

(UNREVIEWED)

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

Interim financial statements

for the three-month and six-month periods ended 30 June 2019

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2019

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2019

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2019

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

(UNREVIEWED)

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the three-month period ended 30 June 2019

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

For the three-month period ended 30 June 2019

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

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the six-month period ended 30 June 2019

	Consolidated		Separate
	financial statement		financial
	2019	2018	statement
	2019		
	<i>(in thousand Baht)</i>		
Revenue from sales of goods	5,598,860	6,023,342	5,598,546
Revenue from sales of land	202,930	23,862	202,930
Cost of sales of goods	(4,121,369)	(4,411,839)	(4,285,604)
Cost of sales of land	(96,439)	(12,440)	(96,439)
Gross profit	1,583,982	1,622,925	1,419,433
Other income	102,917	118,277	99,929
Profit before expenses	1,686,899	1,741,202	1,519,362
Distribution costs	(959,124)	(1,083,685)	(862,276)
Administrative expenses	(518,646)	(503,383)	(460,214)
Total expenses	(1,477,770)	(1,587,068)	(1,322,490)
Profit from operations	209,129	154,134	196,872
Finance costs	(4,549)	(14,395)	(4,549)
Profit before income tax	204,580	139,739	192,323
Tax expense	(48,427)	(77,561)	(47,214)
Profit for the period	156,153	62,178	145,109
Profit attributable to			
Owners of the parent	151,027	43,416	145,109
Company in the Group before business restructuring	-	10,111	-
Non-controlling interests	5,126	8,651	-
	156,153	62,178	145,109
<i>Basic earnings per share (in Baht)</i>			
Attributable to owners of the parent	0.03	0.01	0.02

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

For the six-month period ended 30 June 2019

	Consolidated		Separate
	financial statement		financial
	2019	2018	statement
			2019
	<i>(in thousand Baht)</i>		
Profit for the period	156,153	62,178	145,109
Other comprehensive income			
<i>Components of other comprehensive income</i>			
<i>that will not be reclassified to profit or loss</i>			
Defined benefit plan actuarial losses	-	(2,894)	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	-	579	-
Total components of other comprehensive income that will not be reclassified to profit or loss	-	(2,315)	-
Other comprehensive income for the period, net of tax	-	(2,315)	-
Total comprehensive income for the period	156,153	59,863	145,109
Total comprehensive income attributable to			
Owners of the parent	151,027	41,101	145,109
Company in the Group before business restructuring	-	10,111	-
Non-controlling interests	5,126	8,651	-
	156,153	59,863	145,109

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2019

	Consolidated financial statement												
	<i>Other components of shareholders' equity</i>												
	Issued and paid share capital	Ordinary shares held before amalgamation	Share premium on ordinary shares	Surplus on business combinations under common control	Retained earnings		Other comprehensive income		Total other components of shareholders' equity	Total equity attributable to owners of the parent	Shareholders' equity before amalgamation	Non-controlling interests	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated	Investments held as available for sale						
<i>(in thousand Baht)</i>													
Balance at 1 January 2018	5,962,621	(51,744)	1,133,594	-	200,150	1,356,571	90	90	8,601,282	776,668	522,973	9,900,923	
Transactions with owners, recorded directly in shareholders' equity													
<i>Contributions by and distributions to owners of the parent</i>													
Dividends	-	-	-	-	-	(477,664)	-	-	(477,664)	(32,332)	(27,668)	(537,664)	
Total contributions by and distributions to owners of the parent	-	-	-	-	-	(477,664)	-	-	(477,664)	(32,332)	(27,668)	(537,664)	
<i>Changes in ownership interests in subsidiaries</i>													
Amalgamation	-	51,744	-	211,060	-	5,577	-	-	268,381	(754,447)	-	(486,066)	
Total changes in ownership interests in subsidiaries	-	51,744	-	211,060	-	5,577	-	-	268,381	(754,447)	-	(486,066)	
Total transactions with owners, recorded directly in shareholders' equity	-	51,744	-	211,060	-	(472,087)	-	-	(209,283)	(786,779)	(27,668)	(1,023,730)	
Comprehensive income for the period													
Profit or loss	-	-	-	-	-	43,416	-	-	43,416	10,111	8,651	62,178	
Other comprehensive income	-	-	-	-	-	(2,315)	-	-	(2,315)	-	-	(2,315)	
Total comprehensive income for the period	-	-	-	-	-	41,101	-	-	41,101	10,111	8,651	59,863	
Transfer to legal reserve	-	-	-	-	376	(376)	-	-	-	-	-	-	
Balance at 30 June 2018	5,962,621	-	1,133,594	211,060	200,526	925,209	90	90	8,433,100	-	503,956	8,937,056	

(UNREVIEWED)

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2019

	Consolidated financial statement							
	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	<i>Retained earnings</i>		Total equity attributable to owners of the parent	Non- controlling interests	Total shareholders' equity
Appropriated Legal reserve				Unappropriated				
				<i>(in thousand Baht)</i>				
Balance at 1 January 2019	5,962,621	1,133,594	211,060	206,907	883,288	8,397,470	511,845	8,909,315
Comprehensive income for the period								
Profit or loss	-	-	-	-	151,027	151,027	5,126	156,153
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	151,027	151,027	5,126	156,153
Balance at 30 June 2019	5,962,621	1,133,594	211,060	206,907	1,034,315	8,548,497	516,971	9,065,468

(UNREVIEWED)

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2019

	Separate financial statement					Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	<i>Retained earnings</i>		
				Appropriated Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>						
Balance at 1 January 2019	5,962,621	1,133,594	274,225	206,907	957,099	8,534,446
Comprehensive income for the period						
Profit or loss	-	-	-	-	145,109	145,109
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	145,109	145,109
Balance at 30 June 2019	5,962,621	1,133,594	274,225	206,907	1,102,208	8,679,555

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the six-month period ended 30 June 2019

	Consolidated		Separate
	financial statement		financial
	2019	2018	statement
	2019		
	<i>(in thousand Baht)</i>		
<i>Cash flows from operating activities</i>			
Profit for the period	156,153	62,178	145,109
<i>Adjustments for</i>			
Tax expense	48,427	77,561	47,214
Depreciation and amortization	293,565	309,120	259,122
Allowance for doubtful accounts (reversal)	(2,779)	20	(2,779)
Employee benefit expense	162,591	21,500	141,599
Unrealized loss (gain) on foreign currency exchange	2,276	(7,139)	2,509
Interest income	(829)	(3,626)	(211)
Interest expense	3,876	14,015	3,876
Loss on impairment of assets	3,404	2,716	3,404
Loss (gain) on sales of assets and others	(2,303)	(641)	(1,924)
Cash flows generated from operations			
before changes in operating assets and liabilities	664,381	475,704	597,919
<i>Decrease (increase) in operating assets</i>			
Trade and other current receivables	(62,728)	(208,825)	(64,537)
Inventories	(148,021)	95,940	(165,346)
Land development for sale	95,176	11,180	95,176
Other assets	17,249	13,952	17,249
Net increase in operating assets	(98,324)	(87,753)	(117,458)
<i>Increase (decrease) in operating liabilities</i>			
Trade and other current payables	147,418	212,709	165,093
Provisions for employee benefits	(56,144)	(52,023)	(56,144)
Other liabilities	(4,674)	(311)	(4,489)
Net increase in operating liabilities	86,600	160,375	104,460
Net cash flows generated from operations	652,657	548,326	584,921
Income tax paid	(17,168)	(39,297)	(13,645)
Net cash flows provided by operating activities	635,489	509,029	571,276

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the six-month period ended 30 June 2019

	Consolidated financial statement		Separate financial statement
	2019	2018	2019
	<i>(in thousand Baht)</i>		
<i>Cash flows from investing activities</i>			
Proceeds from sales of investment	-	240,491	-
Acquisition of investment	-	(758,919)	-
Proceeds from sales of property, plant and equipment	1,751	784	1,372
Acquisition of property, plant and equipment	(173,014)	(196,548)	(140,180)
Acquisition of intangible assets	(9,916)	(17,377)	(9,898)
Proceeds from repayment of short-term loans	-	119,136	-
Dividends received from shareholders before amalgamation	-	32,332	-
Interest received	826	3,644	208
Net cash flows used in investing activities	(180,353)	(576,457)	(148,498)
<i>Cash flows from financing activities</i>			
Proceeds from (payments of) borrowings			
Payments of bank overdrafts and short-term borrowings	(495,000)	(2,531)	(495,000)
Proceeds from short-term borrowings from related party	-	462,545	-
Net increase (decrease) in borrowings	(495,000)	460,014	(495,000)
Dividends paid			
Dividends paid to owners of the parent	-	(477,664)	-
Dividends paid to shareholders before amalgamation	-	(32,332)	-
Dividends paid to non-controlling interests	-	(27,668)	-
Total dividends paid	-	(537,664)	-
Interest paid	(5,142)	(16,160)	(5,143)
Net cash flows used in financing activities	(500,142)	(93,810)	(500,143)
Net decrease in cash and cash equivalents	(45,006)	(161,238)	(77,365)
Cash and cash equivalents at beginning of the period	424,433	911,722	119,857
Cash and cash equivalents at end of the period	379,427	750,484	42,492
<i>Supplementary information for cash flows</i>			
Non-cash transactions			
Account payables from purchase of assets	48,486	64,816	35,943