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 2023

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 2023, 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.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok: 8 August 2023

Siam City Cement Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	*2, 3*	2,603,801	3,429,669	496,307	822,158
Trade and other receivables	*2, 4*	5,186,071	5,105,206	3,660,538	3,182,746
Short-term loans to related parties	*2*	-	-	2,430,000	2,890,000
Derivative assets		483	25,111	483	-
Inventories	*5*	6,197,633	7,290,057	2,743,239	3,730,313
Current tax assets		89,680	79,944	87,675	77,944
Advance payments for purchases of goods		181,285	231,512	37,957	21,034
Other current assets	*2*	236,211	347,084	52,673	167,022
		14,495,164	16,508,583	9,508,872	10,891,217
Assets held for sale		17,160	16,631	-	-
Total current assets		14,512,324	16,525,214	9,508,872	10,891,217
Non-current assets					
Restricted bank deposits	*3*	11,104	11,308	-	-
Investments in subsidiaries	*6*	-	-	39,900,676	39,900,676
Investment in joint venture	*7*	2,219,161	2,098,685	2,145,611	2,145,611
Investments in associates	*8*	3,676,536	3,557,896	577,896	577,896
Investment properties		485,957	490,553	666,997	670,964
Property, plant and equipment	*9*	26,591,597	26,518,688	10,495,712	10,819,385
Right-of-use assets	*10.1*	1,483,548	1,362,886	260,670	246,985
Assets not used in operations		28,384	29,572	28,384	29,572
Goodwill	*11*	14,491,314	13,797,440	-	-
Intangible assets	*12*	7,634,863	7,191,210	3,275,045	3,332,887
Deferred tax assets		1,389,911	1,379,693	756,535	785,476
Other non-current assets	*2*	393,415	390,131	135,243	139,811
Total non-current assets		58,405,790	56,828,062	58,242,769	58,649,263
Total assets		72,918,114	73,353,276	67,751,641	69,540,480

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 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from related parties	*2*	-	-	1,610,000	980,000
Short-term loans from related financial institution	*2*	350,000	-	350,000	-
Bank overdrafts and short-term loans from other financial institutions	*13*	5,127,821	2,324,967	1,700,000	-
Trade and other payables	*2, 14*	4,757,381	8,134,410	2,284,592	5,337,809
Current portion of long-term loans from other financial institutions	*15*	176,125	262,148	-	-
Current portion of debentures	*16*	4,497,310	-	4,497,310	-
Current portion of lease liabilities	*2, 10.2*	397,957	359,752	74,498	70,122
Current portion of long-term liabiities for concession and license fee		128,516	125,505	126,482	123,513
Derivative liabilities		11,932	75,614	99	26,707
Income tax payable		236,714	265,092	-	-
Deferred revenue		723,307	821,955	402,947	417,430
Accrued electricity		305,707	327,667	295,189	316,813
Other accrued expenses		1,339,405	1,589,597	442,744	629,910
Other current liabilities		297,689	204,708	161,729	65,626
Total current liabilities		18,349,864	14,491,415	11,945,590	7,967,930
Non-current liabilities					
Long-term loan from related financial institution	*2*	2,000,000	2,000,000	2,000,000	2,000,000
Long-term loans from other financial institutions - net of current portion	*15*	6,628	47,656	-	-
Lease liabilities - net of current portion	*2, 10.2*	1,052,340	978,302	194,623	185,475
Debentures - net of current portion	*16*	11,487,551	15,982,844	11,487,551	15,982,844
Long-term liabilities for concession and license fee - net of current portion		689,446	801,702	686,387	796,503
Provision for long-term employee benefits		2,308,547	2,398,457	1,507,643	1,633,091
Provision for site restoration and decommissioning costs		368,757	356,891	106,018	106,643
Deferred tax liabilities		1,975,436	1,703,273	-	-
Other non-current liabilities		86,303	90,587	-	-
Total non-current liabilities		19,975,008	24,359,712	15,982,222	20,704,556
Total liabilities		38,324,872	38,851,127	27,927,812	28,672,486

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 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(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	11,108,189	12,376,849	10,131,278	11,175,443
Other components of shareholders' equity	(7,298,263)	(8,829,527)	-	-
Equity attributable to owners of the Company	33,502,477	33,239,873	39,823,829	40,867,994
Non-controlling interests of the subsidiaries	1,090,765	1,262,276	-	-
Total shareholders' equity	34,593,242	34,502,149	39,823,829	40,867,994
Total liabilities and shareholders' equity	72,918,114	73,353,276	67,751,641	69,540,480

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

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Directors

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(Unaudited but reviewed)

Siam City Cement Public Company Limited and its subsidiaries

Income statements

For the three-month period ended 30 June 2023

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

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Revenues					
Revenue from contracts with customers	*17*	10,974,586	12,757,847	5,798,169	5,533,443
Dividend income		-	-	838,571	543,670
Gain on exchange		235,340	-	48,782	-
Other income		46,233	42,199	29,688	17,946
Total revenues		11,256,159	12,800,046	6,715,210	6,095,059
Expenses					
Cost of sales		8,179,984	8,460,223	4,531,683	4,028,006
Cost of services		135,104	165,316	30,441	41,471
Selling and distribution expenses		1,704,056	2,028,414	623,706	695,392
Administrative expenses		544,633	444,595	409,101	355,331
Loss on exchange		-	353,019	-	37,324
Other expenses		14,740	7,839	13,092	924
Total expenses		10,578,517	11,459,406	5,608,023	5,158,448
Operating profit		677,642	1,340,640	1,107,187	936,611
Share of profit from investment in joint venture	*7*	80,305	75,678	-	-
Share of profit from investments in associates	*8*	296,392	523,955	-	-
Finance income		16,065	18,699	21,564	16,947
Finance cost		(348,290)	(243,800)	(231,558)	(190,618)
Profit before income tax expenses		722,114	1,715,172	897,193	762,940
Income tax expenses	*18*	(85,944)	(288,703)	(17,888)	(52,628)
Profit for the period		636,170	1,426,469	879,305	710,312
Profit or loss attributable to:					
Equity holders of the Company		655,793	1,354,517	879,305	710,312
Non-controlling interests of the subsidiaries		(19,623)	71,952		
		636,170	1,426,469		
Basic earnings per share	*19*				
Profit attributable to equity holders of the Company (Baht)		2.20	4.55	2.95	2.38
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 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit for the period	636,170	1,426,469	879,305	710,312
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currency	1,377,485	10,996	-	-
Share of other comprehensive income of joint venture and associates - exchange differences on translation of financial statements in foreign currency	79,521	123,317	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	1,457,006	134,313	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Share of other comprehensive income of associates - actuarial loss	(10)	(53)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(10)	(53)	-	-
Other comprehensive income for the period	1,456,996	134,260	-	-
Total comprehensive income for the period	2,093,166	1,560,729	879,305	710,312
Total comprehensive income attributable to:				
Equity holders of the Company	2,023,666	1,399,670	879,305	710,312
Non-controlling interests of the subsidiaries	69,500	161,059		
	2,093,166	1,560,729		

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

(Unaudited but reviewed)

Siam City Cement Public Company Limited and its subsidiaries

Income statements

For the six-month period ended 30 June 2023

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

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Revenues					
Revenue from contracts with customers	*17*	22,327,605	25,333,606	11,961,318	10,795,345
Dividend income	*6, 7, 8*	-	-	1,709,357	1,918,932
Gain on exchange		471,287	-	150,315	-
Other income		97,820	85,876	62,747	42,722
Total revenues		22,896,712	25,419,482	13,883,737	12,756,999
Expenses					
Cost of sales		16,894,537	16,946,706	9,539,957	7,655,239
Cost of services		263,831	309,454	67,051	75,026
Selling and distribution expenses		3,328,251	3,985,458	1,343,629	1,397,013
Administrative expenses		1,046,411	925,322	819,780	739,321
Loss on exchange		-	1,061,670	-	188,424
Other expenses		32,167	28,097	25,186	12,104
Total expenses		21,565,197	23,256,707	11,795,603	10,067,127
Operating profit		1,331,515	2,162,775	2,088,134	2,689,872
Share of profit from investment in joint venture	*7*	174,388	199,294	-	-
Share of profit from investments in associates	*8*	637,516	762,637	-	-
Finance income		32,351	44,028	42,628	31,681
Finance cost		(662,643)	(492,673)	(444,849)	(382,175)
Profit before income tax expenses		1,513,127	2,676,061	1,685,913	2,339,378
Income tax expenses	*18*	(219,616)	(414,805)	(48,087)	(98,982)
Profit for the period		1,293,511	2,261,256	1,637,826	2,240,396
Profit or loss attributable to:					
Equity holders of the Company		1,414,114	2,156,861	1,637,826	2,240,396
Non-controlling interests of the subsidiaries		(120,603)	104,395		
		1,293,511	2,261,256		
Basic earnings per share	*19*				
Profit attributable to equity holders of the Company (Baht)		4.75	7.24	5.50	7.52
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 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit for the period	1,293,511	2,261,256	1,637,826	2,240,396
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currency	1,690,533	(2,914,518)	-	-
Gain on cash flow hedge - net of tax	-	5,370	-	5,370
Share of other comprehensive income of joint venture and associates - exchange differences on translation of financial statements in foreign currency	(87,269)	98,686	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	1,603,264	(2,810,462)	-	5,370
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Share of other comprehensive income of associates - actuarial gain (loss)	(783)	109	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(783)	109	-	-
Other comprehensive income for the period	1,602,481	(2,810,353)	-	5,370
Total comprehensive income for the period	2,895,992	(549,097)	1,637,826	2,245,766
Total comprehensive income attributable to:				
Equity holders of the Company	2,944,595	(709,618)	1,637,826	2,245,766
Non-controlling interests of the subsidiaries	(48,603)	160,521		
	2,895,992	(549,097)		

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 2023

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
					Other components of shareholders' equity					
					Other comprehensive income					
	Issued and paid up share capital	Share premium	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Exchange differences on translation of financial statements in foreign currency	Cash flow hedge reserve	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2023	2,980,000	26,412,551	300,000	12,376,849	(8,829,527)	-	(8,829,527)	33,239,873	1,262,276	34,502,149
Profit for the period	-	-	-	1,414,114	-	-	-	1,414,114	(120,603)	1,293,511
Other comprehensive income for the period	-	-	-	(783)	1,531,264	-	1,531,264	1,530,481	72,000	1,602,481
Total comprehensive income for the period	-	-	-	1,413,331	1,531,264	-	1,531,264	2,944,595	(48,603)	2,895,992
Dividend paid (Note 20)	-	-	-	(2,681,991)	-	-	-	(2,681,991)	-	(2,681,991)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	(122,169)	(122,169)
Decrease in non-controlling interests of the subsidiaries from repurchase of subsidiary's share capital	-	-	-	-	-	-	-	-	(739)	(739)
Balance as at 30 June 2023	2,980,000	26,412,551	300,000	11,108,189	(7,298,263)	-	(7,298,263)	33,502,477	1,090,765	34,593,242
Balance as at 1 January 2022	2,980,000	26,412,551	300,000	13,090,053	(5,063,871)	(5,370)	(5,069,241)	37,713,363	1,513,423	39,226,786
Profit for the period	-	-	-	2,156,861	-	-	-	2,156,861	104,395	2,261,256
Other comprehensive income for the period	-	-	-	109	(2,871,958)	5,370	(2,866,588)	(2,866,479)	56,126	(2,810,353)
Total comprehensive income for the period	-	-	-	2,156,970	(2,871,958)	5,370	(2,866,588)	(709,618)	160,521	(549,097)
Dividend paid (Note 20)	-	-	-	(2,681,992)	-	-	-	(2,681,992)	-	(2,681,992)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	(331,346)	(331,346)
Balance as at 30 June 2022	2,980,000	26,412,551	300,000	12,565,031	(7,935,829)	-	(7,935,829)	34,321,753	1,342,598	35,664,351

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 2023

(Unit: Thousand Baht)

	Separate financial statements					
					Other components of shareholders' equity	
	Issued and paid up share capital	Share premium	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Other comprehensive income - Cash flow hedge reserve	Total shareholders' equity
Balance as at 1 January 2023	2,980,000	26,412,551	300,000	11,175,443	-	40,867,994
Profit for the period	-	-	-	1,637,826	-	1,637,826
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,637,826	-	1,637,826
Dividend paid (Note 20)	-	-	-	(2,681,991)	-	(2,681,991)
Balance as at 30 June 2023	2,980,000	26,412,551	300,000	10,131,278	-	39,823,829
Balance as at 1 January 2022	2,980,000	26,412,551	300,000	11,610,751	(5,370)	41,297,932
Profit for the period	-	-	-	2,240,396	-	2,240,396
Other comprehensive income for the period	-	-	-	-	5,370	5,370
Total comprehensive income for the period	-	-	-	2,240,396	5,370	2,245,766
Dividend paid (Note 20)	-	-	-	(2,681,992)	-	(2,681,992)
Balance as at 30 June 2022	2,980,000	26,412,551	300,000	11,169,155	-	40,861,706

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 cash flows

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	1,513,127	2,676,061	1,685,913	2,339,378
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Share of profit from investments in joint venture and associates	(811,904)	(961,931)	-	-
Dividend income	-	-	(1,709,357)	(1,918,932)
Depreciation and amortisation	1,701,366	1,839,612	633,539	740,973
Impairment loss on financial assets (reversal)	(28,635)	1,988	(21,171)	(1,168)
Reduction of inventory to net realisable value (reversal)	42,590	(19,965)	1,953	(21,059)
Allowance for impairment loss on non-financial assets (reversal)	3,113	(31)	(2,822)	-
Net loss on disposals/write-off of non-financial assets	29,754	22,155	27,284	10,221
Provision for long-term employee benefits and other provisions	119,426	106,493	75,421	62,990
Amortisation of deferred income from grants related to assets	(4,304)	(4,304)	-	-
Net loss (gain) on derivative instruments at fair value				
through profit or loss	(39,054)	59,362	(27,091)	1
Unrealised loss (gain) on exchange	(361,139)	920,091	(140,052)	188,162
Finance income	(32,351)	(44,028)	(42,628)	(31,681)
Interest expenses	591,277	444,206	381,828	359,340
Profit from operating activities before changes in				
operating assets and liabilities	2,723,266	5,039,709	862,817	1,728,225
Operating assets (increase) decrease:				
Trade and other receivables	32,279	(723,818)	(22,275)	(321,874)
Inventories	1,445,682	(2,037,476)	985,121	(422,027)
Advance payments for purchases of goods	86,608	(384,836)	(16,923)	(48,317)
Other current assets	121,633	(28,748)	112,735	(19,416)
Operating liabilities increase (decrease):				
Trade and other payables	(3,347,263)	897,855	(2,985,756)	297,118
Accrued expenses and other current liabilities	(387,043)	(72,957)	(140,996)	(115,070)
Other non-current liabilities	50	(496)	-	-
Provision for long-term employee benefits	(214,216)	(67,912)	(189,506)	(44,608)
Provision for site restoration	(4,401)	(4,444)	(692)	(4,444)
Cash from (used in) operating activities	456,595	2,616,877	(1,395,475)	1,049,587
Interest received	27,787	44,784	43,059	28,498
Interest paid	(498,930)	(358,356)	(348,938)	(311,021)
Cash paid for income tax	(326,856)	(246,619)	(28,877)	(171,969)
Net cash from (used in) operating activities	(341,404)	2,056,686	(1,730,231)	595,095
Cash flows from investing activities				
Net decrease (increase) in short-term loans to related parties	-	-	460,000	(720,000)
Proceeds from disposals of property, plant and equipment	1,822	4,171	-	317
Acquisitions of property, plant and equipment	(731,074)	(551,938)	(301,957)	(163,678)
Increase in intangible assets	(9,949)	(17,866)	(5,833)	(17,785)
Decrease (increase) in other non-current assets	(4,442)	(12,331)	3,076	(8,421)
Dividend received	484,736	448,461	1,418,688	1,439,240
Net cash from (used in) investing activities	(258,907)	(129,503)	1,573,974	529,673

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 cash flows (continued)

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from financing activities				
Net increase in short-term loans from related parties	-	-	630,000	980,000
Net increase in short-term loans from related financial institution	350,000	2,000,000	350,000	2,000,000
Net increase in bank overdrafts and short-term loans from other financial institutions	2,612,695	1,786,698	1,700,000	2,000,000
Increase in long-term loans from other financial institutions	-	103,911	-	-
Repayment of long-term loans from other financial institutions	(132,838)	(7,148,977)	-	(7,000,000)
Payment of lease liabilities	(276,390)	(257,624)	(44,952)	(53,233)
Payment of liabilities for acquisitions of concession and license fee	(123,038)	(123,037)	(120,834)	(120,834)
Dividend paid	(2,803,661)	(3,013,338)	(2,681,991)	(2,681,992)
Cash paid for repurchase of subsidiary's share capital	(739)	-	-	-
Interest paid	(2,440)	(105,821)	(2,170)	(105,707)
Net cash used in financing activities	(376,411)	(6,758,188)	(169,947)	(4,981,766)
Increase (decrease) in translation adjustments	144,888	(154,593)	-	-
Net decrease in cash and cash equivalents	(831,834)	(4,985,598)	(326,204)	(3,856,998)
Cash and cash equivalents at beginning of period	3,429,669	9,662,200	822,158	4,880,773
Effect of change in foreign exchange rate on cash at bank balance	5,966	85	353	85
Cash and cash equivalents at end of period	2,603,801	4,676,687	496,307	1,023,860
Supplemental disclosures of cash flows information:				
Non-cash related transactions from investing activities:				
Payables for purchases of property, plant and equipment and intangible assets	148,341	183,424	56,694	92,611
Transferred investment properties to property, plant and equipment	4,597	-	4,599	-
Transferred property, plant and equipment to investment properties	-	-	5,279	-
Transferred property, plant and equipment to intangible assets	1,927	-	1,927	-
Transferred intangible assets to property, plant and equipment	-	4,202	-	4,202
Decrease in property, plant and equipment from provision for site restoration and decommissioning costs	3,664	4,981	3,296	4,981
Increase (decrease) in intangible assets from long-term liabilities for license fee	(52)	801	(52)	801
Dividend receivable from subsidiary	-	-	523,830	290,480
Non-cash related transactions from financing activities:				
Acquisitions of right-of-use assets under lease contracts	224,621	49,806	55,573	14,079
Decrease in right-of-use assets from sublease	-	-	1,387	-
Increase (decrease) in assets and liabilities from lease reassessment/modification				
- Right-of-use assets	81,149	31,037	(1,743)	(12,342)
- Finance lease receivables	-	-	-	(38)
- Lease liabilities	87,886	31,088	(1,740)	(12,454)
- Provision for decommissioning costs	(5,237)	(157)	-	-

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 2023

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 factory no.1 and no. 3 is at 99 Moo 9, factory no. 2 is at 219, mortar factory is at 41/2 and AFR Platform is at 301 Moo 5, Mitraparp Road Km. 129-133, Tabkwang, Kaengkhoi, Saraburi.

1.2 Economic situation in Sri Lanka

There have been uncertainties of economic situation in Sri Lanka since 2022 from the devaluation of Sri Lankan Rupee and the increase in inflation rate. It may bring uncertainties and have an impact on the environment in which the subsidiaries in Sri Lanka operate. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions, contingent liabilities and other relevant accounting issues, and has used estimates and judgement in respect of various issues as the situations have 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 interim financial statements.

1.4 Basis of consolidation

The interim consolidated financial statements included the financial statements of Siam City Cement Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022. There have been no changes in the shareholding structure of the subsidiaries during the current period except for the repurchase of shares of an overseas subsidiary as discussed in Note 6 to the interim financial statements.

1.5 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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023 do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions arose in ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties. There were no significant changes in the transfer pricing policy of related party transactions.

The significant related party transactions for the three-month and six-month periods ended 30 June 2023 and 2022 are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Transactions with subsidiaries				
(eliminated from the consolidated financial statements)				
Sales of goods and service income	-	-	1,155	995
Dividend income	-	-	380	199
Interest income	-	-	17	14
Other income	-	-	41	43
Purchase of goods	-	-	6	1,162
Purchase of utility	-	-	462	354
Service fee expenses	-	-	101	109
Interest expenses	-	-	7	2
Transactions with joint venture				
Sales of goods and service income	199	240	-	22
Dividend income	-	-	93	108
Other income	1	-	1	-
Service fee expenses	2	4	2	4

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Transactions with associated companies				
Dividend income	-	-	366	236
Purchases of goods	291	339	291	339
Transactions with related companies				
Sales of goods and service income	-	1	-	-
Interest income	1	-	1	-
Purchases of goods	38	-	-	-
Service fee expenses	30	32	7	7
Other expenses	27	26	20	21
Interest expenses	22	10	22	10

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Transactions with subsidiaries				
(eliminated from the consolidated financial statements)				
Sales of goods and service income	-	-	2,272	1,893
Dividend income	-	-	1,225	1,470
Interest income	-	-	34	25
Other income	-	-	81	111
Purchase of goods	-	-	1,161	1,290
Purchase of utility	-	-	1,016	674
Service fee expenses	-	-	206	207
Interest expenses	-	-	12	4
Transactions with joint venture				
Sales of goods and service income	265	565	-	23
Dividend income	-	-	119	212
Other income	3	-	3	-
Service fee expenses	6	8	6	8
Transactions with associated companies				
Dividend income	-	-	366	236
Purchases of goods	779	633	779	631
Transactions with related companies				
Sales of goods and service income	2	2	-	-
Interest income	2	-	1	-
Purchases of goods	38	-	-	-
Service fee expenses	55	66	14	13
Other expenses	61	54	48	42
Interest expenses	35	12	35	12

The balances of the accounts as at 30 June 2023 and 31 December 2022 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Deposits and short-term investments at related financial institution (Note 3)				
Related financial institution (related by common directors)	537,184	550,515	173,746	204,347
Total deposits and short-term investments at related financial institution	537,184	550,515	173,746	204,347
Trade and other receivables - related parties (Note 4)				
Subsidiaries	-	-	1,673,041	1,191,810
Joint venture	10,549	11,107	8,741	9,839
Total trade and other receivables - related parties	10,549	11,107	1,681,782	1,201,649
Short-term loans to related parties				
Subsidiaries				
Conwood Company Limited	-	-	1,605,000	1,580,000
INSEE Superblock Company Limited	-	-	575,000	610,000
Siam City Cement Trading Company Limited	-	-	250,000	700,000
Total short-term loans to related parties	-	-	2,430,000	2,890,000

Movements in short-term loans to related parties during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	-	2,890,000
Add: Increase during the period	-	2,750,000
Less: Repayment during the period	-	(3,210,000)
Balance as at 30 June 2023	-	2,430,000

As at 30 June 2023, short-term loans to related parties carry interest at the rate of 2.20 - 3.25 percent per annum (31 December 2022: 1.42 - 2.62 percent per annum) and are due for repayment within one year from drawing dates.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Other current assets - related parties				
Current portion of finance lease receivables - subsidiaries	-	-	680	437
Prepaid expenses - related party (related by common director)	3,212	36,164	1,394	34,502
Total other current assets - related parties	3,212	36,164	2,074	34,939
Other non-current assets - related parties				
Finance lease receivables - net of current portion - subsidiaries	-	-	1,177	279
Total other non-current assets - related parties	-	-	1,177	279
Short-term loans from related parties				
Subsidiaries				
Siam City Power Company Limited	-	-	1,100,000	900,000
Globe Cement Company Limited	-	-	80,000	80,000
INSEE Ecocycle Company Limited	-	-	130,000	-
Siam City Concrete Company Limited	-	-	150,000	-
INSEE Digital Company Limited	-	-	150,000	-
Total short-term loans from related parties	-	-	1,610,000	980,000

Movements in short-term loans from related parties during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	-	980,000
Add: Increase during the period	-	2,050,000
Less: Repayment during the period	-	(1,420,000)
Balance as at 30 June 2023	-	1,610,000

As at 30 June 2023, short-term loans from related parties carry interest at the rate of 1.94 - 2.45 percent per annum (31 December 2022: 1.30 - 1.90 percent per annum).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Short-term loans from related financial institution				
Related financial institution (related by common directors)	350,000	-	350,000	-
Total short-term loans from related financial institution	350,000	-	350,000	-

Movements in short-term loans from related financial institution during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	-	-
Add: Increase during the period	3,000,000	3,000,000
Less: Repayment during the period	(2,650,000)	(2,650,000)
Balance as at 30 June 2023	350,000	350,000

As at 30 June 2023, the Company had short-term loans from related financial institution of Baht 350 million which carried interest at the rate of 2.19 percent per annum.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Trade and other payables - related parties (Note 14)				
Subsidiaries	-	-	384,424	1,812,234
Associate	176,108	376,248	176,108	376,248
Joint venture	9,414	18,770	9,414	17,935
Related companies (related by common shareholders and/or common directors)	81,030	61,218	9,527	12,168
Total trade and other payables - related parties	266,552	456,236	579,473	2,218,585

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Lease liabilities - related party (Note 10.2)				
Related company (related by common shareholders and/or common directors)	18,664	4,484	15,059	-
Less: Portion due within one year	(4,759)	(1,767)	(2,975)	-
Total lease liabilities - related party - net of current portion	13,905	2,717	12,084	-
Long-term loan from related financial institution				
Related financial institution (related by common directors)	2,000,000	2,000,000	2,000,000	2,000,000
Total long-term loan from related financial institution	2,000,000	2,000,000	2,000,000	2,000,000

On 29 November 2022, the Company entered into a loan agreement with related financial institution obtaining loan facilities of Baht 2,000 million. The loan carries interest at BAY-BIBOR 3 months reference rate plus a margin and is repayable in full amount at the end of the third year from first drawing date. The loan facilities of Baht 2,000 million had been drawn by the Company on 22 December 2022.

The loan agreement contains covenants with which the Company has to comply, pertaining to matters such as maintaining of certain financial ratios and negative pledge.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	40	46	40	46
Post-employment benefits and other long-term employee benefits	1	-	1	-
Total	41	46	41	46

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	94	105	94	105
Post-employment benefits and other long-term employee benefits	1	1	1	1
Total	95	106	95	106

3. Cash and cash equivalents/Restricted bank deposits

As at 30 June 2023 and 31 December 2022, cash and cash equivalents consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Cash and bank deposits	1,991,404	2,661,033	496,307	822,158
Short-term investments in fixed deposits and treasury bills	623,501	779,944	-	-
Total	2,614,905	3,440,977	496,307	822,158
Less: Restricted bank deposits	(11,104)	(11,308)	-	-
Total cash and cash equivalents	2,603,801	3,429,669	496,307	822,158
Of which at related financial institution	537,184	550,515	173,746	204,347

As at 30 June 2023, bank deposits in savings accounts and fixed deposits, and treasury bills carried interest between 0.01 and 13.00 percent per annum (31 December 2022: between 0.01 and 15.00 percent per annum).

As at 30 June 2023, a subsidiary had placed its deposits of Taka 33.7 million or approximately Baht 11.1 million (31 December 2022: Taka 33.7 million or approximately Baht 11.3 million) with bank to secure bank guarantees issued by bank on behalf of the subsidiary.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Trade receivables - related parties				
Aged on the basis of due dates:				
Current to 30 days	1,572	7,560	887,228	790,420
Over 30 days to 60 days	-	-	95	2,293
Total trade receivables - related parties	1,572	7,560	887,323	792,713
Trade receivables - unrelated parties				
Aged on the basis of due dates:				
Current to 30 days	4,371,172	4,456,682	1,898,235	1,933,024
Over 30 days to 60 days	118,658	164,766	409	14,477
Over 60 days to 90 days	98,698	56,671	15,704	12,743
Over 90 days	410,884	295,852	82,078	57,984
Total trade receivables - unrelated parties	4,999,412	4,973,971	1,996,426	2,018,228
Less: Allowance for expected credit losses	(235,038)	(245,403)	(18,524)	(39,436)
Total trade receivables - unrelated parties - net	4,764,374	4,728,568	1,977,902	1,978,792
Total trade receivables - net	4,765,946	4,736,128	2,865,225	2,771,505
Other receivables				
Other receivables - related parties	8,977	3,547	794,459	408,936
Other receivables - unrelated parties	48,306	60,493	898	3,051
Receivables from the Revenue Department	245,984	224,003	-	-
Unbilled revenues	129,715	94,168	-	-
Total other receivables - unrelated parties	424,005	378,664	898	3,051
Less: Allowance for expected credit losses	(12,857)	(13,133)	(44)	(746)
Total other receivables - unrelated parties - net	411,148	365,531	854	2,305
Total other receivables - net	420,125	369,078	795,313	411,241
Total trade and other receivables - net	5,186,071	5,105,206	3,660,538	3,182,746

5. 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 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	334,731	36,596
Add: Reduction of inventory value during the period	21,778	111
Less: Reversal of reduction of inventory value during the period	(69,375)	-
Balance as at 30 June 2023	287,134	36,707

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Type of relation	Shareholding percentage		Cost		Dividends income during the six-month periods ended 30 June	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022	2023	2022
		(%)	(%)		(Audited)		
Local subsidiaries							
Siam City Concrete Company Limited	Direct holding	100.00	100.00	2,500,000	2,500,000	-	-
Siam City Power Company Limited	Direct holding	100.00	100.00	2,000,000	2,000,000	372,000	289,000
Conwood Company Limited	Direct holding	100.00	100.00	300,000	300,000	-	-
INSEE Superblock Company Limited	Direct holding	100.00	100.00	499,999	499,999	-	-
INSEE Ecocycle Company Limited	Direct holding	100.00	100.00	400,000	400,000	40,000	100,000
INSEE Digital Company Limited	Direct holding	100.00	100.00	700,000	700,000	14,000	-
Globe Cement Company Limited	Direct holding	100.00	100.00	63,802	63,802	-	-
Siam City Cement Trading Company Limited	Direct holding	100.00	100.00	10,000	10,000	200,000	-
Overseas subsidiaries							
Siam City Cement (Bangladesh) Limited	Direct holding	100.00	100.00	2,124,391	2,124,391	-	-
Siam City Cement (Lanka) Limited	Direct holding	99.03	98.98	13,191,469	13,191,469	378,788	479,692
Siam City Cement (Vietnam) Limited	Direct holding	65.00	65.00	18,111,015	18,111,015	219,833	601,779
Total				39,900,676	39,900,676	1,224,621	1,470,471

Siam City Cement (Lanka) Limited

On 5 May 2022, the Board of Directors' meeting of Siam City Cement (Lanka) Limited ("the subsidiary") approved to repurchase its shares from other shareholders totaling not more than 1,736,939 shares in amount of not exceeding LKR 173.7 million (or approximately Baht 18 million). The repurchasing period is within one year, commencing from 14 June 2022. Subsequently on 28 March 2023, the Annual General Meeting of the shareholders of the subsidiary approved to extend the repurchasing period until 27 March 2024. During the six-month period ended 30 June 2023, the subsidiary repurchased totally 74,575 ordinary shares, or representing 0.05 percent of total paid-up share capital. The subsidiary paid for the repurchase of such shares totaling LKR 7.58 million (or approximately Baht 0.7 million).

7. Investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

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 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
			(%)	(%)		(Audited)		(Audited)
Chip Mong INSEE Cement Corporation	Cement manufacturing	Cambodia	40	40	2,219,161	2,098,685	2,145,611	2,145,611
Total					2,219,161	2,098,685	2,145,611	2,145,611

On 27 May 2022, the meeting of the shareholders of Chip Mong Cement Corporation ("the joint venture") passed a resolution approving a reduction in its registered share capital by reducing the par value from USD 2,000 per share to USD 1,530 per share, resulting in a decrease in its registered share capital from USD 150 million (75,000 ordinary shares of USD 2,000 each) to USD 114.75 million (75,000 ordinary shares of USD 1,530 each). On 30 June 2022, the Ministry of Commerce of Cambodia approved the registered share capital reduction. After the share capital reduction which is planned to be completed within 2023, the Company still holds 40 percent interest in the joint venture.

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company recognised share of profit and other comprehensive income from investment in joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Joint venture	For the three-month periods ended 30 June: Consolidated financial statements: Share of profit from investment in joint venture		Share of other comprehensive income from investment in joint venture		Separate financial statements: Dividend income	
	2023	2022	2023	2022	2023	2022
Chip Mong INSEE Cement Corporation	80,305	75,678	92,135	125,012	92,501	108,495
Total	80,305	75,678	92,135	125,012	92,501	108,495

(Unit: Thousand Baht)

Joint venture	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 income	
	2023	2022	2023	2022	2023	2022
Chip Mong INSEE Cement Corporation	174,388	199,294	64,754	115,465	118,666	212,287
Total	174,388	199,294	64,754	115,465	118,666	212,287

8. Investments in associates

(Unit: Thousand Baht)

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 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
				(%)	(%)		(Audited)		(Audited)
Lanna Resources Public Co., Ltd.	Coal mining	Thailand	Direct holding	44.99	44.99	3,580,913	3,465,156	483,427	483,427
Thai Agro Energy Public Co., Ltd. (a subsidiary of "Lanna Resources Public Co., Ltd.")	Ethanol production and distribution	Thailand	Direct holding	4.72	4.72	95,623	92,740	94,469	94,469
Total						3,676,536	3,557,896	577,896	577,896

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company recognised its share of profit (loss) and other comprehensive income from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June					
	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associates		Share of other comprehensive income from investments in associates		Dividend income	
	2023	2022	2023	2022	2023	2022
Lanna Resources Public Co., Ltd.	296,595	527,012	(12,624)	(1,748)	366,070	236,174
Thai Agro Energy Public Co., Ltd.	(203)	(3,057)	-	-	-	-
Total	296,392	523,955	(12,624)	(1,748)	366,070	236,174

(Unit: Thousand Baht)

Company's name	For the six-month periods ended 30 June					
	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associates		Share of other comprehensive income from investments in associates		Dividend income	
	2023	2022	2023	2022	2023	2022
Lanna Resources Public Co., Ltd.	634,547	764,710	(152,720)	(16,670)	366,070	236,174
Thai Agro Energy Public Co., Ltd.	2,969	(2,073)	(86)	-	-	-
Total	637,516	762,637	(152,806)	(16,670)	366,070	236,174

Fair values of investments in associates 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 2023	31 December 2022
		(Audited)
Lanna Resources Public Co., Ltd.	3,495	4,180
Thai Agro Energy Public Co., Ltd.	61	75
Total	3,556	4,255

9. Property, plant and equipment

Movements in the property, plant and equipment during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	26,518,688	10,819,385
Acquisitions during the period - at cost	596,356	226,793
Transfer in (out)	2,670	(2,607)
Disposals and write-off during the period - net book value as at disposed/written-off date	(31,576)	(27,284)
Depreciation for the period	(1,244,995)	(523,397)
Decrease (increase) in allowance for impairment during the period	(3,113)	2,822
Translation adjustment	753,567	-
Net book value as at 30 June 2023	26,591,597	10,495,712

10. Leases

10.1 Right-of-use assets

Movements in right-of-use assets during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	1,362,886	246,985
Additions during the period	224,621	54,186
Adjustment from lease reassessment/modification	81,149	(1,743)
Depreciation for the period	(225,507)	(38,758)
Translation adjustment	40,399	-
Balance as at 30 June 2023	1,483,548	260,670

10.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Lease payments	1,987,765	1,710,771	290,383	274,959
Less: Deferred interest expenses	(537,468)	(372,717)	(21,262)	(19,362)
Total	1,450,297	1,338,054	269,121	255,597
Comprise:				
Current lease liabilities	397,957	359,752	74,498	70,122
Non-current lease liabilities	1,052,340	978,302	194,623	185,475
	1,450,297	1,338,054	269,121	255,597
Of which with related party	18,664	4,484	15,059	-

Movements in lease liabilities during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	1,338,054	255,597
Additions during the period	224,621	55,573
Accretion of interest	36,420	4,643
Adjustment from lease reassessment/modification	87,886	(1,740)
Payments during the period	(276,390)	(44,952)
Translation adjustment	39,706	-
Balance as at 30 June 2023	1,450,297	269,121

11. Goodwill

Movements in the goodwill in the consolidated financial statements during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

Book value as at 1 January 2023	13,797,440
Translation adjustment	693,874
Book value as at 30 June 2023	14,491,314

12. Intangible assets

Movements in the intangible assets during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	7,191,210	3,332,887
Purchases during the period - cost	9,897	5,781
Transfer in	1,927	1,927
Amortisation for the period	(229,676)	(65,550)
Translation adjustment	661,505	-
Net book value as at 30 June 2023	7,634,863	3,275,045

13. 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 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	2,324,967	-
Add: Increase during the period	10,888,374	6,250,000
Less: Repayment during the period	(8,275,679)	(4,550,000)
Unrealised loss on exchange rate	13,888	-
Translation adjustment	176,271	-
Balance as at 30 June 2023	5,127,821	1,700,000

As at 30 June 2023, the Group had bank overdrafts and short-term loans from commercial banks of Baht 5,128 million (31 December 2022: Baht 2,325 million) which carry interest at the rate of 1.95 - 30.00 percent per annum (31 December 2022: 4.90 - 33.00 percent per annum).

As at 30 June 2023, a portion of bank overdrafts of an overseas subsidiary of Indonesian Rupiah 70,217 million or approximately Baht 167.0 million (31 December 2022: Indonesian Rupiah 66,472 million or approximately Baht 147.2 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.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Trade payables - related parties	215,118	377,083	195,924	1,742,531
Trade payables - unrelated parties	4,152,675	7,476,690	1,587,742	3,071,793
Other payables - related parties	51,434	79,153	383,549	476,054
Other payables - unrelated parties	216,763	168,802	43,209	45,779
Retention payable	27,942	18,294	5,865	1,652
VAT payable	93,449	14,388	68,303	-
Total trade and other payables	4,757,381	8,134,410	2,284,592	5,337,809

15. Long-term loans from other financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Long-term loans from other financial institutions	182,753	309,804	-	-
Less: Portion due within one year	(176,125)	(262,148)	-	-
Long-term loans from other financial institutions - net of current portion	6,628	47,656	-	-

Movements in long-term loans from other financial institutions during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	309,804	-
Less: Repayment during the period	(132,838)	-
Translation adjustment	5,787	-
Balance as at 30 June 2023	182,753	-

As at 30 June 2023, the overseas subsidiaries had long-term loans from other financial institutions of VND 121,028 million or equivalent to Baht 182.8 million (31 December 2022: VND 211,687 million or equivalent to Baht 309.8 million) which carry interest at the rate of 6.50 - 10.40 percent per annum (31 December 2022: 9.20 - 10.68 percent per annum) and are repayable within 2024.

16. Debentures

Movement in debentures during the six-month period ended 30 June 2023 is summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	15,982,844	15,982,844
Add: Amortisation of transaction costs during the period	2,017	2,017
Balance as at 30 June 2023	15,984,861	15,984,861
Less: Portion due within one year	(4,497,310)	(4,497,310)
Debentures - net of current portion	11,487,551	11,487,551

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

17. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Type of goods or services:				
Sales of cement and cement-related products	8,884,121	10,899,845	5,770,960	5,489,948
Sales of concrete and aggregates	1,700,824	1,500,216	-	-
Revenues from industrial waste disposal and industrial cleaning services	261,502	268,028	-	-
Others	128,139	89,758	27,209	43,495
Total revenue from contracts with customers	10,974,586	12,757,847	5,798,169	5,533,443
Timing of revenue recognition:				
Revenue recognised at a point in time	10,834,486	12,626,143	5,798,169	5,533,443
Revenue recognised over time	140,100	131,704	-	-
Total revenue from contracts with customers	10,974,586	12,757,847	5,798,169	5,533,443

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Type of goods or services:				
Sales of cement and cement-related products	18,103,062	21,713,260	11,903,392	10,716,028
Sales of concrete and aggregates	3,442,395	2,894,328	-	-
Revenues from industrial waste disposal and industrial cleaning services	478,566	549,857	-	-
Others	303,582	176,161	57,926	79,317
Total revenue from contracts with customers	22,327,605	25,333,606	11,961,318	10,795,345
Timing of revenue recognition:				
Revenue recognised at a point in time	22,004,042	25,079,305	11,961,318	10,795,345
Revenue recognised over time	323,563	254,301	-	-
Total revenue from contracts with customers	22,327,605	25,333,606	11,961,318	10,795,345

18. 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 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	83,387	313,745	-	55,063
Adjustment in respect of income tax of previous years	31	(314)	-	(3,616)
Withholding tax deducted at source recognised as expenses during the period	17,032	11,233	16,559	10,930
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,506)	(35,961)	1,329	(9,749)
Income tax expenses reported in the income statements	85,944	288,703	17,888	52,628

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	240,150	440,808	-	70,907
Adjustment in respect of income tax of previous years	(221)	(3,496)	-	(3,616)
Withholding tax deducted at source recognised as expenses during the period	20,062	22,451	19,146	21,707
Deferred tax:				
Relating to origination and reversal of temporary differences	(40,375)	(44,958)	28,941	9,984
Income tax expenses reported in the income statements	219,616	414,805	48,087	98,982

The amounts of income tax relating to each component of other comprehensive income for the six-month periods ended 30 June 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax relating to gain on cash flow hedge	-	1,342	-	1,342

On 8 April 2022, the Surcharge Tax Act No. 14 of 2022 of the Democratic Socialist Republic of Sri Lanka was officially enacted, whereby an individual or a company that is liable to pay surcharge tax shall pay 25 percent of the taxable income of the year of assessment 2020 as surcharge tax. The Group is liable for the surcharge tax of a subsidiary in Sri Lanka imposed under the Act of LKR 588 million (or approximately Baht 63 million), which was recorded as income tax expenses in the consolidated financial statements in the second quarter of 2022.

19. 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.

20. Dividends

On 24 March 2022, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2021 of Baht 9.0 per share, totaling Baht 2,682 million. The dividend was paid on 8 April 2022.

On 31 March 2023, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a final dividend for 2022 of Baht 9.0 per share, totaling Baht 2,682 million. The dividend was paid on 12 April 2023.

21. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

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 2023 and 2022.

(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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue																
External customers	6,996	9,084	1,809	1,559	1,125	1,185	770	656	275	274	10,975	12,758	-	-	10,975	12,758
Inter-segment	1,441	1,296	93	48	606	2,412	6	5	325	270	2,471	4,031	(2,471)	(4,031)	-	-
Total revenue	**8,437**	**10,380**	**1,902**	**1,607**	**1,731**	**3,597**	**776**	**661**	**600**	**544**	**13,446**	**16,789**	**(2,471)**	**(4,031)**	**10,975**	**12,758**
Results																
Segment gross profit	**1,745**	**3,136**	**307**	**236**	**378**	**664**	**216**	**161**	**58**	**63**	**2,704**	**4,260**	**(44)**	**(128)**	**2,660**	**4,132**
Other income															46	42
Selling and distribution expenses															(1,704)	(2,028)
Administrative expenses															(544)	(445)
Gain (loss) on exchange															235	(353)
Other expenses															(15)	(8)
Share of profit from investment in joint venture															80	76
Share of profit from investments in associates															296	524
Finance income															16	19
Finance cost															(348)	(244)
Profit before income tax expenses															**722**	**1,715**
Income tax expenses															(86)	(289)
Profit for the period															**636**	**1,426**

(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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue																
External customers	14,604	17,973	3,692	3,013	1,919	2,448	1,614	1,339	499	561	22,328	25,334	-	-	22,328	25,334
Inter-segment	2,960	2,473	190	109	2,003	3,913	11	12	671	539	5,835	7,046	(5,835)	(7,046)	-	-
Total revenue	**17,564**	**20,446**	**3,882**	**3,122**	**3,922**	**6,361**	**1,625**	**1,351**	**1,170**	**1,100**	**28,163**	**32,380**	**(5,835)**	**(7,046)**	**22,328**	**25,334**
Results																
Segment gross profit	**3,443**	**6,111**	**612**	**483**	**638**	**1,241**	**460**	**354**	**139**	**155**	**5,292**	**8,344**	**(123)**	**(267)**	**5,169**	**8,077**
Other income															98	86
Selling and distribution expenses															(3,328)	(3,985)
Administrative expenses															(1,046)	(925)
Gain (Loss) on exchange															471	(1,062)
Other expenses															(32)	(28)
Share of profit from investment in joint venture															174	199
Share of profit from investments in associates															638	763
Finance income															32	44
Finance cost															(663)	(493)
Profit before income tax expenses															**1,513**	**2,676**
Income tax expenses															(219)	(415)
Profit for the period															**1,294**	**2,261**

22. Contingent liabilities

22.1 Bank guarantees

22.1.1 As at 30 June 2023, there were outstanding bank guarantees of Baht 1,328.6 million, LKR 355.7 million, Taka 33.7 million and VND 42,337.8 million (31 December 2022: Baht 1,099.9 million, LKR 2,359.2 million, Taka 33.7 million and VND 26,639.2 million) (Separate financial statements: Baht 185.2 million (31 December 2022: Baht 95.1 million)) issued by banks on behalf of the Group in respect of electricity usage, obtaining mining concessions and other guarantees as required in the normal course of its business.

22.1.2 As at 30 June 2023, the associates and joint venture had outstanding bank guarantees of Baht 21.7 million, Indonesian Rupiah 20,000 million and USD 0.2 Million (31 December 2022: Baht 21.6 million, Indonesian Rupiah 19,990 million and USD 0.2 million) issued by banks on behalf of the associates and joint venture as required in the normal course of their businesses.

22.2 Litigation of subsidiaries and joint venture

22.2.1 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. However, the management of the subsidiary could not currently assess the impact of this dispute but believes that possibility of the unfavourable result of the dispute to the subsidiary is remote and provision has not therefore been recorded.

22.2.2 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 63 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. The management of the subsidiary could not currently assess the impact of this investigation because the Customs Department has not submitted claim amount from the tax assessment to the subsidiary. However, the management of the subsidiary believes that 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.

22.2.3 A subsidiary in Sri Lanka has disputes relating to income tax assessments for the years 2004 - 2006 totaling LKR 119 million (approximately Baht 14 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, the 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.

22.2.4 A subsidiary in Bangladesh has disputes and litigations with relevant authorities relating to VAT and income tax with the claims/assessments totaling Taka 451 million (approximately Baht 149 million). However, as at 30 June 2023, the management of the subsidiary 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 39 million (approximately Baht 13 million).

22.2.5 During the year 2021, two companies filed a local subsidiary for early termination of service agreements. Subsequently on 9 August 2022, the Civil Court ordered to dismiss the dispute filed by a company, whereby, in April 2023, such company lodged an appeal with the Appeal Court. Currently, another dispute is under hearing of the Civil Court. However, as at 30 June 2023, the subsidiary recorded a provision for the litigation of Baht 4 million.

22.2.6 In December 2020, the joint venture was alleged by the General Department of Taxation of Cambodia for underpayment of withholding tax for 2018 - 2020. The management of the joint venture assessed the maximum exposure on this tax assessment of USD 0.6 million (approximately Baht 21 million). As at 30 June 2023, the joint venture recorded a provision for tax assessment in full amount.

23. Commitments

23.1 As at 30 June 2023, the Group had the following significant outstanding commitments:

23.1.1 The Group had outstanding capital expenditure and construction commitments of Baht 648 million (Separate financial statements: Baht 316 million) (31 December 2022: Baht 547 million (Separate financial statements: Baht 224 million)).

23.1.2 The Group entered into several long-term contracts in respect of lease of the low-value assets and other services. As at 30 June 2023, the future lease and service fees payable by the Group under these lease and service contracts were Baht 220 million (Separate financial statements: Baht 182 million) (31 December 2022: Baht 203 million (Separate financial statements: Baht 151 million)).

23.1.3 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.

23.1.4 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.

23.1.5 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.

23.1.6 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.

23.1.7 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.

23.1.8 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.

23.1.9 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.

23.1.10 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.

24.1.11 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.

23.1.12 A subsidiary entered into several agreements regarding sand operation used for concrete 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.

23.2 The associates 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 2023, the future lease and service fees payable by the associates and joint venture under these lease and service contracts were Baht 20.4 million (31 December 2022: Baht 22.0 million).

23.3 The joint venture entered into an equipment lease contract with a company to lease the solar generation equipment for self-generate electricity used for cement production process with 25-year duration. The joint venture is committed to variable lease payment based on actual power generated and used.

23.4 The associates and joint venture had outstanding capital expenditure and construction commitments of USD 2.2 million and Baht 22.1 million, totaling approximately Baht 98.9 million (31 December 2022: USD 2.3 million and Baht 11.3 million, totaling approximately Baht 91.6 million).

24. 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. As at 30 June 2023, the Group hedged its net exposure of foreign currency sales and purchases by using foreign currency forward contracts. Those hedged positions were highly probable at the reporting date.

The Group's interest rate risk relates primarily to its interest-bearing bank deposits, short-term loans, bank overdrafts and short-term borrowings, long-term borrowings and debentures. Most of the financial assets and liabilities bear floating rates or fixed interest rates which are close to the market rates. The Group therefore does not expect to incur material financial losses.

As at 30 June 2023, the Group had derivative assets and liabilities of Baht 0.5 million and Baht 11.9 million, respectively (31 December 2022: Baht 25.1 million and Baht 75.6 million, respectively), which were measured at fair value using Level 2.

25. Event after the reporting period - Dividend income from a subsidiary

On 27 July 2023, the meeting of the Board of Directors of Siam City Power Co., Ltd. ("a subsidiary") passed a resolution to approve an interim dividend from the retained earnings and profit for the six-month period ended 30 June 2023 of Baht 7.5 per share, totaling Baht 150 million. The Company will record the dividend income from this subsidiary in the third quarter of 2023.

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2023.