

Siam City Cement Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Siam City Cement Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam City Cement Public Company Limited and its subsidiaries as at 30 June 2020, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Siam City Cement Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 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 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 No. 34 Interim Financial Reporting.

Emphasis of Matter

I draw attention to Note 1.5 to the interim financial statements. Due to the impact of the COVID-19 pandemic, in preparing the interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Treatment Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic announced by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Siriwan Nitdamrong
Certified Public Accountant (Thailand) No. 5906

EY Office Limited
Bangkok: 27 July 2020

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3, 4	8,768,388	4,820,998	4,724,388	1,449,904
Trade and other receivables	3, 5	4,914,584	5,455,711	2,649,108	3,185,245
Short-term loans to related parties	3	-	-	3,241,000	3,225,000
Derivative assets		2,161	895	-	471
Inventories	6	3,402,858	4,608,213	1,465,932	2,358,221
Advance payments for purchases of goods		96,405	79,528	6,229	17,731
Non-current assets held for sale		62,115	65,075	-	-
Other current assets		283,588	393,958	94,047	149,415
Total current assets		17,530,099	15,424,378	12,180,704	10,385,987
Non-current assets					
Restricted bank deposits	4	17,251	17,116	-	-
Investments in subsidiary companies	7	-	-	39,900,676	39,900,676
Investment in joint venture	8	2,128,047	1,973,369	2,145,611	2,145,611
Investments in associated companies	9	2,140,453	2,068,913	577,896	577,896
Investment properties	10	315,441	315,441	641,950	647,277
Property, plant and equipment	11	31,416,324	32,522,668	12,585,155	13,156,907
Right-of-use assets	11	2,048,786	-	318,108	-
Assets not used in operations	12	63,501	64,705	36,609	37,813
Goodwill	13	13,842,740	13,593,960	-	-
Intangible assets	14	10,607,278	10,844,036	3,354,348	3,413,302
Deferred tax assets		1,040,690	1,064,125	582,774	610,954
Other non-current assets		339,935	317,402	147,351	151,635
Total non-current assets		63,960,446	62,781,735	60,290,478	60,642,071
Total assets		81,490,545	78,206,113	72,471,182	71,028,058

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

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Current liabilities					
Short-term loans from related financial institution	3	1,235,000	100,000	1,100,000	-
Bank overdrafts and short-term loans					
from other financial institutions	15	4,161,762	2,587,516	1,600,000	-
Trade and other payables	3, 16	3,637,308	5,683,983	1,782,833	3,143,820
Current portion of long-term loans from					
other financial institutions	17	531,787	538,960	-	-
Current portion of lease liabilities	3, 18	451,559	-	123,500	-
Current portion of liabilities under					
finance lease contracts		-	12,219	-	-
Current portion of debentures	19	-	2,999,418	-	2,999,418
Current portion of long-term liabilities for concession					
and license fee		103,785	27,769	103,785	27,769
Derivative liabilities		1,454	-	90	-
Income tax payable		815,998	770,049	102,858	208,255
Deferred revenue		861,849	901,399	531,292	504,270
Accrued electricity		211,686	243,203	203,011	231,555
Other accrued expenses		1,291,254	1,330,217	603,636	653,166
Other current liabilities		189,120	218,917	30,306	57,102
Total current liabilities		13,492,562	15,413,650	6,181,311	7,825,355
Non-current liabilities					
Long-term loans from other financial institutions					
- net of current portion	17	10,331,055	7,437,370	9,984,250	6,979,000
Lease liabilities - net of current portion	3, 18	1,434,513	-	212,722	-
Liabilities under finance lease contracts					
- net of current portion		-	36,903	-	-
Debentures - net of current portion	19	15,973,289	15,971,479	15,973,289	15,971,479
Long-term liabilities for concession and license fee					
- net of current portion		1,007,863	1,072,110	997,350	1,061,812
Derivative liabilities		246,937	-	246,937	-
Provision for long-term employee benefits	20	2,425,008	2,809,783	1,610,856	1,967,123
Provision for site restoration and decommissioning costs		294,167	160,416	81,724	54,319
Deferred tax liabilities		2,467,392	2,506,781	-	-
Other non-current liabilities		116,586	126,625	-	-
Total non-current liabilities		34,296,810	30,121,467	29,107,128	26,033,733
Total liabilities		47,789,372	45,535,117	35,288,439	33,859,088

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

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
298,000,000 ordinary shares of Baht 10 each	2,980,000	2,980,000	2,980,000	2,980,000
Issued and fully paid up				
298,000,000 ordinary shares of Baht 10 each	2,980,000	2,980,000	2,980,000	2,980,000
Share premium	26,412,551	26,412,551	26,412,551	26,412,551
Retained earnings				
Appropriated - statutory reserve	300,000	300,000	300,000	300,000
Unappropriated	9,627,608	8,973,491	7,654,146	7,476,419
Other components of shareholders' equity	(6,994,777)	(7,272,134)	(163,954)	-
Equity attributable to owners of the Company	32,325,382	31,393,908	37,182,743	37,168,970
Non-controlling interests of the subsidiaries	1,375,791	1,277,088	-	-
Total shareholders' equity	33,701,173	32,670,996	37,182,743	37,168,970
Total liabilities and shareholders' equity	81,490,545	78,206,113	72,471,182	71,028,058

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

Directors

Siam City Cement Public Company Limited and its subsidiaries**Income statements****For the three-month period ended 30 June 2020**

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues					
Revenue from contracts with customers	21	10,165,270	11,901,368	5,031,737	5,422,925
Dividend income		-	-	315,039	308,646
Gain on exchange		22,419	46,904	1,816	1,090
Other income		55,899	32,301	17,731	7,097
Total revenues		10,243,588	11,980,573	5,366,323	5,739,758
Expenses					
Cost of sales		6,696,178	8,325,973	3,188,776	3,641,673
Cost of services		167,436	188,421	50,056	35,611
Selling and distribution expenses		1,459,994	1,999,096	714,894	938,306
Administrative expenses		413,641	559,984	342,741	421,706
Other expenses		31,494	6,183	2,694	18
Total expenses		8,768,743	11,079,657	4,299,161	5,037,314
Profit from operating activities		1,474,845	900,916	1,067,162	702,444
Share of profit from investment in joint venture	8	111,470	102,272	-	-
Share of profit from investments in associated companies	9	50,241	66,195	-	-
Finance income		19,772	11,912	23,226	22,709
Finance cost		(353,765)	(359,523)	(264,851)	(252,021)
Profit before income tax expenses		1,302,563	721,772	825,537	473,132
Income tax expenses	22	(174,778)	(68,968)	(98,246)	(30,994)
Profit for the period		1,127,785	652,804	727,291	442,138
Profit attributable to:					
Equity holders of the Company		1,024,182	637,318	727,291	442,138
Non-controlling interests of the subsidiaries		103,603	15,486		
		1,127,785	652,804		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	23	3.44	2.14	2.44	1.48
Weighted average number of ordinary shares (Thousand shares)		298,000	298,000	298,000	298,000

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

(Unaudited but reviewed)

Siam City Cement Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period	<u>1,127,785</u>	<u>652,804</u>	<u>727,291</u>	<u>442,138</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	(1,127,717)	(1,113,265)	-	-
Loss on cash flow hedge - net of tax	(1,643)	-	(1,643)	-
Share of other comprehensive income of joint venture and associated companies - exchange differences on translation of financial statements in foreign currency	<u>(74,090)</u>	<u>(11,503)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(1,203,450)</u>	<u>(1,124,768)</u>	<u>(1,643)</u>	<u>-</u>
Other comprehensive income for the period	<u>(1,203,450)</u>	<u>(1,124,768)</u>	<u>(1,643)</u>	<u>-</u>
Total comprehensive income for the period	<u>(75,665)</u>	<u>(471,964)</u>	<u>725,648</u>	<u>442,138</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(84,877)	(376,841)	<u>725,648</u>	<u>442,138</u>
Non-controlling interests of the subsidiaries	<u>9,212</u>	<u>(95,123)</u>		
	<u>(75,665)</u>	<u>(471,964)</u>		

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

Siam City Cement Public Company Limited and its subsidiaries**Income statements****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues					
Revenue from contracts with customers	21	21,180,788	23,780,235	10,568,500	11,310,156
Dividend income	6, 7, 8	-	-	598,688	700,003
Gain on exchange		18,608	109,994	-	12,687
Other income		130,739	153,821	38,961	29,542
Total revenues		21,330,135	24,044,050	11,206,149	12,052,388
Expenses					
Cost of sales		13,931,120	16,151,986	6,795,007	7,234,752
Cost of services		362,712	355,224	87,521	70,266
Selling and distribution expenses		3,456,621	4,061,512	1,566,530	1,861,597
Administrative expenses		881,079	1,088,878	707,573	843,614
Loss on exchange		-	-	4,181	-
Other expenses		47,641	12,629	7,873	8,005
Total expenses		18,679,173	21,670,229	9,168,685	10,018,234
Profit from operating activities		2,650,962	2,373,821	2,037,464	2,034,154
Share of profit from investment in joint venture	8	247,333	220,081	-	-
Share of profit from investments in associated companies	9	112,969	145,777	-	-
Finance income		37,867	21,608	47,175	43,532
Finance cost		(711,818)	(712,725)	(526,549)	(505,229)
Profit before income tax expenses		2,337,313	2,048,562	1,558,090	1,572,457
Income tax expenses	22	(338,737)	(284,291)	(188,365)	(172,152)
Profit for the period		1,998,576	1,764,271	1,369,725	1,400,305
Profit attributable to:					
Equity holders of the Company		1,849,892	1,742,089	1,369,725	1,400,305
Non-controlling interests of the subsidiaries		148,684	22,182	-	-
		<u>1,998,576</u>	<u>1,764,271</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	23	6.21	5.85	4.60	4.70
Weighted average number of ordinary shares (Thousand shares)		298,000	298,000	298,000	298,000

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

(Unaudited but reviewed)

Siam City Cement Public Company Limited and its subsidiaries

Statements of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period	<u>1,998,576</u>	<u>1,764,271</u>	<u>1,369,725</u>	<u>1,400,305</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Exchange differences on translation of				
financial statements in foreign currency	402,024	(1,354,735)	-	-
Loss on cash flow hedge - net of tax	(22,238)	-	(22,238)	-
Share of other comprehensive income of joint venture				
and associated companies - exchange differences				
on translation of financial statements in foreign currency	<u>88,732</u>	<u>(10,062)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods	<u>468,518</u>	<u>(1,364,797)</u>	<u>(22,238)</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Share of other comprehensive income of associated companies -				
actuarial gain (loss)	<u>(3,777)</u>	<u>1,057</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods	<u>(3,777)</u>	<u>1,057</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>464,741</u>	<u>(1,363,740)</u>	<u>(22,238)</u>	<u>-</u>
Total comprehensive income for the period	<u>2,463,317</u>	<u>400,531</u>	<u>1,347,487</u>	<u>1,400,305</u>
Total comprehensive income attributable to:				
Equity holders of the Company	2,265,188	536,203	<u>1,347,487</u>	<u>1,400,305</u>
Non-controlling interests of the subsidiaries	<u>198,129</u>	<u>(135,672)</u>		
	<u>2,463,317</u>	<u>400,531</u>		

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

(Unaudited but reviewed)

Siam City Cement Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
					Other components of shareholders' equity					
					Other comprehensive income					
					Exchange				Equity	
					differences on		Total other	Total equity	attributable to	Total
					translation of		components of	attributable to	non-controlling	shareholders'
	Issued and	Retained earnings			financial	Cash flow hedge	shareholders	owners of	interests of	equity
	paid up	Appropriated -		Unappropriated	statements in	reserve	requity	the Company	the subsidiaries	
	share capital	Share premium	statutory reserve		foreign currency					
Balance as at 1 January 2020	2,980,000	26,412,551	300,000	8,973,491	(7,272,134)	-	(7,272,134)	31,393,908	1,277,088	32,670,996
Cumulative effect from change in accounting policies due to adoption of new financial reporting standards (Note 2)	-	-	-	-	-	(141,716)	(141,716)	(141,716)	-	(141,716)
Balance as at 1 January 2020 - as adjusted	2,980,000	26,412,551	300,000	8,973,491	(7,272,134)	(141,716)	(7,413,850)	31,252,192	1,277,088	32,529,280
Profit for the period	-	-	-	1,849,892	-	-	-	1,849,892	148,684	1,998,576
Other comprehensive income for the period	-	-	-	(3,777)	441,311	(22,238)	419,073	415,296	49,445	464,741
Total comprehensive income for the period	-	-	-	1,846,115	441,311	(22,238)	419,073	2,265,188	198,129	2,463,317
Dividend paid (Note 24)	-	-	-	(1,191,998)	-	-	-	(1,191,998)	-	(1,191,998)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	(99,426)	(99,426)
Balance as at 30 June 2020	2,980,000	26,412,551	300,000	9,627,608	(6,830,823)	(163,954)	(6,994,777)	32,325,382	1,375,791	33,701,173
Balance as at 1 January 2019	2,980,000	26,412,551	300,000	8,425,611	(5,087,690)	-	(5,087,690)	33,030,472	1,510,560	34,541,032
Profit for the period	-	-	-	1,742,089	-	-	-	1,742,089	22,182	1,764,271
Other comprehensive income for the period	-	-	-	1,057	(1,206,943)	-	(1,206,943)	(1,205,886)	(157,854)	(1,363,740)
Total comprehensive income for the period	-	-	-	1,743,146	(1,206,943)	-	(1,206,943)	536,203	(135,672)	400,531
Dividend paid (Note 24)	-	-	-	(1,191,995)	-	-	-	(1,191,995)	-	(1,191,995)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	(211,651)	(211,651)
Balance as at 30 June 2019	2,980,000	26,412,551	300,000	8,976,762	(6,294,633)	-	(6,294,633)	32,374,680	1,163,237	33,537,917

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

(Unaudited but reviewed)

Siam City Cement Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Separate financial statements					
					Other components of shareholders' equity	
			Retained earnings		Other comprehensive income -	Total
	Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Cash flow hedge reserve	shareholders' equity
Balance as at 1 January 2020	2,980,000	26,412,551	300,000	7,476,419	-	37,168,970
Cumulative effect from change in accounting policies due to adoption of new financial reporting standards (Note 2)	-	-	-	-	(141,716)	(141,716)
Balance as at 1 January 2020 - as adjusted	2,980,000	26,412,551	300,000	7,476,419	(141,716)	37,027,254
Profit for the period	-	-	-	1,369,725	-	1,369,725
Other comprehensive income for the period	-	-	-	-	(22,238)	(22,238)
Total comprehensive income for the period	-	-	-	1,369,725	(22,238)	1,347,487
Dividend paid (Note 24)	-	-	-	(1,191,998)	-	(1,191,998)
Balance as at 30 June 2020	2,980,000	26,412,551	300,000	7,654,146	(163,954)	37,182,743
Balance as at 1 January 2019	2,980,000	26,412,551	300,000	6,918,721	-	36,611,272
Profit for the period	-	-	-	1,400,305	-	1,400,305
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,400,305	-	1,400,305
Dividend paid (Note 24)	-	-	-	(1,191,995)	-	(1,191,995)
Balance as at 30 June 2019	2,980,000	26,412,551	300,000	7,127,031	-	36,819,582

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

Siam City Cement Public Company Limited and its subsidiaries**Statements of cash flows****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	2,337,313	2,048,562	1,558,090	1,572,457
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in joint venture and associated companies	(360,302)	(365,858)	-	-
Dividend income	-	-	(598,688)	(700,003)
Depreciation and amortisation	1,952,941	1,596,590	765,722	662,608
Increase in allowance for expected credit losses and reduction of inventory to net realisable value	70,052	45,899	12,412	6,872
Loss (gain) on disposal of asset held for sales	384	(87,156)	-	-
Decrease in allowance for impairment loss on property, plant and equipment, assets not used in operations and intangible assets	(42,610)	(1,872)	(13,313)	-
Loss on disposals/write-off of property, plant and equipment, assets not used in operations and intangible assets	49,027	14,454	22,964	7,935
Provision for long-term employee benefits and other provisions	106,153	392,543	68,553	272,975
Unrealised loss (gain) on exchange	(3,551)	(13,416)	(2,645)	(1,547)
Interest income	(37,867)	(21,608)	(47,175)	(43,532)
Interest expenses	662,536	699,034	483,639	463,030
Profit from operating activities before changes in operating assets and liabilities	4,734,076	4,307,172	2,249,559	2,240,795
Operating assets (increase) decrease:				
Trade and other receivables	491,863	(481,239)	512,500	(199,477)
Inventories	1,185,732	127,971	895,935	211,911
Advance payments for purchases of goods	(16,877)	48,044	11,502	22,409
Other current assets	63,899	(116,248)	63,454	(13,783)
Operating liabilities increase (decrease):				
Trade and other payables	(622,016)	(205,796)	(1,333,368)	(282,479)
Accrued expenses and other current liabilities	(67,211)	94,205	(19,397)	120,765
Other non-current liabilities	(7,096)	2,089	-	-
Provision for long-term employee benefits	(508,699)	(61,449)	(428,693)	(43,244)
Provision for site restoration	(758)	(1,102)	(755)	(1,102)
Cash from operating activities	5,252,913	3,713,647	1,950,737	2,055,795
Cash received from interest income	40,462	23,081	55,621	44,471
Cash paid for interest expenses	(500,922)	(611,462)	(357,488)	(357,214)
Cash paid for income tax	(283,165)	(291,912)	(226,361)	(143,466)
Net cash from operating activities	4,509,288	2,833,354	1,422,509	1,599,586

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

Siam City Cement Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Net increase in short-term loans to related parties	-	-	(16,000)	(115,000)
Increase (decrease) in restricted bank deposits	279	(5,933)	-	-
Proceed from disposal of asset held for sales	23,154	99,179	-	-
Proceeds from disposals of property, plant and equipment	391	993	-	-
Acquisitions of property, plant and equipment	(438,312)	(840,088)	(79,928)	(281,767)
Increase in intangible assets	(15,439)	(88,719)	(11,008)	(44,418)
Increase (decrease) in other non-current assets	20,375	(25,686)	31,485	(3,465)
Dividend received	219,039	77,937	598,688	700,003
Net cash from (used in) investing activities	<u>(190,513)</u>	<u>(782,317)</u>	<u>523,237</u>	<u>255,353</u>
Cash flows from financing activities				
Net increase (decrease) in short-term loans from related financial institution	1,135,000	(10,000)	1,100,000	-
Net increase (decrease) in bank overdrafts and short-term loans from other financial institutions	293,358	(281,648)	1,600,000	(1,000,000)
Increase in long-term loans from other financial institutions	3,085,425	320,067	3,000,000	-
Repayment of long-term loan from related financial institution	-	(90,000)	-	-
Repayment of long-term loans from other financial institutions	(215,517)	(182,816)	-	-
Payment of lease liabilities	(284,967)	-	(65,934)	-
Cash paid for liabilities under finance lease contracts	-	(5,767)	-	-
Payment of liabilities for concession and license fee	(6,049)	-	(6,049)	-
Repayment of debentures	(3,000,000)	-	(3,000,000)	-
Dividend paid	(1,291,424)	(1,403,646)	(1,191,998)	(1,191,995)
Cash paid for interest expenses	<u>(107,629)</u>	<u>(110,223)</u>	<u>(107,134)</u>	<u>(108,655)</u>
Net cash from (used in) financing activities	<u>(391,803)</u>	<u>(1,764,033)</u>	<u>1,328,885</u>	<u>(2,300,650)</u>
Increase (decrease) in translation adjustments	<u>20,565</u>	<u>(8,083)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>3,947,537</u>	<u>278,921</u>	<u>3,274,631</u>	<u>(445,711)</u>
Cash and cash equivalents at beginning of period	4,820,998	2,647,087	1,449,904	689,315
Effect of change in foreign exchange rate on cash at bank balance	<u>(147)</u>	<u>777</u>	<u>(147)</u>	<u>777</u>
Cash and cash equivalents at end of period	<u>8,768,388</u>	<u>2,926,785</u>	<u>4,724,388</u>	<u>244,381</u>

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

Siam City Cement Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Supplemental disclosures of cash flows information:				
Non-cash related transactions from investing activities:				
Payables for purchases of property, plant and equipment and intangible assets	201,525	303,032	2,197	26,823
Disposals of property, plant and equipment under finance lease contract	38,905	-	-	-
Transferred property, plant and equipment to intangible assets	-	170,689	-	108,570
Transferred property, plant and equipment to investment properties	-	6,802	-	6,802
Transferred assets not used in operations to non-current asset held for sale	22,637	-	-	-
Transferred assets not used in operations to property, plant and equipment	4,472	-	-	-
Transferred intangible assets to property, plant and equipment	6,128	-	-	-
Increase in property, plant and equipment from provision for site restoration	15,151	236	13,913	236
Decrease in intangible assets from license fee	(949)	-	(949)	-
Non-cash related transactions from financing activities:				
Acquisitions of right-of-use assets under lease contracts	123,061	-	37,327	-
Transferred other payables to short-term loans from other financial institutions	1,244,818	-	-	-

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

Siam City Cement Public Company Limited and its subsidiaries

Notes to interim financial statements

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

1. General information

1.1 Corporate information

Siam City Cement Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the change of its status to a public limited company under the Public Limited Companies Act on 5 November 1993. The Company operates in Thailand and its principal activity is the manufacture of cement, with the registered office address at 199, 3rd, 10th-12th Floor, Column Tower, Ratchadapisek Road, Klongtoey, Bangkok, and its address of Plant 1 and 3 is at 99 Moo 9, Plant 2 is at 219, mortar plant is at 41/2 and AFR Platform is at 301 Moo 5, Mitraparp Road Km. 129-133, Tabkwang, Kaengkhroi, Saraburi.

On 15 April 2020, the Company announced the discontinuation of the production line in Plant 1, starting from 1 May 2020.

1.2 COVID-19 pandemic

The COVID-19 pandemic results in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.4 Basis of consolidation

The interim consolidated financial statements included the financial statements of Siam City Cement Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019. There have been no changes in the composition of the subsidiaries during the current period.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations as follows:

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting Standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows:

- Recognition of derivatives - The Group initially recognises all derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised through profit or loss. However, the Group applies hedge accounting for certain derivatives.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses. The relief measure affects the valuation of trade and other receivables and administrative expenses accounts.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised. The relief measure may affect the valuation of deferred tax assets and income tax expenses accounts.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36 Impairment of Assets. The relief measure may affect the valuation of property, plant and equipment and other expenses accounts.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill and intangible assets with indefinite useful lives for impairment. The relief measure may affect the valuation of goodwill, intangible assets and other expenses accounts.

1.6 Significant accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied to the derivative contracts.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or unbilled revenues that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

Hedge Accounting

If hedge accounting criteria are met, recognition is as follows:

For fair value hedges, a change in fair value of the hedging instruments and a change in fair value of the hedged items attributable to the risk being hedged are both recognised in the income statement.

For cash flow hedges, a change in fair value of the effective portion of the hedging instrument is recognised through other comprehensive income, while a change in fair value of the ineffective portion of the hedging instruments is recognised through profit or loss.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
	The impacts of			
	Financial reporting standards related to financial instruments	TFRS 16		
	31 December 2019			1 January 2020
Statement of financial position				
Assets				
Current assets				
Other current assets	393,958	-	(43,855)	350,103
Non-current assets				
Property, plant and equipment	32,522,668	-	(68,370)	32,454,298
Right-of-use assets	-	-	2,197,073	2,197,073
Intangible assets	10,844,036	-	(2,755)	10,841,281
Deferred tax assets	1,064,125	35,429	-	1,099,554
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	461,917	461,917
Current portion of liabilities under finance lease contracts	12,219	-	(12,219)	-
Other accrued expenses	1,330,217	(33,244)	-	1,296,973
Non-current liabilities				
Lease liabilities - net of current portion	-	-	1,554,713	1,554,713
Liabilities under finance lease contracts - net of current portion	36,903	-	(36,903)	-
Derivative liabilities	-	210,389	-	210,389
Provision for site restoration and decommissioning costs	160,416	-	114,585	275,001
Shareholders' equity				
Other components of shareholders' equity	(7,272,134)	(141,716)	-	(7,413,850)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December	Financial		1 January
	2019	reporting		2020
		standards		
		related to		
		financial		
		instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Other current assets	149,415	-	6,574	155,989
Non-current assets				
Right-of-use assets	-	-	339,915	339,915
Deferred tax assets	610,954	35,429	-	646,383
Other non-current assets	151,635	-	27,201	178,836
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	116,583	116,583
Other accrued expenses	653,166	(33,244)	-	619,922
Non-current liabilities				
Lease liabilities - net of current portion	-	-	244,170	244,170
Derivative liabilities	-	210,389	-	210,389
Provision for site restoration and decommissioning costs	54,319	-	12,937	67,256
Shareholders' equity				
Other components of shareholders' equity	-	(141,716)	-	(141,716)

2.1 Financial instruments

Classification and measurement

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	4,820,998	-	-	4,820,998	4,820,998
Trade and other receivables	5,455,711	-	-	5,455,711	5,455,711
Derivative assets	895	895	-	-	895
Restricted bank deposits	17,116	-	-	17,116	17,116
Total financial assets	10,294,720	895	-	10,293,825	10,294,720

(Unit: Thousand Baht)

Separated financial statements					
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	1,449,904	-	-	1,449,904	1,449,904
Trade and other receivables	3,185,245	-	-	3,185,245	3,185,245
Short-term loans to related parties	3,225,000	-	-	3,225,000	3,225,000
Derivative assets	471	471	-	-	471
Total financial assets	7,860,620	471	-	7,860,149	7,860,620

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

Hedge accounting

As at 1 January 2020, the Group designated an interest rate swap of the Company as a cash flow hedge instrument and recognised fair value of such derivative of Baht 177.1 million and related deferred tax assets of Baht 35.4 million as a cash flow hedge reserve in other components of shareholders' equity in the statements of financial position.

2.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rates as at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	1,558,066	267,839
Less: Short-term leases and leases of low-value assets	(50,231)	(8,888)
Add: Option to extend lease term	799,118	108,987
Add: Service contracts contain a lease	151,627	-
Less: Contracts reassessed as service contracts	(29,624)	-
Add: Others	14,440	7,895
Less: Deferred interest expenses	(475,888)	(15,080)
Increase in lease liabilities due to TFRS 16 adoption	1,967,508	360,753
Liabilities under finance lease contracts as at 31 December 2019	49,122	-
Lease liabilities as at 1 January 2020	<u>2,016,630</u>	<u>360,753</u>
Comprise of:		
Current lease liabilities	461,917	116,583
Non-current lease liabilities	<u>1,554,713</u>	<u>244,170</u>
	<u>2,016,630</u>	<u>360,753</u>

(Unaudited but reviewed)

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Land	939,695	-
Building and structures	334,333	138,991
Machinery and equipment	156,673	43,702
Furniture, fixtures and office equipment	255,124	411
Motor vehicles	511,248	156,811
Total right-of-use assets	2,197,073	339,915

3. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	1,202	1,306	Market price
Dividend income	-	-	96	231	At the declared rate
Interest income	-	-	17	18	Market interest rate
Other income	-	-	46	45	Cost plus margin
Purchase of goods	-	-	2	685	Market price
Purchase of utility	-	-	293	330	Market price
Service fee expenses	-	-	106	99	Contractual agreed price
<u>Transactions with joint venture</u>					
Sales of goods and service income	77	389	6	247	Market price
Dividend income	-	-	141	-	At the declared rate
Other income	-	10	-	10	Contractual agreed price
Purchases of goods	-	2	-	2	Market price
<u>Transactions with associated companies</u>					
Dividend income	-	-	78	78	At the declared rate
Purchases of goods	446	174	446	-	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with related companies</u>					
Interest income	2	1	1	-	Market interest rate
Purchases of goods	139	122	-	-	Market price
Service fee expenses	36	54	11	21	Contractual agreed price
Interest expenses	5	3	4	-	Market interest rate

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	2,715	2,895	Market price
Dividend income	-	-	380	622	At the declared rate
Interest income	-	-	36	35	Market interest rate
Other income	-	-	100	97	Cost plus margin
Purchase of goods	-	-	121	1,410	Market price
Purchase of utility	-	-	563	680	Market price
Service fee expenses	-	-	213	203	Contractual agreed price
<u>Transactions with joint venture</u>					
Sales of goods and service income	300	651	54	374	Market price
Dividend income	-	-	141	-	At the declared rate
Other income	-	18	-	18	Contractual agreed price
Purchase of goods	-	2	-	2	Market price
Service fee expenses	-	16	-	16	Contractual agreed price
<u>Transactions with associated companies</u>					
Dividend income	-	-	78	78	At the declared rate
Purchases of goods	608	419	608	-	Market price
<u>Transactions with related companies</u>					
Interest income	2	2	1	1	Market interest rate
Purchases of goods	321	243	-	-	Market price
Service fee expenses	120	104	37	41	Contractual agreed price
Interest expenses	6	5	5	-	Market interest rate

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2020 and 31 December 2019 between the Company and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Deposits and short-term investments at related financial institution (Note 4)				
Related financial institution (related by common directors)	1,311,419	322,977	662,049	86,063
Total deposits and short-term investments at related financial institution	<u>1,311,419</u>	<u>322,977</u>	<u>662,049</u>	<u>86,063</u>
Trade and other receivables - related parties (Note 5)				
Subsidiaries	-	-	1,170,552	1,677,474
Joint venture	16,165	137,644	6,958	92,093
Total trade and other receivables - related parties	<u>16,165</u>	<u>137,644</u>	<u>1,177,510</u>	<u>1,769,567</u>
Short-term loans to related parties				
<u>Subsidiaries</u>				
Conwood Company Limited	-	-	1,460,000	1,470,000
INSEE Digital Company Limited	-	-	595,000	615,000
INSEE Superblock Company Limited	-	-	640,000	660,000
Globe Cement Company Limited	-	-	546,000	480,000
Total short-term loans to related parties	<u>-</u>	<u>-</u>	<u>3,241,000</u>	<u>3,225,000</u>

Movements in short-term loans to related parties during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	-	3,225,000
Add: Increase during the period	-	411,000
Less: Repayment during the period	-	(395,000)
Balance as at 30 June 2020	<u>-</u>	<u>3,241,000</u>

(Unaudited but reviewed)

As at 30 June 2020, the Company had short-term loans to related parties of Baht 3,241 million (31 December 2019: Baht 3,225 million) which carry interest at the rate of 1.49 - 2.36 percent per annum (31 December 2019: 2.18 - 2.36 percent per annum) and are due for repayment within one year from drawing dates.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Short-term loans from related financial institution				
Related financial institution (related by common directors)	1,235,000	100,000	1,100,000	-
Total short-term loans from related financial institution	1,235,000	100,000	1,100,000	-

Movements in short-term loans from related financial institution during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	100,000	-
Add: Increase during the period	1,775,000	1,400,000
Less: Repayment during the period	(640,000)	(300,000)
Balance as at 30 June 2020	1,235,000	1,100,000

As at 30 June 2020, the Group had short-term loans from related financial institution of Baht 1,235 million (31 December 2019: Baht 100 million) which carry interest at the rate of 1.36 - 1.49 percent per annum (31 December 2019: 1.95 percent per annum).

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Trade and other payables - related parties (Note 16)				
Subsidiaries	-	-	309,590	1,661,532
Associated company	165,244	184,592	165,244	-
Joint venture	5,492	4,968	5,492	4,968
Related companies (related by common shareholders and/or common directors)	102,717	126,990	7,066	37,607
Total trade and other payables - related parties	273,453	316,550	487,392	1,704,107

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Lease liabilities - related party (Note 18)				
Related company (related by common shareholders and/or common directors)	18,577	-	18,577	-
Less: Portion due within one year	(7,839)	-	(7,839)	-
Total lease liabilities - related party - net of current portion	10,738	-	10,738	-

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	39	35	39	35
Total	39	35	39	35

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	66	60	66	60
Post-employment benefits and other long-term employee benefits	1	1	1	1
Total	67	61	67	61

4. Cash and cash equivalents/Restricted bank deposits

As at 30 June 2020 and 31 December 2019, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Cash and bank deposits	7,083,616	1,614,199	4,724,388	179,904
Short-term investments in fixed deposits	1,702,023	3,223,915	-	1,270,000
Total	8,785,639	4,838,114	4,724,388	1,449,904
Less: Restricted bank deposits	(17,251)	(17,116)	-	-
Total cash and cash equivalents	8,768,388	4,820,998	4,724,388	1,449,904
Of which at related financial institution	1,311,419	322,977	662,049	86,063

As at 30 June 2020, bank deposits in savings accounts and fixed deposits carried interest between 0.01 and 7.00 percent per annum (31 December 2019: between 0.01 and 7.00 percent per annum).

As at 30 June 2020, the subsidiaries had placed its deposits of Taka 47 million or approximately Baht 17.3 million (31 December 2019: Taka 47 million and Baht 0.4 million, totaling Baht 17.1 million) with banks to secure bank guarantees issued by banks on behalf of the subsidiaries.

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates:				
Current to 30 days	12,500	90,003	915,474	1,540,336
Over 30 days to 60 days	-	-	2,374	9,401
Over 60 days to 90 days	-	-	9,494	8,699
Over 90 days	-	-	86,566	3,152
Total trade receivables - related parties	12,500	90,003	1,013,908	1,561,588
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates:				
Current to 30 days	3,502,042	4,021,748	1,430,832	1,366,695
Over 30 days to 60 days	67,841	149,058	1,138	2,101
Over 60 days to 90 days	127,201	105,537	452	3,931
Over 90 days	501,426	397,023	65,346	57,462
Total trade receivable - unrelated parties	4,198,510	4,673,366	1,497,768	1,430,189
Less: Allowance for expected credit losses	(233,481)	(194,163)	(43,963)	(35,067)
Total trade receivables - unrelated parties - net	3,965,029	4,479,203	1,453,805	1,395,122
Total trade receivables - net	3,977,529	4,569,206	2,467,713	2,956,710
<u>Other receivables</u>				
Other receivables - related parties	3,665	47,641	163,602	207,979
Other receivables - unrelated parties	68,279	54,777	18,390	21,579
Receivables from the Revenue Department	731,964	665,191	-	-
Unbilled revenues	147,031	129,257	-	-
Total other receivables - unrelated parties	947,274	849,225	18,390	21,579
Less: Allowance for expected credit losses	(13,884)	(10,361)	(597)	(1,023)
Total other receivables - unrelated parties - net	933,390	838,864	17,793	20,556
Total other receivables - net	937,055	886,505	181,395	228,535
Total trade and other receivables - net	4,914,584	5,455,711	2,649,108	3,185,245

6. Reduction of inventories to net realisable value

Movements in reduction of inventories to net realisable value account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	314,569	41,791
Add: Reduction of inventory value during the period	50,681	-
Less: Reversal of reduction of inventory value during the period	(52,077)	(24,665)
Balance as at 30 June 2020	313,173	17,126

7. Investments in subsidiary companies

Details of investments in subsidiary companies as presented in the separate financial statements are as follows:

Company's name	Type of relation	Shareholding		Cost		Dividend income during the six-month periods ended 30 June	
		percentage		30 June	31 December	30 June	31 December
		2020	2019	2020	2019	2020	2019
		(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Local subsidiaries							
Siam City Concrete Co., Ltd.	Direct holding	100.00	100.00	2,500,000	2,500,000	25,000	-
Siam City Power Co., Ltd.	Direct holding	100.00	100.00	2,000,000	2,000,000	128,000	149,000
Conwood Co., Ltd.	Direct holding	100.00	100.00	300,000	300,000	-	-
INSEE Superblock Co., Ltd.	Direct holding	100.00	100.00	499,999	499,999	-	-
INSEE Ecocycle Co., Ltd.	Direct holding	100.00	100.00	400,000	400,000	20,000	-
INSEE Digital Co., Ltd.	Direct holding	100.00	100.00	700,000	700,000	-	-
Globe Cement Co., Ltd.	Direct holding	100.00	100.00	63,802	63,802	-	-
Siam City Cement Trading Co., Ltd.	Direct holding	100.00	100.00	10,000	10,000	22,000	80,000
Overseas subsidiaries							
Siam City Cement (Bangladesh) Ltd.	Direct holding	100.00	100.00	2,124,391	2,124,391	-	-
Siam City Cement (Lanka) Ltd.	Direct holding	98.95	98.95	13,191,469	13,191,469	-	-
Siam City Cement (Vietnam) Ltd.	Direct holding	65.00	65.00	18,111,015	18,111,015	184,649	393,066
Total				39,900,676	39,900,676	379,649	622,066

8. Investment in joint venture

Joint venture	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements Carrying amount based on equity method		Separate financial statements Carrying amount based on cost method	
			30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Chip Mong INSEE Cement Corporation	Cement Manufacturing	Cambodia	40	40	2,128,047	1,973,369	2,145,611	2,145,611
Total					2,128,047	1,973,369	2,145,611	2,145,611

(Unaudited but reviewed)

The Company pledged the share certificate of the joint venture to secure the credit facilities agreement of the joint venture with a financial institution. The credit facilities agreement contains covenants with which the Company must comply, pertaining to maintaining of shareholding percentage.

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company recognised share of profit and other comprehensive income from investment in joint venture in the consolidated financial statements and recognised dividend income from the joint venture in the separate financial statements as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June					
	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in joint venture		Share of other comprehensive income from investment in joint venture		Dividend received	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Chip Mong INSEE Cement Corporation	111,470	102,272	(122,809)	-	141,101	-
Total	111,470	102,272	(122,809)	-	141,101	-

(Unit: Thousand Baht)

	For the six-month periods ended 30 June					
	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in joint venture		Share of other comprehensive income from investment in joint venture		Dividend received	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Chip Mong INSEE Cement Corporation	247,333	220,081	48,446	-	141,101	-
Total	247,333	220,081	48,446	-	141,101	-

9. Investments in associated companies

Company's name	Nature of business	Country of incorporation	Type of relation	Shareholding percentage		Consolidated financial statements Carrying amount based on equity method		Separate financial statements Carrying amount based on cost method	
				30 June	31 December	30 June	31 December	30 June	31 December
				2020	2019	2020	2019	2020	2019
				(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Lanna Resources Public Co., Ltd.	Coal mining	Thailand	Direct holding	44.99	44.99	2,035,348	1,961,239	483,427	483,427
Thai Agro Energy Public Co., Ltd.	Ethanol production and distribution	Thailand	Direct holding	4.72	4.72	105,105	107,674	94,469	94,469
Total						2,140,453	2,068,913	577,896	577,896

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company recognised its share of profit and other comprehensive income from investments in associated companies in the consolidated financial statements and recognised dividend income from the associated companies in the separate financial statements as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June					
	Consolidated				Separate	
	financial statements				financial statements	
	Share of profit		Share of other			
	from investments in		comprehensive income		Dividend received	
	from investments in		from investments in			
	associated companies		associated companies			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lanna Resources Public Co., Ltd.	49,141	59,263	48,719	(11,503)	70,853	70,852
Thai Agro Energy Public Co., Ltd.	1,100	6,932	-	-	7,085	7,085
Total	50,241	66,195	48,719	(11,503)	77,938	77,937

(Unit: Thousand Baht)

	For the six-month periods ended 30 June					
	Consolidated				Separate	
	financial statements				financial statements	
	Share of profit		Share of other			
	from investments in		comprehensive income		Dividend received	
	from investments in		from investments in			
	associated companies		associated companies			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lanna Resources Public Co., Ltd.	108,453	131,367	36,509	(9,005)	70,853	70,852
Thai Agro Energy Public Co., Ltd.	4,516	14,410	-	-	7,085	7,085
Total	112,969	145,777	36,509	(9,005)	77,938	77,937

Fair values of investments in associated companies that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

(Unit: Million Baht)

	Fair values	
	30 June	31 December
	2020	2019
Lanna Resources Public Co., Ltd.	1,700	1,819
Thai Agro Energy Public Co., Ltd.	130	155
Total	1,830	1,974

10. Investment properties

Movements in the investment properties account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Cost</u>		
Balance as at 1 January 2020	322,305	762,209
Balance as at 30 June 2020	322,305	762,209
<u>Accumulated depreciation</u>		
Balance as at 1 January 2020	-	108,068
Depreciation for the period	-	5,327
Balance as at 30 June 2020	-	113,395
<u>Allowance for impairment</u>		
Balance as at 1 January 2020	6,864	6,864
Balance as at 30 June 2020	6,864	6,864
<u>Net book value</u>		
Balance as at 1 January 2020	315,441	647,277
Balance as at 30 June 2020	315,441	641,950

11. Property, plant and equipment and right-of-use assets

Movements in the property, plant and equipment and right-of-use assets accounts during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	Property, plant and equipment	Right-of-use assets
<u>Cost</u>		
Balance as at 1 January 2020	76,667,886	-
Adjustment from TFRS 16 adoption	(77,230)	2,206,512
Balance as at 1 January 2020 - adjusted	76,590,656	2,206,512
Acquisitions	261,734	115,446
Transfer in (out)	16,153	(4,085)
Disposals and write-off	(263,676)	(11,864)
Translation adjustment	369,224	10,092
Balance as at 30 June 2020	76,974,091	2,316,101
<u>Accumulated depreciation</u>		
Balance as at 1 January 2020	43,759,582	-
Adjustment from TFRS 16 adoption	(8,860)	9,439
Balance as at 1 January 2020 - adjusted	43,750,722	9,439
Depreciation for the period	1,426,583	266,313
Transfer in (out)	5,553	(82)
Accumulated depreciation on disposals and write-off	(179,247)	(3,531)
Translation adjustment	191,173	(4,824)
Balance as at 30 June 2020	45,194,784	267,315
<u>Allowance for impairment</u>		
Balance as at 1 January 2020	385,636	-
Decrease during the period	(22,611)	-
Translation adjustment	(42)	-
Balance as at 30 June 2020	362,983	-
<u>Net book value</u>		
Balance as at 1 January 2020	32,522,668	-
Balance as at 30 June 2020	31,416,324	2,048,786

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate

financial statements

	Property, plant and equipment	Right-of-use assets
<u>Cost</u>		
Balance as at 1 January 2020	40,550,835	-
Adjustment from TFRS 16 adoption	-	339,915
Balance as at 1 January 2020 - adjusted	40,550,835	339,915
Acquisitions	68,943	37,327
Disposals and write-off	(145,063)	-
Balance as at 30 June 2020	40,474,715	377,242
<u>Accumulated depreciation</u>		
Balance as at 1 January 2020	27,325,952	-
Depreciation for the period	631,044	59,134
Accumulated depreciation on disposals and write-off	(122,099)	-
Balance as at 30 June 2020	27,834,897	59,134
<u>Allowance for impairment</u>		
Balance as at 1 January 2020	67,976	-
Decrease during the period	(13,313)	-
Balance as at 30 June 2020	54,663	-
<u>Net book value</u>		
Balance as at 1 January 2020	13,156,907	-
Balance as at 30 June 2020	12,585,155	318,108

12. Assets not used in operations

Movements in the assets not used in operations account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Cost</u>		
Balance as at 1 January 2020	1,802,197	469,309
Transfer out	(48,730)	-
Translation adjustment	2,838	-
Balance as at 30 June 2020	1,756,305	469,309
<u>Accumulated depreciation</u>		
Balance as at 1 January 2020	1,473,257	401,006
Depreciation for the period	1,204	1,204
Transfer out	(21,621)	-
Translation adjustment	1,259	-
Balance as at 30 June 2020	1,454,099	402,210
<u>Allowance for impairment</u>		
Balance as at 1 January 2020	264,235	30,490
Decrease during the period	(27,109)	-
Translation adjustment	1,579	-
Balance as at 30 June 2020	238,705	30,490
<u>Net book value</u>		
Balance as at 1 January 2020	64,705	37,813
Balance as at 30 June 2020	63,501	36,609

13. Goodwill

Movements in the goodwill account in the consolidated financial statements during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)
Book value as at 1 January 2020	13,593,960
Add: Translation adjustment	248,780
Book value as at 30 June 2020	13,842,740

14. Intangible assets

Movements in the intangible assets account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Cost</u>		
Balance as at 1 January 2020	13,116,846	4,181,458
Adjustment from TFRS 16 adoption	(3,334)	-
Balance as at 1 January 2020 - adjusted	13,113,512	4,181,458
Purchases	15,559	10,059
Transfer out	(6,128)	-
Write-off	(5,848)	(1,954)
Translation adjustment	19,131	-
Balance as at 30 June 2020	13,136,226	4,189,563
<u>Accumulated amortisation</u>		
Balance as at 1 January 2020	2,255,593	768,156
Adjustment from TFRS 16 adoption	(579)	-
Balance as at 1 January 2020 - adjusted	2,255,014	768,156
Amortisation for the period	258,841	69,013
Accumulated amortisation on write-off	(1,954)	(1,954)
Translation adjustment	1,053	-
Balance as at 30 June 2020	2,512,954	835,215
<u>Allowance for impairment</u>		
Balance as at 1 January 2020	17,217	-
Decrease during the period	(1,223)	-
Balance as at 30 June 2020	15,994	-
<u>Net book value</u>		
Balance as at 1 January 2020	10,844,036	3,413,302
Balance as at 30 June 2020	10,607,278	3,354,348

15. Bank overdrafts and short-term loans from other financial institutions

Movements in bank overdrafts and short-term loans from other financial institutions during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	2,587,516	-
Add: Increase during the period	7,490,125	3,100,000
Less: Repayment during the period	(5,951,949)	(1,500,000)
Translation adjustment	36,070	-
Balance as at 30 June 2020	4,161,762	1,600,000

As at 30 June 2020, the Group had bank overdrafts and short-term loans from commercial banks of Baht 4,162 million (31 December 2019: Baht 2,588 million) which carry interest at the rate of 1.39 - 9.23 percent per annum (31 December 2019: 4.53 - 10.79 percent per annum).

As at 30 June 2020, a portion of bank overdrafts of an overseas subsidiary of Indonesian Rupiah 44,532 million or approximately Baht 97.0 million (31 December 2019: Indonesian Rupiah 38,120 million or approximately Baht 85.9 million) is secured by the credit utilisation agreements entered into by a subsidiary in Thailand with a financial institution, obtaining standby letter of credit facilities. The credit utilisation agreements contain covenants with which the subsidiary has to comply, pertaining to matters such as maintaining of certain financial ratios, maintaining of percentage of shares held by the major shareholder and negative pledge.

16. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade payables - related parties	228,028	207,854	193,233	1,274,455
Trade payables - unrelated parties	2,796,869	4,890,546	1,208,982	1,369,563
Other payables - related parties	45,425	108,696	294,159	429,652
Other payables - unrelated parties	458,154	411,474	34,464	52,798
Retention payable	13,921	13,841	2,198	2,397
VAT payable	94,911	51,572	49,797	14,955
Total trade and other payables	<u>3,637,308</u>	<u>5,683,983</u>	<u>1,782,833</u>	<u>3,143,820</u>

17. Long-term loans from other financial institutions

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Long-term loans from other financial institutions	10,862,842	7,976,330	9,984,250	6,979,000
Less: Portion due within one year	<u>(531,787)</u>	<u>(538,960)</u>	<u>-</u>	<u>-</u>
Long-term loans from other financial institutions - net of current portion	<u>10,331,055</u>	<u>7,437,370</u>	<u>9,984,250</u>	<u>6,979,000</u>

(Unaudited but reviewed)

Movements in long-term loans from other financial institutions during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	7,976,330	6,979,000
Add: Increase during the period	3,085,425	3,000,000
Amortisation of transaction costs during the period	5,250	5,250
Less: Repayment during the period	(215,517)	-
Translation adjustment	11,354	-
Balance as at 30 June 2020	10,862,842	9,984,250

On 16 December 2016, the Company entered into a loan agreement with a financial institution obtaining loan facilities of Baht 7,000 million. The loan carries interest at THBFIX 6 months reference rate plus a margin and is repayable in full amount at the end of the fifth year from drawing date. The loan facilities of Baht 7,000 million had been drawn by the Company on 17 January 2017.

On 12 June 2020, the Company entered into another loan agreement with a financial institution obtaining loan facilities of Baht 3,000 million. The loan carries interest at fixed rate of 2.75 percent per annum throughout the loan period and is repayable in full amount within three years from drawing date. The loan facilities of Baht 3,000 million had been drawn by the Company on 30 June 2020.

In June 2020, the Company entered into two committed credit facility agreements for a term of three years with the related financial institution and other financial institution obtaining loan facilities of Baht 3,000 million each. The credit facilities carry interest at BIBOR or THBFIX reference rate plus margin. However, as at 30 June 2020, the loan facilities had not yet been drawn down.

The loan and credit facilities agreements contain covenants with which the Company has to comply, pertaining to matters such as maintaining of certain financial ratios, maintaining of percentage of shares held by the major shareholders and negative pledge.

As at 30 June 2020, the overseas subsidiaries had long-term loans from other financial institutions of LKR 2,650 million and VND 329,722 million or equivalent to Baht 878.6 million (31 December 2019: LKR 2,816 million and VND 406,660 million or equivalent to Baht 997.3 million) which carry interest at the rate of 4.45 to 10.77 percent per annum (31 December 2019: 6.49 to 11.31 percent per annum) and are repayable within 2023.

18. Lease liabilities

Lease liabilities as at 30 June 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease liabilities	2,489,565	348,098
Less: Deferred interest expenses	(603,493)	(11,876)
Total	<u>1,886,072</u>	<u>336,222</u>
Of which of related party	18,577	18,577
Comprise of:		
Current lease liabilities	451,559	123,500
Non-current lease liabilities	<u>1,434,513</u>	<u>212,722</u>
	<u>1,886,072</u>	<u>336,222</u>

Movements in lease liabilities during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	2,016,630	360,753
Add: Additions during the period	101,906	37,327
Accretion of interest	42,797	4,076
Less: Payments during the period	(284,967)	(65,934)
Translation adjustment	9,706	-
Balance as at 30 June 2020	<u>1,886,072</u>	<u>336,222</u>

19. Debentures

As at 30 June 2020 and 31 December 2019, the details of debentures account in the consolidated financial statements and the separate financial statements are made up as follows:

							(Unit: Thousand Baht)	
							Carrying values	
	Number of units	Price per unit (Baht)	Period (Years)	Maturity date	Interest rate (percent per annum)		30 June 2020 (Thousand Baht)	31 December 2019 (Thousand Baht)
Debenture Series No. 2/2013	2,000,000	1,000	7	14 June 2020	4.30	-	-	2,000,000
Debenture Series No. 1/2016	2,000,000	1,000	8	29 April 2024	2.46	2,000,000	2,000,000	2,000,000
Debenture Series No. 2/2016	2,000,000	1,000	10	29 April 2026	2.70	2,000,000	2,000,000	2,000,000
Debenture Series No. 1/2017	1,000,000	1,000	3	9 May 2020	2.49	-	-	1,000,000
Debenture Series No. 2/2017	2,500,000	1,000	7	9 May 2024	3.65	2,500,000	2,500,000	2,500,000
Debenture Series No. 3/2017	5,000,000	1,000	10	9 May 2027	4.08	5,000,000	5,000,000	5,000,000
Debenture Series No. 4/2017	4,500,000	1,000	12	9 May 2029	4.26	4,500,000	4,500,000	4,500,000
Total							16,000,000	19,000,000
Less: Deferred transaction costs							(26,711)	(29,103)
Total debentures							15,973,289	18,970,897
Less: Portion due within one year							-	(2,999,418)
Debentures - net of current portion							15,973,289	15,971,479

Movements in debentures during the six-month period ended 30 June 2020 are summarised below.

			(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements		
Balance as at 1 January 2020	18,970,897	18,970,897		
Add: Amortisation of transaction costs during the period	2,392	2,392		
Less: Redemption during the period	(3,000,000)	(3,000,000)		
Balance as at 30 June 2020	15,973,289	15,973,289		

The above debentures are unsubordinated, unsecured and no discount with a name-registered debenture certificates. Debenture agreements contain a covenant with which the Company must comply, pertaining to maintaining financial ratio.

20. Provision for long-term employee benefits

In April 2020, a mutual separation plan for employees of Saraburi operations was internally announced. According to the mutual separation plan, the Company paid the compensation of Baht 318 million. The Company had already recorded Baht 229 million as provision for long-term employee benefits and the remaining of Baht 89 million was recorded as personnel expenses for the current period.

21. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or services:				
Sales of cement and cement-related products	8,340,372	9,506,914	4,985,797	5,379,185
Sales of concrete and aggregates	1,478,547	1,993,804	-	-
Revenues from industrial waste disposal and industrial cleaning services	243,533	326,060	-	-
Others	102,818	74,590	45,940	43,740
Total revenue from contracts with customers	<u>10,165,270</u>	<u>11,901,368</u>	<u>5,031,737</u>	<u>5,422,925</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	10,041,222	11,767,477	5,031,737	5,422,925
Revenue recognised over time	124,048	133,891	-	-
Total revenue from contracts with customers	<u>10,165,270</u>	<u>11,901,368</u>	<u>5,031,737</u>	<u>5,422,925</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or services:				
Sales of cement and cement-related products	17,099,148	18,876,640	10,478,091	11,229,352
Sales of concrete and aggregates	3,316,874	4,110,177	-	-
Revenues from industrial waste disposal and industrial cleaning services	563,013	634,931	-	-
Others	201,753	158,487	90,409	80,804
Total revenue from contracts with customers	<u>21,180,788</u>	<u>23,780,235</u>	<u>10,568,500</u>	<u>11,310,156</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	20,895,823	23,533,720	10,568,500	11,310,156
Revenue recognised over time	284,965	246,515	-	-
Total revenue from contracts with customers	<u>21,180,788</u>	<u>23,780,235</u>	<u>10,568,500</u>	<u>11,310,156</u>

22. Income tax

Interim corporate income tax is calculated on profit before income tax for the periods, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	149,433	115,131	33,764	68,463
Income tax of overseas subsidiary paid for tax importation of materials during the period	1,223	-	-	-
Adjustment in respect of income tax of previous years	1,042	(3,443)	980	(3,092)
Withholding tax deducted at source recognised as expenses during the period	14,131	-	14,131	-
Deferred tax:				
Relating to origination and reversal of temporary differences	8,949	(42,720)	49,371	(34,377)
Income tax expenses reported in the income statements	<u>174,778</u>	<u>68,968</u>	<u>98,246</u>	<u>30,994</u>
(Unit: Thousand Baht)				
For the six-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	298,869	307,323	104,085	210,343
Income tax of overseas subsidiary paid for tax importation of materials during the period	10,297	-	-	-
Adjustment in respect of income tax of previous years	5,817	(3,787)	980	(3,092)
Withholding tax deducted at source recognised as expenses during the period	14,131	-	14,131	-
Deferred tax:				
Relating to origination and reversal of temporary differences	9,623	(19,245)	69,169	(35,099)
Income tax expenses reported in the income statements	<u>338,737</u>	<u>284,291</u>	<u>188,365</u>	<u>172,152</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to loss on cash flow hedge	<u>(411)</u>	<u>-</u>	<u>(411)</u>	<u>-</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to loss on cash flow hedge	<u>(5,560)</u>	<u>-</u>	<u>(5,560)</u>	<u>-</u>

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

24. Dividends

On 26 March 2019, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2018 of Baht 4.0 per share, totaling Baht 1,192 million. Thus, including the interim dividend of Baht 4.0 per share, the total dividend payment for 2018 amounted to Baht 8.0 per share. The dividend was paid on 25 April 2019.

On 26 March 2020, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2019 of Baht 4.0 per share, totaling Baht 1,192 million. Thus, including the interim dividend of Baht 4.0 per share, the total dividend payment for 2019 amounted to Baht 8.0 per share. The dividend was paid on 3 April 2020.

25. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has changed the organisation of its reportable segments from fiscal year 2019, by adding a reportable segment, which is light building materials segment. This segment includes mortar products, light weight concrete products and wood replacement products.

(Unaudited but reviewed)

The following table presents revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 30 June															
	Cement		Concrete and aggregates		Trading		Light building materials		Others		Total segments		Adjustments and eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue																
External customers	6,500	7,421	1,550	2,039	1,345	1,517	522	592	248	332	10,165	11,901	-	-	10,165	11,901
Inter-segment	1,457	1,609	78	96	262	1,417	3	6	278	333	2,078	3,461	(2,078)	(3,461)	-	-
Total revenue	7,957	9,030	1,628	2,135	1,607	2,934	525	598	526	665	12,243	15,362	(2,078)	(3,461)	10,165	11,901
Results																
Segment gross profit	2,684	2,516	320	403	189	396	128	142	121	122	3,442	3,579	(140)	(192)	3,302	3,387
Other income															56	32
Gain on exchange															22	47
Selling and distribution expenses															(1,460)	(1,999)
Administrative expenses															(414)	(560)
Other expenses															(31)	(6)
Share of profit from investment in joint venture															111	102
Share of profit from investments in associated companies															50	66
Finance income															20	12
Finance cost															(353)	(359)
Profit before income tax expenses															1,303	722
Income tax expenses															(175)	(69)
Profit for the period															1,128	653

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Cement		Concrete and aggregates		Trading		Light building materials		Others		Total segments		Adjustments and eliminations		Consolidated	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue																
External customers	13,199	14,885	3,455	4,214	2,783	2,730	1,169	1,301	575	650	21,181	23,780	-	-	21,181	23,780
Inter-segment	3,205	3,501	169	192	1,313	3,322	4	12	575	679	5,266	7,706	(5,266)	(7,706)	-	-
Total revenue	16,404	18,386	3,624	4,406	4,096	6,052	1,173	1,313	1,150	1,329	26,447	31,486	(5,266)	(7,706)	21,181	23,780
Results																
Segment gross profit	5,232	5,374	717	845	670	808	340	369	243	279	7,202	7,675	(315)	(402)	6,887	7,273
Other income															131	154
Gain on exchange															19	110
Selling and distribution expenses															(3,457)	(4,061)
Administrative expenses															(881)	(1,089)
Other expenses															(48)	(13)
Share of profit from investment in joint venture															247	220
Share of profit from investments in associated companies															113	146
Finance income															38	21
Finance cost															(712)	(713)
Profit before income tax expenses															2,337	2,048
Income tax expenses															(339)	(284)
Profit for the period															1,998	1,764

26. Contingent liabilities

26.1 Bank guarantees

26.1.1 As at 30 June 2020, there were outstanding bank guarantees of Baht 753 million, LKR 876 million, Taka 47 million and VND 29,549 million (Separate financial statements: Baht 72 million) issued by banks on behalf of the Group in respect of electricity usage and other guarantees as required in the normal course of its business.

26.1.2 As at 30 June 2020, the associated companies and joint venture had outstanding bank guarantees of Baht 6 million, Indonesian Rupiah 19,990 million and USD 0.2 million issued by banks on behalf of the associated companies and joint venture as required in the normal course of their businesses.

26.2 Litigation of overseas subsidiaries

26.2.1 A subsidiary in Sri Lanka has a dispute which was filed against the Arbitrator dated 14 June 2017 regarding obligation to retrospectively pay the allowance of LKR 10,000 being paid to certain employees of a company. Currently, the case is in the arbitration process. The management of the subsidiary believes that possibility of the unfavourable result of the dispute to the subsidiary is remote and provision has not therefore been recorded.

26.2.2 A subsidiary in Sri Lanka was alleged by the Customs Department of Sri Lanka for failure to pay customs levies and tax on certain payments such as demurrage, calorific value and moisture adjustment, war risk premium, loading-unloading and stevedoring charges. On 7 February 2019, the Customs Department of Sri Lanka ordered the subsidiary to pay customs levies and tax totaling LKR 545 million (approximately Baht 90 million). However, the subsidiary appealed the order since the subsidiary believes that there have been no irregularities in payment of levies/duties and there is no basis of such allegation. Based on the currently available information as at the reporting date and legal counsel opinion, the management of the subsidiary believes that possibility of the unfavourable result of the case to the subsidiary is remote and provision has not therefore been recorded.

In addition, the Customs Department of Sri Lanka investigated on importation of cement and other related products of another subsidiary in Sri Lanka. However, the subsidiary has declared the correct transaction value in term of "Schedule E" of the Customs Ordinance thereby defrauding government revenue by way of evading payment of due customs duty and other levies and, based on the currently available information as at the reporting date and legal counsel opinion, the management of the subsidiary believes that possibility of the unfavourable result of the case to the subsidiary is remote and provision has not therefore been recorded.

26.2.3 A subsidiary in Sri Lanka has disputes relating to income tax assessments for the years 2004 - 2006 totaling LKR 119 million (approximately Baht 20 million) for the deductibility of interest and royalty claims. However, the subsidiary appealed against the decision of the Department of Inland Revenue of Sri Lanka. Based on the currently available information as at the reporting date and legal counsel opinion, the management of the subsidiary believes that possibility of the unfavourable result of the case to the subsidiary is remote and provision has not therefore been recorded.

In addition, three subsidiaries in Sri Lanka have other proceedings/assessments for general and tax related pending against the subsidiaries. Based on the currently available information as at the reporting date and opinion of legal counsel and tax consultants of the subsidiaries, the management of the subsidiaries believes that possibility of the unfavourable result of the cases to the subsidiaries is remote and provision has not therefore been recorded.

26.2.4 A subsidiary in Bangladesh has disputes and litigations with relevant authorities relating to VAT and income tax with the claims/assessments totaling Taka 206 million (approximately Baht 75 million). However, as at 30 June 2020, the management of the subsidiary had reviewed the merits of those to assess possible outcomes as well as consideration of the historical assessment result of tax disputes and litigations in favor of the subsidiary and recorded a provision for the disputes and litigations of Taka 33 million (approximately Baht 12 million).

26.3 Litigation of the Company

During the current period, certain former employees filed a claim of Baht 37 million against the Company, seeking additional compensation in excess of both the Company's policy and in excess of the Labour Law. Currently, the disputes are under hearing of the Labour Court. However, as at 30 June 2020, the management of the Company had reviewed the merits of those to assess possible outcomes and recorded a provision for the disputes of Baht 8 million reflecting the Company's policy.

27. Commitments

27.1 As at 30 June 2020, the Group had the following significant outstanding commitments:

27.1.1 The Group had outstanding capital expenditure and construction commitments of Baht 355 million (Separate financial statements: Baht 133 million).

27.1.2 The Group entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 30 June 2020, the future lease and service fees payable by the Group under these lease and service contracts of Baht 341 million (Separate financial statements: Baht 295 million).

- 27.1.3 A subsidiary entered into an agreement with a company in respect of technology information system and other related services for a period of 5 years, commencing on 1 February 2020 to 31 January 2025. The subsidiary is committed to pay a fee on the basis and at the rate as stipulated in the agreement.
- 27.1.4 A subsidiary entered into several agreements in respect of technology information system such as accounting system, logistic management system as well as the related maintenance agreements. The subsidiary is committed to pay a fee on the basis and at the rates as stipulated in the agreements.
- 27.1.5 The Company entered into the service agreements with a subsidiary in respect of the Company's computer system. The Company is committed to pay the fees on the basis and at the rate as stipulated in the agreements.
- 27.1.6 The Group entered into long-term service agreements regarding temporary employment services. The Group is committed to pay the service fees at the rate as stipulated in the agreements.
- 27.1.7 The Company entered into a solar power purchase contract with a company to purchase solar power used for production process with 15-year duration. The Company shall pay a price based on actual power used and the rate as stipulated in the contract.
- 27.1.8 The Group has commitments in respect of raw materials and fuel purchases, logistic services and sales contracts as required in the normal course of its business.
- 27.1.9 The Company has commitment regarding the contribution to the funds in accordance with the requirements and legally applicable rate specified by Department of Primary Industries and Mine.
- 27.1.10 A subsidiary entered into a technology license agreement with an overseas company for a period of 10 years, commencing on 6 March 2002 to 5 March 2012, with an automatic renewal for every 1 year period. The subsidiary is committed to pay licensing fee on the basis and at the rate as stipulated in the agreement.
- 27.1.11 A subsidiary entered into several agreements in respect of computer software license. The subsidiary is committed to pay a license fee on the basis and at the rates as stipulated in the agreements.
- 27.1.12 A subsidiary entered into an electricity supply agreement with a local power plant with 15-year duration from the operation date. The subsidiary shall purchase and pay electricity supply at the quantity and the rate as stipulated in the agreement.

- 27.1.13 A subsidiary has commitment regarding the contribution to the Power Development Fund in accordance with the regulation required by the Energy Regulatory Commission. The contribution is calculated based on the sale quantities and legally applicable rate.
- 27.1.14 A subsidiary entered into several agreements regarding sand operation used for production process for periods between 5 and 8 years. The subsidiary is committed to pay a fee based on actual production output and the rate as stipulated in the agreements.
- 27.1.15 A subsidiary entered into several agreements regarding concrete distribution service with 10-year duration. The subsidiary is committed to pay a fee based on actual rendered services and the rate as stipulated in the agreements.
- 27.2 The associated companies and joint venture entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 30 June 2020, the future lease and service fees payable by the associated companies and joint venture under these lease and service contracts of Baht 51.2 million.
- 27.3 The joint venture entered into an equipment lease contract with a company to lease the solar generation equipment for self-generate electricity used for production process with 25-year duration. The joint venture is committed to pay a rental fee upon actual power generated and used.
- 27.4 The associated companies and joint venture had outstanding capital expenditure and construction commitments of USD 1.6 million and Baht 10.2 million, totaling approximately Baht 60.2 million.

28. Foreign currency and interest rate risks

The Group's exposure to foreign currency risk arises mainly from sales and purchase transactions that are denominated in foreign currencies and interest rate risk relates primarily to their interest-bearing bank deposits, short-term loans, bank overdrafts and short-term borrowings, long-term borrowings and debentures.

The balances of financial assets and liabilities denominated in foreign currencies as at 30 June 2020 are summarised below.

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 30 June 2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	(Baht per 1 foreign currency unit)	
					Buying rate	Selling rate
US dollar	13	22	1	2	30.7151	31.0658
Euro	-	2	-	1	34.3318	35.0711
Yen	-	12	-	-	0.2830	0.2906

(Unaudited but reviewed)

Forward exchange contracts outstanding of the Group as at 30 June 2020 are summarised below.

The Company and local subsidiary

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
			Bought amount	Sold amount	
Euro	0.6	-	34.77 - 35.12	-	7 July 2020 - 26 August 2020
US dollar	-	11.3	-	30.85 - 31.38	30 September 2020 - 30 November 2020

Overseas subsidiaries

Foreign currency	Bought amount (Million)	Contractual exchange rate for amount bought		Contractual maturity date
		(LKR per 1 foreign currency unit)	(VND per 1 foreign currency unit)	
US dollar	9.5	186.34 - 186.35	23,278 - 23,729	10 July 2020 - 14 September 2020

As at 30 June 2020, the Company had outstanding interest rate swap agreement to swap the interest rate of long-term loan from the floating rate THBFIX 6 months reference rate plus a margin to a fixed rate of 3 percent per annum.

As at 30 June 2020, the fair value of derivatives is as follows:

	(Unit: Million Baht)
	Fair value
	Gain (loss)
Derivatives	
Forward exchange contracts	0.7
Interest rate swap	(246.9)

29. Fair value hierarchy

As at 30 June 2020, the Group had the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Level 2	Total	Level 2	Total
Financial assets measured at fair value				
Derivatives				
Forward exchange contracts	2.2	2.2	-	-
Financial liabilities measured at fair value				
Derivatives				
Forward exchange contracts	1.5	1.5	-	-
Interest rate swap	246.9	246.9	246.9	246.9

30. Events after the reporting period - Dividend income from subsidiary companies and joint venture

On 14 July 2020, the meeting of Board of Directors of Siam City Cement (Lanka) Ltd. (“a subsidiary”) passed a resolution to approve an interim dividend from its retained earnings and profit for the six-month period ended 30 June 2020 of LKR 3 per share, totaling LKR 497 million. The Company will record the dividend income from the subsidiary of LKR 492.2 million or approximately Baht 82.9 million in the third quarter of 2020.

On 16 July 2020, the meeting of Board of Directors of INSEE Ecocycle Co., Ltd. (“a subsidiary”) passed a resolution to approve an interim dividend from its retained earnings and profit for the six-month period ended 30 June 2020 of Baht 25 per share, totaling Baht 100 million. The Company will record the dividend income from the subsidiary company in the third quarter of 2020.

On 17 July 2020, the meeting of Board of Directors of Siam City Concrete Co., Ltd. (“a subsidiary”) passed a resolution to approve an interim dividend from its retained earnings and profit for the six-month period ended 30 June 2020 of Baht 8 per share, totaling Baht 200 million. The Company will record the dividend income from the subsidiary company in the third quarter of 2020.

On 17 July 2020, the meeting of Board of Directors of Siam City Cement Trading Co., Ltd. (“a subsidiary”) passed a resolution to approve an interim dividend from its retained earnings and profit for the six-month period ended 30 June 2020 of Baht 110 per share, totaling Baht 110 million. The Company will record the dividend income from the subsidiary company in the third quarter of 2020.

On 20 July 2020, the shareholders’ meeting of Chip Mong INSEE Cement Corporation (“the joint venture”) approved an interim dividend payment from its retained earnings and profit for the six-month period ended 30 June 2020 of USD 20 million. The Company will record the dividend income from the joint venture of USD 8 million or approximately Baht 245.7 million in the third quarter of 2020.

On 21 July 2020, the meeting of Board of Directors of Siam City Power Co., Ltd. (“a subsidiary”) passed a resolution to approve second interim dividend from profit for the six-month period ended 30 June 2020 of Baht 6.95 per share, totaling Baht 139 million. The Company will record the dividend income from the subsidiary company in the third quarter of 2020.

(Unaudited but reviewed)

On 24 July 2020, the meeting of Members' Council of Siam City Cement (Vietnam) Limited ("the subsidiary") passed a resolution to approve a dividend payment from its retained earnings of VND 327,580 million. The Company will record the dividend income from the subsidiary of VND 212,927 million or approximately Baht 288.9 million in the third quarter of 2020.

31. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 July 2020.