

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2019
and
Independent auditor's report
on review of interim financial information

Independent auditor’s report on review of interim financial information

To the Board of Directors of SCG Ceramics Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of SCG Ceramics Public Company Limited and its subsidiary (the“Group”) and SCG Ceramics Public Company Limited (the“Company”) as at 30 September 2019; the consolidated and separate income statement and statement of comprehensive income for the three-month and nine-month periods ended 30 September 2019; the consolidated and separate statements of changes in shareholders’ equity and cash flows for the nine-month period ended 30 September 2019 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 consolidated and separate 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 income statement and statement of comprehensive income for the three-month and nine-month periods ended 30 September 2018; the consolidated statements of changes in shareholders’ equity and cash flows for the nine-month periods ended 30 September 2018 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
1 November 2019

SCG Ceramics Public Company Limited and its Subsidiary

Statement of financial position

As at 30 September 2019

Assets	Note	Consolidated financial statement		Separate financial statement	
		30 September 2019 (Unaudited)	31 December 2018	30 September 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		434,624	424,433	94,231	119,857
Trade and other current receivables	3, 4	1,293,293	1,370,557	1,292,160	1,367,143
Inventories		2,915,347	2,898,357	2,584,990	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		5,129,670	5,279,525	4,457,787	4,617,224
Non-current assets					
Other long-term investment	5	16,605	16,605	16,605	16,605
Investment in subsidiary	6	-	-	758,919	758,919
Other non-current receivables		120,547	144,088	120,547	144,088
Investment property		402,330	402,830	400,080	400,580
Property, plant and equipment		5,384,081	5,570,222	4,911,738	5,113,986
Goodwill		25,350	25,350	-	-
Other intangible assets		123,699	114,627	122,971	113,562
Deferred tax assets		211,301	138,964	185,602	119,681
Other non-current assets		30,174	33,230	30,174	33,230
Total non-current assets		6,314,087	6,445,916	6,546,636	6,700,651
Total assets		11,443,757	11,725,441	11,004,423	11,317,875

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 2019

	Note	Consolidated financial statement		Separate financial statement	
		30 September 2019 (Unaudited)	31 December 2018	30 September 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Liabilities and shareholders' equity					
<i>Current liabilities</i>					
Short-term borrowings					
from financial institutions		145,000	865,000	145,000	865,000
Trade and other current payables	3	1,525,947	1,505,898	1,580,494	1,543,740
Current income tax payable		31,338	3,445	26,630	-
Current provisions					
for employee benefits		14,951	23,010	14,449	22,508
Total current liabilities		1,717,236	2,397,353	1,766,573	2,431,248
<i>Non-current liabilities</i>					
Non-current provisions					
for employee benefits	8	553,208	399,957	474,023	343,519
Other non-current provisions		13,958	16,430	3,989	6,276
Other non-current liabilities		-	2,386	-	2,386
Total non-current liabilities		567,166	418,773	478,012	352,181
Total liabilities		2,284,402	2,816,126	2,244,585	2,783,429

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 2019

	Consolidated		Separate	
	financial statement		financial statement	
Liabilities and shareholders' equity	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Shareholders' equity				
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>	1,121,633	883,288	1,182,491	957,099
Total equity attributable to owners of the parent	8,635,815	8,397,470	8,759,838	8,534,446
Non-controlling interests	523,540	511,845	-	-
Total shareholders' equity	9,159,355	8,909,315	8,759,838	8,534,446
Total liabilities and shareholders' equity	11,443,757	11,725,441	11,004,423	11,317,875

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

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the three-month period ended 30 September 2019 (Unaudited)

		Consolidated financial statement		Separate financial statement	
	Note	2019	2018	2019	For the period 1 August 2018 to 30 September 2018
		<i>(in thousand Baht)</i>			
Revenue from sales of goods	3	2,727,591	2,796,700	2,727,312	1,793,467
Revenue from sales of land		-	-	-	-
Cost of sales of goods	3	(2,020,640)	(2,040,719)	(2,094,533)	(1,332,800)
Cost of sales of land		-	-	-	-
Gross profit		706,951	755,981	632,779	460,667
Other income	3	63,627	69,477	64,020	43,460
Profit before expenses		770,578	825,458	696,799	504,127
Distribution costs		(459,110)	(473,886)	(420,194)	(290,682)
Administrative expenses		(205,804)	(457,692)	(187,323)	(137,098)
Total expenses		(664,914)	(931,578)	(607,517)	(427,780)
Profit (loss) from operations		105,664	(106,120)	89,282	76,347
Finance costs		(444)	(6,884)	(444)	(3,293)
Profit (loss) before income tax		105,220	(113,004)	88,838	73,054
Tax benefits (expense)		(11,333)	8,111	(8,555)	(8,417)
Profit (loss) for the period		93,887	(104,893)	80,283	64,637
Profit (loss) attributable to					
Owners of the parent		87,318	(112,817)	80,283	64,637
Company in the Group					
before business restructuring		-	3,429	-	-
Non-controlling interests		6,569	4,495	-	-
		93,887	(104,893)	80,283	64,637
Basic earnings (loss) per share (in Baht)					
Attributable to owners of the parent	10	0.01	(0.02)	0.01	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

For the three-month period ended 30 September 2019 (Unaudited)

	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	For the period 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	93,887	(104,893)	80,283	64,637
Other comprehensive income				
<i>Components of other comprehensive income that will not 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 not be reclassified to profit or loss	-	(90)	-	-
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	-	(90)	-	-
Total comprehensive income for the period	93,887	(104,983)	80,283	64,637
Total comprehensive income attributable to				
Owners of the parent	87,318	(112,907)	80,283	64,637
Company in the Group before business restructuring	-	3,429	-	-
Non-controlling interests	6,569	4,495	-	-
	93,887	(104,983)	80,283	64,637

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

SCG Ceramics Public Company Limited and its Subsidiary

Income statement

For the nine-month period ended 30 September 2019 (Unaudited)

	Note	Consolidated financial statement		Separate financial statement	
		2019	2018	2019	For the period 1 August 2018 to 30 September 2018
<i>(in thousand Baht)</i>					
Revenue from sales of goods	3	8,326,451	8,820,042	8,325,858	1,793,467
Revenue from sales of land		202,930	23,862	202,930	-
Cost of sales of goods	3	(6,142,009)	(6,452,558)	(6,380,137)	(1,332,800)
Cost of sales of land		(96,439)	(12,440)	(96,439)	-
Gross profit		2,290,933	2,378,906	2,052,212	460,667
Other income	3	166,544	187,754	163,949	43,460
Profit before expenses		2,457,477	2,566,660	2,216,161	504,127
Distribution costs		(1,418,234)	(1,557,571)	(1,282,470)	(290,682)
Administrative expenses		(724,450)	(961,075)	(647,537)	(137,098)
Total expenses		(2,142,684)	(2,518,646)	(1,930,007)	(427,780)
Profit from operations		314,793	48,014	286,154	76,347
Finance costs		(4,993)	(21,279)	(4,993)	(3,293)
Profit before income tax		309,800	26,735	281,161	73,054
Tax expense		(59,760)	(69,450)	(55,769)	(8,417)
Profit (loss) for the period		250,040	(42,715)	225,392	64,637
Profit (loss) attributable to					
Owners of the parent		238,345	(69,401)	225,392	64,637
Company in the Group					
before business restructuring		-	13,540	-	-
Non-controlling interests		11,695	13,146	-	-
		250,040	(42,715)	225,392	64,637
Basic earnings (loss) per share (in Baht)					
Attributable to owners of the parent	10	0.04	(0.01)	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

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statement		financial statement	
	2019	2018	2019	For the period 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	250,040	(42,715)	225,392	64,637
Other comprehensive income				
<i>Components of other comprehensive income that will not 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 not be reclassified to profit or loss	-	(90)	-	-
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	250,040	(45,120)	225,392	64,637
Total comprehensive income attributable to				
Owners of the parent	238,345	(71,806)	225,392	64,637
Company in the Group before business restructuring	-	13,540	-	-
Non-controlling interests	11,695	13,146	-	-
	250,040	(45,120)	225,392	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 shareholders' equity

For the nine-month period ended 30 September 2019 (Unaudited)

Consolidated financial statement													
<i>Other components of shareholders' equity</i>													
<i>Other</i>													
<i>comprehensive</i>													
<i>income</i>													
<i>Total other</i>													
<i>components</i>													
<i>of</i>													
<i>shareholders'</i>													
<i>equity</i>													
<i>Total equity</i>													
<i>attributable to</i>													
<i>owners of</i>													
<i>the parent</i>													
<i>Shareholders'</i>													
<i>equity</i>													
<i>before</i>													
<i>amalgamation</i>													
<i>Non-</i>													
<i>controlling</i>													
<i>interests</i>													
<i>Total</i>													
<i>shareholders'</i>													
<i>equity</i>													
<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</i>													
<i>owners of the parent</i>													
Dividends	11	-	-	-	-	(477,664)	-	-	(477,664)	(32,332)	(27,668)	(537,664)	
<i>Total contributions by and distributions to</i>		-	-	-	-	(477,664)	-	-	(477,664)	(32,332)	(27,668)	(537,664)	
<i>Changes in ownership interests in subsidiaries</i>													
Amalgamation	1	-	51,744	-	211,060	-	9,100	-	-	271,904	(757,876)	109	(485,863)
<i>Total changes in ownership interests</i>		-	51,744	-	211,060	-	9,100	-	-	271,904	(757,876)	109	(485,863)
Total transactions with owners,													
recorded directly in shareholders' equity													
		-	51,744	-	211,060	-	(468,564)	-	-	(205,760)	(790,208)	(27,559)	(1,023,527)
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 shareholders' equity

For the nine-month period ended 30 September 2019 (Unaudited)

	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	-	-	-	-	238,345	238,345	11,695	250,040
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	238,345	238,345	11,695	250,040
Balance at 30 September 2019	5,962,621	1,133,594	211,060	206,907	1,121,633	8,635,815	523,540	9,159,355

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019 (Unaudited)

	Note	Separate financial statement					Total shareholders' equity
		Issued and paid share capital	Share premium on ordinary shares	Surplus on business combinations under common control	Retained earnings		
					Appropriated Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Balance at 1 January 2018		-	-	-	-	-	-
Transactions with owners, recorded directly in shareholders' equity							
<i>Contributions by and distributions to owners of the parent</i>							
Amalgamation	1	5,962,621	1,133,594	274,225	200,526	828,989	8,399,955
Total transactions with owners, recorded directly in shareholders' equity		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

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statement		financial statement	
	2019	2018	2019	For the period 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	250,040	(42,715)	225,392	64,637
<i>Adjustments for</i>				
Tax expense	59,760	69,450	55,769	8,417
Depreciation and amortization	442,035	453,577	390,492	88,582
Allowance for doubtful accounts	1,054	6	1,054	-
Loss for decline in value of inventories	15,155	19,057	15,155	-
Employee mutual separation plan expenses	-	204,531	-	-
Employee benefit expense	176,955	50,705	154,207	19,494
Unrealized loss (gain) on foreign currency exchange	(1,333)	(2,067)	(1,324)	3,450
Interest income	(1,235)	(3,963)	(281)	-
Interest expense	4,524	21,279	4,524	3,293
Loss on impairment of assets	16,040	6,492	16,040	-
Loss on sales of assets and others	1,099	4,804	1,570	-
Cash flows generated from operations				
before changes in operating assets and liabilities	964,094	781,156	862,598	187,873
<i>Decrease (increase) in operating assets</i>				
Trade and other current receivables	76,860	118,525	74,244	257,088
Inventories	(33,471)	63,985	(57,425)	50,585
Land development for sale	95,176	11,182	95,176	-
Other assets	22,039	3,674	22,039	(7,883)
Net increase in operating assets	160,604	197,366	134,034	299,790
<i>Increase (decrease) in operating liabilities</i>				
Trade and other current payables	58,477	(54,893)	74,963	(99,441)
Provisions for employee benefits	(60,093)	(242,230)	(60,093)	(239,768)
Other liabilities	(4,858)	(1,064)	(4,673)	140
Net increase (decrease) in operating liabilities	(6,474)	(298,187)	10,197	(339,069)
Net cash flows generated from operations	1,118,224	680,335	1,006,829	148,594
Income tax paid	(100,188)	(42,990)	(91,045)	(1,431)
Net cash flows provided by operating activities	1,018,036	637,345	915,784	147,163

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

SCG Ceramics Public Company Limited and its Subsidiary

Statement of cash flows

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statement		financial statement	
	2019	2018	2019	For the period 1 August 2018 to 30 September 2018
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Proceeds from sales of investment	-	240,519	-	-
Acquisition of investment	-	(758,918)	-	-
Proceeds from sales of property, plant and equipment	2,714	3,143	2,244	-
Acquisition of property, plant and equipment	(274,340)	(338,088)	(206,835)	(52,137)
Acquisition of intangible assets	(10,710)	(61,699)	(10,692)	(3,776)
Proceeds from repayment of short-term loans	-	119,136	-	-
Dividends received from shareholders before amalgamation	-	32,332	-	-
Interest received	826	3,134	208	-
Net cash flows used in investing activities	(281,510)	(760,441)	(215,075)	(55,913)
Cash flows from financing activities				
Proceeds from (payments of) borrowings				
Payments of bank overdrafts and short-term borrowings	(720,000)	1,027,092	(720,000)	(592,000)
Proceeds from short-term borrowings from related party	-	(844,394)	-	-
Net increase (decrease) in borrowings	(720,000)	182,698	(720,000)	(592,000)
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	(6,335)	(21,922)	(6,335)	(1,648)
Net cash flows used in financing activities	(726,335)	(376,888)	(726,335)	(593,648)
Net increase (decrease) in cash and cash equivalents	10,191	(499,984)	(25,626)	(502,398)
Cash and cash equivalents at beginning of the period	424,433	911,722	119,857	615,311
Cash and cash equivalents at end of the period	434,624	411,738	94,231	112,913
Supplementary information for cash flows				
Non-cash transactions				
Account payables from purchase of assets	27,201	26,725	21,762	16,472

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

SCG Ceramics Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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SCG Ceramics Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 1 November 2019.

1 General information

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

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

The Company was listed on the Stock Exchange of Thailand on 1 August 2018 (amalgamation date).

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.

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

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 amalgamated companies are as follows;

Name of the entity	Country of incorporation	Type of business
Thai-German Ceramic Industry Public Company Limited	Thailand	Manufacturing and sales of ceramic floor tiles and wall tiles and industrial estate development.
Thai Ceramic Co., Ltd.	Thailand	Manufacturing and sales of ceramic tiles
The Siam Ceramic Group Industries Co., Ltd.	Thailand	Manufacturing and sales of ceramic tiles
Sosuco and Group (2008) Co., Ltd.	Thailand	Trading of ceramic floor tiles and wall tiles both domestic and export
Gemago Co., Ltd.	Thailand	Retails and whole-sales of ceramic floor tiles and wall tiles and tiles' related products

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Details of the Company's subsidiary as at 30 September were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2019	2018
Sosuco Ceramic Co., Ltd.	manufacturing and sales of ceramic tiles	Thailand	53.89	53.89

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.

In the second quarter of 2018, The Group had significant transactions related to the restructure and amalgamation are as follows;

On 11 May 2018, Thai Ceramic Co., Ltd. acquired 53.9% of ordinary shares of Sosuco Ceramic Co., Ltd. from Cementshai Ceramic Co., Ltd. amounting to Baht 759 million resulting in discount on business combinations under common control in the consolidated financial statements amounting to Baht 140 million.

On 27 June 2018, Thai Ceramic Co., Ltd. divested all of its 9.8% stake in The Siam Ceramic Group Industries Co., Ltd. to Cementshai Ceramic Co., Ltd. which was ordinary shares held before the amalgamation amounting to Baht 52 million (presented as deducted transaction in the equity of consolidated financial statement for the year ended 31 December 2017), amounting to Baht 241 million resulting in surplus on business combinations under common control in the consolidated financial statements and separate financial statements amounting to Baht 189 million.

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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 2018) “*Interim Financial Reporting*”; guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Group has adopted all the new and revised TFRSs that are effective for annual periods beginning on or after 1 January 2019. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

The Group has initially applied TFRS 15 Revenue from Contracts with Customers (“TFRS 15”) from 1 January 2019. TFRS 15 establishes a comprehensive framework for determining how much and when revenue is recognized. It replaced TAS 18 Revenue (“TAS 18”), TAS 11 Construction Contracts (“TAS 11”) and related interpretations.

Under TFRS 15, the Group recognizes revenue 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 to. In addition, judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. The Group has a timing of revenue recognition mainly from sales of goods which is recognized at a point in time.

In addition to the above new and revised TFRSs, the Federation of Accounting Professions has issued a number of new and revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2020 and have not been adopted in the preparation of these interim financial statements because they are not yet effective. The new and revised TFRSs are disclosed in note 13.

(b) Functional and presentation currency

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

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(c) Use of estimates and judgments

The preparation of interim financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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 the same as those that applied to the financial statements for the year ended 31 December 2018 and included in the following notes:

- | | |
|-----------------|--|
| Note 4, 5 and 6 | Measurement of the recoverable amounts of each asset and cash-generating units; |
| Note 8 | Measurement of non-current provisions for defined benefit plans:
- key actuarial assumptions; and |
| Note 12 | Recognition and measurement of provisions and contingent liabilities. |

(d) Basis of consolidation

The interim consolidated financial statements for the three-month and nine-month periods ended 30 September 2019 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 financial statements have been eliminated.

3 Related parties

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

During the period, there is no significant change in related parties from the financial statement for the year ended 31 December 2018.

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Significant transactions with related parties for the three-month and nine-month periods ended 30 September were as follows:

	Consolidated financial statement		Separate financial statement for the period 1 Aug-30 Sep 2018	
	2019	2018 <i>(in thousand Baht)</i>	2019	2018
<i>For the three-month periods ended 30 September</i>				
<i>Ultimate parent</i>				
Service fee	15,620	43,697	15,341	13,296
Sales of goods	-	483	-	447
<i>Parent</i>				
Service fee	10,257	22,338	8,497	10,655
Other income	2,977	3,329	2,977	1,310
<i>Subsidiary</i>				
Purchases	-	-	333,076	196,764
Service fee	-	-	901	658
Other income	-	-	1,731	334
<i>Other related parties</i>				
Purchases	106,982	145,770	97,346	74,173
Service fee	85,265	82,551	84,036	52,876
Sale of goods	159,575	217,974	159,575	98,032
Other income	16,676	11,613	16,676	9,207
<i>For the nine-month periods ended 30 September</i>				
<i>Ultimate parent</i>				
Service fee	48,955	112,875	48,094	13,296
Sale of goods	-	617	-	447
<i>Parent</i>				
Service fee	31,065	104,840	24,858	10,655
Other income	8,848	13,990	8,848	1,310
<i>Subsidiary</i>				
Purchases	-	-	1,058,039	196,764
Service fee	-	-	2,882	658
Other income	-	-	2,926	334
<i>Other related parties</i>				
Purchases	343,256	374,815	311,755	74,173
Service fee	244,945	333,851	240,690	52,876
Sale of goods	509,777	748,252	509,777	98,032
Other income	39,372	25,045	39,372	9,207

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Balances as at 30 September 2019 and 31 December 2018 with related parties were as follows:

Trade receivables

	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Other related parties</i>				
Siam Global House Public Company Limited	39,430	46,370	39,430	46,370
Mariwasa-Siam Ceramics, Inc.	8,212	5,124	8,212	5,124
SCG Distribution Co., Ltd.	2,498	-	2,498	-
PT Kokoh Inti Arebama Tbk	1,547	645	1,547	645
SCG Cement-Building Materials Co., Ltd.	1,530	903	1,530	903
Sekisui-SCG Industry Co., Ltd.	1,090	489	1,090	489
SCG-Sekisui Sales Co., Ltd.	270	560	270	560
SCG Experience Co., Ltd.	-	9,206	-	9,206
Global House (Cambodia) Company Limited	-	6,446	-	6,446
Others	1,140	2,770	1,140	2,770
Total	55,717	72,513	55,717	72,513

Other current receivables

	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Ultimate parent</i>				
The Siam Cement Public Company Limited	20,956	19,334	20,956	19,334
<i>Parent</i>				
Cementhai Ceramic Co., Ltd.	2,458	5,157	2,458	5,157
<i>Subsidiary</i>				
Sosuco Ceramic Co., Ltd.	-	-	3,342	1,380

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	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Other related parties</i>				
Mariwasa-Siam Ceramics, Inc.	33,039	440	33,039	440
Thai Containers Khonkaen Co., Ltd.	16,129	-	16,129	-
Thai Containers Group Co., Ltd.	11,847	-	11,847	-
SCG Paper Energy Co., Ltd.	8,264	-	8,264	-
SCG Cement-Building Materials Co., Ltd.	2,121	648	2,121	648
The Siam Fibre-Cement Co., Ltd.	708	413	708	413
Siam Sanitary Ware Industry Co., Ltd.	514	12,649	514	12,649
Quality Construction Products Public Company Limited	220	185	220	185
SCG Cement Co., Ltd.	200	64	200	64
PT KIA Keramik Mas	128	215	128	215
Thai Ceramic Roof Tile Co., Ltd.	126	257	126	247
The Concrete Products and Aggregate Co., Ltd.	71	523	71	523
SCG-Sekisui Sales Co., Ltd.	12	1,623	12	1,623
The Siam Sanitary Fittings Co., Ltd.	-	667	-	667
Others	711	1,000	711	1,000
Total	97,504	43,175	100,846	44,545

Short-term loans

Movements for the nine-month periods ended 30 September on loans to related parties were as follows:

	Consolidated financial statement	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	-	119,136
Decrease	-	(119,136)
At 30 September	-	-

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Trade payables

	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Subsidiary</i>				
Sosuco Ceramic Co., Ltd.	-	-	200,997	174,156
<i>Other related parties</i>				
SCG Logistics Management Co., Ltd.	42,936	38,532	42,903	38,157
Thai Containers Group Co., Ltd.	14,449	11,572	10,097	6,467
Prime International Import - Export and Service Trading Company Limited	13,768	-	13,768	-
Noritake SCG Plaster Co., Ltd.	5,976	4,209	5,976	4,209
SCG Cement Co., Ltd.	5,951	3,266	5,951	3,266
PT KIA Serpilh Mas	4,184	2,708	4,184	2,708
PT Keramika Indonesia Assosiasi, Tbk.	2,712	2,134	2,712	2,134
The Siam Cement (Kaeng Khoi) Co., Ltd.	2,600	3,339	2,600	3,339
Prime Trading, Import and Export One Member Limited Liability Company	-	22,793	-	22,793
Others	2,496	1,163	2,496	1,164
Total	95,072	89,716	291,684	258,393

Other current payables

	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Ultimate parent</i>				
The Siam Cement Public Company Limited	43,327	19,330	39,541	15,601
<i>Parent</i>				
Cement Thai Ceramic Co., Ltd.	9,623	14,537	8,933	12,257
<i>Subsidiary</i>				
Sosuco Ceramic Co., Ltd.	-	-	636	639

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	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<i>Other related parties</i>				
SCG Cement-Building Materials Co., Ltd.	9,076	8,509	8,815	7,854
The Siam Cement (Ta Luang) Co., Ltd.	5,980	2,132	5,980	2,132
SCG Experience Co., Ltd.	2,404	1,189	2,404	1,189
Siam Sanitary Ware Industry Co., Ltd.	2,109	76	2,109	76
IT One Co., Ltd.	2,093	5,568	1,877	5,366
SCG Legal Counsel Limited	493	435	493	434
SCG Building Materials Co., Ltd.	399	474	399	474
SCG Cement Co., Ltd.	76	2,385	76	2,003
Texplore Co., Ltd.	-	9,004	-	9,004
Others	585	2,973	564	2,965
Total	76,165	66,612	71,827	59,994

Short-term borrowings

Movements during the nine-month periods ended 30 September on short-term borrowings from related parties were as follows:

	Consolidated financial statement	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	-	844,394
Decrease	-	(844,394)
At 30 September	-	-

The Board of Directors and key management compensation

	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	for the period 1 Aug-30 Sep 2018
	<i>(in thousand Baht)</i>			
<i>For the three-month periods ended 30 September</i>				
Short-term employee benefits	8,254	9,201	8,254	6,136
Post-employment benefits	652	937	652	430
Total	8,906	10,138	8,906	6,566
<i>For the nine-month periods ended 30 September</i>				
Short-term employee benefits	23,770	28,887	23,770	6,136
Post-employment benefits	3,702	4,334	3,702	430
Total	27,472	33,221	27,472	6,566

SCG Ceramics Public Company Limited and its Subsidiary
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4 Trade and other current receivables

	<i>Note</i>	Consolidated financial statement		Separate financial statement	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
<i>(in thousand Baht)</i>					
<i>Trade receivables</i>					
Related parties	3	55,717	72,513	55,717	72,513
Other companies		1,054,309	1,170,233	1,054,309	1,170,103
Less allowance for doubtful accounts		(6,163)	(6,786)	(6,163)	(6,786)
Net		1,048,146	1,163,447	1,048,146	1,163,317
		1,103,863	1,235,960	1,103,863	1,235,830
<i>Other current receivables</i>					
Related parties	3	97,504	43,175	100,846	44,545
Other companies					
Prepaid expenses		52,722	52,612	48,856	48,688
Other and utility receivables		19,975	19,889	19,926	19,823
Solar cell installation		6,272	190	6,272	190
Revenue department receivables		28	5,824	28	5,824
Others		12,929	12,907	12,369	12,243
		91,926	91,422	87,451	86,768
		189,430	134,597	188,297	131,313
Total		1,293,293	1,370,557	1,292,160	1,367,143

	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	for the period 1 Aug-30 Sep 2018
<i>For the nine-month periods ended 30 September</i>				
Doubtful debts	(5,918)	-	(5,918)	-
Bad debts recovery	6,541	1,065	6,541	1,054
Bad debts written off	(1,690)	-	(1,690)	-

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Aging analyses for trade receivables were as follows:

	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Trade receivables				
Related parties				
Within credit terms	55,121	68,548	55,121	68,548
Overdue:				
Less than 3 months	596	3,965	596	3,965
Total	55,717	72,513	55,717	72,513
Other companies				
Within credit terms	1,007,722	1,096,842	1,007,722	1,096,842
Overdue:				
Less than 3 months	23,686	46,116	23,686	46,116
3 - 6 months	-	18,255	-	18,125
Over 6 - 12 months	9,844	5,475	9,844	5,475
Over 12 months	13,057	3,545	13,057	3,545
	1,054,309	1,170,233	1,054,309	1,170,103
<i>Less</i> allowance for doubtful accounts	(6,163)	(6,786)	(6,163)	(6,786)
Net	1,048,146	1,163,447	1,048,146	1,163,317
Total	1,103,863	1,235,960	1,103,863	1,235,830

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

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5 Other long-term investment

Other long-term investment as at 30 September 2019 and 31 December 2018 and dividends from these investment for the nine-month periods ended 30 September, were as follows:

	Ownership interest		Paid-up capital		Cost method		Accumulated impairment losses		Net		Dividend income	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	30 Sep 2018
	(%)						<i>(in thousand Baht)</i>					
Pattaya Grand Village Co., Ltd.	4.91	4.91	990,000	990,000	48,600	48,600	31,995	31,995	<u>16,605</u>	<u>16,605</u>	-	-

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6 Investment in subsidiary

Investment in subsidiary as at 30 September 2019 and 31 December 2018, and dividend income for the nine-month periods ended 30 September 2019 were as follows:

	Ownership interest		Paid-up capital		Cost method		Dividend income for the period	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	1 Aug-30 Sep 2018
	(%)		(in thousand Baht)					
Sosuco Ceramic Co., Ltd.	53.89	53.89	800,000	800,000	<u>758,919</u>	<u>758,919</u>	-	-

7 Changes in liabilities arising from financing activities

	Consolidated and Separate financial statement Short-term borrowings from financial institutions		Consolidated financial statement Short-term borrowings from related party	
	2019	2018	2019	2018
	(in thousand Baht)			
Balance at 1 January	865,000	-	-	844,394
Changes from financing cash flows	(720,000)	1,030,000	-	(844,394)
Balance at 30 September	<u>145,000</u>	<u>1,030,000</u>	<u>-</u>	<u>-</u>

As at 30 September 2019, the Company had promissory notes with two local banks amounted to Baht 145 million (31 December 2018: Baht 865 million) with interest rate from 1.65% to 1.70% per annum (31 December 2018: from 1.60% to 1.95% per annum).

8 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

	Consolidated financial statement		Separate financial statement	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(in thousand Baht)			
Post-employment benefits				
Legal severance payments plan	543,128	389,028	464,012	332,660
Other long-term employee benefits	8,265	7,823	8,196	7,753
Total non-current provisions for defined benefit plans	<u>551,393</u>	<u>396,851</u>	<u>472,208</u>	<u>340,413</u>
Other employee benefits	1,815	3,106	1,815	3,106
Total	<u>553,208</u>	<u>399,957</u>	<u>474,023</u>	<u>343,519</u>

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

	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	for the period 1 Aug-30 Sep 2018
<i>For the nine-month periods ended 30 September</i>				
Non-current provisions for defined at 1 January	396,851	428,103	340,413	346,693
Included in profit or loss				
Current service costs	25,588	20,494	21,939	3,890
Interest on obligation	11,761	10,953	10,144	2,096
Non-current provisions for defined benefit plans transferred from related party	-	5,751	-	-
Actuarial losses for defined benefit plans from restructuring	-	14,716	-	14,716
Past service cost from the amended severance pay of the Labor Law	124,083	-	106,602	-
	161,432	51,914	138,685	20,702
Included in other comprehensive income				
Actuarial losses	-	2,894	-	-
Others				
Benefits paid	(6,890)	(54,378)	(6,890)	-
Non-current provisions for defined benefit plans at 30 September	551,393	428,533	472,208	367,395

Actuarial assumptions

In the third quarter of 2019, there is no significant change in actuarial assumptions from the financial statements for the year ended 31 December 2018

On 5 April 2019, the Labor Protection Act has already been announced in Royal Gazette that become effective on 5 May 2019 to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. The Group and the Company recognized the effect of this change as the expense for employee benefits amounted to Baht 124 and 107 million respectively, resulting in the decrease in net profit amounted to Baht 99 and 85 million, respectively.

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9 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 and real estate business

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

Information relating to business segments for the nine-month periods ended 30 September was as follows:

	Manufacturing and sales of ceramic tiles		Industrial estate development and real estate		Total	
	1 Jan - 30 Sep		1 Jan - 30 Sep		1 Jan - 30 Sep	
	2019	2018	2019	2018	2019	2018
<i>(in thousand Baht)</i>						
Information from consolidated income statement						
External revenue	8,326,451	8,820,042	202,930	23,862	8,529,381	8,843,904
Other income	56,044	78,428	110,500	109,326	166,544	187,754
Interest income	1,235	3,963	-	-	1,235	3,963
Finance cost	4,993	21,279	-	-	4,993	21,279
Depreciation and amortization	425,104	434,764	16,931	18,813	442,035	453,577
Profit (loss) before income tax	171,686	(48,146)	138,114	74,881	309,800	26,735
Tax expense	(29,206)	(54,474)	(30,554)	(14,976)	(59,760)	(69,450)
Profit (loss) for the period	<u>142,480</u>	<u>(102,620)</u>	<u>107,560</u>	<u>59,905</u>	<u>250,040</u>	<u>(42,715)</u>
<i>(in thousand Baht)</i>						
	Manufacturing and sales of ceramic tiles		Industrial estate development and real estate		Total	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Information from consolidated statement of financial position						
Land development for sale	-	-	486,406	581,582	486,406	581,582
Segment assets	10,328,850	10,576,090	628,501	567,769	10,957,351	11,143,859

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10 Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September was based on the profit (loss) for the period attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated financial statement		Separate financial statement for the period 1 Aug-30 Sep 2018	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
<i>For the three-month period ended 30 September</i>				
Profit (loss) for the period attributable to owners of the parent	87,318	(112,817)	80,283	64,637
Weighted average number of ordinary shares outstanding	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>
Basic earnings (loss) per share (in Baht)	<u>0.01</u>	<u>(0.02)</u>	<u>0.01</u>	<u>0.01</u>
<i>For the nine-month period ended 30 September</i>				
Profit (loss) for the period attributable to owners of the parent	238,345	(69,401)	225,392	64,637
Weighted average number of ordinary shares outstanding	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>	<u>5,962,621</u>
Basic earnings (loss) per share (in Baht)	<u>0.04</u>	<u>(0.01)</u>	<u>0.04</u>	<u>0.01</u>

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 which was paid 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 which was paid 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 which was paid 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 which was paid on 28 May 2018.

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12 Commitments and contingent liabilities

As at 30 September 2019

- (a) The Company had letters of guarantee issued by banks to government, state enterprises, private sectors and others totaling approximately Baht 16 million (*31 December 2018: Baht 22 million*).
- (b) The Group had commitments for construction building and machinery totaling approximately Baht 18 million (*31 December 2018: Baht 64 million*).
- (c) The Company had forward contracts with local banks in order to manage risk of foreign exchange rate details as follow:

	Currency		Contract amount Forward receivable	
	30 Sep 2019	31 Dec 2018	Equivalent to Baht	
			30 Sep 2019	31 Dec 2018
	<i>(in thousand)</i>		<i>(in thousand Baht)</i>	
US Dollars	2,964	2,497	90,144	82,001
Euro	284	307	9,381	11,460
Great Britain Pounds	18	17	654	706
Total			100,179	94,167

	Currency		Contract amount Forward payable	
	30 Sep 2019	31 Dec 2018	Equivalent to Baht	
			30 Sep 2019	31 Dec 2018
	<i>(in thousand)</i>		<i>(in thousand Baht)</i>	
US Dollars	5,231	7,121	160,950	233,560
Euro	211	549	7,113	20,781
Yen	973	-	279	-
Total			168,342	254,341

The above contracts will be gradually due within January 2020 (*31 December 2018: due within April 2019*).

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- (d) The Group had entered into various building and car lease agreements. The periods of these agreements are 3 to 5 years expiring in various dates up to June 2024. Under the terms of these agreements, the Group has to pay annual rental as follows:

	Consolidated financial statement		Separate financial statement	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
	<i>(in thousand Baht)</i>			
Within one year	82,898	107,671	75,852	95,423
After one year but within five years	71,198	88,679	65,940	75,057
Total	154,096	196,350	141,792	170,480

- (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 Standards (TFRSs) that have been issued but are not yet effective

The new and revised TFRSs have been issued but are not yet effective and have not been applied in preparing these interim financial statements. The new and revised TFRSs that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2020. The Group does not plan to early adopt these TFRSs.

The new TFRSs are set out below:

TFRS	Topic	Effective
TFRS 7 *	Financial Instruments: Disclosures	2020
TFRS 9 *	Financial Instruments	2020
TFRS 16	Leases	2020
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 - 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.

The Group is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the financial statements.

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(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognizes a right to use and asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard.

The Group is presently considering the potential impact of adopting and initially applying TFRS 16 Leases on the financial statements.

14 Reclassification

Certain accounts in the financial statements as at 31 December 2018 and the income statement for the three-month and nine-month periods ended 30 September 2018 have been reclassified to conform to the presentation in the 2019 interim financial statements were as follows:

	Consolidated financial statement		
	Before reclassification	Reclassification	After reclassification
		<i>(in thousand Baht)</i>	
<i>Consolidated statement of financial position</i>			
<i>As at 31 December 2018</i>			
Trade and other current receivables	1,352,138	18,419	1,370,557
Other non-current receivables	162,507	(18,419)	144,088
Assets not used in operations	13,891	(13,891)	-
Other non-current assets	19,339	13,891	33,230
<i>Consolidated income statement</i>			
<i>For the three-month periods ended 30 September 2018</i>			
Cost of sales of goods	(2,026,619)	(14,100)	(2,040,719)
Distribution costs	(408,531)	(65,355)	(473,886)
Administrative expenses	(537,147)	79,455	(457,692)
<i>For the nine-month periods ended 30 September 2018</i>			
Cost of sales of goods	(6,434,018)	(18,540)	(6,452,558)
Distribution costs	(1,377,874)	(179,697)	(1,557,571)
Administrative expenses	(1,159,312)	198,237	(961,075)
	Separate financial statement		
	Before reclassification	Reclassification	After reclassification
		<i>(in thousand Baht)</i>	
<i>Statement of financial position</i>			
<i>As at 31 December 2018</i>			
Trade and other current receivables	1,348,724	18,419	1,367,143
Other non-current receivables	162,507	(18,419)	144,088
Assets not used in operations	13,891	(13,891)	-
Other non-current assets	19,339	13,891	33,230

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	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>Income statement</i>			
<i>For the period 1 August to 30 September 2018</i>			
Cost of sales of goods	(1,320,096)	(12,704)	(1,332,800)
Distribution costs	(250,566)	(40,116)	(290,682)
Administrative expenses	(189,918)	52,820	(137,098)