-	-	1,010,221	1,010,221			
Derivatives assets	1,848	-	-	1,848	1,848		1,848
Long-term investment in other company	-	16,605	-	16,605		16,605	16,605
<b>Total financial assets</b>	<b>1,848</b>	<b>16,605</b>	<b>1,741,453</b>	<b>1,759,906</b>			
<b><i>Financial liabilities</i></b>							
Trade payables	-	-	709,228	709,228			
Lease liabilities	-	-	139,564	139,564			
Derivatives liabilities	3,143	-	-	3,143	3,143		3,143
<b>Total financial liabilities</b>	<b>3,143</b>	<b>-</b>	<b>848,792</b>	<b>851,935</b>			

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	Separate financial statements				Level 2	Fair value	
	Carrying amount					Level 3	Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total (in thousand Baht)			
<b>At 31 March 2021</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	748,574	748,574			
Trade receivables	-	-	1,164,804	1,164,804			
Derivatives assets	4,855	-	-	4,855	4,855		4,855
Long-term investment in other company	-	16,605	-	16,605		16,605	16,605
<b>Total financial assets</b>	<b>4,855</b>	<b>16,605</b>	<b>1,913,378</b>	<b>1,934,838</b>			
<b>Financial liabilities</b>							
Trade payables	-	-	984,638	984,638			
Lease liabilities	-	-	125,747	125,747			
Derivatives liabilities	2,519	-	-	2,519	2,519		2,519
<b>Total financial liabilities</b>	<b>2,519</b>	<b>-</b>	<b>1,110,385</b>	<b>1,112,904</b>			



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	Separate financial statements				Fair value		Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 2	Level 3	
<b><i>At 31 December 2020</i></b>							
			<i>(in thousand Baht)</i>				
<b><i>Financial assets</i></b>							
Cash and cash equivalents	-	-	370,763	370,763			
Trade receivables	-	-	1,010,221	1,010,221			
Derivatives assets	1,848	-	-	1,848	1,848		1,848
Long-term investment in other company	-	16,605	-	16,605		16,605	16,605
<b>Total financial assets</b>	<b>1,848</b>	<b>16,605</b>	<b>1,380,984</b>	<b>1,399,437</b>			
<b><i>Financial liabilities</i></b>							
Trade payables	-	-	817,927	817,927			
Lease liabilities	-	-	116,863	116,863			
Derivatives liabilities	3,143	-	-	3,143	3,143		3,143
<b>Total financial liabilities</b>	<b>3,143</b>	<b>-</b>	<b>934,790</b>	<b>937,933</b>			

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**Financial instruments measured at fair value**

These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The levels applicable to the Group's investments are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

The Group determined Level 2 fair values for forward exchange contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

The Group determined Level 3 fair values for investments in equity instruments which is not actively traded in market. The fair value of the investment was then determined using a valuation technique that used significantly unobservable input such as the latest reporting net assets adjusted by relevant factors because the shares were not listed on Stock Exchange, and there were no recent observable arm's length transactions in the shares

**9 Commitments and contingent liabilities**

As at 31 March 2021

- (a) The Company had letters of guarantee issued by banks to government, state enterprises, private sectors and others totaling approximately Baht 21 million (*31 December 2020: Baht 17 million*).
- (b) The Group had commitments for construction building and machinery totaling approximately Baht 35 million (*31 December 2020: Baht 13 million*).
- (c) The Group had entered into various lease agreements. The periods of these agreements are 3 years expiring in various dates up to January 2024. Under the terms of these agreements, the Group has to pay annual rental as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 Mar	31 Dec	31 Mar	31 Dec
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Within one year	1,280	1,334	1,127	1,156
After one year but within five years	1,017	795	1,004	762
<b>Total</b>	<b>2,297</b>	<b>2,129</b>	<b>2,131</b>	<b>1,918</b>

- (d) The Company has entered into a purchase agreement with a local company to purchase electricity and heat energy with a price which is calculated under the conditions as indicated in the agreement. This agreement shall be in effect for the period of fifteen (15) years commencing on June 2012.

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**10 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has revised TFRS which is effective for annual accounting periods beginning on or after 1 January 2022 and has not been adopted in the preparation of these interim financial statements because it is not yet effective. The Group has assessed the potential initial impact on the financial statements of this revised TFRS and expected that there will be no material impact on the financial statements in the period of initial application.

**11 Reclassification of accounts**

Certain accounts in the income statement for the three-month period ended 31 March 2020 have been reclassified to conform to the presentation in the 2021 interim financial statements were as follows:

	Consolidated financial statements		
	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<b><i>Consolidated income statement for the three-month period ended 31 March 2020</i></b>			
Revenue from sales and rendering of services	2,523,040	69,449	2,592,489
Cost of sales and rendering of services	(1,821,986)	(35,077)	(1,857,063)
Other income	73,159	(34,372)	38,787
	Separate financial statements		
	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<b><i>Income statement for the three-month period ended 31 March 2020</i></b>			
Revenue from sales and rendering of services	2,522,952	69,759	2,592,711
Cost of sales and rendering of services	(1,900,361)	(35,077)	(1,935,438)
Other income	73,562	(34,682)	38,880