

(UNREVIEWED)

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

Interim financial statements

for the three-month and six-month periods ended 30 June 2020

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2020

Assets	Consolidated		Separate	
	financial statement		financial statement	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current assets				
Cash and cash equivalents	571,664	631,409	324,652	259,976
Trade and other current receivables	1,394,348	1,163,240	1,394,435	1,162,944
Inventories	2,597,691	2,844,358	2,362,292	2,535,182
Land development for sale	486,406	486,406	486,406	486,406
Total current assets	5,050,109	5,125,413	4,567,785	4,444,508
Non-current assets				
Long-term investment in other company	16,605	16,605	16,605	16,605
Investment in subsidiary	-	-	1,333,935	758,919
Other non-current receivables	117,998	128,066	117,998	128,066
Investment property	401,791	402,123	399,579	399,911
Property, plant and equipment	5,325,781	5,322,614	4,829,300	4,844,309
Goodwill	25,350	25,350	-	-
Other intangible assets	111,697	118,112	111,247	117,489
Deferred tax assets	219,415	231,555	192,459	205,537
Other non-current assets	24,877	25,521	24,877	25,521
Total non-current assets	6,243,514	6,269,946	7,026,000	6,496,357
Total assets	11,293,623	11,395,359	11,593,785	10,940,865

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2020

	Consolidated		Separate	
	financial statement		financial statement	
Liabilities and shareholders' equity	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Current liabilities</i>				
Short-term borrowings				
from financial institutions	500,000	160,000	500,000	160,000
Trade and other current payables	1,362,800	1,416,853	1,654,608	1,470,998
Current portion of lease liabilities	98,994	-	90,145	-
Current income tax payable	30,003	19,622	19,844	13,630
Current provisions				
for employee benefits	55,941	166,365	55,235	165,658
Total current liabilities	2,047,738	1,762,840	2,319,832	1,810,286
<i>Non-current liabilities</i>				
Lease liabilities	81,912	-	59,345	-
Non-current provisions				
for employee benefits	597,641	586,630	508,909	501,208
Other non-current provisions	13,133	13,427	3,694	3,989
Other non-current liabilities	248	278	248	278
Total non-current liabilities	692,934	600,335	572,196	505,475
Total liabilities	2,740,672	2,363,175	2,892,028	2,315,761

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 June 2020

	Consolidated		Separate	
	financial statement		financial statement	
Liabilities and shareholders' equity	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Shareholders' equity				
Share capital				
<i>Authorized share capital</i>				
<i>(5,962,621 thousand ordinary shares</i>				
<i>par value at Baht 1 per share)</i>	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>
<i>Issued and paid share capital</i>				
<i>(5,962,621 thousand ordinary shares</i>				
<i>par value at Baht 1 per share)</i>	5,962,621	5,962,621	5,962,621	5,962,621
Share premium on ordinary shares	1,133,594	1,133,594	1,133,594	1,133,594
Surplus on business combinations				
under common control	211,060	211,060	274,225	274,225
Retained earnings				
<i>Appropriated</i>				
Legal reserve	214,264	214,264	214,264	214,264
<i>Unappropriated</i>	1,075,269	983,604	1,117,053	1,040,400
Other components of shareholders' equity	<u>(43,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity attributable to				
owners of the parent	<u>8,552,951</u>	<u>8,505,143</u>	<u>8,701,757</u>	<u>8,625,104</u>
Non-controlling interests	-	527,041	-	-
Total shareholders' equity	<u>8,552,951</u>	<u>9,032,184</u>	<u>8,701,757</u>	<u>8,625,104</u>
Total liabilities and shareholders' equity	<u>11,293,623</u>	<u>11,395,359</u>	<u>11,593,785</u>	<u>10,940,865</u>

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the three-month period ended 30 June 2020

	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue from sales of goods	2,369,118	2,790,182	2,368,993	2,789,954
Revenue from sales of land	-	-	-	-
Cost of sales of goods	(1,787,221)	(2,015,014)	(1,851,122)	(2,087,015)
Cost of sales of land	-	-	-	-
Gross profit	581,897	775,168	517,871	702,939
Other income	53,203	51,307	53,223	51,046
Profit before expenses	635,100	826,475	571,094	753,985
Distribution costs	(391,891)	(490,753)	(354,403)	(442,511)
Administrative expenses	(191,386)	(306,291)	(170,988)	(267,025)
Total expenses	(583,277)	(797,044)	(525,391)	(709,536)
Profit from operations	51,823	29,431	45,703	44,449
Finance costs	(2,989)	(1,894)	(2,763)	(1,894)
Profit before income tax	48,834	27,537	42,940	42,555
Tax expense	(7,435)	(11,593)	(6,822)	(15,219)
Profit for the period	41,399	15,944	36,118	27,336
Profit attributable to				
Owners of the parent	41,399	21,197	36,118	27,336
Non-controlling interests	-	(5,253)	-	-
	41,399	15,944	36,118	27,336
Basic earnings per share (in Baht)				
Attributable to owners of the parent	0.01	0.00	0.01	0.00

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

For the three-month period ended 30 June 2020

	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	41,399	15,944	36,118	27,336
Other comprehensive income				
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	41,399	15,944	36,118	27,336
Total comprehensive income attributable to				
Owners of the parent	41,399	21,197	36,118	27,336
Non-controlling interests	-	(5,253)	-	-
	41,399	15,944	36,118	27,336

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the six-month period ended 30 June 2020

	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue from sales of goods	4,892,158	5,598,860	4,891,945	5,598,546
Revenue from sales of land	-	202,930	-	202,930
Cost of sales of goods	(3,609,207)	(4,121,369)	(3,751,483)	(4,285,604)
Cost of sales of land	-	(96,439)	-	(96,439)
Gross profit	1,282,951	1,583,982	1,140,462	1,419,433
Other income	126,362	102,917	126,785	99,929
Profit before expenses	1,409,313	1,686,899	1,267,247	1,519,362
Distribution costs	(828,252)	(959,124)	(750,464)	(862,276)
Administrative expenses	(369,140)	(518,646)	(327,736)	(460,214)
Total expenses	(1,197,392)	(1,477,770)	(1,078,200)	(1,322,490)
Profit from operations	211,921	209,129	189,047	196,872
Finance costs	(5,137)	(4,549)	(4,664)	(4,549)
Profit before income tax	206,784	204,580	184,383	192,323
Tax expense	(36,452)	(48,427)	(33,181)	(47,214)
Profit for the period	170,332	156,153	151,202	145,109
Profit attributable to				
Owners of the parent	166,214	151,027	151,202	145,109
Non-controlling interests	4,118	5,126	-	-
	170,332	156,153	151,202	145,109
Basic earnings per share (in Baht)				
Attributable to owners of the parent	0.03	0.03	0.03	0.02

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

For the six-month period ended 30 June 2020

	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	170,332	156,153	151,202	145,109
Other comprehensive income				
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	170,332	156,153	151,202	145,109
Total comprehensive income attributable to				
Owners of the parent	166,214	151,027	151,202	145,109
Non-controlling interests	4,118	5,126	-	-
	170,332	156,153	151,202	145,109

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

	Consolidated financial statement							
	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	<u>Retained earnings</u> Appropriated Legal reserve		Total equity attributable to owners of the parent	Non- controlling interests	Total shareholders' equity
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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

	Consolidated financial statement									
	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	<i>Retained earnings</i>		<i>Other components of shareholders' equity</i>		Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Appropriated Legal reserve				Unappropriated	Changes in other components from shareholders	Total other components of shareholders' equity				
	<i>(in thousand Baht)</i>									
Balance at 31 December 2019 - as reported	5,962,621	1,133,594	211,060	214,264	983,604	-	-	8,505,143	527,041	9,032,184
Impact of changes in accounting policies	-	-	-	-	(2,997)	-	-	(2,997)	-	(2,997)
Balance at 1 January 2020	5,962,621	1,133,594	211,060	214,264	980,607	-	-	8,502,146	527,041	9,029,187
Transactions with owners, recorded directly in shareholders' equity										
<i>Contributions by and distributions to owners of the parent</i>										
Dividends	-	-	-	-	(71,552)	-	-	(71,552)	-	(71,552)
<i>Total contributions by and distributions to owners of the parent</i>	-	-	-	-	(71,552)	-	-	(71,552)	-	(71,552)
Changes in ownership interests in subsidiary										
Changes that do not result in a loss of control	-	-	-	-	-	(43,857)	(43,857)	(43,857)	(531,159)	(575,016)
Total changes in ownership interests in subsidiary	-	-	-	-	-	(43,857)	(43,857)	(43,857)	(531,159)	(575,016)
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	-	(71,552)	(43,857)	(43,857)	(115,409)	(531,159)	(646,568)
Comprehensive income for the period										
Profit or loss	-	-	-	-	166,214	-	-	166,214	4,118	170,332
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	166,214	-	-	166,214	4,118	170,332
Balance at 30 June 2020	5,962,621	1,133,594	211,060	214,264	1,075,269	(43,857)	(43,857)	8,552,951	-	8,552,951

SCG Ceramics Public Company Limited and its Subsidiary**Statement of changes in shareholders' equity****For the six-month period ended 30 June 2020**

	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 changes in shareholders' equity

For the six-month period ended 30 June 2020

	Separate financial statement					Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control <i>(in thousand Baht)</i>	<i>Retained earnings</i>		
				Appropriated	Unappropriated	
				Legal reserve		
Balance at 31 December 2019 - as reported	5,962,621	1,133,594	274,225	214,264	1,040,400	8,625,104
Impact of changes in accounting policies	-	-	-	-	(2,997)	(2,997)
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	-	-	-	-	(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 period						
Profit or loss	-	-	-	-	151,202	151,202
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	151,202	151,202
Balance at 30 June 2020	5,962,621	1,133,594	274,225	214,264	1,117,053	8,701,757

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the six-month period ended 30 June 2020

	Consolidated		Separate	
	financial statement		financial statement	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	170,332	156,153	151,202	145,109
<i>Adjustments for</i>				
Tax expense	36,452	48,427	33,181	47,214
Depreciation and amortization	354,422	293,565	313,981	259,122
Reversal of impairment loss	(11,774)	(2,779)	(11,774)	(2,779)
Reversal on inventories devaluation	(10,288)	(2,779)	(10,288)	(2,779)
Employee mutual separation plan expenses	26,688	-	26,688	-
Employee benefit expense	24,287	162,591	20,977	141,599
Unrealized loss on foreign currency exchange	2,976	2,276	3,011	2,509
Interest income	(1,387)	(829)	(673)	(211)
Interest expense	5,131	3,876	4,659	3,876
Loss on sales of assets and others	760	3,880	1,232	4,259
Cash flows generated from operations				
before changes in operating assets and liabilities	597,599	664,381	532,196	597,919
<i>Decrease (increase) in operating assets</i>				
Trade and other current receivables	(233,027)	(62,728)	(233,687)	(64,537)
Inventories	256,593	(148,021)	183,093	(165,346)
Land development for sale	-	95,176	-	95,176
Other assets	10,064	17,249	10,064	17,249
Net decrease (increase) in operating assets	33,630	(98,324)	(40,530)	(117,458)
<i>Increase (decrease) in operating liabilities</i>				
Trade and other current payables	(25,662)	147,418	210,496	165,093
Provisions for employee benefits	(179,103)	(56,144)	(179,103)	(56,144)
Other liabilities	(324)	(4,674)	(324)	(4,489)
Net increase (decrease) in operating liabilities	(205,089)	86,600	31,069	104,460
Net cash flows generated from operations	426,140	652,657	522,735	584,921
Income tax paid	(13,964)	(17,168)	(13,922)	(13,645)
Net cash flows provided by operating activities	412,176	635,489	508,813	571,276

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the six-month period ended 30 June 2020

	Consolidated		Separate	
	financial statement		financial statement	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of non-controlling interests	-	-	(574,860)	-
Proceeds from sales of property, plant and equipment	827	1,751	353	1,372
Acquisition of property, plant and equipment	(102,310)	(173,014)	(79,303)	(140,180)
Acquisition of intangible assets	(5,681)	(9,916)	(5,681)	(9,898)
Interest received	1,471	826	757	208
Net cash flows used in investing activities	(105,693)	(180,353)	(658,734)	(148,498)
<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)	-	-	-
Proceeds from (payments of) borrowings				
Short-term borrowings from financial institutions	340,000	(495,000)	340,000	(495,000)
Payments of finance lease liabilities	(56,958)	-	(50,993)	-
Net increase (decrease) in borrowings	283,042	(495,000)	289,007	(495,000)
Dividends paid				
Dividends paid	(71,552)	-	(71,552)	-
Total Dividends paid	(71,552)	-	(71,552)	-
Interest paid	(2,858)	(5,142)	(2,858)	(5,143)
Net cash flows from (used in) financing activities	(366,228)	(500,142)	214,597	(500,143)
Net increase (decrease) in cash and cash equivalents	(59,745)	(45,006)	64,676	(77,365)
Cash and cash equivalents at beginning of the period	631,409	424,433	259,976	119,857
Cash and cash equivalents at end of the period	571,664	379,427	324,652	42,492
<i>Supplementary information for cash flows</i>				
Non-cash transactions				
Account payables from purchase of assets	28,102	48,486	23,562	35,943