

**The Siam Cement Public Company Limited
and its Subsidiaries**

Consolidated financial statements

For the year ended 31 December 2018

The Siam Cement Public Company Limited and its Subsidiaries**2****Consolidated statement of financial position****UNAUDITED****As at 31 December 2018**

Assets	2018	2017
	<i>(in thousand Baht)</i>	
<i>Current assets</i>		
Cash and cash equivalents	28,788,510	43,936,645
Current investments	21,592,701	12,970,998
Trade and other current receivables	63,915,003	55,407,319
Short-term loans	169,413	152,393
Inventories	60,817,214	57,649,895
Other current assets	1,861,692	1,471,196
Non-current assets classified as held for sale	126,008	30,832
Total current assets	177,270,541	171,619,278
<i>Non-current assets</i>		
Investments held as available for sale	7,492,403	7,161,645
Investments in associates	98,315,930	95,346,183
Investments in joint ventures	1,060,578	2,984,699
Other long-term investments	3,395,750	2,975,865
Other non-current receivables	13,787,806	5,244,715
Long-term loans	107,214	123,754
Investment property	1,716,735	1,492,151
Property, plant and equipment	247,466,379	248,847,055
Goodwill	19,886,101	17,476,705
Other intangible assets	11,183,462	11,402,643
Deferred tax assets	5,073,579	6,273,762
Other non-current assets	3,030,907	2,463,577
Total non-current assets	412,516,844	401,792,754
Total assets	589,787,385	573,412,032

The Siam Cement Public Company Limited and its Subsidiaries**Consolidated statement of financial position****As at 31 December 2018****3****UNAUDITED**

Liabilities and shareholders' equity	2018	2017
	<i>(in thousand Baht)</i>	
<i>Current liabilities</i>		
Bank overdrafts and short-term borrowings		
from financial institutions	21,751,815	19,586,055
Trade and other current payables	48,991,888	46,056,049
Current portion of long-term borrowings	678,903	4,787,023
Current portion of debentures	31,429,659	39,918,630
Short-term borrowings	272,595	196,862
Current income tax payable	2,398,971	2,954,837
Other current liabilities	2,276,064	2,507,894
Total current liabilities	107,799,895	116,007,350
<i>Non-current liabilities</i>		
Long-term borrowings	1,585,864	3,458,809
Debentures	149,729,533	141,215,577
Deferred tax liabilities	2,154,736	2,317,689
Non-current provisions for employee benefits	9,347,742	7,572,904
Other non-current liabilities	1,300,518	1,014,790
Total non-current liabilities	164,118,393	155,579,769
Total liabilities	271,918,288	271,587,119

The Siam Cement Public Company Limited and its Subsidiaries

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Consolidated statement of financial position

UNAUDITED

As at 31 December 2018

Liabilities and shareholders' equity	2018	2017
	<i>(in thousand Baht)</i>	
Shareholders' equity		
Share capital		
<i>Authorized share capital</i>		
- Ordinary share	1,600,000	1,600,000
<i>Issued and paid share capital</i>		
- Ordinary share	1,200,000	1,200,000
Retained earnings		
<i>Appropriated</i>		
Legal reserve	160,000	160,000
General reserve	10,516,000	10,516,000
<i>Unappropriated</i>	290,938,903	270,131,718
Other components of shareholders' equity	(25,718,376)	(20,910,148)
Total equity attributable to owners of the parent	277,096,527	261,097,570
Non-controlling interests	40,772,570	40,727,343
Total shareholders' equity	317,869,097	301,824,913
Total liabilities and shareholders' equity	589,787,385	573,412,032

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated income statement

For the year ended 31 December 2018

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	2018	2017
	<i>(in thousand Baht)</i>	
Revenue from sales	478,437,643	450,920,997
Cost of sales	(383,463,213)	(349,306,959)
Gross profit	94,974,430	101,614,038
Other income	11,823,275	13,316,173
Profit before expenses	106,797,705	114,930,211
Distribution costs	(23,541,323)	(23,566,636)
Administrative expenses	(31,551,711)	(29,009,610)
Total expenses	(55,093,034)	(52,576,246)
Profit from operations	51,704,671	62,353,965
Finance costs	(6,835,204)	(7,112,414)
Share of profit of associates and joint ventures	15,046,519	18,212,304
Profit before income tax	59,915,986	73,453,855
Tax expense	(7,268,620)	(5,694,193)
Profit for the year	52,647,366	67,759,662
Profit attributable to		
Owners of the parent	44,748,337	55,041,247
Non-controlling interests	7,899,029	12,718,415
	52,647,366	67,759,662
Basic earnings per share (in Baht)		
Attributable to owners of the parent	37.29	45.87

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of comprehensive income

For the year ended 31 December 2018

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UNAUDITED

	2018	2017
	<i>(in thousand Baht)</i>	
Profit for the year	52,647,366	67,759,662
Other comprehensive income		
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>		
Exchange differences on translating financial statement	(3,124,227)	(8,766,137)
Gains (losses) on remeasuring investments held as available for sale	(42,364)	66,142
Reversal of remeasuring investments held as available for sale	-	(1,692,934)
Share of other comprehensive income of associates and joint ventures	317,927	(1,058,991)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	8,473	325,331
Total components of other comprehensive income that will be reclassified to profit or loss	(2,840,191)	(11,126,589)
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>		
Defined benefit plan actuarial losses	(1,392,894)	(156,042)
Share of other comprehensive income of associates and joint ventures	(5,795)	2,128
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	210,587	34,375
Total components of other comprehensive income that will not be reclassified to profit or loss	(1,188,102)	(119,539)
Other comprehensive income for the year, net of tax	(4,028,293)	(11,246,128)
Total comprehensive income for the year	48,619,073	56,513,534
Total comprehensive income attributable to		
Owners of the parent	41,350,472	45,126,691
Non-controlling interests	7,268,601	11,386,843
	48,619,073	56,513,534

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2018

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	Retained earnings				Other components of shareholders' equity							
	Appropriated		Unappropriated	Other comprehensive income			Changes in other components from shareholders	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	
	Issued and paid share capital	Legal reserve		General reserve	Translation of financial statement	Investments held as available for sale						Share of other comprehensive income of associates and joint ventures
					(in thousand Baht)							
Balance at 1 January 2017	1,200,000	160,000	10,516,000	237,993,458	(3,591,414)	1,115,619	618,864	(7,989,519)	(9,846,450)	240,023,008	41,595,111	281,618,119
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Dividends	-	-	-	(22,799,365)	-	-	-	-	-	(22,799,365)	(11,641,161)	(34,440,526)
Total contributions by and distributions to owners of the parent	-	-	-	(22,799,365)	-	-	-	-	-	(22,799,365)	(11,641,161)	(34,440,526)
Changes in ownership interests in subsidiaries												
Changes that do not result in a loss of control	-	-	-	-	-	-	-	(1,252,764)	(1,252,764)	(1,252,764)	(2,019,104)	(3,271,868)
Changes that result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	1,405,654	1,405,654
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(1,252,764)	(1,252,764)	(1,252,764)	(613,450)	(1,866,214)
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	(22,799,365)	-	-	-	(1,252,764)	(1,252,764)	(24,052,129)	(12,254,611)	(36,306,740)
Comprehensive income for the year												
Profit or loss	-	-	-	55,041,247	-	-	-	-	-	55,041,247	12,718,415	67,759,662
Other comprehensive income	-	-	-	(103,622)	(7,669,423)	(1,082,521)	(1,058,990)	-	(9,810,934)	(9,914,556)	(1,331,572)	(11,246,128)
Total comprehensive income for the year	-	-	-	54,937,625	(7,669,423)	(1,082,521)	(1,058,990)	-	(9,810,934)	45,126,691	11,386,843	56,513,534
Balance at 31 December 2017	1,200,000	160,000	10,516,000	270,131,718	(11,260,837)	33,098	(440,126)	(9,242,283)	(20,910,148)	261,097,570	40,727,343	301,824,913

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2018

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	Other components of shareholders' equity											
	Retained earnings				Other comprehensive income				Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	
	Appropriated		Unappropriated	Translation of financial statement	Investments held as available for sale	Share of other comprehensive income of associates and joint ventures	Changes in other components from shareholders	Total other components of shareholders' equity				
	Issued and paid share capital	Legal reserve	General reserve									
	(in thousand Baht)											
Balance at 1 January 2018	1,200,000	160,000	10,516,000	270,131,718	(11,260,837)	33,098	(440,126)	(9,242,283)	(20,910,148)	261,097,570	40,727,343	301,824,913
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Dividends	-	-	-	(22,799,660)	-	-	-	-	-	(22,799,660)	(7,382,457)	(30,182,117)
Total contributions by and distributions to owners of the parent												
	-	-	-	(22,799,660)	-	-	-	-	-	(22,799,660)	(7,382,457)	(30,182,117)
Changes in ownership interests in subsidiaries												
Changes that do not result in a loss of control	-	-	-	-	-	-	-	(2,551,855)	(2,551,855)	(2,551,855)	(1,280,621)	(3,832,476)
Changes that result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	1,439,704	1,439,704
Total changes in ownership interests in subsidiaries												
	-	-	-	-	-	-	-	(2,551,855)	(2,551,855)	(2,551,855)	159,083	(2,392,772)
Total transactions with owners, recorded directly in shareholders' equity												
	-	-	-	(22,799,660)	-	-	-	(2,551,855)	(2,551,855)	(25,351,515)	(7,223,374)	(32,574,889)
Comprehensive income for the year												
Profit or loss	-	-	-	44,748,337	-	-	-	-	-	44,748,337	7,899,029	52,647,366
Other comprehensive income	-	-	-	(1,141,492)	(2,540,427)	(33,873)	317,927	-	(2,256,373)	(3,397,865)	(630,428)	(4,028,293)
Total comprehensive income for the year	-	-	-	43,606,845	(2,540,427)	(33,873)	317,927	-	(2,256,373)	41,350,472	7,268,601	48,619,073
Balance at 31 December 2018	1,200,000	160,000	10,516,000	290,938,903	(13,801,264)	(775)	(122,199)	(11,794,138)	(25,718,376)	277,096,527	40,772,570	317,869,097

The Siam Cement Public Company Limited and its Subsidiaries**9****Consolidated statement of cash flows****UNAUDITED****For the year ended 31 December 2018**

	2018	2017
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	52,647,366	67,759,662
<i>Adjustments for</i>		
Tax expense	7,268,620	5,694,193
Depreciation and amortization	23,747,337	23,282,022
Loss on inventories devaluation	288,545	72,723
Employee benefit expense	1,260,521	896,567
Unrealized gain on foreign currency exchange	(32,718)	(84,999)
Share of profit of associates and joint ventures	(15,046,519)	(18,212,304)
Dividend income	(2,479,401)	(1,952,337)
Interest income	(955,601)	(810,912)
Interest expense	6,600,845	6,874,499
Loss on impairment of assets	1,509,287	552,646
Gain on sales of investments and others	(2,588,264)	(4,283,402)
Cash flows generated from operations		
before changes in operating assets and liabilities	72,220,018	79,788,358
<i>Decrease (increase) in operating assets</i>		
Trade and other current receivables	(2,760,283)	(6,667,193)
Inventories	(3,039,229)	(4,875,104)
Other assets	(165,752)	55,799
Net increase in operating assets	(5,965,264)	(11,486,498)

The Siam Cement Public Company Limited and its Subsidiaries**Consolidated statement of cash flows****For the year ended 31 December 2018****10****UNAUDITED**

	2018	2017
	<i>(in thousand Baht)</i>	
<i>Increase (decrease) in operating liabilities</i>		
Trade and other current payables	2,280,532	(1,506,543)
Provisions for employee benefits	(782,334)	(603,063)
Other liabilities	485,501	252,493
Net increase (decrease) in operating liabilities	1,983,699	(1,857,113)
Net cash flows generated from operations	68,238,453	66,444,747
Income tax paid	(6,551,713)	(5,752,533)
Net cash flows provided by operating activities	61,686,740	60,692,214
<i>Cash flows from investing activities</i>		
Proceeds from sales of subsidiaries, net cash outflow	1,141,490	-
Acquisition of subsidiaries, net of cash acquired	(3,844,232)	(4,363,906)
Investments in associates and joint ventures	(2,778,782)	(4,061,291)
Proceeds from sales of investments	51,789,605	30,801,747
Current investments	(55,068,017)	(19,437,934)
Investments held as available for sale and other long-term investments	(3,034,716)	(2,137,212)
Proceeds from sales of property, plant and equipments	621,368	1,398,748
Acquisition of property, plant and equipment, and intangible assets	(33,591,005)	(22,395,749)
Acquisition of intangible assets	(982,483)	(3,312,175)
Proceeds from (payment of) repayment of loans	(3,555)	23,266
Dividends received	13,610,853	18,329,472
Interest received	851,736	846,165
Income tax paid from sales of investments	(288,379)	(813,571)
Net cash flows used in investing activities	(31,576,117)	(5,122,440)

The Siam Cement Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2018

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	2018	2017
	<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>		
Proceeds from changes in ownership interests in subsidiaries		
that do not result in a loss of control	377,337	154,164
Payments of changes in ownership interests in subsidiaries		
that do not result in a loss of control	(4,202,609)	(3,352,204)
<i>Proceeds from (payments of) borrowings</i>		
Proceeds from bank overdrafts and short-term borrowings	2,118,380	2,725,729
Proceeds from long-term borrowings	447,505	962,423
Payments of long-term borrowings	(6,321,663)	(12,132,093)
Payments of finance lease liabilities	(176,876)	(160,455)
Proceeds from issuance of debentures	39,913,000	59,949,830
Redemption of debentures	(39,888,015)	(44,928,595)
Net decrease in borrowings	(3,907,669)	6,416,839
Dividends paid		
Dividends paid to owners of the parent	(22,799,660)	(22,799,366)
Dividends paid to non-controlling interests	(7,425,805)	(11,585,336)
Total dividends paid	(30,225,465)	(34,384,702)
Interest paid	(7,027,037)	(7,534,427)
Net cash flows used in financing activities	(44,985,443)	(38,700,330)
Net increase (decrease) in cash and cash equivalents	(14,874,820)	16,869,444
Effect of exchange rate changes on cash and cash equivalents	(273,315)	(642,151)
Cash and cash equivalents at beginning of the year	43,936,645	27,709,352
Cash and cash equivalents at end of the year	28,788,510	43,936,645
<i>Supplementary information for cash flows</i>		
Non-cash transactions		
Account payables from purchase of assets	3,284,095	2,523,241
Accrued investments	925,400	1,728,468

The Siam Cement Public Company Limited and its Subsidiaries
Segment information
For the year ended 31 December 2018

	In Million Baht									
	Total assets		Revenue from sales		EBITDA (1)		Profit for the year (2)		Depreciation and amortization	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Consolidated SCG	589,787	573,412	478,438	450,921	86,641	102,080	44,748	55,041	23,747	23,282
<u>Business Segments</u>										
Cement-Building Materials Business	218,316	213,134	182,952	175,255	21,244	21,450	5,984	6,457	10,608	10,590
Chemicals Business	213,263	193,183	221,538	206,280	46,117	63,656	29,166	41,273	6,835	6,612
Packaging Business	93,246	91,312	87,255	81,455	14,866	12,353	6,319	4,651	5,403	5,206
Other	312,828	307,272	100	82	4,469	4,660	3,431	2,885	901	873

(1) represents profit before share of profit of associates and joint ventures, finance costs, income tax expense, depreciation and amortization and includes dividends from associates.

(2) represents profit for the year attributable to owners of the parent.

The Siam Cement Public Company Limited and its Subsidiaries

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UNAUDITED

Operating results of business segments

(In Million Baht)

	Cement-Building Materials Business		Chemicals Business		Packaging Business		Other		Intersegment Elimination		Consolidated SCG	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Information from statements of financial position												
Current assets	64,031	56,466	55,241	45,183	30,074	29,317	146,850	147,543	(118,925)	(106,890)	177,271	171,619
Investments in associates and joint ventures	17,168	13,896	58,709	62,518	730	761	22,777	21,165	(8)	(9)	99,376	98,331
Other long-term investments	1,325	1,269	136	42	16	16	135,020	129,851	(125,609)	(121,040)	10,888	10,138
Property, plant and equipment	109,585	114,456	77,455	74,943	58,379	57,143	2,946	3,256	(899)	(951)	247,466	248,847
Other non-current assets	26,207	27,047	21,722	10,497	4,047	4,075	5,235	5,457	(2,425)	(2,599)	54,786	44,477
Total assets	218,316	213,134	213,263	193,183	93,246	91,312	312,828	307,272	(247,866)	(231,489)	589,787	573,412
Short-term borrowings	74,973	77,383	28,221	21,300	27,894	23,026	32,990	40,244	(109,945)	(97,464)	54,133	64,489
Other current liabilities	23,420	22,743	21,239	19,897	9,297	9,422	2,872	3,062	(3,161)	(3,605)	53,667	51,519
Long-term borrowings	943	1,449	4,667	5,405	602	1,328	149,736	141,223	(4,633)	(4,731)	151,315	144,674
Other non-current liabilities	6,439	5,338	2,901	2,655	2,193	1,885	2,096	1,942	(826)	(915)	12,803	10,905
Total liabilities	105,775	106,913	57,028	49,257	39,986	35,661	187,694	186,471	(118,565)	(106,715)	271,918	271,587
Shareholders' equity	112,541	106,221	156,235	143,926	53,260	55,651	125,134	120,801	(129,301)	(124,774)	317,869	301,825
Total liabilities and shareholders' equity	218,316	213,134	213,263	193,183	93,246	91,312	312,828	307,272	(247,866)	(231,489)	589,787	573,412
Information from income statements												
Revenue from sales												
External customers	172,867	166,284	220,766	205,400	84,705	79,155	100	82	-	-	478,438	450,921
Intersegment	10,085	8,971	772	880	2,550	2,300	-	-	(13,407)	(12,151)	-	-
Total revenue from sales	182,952	175,255	221,538	206,280	87,255	81,455	100	82	(13,407)	(12,151)	478,438	450,921
Cost of sales	(145,762)	(138,587)	(182,056)	(155,479)	(69,074)	(67,291)	(47)	(38)	13,476	12,088	(383,463)	(349,307)
Gross profit	37,190	36,668	39,482	50,801	18,181	14,164	53	44	69	(63)	94,975	101,614
Other income	2,400	2,476	4,393	5,698	515	1,407	9,133	9,254	(4,618)	(5,519)	11,823	13,316
Profit before expenses	39,590	39,144	43,875	56,499	18,696	15,571	9,186	9,298	(4,549)	(5,582)	106,798	114,930
Operating expenses	(29,345)	(28,715)	(14,036)	(13,940)	(9,249)	(8,443)	(6,957)	(7,020)	4,494	5,542	(55,093)	(52,576)
Profit before finance costs and income tax	10,245	10,429	29,839	42,559	9,447	7,128	2,229	2,278	(55)	(40)	51,705	62,354
Finance costs	(2,905)	(2,998)	(721)	(898)	(1,039)	(883)	(2,222)	(2,387)	51	54	(6,836)	(7,112)
Profit (loss) before income tax	7,340	7,431	29,118	41,661	8,408	6,245	7	(109)	(4)	14	44,869	55,242
Tax (benefit) expense	(1,982)	(1,532)	(4,362)	(3,762)	(1,313)	(649)	473	430	(85)	(181)	(7,269)	(5,694)
Profit after income tax	5,358	5,899	24,756	37,899	7,095	5,596	480	321	(89)	(167)	37,600	49,548
Share of profit (loss) of associates and joint ventures	924	818	11,183	14,826	(15)	4	2,951	2,565	4	(1)	15,047	18,212
Profit for the year	6,282	6,717	35,939	52,725	7,080	5,600	3,431	2,886	(85)	(168)	52,647	67,760
Profit attributable to												
Owners of the parent	5,984	6,457	29,166	41,273	6,319	4,651	3,431	2,885	(152)	(225)	44,748	55,041
Non-controlling interests	298	260	6,773	11,452	761	949	-	1	67	57	7,899	12,719
	6,282	6,717	35,939	52,725	7,080	5,600	3,431	2,886	(85)	(168)	52,647	67,760