

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

Financial statements
for the year ended 31 December 2021
and
Independent auditor's report

Independent auditor’s report

To the Board of Directors of SCG Ceramics Public Company Limited

I have audited the consolidated financial statements of SCG Ceramics Public Company Limited and its subsidiary (the “Group”) and separate financial statements of SCG Ceramics Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021; the consolidated and separate income statement and statement of comprehensive income; the consolidated and separate statements of changes in shareholders’ equity and cash flows for the year then ended and condensed notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, as at 31 December 2021, their consolidated financial performance and cash flows and the separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Notes 3 and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
I focused on this area because inventories account is a significant balance and the Group's and the Company's market is high price competition and there are some long-outstanding finished goods which may not be sold at the expected selling price. The Group's and the Company's accounting policy is to set-up allowance for decline in value of inventories at the lower of their cost and net realizable value and review the allowance for decline in value of inventories. Such reviews require high judgment of management level.	My audit procedures included inquiring the management who is responsible for this to obtain the Group's and the Company's policy in relation to provisioning of inventory. I review the compliance with the Group's and the Company's policy and randomly test provision of inventories whether it is in accordance with the Group's and the Company's policy. In addition, my procedures included testing calculation of allowance for decline in value of inventory by comparing the cost of inventories against expected net realizable value from the selling price less selling expense.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2022

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 31 December 2021

Assets	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents	5	1,323,902	731,232	826,460	370,763
Trade and other current receivables	4, 6	1,348,127	1,103,839	1,348,198	1,103,175
Inventories	7	2,770,613	2,628,830	2,545,596	2,419,908
Land development for sale		429,701	486,406	429,701	486,406
Total current assets		5,872,343	4,950,307	5,149,955	4,380,252
Non-current assets					
Long-term investment in other company		16,605	16,605	16,605	16,605
Investment in subsidiary	8	-	-	1,333,935	1,333,935
Other non-current receivables		91,960	109,644	91,960	109,644
Investment property	9	400,945	401,997	398,732	399,785
Property, plant and equipment	10	4,825,227	5,071,246	4,392,608	4,600,062
Goodwill		25,350	25,350	-	-
Other intangible assets	12	83,990	101,373	82,891	101,037
Deferred tax assets	13	189,195	212,916	165,300	185,848
Other non-current assets		15,763	23,097	15,763	23,097
Total non-current assets		5,649,035	5,962,228	6,497,794	6,770,013
Total assets		11,521,378	10,912,535	11,647,749	11,150,265

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 31 December 2021

Liabilities and shareholders' equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade and other current payables	4, 16	1,487,241	1,231,937	1,498,267	1,299,515
Current portion of lease liabilities	15	57,820	75,029	56,635	67,723
Corporate income tax payable		25,076	46,976	17,963	38,302
Current provisions					
for employee benefits		27,443	90,370	23,996	69,192
Total current liabilities		1,597,580	1,444,312	1,596,861	1,474,732
Non-current liabilities					
Lease liabilities	15	91,142	64,535	89,539	49,140
Non-current provisions					
for employee benefits	17	566,232	578,622	496,212	501,611
Other non-current provisions		10,640	12,442	2,820	3,694
Other non-current liabilities		5,227	654	5,227	654
Total non-current liabilities		673,241	656,253	593,798	555,099
Total liabilities		2,270,821	2,100,565	2,190,659	2,029,831

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 31 December 2021

Liabilities and shareholders' equity	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Shareholders' equity					
Share capital					
<i>Authorized 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
<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	18	1,133,594	1,133,594	1,133,594	1,133,594
Other surpluses	18	211,060	211,060	274,225	274,225
Retained earnings					
<i>Appropriated</i>					
Legal reserve	18	267,056	242,610	267,056	242,610
<i>Unappropriated</i>					
		1,720,083	1,305,942	1,819,594	1,507,384
Other components of shareholders' equity		(43,857)	(43,857)	-	-
Total shareholders' equity		9,250,557	8,811,970	9,457,090	9,120,434
Total liabilities and shareholders' equity		11,521,378	10,912,535	11,647,749	11,150,265

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

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the year ended 31 December 2021

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Revenue from sales and rendering of services	4	11,063,430	10,194,023	11,063,484	10,193,823
Revenue from sales of land		130,680	-	130,680	-
Cost of sales and rendering of services	4, 7	(8,019,632)	(7,263,713)	(8,389,915)	(7,581,693)
Cost of sales of land		(57,450)	-	(57,450)	-
Gross profit		3,117,028	2,930,310	2,746,799	2,612,130
Other income	4	82,032	69,944	92,149	273,671
Profit before expenses		3,199,060	3,000,254	2,838,948	2,885,801
Distribution costs	20	(1,831,800)	(1,688,467)	(1,661,668)	(1,533,647)
Administrative expenses	21	(633,367)	(784,433)	(561,903)	(694,468)
Total expenses		(2,465,167)	(2,472,900)	(2,223,571)	(2,228,115)
Profit from operations		733,893	527,354	615,377	657,686
Finance costs		(3,513)	(7,403)	(3,174)	(6,567)
Profit before income tax		730,380	519,951	612,203	651,119
Tax expense	23	(146,776)	(95,643)	(123,277)	(84,206)
Profit for the year		583,604	424,308	488,926	566,913
Profit attributable to					
Owners of the parent		583,604	420,190	488,926	566,913
Non-controlling interests		-	4,118	-	-
		583,604	424,308	488,926	566,913
Basic earnings per share (in Baht)		0.10	0.07	0.08	0.10
Attributable to owners of the parent		0.10	0.07	0.08	0.10

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

For the year ended 31 December 2021

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Profit for the year		583,604	424,308	488,926	566,913
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on remeasurements of defined benefit plans	17	34,874	6,304	25,807	3,707
Income tax relating to items that will not be reclassified subsequently to profit or loss	23	(6,975)	(1,261)	(5,161)	(741)
Total items that will not be reclassified subsequently to profit or loss		27,899	5,043	20,646	2,966
Other comprehensive income for the year, net of tax		27,899	5,043	20,646	2,966
Total comprehensive income for the year		611,503	429,351	509,572	569,879
Total comprehensive income attributable to					
Owners of the parent		611,503	425,233	509,572	569,879
Non-controlling interests		-	4,118	-	-
		611,503	429,351	509,572	569,879

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2021

Consolidated financial statements

	Note	Other components of shareholders' equity								
		Issued and paid share capital	Share premium on ordinary shares	Other surpluses	Retained earnings		Changes in other components from shareholders	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated				
<i>(in thousand Baht)</i>										
Balance at 1 January 2021		5,962,621	1,133,594	211,060	242,610	1,305,942	(43,857)	(43,857)	8,811,970	8,811,970
Transactions with owners, recorded directly in shareholders' equity										
<i>Contributions by and distributions to owners of the parent</i>										
Dividends	25	-	-	-	-	(172,916)	-	-	(172,916)	(172,916)
Total contributions by and distributions to owners of the parent		-	-	-	-	(172,916)	-	-	(172,916)	(172,916)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(172,916)	-	-	(172,916)	(172,916)
Comprehensive income for the year										
Profit or loss		-	-	-	-	583,604	-	-	583,604	583,604
Other comprehensive income		-	-	-	-	27,899	-	-	27,899	27,899
Total comprehensive income for the year		-	-	-	-	611,503	-	-	611,503	611,503
Transfer to legal reserve	18	-	-	-	24,446	(24,446)	-	-	-	-
Balance at 31 December 2021		5,962,621	1,133,594	211,060	267,056	1,720,083	(43,857)	(43,857)	9,250,557	9,250,557

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2021

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid share capital	Share premium on ordinary shares	Other surpluses	Retained earnings		
					Appropriated Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Balance at 1 January 2020		5,962,621	1,133,594	274,225	214,264	1,037,403	8,622,107
Transactions with owners, recorded directly in shareholders' equity							
<i>Contributions by and distributions to owners of the parent</i>							
Dividends	25	-	-	-	-	(71,552)	(71,552)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(71,552)	(71,552)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(71,552)	(71,552)
Comprehensive income for the year							
Profit or loss		-	-	-	-	566,913	566,913
Other comprehensive income		-	-	-	-	2,966	2,966
Total comprehensive income for the year		-	-	-	-	569,879	569,879
Transfer to legal reserve	18	-	-	-	28,346	(28,346)	-
Balance at 31 December 2020		5,962,621	1,133,594	274,225	242,610	1,507,384	9,120,434

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2021

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid share capital	Share premium on ordinary shares	Other surpluses	Retained earnings		
					Appropriated Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Balance at 1 January 2021		5,962,621	1,133,594	274,225	242,610	1,507,384	9,120,434
Transactions with owners, recorded directly in shareholders' equity							
<i>Contributions by and distributions to owners of the parent</i>							
Dividends	25	-	-	-	-	(172,916)	(172,916)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(172,916)	(172,916)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(172,916)	(172,916)
Comprehensive income for the year							
Profit or loss		-	-	-	-	488,926	488,926
Other comprehensive income		-	-	-	-	20,646	20,646
Total comprehensive income for the year		-	-	-	-	509,572	509,572
Transfer to legal reserve	18	-	-	-	24,446	(24,446)	-
Balance at 31 December 2021		5,962,621	1,133,594	274,225	267,056	1,819,594	9,457,090

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the year ended 31 December 2021

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	583,604	424,308	488,926	566,913
<i>Adjustments for</i>				
Tax expense	146,776	95,643	123,277	84,206
Depreciation and amortization	644,594	694,631	571,806	614,455
(Reversal) loss on impairment	1,118	(6,258)	1,118	(6,258)
Loss on inventories devaluation	8,821	1,045	7,160	3,179
Provisions for employee benefit expenses	43,066	52,883	37,181	46,276
Loss (gain) on foreign currency exchange	(3,065)	3,684	(2,947)	3,683
Dividend income	-	-	-	(200,000)
Interest income	(3,733)	(2,592)	(1,896)	(1,312)
Interest expense	3,511	7,398	3,171	6,562
Loss on sales of assets and others	1,329	27,928	887	28,487
Cash flows generated from operations				
before changes in operating assets and liabilities	1,426,021	1,298,670	1,228,683	1,146,191
<i>Decrease (increase) in operating assets</i>				
Trade and other current receivables	(250,667)	52,516	(242,520)	52,819
Inventories	(138,438)	223,354	(129,499)	120,966
Land development for sale	56,705	-	56,705	-
Other assets	23,593	22,692	23,593	22,692
Net decrease (increase) in operating assets	(308,807)	298,562	(291,721)	196,477
<i>Increase (decrease) in operating liabilities</i>				
Trade and other current payables	240,926	(181,271)	182,167	(167,626)
Provisions for employee benefits	(83,509)	(130,582)	(61,968)	(138,632)
Other liabilities	2,771	(609)	3,699	81
Net increase (decrease) in operating liabilities	160,188	(312,462)	123,898	(306,177)
Net cash flows generated from operations	1,277,402	1,284,770	1,060,860	1,036,491
Income tax paid	(151,929)	(50,943)	(128,230)	(40,619)
Net cash flows provided by operating activities	1,125,473	1,233,827	932,630	995,872

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the year ended 31 December 2021

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of non-controlling interests	-	-	-	(574,860)
Proceeds from sale of property, plant and equipment	2,578	6,139	3,028	5,580
Acquisition of property, plant and equipment	(252,345)	(202,518)	(202,731)	(161,486)
Acquisition of intangible assets	(7,757)	(9,446)	(6,774)	(9,446)
Dividends received	-	-	-	200,000
Interest received	3,733	2,675	1,896	1,395
Net cash flows used in investing activities	(253,791)	(203,150)	(204,581)	(538,817)
<i>Cash flows from financing activities</i>				
Payments of changes in ownership interests in subsidiary that do not result in a loss of control	-	(574,860)	-	-
<i>Payments of borrowings</i>				
Short-term borrowings from financial institutions	-	(160,000)	-	(160,000)
Payments of lease liabilities	(102,563)	(116,223)	(96,262)	(107,329)
Net decrease in borrowings	(102,563)	(276,223)	(96,262)	(267,329)
<i>Dividends paid</i>				
Dividends paid	(172,916)	(71,552)	(172,916)	(71,552)
Total dividends paid	(172,916)	(71,552)	(172,916)	(71,552)
Interest paid	(3,533)	(8,219)	(3,174)	(7,387)
Net cash flows used in financing activities	(279,012)	(930,854)	(272,352)	(346,268)
Net increase in cash and cash equivalents	592,670	99,823	455,697	110,787
Cash and cash equivalents at beginning of the year	731,232	631,409	370,763	259,976
Cash and cash equivalents at end of the year	1,323,902	731,232	826,460	370,763
<i>Supplementary information for cash flows</i>				
<i>Non-cash transactions at end of the year</i>				
Account payables from purchase of assets	34,580	19,459	30,313	13,634

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

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade receivables
7	Inventories
8	Investment in subsidiary
9	Investment properties
10	Property, plant and equipment
11	Leases
12	Other Intangible assets
13	Deferred tax assets (deferred tax liabilities)
14	Changes in liabilities arising from financing activities
15	Interest-bearing liabilities
16	Trade and other current payables
17	Non-current provisions for employee benefits
18	Legal reserve and premiums
19	Business segment information
20	Distribution costs
21	Administrative expenses
22	Employee benefit expenses
23	Income tax
24	Promotional privileges
25	Dividends
26	Financial instruments
27	Commitments and contingent liabilities
28	Capital management
29	Events after the reporting period
30	Thai Financial Reporting Standards (TFRSs) that have been issued but is not yet effective
31	Reclassification of accounts

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The 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 14 February 2022.

1 General information

SCG Ceramics Public Company Limited, (the "Company"), is incorporated in Thailand. The Company's registered office were 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") principal activities are engaged in manufacturing and sales of ceramic floor tiles and wall tiles and 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 financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs"); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The Group has adopted the amendment to TFRS 16 *COVID-19-related rent concessions* which provides an option for lessees not to assess whether eligible COVID-19 related rent concessions are lease modification. The Group adopted amendment to TFRS 16 since 1 January 2021. However, the change in accounting policy has no material effect on the consolidated financial statements.

(b) Functional and presentation currency

The financial statements are 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 financial statements to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

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* by excluding COVID-19 situation for consideration of impairment of assets, fair values measurement and lease modifications. As the accounting guidance already expired on 31 December 2020, the Group has adjusted the value of assets of the year 2021 that has no material impact on the consolidated financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the “Group”).

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated but only to the extent that there is no evidence of impairment.

Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(b) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition and are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

(c) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(d) Inventories

Inventories are measured at the lower of cost or net realizable value.

Cost is calculated using the following formula:

Finished goods	-	at standard cost which approximates actual production cost
Merchandise	-	at average cost
Work in progress	-	at standard cost
Raw materials, spare parts, stores supplies and others	-	at average cost

Cost comprises costs of purchase, costs of conversion or relevant direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the costs to complete and to make the sale.

(e) Land development for sale

Land development for sale is stated at cost which consists of cost of land, cost of development and direct related project cost less accumulated impairment losses.

(f) Investments

Investment in subsidiary

Investment in subsidiary in the separate financial statements of the Company is accounted for using the cost method.

(g) Investment property

Investment properties are properties which properties that are held as right-of-use assets, as well as properties that are owned by the Group. Investment properties are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment properties includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation charged on freehold land.

The estimated useful lives are as follows:

Buildings and structures	10 - 30	years
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Any gains and losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

Reclassification to property, plant and equipment

When the use of an investment property changes that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(h) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognized in profit or loss. No depreciation is provided on freehold assets and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 20	years
Buildings and structures	3 - 40	years
Machinery and equipment	2 - 20	years
Furniture, fixtures and office equipment	2 - 20	years
Transportation and equipment	4 - 10	years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Deferred mining costs

Deferred mining costs are stated at cost less accumulated amortization and accumulated impairment losses. It is amortized according to quantity of reimbursement.

(j) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use.

The estimated useful lives are as follows:

Software licenses	2 - 10	years
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Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(k) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognized as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, any lease payments made at or before the commencement date, adjusted for any prepaid lease payments, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

Depreciation of right-of-use asset is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

(l) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group will estimate the assets' recoverable amounts. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Reversal of impairment

Impairment losses of assets recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortization, if no impairment loss had been recognized.

(m) Trade and other payables

Trade and other payables are stated at amortized cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to provident fund for the Group's employee are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method which is based on actuarial valuation method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized in other comprehensive income. The Company determine the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(p) Fair value measurement

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

Measuring the fair value of an asset or a liability, the Group use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included in 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.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(q) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and rendering of services

Revenue from sales of goods is recognized at a point in time when the Group transfers control of the goods to customers, generally on delivery of the goods to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognize revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of performance obligation.

For bundled packages, the Group recognizes revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from sales of goods which is recognized at a point in time.

Revenue from industrial estate development

Revenue is recognized in profit or loss when the right of land has been transferred.

Other income

Other income comprises dividend income, interest income and others that recognized on accrual basis except dividend income is recognized in profit or loss on date the Group's right to receive payments is established.

(2) Contract balances

Contract assets are recognized when the Group has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group issues an invoice.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

(r) Expenses

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expense

The Group offered certain qualifiable employees the option to take early retirement from the Group. 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 or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries, joint ventures and associate to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(t) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the foreign exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at that date.

Non-monetary assets and liabilities arising from the payment or receipt of advance consideration measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

(u) Financial instruments

Classification and measurement

Debt securities that the Group issued are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables are initially recognized when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

An equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except held for trading or derivative are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income which calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

Derecognition and offset

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Derivatives

Derivative are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

Hedge accounting

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Impairment of financial assets

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

The Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is the investment grade. The Group recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Interest

Interest income and expense are recognized using the effective interest method.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(v) Business segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(w) Related parties

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

4 Related parties

Relationships with related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Cemethai Ceramics Co., Ltd.	Thailand	Immediate parent company
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of SCG Ceramics Public Company Limited
SCG Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Roofing Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Fibre-Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Fiberglass Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Landscape Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Sanitary Fittings Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Saraburirat Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Fibre Cement Group Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG-Sekisui Sales Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Name of entities	Country of incorporation	Nature of relationships
Quality Construction Products Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Nexter Living Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Lampang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
ECO Plant Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Concrete Products and Aggregate Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
CPAC Construction Solution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Nawaplastic Industries Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Bangsue Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Nexter Digital Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Home Retail Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Experience Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG International Corporation Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG International Middle East Dmcc	United Arab Emirates	A subsidiary of The Siam Cement Public Company Limited
SCG International India Private Limited	India	A subsidiary of The Siam Cement Public Company Limited
SCG International Hong Kong Limited	China	A subsidiary of The Siam Cement Public Company Limited

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Name of entities	Country of incorporation	Nature of relationships
SCG International China (Guangzhou) Co., Ltd.	China	A subsidiary of The Siam Cement Public Company Limited
SCG International USA Inc.	United States of America	A subsidiary of The Siam Cement Public Company Limited
PT Keramika Indonesia Assosiasi, Tbk.	Indonesia	A subsidiary of The Siam Cement Public Company Limited
PT KIA Serpih Mas	Indonesia	A subsidiary of The Siam Cement Public Company Limited
PT KIA Keramik Mas	Indonesia	A subsidiary of The Siam Cement Public Company Limited
PT Kokoh Inti Arebama Tbk.	Indonesia	A subsidiary of The Siam Cement Public Company Limited
Myanmar CBM Services Co., Ltd.	Myanmar	A subsidiary of The Siam Cement Public Company Limited
Mariwasa-Siam Ceramics, Inc.	Philippines	A subsidiary of The Siam Cement Public Company Limited
SCG-Boonthavorn (Cambodia) Co., Ltd.	Cambodia	A subsidiary of The Siam Cement Public Company Limited
Kampot Cement Co., Ltd.	Cambodia	A subsidiary of The Siam Cement Public Company Limited
Prime Trading, Import and Export One Member Limited Liability Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Prime International Import - Export and Service Trading Company Limited	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Prime Group Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Prime Dai Viet Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Prime - Vinh Phuc Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Prime Dai Loc Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Skills Development Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Express Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Containers Group Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Invenique Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Packaging Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Kraft Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Paper Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Paper Energy Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Name of entities	Country of incorporation	Nature of relationships
Cementhai Gypsum Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Sekisui-SCG Industry Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Noritake SCG Plaster Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Global House Public Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
Siam Kubota Corporation Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Yamato Steel Co., Ltd.	Thailand	Other related parties of The Siam Cement Public Company Limited

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Purchases	Market price
Service fee	Market price
Revenue from sales and rendering of services	Market price
Other income	Market price
Dividend income	Upon declaration

Significant transactions with related parties for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Ultimate parent</i>				
Service fees	83,170	91,315	73,649	86,025
Revenue from sales and rendering of services	-	446	-	446
Other income	10	-	10	-
<i>Parent</i>				
Service fees	26,584	48,746	25,112	44,424
Other income	6,642	10,495	6,642	10,495
<i>Subsidiary</i>				
Purchases	-	-	1,412,851	1,298,179
Service fees	-	-	4,216	6,728
Dividend income	-	-	-	200,000
Revenue from sales and rendering of services	-	-	286	310
Other income	-	-	15,620	6,371

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Other related parties</i>				
Purchases	1,660,772	596,935	1,618,142	564,117
Service fees	672,981	357,724	555,033	326,324
Revenue from sales and rendering of services	1,149,481	421,721	1,149,481	421,721
Other income	19,377	20,859	19,377	20,859

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Trade receivables</i>				
Ultimate parent	-	29	-	29
Other related parties	200,145	70,687	200,145	70,687
Total	200,145	70,716	200,145	70,716
<i>Other current receivables</i>				
Ultimate parent	19,662	19,933	19,620	19,933
Parent	3,201	3,034	3,201	3,034
Subsidiary	-	-	4,241	2,361
Other related parties	40,746	5,354	40,644	5,354
Total	63,609	28,321	67,706	30,682
<i>Trade payables</i>				
Subsidiary	-	-	174,899	180,801
Other related parties	169,686	171,562	153,209	163,069
Total	169,686	171,562	328,108	343,870
<i>Other current payables</i>				
Ultimate parent	12,482	17,616	12,086	16,908
Parent	4,244	9,984	4,002	9,807
Subsidiary	-	-	1,222	1,416
Other related parties	32,506	27,237	30,081	26,266
Total	49,232	54,837	47,391	54,397
<i>Advance payment from software license fee shown under non-current assets</i>				
Ultimate parent	54,539	72,711	54,539	72,711
Parent	2,238	3,088	2,238	3,088
Total	56,777	75,799	56,777	75,799

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

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 years ended 31 December</i>				
Short-term employee benefits	38,358	38,832	38,358	38,832
Post-employment benefits	3,140	3,011	3,140	3,011
Total	41,498	41,843	41,498	41,843

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Ceramics Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, others and contribution to defined contribution plans.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash at banks - savings accounts	1,286,624	679,706	789,334	319,385
Cash at banks - current accounts	30,986	49,134	30,933	49,086
Cash on hand and others	6,292	2,392	6,193	2,292
Total	1,323,902	731,232	826,460	370,763

6 Trade receivables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<i>At 31 December</i>					
<i>Trade receivables</i>					
Related parties	4	200,145	70,716	200,145	70,716
Other companies		1,019,575	951,466	1,019,575	951,466
Less allowance for expected credit loss		(172)	(105)	(172)	(105)
Net		1,019,403	951,361	1,019,403	951,361
Total		1,219,548	1,022,077	1,219,548	1,022,077

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>(in thousand Baht)</i>				
As at 31 December				
Trade receivables				
Related parties				
Within credit terms	197,196	61,416	197,196	61,416
Overdue:				
Less than 1 month	293	2,146	293	2,146
1 - 3 months	2,656	2,862	2,656	2,862
Over 3 - 12 months	-	603	-	603
Over 12 months	-	3,689	-	3,689
Total	200,145	70,716	200,145	70,716
Other companies				
Within credit terms	970,721	893,455	970,721	893,455
Overdue:				
Less than 1 month	45,906	49,031	45,906	49,031
1 - 3 months	1,926	6,314	1,926	6,314
Over 3 - 12 months	-	2,562	-	2,562
Over 12 months	1,022	104	1,022	104
	1,019,575	951,466	1,019,575	951,466
<i>Less allowance for expected credit loss</i>	<i>(172)</i>	<i>(105)</i>	<i>(172)</i>	<i>(105)</i>
Net	1,019,403	951,361	1,019,403	951,361
Total	1,219,548	1,022,077	1,219,548	1,022,077

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

As at 31 December 2021, the outstanding overdue amounts of above accounts receivable have credit bank guarantees amounting to Baht 62 million (2020: Baht 48 million).

	Consolidated and Separate financial statements	
	2021	2020
<i>(in thousand Baht)</i>		
Allowance for expected credit loss		
At 1 January	105	13,614
Addition	122	-
Reversal	(55)	(6,274)
Write-off	-	(7,235)
At 31 December	172	105

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	2,313,230	2,240,167	2,152,331	2,085,337
Work in progress	83,300	86,056	71,266	72,854
Raw materials	269,070	233,259	243,199	212,246
Spare parts, stores, supplies and others	224,841	212,707	194,562	189,989
Finish goods, raw materials and spare parts in transit	164,434	148,323	162,718	145,744
Total	3,054,875	2,920,512	2,824,076	2,706,170
Less allowance for decline in value	(284,262)	(291,682)	(278,480)	(286,262)
Net	2,770,613	2,628,830	2,545,596	2,419,908
Cost of inventories recognized as an expense in cost of sales	8,035,873	7,254,408	8,404,857	7,572,052
Write-down to net realizable value	132,540	97,556	130,755	97,556
Reversal of write-down	(148,781)	(88,251)	(145,697)	(87,915)
Changes in inventories of finished goods and work in progress	(70,307)	186,831	(65,406)	87,540
Raw materials and supplies used	(2,280,803)	(1,991,713)	(1,862,642)	(1,635,514)

8 Investment in subsidiary

	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(%)</i>				<i>(in thousand Baht)</i>			
Sosuco Ceramic Co., Ltd.	100	100	800,000	800,000	<u>1,333,935</u>	<u>1,333,935</u>	-	200,000

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 summarized the effect of the change in the Group’s ownership.

	<i>(in thousand Baht)</i>
Carrying amount of non-controlling interests acquired	531,159
Less consideration paid to non-controlling interests	<u>(575,106)</u>
Decrease in other components of shareholders’ equity	<u>(43,857)</u>

At the Board of Directors’ Meeting of Sosuco Ceramic Co., Ltd. held on 14 September 2020, the directors approved to pay the 2020 interim dividend at the rate of Baht 25,000 per share to the shareholders entitled to receive dividends totaling approximately Baht 200 million and payment was made on 25 September 2020.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

9 Investment properties

	Consolidated financial statements		
	Land	Buildings and structures (in thousand Baht)	Total
Cost			
At 1 January 2020	409,815	74,531	484,346
Additions	-	767	767
At 31 December 2020 and 2021	409,815	75,298	485,113
Accumulated depreciation and accumulated impairment losses			
At 1 January 2020	9,599	72,624	82,223
Depreciation charge for the year	-	893	893
At 31 December 2020	9,599	73,517	83,116
Depreciation charge for the year	-	1,052	1,052
At 31 December 2021	9,599	74,569	84,168
Carrying amount			
At 31 December 2020	400,216	1,781	401,997
At 31 December 2021	400,216	729	400,945
	Separate financial statements		
	Land	Buildings and structures (in thousand Baht)	Total
Cost			
At 1 January 2020	398,004	73,235	471,239
Additions	-	767	767
At 31 December 2020 and 2021	398,004	74,002	472,006
Accumulated depreciation and accumulated impairment losses			
At 1 January 2020	-	71,328	71,328
Depreciation charge for the year	-	893	893
At 31 December 2020	-	72,221	72,221
Depreciation charge for the year	-	1,053	1,053
At 31 December 2021	-	73,274	73,274
Carrying amount			
At 31 December 2020	398,004	1,781	399,785
At 31 December 2021	398,004	728	398,732

The Group determined fair value of investment properties in consolidated and separate financial statements as at 31 December 2021 at open market values on an existing use basis. The fair value was Baht 1,049 million (2020: Baht 1,049 million) and Baht 1,032 million (2020: Baht 1,032 million), respectively.

The fair value measurement for investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is market and income approach.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

10 Property, plant and equipment

	Consolidated financial statements						Total
	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture fixtures and office equipment <i>(in thousand Baht)</i>	Transportation and equipment	Construction in progress	
Cost							
At 1 January 2020	1,524,935	3,414,001	15,418,683	373,266	172,093	181,128	21,084,106
Additions	9,496	9,848	84,079	14,932	55,033	99,510	272,898
Disposals/written off	(143)	(9,556)	(62,128)	(17,519)	(39,702)	(3,647)	(132,695)
Transfer in (out)	3,682	11,433	75,061	2,571	141	(92,888)	-
Transfer to other non-current assets	-	(38,393)	(489,677)	(477)	(3,474)	-	(532,021)
Transfer to other intangible assets	-	-	-	-	-	(2,411)	(2,411)
At 31 December 2020	1,537,970	3,387,333	15,026,018	372,773	184,091	181,692	20,689,877
Additions	24,794	14,886	110,111	15,875	62,668	166,690	395,024
Disposals/written off	(9,207)	(15,117)	(56,532)	(9,507)	(33,104)	-	(123,467)
Transfer in (out)	-	1,495	125,759	15,143	-	(142,397)	-
Transfer to other non-current assets	-	(338)	(40,523)	(486)	-	-	(41,347)
At 31 December 2021	1,553,557	3,388,259	15,164,833	393,798	213,655	205,985	20,920,087

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements						
	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture fixtures and office equipment	Transportation and equipment	Construction in progress	Total
	<i>(in thousand Baht)</i>						
<i>Accumulated depreciation and accumulated impairment losses</i>							
At 1 January 2020	279,480	2,185,879	12,744,576	279,692	42,104	-	15,531,731
Depreciation charge for the year	28,809	112,476	417,185	35,781	71,418	-	665,669
Disposals/written off	(143)	(2,835)	(43,882)	(12,950)	(15,554)	-	(75,364)
Transfer to other non-current assets	-	(34,522)	(464,932)	(477)	(3,474)	-	(503,405)
At 31 December 2020	308,146	2,260,998	12,652,947	302,046	94,494	-	15,618,631
Depreciation charge for the year	32,884	105,286	387,071	35,517	58,990	-	619,748
Disposals/written off	(9,207)	(11,740)	(43,589)	(9,468)	(28,170)	-	(102,174)
Transfer to other non-current assets	-	(338)	(40,521)	(486)	-	-	(41,345)
At 31 December 2021	331,823	2,354,206	12,955,908	327,609	125,314	-	16,094,860
<i>Carrying amount</i>							
At 31 December 2020							
Owned assets	1,219,693	1,102,220	2,351,941	66,849	1,917	181,692	4,924,312
Right-of-use assets	10,131	24,115	21,130	3,878	87,680	-	146,934
	1,229,824	1,126,335	2,373,071	70,727	89,597	181,692	5,071,246
At 31 December 2021							
Owned assets	1,201,101	1,024,784	2,171,348	64,830	1,104	205,985	4,669,152
Right-of-use assets	20,633	9,269	37,577	1,359	87,237	-	156,075
	1,221,734	1,034,053	2,208,925	66,189	88,341	205,985	4,825,227

In 2021, the right-of-use assets of the Group has increased amounting to Baht 9 million (2020: Baht 147 million).

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Separate financial statements

	Land and land improvements	Buildings and structures	Machinery and equipment <i>(in thousand Baht)</i>	Furniture fixtures and office equipment	Transportation and equipment	Construction in progress	Total
Cost							
At 1 January 2020	1,382,411	2,795,554	12,708,590	309,407	168,082	158,990	17,523,034
Additions	13,150	8,451	42,793	13,867	55,033	88,669	221,963
Disposals/written off	(143)	(9,556)	(9,460)	(15,483)	(37,892)	(3,647)	(76,181)
Transfer in (out)	3,682	11,425	53,263	2,571	141	(71,082)	-
Transfer to other non-current assets	-	(38,393)	(489,677)	(477)	(3,474)	-	(532,021)
Transfer to other intangible assets	-	-	-	-	-	(2,411)	(2,411)
At 31 December 2020	1,399,100	2,767,481	12,305,509	309,885	181,890	170,519	17,134,384
Additions	25,798	10,823	89,294	15,738	61,419	145,306	348,378
Disposals/written off	(9,207)	(15,117)	(28,840)	(9,507)	(32,135)	-	(94,806)
Transfer in (out)	-	1,495	117,982	15,143	-	(134,620)	-
Transfer to other non-current assets	-	(338)	(40,523)	(486)	-	-	(41,347)
At 31 December 2021	1,415,691	2,764,344	12,443,422	330,773	211,174	181,205	17,346,609

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Land and land improvements	Buildings and structures	Separate financial statements			Construction in progress	Total
			Machinery and equipment	Furniture fixtures and office equipment	Transportation and equipment		
<i>(in thousand Baht)</i>							
<i>Accumulated depreciation and accumulated impairment losses</i>							
At 1 January 2020	279,480	1,663,629	10,282,958	221,876	42,104	-	12,490,047
Depreciation charge for the year	28,809	101,581	351,322	34,099	70,176	-	585,987
Disposals/written off	(143)	(2,835)	(9,188)	(10,914)	(15,227)	-	(38,307)
Transfer to other non-current assets	-	(34,522)	(464,932)	(477)	(3,474)	-	(503,405)
At 31 December 2020	308,146	1,727,853	10,160,160	244,584	93,579	-	12,534,322
Depreciation charge for the year	33,218	94,285	327,442	34,102	58,339	-	547,386
Disposals/written off	(9,207)	(11,740)	(28,472)	(9,468)	(27,475)	-	(86,362)
Transfer to other non-current assets	-	(338)	(40,521)	(486)	-	-	(41,345)
At 31 December 2021	332,157	1,810,060	10,418,609	268,732	124,443	-	12,954,001
<i>Carrying amount</i>							
At 31 December 2020							
Owned assets	1,083,745	1,015,513	2,145,349	61,423	1,916	170,519	4,478,465
Right-of-use assets	7,209	24,115	-	3,878	86,395	-	121,597
	1,090,954	1,039,628	2,145,349	65,301	88,311	170,519	4,600,062
At 31 December 2021							
Owned assets	1,062,231	945,015	1,988,840	60,682	1,104	181,205	4,239,077
Right-of-use assets	21,303	9,269	35,973	1,359	85,627	-	153,531
	1,083,534	954,284	2,024,813	62,041	86,731	181,205	4,392,608

In 2021, the right-of-use assets of the Company has increased Baht 32 million (2020: Baht 122 million).

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

11 Leases

The Group leases a number of office equipment for 3-5 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>			
Amounts recognized in profit or loss				
Depreciation of right-of-use assets:				
- Buildings and land improvements	28,727	33,822	29,062	33,822
- Equipment	8,033	7,209	2,290	-
- Vehicles	57,848	68,869	57,198	67,628
- Others	3,180	4,370	3,180	4,370
Interest on lease liabilities	3,511	4,467	3,171	3,632
Expenses relating to short-term leases	3,447	1,619	3,286	747
Expenses relating to lease of low-value-assets	14,394	15,987	12,918	14,225

12 Other intangible assets

	Software licenses	Consolidated financial statements		Total
		Other intangible assets	Development cost	
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2020	220,145	54,019	6,966	281,130
Additions	866	1,232	7,350	9,448
Disposals/written off	(49)	-	-	(49)
Transfer in (out)	7,544	1,334	(6,467)	2,411
At 31 December 2020	228,506	56,585	7,849	292,940
Additions	429	930	7,757	9,116
Disposals/written off	(635)	-	-	(635)
Transfer in (out)	4,500	-	(4,580)	(80)
Transfer to other non-current assets	-	(37)	-	(37)
At 31 December 2021	232,800	57,478	11,026	301,304
Accumulated amortization				
At 1 January 2020	146,076	16,942	-	163,018
Amortization charge for the year	18,798	9,800	-	28,598
Disposals/written off	(49)	-	-	(49)
At 31 December 2020	164,825	26,742	-	191,567
Amortization charge for the year	17,628	8,790	-	26,418
Disposals/written off	(634)	-	-	(634)
Transfer to other non-current assets	-	(37)	-	(37)
At 31 December 2021	181,819	35,495	-	217,314
Carrying amount				
At 31 December 2020	63,681	29,843	7,849	101,373
At 31 December 2021	50,981	21,983	11,026	83,990

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Software licenses	Separate financial statements		Total
		Other intangible assets	Development cost	
<i>(in thousand Baht)</i>				
Cost				
At 1 January 2020	215,714	54,019	6,966	276,699
Additions	866	1,232	7,350	9,448
Disposals/written off	(49)	-	-	(49)
Transfers in (out)	7,544	1,334	(6,467)	2,411
At 31 December 2020	224,075	56,585	7,849	288,509
Additions	429	930	6,774	8,133
Disposals/written off	(635)	-	-	(635)
Transfers in (out)	4,500	-	(4,580)	(80)
Transfer to other non-current assets	-	(37)	-	(37)
At 31 December 2021	228,369	57,478	10,043	295,890
Accumulated amortization				
At 1 January 2020	142,268	16,942	-	159,210
Amortization charge for the year	18,511	9,800	-	28,311
Disposals/written off	(49)	-	-	(49)
At 31 December 2020	160,730	26,742	-	187,472
Amortization charge for the year	17,408	8,790	-	26,198
Disposals/written off	(634)	-	-	(634)
Transfer to other non-current assets	-	(37)	-	(37)
At 31 December 2021	177,504	35,495	-	212,999
Carrying amount				
At 31 December 2020	63,345	29,843	7,849	101,037
At 31 December 2021	50,865	21,983	10,043	82,891

13 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statement of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>(in thousand Baht)</i>				
Deferred tax assets	257,292	277,289	232,297	250,221
Deferred tax liabilities	(68,097)	(64,373)	(68,097)	(64,373)
Net	189,195	212,916	165,300	185,848

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2020	Consolidated financial statements Credited (charged) to		At 31 December 2020
		profit or loss	other comprehensive income	
		<i>(note 23)</i> <i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Inventories	54,894	6,084	-	60,978
Investment properties	41,132	(100)	-	41,032
Property, plant and equipment	19,632	1,433	-	21,065
Provisions for employee benefits	149,817	(15,026)	(1,261)	133,530
Others	26,144	(5,460)	-	20,684
Total	291,619	(13,069)	(1,261)	277,289
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(60,064)	(4,309)	-	(64,373)
Net	231,555	(17,378)	(1,261)	212,916
		<i>(note 23)</i> <i>(in thousand Baht)</i>		
	At 1 January 2021	profit or loss	other comprehensive income	At 31 December 2021
<i>Deferred tax assets</i>				
Inventories	60,978	521	-	61,499
Investment properties	41,032	(100)	-	40,932
Property, plant and equipment	21,065	(3,237)	-	17,828
Provisions for employee benefits	133,530	(7,986)	(6,975)	118,569
Others	20,684	(2,220)	-	18,464
Total	277,289	(13,022)	(6,975)	257,292
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(64,373)	(3,724)	-	(68,097)
Net	212,916	(16,746)	(6,975)	189,195

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	At 1 January 2020	Separate financial statements Credited (charged) to		At 31 December 2020
		profit or loss	other comprehensive income	
		<i>(note 23)</i> <i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Inventories	54,688	2,564	-	57,252
Investment properties	39,168	(99)	-	39,069
Property, plant and equipment	19,632	1,433	-	21,065
Provisions for employee benefits	132,598	(17,965)	(741)	113,892
Others	19,515	(572)	-	18,943
Total	265,601	(14,639)	(741)	250,221
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(60,064)	(4,309)	-	(64,373)
Net	205,537	(18,948)	(741)	185,848
		<i>(note 23)</i> <i>(in thousand Baht)</i>		
	At 1 January 2021	Separate financial statements Credited (charged) to		At 31 December 2021
		profit or loss	other comprehensive income	
<i>Deferred tax assets</i>				
Inventories	57,252	(1,556)	-	55,696
Investment properties	39,069	(100)	-	38,969
Property, plant and equipment	21,065	(3,237)	-	17,828
Provisions for employee benefits	113,892	(4,707)	(5,161)	104,024
Others	18,943	(2,063)	-	16,880
Total	250,221	(11,663)	(5,161)	233,397
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(64,373)	(3,724)	-	(68,097)
Net	185,848	(15,387)	(5,161)	165,300

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Separate financial statements					
	Secured	2021 Unsecured	Total (in thousand Baht)	Secured	2020 Unsecured	Total
Current						
Current portion of lease liabilities	-	56,635	56,635	-	67,723	67,723
	<u>-</u>	<u>56,635</u>	<u>56,635</u>	<u>-</u>	<u>67,723</u>	<u>67,723</u>
Non-current						
Lease liabilities	-	89,539	89,539	-	49,140	49,140
Total interest-bearing liabilities	<u>-</u>	<u>146,174</u>	<u>146,174</u>	<u>-</u>	<u>116,863</u>	<u>116,863</u>

All of interest-bearing liabilities are in Thai Baht.

As at 31 December 2021, the Group has overdraft lines with several banks amounting to approximately Baht 100 million (2020: Baht 100 million).

16 Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Trade payables					
Other parties		689,433	537,666	593,096	474,057
Related parties	4	<u>169,686</u>	<u>171,562</u>	<u>328,108</u>	<u>343,870</u>
		<u>859,119</u>	<u>709,228</u>	<u>921,204</u>	<u>817,927</u>
Other current payables					
Related parties	4	49,232	54,837	47,391	54,397
Other parties					
Accrued expenses		438,529	350,822	403,360	329,531
Suspense value added tax and withholding tax		40,358	43,658	36,919	38,732
Construction payables		32,453	17,332	28,187	11,507
Employee payables		9,638	15,377	9,630	15,348
Others		57,912	40,683	51,576	32,073
		<u>628,122</u>	<u>522,709</u>	<u>577,063</u>	<u>481,588</u>
Total		<u>1,487,241</u>	<u>1,231,937</u>	<u>1,498,267</u>	<u>1,299,515</u>

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

17 Non-current provisions for employee benefits

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

Non-current provisions for employee benefits in statements of financial position as at 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Post-employment benefits				
Legal severance payments plan	543,518	555,345	473,555	478,385
Other long-term employee benefits	21,986	22,316	21,929	22,265
Total non-current provisions for defined benefit plans	565,504	577,661	495,484	500,650
Other employee benefits	728	961	728	961
Total	566,232	578,622	496,212	501,611

Movements in the present value of non-current provisions for defined benefit plans

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Non-current provisions for defined benefit plans at 1 January	577,661	584,816	500,650	499,394
<i>Included in profit or loss</i>				
Current service costs	33,967	37,262	29,129	32,004
Interest on obligation	8,190	10,408	7,147	9,045
Actuarial losses	910	5,212	904	5,226
	43,067	52,882	37,180	46,275
<i>Included in other comprehensive income</i>				
Actuarial gains	(34,874)	(6,304)	(25,807)	(3,707)
<i>Others</i>				
Benefits paid	(17,929)	(32,376)	(14,862)	(26,095)
Transfer to current provisions	(2,421)	(21,357)	(1,677)	(15,217)
	(55,224)	(60,037)	(42,346)	(45,019)
Non-current provisions for defined benefit plans at 31 December	565,504	577,661	495,484	500,650

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>For the years ended 31 December</i>				
Demographic assumptions	8	(925)	8	(844)
Financial assumptions	(43,339)	8,398	(38,689)	7,116
Experience adjustment	8,457	(13,777)	12,874	(9,979)
Total	<u>(34,874)</u>	<u>(6,304)</u>	<u>(25,807)</u>	<u>(3,707)</u>

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2021	2020
	<i>(%)</i>	
Discount rate *	1.95 - 2.07	1.40 - 1.44
Salary increase rate	0.50 - 8.50	1.00 - 7.00
Employee turnover rate **	4.00 - 17.00	4.00 - 19.00
Mortality rate ***	50.00 of TMO2017	50.00 of TMO2017

* Market yields on government's bonds for legal severance payments plan and pension

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

At 31 December 2021, the weighted-average duration for payment of long-term employee benefits was approximately 12-13 years.

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate				
0.5% increase	(26,506)	(30,584)	(23,445)	(26,719)
0.5% decrease	28,470	32,986	25,193	28,833
Salary increase rate				
1.0% increase	53,968	61,013	47,864	53,469
1.0% decrease	(47,960)	(53,956)	(42,507)	(47,244)
Employee turnover rate				
10.0% increase	(22,047)	(24,784)	(19,540)	(21,701)
10.0% decrease	23,266	26,205	20,626	22,953

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

18 Legal reserves and premiums

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Premium on amalgamation under common control

Premium on amalgamation under common control recorded in shareholders’ equity is the difference between the carrying amounts of net assets of subsidiaries on the amalgamation date and amounts of consideration paid, and the difference between the carrying amounts of subsidiaries in consolidated financial statement and separate financial statements before the amalgamation and the carrying amounts of each subsidiary.

19 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

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Information regarding the results of each reportable segment use to evaluate performance and allocate resources for management. The Group measured performance 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 years ended 31 December was as follows:

	Manufacturing and sales of ceramic tiles		Industrial estate development, real estate and installation service of solar equipment		Total	
	2021	2020	2021	2020	2021	2020
<i>(in thousand Baht)</i>						
Information from consolidated income statement						
Revenue from sales and rendering of services	10,418,793	9,970,668	644,637	223,355	11,063,430	10,194,023
Revenue from land sales	-	-	130,680	-	130,680	-
Other income	62,729	61,796	15,570	5,556	78,299	67,352
Interest income	3,733	2,592	-	-	3,733	2,592
Finance cost	3,513	7,403	-	-	3,513	7,403
Depreciation and amortization	621,441	675,478	23,153	19,153	644,594	694,631
Profit before income tax	592,565	451,335	137,815	68,616	730,380	519,951
Tax expense	(119,203)	(86,617)	(27,573)	(9,026)	(146,776)	(95,643)
Profit for the year	<u>473,362</u>	<u>364,718</u>	<u>110,242</u>	<u>59,590</u>	<u>583,604</u>	<u>424,308</u>

	Manufacturing and sales of ceramic tiles		Industrial estate development, real estate and installation service of solar equipment		Total	
	2021	2020	2021	2020	2021	2020
<i>(in thousand Baht)</i>						
Information from consolidated statement of financial position						
Land development for sale	-	-	429,701	486,406	429,701	486,406
Segment assets	10,363,082	9,855,129	728,595	571,000	11,091,677	10,426,129

Geographical segment

The Group has presented information on the basis of geographical information, revenue information is based on the geographical location of customers. However, the Group has no assets located in foreign countries.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Geographical segment information

	2021	2020
Revenue from sales and rendering of services	<i>(in thousand Baht)</i>	
Thailand	9,317,836	8,343,105
Other countries	1,876,274	1,850,918
Total	<u>11,194,110</u>	<u>10,194,023</u>

Major customer

Revenues from one major customer of the Group's manufacturing and sales of ceramic tiles segment represents approximately Baht 1,292 million for the year 2021 (2020: Baht 1,177 million) of the Group's total revenues.

20 Distribution costs

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Freight	804,584	692,305	663,932	578,421
Salary, welfare and personnel expenses	493,065	488,222	476,142	464,116
Sales promotion and advertising expenses	244,479	241,837	243,491	236,550
Depreciation and amortization expenses	145,251	142,677	135,723	132,295
Outside wages	14,156	13,732	13,894	14,562
Rental expenses	9,690	16,103	9,535	15,682
Communication expenses	3,535	3,585	3,518	3,554
Others	117,040	90,006	115,433	88,467
Total	<u>1,831,800</u>	<u>1,688,467</u>	<u>1,661,668</u>	<u>1,533,647</u>

21 Administrative expenses

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Salary, welfare and personnel expenses	304,963	342,296	275,823	304,963
IT fees	110,097	108,076	95,499	97,774
Professional and other fees	86,476	79,247	75,810	68,394
Depreciation and amortization expenses	44,942	47,876	41,785	43,906
Impairment loss on assets and loss for decline in value of inventories	11,780	28,973	10,120	31,665
Mutual separation plan expenses	9,812	76,776	8,488	62,731
Rental expenses	5,680	6,551	6,147	7,009
Maintenance and supplies	5,421	7,569	3,386	4,529
Outside wages	5,122	5,606	1,872	1,899
Others	49,074	81,463	42,973	71,598
Total	<u>633,367</u>	<u>784,433</u>	<u>561,903</u>	<u>694,468</u>

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Salaries and wages	1,679,002	1,704,494	1,464,768	1,476,541
Welfares and others	143,207	153,170	128,633	137,987
Contribution to defined contribution plans	111,626	116,668	101,371	104,539
Contribution to defined benefit plans	43,067	52,006	37,180	45,009
Mutual separation plan expenses	9,812	76,776	8,488	62,731
Total	<u>1,986,714</u>	<u>2,103,114</u>	<u>1,740,440</u>	<u>1,826,807</u>

The Group has provident fund plans to provide retirement and gratuity benefits to employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B. E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

23 Income tax

Income tax recognized in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Current tax					
Current tax		130,142	80,098	108,340	67,098
Over provided in prior years		(112)	(1,833)	(450)	(1,840)
		<u>130,030</u>	<u>78,265</u>	<u>107,890</u>	<u>65,258</u>
Deferred tax					
Movement in temporary differences	13	16,746	17,378	15,387	18,948
Total		<u>146,776</u>	<u>95,643</u>	<u>123,277</u>	<u>84,206</u>

Income tax recognized in other comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Losses on remeasurement of defined benefit plan	13	<u>(6,975)</u>	<u>(1,261)</u>	<u>(5,161)</u>	<u>(741)</u>

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Reconciliation of effective tax rate

	Consolidated financial statements			
		2021		2020
	Rate		Rate	
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Profit before income tax expenses		730,380		519,951
Income tax using the Thai corporation tax rate	20	146,076	20	103,990
Expenses deductible at a greater amount		(4,299)		(11,592)
Expenses not deductible for tax purposes and others		(11,635)		(12,300)
Current tax		130,142		80,098
Over provided in prior year		(112)		(1,833)
Movements in temporary differences		16,746		17,378
Income tax expenses	20	146,776	18	95,643
	Separate financial statements			
		2021		2020
	Rate		Rate	
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Profit before income tax expenses		612,203		651,119
Income tax using the Thai corporation tax rate	20	122,441	20	130,224
Income not subject to tax		-		(39,985)
Expenses deductible at a greater amount		(3,565)		(9,148)
Expenses not deductible for tax purposes and others		(10,536)		(13,993)
Current tax		108,340		67,098
Over provided in prior year		(450)		(1,840)
Movements in temporary differences		15,387		18,948
Income tax expenses	20	123,277	13	84,206

24 Promotional privileges

By virtue of the provision of the Investment Promotion Act B.E. 2520, referred to the promotional certificates dated 7 July 2014, the Company were granted certain promotion privileges in the manufacturing and sales of ceramic tiles business include, among others, exemption from payment of corporate income tax on the net profit derived from the promoted activity for a period of seven (7) years from the start of commercial operations, and exemption of fifty percent from payment of import duty on imported machinery, etc.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

The Company's revenue classified under promoted and non-promoted businesses for the years ended 31 December are as follows:

Consolidated financial statements						
	2021			2020		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
<i>(in thousand Baht)</i>						
Local	31,651	9,286,185	9,317,836	40,022	8,303,083	8,343,105
Export	39,455	1,836,819	1,876,274	44,976	1,805,942	1,850,918
Total	71,106	11,123,004	11,194,110	84,998	10,109,025	10,194,023

Separate financial statements						
	2021			2020		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
<i>(in thousand Baht)</i>						
Local	31,651	9,286,239	9,317,890	40,022	8,302,883	8,342,905
Export	39,455	1,836,819	1,876,274	44,976	1,805,942	1,850,918
Total	71,106	11,123,058	11,194,164	84,998	10,108,825	10,193,823

25 Dividends

On 19 March 2020, the meeting of the Board of Directors passed a resolution to postpone the 2020 Annual General Meeting of Shareholders of the Company which was scheduled on 27 March 2020 to 29 June 2020 due to the situation of the COVID-19 outbreak.

The dividends paid by the Company to the shareholders were as follows:

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

26 Financial instruments

(a) 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 for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Separate financial statements				Fair value		Total
	Carrying amount			Total	Level 2	Level 3	
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost				
<i>At 31 December 2020</i>							
				<i>(in thousand Baht)</i>			
<i>Financial assets</i>							
Cash and cash equivalents	-	-	370,763	370,763			
Trade receivables	-	-	1,022,077	1,022,077			
Derivatives assets	1,848	-	-	1,848	1,848		1,848
Long-term investment in other company	-	16,605	-	16,605		16,605	16,605
Total financial assets	1,848	16,605	1,392,840	1,411,293			
<i>Financial liabilities</i>							
Trade payables	-	-	817,927	817,927			
Lease liabilities	-	-	116,863	116,863			
Derivatives liabilities	3,143	-	-	3,143	3,143		3,143
Total financial liabilities	3,143	-	934,790	937,933			

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Financial instruments measured at fair value

The Group determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investment in debt instruments and share which are simple over-the-counter securities are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.
- Derivatives assets and liabilities such as forward exchange contracts and commodity 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 fair value of interest rate swap is calculated from the difference between the present value of future cash flows based on the yield curve of the contractual interest rate and the expected interest rate based on observable market for similar financial instruments.

The Group determined Level 3 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investments in equity instruments which is not actively traded in market were calculated using valuation techniques such as the latest reporting net assets adjusted by relevant factors. This was because the equity instruments were not listed on any stock exchanges and there were no recent observable arm's length transactions in the instruments.
- Contingent consideration using the discounted cash flow technique: significant unobservable inputs such as expected cash flows and risk-adjusted discount rate.

(b) Financial risk management policies

Risk management framework

The Group's Finance Committee has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Group's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Group's Finance Committee monitors financial status and reports regularly to the Group's Management Committee.

(b.1) Credit risk

Credit risk is the risk of Group's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(b.1.1) Cash and cash equivalent and derivatives

The Group's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Group considers having low credit risk.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

(b.1.2) Trade receivables

The Group's credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before credit limit, credit term and trade terms are offered. In case of sales exceeding the limits, it must be approval by authorized person.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables are disclosed in note 6.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Consolidated financial statements			
	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
Year 2021				
Current				
Lease liabilities	1.38 - 3.19	60,724	-	60,724
Non-current				
Lease liabilities	1.38 - 3.19	-	93,734	93,734
Total		60,724	93,734	154,458
Less : deferred interest-lease liabilities				(5,496)
Net				148,962
Year 2020				
Current				
Lease liabilities	1.83 - 3.13	76,841	-	76,841
Non-current				
Lease liabilities	1.83 - 3.13	-	67,152	67,152
Total		76,841	67,152	143,993
Less : deferred interest-lease liabilities				(4,429)
Net				139,564

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

	Effective interest rates (% p.a.)	Separate financial statements Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
Year 2021				
Current				
Lease liabilities	1.38 - 3.19	59,486	-	59,486
Non-current				
Lease liabilities	1.38 - 3.19	-	93,625	93,625
Total		59,486	93,625	153,111
Less : deferred interest-lease liabilities				(6,937)
Net				146,174
Year 2020				
Current				
Lease liabilities	1.83 - 3.13	69,705	-	69,705
Non-current				
Lease liabilities	1.83 - 3.13	-	50,447	50,447
Total		69,705	50,447	120,152
Less : deferred interest-lease liabilities				(3,289)
Net				116,863

(b.3) Market risk

The Group has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follow:

(b.3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Group has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchase, sale, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Group manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

As at 31 December, the Group has foreign currency risk from foreign currency assets and liabilities are as follows;

	Consolidated financial statements		
	USD	Others	Total
<i>Currency risk</i>			
<i>As at 31 December 2021</i>			
Trade receivables	147,787	11,266	159,053
Trade payables	(148,414)	(76,119)	(224,533)
Net statement of financial position exposure	(627)	(64,853)	(65,480)
Net forecast transaction exposure	(627)	(64,853)	(65,480)
Forward exchange contracts			
Forward exchange selling contracts	(149,987)	(11,214)	(161,201)
Forward exchange purchase contracts	431,041	24,824	455,865
Net exposure	280,427	(51,243)	229,184
<i>As at 31 December 2020</i>			
Trade receivables	148,558	5,960	154,518
Trade payables	(114,255)	(110,107)	(224,362)
Net statement of financial position exposure	34,303	(104,147)	(69,844)
Net forecast transaction exposure	34,303	(104,147)	(69,844)
Forward exchange contracts			
Forward exchange selling contracts	(94,847)	(4,979)	(99,826)
Forward exchange purchase contracts	181,954	27,469	209,423
Net exposure	121,410	(81,657)	39,753
<i>Currency risk</i>			
<i>As at 31 December 2021</i>			
Trade receivables	147,787	11,266	159,053
Trade payables	(144,636)	(74,336)	(218,972)
Net statement of financial position exposure	3,151	(63,070)	(59,919)
Net forecast transaction exposure	3,151	(63,070)	(59,919)
Forward exchange contracts			
Forward exchange selling contracts	(149,987)	(11,214)	(161,201)
Forward exchange purchase contracts	431,041	24,824	455,865
Net exposure	284,205	(49,460)	234,745
<i>As at 31 December 2020</i>			
Trade receivables	148,558	5,960	154,518
Trade payables	(111,047)	(108,221)	(219,268)
Net statement of financial position exposure	37,511	(102,261)	(64,750)
Net forecast transaction exposure	37,511	(102,261)	(64,750)
Forward exchange contracts			
Forward exchange selling contracts	(94,847)	(4,979)	(99,826)
Forward exchange purchase contracts	181,954	27,469	209,423
Net exposure	124,618	(79,771)	44,847

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

Sensitivity analysis

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would not have affected the measurement of financial instruments denominated in a foreign currency and not affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(b.3.2) Interest rate risk

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 1% in interest rates would not have significantly increased or decreased in equity. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

27 Commitments and contingent liabilities

As at 31 December 2021

- (a) The Company had letters of guarantee issued by banks to government, state enterprises, private sectors and others totaling approximately Baht 22 million (2020: Baht 17 million).
- (b) The Group had commitments for construction building and machinery totaling approximately Baht 50 million (2020: Baht 13 million).
- (c) The Group had entered into various lease agreements. The periods of these agreements are 5 years expiring in various dates up to January 2026. Under the terms of these agreements, the Group has to pay annual rental as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Within one year	10,574	12,486	9,275	11,299
After one year but within five years	10,058	8,032	8,748	6,877
Total	20,632	20,518	18,023	18,176

- (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.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

28 Capital management

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business' s performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

29 Events after the reporting period

- (a) At the Board of Directors' Meeting of the Company held on 25 January 2022, the directors approved to submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2021 at the rate of Baht 0.047 per share, totaling approximately Baht 280 million is scheduled for payment on 22 April 2022.
- (b) At the Board of Directors' Meeting of the Company held on 25 January 2022, the Board has resolved to establish SUSUNN Smart Solution Co. Ltd., with an investment amounting to Baht 100 million and propose it to the 2022 Annual General Meeting of Shareholders. The Company's business restructuring for service solution business by transferring the Energy Business and Incubation Business to the SUSUNN Smart Solution Co., Ltd., a wholly owned subsidiary of the Company, including but not limited to assets, liabilities, contracts, licenses, rights, duties and all liabilities, related to the above business of the Company that can be transferred under relevant law.

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

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2022 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application.

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2021

31 Reclassification of accounts

Certain accounts in the financial statements as at 31 December 2020 and the income statement for year ended 31 December 2020 have been reclassified to conform to the presentation in the 2021 financial statements were as follows:

	Consolidated financial statements		
	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>Consolidated income statement</i>			
<i>For the year ended 31 December 2020</i>			
Revenue from sales and rendering of services	9,950,976	243,047	10,194,023
Cost of sales and rendering of services	(7,164,577)	(99,136)	(7,263,713)
Other income	213,855	(143,911)	69,944
	Separate financial statements		
	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>Income statement</i>			
<i>For the year ended 31 December 2020</i>			
Revenue from sales and rendering of services	9,950,466	243,357	10,193,823
Cost of sales and rendering of services	(7,482,557)	(99,136)	(7,581,693)
Other income	417,892	(144,221)	273,671