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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit and risk management committee, as appointed by the Board of Directors of the Company, on 9 May 2025.

**1 General information**

SCG Decor Public Company Limited “the Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800.

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

The Company are investment in business segment, covers the production and distribution of ceramic tiles, sanitary ware and other related products including services and solutions. There are two main business segments, namely (1) Decor Surfaces Business and (2) Bathroom Business.

1. Basis of preparation of the interim financial statements
2. ***Statement of compliance***

The interim financial statements are presented in the same format as the annual financial statements and together with notes to the interim financial statements on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 “*Interim Financial Reporting*”, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2024.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those described in the financial statements for the year ended 31 December 2024 unless otherwise stated.

1. ***Functional and presentation currency***

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

1. Related parties

Significant transactions with related parties for the three-month periods ended 31 March were summarized as follows:

|  | 2025 |  | 2024 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| *Ultimate parent* |  |  |  |
| Other income | - |  | 327 |
| Management fee income | 1,197 |  | - |
| Service fee and others | 6,504 |  | 7,663 |
|  |  |  |  |
| *Parent* |  |  |  |
| Interest expenses | 56,196 |  | 97,993 |
|  |  |  |  |
| *Subsidiaries* |  |  |  |
| Dividend income | 1,010,546 |  | 1,737,429 |
| Management fee income | 26,272 |  | 7,681 |
| Other income | 3 |  | 65 |
| Interest income | 15,828 |  | 19,754 |
| Interest expenses | 1,324 |  | 329 |
| Service fee and others | 1,314 |  | 3,346 |
|  |  |  |  |
| *Associates* |  |  |  |
| Other income | 6 |  | - |
|  |  |  |  |
| *Other related parties* |  |  |  |
| Management fee income | 8,047 |  | 1,015 |
| Other income | 1,165 |  | 2,953 |
| Service fee and others | 2,527 |  | 2,681 |

Balances as at 31 March 2025 and 31 December 2024 with related parties were as follows:

|  | 31 March  2025 |  | 31 December  2024 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| *Other current receivables* |  |  |  |
| Ultimate parent | 896 |  | 351 |
| Subsidiaries | 1,047,582 |  | 22,973 |
| Associate | - |  | 4 |
| Other related parties | 21,404 |  | 11,675 |
| **Total** | **1,069,882** |  | **35,003** |
|  |  |  |  |
| *Short-term loans* |  |  |  |
| Subsidiaries | 2,084,045 |  | 2,077,726 |
| **Total** | **2,084,045** |  | **2,077,726** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| *Other current payables* |  |  |  |
| Ultimate parent | 6,480 |  | 6,999 |
| Parent | 126,709 |  | 5,372 |
| Subsidiaries | 1,414 |  | 3,359 |
| Other related parties | 1,319 |  | 3,531 |
| **Total** | **135,922** |  | **19,261** |
|  |  |  |  |
| *Short-term borrowings* |  |  |  |
| Parent | 6,703,071 |  | 6,703,071 |
| Subsidiary | 816,551 |  | 688,690 |
| **Total** | **7,519,622** |  | **7,391,761** |

***The Board of Directors and key management compensation***

|  | 2025 |  | 2024 |
| --- | --- | --- | --- |
|  | (in thousand Baht) | | |
| ***For the three-month periods ended 31 March*** |  | | |
| Short-term employee benefits | 15,214 |  | 13,059 |
| Post-employment benefits | 1,219 |  | 1,154 |
| Total | **16,433** |  | **14,213** |

1. Short-term borrowings from financial institutions

During the period, the Company entered into the short-term unsecured borrowing in term of promissory note with several local financial institutions in the amount of Baht 6,000 million with fixed interest rate ranging from 2.05% - 2.50% per annum and will be repaid within 3 months and on call.

1. Income tax

Thailand has enacted top-up tax legislations as part of the international tax reform under the Pillar Two Model Rules to impose a global minimum tax at an effective tax rate of no less than 15% in each jurisdiction which impact the financial statements of the Company for the period starting from 1 January 2025 onwards. As a result, the Ultimate Parent Entity is in-scope for top-up tax legislation and is responsible for assessing the impact of these legislation. Based on the impact assessment, the Company has no impact for the three-month period ended 31 March 2025.

1. Dividends

The dividends paid by the Company to shareholders were as follows:

|  | Approval date | Payment schedule |  | Dividend rate  per share |  | Amount |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | *(in Baht)* |  | *(in million Baht)* |
| ***2025*** |  |  |  |  |  |  |
| Annual dividend 2024 | 24 March 2025 | 23 April 2025 |  | 0.10 |  | 165 |
| **Total** |  |  |  | **0.10** |  | 165 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| ***2024*** |  |  |  |  |  |  |
| Annual dividend 2023 | 25 March 2024 | 22 April 2024 |  | 0.15 |  | 248 |
| 1st Interim dividend 2024 | 23 July 2024 | 22 August 2024 |  | 0.10 |  | 165 |
| **Total** |  |  |  | **0.25** |  | 413 |

1. Financial instruments

***Carrying amounts and fair values***

For financial assets and financial liabilities measured at amortized cost, the carrying amount is a reasonable approximation of fair value.

1. Others
2. At late 2022, PT Keramika Indonesia Assosiasi, Tbk. (“KIA”), a subsidiary company which listed in the Indonesia Stock Exchange, received a notification from Indonesian government authorities that KIA and its subsidiary, PT KIA Serpih MAS (“KSM”), had a liability towards a government agency totaling approximately Baht 3,000 million. This liability was referred to the debts and obligations of a minority shareholders which is founder of KIA (the “KIA Founder”), who have no connection with the Company and SCC. The KIA Founder received financial aid from the Indonesian government for the bank which the KIA Founder owned during 1998. The government agency claimed that the KIA Founder had placed the shares of KIA and its subsidiaries, as collateral for debt repayment to the Indonesian government. The Indonesian government agency has taken over the banking business and ordered to close the bank’s business subsequently.

As a result of the incident, the government authority in Indonesia temporarily blocked to access on legal entity administration system of KIA, KSM and “ PT KIA Keramik Mas” (“ KKM” ) with the Ministry of Law and Human Rights (MOLHR), which is a registration system for use in submitting changes or additions to regulations and other registration information of companies in Indonesia. Currently, there is uncertainty regarding whether KIA and KSM will be held responsible for the liabilities claimed by the Indonesian government agencies and to what extent it might impact them, given the available evidence still cannot indicate that KIA and KSM are liable to the Indonesian government agencies.

In the past, KIA had entered into loan agreements with number of banks, including the bank owned by the KIA Founder (the loan value from such bank is approximately Baht 740 million). When the Indonesian government agency took control and ordered the closure of the bank owned by the KIA Founder, the government agency transferred the loan debt between KIA and the bank to third party. This loan was subsequently transferred multiple times until they were finally converted into equity in 2008 by issuing new shares (Series B) which were different from the existing shares (Series A) which the KIA Founder held and were not claimed as collateral for debt repayment to the Indonesian government. In 2011, the Company acquired shares in KIA (Series B) arising from the aforementioned conversion of loans into equity through the Indonesian Stock Exchange. Before acquiring the shares, the Company engaged a reputable local legal advisor to conduct due diligence and did not find that KIA had any liability towards Indonesian government agencies nor that KIA’s shares were encumbered or pledged to any government agencies.

To protect the rights of KIA and KKM and their shareholders. On 17 November 2023 and on 6 December 2023, KIA and KKM filed lawsuits against the relevant Indonesian government agencies to the Jakarta State Administrative Court, requesting the alleged liability to be declared invalid and revoked and requesting KIA’s and KKM’s access to the MOLHR system be unblocked.

In July 2024, the State Court dismissed the above lawsuits in which KIA and KKM have appealed such decisions to the State Administrative High Court of Jakarta (“High Court”). Subsequently, in October 2024, the High Court upheld the decision of the State Court, dismissing the lawsuits. Therefore, KIA and KKM are proceeding with the cassation, for the Supreme Court to reconsider the High Court’s decisions.

1. On 20 June 2023, the Company has signed Conditional Purchase and Sale Agreement (“Purchase and Sale Agreement”) with PT Kokoh Inti Arebama Tbk. (“KOKOH”), which is related party, to purchase ordinary shares of PT Karya Makmur Kreasi Prima (“ KMKP”) in the amount of 10.025 million shares (representing 99.99 percent of total number of issued shares of KMKP) and/or assets related to Belanja store at the fair value appraised by an independent financial advisor with significant conditions precedent as stipulated in Sale and Purchase Agreement, e.g. demands from Indonesian’s government related to PT Keramika Indonesia Assosiasi, Tbk. (“KIA”), PT KIA Keramik Mas (“KKM”) and PT KIA Serpih Mas (“KSM”) are terminated, and the shareholders’ meeting of the related companies has approved the said transaction, etc.
2. On 25 March 2024, the Annual General Meeting of Shareholders to approve the issuance and offering of the Company’s debentures in total amount of Baht 15,000 million. To support business expansion, acquisitions and mergers, improving the efficiency of machinery including asset maintenance, working capital for business operations, or restructuring the Company’s capital including repayment of loans to parent company and/or financial institutions.