

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

Interim financial statements
for the period 1 August 2018 (the date of amalgamation)
to 30 September 2018 and
for the three-month and nine-month periods
ended 30 September 2018
and
Independent auditor's report
on review of interim financial information

Independent auditor's report on review of interim financial information

To the Board of Directors of SCG Ceramics Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of SCG Ceramics Public Company Limited and its subsidiary (the "Group") as at 30 September 2018; the consolidated income statement for the three-month and nine-month periods ended 30 September 2018 and the separate income statement for the period 1 August 2018 (the date of amalgamation) to 30 September 2018, the consolidated comprehensive income for the three-month and nine-month periods ended 30 September 2018 and the separate comprehensive income for the period 1 August 2018 (the date of amalgamation) to 30 September 2018; the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018 and the separated statements of changes in shareholders' equity and cash flows for the period 1 August 2018 (the date of amalgamation) to 30 September 2018 and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 1 to the interim financial statements, the Company was established in accordance with the amalgamation resolution of five subsidiaries under The Siam Cement Public Company Limited. The amalgamation is considered as amalgamation under common control, accordingly, the consolidated financial statements are presented as if the amalgamation had been taken place since 1 January 2017. My conclusion is not modified in respect of this matter.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
8 November 2018

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 September 2018

	<i>Note</i>	Consolidated		Separate
		financial statements		financial statements
Assets		30 September	31 December	30 September
		2018	2017	2018
			(Unaudited)	
			(in thousand Baht)	
<i>Current assets</i>				
Cash and cash equivalents		411,738	911,722	112,913
Trade and other current receivables	4	1,453,338	1,574,733	1,445,793
Short-term loans	3	-	119,136	-
Inventories		2,878,085	2,961,127	2,511,764
Land developed held for sales		585,856	597,038	585,856
Other current assets		5,838	2,056	5,838
Total current assets		5,334,855	6,165,812	4,662,164
<i>Non-current assets</i>				
Other long-term investment		16,605	68,618	16,605
Investments in subsidiary	5	-	-	758,919
Other non-current receivables		153,322	150,765	153,322
Investment properties		404,042	407,701	400,748
Property, plant and equipment	6	5,634,160	5,748,522	5,178,058
Assets not used in operations		11,776	12,175	11,776
Goodwill		25,350	25,350	-
Intangible assets		113,201	62,511	111,968
Deferred tax assets		162,238	167,809	141,941
Other non-current assets		17,959	23,907	17,959
Total non-current assets		6,538,653	6,667,358	6,791,296
Total assets		11,873,508	12,833,170	11,453,460

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 September 2018

		Consolidated		Separate
		financial statements		financial statements
		30 September	31 December	30 September
Liabilities and shareholders' equity	<i>Note</i>	2018	2017	2018
			<i>(Unaudited)</i>	
			<i>(in thousand Baht)</i>	
<i>Current liabilities</i>				
Bank overdrafts		-	2,908	-
Short-term borrowings from financial institutions	7	1,030,000	-	1,030,000
Trade and other current payables		1,480,596	1,535,880	1,503,883
Short-term borrowings	3	-	844,394	-
Income tax payable		54,665	30,645	51,140
Current provisions for employee benefits		26,644	14,170	26,269
Total current liabilities		2,591,905	2,427,997	2,611,292
<i>Non-current liabilities</i>				
Non-current provisions for employee benefits	8	431,639	433,754	370,501
Other non-current provisions		16,889	17,698	6,276
Other non-current liabilities		799	1,054	799
Total non-current liabilities		449,327	452,506	377,576
Total liabilities		3,041,232	2,880,503	2,988,868

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of income

	Consolidated		Separate
	financial statements		financial statements
	For the three-month period ended	For the three-month period ended	For the period from 1 August 2018 to
<i>Note</i>	30 September 2018	30 September 2017	30 September 2018
		<i>(Unaudited)</i>	
		<i>(in thousand Baht)</i>	
Revenue from sales of goods	2,796,699	3,242,552	1,793,467
Revenue from sales of land	-	162,732	-
Cost of sales of goods	(2,026,618)	(2,232,008)	(1,320,096)
Cost of sales of land	-	(72,997)	-
Gross profit	770,081	1,100,279	473,371
Other income	69,476	47,259	43,460
Profit before expenses	839,557	1,147,538	516,831
Distribution costs	(408,531)	(515,105)	(250,566)
Administrative expenses	(537,147)	(341,036)	(189,918)
Total expenses	(945,678)	(856,141)	(440,484)
Profit (loss) from operations	(106,121)	291,397	76,347
Finance costs	(6,884)	(8,696)	(3,293)
Profit (loss) before income tax	(113,005)	282,701	73,054
Tax benefits (expense)	8,111	(40,904)	(8,417)
Profit (loss) for the period	(104,894)	241,797	64,637
Profit (loss) attributable to			
Owners of the parent	(112,817)	220,688	64,637
Company in the Group before business restructuring	3,429	11,376	-
Non-controlling interests	4,494	9,733	-
	(104,894)	241,797	64,637
<i>Basic earnings (loss) per share (in Baht)</i>			
Attributable to owners of the parent	10	(0.02)	0.04
		0.04	0.01

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

	Consolidated		Separate
	financial statements		financial statements
	For the three-month period ended 30 September 2018	For the three-month period ended 30 September 2017	For the period from 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>		
Profit (loss) for the period	(104,894)	241,797	64,637
Other comprehensive income			
Other comprehensive income for the period-net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(104,894)</u>	<u>241,797</u>	<u>64,637</u>
Total comprehensive income attributable to			
Owners of the parent	(112,817)	220,688	64,637
Company in the Group before business restructuring	3,429	11,376	-
Non-controlling interests	<u>4,494</u>	<u>9,733</u>	<u>-</u>
	<u>(104,894)</u>	<u>241,797</u>	<u>64,637</u>

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of income

	Consolidated		Separate
	financial statements		financial statements
	For the nine-month period ended	For the nine-month period ended	For the period from 1 August 2018 to
<i>Note</i>	30 September 2018	30 September 2017	30 September 2018
		<i>(Unaudited)</i>	
		<i>(in thousand Baht)</i>	
Revenue from sales of goods	8,820,043	9,942,842	1,793,467
Revenue from sales of land	23,861	223,004	-
Cost of sales of goods	(6,434,018)	(7,006,594)	(1,320,096)
Cost of sales of land	(12,440)	(97,216)	-
Gross profit	2,397,446	3,062,036	473,371
Other income	187,754	149,151	43,460
Profit before expenses	2,585,200	3,211,187	516,831
Distribution costs	(1,377,874)	(1,642,979)	(250,566)
Administrative expenses	(1,159,312)	(973,379)	(189,918)
Total expenses	(2,537,186)	(2,616,358)	(440,484)
Profit from operations	48,014	594,829	76,347
Finance costs	(21,279)	(29,080)	(3,293)
Profit before income tax	26,735	565,749	73,054
Income tax expense	(69,450)	(99,982)	(8,417)
Profit (loss) for the period	(42,715)	465,767	64,637
Profit (loss) attributable to			
Owners of the parent	(69,401)	422,752	64,637
Company in the Group before business restructuring	13,540	23,181	-
Non-controlling interests	13,146	19,834	-
	(42,715)	465,767	64,637
<i>Basic earnings (loss) per share (in Baht)</i>			
Attributable to owners of the parent	<i>10</i>	(0.01)	0.07
		0.07	0.01

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of comprehensive income

	Consolidated		Separate
	financial statements		financial statements
	For the nine-month period ended 30 September 2018	For the nine-month period ended 30 September 2017	For the period from 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>		
Profit (loss) for the period	(42,715)	465,767	64,637
Other comprehensive income			
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>			
Reversal of remeasuring investments held as available for sale	(90)	-	-
Total components of other comprehensive income that will be reclassified to profit or loss	(90)	-	-
<i>Components of other comprehensive income 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	(2,405)	-	-
Total comprehensive income for the period	(45,120)	465,767	64,637
Total comprehensive income attributable to			
Owners of the parent	(71,806)	422,752	64,637
Company in the Group before business restructuring	13,540	23,181	-
Non-controlling interests	13,146	19,834	-
	(45,120)	465,767	64,637

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in equity

Consolidated financial statements												
<i>Other components of shareholders' equity</i>												
<i>Other</i>												
<i>Retained earnings</i>												
<i>comprehensive income</i>												
<i>(in thousand Baht)</i>												
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Appropriated	Unappropriated	Investments held as available for sale	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Shareholders' equity before amalgamation	Non- controlling interests	Total shareholders' equity
Balance at 1 January 2017	<i>1</i>	5,962,621	1,133,594	189,780	1,071,207	92	92	8,357,294	747,010	527,403	9,631,707	
Transactions with owners, recorded directly												
in shareholders' equity												
<i>Contributions by and distributions to</i>												
<i>owners of the parent</i>												
Dividends		-	-	-	(237,401)	-	-	(237,401)	(21,555)	(18,445)	(277,401)	
<i>Total contributions by and distributions to</i>		-	-	-	(237,401)	-	-	(237,401)	(21,555)	(18,445)	(277,401)	
Total transactions with owners, recorded directly		-	-	-	(237,401)	-	-	(237,401)	(21,555)	(18,445)	(277,401)	
Comprehensive income for the period												
Profit or loss		-	-	-	422,752	-	-	422,752	23,181	19,834	465,767	
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period		-	-	-	422,752	-	-	422,752	23,181	19,834	465,767	
Transfer to legal reserve		-	-	870	(870)	-	-	-	-	-	-	
Balance at 30 September 2017		5,962,621	1,133,594	190,650	1,255,688	92	92	8,542,645	748,636	528,792	9,820,073	

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in equity

	Note	Consolidated financial statements												
		Other components of shareholders' equity												
		Retained earnings					Other comprehensive income							
		Appropriated		Unappropriated			Investments held as available for sale		Total other components of shareholders' equity		Total equity attributable to owners of the parent	Shareholders' equity before amalgamation	Non-controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Premium on amalgamation under common control	Legal reserve									
		<i>(in thousand Baht)</i>												
Balance at 1 January 2018	<i>1</i>	5,962,621	1,133,594	-	200,150	1,358,365	90	90	8,654,820	759,639	538,208	9,952,667		
Transactions with owners, recorded directly in shareholders' equity														
<i>Contributions by and distributions to owners of the parent</i>														
Dividends		-	-	-	-	(445,331)	-	-	(445,331)	(32,333)	(27,667)	(505,331)		
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(445,331)	-	-	(445,331)	(32,333)	(27,667)	(505,331)		
<i>Changes in ownership interest in subsidiaries</i>														
Amalgamation	<i>1</i>	-	-	211,060	-	(25,027)	-	-	186,033	(740,846)	(15,127)	(569,940)		
Total transactions with owners, recorded directly in shareholders' equity		-	-	211,060	-	(25,027)	-	-	186,033	(740,846)	(15,127)	(569,940)		
Comprehensive income for the period														
Profit or loss		-	-	-	-	(69,401)	-	-	(69,401)	13,540	13,146	(42,715)		
Other comprehensive income		-	-	-	-	(2,315)	(90)	(90)	(2,405)	-	-	(2,405)		
Total comprehensive income for the period		-	-	-	-	(71,716)	(90)	(90)	(71,806)	13,540	13,146	(45,120)		
Transfer to legal reserve		-	-	-	376	(376)	-	-	-	-	-	-		
Balance at 30 September 2018		5,962,621	1,133,594	211,060	200,526	815,915	-	-	8,323,716	-	508,560	8,832,276		

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in equity

	Note	Separate financial statements							
		Issued and paid share capital	Premium on ordinary shares	Premium on amalgamation under common control	Retained earnings		Other components of shareholders' equity		
					Legal reserve	Unappropriated	Other comprehensive income		
							Appropriated	Investments held as available for sale	Total other components of shareholders' equity
<i>(in thousand Baht)</i>									
Balance at 1 January 2018		-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in shareholders' equity									
<i>Changes in ownership interests in subsidiaries</i>									
Amalgamation	1	5,962,621	1,133,594	274,225	200,526	828,989	-	-	8,399,955
Total changes in ownership interests in subsidiaries									
Total transactions with owners, recorded directly		5,962,621	1,133,594	274,225	200,526	828,989	-	-	8,399,955
Comprehensive income for the period									
Profit or loss		-	-	-	-	64,637	-	-	64,637
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	64,637	-	-	64,637
Transfer to legal reserve		-	-	-	-	-	-	-	-
Balance at 30 September 2018		5,962,621	1,133,594	274,225	200,526	893,626	-	-	8,464,592

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated		Separate
	financial statements		financial statements
	For the nine-month period ended 30 September 2018	For the nine-month period ended 30 September 2017 <i>(Unaudited)</i> <i>(in thousand Baht)</i>	For the period from 1 August 2018 to 30 September 2018
<i>Cash flows from operating activities</i>			
Profit (loss) for the year	(42,715)	465,767	64,637
<i>Adjustments for</i>			
Tax expense	69,450	99,982	8,417
Depreciation and amortisation	453,577	504,184	88,582
Reversal of doubtful and bad debts expenses	6	220	-
Reversal of allowance for decline in value and slow-moving of inventories	9,424	21,560	-
Employee mutual separation plan expense	14,400	-	-
Non-current provisions for employee benefit	50,705	30,885	20,702
Loss on impairment of assets not used in operations	6,492	-	-
Loss on property, plant and equipment written-off	4,804	261	-
Unrealised loss (gain) on exchange	(2,067)	(2,198)	3,450
Finance costs	21,279	29,080	3,293
Interest income	(3,963)	(3,600)	-
Cash flows generated from operations			
before changes in operating assets and liabilities	581,392	1,146,141	189,081
<i>Decrease (increase) in operating assets</i>			
Trade and other current receivables	118,525	(263,380)	257,088
Inventories	73,618	94,165	50,585
Land developed held for sales	11,182	67,311	-
Other current assets	322	17,646	(689)
Other non-current assets	3,352	(6,477)	(7,194)
Net decrease (increase) in operating assets	206,999	(90,734)	299,790
<i>Increase (decrease) in operating liabilities</i>			
Trade and other current payables	(58,096)	102,006	(99,441)
Employee mutual separation plan expense	-	-	(239,768)
Non-current provisions for employee benefit	(48,896)	(2,787)	(1,208)
Other non-current liabilities	(1,064)	(410)	140
Net increase (decrease) in operating liabilities	(108,056)	98,809	(340,277)

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated		Separate
	financial statements		financial statements
	For the nine-month period ended 30 September 2018	For the nine-month period ended 30 September 2017 (Unaudited)	For the period from 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>		
Net cash flows generated from operations	680,335	1,154,216	148,594
Income tax paid	(42,990)	(69,614)	(1,431)
Net cash flows provided by operating activities	637,345	1,084,602	147,163
<i>Cash flows from investing activities</i>			
Acquisition of property, plant and equipment and investment properties	(338,088)	(584,829)	(52,137)
Proceeds from sales of property, plant and equipment	3,143	5,131	-
Proceeds from sales of investment properties	-	165,568	-
Acquisition of intangible assets	(61,699)	(1,657)	(3,776)
Acquisition of investments	(758,918)	-	-
Proceeds from sales of investments	240,519	(8)	-
Proceeds from short-term loans to related party	119,136	-	-
Payments of short-term loans to related party	-	(39,337)	-
Interest received	3,134	4,533	-
Net cash flows used in investing activities	(792,773)	(450,599)	(55,913)
<i>Cash flows from financing activities</i>			
Payment of bank overdrafts	(2,908)	-	-
Proceeds from short-term borrowings	1,030,000	-	-
Payments of short-term borrowings	(844,394)	(47,675)	(592,000)
Net increase (decrease) in borrowings	182,698	(47,675)	(592,000)
Dividends paid			
Dividends paid to owners of the parent	(445,331)	(237,401)	-
Dividend paid to shareholders before amalgamation	(32,333)	(21,555)	-
Dividends paid to non-controlling interests	(27,667)	(18,445)	-
Total dividends paid	(505,331)	(277,401)	-
Interest paid	(21,923)	(29,080)	(1,648)
Net cash flows used in financing activities	(344,556)	(354,156)	(593,648)
Net increase (decrease) in cash and cash equivalents	(499,984)	279,846	(502,398)
Cash and cash equivalents at beginning of the period	911,722	573,556	615,311
Cash and cash equivalents at end of the period	411,738	853,402	112,913
<i>Supplementary information for cash flows</i>			
Non-cash transactions			
Payables from purchase of property, plant and equipment	26,725	58,438	16,472
Premium on amalgamation under common control	211,060	-	274,225

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

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the period 1 August 2018 (the date of amalgamation) to 30 September 2018 and
For the three-month and nine-month periods ended 30 September 2018 (Unaudited)

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SCG Ceramics Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the period 1 August 2018 (the date of amalgamation) to 30 September 2018 and
For the three-month and nine-month periods ended 30 September 2018 (Unaudited)

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorised for issue by the Board of Directors on 8 November 2018.

1 General information and amalgamation

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

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

The principal activity is engaged in manufacturing and sales of ceramic floor tiles and wall tiles and industrial estate development.

The immediate and ultimate parent companies during the financial year were CEMENTHAI CERAMIC CO., LTD. and THE SIAM CEMENT PUBLIC COMPANY LIMITED. Both were incorporated in Thailand.

Details of the Company’s subsidiary as at 30 September 2018 and 31 December 2017 were as follows:

Name of the entity	Type of business	Country of incorporation /nationality	Ownership interest (%)	
			30 September 2018	31 December 2017
Sosuco Ceramic Co., Ltd.	manufacturing and sales of ceramic tiles	Thailand	53.89	53.89*

*Regarding of amalgamation under common control, the consolidated financial statements are prepared on a basis in accordance with the pooling of interest method. The amalgamation is considered as amalgamation under common control, the Company has presented the consolidated financial statement as if the amalgamation had been taken place since 1 January 2017.

SCG Ceramics Public Company Limited “the Company” has established from amalgamation of 5 subsidiaries under The Siam Cement Public Company Limited which manufacture and sales of ceramic tiles in order to restructure for synergy and efficiency. The amalgamation is expected to serve an expansion of ceramic industry both domestic and export. The Company was registered in Thailand and was listed on the Stock Exchange of Thailand on 1 August 2018 (amalgamation date).

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the period 1 August 2018 (the date of amalgamation) to 30 September 2018 and
For the three-month and nine-month periods ended 30 September 2018 (Unaudited)

The amalgamated companies are as follows;

Name of the entity	Type of business	Country of incorporation /nationality	Ownership interest	
			31 July 2018	31 December 2017 (%)
Thai Ceramic Co., Ltd.	Manufacturing and sales of ceramic tiles	Thailand	100	100
Gemago Co., Ltd.	Retails and Whole-sales of ceramic floor tiles and wall tiles and tiles' related products	Thailand	100	100
The Siam Ceramic Group Industries Co., Ltd.	Manufacturing and sales of ceramic tiles	Thailand	100	100
Sosuco and Group (2008) Co., Ltd.	Trading of ceramic floor tiles and wall tiles both domestic and export	Thailand	100*	90*
Thai-German Ceramic Industry Public Company Limited	Manufacturing and sales of ceramic floor tiles and wall tiles and industrial estate development.	Thailand	74.71	74.71

*In quarter 1 of 2018, the immediate company had purchased another 10% of non-controlling interests which made ownership interest of the immediate company be 100%.

The amalgamation was considered to be an amalgamation under common control of subsidiaries under The Siam Cement Public Company Limited. The consolidated financial statements are prepared on a basis in accordance with the pooling of interest method and the amalgamation is considered as amalgamation under common control. Under the accounting standards, the consolidated financial statements was presented as if the amalgamation had been taken place since 1 January 2017, even though, the relationship between the Company and its subsidiary is legally official afterwards, for the benefits of comparison. The Group has recognized assets and liabilities of the amalgamated companies at the book values presented in ultimate parent's consolidation financial statement of each company before the amalgamation including goodwill.

Significant transactions related to the restructure and amalgamation are as follows;

Restructure

- On 11 May 2018, Thai Ceramic Co., Ltd. acquired 53.9% of ordinary shares of Sosuco Ceramic Co., Ltd. from Cementhai Ceramic Co., Ltd. amounting to Baht 759 million resulting in discount on amalgamation under common control in the consolidated financial statements amounting to Baht 140 million.
- On 27 June 2018, Cementhai Ceramic Co., Ltd. acquired 9.8% of ordinary shares of The Siam Ceramic Group Industries Co., Ltd. from Thai Ceramic Co., Ltd. amounting to Baht 240.5 million resulting in premium on amalgamation under common control in the consolidated financial statements and separate financial statements amounting to Baht 189 million.

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Amalgamation

- On 1 August 2018, the Company was established from amalgamation. Under the accounting standards, the Company is required to present the consolidated financial statements in order to reflect the economic substance of the companies under common control throughout the period as if the amalgamation had been taken place since 1 January 2017, resulting in shareholders' equity before amalgamation as at 1 January 2017 increased by Baht 747 million which comprises of retrospective adjustment before amalgamation as follows;
 1. Shareholders' equity of Sosuco Ceramic Co., Ltd. as at 1 January 2017 in the proportion of 53.9% amounting to Baht 584 million which comprises of
 - 1.1 Share capital of Baht 431 million
 - 1.2 Legal reserve of Baht 43 million
 - 1.3 Retained earnings of Baht 110 million
 2. Difference between book value of the ultimate parent's consolidation financial statements of each company before the amalgamation and book value of their financial statements as at 1 January 2017 resulting in shareholders' equity before amalgamation increased by Baht 163 million and retained earnings in the consolidated financial statements and separated financial statements decreased by Baht 123 million and 67 million, respectively, details as below;

	Thai-German Ceramic Industry PCL.	Sosuco Ceramic Co., Ltd. (Subsidiary)	Total
	<i>(effect on separated financial statement)</i>		<i>(effect on consolidated financial statements)</i>
		<i>(in thousand Baht)</i>	
Book value of shareholders' equity of each company presented in ultimate parent's consolidation financial statement before the amalgamation	956,586	175,961	1,132,547
Book value of shareholders' equity of each company	1,023,400	231,792	1,255,192
Difference from adjustments resulting in			
- Premium on amalgamation under common control /Premium on shareholders' equity before amalgamation increased	(85,450)	(77,172)	(162,622)
- Assets used in operation increased	18,636	21,341	39,977
Retained earnings decreased	(66,814)	(55,831)	(122,645)

The amalgamation resulted in premium on amalgamation under common control in the separated financial statements increased by Baht 85 million and premium on shareholders' equity before amalgamation in the consolidated financial statements increased by Baht 163 million. Moreover, assets used in operation in separated financial statements and consolidated financial statements increased amounted

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to Baht 19 million and 40 million, respectively and retained earnings in separated financial statements and consolidated financial statements decreased amounted to Baht 67 million and 123 million, respectively.

Therefore, the restructure and the amalgamation resulted in premium on amalgamation under common control in consolidation financial statements and separated financial statements increased by Baht 211 million and 274 million, respectively.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) “Interim Financial Reporting”; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

In addition to the above new and revised TFRSs, The FAP has issued TFRSs which are effective for annual periods beginning on or after 1 January 2019 and 2020. The Group has not early adopted these standards in preparing these interim consolidated financial statements because they are not yet effective. The new TFRSs are disclosed in note 13.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant assumptions in applying the Group’s accounting policies and the key sources of estimation were included in the following notes:

Note 8	Measurement of non-current provisions for defined benefit plans - key actuarial assumptions.
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(d) Basis of consolidation

The interim consolidated financial statements for the three-month and nine-month periods ended 30 September 2018 include the accounts of SCG Ceramics Public Company Limited and its subsidiary. Subsidiary included in the interim consolidated financial statements is Sosuco Ceramic Co., Ltd.

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

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3 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control, common control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Cement Thai Ceramic Co., Ltd.	Thailand	Immediate parent company
SCG Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Roof Tile 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
Quality Construction Products Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Saraburirat Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Mariwasa-Siam Ceramics, Inc.	Philippines	A subsidiary of The Siam Cement Public Company Limited
PT Kokoh Inti Arebama Tbk	Indonesia	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 Surya Siam Keramik	Indonesia	A subsidiary of The Siam Cement Public Company Limited
Thai Containers Group 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
The Concrete Products and Aggregate 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
Sosuco Ceramic 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
Prime Trade Inc.	Vietnam	A subsidiary of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Prime Group Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Siam Mortar Co., Ltd. (Register liquidation on 6 July 2018)	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Experience 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
The Siam Sanitary Fittings Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Noritake SCG Plaster Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Global House Public Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods	Market price
Other income	Market price
Purchases of goods	Market price
Other expense	Contractual prices
Dividends	Announced rate

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Significant transactions with related parties for the period 1 August 2018 (the date of amalgamation) to 30 September 2018 and for the three-month and nine-month periods ended 30 September 2018 were summarised as follows:

	Consolidated financial statements for the three-month period ended 30 September		Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
	2018	2017	
	<i>(in thousand Baht)</i>		
<i>Ultimate parent</i>			
Sale of goods	447	105	447
Cost of goods sold	91	-	68
Distribution cost	4,239	17,221	251
Administrative expenses	32,850	39,369	11,636
Intangible assets	470	-	-
Other current assets	3,395	-	3,395
<i>Parent</i>			
Cost of goods sold	1,182	-	7
Other income	2,911	3,981	2,750
Distribution cost	4,589	10,425	544
Administrative expenses	18,735	44,478	10,117
Purchase of property, plant and equipment	54,764	-	-
Intangible asset	21,100	-	-
Financial Cost	792	512	-
<i>Other related parties</i>			
Sale of goods	217,974	307,115	98,294
Other income	39,609	9,936	28,055
Purchases	134,400	137,024	69,735
Purchase of property, plant and equipment	-	1,657	-
Intangible assets	14,350	-	2,951
Distribution cost	15,614	4,678	7,814
Administrative expenses	16,631	21,412	9,530
Cost of goods sold	2,591	-	2,023
Income from sale of investment	2	-	-

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	Consolidated financial statements for the nine-month period ended 30 September		Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
	2018	2017	
<i>(in thousand Baht)</i>			
<i>Ultimate parent</i>			
Sale of goods	447	143	447
Other income	-	237	-
Distribution cost	7,582	17,591	251
Administrative expenses	93,551	153,645	11,636
Cost of goods sold	285	-	68
Intangible assets	2,353	-	-
Other current assets	3,395	-	3,395
<i>Parent</i>			
Sale of goods	-	54	-
Other income	3,948	15,934	2,750
Distribution cost	35,453	14,639	544
Administrative expenses	71,000	180,556	10,117
Cost of goods sold	2,219	-	7
Purchase of property, plant and equipment	56,329	-	-
Intangible assets	21,100	211	-
Income from sale of investment	758,919	-	-
Financial cost	2,641	948	-
Short-term borrowings	52,608	33,177	-
<i>Other related parties</i>			
Sale of goods	748,252	749,785	98,294
Other income	55,137	24,569	28,055
Purchase	365,851	433,086	69,735
Purchase of property, plant and equipment	-	1,657	-
Intangible assets	28,787	-	2,951
Distribution cost	186,392	18,726	7,814
Administrative expenses	81,897	72,018	9,530
Cost of goods sold	25,092	-	2,023
Income from sale of investment	2	-	-
<i>Dividend</i>			
Parent			
- Cementhai Ceramics Co., Ltd.	475,671	223,125	-

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Balances as at 30 September 2018 and 31 December 2017 with related parties were as follows:

Trade receivables

	Consolidated financial statements		Separate financial statements
	30 September 2018	31 December 2017	30 September 2018
	<i>(in thousand Baht)</i>		
Ultimate parent			
- The Siam Cement Public Company Limited	6	75	6
Parent			
- Cementhai Ceramic Co., Ltd.	-	27	-
Other related parties			
- Siam Global House Public Company Limited	51,248	5,995	51,248
- Mariwasa-Siam Ceramics, Inc.	13,513	22,309	13,513
- SCG Experience Co., Ltd.	9,123	13,677	9,123
- SCG Cement-Building Materials Company Limited	4,714	5,808	4,714
- PT Surya Siam Keramik	3,951	3,354	3,951
- PT Kokoh Inti Arebama Tbk	-	44,338	-
- Others	6,030	5,198	6,030
Total	88,585	100,781	88,585

Other current receivables

	Consolidated financial statements		Separate financial statements
	30 September 2018	31 December 2017	30 September 2018
	<i>(in thousand Baht)</i>		
Ultimate parent			
- The Siam Cement Public Company Limited	-	59	-
Parent			
- Cementhai Ceramic Co., Ltd.	2,981	8,575	2,981
Other related parties			
- Siam Sanitary Ware Industry Co., Ltd.	5,813	1,602	5,813
- The Siam Fibre-Cement Co., Ltd.	661	204	661
- Thai Ceramic Roof Tile Co., Ltd.	376	79	366
- PT Keramik Indonesia Assosiasi, Tbk.	363	1,424	363
- SCG-Sekisui Sales Co., Ltd.	223	59	223
- SCG Experience Co., Ltd.	210	267	210
- SCG Cement-Building Materials Company Limited	201	3	201
- Others	655	3,113	2,334
Total	11,483	15,385	13,152

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Short-term loans

	Consolidated financial statements	
	30 September 2018	31 December 2017
	<i>(in thousand Baht)</i>	
Subsidiary	-	119,136

Movements during the nine-month period ended 30 September 2018 and for the year ended 31 December 2017 on loans to related parties were as follows:

	Consolidated financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	119,136	91,684
Decrease	(119,136)	27,452
At 30 September 2018 and 31 December 2107	-	119,136

Trade payables

	Consolidated financial statements		Separate financial statements
	30 September 2018	31 December 2017	30 September 2018
	<i>(in thousand Baht)</i>		
Other related parties			
- Sosuco Ceramic Co., Ltd.	-	-	175,371
- SCG Logistics Management Co., Ltd.	38,383	36,911	38,142
- Prime Group Joint Stock Company	28,669	25,116	28,669
- Thai Containers Group Co., Ltd.	20,485	15,679	15,051
- PT Keramika Indonesia Assosiasi, Tbk.	9,563	2,367	9,563
- Noritake SCG Plaster Co., Ltd.	5,238	2,900	5,238
- The Siam Cement (Kaeng Khoi) Co., Ltd.	3,992	-	3,992
- SCG Cement Co., Ltd.	2,260	3,554	1,854
- Others	2,153	2,833	2,153
Total	110,743	89,360	280,033

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Other current payables

	Consolidated financial statements		Separate financial statements
	30 September 2018	31 December 2017	30 September 2018
	<i>(in thousand Baht)</i>		
Ultimate parent			
- The Siam Cement Public Company Limited	34,249	44,622	24,601
Parent			
- Cementhai Ceramic Co., Ltd.	12,260	26,473	11,384
Other related parties			
- IT One Co., Ltd.	6,078	3,397	5,875
- SCG Cement-Building Materials Company Limited	5,033	19,635	4,390
- The Siam Cement (Ta Luang) Co., Ltd.	2,625	1,528	2,625
- SCG Experience Co., Ltd.	2,221	1,218	2,221
- SCG Cement Co., Ltd.	2,279	5	2,279
- Others	4,159	1,099	4,826
Total	68,904	97,977	58,201

<i>Short-term borrowings from related parties</i>	Consolidated financial statements	
	30 September 2018	31 December 2017
	<i>(in thousand Baht)</i>	
Subsidiaries	-	844,394

Movements during the nine-month period ended 30 September 2018 and for the year ended 31 December 2017 on short-term borrowings from related parties were as follows:

	Consolidated financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	844,394	941,648
Decrease	(844,394)	(97,254)
At 30 September 2018 and 31 December 2017	-	844,394

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Key management compensation

	Consolidated financial statements for the three-month period ended 30 September 2018		2017	Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
			(in thousand Baht)	
Short-term employee benefits	9,840	12,566		6,565
Long-term employee benefits	1	1		1
Post-employment benefits	4,942	1,009		4,645
Total	14,783	13,576		11,211
	Consolidated financial statements for the nine-month period ended 30 September 2018		2017	Separate financial statements for the period 1 August 2018 (the date amalgamation) to 30 September 2018
			(in thousand Baht)	
Short-term employee benefits	31,140	38,441		6,565
Long-term employee benefits	2	2		1
Post-employment benefits	6,724	3,027		4,645
Total	37,866	41,470		11,211

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4 Trade and other current receivables

		Consolidated financial statements		Separate financial statements
	<i>Note</i>	30 September 2018	31 December 2017	30 September 2018
		<i>(in thousand Baht)</i>		
<i>Trade receivables</i>				
Related parties	3	88,585	100,781	88,585
Other companies		1,245,238	1,351,970	1,244,909
<i>Less allowance for doubtful accounts</i>		(8,418)	(11,182)	(8,418)
Net		1,236,820	1,340,788	1,236,491
		1,325,405	1,441,569	1,325,076
<i>Other current receivables</i>				
Related parties	3	11,483	15,385	13,152
Other companies				
- Prepaid expenses		56,672	66,087	49,420
- Other and utility receivables		20,364	31,485	20,250
- Revenue department receivables		23,784	5,884	23,784
- Others		15,630	14,323	14,111
		116,450	117,779	107,565
		127,933	133,164	120,718
Total trade and other current receivables		1,453,338	1,574,733	1,445,793

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	Consolidated financial statements for the three-month period ended 30 September		Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
	2018	2017	
	<i>(in thousand Baht)</i>		
Bad debts recovery	1,054	4	1,054
Total	1,054	4	1,054

	Consolidated financial statements for the nine-month period ended 30 September		Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
	2018	2017	
	<i>(in thousand Baht)</i>		
Bad debts written off	1,699	17	-
Bad debts recovery	1,065	18	1,054
Total	2,764	35	1,054

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	Note	Consolidated financial statements		Separate financial statements
		30 September 2018	31 December 2017	30 September 2018
<i>(in thousand Baht)</i>				
Trade receivables				
Related parties				
Within credit terms		81,561	83,248	81,561
Overdue:				
Less than 3 months		7,024	17,316	7,024
Over 3 - 6 months	3	-	217	-
		88,585	100,781	88,585
Other parties				
Within credit terms		1,165,717	1,267,957	1,165,717
Overdue:				
Less than 3 months		66,502	60,742	66,502
Over 3 - 6 months		6,897	11,241	6,568
Over 6 - 12 months		3,322	11,394	3,322
Over 12 months		2,800	636	2,800
		1,245,238	1,351,970	1,244,909
Less allowance for doubtful		(8,418)	(11,182)	(8,418)
Net		1,236,820	1,340,788	1,236,491
Total		1,325,405	1,441,569	1,325,076

The normal credit terms granted by the Company range from 30 days to 120 days.

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5 Investments in subsidiary

Investments in subsidiary as at 30 September 2018, and dividend income for the period 1 August 2018 (the date of amalgamation) to 30 September 2018 were as follows:

	Separate financial statements			Dividend income
	Ownership interest 30 September 2018 (%)	Paid-up capital 30 September 2018	Cost method 30 September 2018 (in thousand Baht)	For the period 1 August 2018 (the date of amalgamation) to 30 September 2018
Sosuco Ceramic Co., Ltd.	53.89	800,000	758,919	-
Total			758,919	-

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6 Property, plant and equipment

During the nine-month period ended 30 September 2018, the Group acquired machinery and equipment at a total cost of Baht 373 million and there were sales of machinery and equipment during the period at a total net book value of Baht 8 million.

For the period 1 August 2018 (the date of amalgamation) to 30 September 2018, the Company acquired machinery and equipment at a total cost of Baht 36 million.

7 Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Bank overdrafts and short-term borrowings	Long-term borrowings	Debentures	Total
		<i>(in thousand Baht)</i>		
Balance at 1 January 2018	847,302	-	-	847,302
Changes from financing cash flows	182,698	-	-	182,698
Changes arising from obtaining subsidiaries	-	-	-	-
The effect of changes in foreign exchange rates	-	-	-	-
Balance at 30 September 2018	1,030,000	-	-	1,030,000
	Separate financial statements			
	Short-term borrowings	Long-term borrowings	Debentures	Total
		<i>(in thousand Baht)</i>		
Balance at 1 August 2018	1,622,000	-	-	1,622,000
Changes from financing cash flows	(592,000)	-	-	(592,000)
Changes arising from obtaining subsidiaries	-	-	-	-
The effect of changes in foreign exchange rates	-	-	-	-
Balance at 30 September 2018	1,030,000	-	-	1,030,000

As at 30 September 2018, the Group and the Company have promissory notes with local banks amounted to Baht 1,030 million.

8 Non-current provisions for employee benefit

The Company operates defined benefits plans based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

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Non-current provisions for employee benefits in statements of financial position.

	Consolidated financial statements		Separate financial statements
	30 September 2018	31 December 2017	30 September 2018
	<i>(in thousand Baht)</i>		
Post-employment benefits			
Legal severance payments plan	420,710	419,454	359,725
Other long-term employee benefits	7,823	8,649	7,670
Other employee benefits	3,106	5,651	3,106
Total	431,639	433,754	370,501

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

	Consolidated financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
<i>For the nine-month period ended 30 September</i>		
Non-current provisions for defined benefit plans at 1 January	428,103	414,907
Included in profit or loss		
Current service costs	20,494	20,723
Interest on obligation	10,953	10,162
Non-current provisions for defined benefit plans transferred from related parties	5,751	-
Actuarial losses	17,610	-
Others		
Benefits paid	(54,378)	-
Non-current provisions for defined benefit plans at 30 September	428,533	445,792
		Separate financial statements 30 September 2018
<i>For the period 1 August 2018 to 30 September 2018</i>		
Non-current provisions for defined benefit plans at 1 August		346,693
Included in profit or loss		
Current service costs		3,890
Interest on obligation		2,096
Change in actuarial assumption		14,716
Non-current provisions for defined benefit plans at 30 September		367,395

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9 Business segment information

The Company has two reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products and services, and are managed separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Company's reportable segments.

- Manufacturing and sales of ceramic tiles.
- Industrial estate development and real estate

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company'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, in the Company's financial statements for the three-month and nine-month periods ended 30 September was as follows:

	Consolidated financial statements for the three-month period ended 30 September					
	Manufacturing and sales of ceramic tiles		Industrial estate development and real estate		Total	
	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>					
External revenue	2,796,699	3,242,552	-	162,732	2,796,699	3,405,284
Other income	32,141	22,895	37,335	24,364	69,476	47,259
Profit (loss) before income tax expense	<u>(136,810)</u>	<u>190,464</u>	<u>23,805</u>	<u>92,237</u>	<u>(113,005)</u>	<u>282,701</u>
Other comprehensive income for the period	<u>(123,938)</u>	<u>168,007</u>	<u>19,044</u>	<u>73,790</u>	<u>(104,894)</u>	<u>241,797</u>

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	Separate financial statements		
	For the period 1 August 2018 (the date of amalgamation) to 30 September 2018		
	Manufacturing and sales of ceramic tiles	Industrial estate development and real estate <i>(in thousand Baht)</i>	Total
External revenue	1,793,467	-	1,793,467
Other income	14,780	28,680	43,460
Profit (loss) before income tax expense	<u>52,769</u>	<u>20,285</u>	<u>73,054</u>
Other comprehensive income for the period	<u>48,409</u>	<u>16,228</u>	<u>64,637</u>

	Consolidated financial statements					
	for the nine-month period ended 30 September					
	Manufacturing and sales of ceramic tiles		Industrial estate development and real estate		Total	
	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>					
External revenue	8,820,043	9,942,842	23,861	223,004	8,843,904	10,165,846
Other income	78,428	76,910	109,326	72,241	187,754	149,151
Profit (loss) before income tax expense	<u>(48,146)</u>	<u>420,967</u>	<u>74,881</u>	<u>144,782</u>	<u>26,735</u>	<u>565,749</u>
Other comprehensive income for the period	<u>(102,620)</u>	<u>349,940</u>	<u>59,905</u>	<u>115,827</u>	<u>(42,715)</u>	<u>465,767</u>

	Consolidated financial statements					
	30	31	30	31	30	31
	September 2018	December 2017	September 2018	December 2017	September 2018	December 2017
	<i>(in thousand Baht)</i>					
Land developed held for sales	-	-	585,856	597,038	585,856	597,038
Segment assets	10,714,936	11,644,491	572,716	591,641	1,287,652	12,236,132

	Separate financial statements
	30 September 2018
	<i>(in thousand Baht)</i>
Land developed held for sales	585,856
Segment assets	10,867,604

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10 Basic earnings (loss) per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September were based on the profit for the periods attributable to ordinary shareholders of the owner and the number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements for the three-month ended 30 September 2018		Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
	2018	2017	
	<i>(in thousand Baht / thousand shares)</i>		
Profit (loss) for the period attributable to owners of the parent	(112,817)	220,688	64,637
Weighted average number of ordinary shares outstanding	5,962,621	5,962,621	5,962,621
Basic earnings (loss) per share (<i>in Baht</i>)	(0.02)	0.04	0.01
	<i>(in thousand Baht / thousand shares)</i>		
	Consolidated financial statements for the nine-month ended 30 September 2018		Separate financial statements for the period 1 August 2018 (the date of amalgamation) to 30 September 2018
	2018	2017	
Profit (loss) for the period attributable to owners of the parent	(69,401)	422,752	64,637
Weighted average number of ordinary shares outstanding	5,962,621	5,962,621	5,962,621
Basic earnings (loss) per share (<i>in Baht</i>)	(0.01)	0.07	0.01

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11 Dividends

At the Annual General Meeting of the Shareholders of Sosuco and Group (2008) Co., Ltd. held on 26 March 2018, the shareholders approved the appropriation of dividends of Baht 18 per share, amounting to Baht 18 million. The dividends were paid to the shareholders on 19 April 2018.

At the Annual General Meeting of the Shareholders of Thai-German Ceramic Industry Public Company Limited held on 26 March 2018, the shareholders approved the appropriation of dividends of Baht 0.08 per share, amounting to Baht 136 million. The dividends were paid to the shareholders on 25 April 2018.

At the Annual General Meeting of the Shareholders of The Siam Ceramic Group Industries Co., Ltd. held on 26 March 2018, the shareholders approved the appropriation of dividends of Baht 3.74 per share, amounting to Baht 359 million. The dividends were paid to the shareholders on 25 April 2018.

At the Annual General Meeting of the Shareholders of Sosuco Ceramic Co., Ltd. held on 11 May 2018, the shareholders approved the appropriation of dividends of Baht 7,500 per share, amounting to Baht 60 million. The dividends were paid to the shareholders on 28 May 2018.

12 Commitments and contingent liabilities

As at 30 September 2018

- (a) The Group and the Company had commitment on letters of guarantee issued by banks to government agencies and other companies totaling approximately Baht 92 million (*31 December 2017: Baht 91 million*).
- (b) The Group and the Company had commitments for construction of building and machinery totaling approximately Baht 58 million (*31 December 2017: Baht 11 million*).
- (c) The Group and the Company had forward contracts with local and foreign banks in order to manage risk of foreign exchange rate details as follow:

	Contract amount							
	Forward receivable				Forward payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million)</i>		<i>(in million Baht)</i>		<i>(in million)</i>		<i>(in million Baht)</i>	
US Dollars	2.98	4.07	96.67	133.89	5.78	5.47	188.82	179.55
Euro	0.33	0.45	12.78	17.58	1.70	1.32	64.59	51.45
SGD	0.13	0.06	3.01	1.36	-	-	-	0.01
GBP	0.02	0.03	0.67	1.42	0.07	0.01	3.01	0.41
Yen	-	-	-	-	2.34	14.12	0.70	4.11
Total			<u>113.13</u>	<u>154.25</u>			<u>257.12</u>	<u>235.53</u>

The above contracts will be gradually due within March 2019 (*2017: due within November 2018*).

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- (d) The Group and the Company have entered into various building and car lease agreements. The periods of these agreements are 3 to 5 years expiring in various dates up to October 2023. Under the terms of these agreements, the Company has to pay annual rental as follows:

	Consolidated financial statements		Separate financial statements
	30 September 2018	31 December 2017	30 September 2018
		<i>(in thousand Baht)</i>	
Within one year	116,015	91,757	101,692
After one year but within five years	100,685	110,437	75,645
Total	216,700	202,194	177,337

- (e) 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.

13 Thai Financial Reporting Standard (TFRS) that has been issued but is not yet effective

The FAP has issued TFRSs which are effective for annual periods beginning on or after 1 January of the following years. The Group has not early adopted this standard.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*
- TAS 18 (revised 2017) *Revenue*
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*

Management has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRSs and expects that there will be no material impact on the consolidated and separate financial statements in the period of initial application.

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(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying these TFRSs on the consolidated and separate financial statements.