

**SCG Packaging Public Company Limited
and its Subsidiaries**

Interim consolidated financial statements
and
Interim financial statements
for the three-month and six-month periods ended
30 June 2020 and 2019
and
Independent auditor's review report
on review of interim financial information

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Independent auditor's report on review of interim financial information

To the Board of Directors of SCG Packaging Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of SCG Packaging Public Company Limited and its subsidiaries as at 30 June 2020; the consolidated income statements and statement of comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019; the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2020 and 2019; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179

KPMG Phoomchai Audit Ltd.
Bangkok
4 August 2020

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 30 June 2020 and 31 December 2019

Assets	Note	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>			
Current assets			
Cash and cash equivalents		6,531,774	4,393,845
Short-term investments		641,878	565,508
Trade and other current receivables	5, 6	14,860,796	15,198,020
Advance payment for assets		1,153,210	1,715,782
Short-term loans to related party	5	921	4,601
Inventories		13,716,310	13,276,136
Other current assets		277,615	229,431
Total current assets		37,182,504	35,383,323
Non-current assets			
Investments in equity instrument		8,456	16,192
Investments in associates	7	801,078	770,754
Other non-current receivables	5	662,082	980,633
Investment property		190,791	187,400
Property, plant and equipment	3, 8	86,194,111	82,863,567
Goodwill	4	17,337,897	17,612,266
Other intangible assets		780,231	814,032
Deferred tax assets		968,693	744,955
Others non-current assets		234,504	139,923
Total non-current assets		107,177,843	104,129,722
Total assets		144,360,347	139,513,045

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 30 June 2020 and 31 December 2019

Liabilities and shareholders' equity	Note	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>			
Current liabilities			
Bank overdrafts and short-term borrowings from financial institutions	9, 10	28,506,924	7,131,509
Trade and other current payables	5	12,706,090	10,058,564
Current portion of long-term borrowings from financial institutions	9, 10	12,667,348	2,183,635
Current portion of lease liabilities	3, 9	430,006	87,801
Short-term borrowings from related parties	5	6,216,810	33,827,196
Current income tax payable		1,375,525	604,793
Short-term provisions		193,017	120,546
Total current liabilities		62,095,720	54,014,044
Non-current liabilities			
Long-term borrowings from financial institutions	9, 10	10,029,537	16,318,425
Lease liabilities	3, 9	964,470	35,337
Deferred tax liabilities	14	2,289,264	2,873,568
Non-current provisions for employee benefits	11	3,501,512	3,375,357
Other non-current liabilities		66,042	80,319
Total non-current liabilities		16,850,825	22,683,006
Total liabilities		78,946,545	76,697,050

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 30 June 2020 and 31 December 2019

Liabilities and shareholders' equity	30 June 2020 (Unaudited)	31 December 2019
	<i>(in thousand Baht)</i>	
Shareholders' equity		
Share capital		
<i>Authorized share capital</i>		
<i>(4,500 million ordinary shares, par value at Baht 1 per share)</i>	4,500,000	4,500,000
<i>Issued and paid share capital</i>		
<i>(3,126 million ordinary shares, par value at Baht 1 per share)</i>	3,126,000	3,126,000
Share premium	1,935,000	1,935,000
Retained earnings		
<i>Appropriated</i>		
Legal reserve	218,600	218,600
General reserve	3,000	3,000
<i>Unappropriated</i>	44,213,213	41,929,779
Other components of shareholders' equity	(3,932,201)	(4,260,330)
Total equity attributable to owners of the parent	45,563,612	42,952,049
Non-controlling interests	19,850,190	19,863,946
Total shareholders' equity	65,413,802	62,815,995
Total liabilities and shareholders' equity	144,360,347	139,513,045

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated income statement

For the three-month period ended 30 June 2020 and 2019 (Unaudited)

	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
Revenue from sales	5, 12	21,635,366	20,402,103
Cost of sales	5	(17,027,075)	(16,413,496)
Gross profit		4,608,291	3,988,607
Gain (loss) on exchange rate		80,251	(76,200)
Other income		91,790	248,993
Profit before expenses		4,780,332	4,161,400
Distribution costs		(1,196,473)	(1,126,190)
Administrative expenses		(1,406,717)	(1,076,097)
Employee benefit expense from the amended severance pay of the Labor Law	11	-	(527,368)
Total expenses		(2,603,190)	(2,729,655)
Profit from operations		2,177,142	1,431,745
Finance income (costs)	13	756,378	(269,643)
Share of profit of associates accounted for using equity method	7	11,818	4,302
Profit before income tax		2,945,338	1,166,404
Tax expense	14	(459,341)	(107,831)
Profit for the period		2,485,997	1,058,573
Profit attributable to			
Owners of the parent		1,904,216	979,437
Non-controlling interests		581,781	79,136
		2,485,997	1,058,573
<i>Basic earnings per share (in Baht)</i>			
Attributable to owners of the parent	15	0.61	0.31

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of comprehensive income

For the three-month period ended 30 June 2020 and 2019 (Unaudited)

	2020	2019
	<i>(in thousand Baht)</i>	
Profit for the period	2,485,997	1,058,573
Other comprehensive income		
<i>Components of other comprehensive income</i>		
<i>that will be reclassified to profit or loss</i>		
Exchange differences on translating financial statement	1,439,316	(503,281)
<i>Components of other comprehensive income</i>		
<i>that will not be reclassified to profit or loss</i>		
Defined benefit plan actuarial gains	356	21,738
Income tax relating to components of other comprehensive income		
that will not be reclassified to profit or loss	(313)	(6,522)
Total components of other comprehensive income		
that will not be reclassified to profit or loss	43	15,216
Other comprehensive income for the period, net of tax	1,439,359	(488,065)
Total comprehensive income for the period	3,925,356	570,508
Total comprehensive income attributable to		
Owners of the parent	2,587,914	640,556
Non-controlling interests	1,337,442	(70,048)
	3,925,356	570,508

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated income statement

For the six-month period ended 30 June 2020 and 2019 (Unaudited)

	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
Revenue from sales	5, 12	45,902,810	41,528,872
Cost of sales	5	(35,553,577)	(33,160,754)
Gross profit		10,349,233	8,368,118
Other income		282,368	382,660
Profit before expenses		10,631,601	8,750,778
Distribution costs		(2,506,840)	(2,246,769)
Administrative expenses		(2,595,984)	(2,092,769)
Employee benefit expense from the amended severance pay of the Labor Law	11	-	(527,368)
Loss on exchange rate		(91,976)	(54,113)
Total expenses		(5,194,800)	(4,921,019)
Profit from operations		5,436,801	3,829,759
Finance costs	13	(1,044,435)	(519,833)
Share of profit of associates accounted for using equity method	7	37,669	10,514
Profit before income tax		4,430,035	3,320,440
Tax expense	14	(231,644)	(436,589)
Profit for the period		4,198,391	2,883,851
Profit attributable to			
Owners of the parent		3,636,340	2,601,500
Non-controlling interests		562,051	282,351
		4,198,391	2,883,851
Basic earnings per share (in Baht)			
Attributable to owners of the parent	15	1.16	0.83

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of comprehensive income

For the six-month period ended 30 June 2020 and 2019 (Unaudited)

	2020	2019
	<i>(in thousand Baht)</i>	
Profit for the period	4,198,391	2,883,851
Other comprehensive income		
<i>Components of other comprehensive income</i>		
<i>that will be reclassified to profit or loss</i>		
Exchange differences on translating financial statement	419,789	(745,949)
<i>Components of other comprehensive income</i>		
<i>that will not be reclassified to profit or loss</i>		
Defined benefit plan actuarial gains (losses)	(46,578)	21,738
Income tax relating to components of other comprehensive income		
that will not be reclassified to profit or loss	12,802	(6,522)
Total components of other comprehensive income		
that will not be reclassified to profit or loss	(33,776)	15,216
Other comprehensive income for the period, net of tax	386,013	(730,733)
Total comprehensive income for the period	4,584,404	2,153,118
Total comprehensive income attributable to		
Owners of the parent	3,942,673	2,057,165
Non-controlling interests	641,731	95,953
	4,584,404	2,153,118

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the six-month periods ended 30 June 2020 and 2019 (Unaudited)

	Note	Other components of shareholders' equity										
		Retained earnings					Other comprehensive income			Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
		Issued and paid share capital	Share premium	Appropriated		Unappropriated	Exchange differences on translating financial statement	Loss on measuring financial asset	Changes in other components from shareholders			
				Legal reserve	General reserve							
(in thousand Baht)												
Balance at 1 January 2019		1,563,000	1,935,000	156,300	3,000	40,145,205	(2,083,560)	-	(1,278,308)	40,440,637	12,819,094	53,259,731
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Dividends	16	-	-	-	-	(1,563,000)	-	-	-	(1,563,000)	(207,357)	(1,770,357)
Total contributions by and distributions to owners of the parent		-	-	-	-	(1,563,000)	-	-	-	(1,563,000)	(207,357)	(1,770,357)
Changes in ownership interests in subsidiaries												
Changes that do not result in a loss of control		-	-	-	-	-	-	-	(8,910)	(8,910)	120,156	111,246
Changes that result in an acquisition or a loss of control		-	-	-	-	-	-	-	-	-	5,636,722	5,636,722
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(8,910)	(8,910)	5,756,878	5,747,968
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(1,563,000)	-	-	(8,910)	(1,571,910)	5,549,521	3,977,611
Comprehensive income for the period												
Profit or loss		-	-	-	-	2,601,500	-	-	-	2,601,500	282,351	2,883,851
Other comprehensive income		-	-	-	-	15,171	(559,506)	-	-	(544,335)	(186,398)	(730,733)
Total comprehensive income for the period		-	-	-	-	2,616,671	(559,506)	-	-	2,057,165	95,953	2,153,118
Balance at 30 June 2019		1,563,000	1,935,000	156,300	3,000	41,198,876	(2,643,066)	-	(1,287,218)	40,925,892	18,464,568	59,390,460

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the six-month periods ended 30 June 2020 and 2019 (Unaudited)

	Note	Other components of shareholders' equity										
		Retained earnings					Other comprehensive income			Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
		Issued and paid share capital	Share premium	Appropriated		Unappropriated	Exchange differences on translating financial statement	Loss on measuring financial asset	Changes in other components from shareholders			
				Legal reserve	General reserve							
(in thousand Baht)												
Balance at 31 December 2019 - as reported		3,126,000	1,935,000	218,600	3,000	41,929,779	(2,897,896)	-	(1,362,434)	42,952,049	19,863,946	62,815,995
Impact of changes in accounting policies	3	-	-	-	-	(10,477)	-	(7,713)	-	(18,190)	(2,432)	(20,622)
Balance at 1 January 2020		3,126,000	1,935,000	218,600	3,000	41,919,302	(2,897,896)	(7,713)	(1,362,434)	42,933,859	19,861,514	62,795,373
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Dividends	16	-	-	-	-	(1,312,920)	-	-	-	(1,312,920)	(653,094)	(1,966,014)
Total contributions by and distributions to owners of the parent												
		-	-	-	-	(1,312,920)	-	-	-	(1,312,920)	(653,094)	(1,966,014)
Changes in ownership interests in subsidiaries												
Changes that do not result in a loss of control		-	-	-	-	-	-	-	-	-	39	39
Total changes in ownership interests in subsidiaries												
		-	-	-	-	-	-	-	-	-	39	39
Total transactions with owners, recorded directly in shareholders' equity												
		-	-	-	-	(1,312,920)	-	-	-	(1,312,920)	(653,055)	(1,965,975)
Comprehensive income for the period												
Profit or loss		-	-	-	-	3,636,340	-	-	-	3,636,340	562,051	4,198,391
Other comprehensive income		-	-	-	-	(29,509)	335,842	-	-	306,333	79,680	386,013
Total comprehensive income for the period												
		-	-	-	-	3,606,831	335,842	-	-	3,942,673	641,731	4,584,404
Balance at 30 June 2020												
		3,126,000	1,935,000	218,600	3,000	44,213,213	(2,562,054)	(7,713)	(1,362,434)	45,563,612	19,850,190	65,413,802

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the six-month periods ended 30 June 2020 and 2019 (Unaudited)

	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the period		4,198,391	2,883,851
<i>Adjustments for</i>			
Tax expense		231,644	436,589
Depreciation and amortization		3,552,810	2,754,446
Bad debt and doubtful debts expenses	6	6,295	21,571
Losses on inventories devaluation		117,949	17,850
Employee benefit expense		312,410	641,509
Unrealized gain on foreign currency exchange	13	(83,601)	(34,357)
Share of profit of associates accounted for using equity method	7	(37,669)	(10,514)
Reversal of impairment losses on property, plant and equipment	12	-	(805)
Gain on sales of property, plant and equipment and other intangible assets		(1,499)	(185,141)
Interest income		(87,232)	(50,588)
Interest expense		786,490	509,190
Others		84,191	(40,238)
Cash flows generated from operations			
before changes in operating assets and liabilities		9,080,179	6,943,363

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the six-month periods ended 30 June 2020 and 2019 (Unaudited)

		2020	2019
		(in thousand Baht)	
<i>Decrease (increase) in operating assets</i>			
Trade and other current receivables		426,745	(140,427)
Inventories		(500,645)	500,636
Other current assets and other non-current assets		(246,897)	(929,666)
Net increase in operating assets		(320,797)	(569,457)
<i>Increase (decrease) in operating liabilities</i>			
Trade and other current payables		176,785	(488,264)
Provision for employee benefits		(143,631)	(79,454)
Other current liabilities and other non-current liabilities		66,740	(7,888)
Net increase (decrease) in operating liabilities		99,894	(575,606)
Net cash flows generated from operations		8,859,276	5,798,300
Income tax paid		(300,625)	(591,980)
Net cash flows provided by operating activities		8,558,651	5,206,320
<i>Cash flows from investing activities</i>			
Acquisition of subsidiaries, net of cash acquired	4	(614,885)	(19,693,957)
Short-term investments		850,925	(276,742)
Proceeds from sales of property, plant and equipment and other intangible assets		17,911	323,510
Acquisition of property, plant and equipment	8	(4,169,979)	(2,293,508)
Acquisition of other intangible assets		(46,126)	(28,453)

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the six-month periods ended 30 June 2020 and 2019 (Unaudited)

	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
Proceed from long-term loans to related party		-	92,738
Proceeds from short-term loans to related parties		3,689	108,855
Dividends received	7	4,750	2,375
Interest received		83,660	51,910
Net cash flows used in investing activities		(3,870,055)	(21,713,272)
<i>Cash flows from financing activities</i>			
Advance in shares	5	2,557,132	-
Proceeds from changes in ownership interests in subsidiaries that do not result in a loss of control		39	193,777
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control		-	(82,532)
<i>Proceeds from (payments of) borrowings</i>			
Increase in bank overdrafts and short-term borrowings from financial institutions		21,341,285	134,303
Increase (decrease) in short-term borrowing from related parties		(27,610,525)	20,374,316
Proceeds from long-term borrowings from financial institutions		9,600,369	193,511
Payments of long-term borrowings from financial institutions		(5,461,571)	(109,400)
Payments of lease liabilities		(267,425)	(12,958)
Net increase (decrease) in borrowings		(2,397,867)	20,579,772
Dividends paid			
Dividends paid to owners of the parent		(1,312,920)	(1,563,000)
Dividends paid to non-controlling interests		(653,094)	(207,357)
Total dividends paid		(1,966,014)	(1,770,357)
Interest paid and front-end fee		(793,103)	(522,106)
Net cash flows provided by (used in) financing activities		(2,599,813)	18,398,554

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

SCG Packaging Public Company Limited and its Subsidiaries**Consolidated statement of cash flows****For the six-month periods ended 30 June 2020 and 2019 (Unaudited)**

	2020	2019
	<i>(in thousand Baht)</i>	
Net increase in cash and cash equivalents	2,088,783	1,891,602
Effect of exchange rate changes on cash and cash equivalents	49,146	(64,779)
Cash and cash equivalents at beginning of the period	4,393,845	2,095,349
Cash and cash equivalents at end of the period	6,531,774	3,922,172
<i>Supplementary information for cash flows</i>		
Non-cash transactions		
Account payables from purchase of assets	759,547	481,617
Contingent consideration from acquisition of business	39,994	1,009,158

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

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2020 and 2019 (Unaudited)

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SCG Packaging Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2020 and 2019 (Unaudited)

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

The interim consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 4 August 2020.

1 General information

SCG Packaging Public Company Limited, the “Company”, is a company incorporated in Thailand.

The head office of the Company is located at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It was incorporated in Thailand.

The Company and its subsidiaries, the “Group”, are mainly engaged in the manufacturing of packaging paper, packaging, pulp and printing and writing paper.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 “*Interim Financial Reporting*”, guidelines promulgated by the Federation of Accounting Professions.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2019.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the consolidated financial statements for the year ended 31 December 2019 except that the Group has adopted all the new and revised TFRSs that are effective for annual periods beginning on or after 1 January 2020. The Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases* and disclosed the impact of changes in accounting policies in note 3.

In addition to the above new and revised TFRSs, the Federation of Accounting Professions has issued a number of new and revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2021 and have not been adopted in the preparation of these interim financial statements because they are not yet effective. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The interim financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. All financial information presented in Thai Baht has been rounded in the notes to the interim financial statements to the nearest thousand unless otherwise stated.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2020 and 2019 (Unaudited)

(c) Use of estimates and judgments

The preparation of interim financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The significant assumptions in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019, except for the judgments and the new key sources of estimation related to the application of new TFRSs and accounting guidance: temporary relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak.

The significant assumptions and the key sources of estimation are included in the following notes:

Note 4, 6 and 7	Measurement of the recoverable amounts of each asset and cash-generating units;
Note 11	Measurement of non-current provision for defined benefit plans: - key actuarial assumptions; and
Note 18	Recognition and measurement of provisions and contingent liabilities.

The COVID-19 outbreak, resulted in estimation uncertainty. The Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the COVID-19 outbreak for transactions related to interim consolidated financial statements as at 30 June 2020 as follows:

(a) Impairment of assets

The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate for expected credit loss and did not take forward-looking information about the uncertain situation of COVID-19 into account.

(b) Fair value measurement

The Group elected to measure investment in non-marketable equity securities using fair values at 1 January 2020.

(c) Lease modification

The Group elected not to take the contractual rental reduction from lessor due to the situation of COVID-19 as a lease modification. The Group has deducted lease liabilities in proportion to the reduced rental, and reversed depreciation of right-of-use assets and interest on lease liabilities in proportion to the reduced rental and recognized the differences to profit or loss.

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(d) Basis of consolidation

The interim financial statements for the three-month and six-month periods ended 30 June 2020 and 2019 include the accounts of SCG Packaging Public Company Limited and its subsidiaries. Subsidiaries included in the interim financial statements are as follows:

1. Subsidiaries in Integrated Packaging Chain
2. Subsidiaries in Fibrous Chain

All significant intercompany transactions with subsidiaries included in the interim financial statements have been eliminated.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies are as follows:

(a) TFRS - Financial instruments standards

This TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortized cost, fair value to other comprehensive income (“FVOCI”) and fair value to profit or loss (“FVTPL”). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. Under TFRS 9, derivatives are measured at FVTPL. It replaces accounting policies of the Group on recognition of revaluation exchange rate at the end of period or when the derivatives were exercised.

The classification - Financial assets under TFRS 9 has no material effect on trade receivables, short-term investments derivatives and long-term investments. For the classification of investments in equity instruments, the Group has options to classify the categories of measurement for each investment according to its objective.

(2) Measurement at amortized cost

Under TFRS 9, interest income and interest expenses recognized from all financial assets and financial liabilities measured at amortized cost shall be calculated using effective interest rate method. The adoption of TFRS 9 has no material effect on the consolidated financial statements of the Group.

(3) Classification - Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortized cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

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The Group classified other financial liabilities which are not held for trading or derivative measured at amortized cost. The adoption of TFRS 9 has no material effect on the consolidated financial statements of the Group.

(4) Hedge accounting

TFRS 9 introduces guidance on hedge accounting while previous TFRSs are silent. There are three hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation. Under TFRS 9, the Group is required to ensure that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assess hedge effectiveness.

Accordingly, TFRS 9 provides an option to apply hedge accounting when the transactions are qualified. At the initial date of the first time adoption, the Group has no effect on this matter.

(5) Impairment - Financial assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model of Financial assets whereas previously the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortized cost or fair value to other comprehensive income, except for investments in equity instruments.

The Group made an assessment of the impairment of financial assets under TFRS 9. This adoption has no material effect on the consolidated financial statements of the Group.

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020 with no restatement of comparative information.

	Retained earnings	Other components of equity (in million Baht)	Non-controlling interests
At 31 December 2019 - as reported	42,151	(4,260)	19,864
<i>Increase (decrease) due to:</i>			
Classification of financial instruments	2	(8)	-
Impairment losses on financial assets	(12)	-	(2)
At 1 January 2020 - restated	42,141	(4,268)	19,862

b) TFRS 16 Leases

Previously, the Group, as a lessee, recognized payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. When TFRS 16 is effective from 1 January 2020, it introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items

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The Group applied TFRS 16 for the first time on 1 January 2020 using the modified retrospective approach, by recognizing cumulative impact of right-of-use assets and lease liabilities with no restatement of comparative information. The Group elected to use some practical expedients as stated by TFRS 16.

The Group made an assessment of TFRS 16 adoption. On 1 January 2020, the Group recognized the increase in right-of-use assets approximately amounting to Baht 3,556 million under property, plant and equipment while the prepaid rental expenses decrease approximately amounting to Baht 275 million, property, plant and equipment decrease approximately amounting to Baht 1,667 million, others non-current assets decrease amounting to Baht 181 million and retained earnings decrease approximately amounting to Baht 2 million. The nature of expenses related to those leases will change as the Group will recognize depreciation of right-of-use assets and interest expenses on lease liabilities. The operating lease commitment as at 31 December 2019 was discounted using the incremental borrowing rate and used of exemption for short-term lease and low-value items lease assets, combined with finance lease liabilities; therefore, the Group has recognized lease liabilities as at 1 January 2020 amounted to Baht 1,435 million. Incremental borrowing rates were 1.81% - 5.00% and 12.12% per annum.

4 Acquisition of business

On 28 June 2019, a subsidiary company in Packaging Business acquired 55% of ordinary shares of PT Fajar Surya Wisesa Tbk. ("Fajar"), which is a leading Indonesian packaging paper company and is also listed on the Indonesia Stock Exchange, for a total consideration of Rupiah 9.6 trillion or equivalent to approximately Baht 20,817 million. At 31 December 2019, there was cash in escrow account amounting to Baht 922 million, which will be released when certain conditions are met within March 2020.

During the first quarter of 2020, the Group negotiated with the former shareholder of Fajar to reduce the contingent consideration by USD 10 million or equivalent to Baht 307 million. This resulted in a decrease in goodwill by Baht 307 million. In April 2020, the Group paid total consideration payable of Baht 615 million from the escrow account to the former shareholder as certain conditions were achieved.

5 Related parties

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

The relationships with the associates are disclosed in Note 7. Relationships with other related parties which have not material changes in relationship.

Pricing policies during the three-month and six-month period ended 30 June 2020 were not significantly changed.

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Significant transactions with related parties for the three-month and six-month periods ended 30 June are summarized as follows:

	Three-month periods		Six-month periods	
	2020	2019	2020	2019
	(in thousand Baht)			
Parent				
Revenue from sales	2,522	3,930	5,633	8,162
Intellectual properties fees	61,095	68,845	131,217	139,610
Interest expense	56,769	229,473	217,597	442,481
Expenses	196,789	244,844	411,987	483,052
Associates				
Revenue from sales	97,937	192,521	190,519	420,326
Dividends income	-	-	4,750	2,375
Purchases	63,472	74,681	133,214	139,277
Others				
Revenue from sales	744,825	755,908	1,993,704	1,774,084
Purchases	1,703,118	1,869,228	3,296,521	3,747,384
Expenses	608,551	769,977	1,305,545	1,429,404

Balances as at 30 June 2020 and 31 December 2019 with related parties were as follows:

	30 June 2020	31 December 2019
	(in thousand Baht)	
Trade receivables		
Parent	1,067	1,712
Associates	49,905	46,481
Others	433,298	524,923
Total	484,270	573,116
Other current receivables		
Parent	65,197	59,658
Associates	30,523	52,515
Others	2,314	17,054
Total	98,034	129,227
Short-term loans		
Others	921	4,601

Movements during the six-month periods ended 30 June on loans to related parties were as follows:

	2020	2019
	(in thousand Baht)	
Short-term		
At 1 January	4,601	127,152
Increase	35,590	9,277
Decrease	(39,270)	(124,175)
At 30 June	921	12,254

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	2020 (in thousand Baht)	2019
Long-term		
At 1 January	-	92,738
Decrease	-	(92,738)
At 30 June	-	-
	30 June 2020	31 December 2019
	(in thousand Baht)	
<i>Advance payment from software licence fee, long-term receivable and deposit shown under other non-current receivables</i>		
Parent	235,943	256,585
Associates	126,922	111,428
Total	362,865	368,013
<i>Trade payables</i>		
Associates	21,977	23,638
Others	981,608	997,229
Total	1,003,585	1,020,867
<i>Other current payables</i>		
Parent	123,329	127,888
Associates	17,607	5,471
Others	2,669,492	78,604
Total	2,810,428	211,963

On 31 January 2020 United Pulp and Paper Co., Inc. (“UPPC”), a subsidiary of the Group, has entered into a conditional share subscription agreement with Rengo Co., Ltd (“Rengo”). Subsequently, on 6 March 2020, Rengo transferred cash advance to purchase shares amounting to Peso 4,103 million or equivalent to Baht 2,557 million. As at 30 June 2020, UPPC is in the process of registering the capital increase and is waiting for approval from Government agencies. When the transaction is completed, the Group’s investment in UPPC will decrease from 99.7% to 74.7%, UPPC will remain a consolidated subsidiary of the Group.

	30 June 2020	31 December 2019
	(in thousand Baht)	
<i>Short-term borrowings</i>		
Parent	6,216,810	33,756,240
Others	-	70,956
Total	6,216,810	33,827,196

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

	2020 (in thousand Baht)	2019
At 1 January	33,827,196	23,415,700
Increase	5,314,035	27,297,484
Decrease	(32,924,421)	(6,925,971)
At 30 June	6,216,810	43,787,213

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	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
<i>Lease liabilities</i>		
<i>Current and non-current portion</i>		
Parent	117,097	-
Associates	101,713	-
Others	10,813	-
Total	229,623	-

The Board of Directors and key management compensation

	Three-month periods		Six-month periods	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>For the periods ended 30 June</i>				
Short-term employee benefits	24,141	28,017	47,998	55,027
Post-employment benefits	2,130	11,041	4,256	14,274
Total	26,271	39,058	52,254	69,301

6 Trade and other current receivables

	Note	30 June 2020	31 December 2019
		<i>(in thousand Baht)</i>	
<i>Trade receivables</i>			
Related parties	5	484,270	573,116
Other companies		12,764,354	13,214,829
Less allowance for impairment		(177,337)	(156,835)
Net		12,587,017	13,057,994
		13,071,287	13,631,110
<i>Other current receivables</i>			
Related parties	5	98,034	129,227
Other companies		1,691,475	1,437,683
		1,789,509	1,566,910
Total		14,860,796	15,198,020

	Three-month periods		Six-month periods	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>For the periods ended 30 June</i>				
Impairment losses	24	306	6,295	21,571
Reversal of impairment losses	(181)	(690)	(627)	(1,173)

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	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Trade receivables		
Related parties		
Within credit terms	475,210	557,819
Overdue		
Less than 1 month	8,801	5,013
1 - 3 months	127	10,274
3 - 12 months	132	10
Total	484,270	573,116
Other companies		
Within credit terms	11,061,955	11,581,921
Overdue		
Less than 1 month	1,144,465	1,114,622
1 - 3 months	336,378	329,675
3 - 12 months	74,799	44,188
Over 12 months	146,757	144,423
	12,764,354	13,214,829
Less allowance for impairment	(177,337)	(156,835)
Net	12,587,017	13,057,994
Total	13,071,287	13,631,110

The normal credit term granted by the Group is 30 - 90 days.

7 Investments in associates

Movements for six-month periods ended 30 June in investments in associates accounted for using the equity method were as follows:

	2020	2019
	<i>(in thousand Baht)</i>	
Balance at 31 December - as reported	770,754	729,740
The effect of changes in accounting policies	(2,595)	-
Balance at 1 January	768,159	729,740
Share of net profit of investments - equity method	37,669	10,514
Dividend income	(4,750)	(2,375)
Balance at 30 June	801,078	737,879
Balance at 31 December		770,754

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Investments in associates as at 30 June 2020 and 31 December 2019 and dividend income from these investments for the six-month periods ended 30 June were as follows:

	Total direct / indirect holding		Paid-up capital		Cost method		Equity method		Dividend income	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	30 Jun 2019
	(%)		(in thousand Baht)							
Associates										
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	430,371	430,231	-	-
Siam Nippon Industrial Paper Co., Ltd.	31.31	31.31	1,100,000	1,100,000	495,000	495,000	296,258	268,307	-	-
Saha Green Forest Co., Ltd.	17.40	17.40	190,000	190,000	47,500	47,500	74,449	72,216	4,750	2,375
P&S Holding Corporation	40	40	262,588	262,588	105,121	105,121	-	-	-	-
Total			2,052,588	2,052,588	892,621	892,621	801,078	770,754	4,750	2,375

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8 Property, plant and equipment

For the six-month period ended 30 June 2020, the Group had invested in property, plant and equipment with an increase of approximately totalling Baht 4,526 million, which was mainly from the packaging paper capacity expansion projects.

9 Changes in liabilities arising from financing activities

	Bank overdrafts and short-term borrowings	Long-term borrowings (in thousand Baht)	Lease liabilities	Total
Balance at 31 December 2019				
- as reported	40,958,705	18,502,060	123,138	59,583,903
The effect of changes to significant accounting policies	-	-	1,435,044	1,435,044
Balance at 1 January 2020	40,958,705	18,502,060	1,558,182	61,018,947
Changes from financing cash flows	(6,269,240)	4,138,798	(267,425)	(2,397,867)
The effect of changes in foreign exchange rate	34,269	(11,715)	3,568	26,122
Other non-cash movement	-	67,742	100,151	167,893
Balance at 30 June 2020	34,723,734	22,696,885	1,394,476	58,815,095

10 Bank overdrafts and borrowings from financial institutions

	30 June 2020	31 December 2019
	(in thousand Baht)	
Current		
Bank overdrafts and short-term borrowings from financial institutions		
Unsecured	28,506,924	7,131,509
Current portion of long-term borrowings from financial institution		
Secured	-	2,037,784
Unsecured	12,667,348	145,851
	12,667,348	2,183,635
Total	41,174,272	9,315,144
Non-current		
Long-term borrowings from financial institutions		
Secured	-	3,405,857
Unsecured	10,029,537	12,912,568
Total	10,029,537	16,318,425
Grand total	51,203,809	25,633,569

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The currency denomination of interest-bearing debts were as follows:

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Thai Baht	37,530,647	14,462,270
US Dollars	6,836,901	7,677,933
Indonesian Rupiah	4,525,068	2,051,454
Vietnamese Dong	1,325,885	899,652
Philippines Peso	575,000	115,947
Malaysian Ringgit	410,308	426,313
Total	51,203,809	25,633,569

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 30 June 2020 were as follows:

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Within one year	41,174,272	9,315,144
After one year but within five years	7,988,734	15,597,075
After five years	2,040,803	721,350
Total	51,203,809	25,633,569

As at 30 June 2020, bank overdrafts and short-term borrowings from financial institutions of the Group has an average interest rate from 0.86% to 9.50% per annum (*31 December 2019: 1.28% to 9.75% per annum*). In addition, in March and May 2020, the Group has entered into short-term borrowing agreements with two financial institutions totalling Baht 4,000 million which was not drawn down.

As at 30 June 2020, long-term borrowings from financial institutions of the Group has an average interest rate from 2.40% to 10.90% per annum (*31 December 2019: 2.40% to 12.11% per annum*).

In the first quarter of 2020, the Group's subsidiary refinance existing borrowings. Resulting from borrowings have been settled, all collaterals has been released during the second quarter of 2020.

As at 30 June 2020, the Group had unutilized long-term credit facilities totalling Baht 2,262 million (*31 December 2019: Baht 15,125 million*).

11 Non-current provisions for employee benefits

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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Non-current provisions for employee benefits in consolidated statements of financial position

	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Legal severance payments plan	3,368,318	3,248,040
Pension	47,478	46,027
Other long-term employee benefits	95,850	92,437
Total non-current provisions for defined benefit plans	3,511,646	3,386,504
Other employee benefits	11,697	10,552
Total	3,523,343	3,397,056
Less plan assets of foreign subsidiaries	(21,831)	(21,699)
Total non-current provisions for employee benefits - net	3,501,512	3,375,357

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

	2020	2019
	<i>(in thousand Baht)</i>	
For the six-month periods ended 30 June		
Non-current provisions for defined benefit plans at 1 January	3,386,504	1,928,199
Include in profit or loss		
Current service costs	107,008	68,616
Interest on obligation	51,062	40,508
Past service cost from the amended severance pay of the Labor Law	-	527,368
	158,070	636,492
Included in other comprehensive income		
Actuarial loss (gain)	45,777	(21,738)
Currency translation differences	6,960	(5,610)
	52,737	(27,348)
Other		
Benefits paid	(85,665)	(8,841)
Acquisition through business combinations	-	577,214
	(85,665)	568,373
Non-current provisions for defined benefit plans at 30 June	3,511,646	3,105,716

On 5 April 2019, the Labor Protection Act has already been announced in Royal Gazette that became effective on 5 May 2019 to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the maximum rate of 300 days. The Group recognized the effect of this change as the expense amounted to Baht 527 million in consolidated income statement, resulting in the decrease in net profit amounted to Baht 338 million.

Actuarial assumptions

As at 30 June 2020, there is no significant change in actuarial assumptions regarding the consolidated financial statements for the year 2019.

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12 Business segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

<i>Integrated Packaging Chain</i>	Manufacture and sale of packaging paper, various types of packaging, including fiber-based packaging and performance and polymer packaging (flexible packaging and rigid packaging);
<i>Fibrous Chain</i>	Manufacture and sale of pulp, dissolving pulp, printing and writing paper and food service products; and
<i>Other</i>	Holding company

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

Information relating to business segments for six-month periods ended 30 June was as follows:

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Operating results of business segments

	Integrated Packaging				Intersegment					
	Chain		Fibrous Chain		Other		Elimination		Consolidated	
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)									
Information from										
statement of financial position										
Current assets	32,316,675	29,893,363	5,461,931	5,881,566	31,581,082	34,339,430	(32,177,184)	(34,731,036)	37,182,504	35,383,323
Investments in associates	-	-	370,707	340,523	430,371	430,231	-	-	801,078	770,754
Investments and long-term loans	815,414	823,150	-	477	34,447,438	34,447,438	(35,254,396)	(35,254,396)	8,456	16,669
Property, plant and equipment	67,163,600	63,651,687	19,245,486	18,739,416	333,241	213,341	(548,216)	259,123	86,194,111	82,863,567
Others non-current assets	18,795,395	19,324,145	1,132,453	982,059	505,806	430,603	(259,456)	(258,075)	20,174,198	20,478,732
Total assets	119,091,084	113,692,345	26,210,577	25,944,041	67,297,938	69,861,043	(68,239,252)	(69,984,384)	144,360,347	139,513,045
Short-term borrowings	38,480,364	41,463,749	1,779,138	1,961,047	39,146,916	33,907,033	(31,585,330)	(34,101,688)	47,821,088	43,230,141
Other current liabilities	12,960,569	9,418,073	1,623,134	1,728,494	295,396	266,581	(604,467)	(629,245)	14,274,632	10,783,903
Long-term borrowings	7,427,630	3,987,801	1,266,197	365,961	3,104,980	12,000,000	(804,800)	-	10,994,007	16,353,762
Other non-current liabilities	4,816,239	5,318,259	679,575	704,891	361,004	306,094	-	-	5,856,818	6,329,244
Total liabilities	63,684,802	60,187,882	5,348,044	4,760,393	42,908,296	46,479,708	(32,994,597)	(34,730,933)	78,946,545	76,697,050
Shareholders' equity	55,406,282	53,504,463	20,862,533	21,183,648	24,389,642	23,381,335	(35,244,655)	(35,253,451)	65,413,802	62,815,995
Total liabilities and shareholders' equity	119,091,084	113,692,345	26,210,577	25,944,041	67,297,938	69,861,043	(68,239,252)	(69,984,384)	144,360,347	139,513,045

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	Integrated Packaging				Intersegment					
	Chain		Fibrous Chain		Other		Elimination		Consolidated	
	1 Jan - 30 Jun		1 Jan - 30 Jun		1 Jan - 30 Jun		1 Jan - 30 Jun		1 Jan - 30 Jun	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)									
Information from income statement										
Revenue from sales										
External customers	38,433,484	32,138,821	7,469,326	9,390,051	-	-	-	-	45,902,810	41,528,872
Intersegment	136,875	189,607	811,466	790,622	-	-	(948,341)	(980,229)	-	-
Total revenue from sales	38,570,359	32,328,428	8,280,792	10,180,673	-	-	(948,341)	(980,229)	45,902,810	41,528,872
Cost of sales	(28,992,100)	(25,180,572)	(7,645,686)	(9,113,693)	-	-	1,084,209	1,133,511	(35,553,577)	(33,160,754)
Gross profit	9,578,259	7,147,856	635,106	1,066,980	-	-	135,868	153,282	10,349,233	8,368,118
Other income	343,374	484,320	86,762	95,328	3,750,790	2,628,787	(3,898,558)	(2,825,775)	282,368	382,660
Profit before expenses	9,921,633	7,632,176	721,868	1,162,308	3,750,790	2,628,787	(3,762,690)	(2,672,493)	10,631,601	8,750,778
Operating expenses	(4,191,768)	(3,787,761)	(972,282)	(1,164,345)	(949,348)	(765,517)	918,598	796,604	(5,194,800)	(4,921,019)
Profit before finance cost and income tax	5,729,865	3,844,415	(250,414)	(2,037)	2,801,442	1,863,270	(2,844,092)	(1,875,889)	5,436,801	3,829,759
Finance cost	(950,216)	(365,719)	(52,715)	(39,285)	(492,019)	(442,580)	450,515	327,751	(1,044,435)	(519,833)
Profit (loss) before income tax	4,779,649	3,478,696	(303,129)	(41,322)	2,309,423	1,420,690	(2,393,577)	(1,548,138)	4,392,366	3,309,926
Tax expense (income)	(297,052)	(502,211)	55,902	32,933	11,666	34,742	(2,160)	(2,053)	(231,644)	(436,589)
Profit (loss) after income tax	4,482,597	2,976,485	(247,227)	(8,389)	2,321,089	1,455,432	(2,395,737)	(1,550,191)	4,160,722	2,873,337
Share of profit of associates										
accounted for using equity method	-	-	37,529	1,022	140	9,492	-	-	37,669	10,514
Profit for the periods	4,482,597	2,976,485	(209,698)	(7,367)	2,321,229	1,464,924	(2,395,737)	(1,550,191)	4,198,391	2,883,851

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	Integrated Packaging				Intersegment				Consolidated	
	Chain		Fibrous Chain		Other		Elimination			
	1 Jan - 30 Jun		1 Jan - 30 Jun		1 Jan - 30 Jun		1 Jan - 30 Jun		1 Jan - 30 Jun	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
Profit (loss) attributable to:										
Owners of the parent	3,965,474	2,837,554	(202,767)	(747)	2,321,229	1,464,924	(2,447,596)	(1,700,231)	3,636,340	2,601,500
Non-controlling interests	517,123	138,931	(6,931)	(6,620)	-	-	51,859	150,040	562,051	282,351
	4,482,597	2,976,485	(209,698)	(7,367)	2,321,229	1,464,924	(2,395,737)	(1,550,191)	4,198,391	2,883,851
Interest income	86,617	47,509	1,104	3,150	432,278	327,680	(432,767)	(327,751)	87,232	50,588
Depreciation and amortization	2,655,651	1,952,447	873,985	786,039	39,298	20,430	(16,124)	(4,470)	3,552,810	2,754,446
Other non-monetary items:										
- Impairment losses on inventories	69,942	1,827	48,007	16,023	-	-	-	-	117,949	17,850
- Reversal of impairment losses on plants and equipment	-	(805)	-	-	-	-	-	-	-	(805)

Revenue from sales of integrated packaging chain including packaging paper 61%, fiber-based packaging 30%, and performance and polymer packaging 9%.

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Geographical segment

The Group has expanded its investment and operating in foreign countries. All significant revenue from sales and non-current assets based on geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical segment information

	Revenue from sales		Non-current assets	
	1 Jan - 30 Jun 2020	2019	30 Jun 2020	31 Dec 2019
	<i>(in thousand Baht)</i>			
Thailand	24,064,243	26,310,631	55,324,406	55,042,618
Indonesia	6,254,637	836,700	36,994,004	36,821,744
Vietnam	4,911,709	5,324,276	6,987,397	6,618,906
China	4,481,396	1,205,886	-	-
Philippines	1,394,700	1,830,831	3,965,920	1,899,849
Others	4,796,125	6,020,548	1,231,304	1,094,148
Total	45,902,810	41,528,872	104,503,031	101,477,265

Major customer

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales for six-month periods ended 30 June 2020 and 2019.

13 Finance costs

	Three-month periods		Six-month periods	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
For the periods ended 30 June				
Loss (gain) on exchange rate - foreign loans	(1,119,486)	4,834	199,028	(1,285)
Interest - Thai Baht loans	214,978	236,552	512,544	466,047
Interest - Foreign loans	143,272	23,209	272,200	43,143
Others	4,858	5,048	60,663	11,928
Total	(756,378)	269,643	1,044,435	519,833

14 Income Tax

Government of Indonesia has announced PP No. 1 Tahun 2020 dated 31 March 2020 reduced the income tax rate from 25% to 22% for the fiscal years 2020 and 2021, and 20% for fiscal year 2022 onward. The new tax rate has been applied in the measurement of deferred tax assets and liabilities as at 30 June 2020, which made income tax expense decrease amounting to Baht 482 million in the consolidated income statement.

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15 Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June were based on the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the period after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the stock split and distribution of stock dividend. The number of ordinary shares used in the calculation for the three-month and six-month period ended 30 June 2019 are adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

	2020	2019
	<i>(in thousand Baht / thousand shares)</i>	
<i>For the three-month periods ended 30 June</i>		
Profit for the period attributable to ordinary shareholders of the Company	1,904,216	979,437
Weighted average number of ordinary shares outstanding at 1 January	3,126,000	156,300
Effect of reduction in par value	-	1,406,700
Effect of stock dividend	-	1,563,000
Weighted average number of ordinary shares outstanding at 30 June	3,126,000	3,126,000
Basic earnings per share (in Baht)	0.61	0.31
<i>For the six-month periods ended 30 June</i>		
Profit for the period attributable to ordinary shareholders of the Company	3,636,340	2,601,500
Weighted average number of ordinary shares outstanding at 1 January	3,126,000	156,300
Effect of reduction in par value	-	1,406,700
Effect of stock dividend	-	1,563,000
Weighted average number of ordinary shares outstanding at 30 June	3,126,000	3,126,000
Basic earnings per share (in Baht)	1.16	0.83

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16 Dividends

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

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Annual dividend 2019	24 March 2020	23 April 2020	0.42	1,313
<i>2019</i>				
Annual dividend 2018	26 March 2019	25 April 2019	10.00	1,563
Interim dividend 2019	25 November 2019	6 December 2019	1.11111111	1,737
Total			11.11111111	3,300

17 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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	Carrying amount				Fair value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Balance at 30 June 2020								
				(in thousand Baht)				
Financial assets								
Cash and cash equivalents	-	-	6,531,774	6,531,774				
Deposit at financial institutions	-	-	641,878	641,878				
Trade receivables	-	-	13,071,287	13,071,287				
Loans to related parties	-	-	921	921				
Investment in equity instruments	-	8,456	-	8,456	-	-	8,456	8,456
Derivatives assets	36,859	-	-	36,859	-	36,859	-	36,859
Total financial assets	36,859	8,456	20,245,860	20,291,175				
Financial liabilities								
Bank overdrafts and borrowings from financial institutions	-	-	51,203,809	51,203,809				
Trade payables	-	-	6,864,202	6,864,202				
Borrowings from related parties	-	-	6,216,810	6,216,810				
Lease liabilities	-	-	1,394,476	1,394,476				
Derivatives liabilities	48,958	-	-	48,958	-	48,958	-	48,958
Total financial liabilities	48,958	-	65,679,297	65,728,255				

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Financial instruments measured at fair value

These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The levels applicable to the Group's investments are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

The Group determined Level 2 fair values for derivatives assets and derivatives liabilities based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

The fair values of forward exchange contracts was calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

The Group determined Level 3 fair values for investments in equity instruments which is not actively traded in market. The fair value of the investment was then determined using a valuation technique that used significantly unobservable input such as the latest reporting net assets adjusted by relevant factors because the shares were not listed on Stock Exchange, and there were no recent observable arm's length transactions in the shares.

18 Commitments and contingent liabilities

As at 30 June 2020, the Group had:

- (a) Committed to purchases and installation of machinery and equipment approximately amounting to Baht 3,180 million (*31 December 2019: Baht 4,571 million*).
- (b) Committed to purchases of raw material approximately amounting to Baht 735 million (*31 December 2019: Baht 648 million*).
- (c) Committed to rental and service agreements approximately amounting to Baht 45 million (*31 December 2019: Baht 1,614 million*).
- (d) Contingent liability for letter of guarantees issued by local banks for the Group to government, state enterprises and private sectors of Baht 89 million (*31 December 2019: Baht 85 million*).
- (e) Contingent liability for borrowings guarantees issued by a local bank for the Group to associate for a maximum amount of Baht 231 million (*31 December 2019: Baht 264 million*).
- (f) A subsidiary has entered into agreements with foreign company for the delivery and loading of Woodchips to Vessel. The subsidiary is committed to sell and deliver the Woodchips in volume equivalent to approximately 48,000 BDMT per year. The agreement period is for 12 years with the commencement date in December 2034.

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- (g) A subsidiary has entered into agreements with local company for provide Biofuel to delivery point. The subsidiary is committed to sell and deliver the Biofuel in volume equivalent to approximately 73,000 ton per year. The agreement period is for 25 years with the commencement date in August 2037.

19 Others

- (a) On 26 October 2019, The Board of Directors' Meeting No. 214 (10/2019) has approved the plan to issue and offer newly issued ordinary shares in SCG Packaging Public Company Limited ("SCGP") as an initial public offering ("IPO") and to list the ordinary shares in the SCGP on the Stock Exchange of Thailand. The portion of the shares to be offered for sale in the IPO will not exceed 30% of the SCGP's paid-up capital after its capital increase. In connection with the IPO, the SCGP will issue and offer no more than 1,374,000,000 ordinary shares with a par value of 1 Thai Baht per share.

On 29 May 2020, the SCGP has already obtained Thai SEC approval for its application for IPO.

- (b) On 24 March 2020, The Board of Directors' Meeting No. 218 (2/2020) has approved to acquire a majority stake in ordinary shares of Bien Hoa Packaging Joint Stock Company ("SOVI"), a leading downstream producer of fiber-based packaging which is listed in Ho Chi Minh Stock Exchange. This acquisition will be done through the Group's subsidiary, Thai Containers Group Company Limited ("TCG"), which is a 70:30 joint venture between the Group and Rengo Co., Ltd., respectively. The Group is in process of share purchasing and negotiating.