

Lanna Resources Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2015

## **Independent Auditor's Report**

To the Shareholders of Lanna Resources Public Company Limited

I have audited the accompanying consolidated financial statements of Lanna Resources Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Lanna Resources Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lanna Resources Public Company Limited and its subsidiaries and of Lanna Resources Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

EY Office Limited

Bangkok: 26 February 2016

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	660,146,420	446,919,126	61,886,443	19,974,894
Current investments	9	850,794,149	767,215,793	850,014,971	766,780,898
Trade and other receivables	7, 10	812,318,391	723,944,446	245,174,024	255,488,245
Inventories	11	478,144,681	564,295,398	96,138,422	162,576,700
Input tax refundable		805,778,596	983,831,012	-	6,016,485
Prepaid income tax		215,406,671	403,674,450	-	-
Advance payments for goods	7, 12	598,524,563	669,758,140	-	3,436,620
Other current assets		47,338,195	8,910,512	2,280,009	2,037,258
<b>Total current assets</b>		<b>4,468,451,666</b>	<b>4,568,548,877</b>	<b>1,255,493,869</b>	<b>1,216,311,100</b>
<b>Non-current assets</b>					
Restricted bank deposits	8	78,296,923	87,488,458	-	-
Investments in subsidiaries	13	-	-	754,538,196	754,565,961
Investment in associated company	14	42,217,156	50,249,536	890,679	890,679
Investment properties	15	34,726,037	34,726,037	34,726,037	34,726,037
Property, plant and equipment	16	3,289,371,240	3,388,360,564	262,346,420	270,550,665
Goodwill		185,999,788	185,999,788	-	-
Intangible assets	17	4,746,610	4,904,603	722,234	1,055,365
Deferred tax assets	29	21,599,275	45,688,391	18,226,306	19,251,615
Other non-current assets	18	653,756,257	595,564,424	24,194,688	42,914,361
<b>Total non-current assets</b>		<b>4,310,713,286</b>	<b>4,392,981,801</b>	<b>1,095,644,560</b>	<b>1,123,954,683</b>
<b>Total assets</b>		<b>8,779,164,952</b>	<b>8,961,530,678</b>	<b>2,351,138,429</b>	<b>2,340,265,783</b>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions					
	19	1,036,963,742	1,197,731,299	-	-
Trade and other payables					
	7, 20	410,730,852	462,802,641	50,121,085	61,390,913
Current portion of liabilities under finance lease agreements					
	21	1,449,412	915,810	-	-
Current portion of long-term loan from financial institution					
	22	180,000,000	180,000,000	-	-
Accrued expenses					
		441,139,201	365,725,782	31,004,477	19,342,737
Income tax payable					
		10,027,201	8,783,144	7,529,694	8,783,144
Other current liabilities					
		<u>85,475,779</u>	<u>134,876,203</u>	<u>23,996,124</u>	<u>20,405,099</u>
<b>Total current liabilities</b>					
		<u>2,165,786,187</u>	<u>2,350,834,879</u>	<u>112,651,380</u>	<u>109,921,893</u>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements					
- net of current portion					
	21	4,091,798	4,326,054	-	-
Long-term loan from financial institution					
- net of current portion					
	22	297,757,191	477,757,191	-	-
Provision for long-term employee benefits					
	23	151,254,299	167,434,808	24,516,618	27,483,644
Provision for mine reclamation and decommissioning costs					
	24	104,474,996	84,942,643	-	-
Deferred tax liabilities					
	29	<u>74,604,253</u>	<u>33,896,247</u>	<u>-</u>	<u>-</u>
<b>Total non-current liabilities</b>					
		<u>632,182,537</u>	<u>768,356,943</u>	<u>24,516,618</u>	<u>27,483,644</u>
<b>Total liabilities</b>					
		<u>2,797,968,724</u>	<u>3,119,191,822</u>	<u>137,167,998</u>	<u>137,405,537</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered, issued and fully paid up					
524,999,679 ordinary shares of Baht 1 each		524,999,679	524,999,679	524,999,679	524,999,679
Share premium		680,400,000	680,400,000	680,400,000	680,400,000
Retained earnings					
Appropriated - Statutory reserve	25	52,500,000	52,500,000	52,500,000	52,500,000
Appropriated - General reserve		734,900,000	727,200,000	734,900,000	727,200,000
Unappropriated		2,057,901,972	2,154,008,032	221,170,752	217,760,567
Other components of shareholders' equity		206,675,074	44,980,321	-	-
<b>Equity attributable to owners of the Company</b>		<b>4,257,376,725</b>	<b>4,184,088,032</b>	<b>2,213,970,431</b>	<b>2,202,860,246</b>
Non-controlling interests of the subsidiaries		1,723,819,503	1,658,250,824	-	-
<b>Total shareholders' equity</b>		<b>5,981,196,228</b>	<b>5,842,338,856</b>	<b>2,213,970,431</b>	<b>2,202,860,246</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,779,164,952</b>	<b>8,961,530,678</b>	<b>2,351,138,429</b>	<b>2,340,265,783</b>
		-	-	-	-

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

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Directors  
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Lanna Resources Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (restated)	2015	2014
<b>Revenues</b>					
Sales	7	10,150,333,525	12,208,178,843	1,850,446,064	1,974,489,793
Commission and marketing service income	7	-	-	167,115,109	193,935,353
Other income					
Dividend income	7, 13, 14	-	-	230,112,606	140,683,375
Gain on disposal of investment in subsidiary	13	-	-	-	90,657,693
Service income	7	-	-	46,327,745	55,028,650
Gain on exchange		-	-	15,356,085	2,334,593
Interest income	7	20,557,240	25,255,203	10,457,878	17,764,744
Others		11,273,981	12,270,046	7,453,349	5,292,524
Total other income		31,831,221	37,525,249	309,707,663	311,761,579
<b>Total revenues</b>		<b>10,182,164,746</b>	<b>12,245,704,092</b>	<b>2,327,268,836</b>	<b>2,480,186,725</b>
<b>Expenses</b>					
Cost of sales	7	7,403,022,919	8,679,656,954	1,567,653,272	1,707,550,139
Selling and distribution expenses		1,535,710,601	2,083,944,803	172,457,218	167,791,561
Administrative expenses		494,212,246	572,402,850	119,950,882	127,457,728
Loss on exchange		72,721,271	24,331,524	-	-
<b>Total expenses</b>	28	<b>9,505,667,037</b>	<b>11,360,336,131</b>	<b>1,860,061,372</b>	<b>2,002,799,428</b>
<b>Profit before share of profit from investment, finance cost and income tax expenses</b>		<b>676,497,709</b>	<b>885,367,961</b>	<b>467,207,464</b>	<b>477,387,297</b>
Share of profit from investment in associated company	14	25,457,454	23,243,551	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>701,955,163</b>	<b>908,611,512</b>	<b>467,207,464</b>	<b>477,387,297</b>
Finance cost		(61,527,236)	(66,206,752)	-	-
<b>Profit before income tax expenses</b>		<b>640,427,927</b>	<b>842,404,760</b>	<b>467,207,464</b>	<b>477,387,297</b>
Income tax expenses	29	(182,557,411)	(232,685,436)	(56,519,910)	(75,877,469)
<b>Profit for the year</b>		<b>457,870,516</b>	<b>609,719,324</b>	<b>410,687,554</b>	<b>401,509,828</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		309,609,272	426,771,184	410,687,554	401,509,828
Non-controlling interests of the subsidiaries		148,261,244	182,948,140		
		457,870,516	609,719,324		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	31	0.59	0.81	0.78	0.76

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (restated)	2015	2014
<b>Profit for the year</b>	<u>457,870,516</u>	<u>609,719,324</u>	<u>410,687,554</u>	<u>401,509,828</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>233,805,638</u>	<u>9,873,486</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>233,805,638</u>	<u>9,873,486</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss)	<u>(3,093,483)</u>	<u>6,575,733</u>	<u>(7,284,512)</u>	<u>-</u>
Less: Income tax effect	<u>235,396</u>	<u>(1,883,508)</u>	<u>1,456,902</u>	<u>-</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(2,858,087)</u>	<u>4,692,225</u>	<u>(5,827,610)</u>	<u>-</u>
<b>Other comprehensive income for the year</b>	<u>230,947,551</u>	<u>14,565,711</u>	<u>(5,827,610)</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u><u>688,818,067</u></u>	<u><u>624,285,035</u></u>	<u><u>404,859,944</u></u>	<u><u>401,509,828</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>451,660,336</u>	<u>436,568,871</u>	<u><u>404,859,944</u></u>	<u><u>401,509,828</u></u>
Non-controlling interests of the subsidiaries	<u>237,157,731</u>	<u>187,716,164</u>		
	<u><u>688,818,067</u></u>	<u><u>624,285,035</u></u>		

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



Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (restated)	2015	2014
<b>Cash flows from operating activities</b>				
Profit before tax	640,427,927	842,404,760	467,207,464	477,387,297
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	699,521,336	709,212,350	25,242,415	27,201,582
Reduction of inventory to net realisable value (reversal)	(20,723,730)	20,844,351	-	-
Gain on disposals and change in value of investments in trading securities	(7,426,589)	(3,523,373)	(7,082,306)	(3,088,478)
Share of profit from investment in associated company	(25,457,454)	(23,243,551)	-	-
Write-off of input tax refundable and prepaid income tax	100,180,226	152,987,498	-	-
Allowance for impairment loss on investment in subsidiary (reversal)	-	-	(2,159,517)	2,159,517
Loss from liquidation of subsidiary	-	-	2,122,976	-
Gain on disposal of investment in subsidiary	-	-	-	(90,657,693)
Loss (gain) on disposal/write-off of equipment and intangible assets	1,857,106	(252,049)	(53,263)	(20,819)
Loss on write-off of deferred stripping costs	60,737	66,430,663	-	-
Dividend income	-	-	(230,112,606)	(140,683,375)
Provision for long-term employee benefits	12,531,249	24,779,017	1,539,262	2,910,366
Provision for mine reclamation and decommissioning costs (reversal)	48,897,902	(924,460)	-	-
Share-based payment transactions	-	556,451	-	-
Unrealised loss (gain) on exchange	97,513,383	90,882,127	(1,249,226)	(1,136,746)
Interest income	(20,557,240)	(25,255,203)	(10,457,878)	(17,764,745)
Interest expenses	60,807,693	63,665,366	-	-
Profit from operating activities before changes in operating assets and liabilities	1,587,632,546	1,918,563,947	244,997,321	256,306,906
Operating assets (increase) decrease				
Trade and other receivables	(95,600,777)	145,330,308	9,289,733	14,910,109
Inventories	106,874,447	(137,942,641)	66,438,278	14,490,405
Input tax refundable	160,014,668	(197,731,674)	6,016,485	(1,044,585)
Advance payments for goods	71,233,577	(250,272,051)	3,436,620	83,644,138
Other current assets	(38,364,415)	19,405,284	(242,751)	(294,992)
Operating liabilities increase (decrease)				
Trade and other payables	(36,132,602)	(181,654,485)	(4,619,684)	(50,217,142)
Accrued expenses	60,980,102	(183,482,731)	(129,060)	1,400,058
Other current liabilities	(50,430,191)	19,006,142	2,561,258	1,344,972
Provision for long-term employee benefits	(17,767,329)	(4,249,128)	-	-
Provision for mine reclamation	(27,075,810)	(26,533,867)	-	-
Cash from operating activities	1,721,364,216	1,120,439,104	327,748,200	320,539,869

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (restated)	2015	2014
<b>Cash flows from operating activities (continued)</b>				
Interest income	22,912,557	24,970,559	12,812,758	17,478,981
Cash paid for interest expenses	(60,448,860)	(66,370,056)	-	-
Refund of income tax	231,455,990	132,950,856	-	95,676
Cash paid for income tax	<u>(219,972,871)</u>	<u>(330,193,278)</u>	<u>(54,261,382)</u>	<u>(67,183,505)</u>
<b>Net cash from operating activities</b>	<u>1,695,311,032</u>	<u>881,797,185</u>	<u>286,299,576</u>	<u>270,931,021</u>
<b>Cash flows from investing activities</b>				
Increase in current investments	(76,151,767)	(383,692,420)	(76,151,767)	(383,692,420)
Decrease (increase) in restricted bank deposits	17,487,187	(27,052,358)	-	-
Dividend received from subsidiaries and associated company	33,489,834	11,924,309	230,112,606	201,287,148
Cash received from disposal of investment in subsidiary	-	-	-	186,695,426
Proceeds from disposals of equipment	618,968	2,271,669	60,347	34,373
Cash received from government grants	4,871,798	8,615,394	-	-
Acquisitions of property, plant and equipment	(57,768,475)	(378,339,431)	(8,879,871)	(25,185,408)
Acquisitions of computer software	(1,905,721)	(1,021,330)	(183,621)	(111,741)
Decrease in other non-current assets	<u>(491,350,002)</u>	<u>(554,941,116)</u>	<u>4,404,050</u>	<u>958,974</u>
<b>Net cash from (used in) investing activities</b>	<u>(570,708,178)</u>	<u>(1,322,235,283)</u>	<u>149,361,744</u>	<u>(20,013,648)</u>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	(160,767,557)	201,423,468	-	-
Repayment of long-term loan from financial institution	(180,000,000)	(180,000,000)	-	-
Cash paid for liabilities under finance lease agreements	(1,779,699)	(42,857)	-	-
Dividend paid	(565,532,027)	(525,767,040)	(393,749,759)	(393,749,759)
Cash received from non-controlling interest from change in the percentage of shareholding in subsidiary	-	575,491,411	-	-
Increase in non-controlling interests of the subsidiaries	<u>87,682,217</u>	<u>3,772,343</u>	<u>-</u>	<u>-</u>
<b>Net cash from (used in) financing activities</b>	<u>(820,397,066)</u>	<u>74,877,325</u>	<u>(393,749,759)</u>	<u>(393,749,759)</u>
<b>Decrease in translation adjustments</b>	<u>(90,978,482)</u>	<u>(9,564,661)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	213,227,306	(375,125,434)	41,911,561	(142,832,386)
Cash and cash equivalents at beginning of year	446,919,126	822,019,116	19,974,894	162,781,836
Effect of change in foreign exchange rate on cash at bank balance	<u>(12)</u>	<u>25,444</u>	<u>(12)</u>	<u>25,444</u>
<b>Cash and cash equivalents at end of year (Note 8)</b>	<u>660,146,420</u>	<u>446,919,126</u>	<u>61,886,443</u>	<u>19,974,894</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u>
<b>Supplemental cash flows information:</b>				
Non-cash transaction from operating activities				
Transferred provision for long-term employee benefits to accrued expenses	14,549,141	-	11,790,800	-
Non-cash transactions from investing activities				
Increase (decrease) in accounts payable from purchases of plant, equipment and intangible assets	(15,956,035)	(39,921,257)	(6,666,992)	2,586,889
Acquisitions of equipment under finance lease agreements	1,541,122	5,195,000	-	-
Accrued receipt from government grants	-	4,871,798	-	-
Transferred other non-current assets to intangible assets	-	2,874,505	-	-
Decrease in dividend receivable from subsidiary	-	-	-	(60,603,773)
Non-cash transaction from financing activities				
Decrease in dividend payable	-	(19,396,227)	-	-

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other component of equity							
					Other comprehensive income	Exchange differences on	translation of	Surplus on change	Capital reserve	Total other	Total equity	Equity attributable
					income	differences on	financial	in the percentage	for share-based	component of	attributable to	to non-controlling
					statements in	of shareholding	in subsidiary	payment	shareholders'	owners of	interests of	Total
					foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	shareholders'	
					Retained earnings	statements in	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
					Appropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
					Statutory	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
					reserve	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
					General	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
					reserve	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
					Unappropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
Note	share capital	Share premium	reserve	reserve	Unappropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
<b>Balance as at 1 January 2014</b>	524,999,679	680,400,000	52,500,000	650,600,000	2,193,890,063	(37,625,949)	-	-	(37,625,949)	4,064,763,793	1,083,612,979	5,148,376,772
Profit for the year (restated)	-	-	-	-	426,771,184	-	-	-	-	426,771,184	182,948,140	609,719,324
Other comprehensive income for the year (restated)	-	-	-	-	3,696,544	6,101,143	-	-	6,101,143	9,797,687	4,768,024	14,565,711
Total comprehensive income for the year	-	-	-	-	430,467,728	6,101,143	-	-	6,101,143	436,568,871	187,716,164	624,285,035
Dividend paid	32	-	-	-	(393,749,759)	-	-	-	-	(393,749,759)	-	(393,749,759)
Unappropriated retained earnings transferred to general reserve	32	-	-	76,600,000	(76,600,000)	-	-	-	-	-	-	-
Adjustment of capital reserve for share-based payment transactions	26	-	-	-	-	-	-	556,451	556,451	556,451	-	556,451
Disposal of investment in subsidiary and issuance of additional ordinary shares of subsidiary	13	-	-	-	-	-	75,948,676	-	75,948,676	75,948,676	499,542,735	575,491,411
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	(112,621,054)	(112,621,054)
<b>Balance as at 31 December 2014</b>	<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>727,200,000</u>	<u>2,154,008,032</u>	<u>(31,524,806)</u>	<u>75,948,676</u>	<u>556,451</u>	<u>44,980,321</u>	<u>4,184,088,032</u>	<u>1,658,250,824</u>	<u>5,842,338,856</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Equity attributable to owners of the Company					Other component of equity						
	Issued and paid up	Share premium	Retained earnings		Unappropriated	translation of financial statements in foreign currency	Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Note	share capital	Share premium	Statutory reserve	General reserve	Unappropriated	foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
<b>Balance as at 1 January 2015</b>	524,999,679	680,400,000	52,500,000	727,200,000	2,154,008,032	(31,524,806)	75,948,676	556,451	44,980,321	4,184,088,032	1,658,250,824	5,842,338,856
Profit for the year	-	-	-	-	309,609,272	-	-	-	-	309,609,272	148,261,244	457,870,516
Other comprehensive income for the year	-	-	-	-	(4,265,573)	146,316,637	-	-	146,316,637	142,051,064	88,896,487	230,947,551
Total comprehensive income for the year	-	-	-	-	305,343,699	146,316,637	-	-	146,316,637	451,660,336	237,157,731	688,818,067
Dividend paid	32	-	-	-	(393,749,759)	-	-	-	-	(393,749,759)	-	(393,749,759)
Unappropriated retained earnings transferred to general reserve	32	-	-	7,700,000	(7,700,000)	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	(171,782,268)	(171,782,268)
Impact from liquidation of a subsidiary		-	-	-	-	15,378,116	-	-	15,378,116	15,378,116	193,216	15,571,332
<b>Balance as at 31 December 2015</b>	<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>734,900,000</u>	<u>2,057,901,972</u>	<u>130,169,947</u>	<u>75,948,676</u>	<u>556,451</u>	<u>206,675,074</u>	<u>4,257,376,725</u>	<u>1,723,819,503</u>	<u>5,981,196,228</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

		Separate financial statements					
		Retained earnings					
		Appropriated			Total		
		Statutory	General	Unappropriated		Total	
Note	Issued and paid up share capital	Share premium	reserve	reserve	shareholders' equity		
	<b>Balance as at 1 January 2014</b>	524,999,679	680,400,000	52,500,000	650,600,000	286,600,498	2,195,100,177
	Profit for the year	-	-	-	-	401,509,828	401,509,828
	Other comprehensive income for the year	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	401,509,828	401,509,828
	Dividend paid	-	-	-	-	(393,749,759)	(393,749,759)
	Unappropriated retained earnings transferred to general reserve	-	-	-	76,600,000	(76,600,000)	-
	<b>Balance as at 31 December 2014</b>	<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>727,200,000</u>	<u>217,760,567</u>	<u>2,202,860,246</u>
	<b>Balance as at 1 January 2015</b>	524,999,679	680,400,000	52,500,000	727,200,000	217,760,567	2,202,860,246
	Profit for the year	-	-	-	-	410,687,554	410,687,554
	Other comprehensive income for the year	-	-	-	-	(5,827,610)	(5,827,610)
	Total comprehensive income for the year	-	-	-	-	404,859,944	404,859,944
	Dividend paid	-	-	-	-	(393,749,759)	(393,749,759)
	Unappropriated retained earnings transferred to general reserve	-	-	-	7,700,000	(7,700,000)	-
	<b>Balance as at 31 December 2015</b>	<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>734,900,000</u>	<u>221,170,752</u>	<u>2,213,970,431</u>

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

**Lanna Resources Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2015**

**1. General information**

Lanna Resources Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Siam City Cement Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of lignite. The registered office of the Company is at 888/99 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of Lanna Resources Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Relationship	Country of incorporation	Shareholding percentage	
				2015 Percent	2014 Percent
<b><u>Held by the Company</u></b>					
<b>Local subsidiary</b>					
Thai Agro Energy Public Co., Ltd.	Ethanol production and distribution	Direct holding and common directors	Thailand	51.00	51.00
<b>Overseas subsidiaries</b>					
PT. Lanna Mining Services	Coal distribution	Direct holding and common directors	Indonesia	99.95	99.95
PT. Singlurus Pratama	Coal production and distribution	Direct holding and common directors	Indonesia	65.00	65.00
PT. Lanna Harita Indonesia	Coal production and distribution	Direct holding and common directors	Indonesia	55.00	55.00
PT. Citra Harita Mineral	Service in coal production and port and jetty service	Direct holding and common directors	Indonesia	-	55.00

(liquidated in 2015)

Company's name	Nature of business	Relationship	Country of incorporation	Shareholding percentage	
				<u>2015</u> Percent	<u>2014</u> Percent
<b><u>Held by associated company</u></b>					
PT. Lanna Mining Services	Coal distribution	Direct holding	Indonesia	0.05	0.05

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) The excess of the cost of investment in a subsidiary company over the Company's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired as at the investment date has been shown as "Goodwill" and separately presented as non-current asset in the consolidated statement of financial position and is measured at cost less any accumulated impairment losses (if any).

2.3 The separate financial statements present investments in subsidiaries and associated company under the cost method.



### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Financial reporting standards that became effective in the current year**

The Group has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial statements. However, the change has no impact on the prior year's separate financial statements, presented as comparative information.

## **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

## **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

## **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

## **TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

This financial reporting standard interpretation establishes the accounting for stripping costs in the production phase of a surface mine. This TFRIC requires the stripping costs during the production phase are capitalised as part of the deferred stripping costs if, and only if, all of the following are met:

- a) It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the subsidiaries.
- b) The subsidiaries can identify the component of the ore body for which access has been improved.
- c) The costs relating to the stripping activity associated with that component can be measured reliably.

The deferred stripping costs shall be initially recognised at cost and subsequently stated at cost less accumulated amortisation, which is calculated using the proportion of unit produced to total reserves, and allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

In 2014, the Group has early adopted this TFRIC which resulted in the initial recognition of deferred stripping costs and subsequent amortisation is determined by reference to components of the ore body rather than by reference to the entire operation. In addition, the amortisation of deferred stripping costs shall be calculated using the proportion of unit produced rather than using the stripping ratios.

### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

#### 4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards.

The amounts of adjustments affecting the consolidated statements of income and comprehensive income are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
	For the year ended
	<u>31 December 2014</u>
<b>Statements of income:</b>	
Increase in administrative expenses	6,576
Decrease in income tax expenses	1,884
<b>Profit attributable to:</b>	
Decrease in profit attributable to equity holders of the Company	3,696
Decrease in profit attributable to non-controlling interest of the subsidiaries	996
<b>Statements of comprehensive income:</b>	
<b>Other comprehensive income</b>	
Increase in actuarial gain - net of income tax	4,692
<b>Earnings per share (Baht):</b>	
Decrease in basis earnings per share	0.01

## **5. Significant accounting policies**

### **5.1 Revenue Recognition**

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Income from coal sales are recorded according to the weight as recorded at the Company's site or the customer's site. Adjustments of the sales price due to quality and weight considerations are recognised in the month in which notification is received from customers.

#### *Commission and marketing service income*

Commission and marketing service income are recognised on an accrual basis when overseas subsidiaries sell coal to the buyer who the Company provides to subsidiaries.

#### *Service income*

Service income is recognised on an accrual basis when overseas subsidiary sells coal which is produced from its concession area to the buyer.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **5.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

### **5.4 Inventories**

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of finished goods and work in process includes cost of material, labour and overheads.

Supplies and spare parts are value at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

Allowance for diminution in inventory value is provided for the excess of cost over the net realisable value of inventories and for slow moving or deteriorated inventories.

Net realisable value is selling price in normal course of business less other costs incurred to sell the goods.

### **5.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Change in the fair value of these securities, which is determined from their net asset value, are recorded in profit or loss.
- b) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## 5.6 Investment properties

Investment properties, which are plots of land, are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

## 5.7 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

The cost of property, plant and equipment also includes the initial estimate of the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 10 years
Building and amenities	5 - 30 years
Machinery and equipment	4 - 30 years
Furniture and office equipment	3 - 15 years
Vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction and installation, land improvement of a local subsidiary and land, except for mining land which is depleted in accordance with the difference between its purchase cost and fair value and on the basis of units produced in proportion to the total coal reserves.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

## **5.8 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible asset with finite useful lives, which is computer software, has useful lives of 3 - 10 years.

## **5.9 Other non-current assets**

### *Assets under exploration for and evaluation of mineral resources*

Exploration and evaluation expenditures of the subsidiaries involve expenditures relating to the search for mineral resources after the subsidiaries have obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource such as license costs, expenditures from topographical, geological, geochemical and geophysical studies, exploratory drilling expenditure and sampling expenditure.

Exploration and evaluation expenditures are recorded as assets except for administration expenditures that are not directly attributable to the specific area are charged to profit or loss. Following the initial recognition, exploration and evaluation assets are stated at cost less allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

Exploration and evaluation assets are classified as part of deferred exploration and development costs when proven reserves of the specific area are completely determined.

### *Deferred exploration and development costs*

Development expenditures and incorporated costs before the production stage, which are net of proceeds from the sale of coal extracted during the development phase, are capitalised as deferred exploration and development costs. When the mine construction project moves into the production stage, deferred exploration and development costs are amortised as expenses in accordance with the proportion of units produced to total coal reserves.



### *Deferred stripping costs*

Stripping costs/overburden removal expenses during the development phase of the mine are capitalised as part of the deferred stripping costs.

Stripping costs during the production phase are capitalised as part of the deferred stripping costs if, and only if, all of the following are met:

- a) It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the subsidiaries.
- b) The subsidiaries can identify the component of the ore body for which access has been improved.
- c) The costs relating to the stripping activity associated with that component can be measured reliably.

The deferred stripping costs shall be initially recognised at cost and subsequently stated at cost less accumulated amortisation, which is calculated using the proportion of unit produced to total reserves, and allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

### **5.10 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

### **5.11 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

### **5.12 Long-term leases**

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

### **5.13 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **5.14 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

## **5.15 Employee benefits**

### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### ***Post-employment benefits***

#### *Defined contribution plans*

The Company, a subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and the subsidiary. The fund's assets are held in a separate trust fund and the Company's and the subsidiary's contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by professionally qualified independent actuaries based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

## **5.16 Government grants related to assets**

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. Government grants related to assets are presented as a deducting to the value of the related assets and are recognised in profit or loss over the useful life of the assets as a reduced depreciation expense.

## **5.17 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **5.18 Provision for mine reclamation and decommissioning costs**

The subsidiaries recognise a provision for mine reclamation and decommissioning costs where an obligation exists. The estimated amount of the eventual costs relating to the site restoration and reclamation is discounted to its present value. Such costs are included in profit or loss based on the unit-of-production method on the total estimated reclamation and decommissioning costs over the total proven reserves.

## **5.19 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### *Current tax*

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### *Deferred tax*

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **5.20 Derivatives**

### **Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

## **5.21 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **6. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Coal reserve estimates**

The subsidiaries determine coal reserve based on best estimate of product that can be economically extracted from the relevant mining area. Such determination is made based on various assumptions including stripping ratios, production costs, transport costs, coal prices and exchange rates.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

**Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Allowance for diminution in inventory value**

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

**Allowance for impairment of investments**

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

**Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.



**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

**Provision for mine reclamation and decommissioning costs**

The majority of the decommissioning and reclamation costs is incurred at the end of a mine's life. In determining a provision for such costs, the management needs to make judgement regarding the expected future costs to be incurred, the timing of these expected future costs, largely dependent on the life of the mine, and the estimated future level of inflation.

**Litigation**

The subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 7. Related party transactions

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	196,623	128,759
Commission and marketing service income	-	-	167,115	193,935
Service income	-	-	46,328	55,029
Interest income	-	-	-	2,578
<u>Transactions with major shareholder</u>				
Sales of coal	1,581,399	1,687,974	1,581,399	1,687,974
<u>Transactions with associated company</u>				
Purchase of coal	945,238	1,156,065	945,238	1,156,065
Freight charge	180,354	229,904	180,354	229,904
Dividend income	-	-	33,490	11,924
<u>Transfer pricing policy</u>				
Sales of coal	Market price at which equivalent quality coal is sold to the same industry			
Purchase of coal	Market price for equivalent quality coal			
Commission and marketing service income	At the price agreed between the parties which is general price for the same business			
Service income	Rate comparable paid to third parties			
Dividend income	At the declared rate			
Freight charge	Price comparable to freight charges paid to third parties			
Interest income	SIBOR plus 4.5% per annum			

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 10)</b>				
Major shareholder	126,631	143,073	126,631	143,073
Subsidiaries	-	-	89,258	76,044
Total trade and other receivables - related parties	<u>126,631</u>	<u>143,073</u>	<u>215,889</u>	<u>219,117</u>

**Advance payments for goods - related parties**

**(Note 12)**

Associated company	-	3,437	-	3,437
Total advance payment for goods - related parties	<u>-</u>	<u>3,437</u>	<u>-</u>	<u>3,437</u>

**Trade and other payables - related parties**

**(Note 20)**

Associated company	7,429	1,366	7,429	1,366
Total trade and other payables - related parties	<u>7,429</u>	<u>1,366</u>	<u>7,429</u>	<u>1,366</u>

**Directors and management's benefits**

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	175,963	170,492	62,360	60,564
Post-employment benefits	34,399	15,537	1,404	2,314
Total	<u>210,362</u>	<u>186,029</u>	<u>63,764</u>	<u>62,878</u>

**Employee Joint Investment Program**

On 17 October 2011, the meeting of the Company's Board of Directors passed a resolution approving the Employee Joint Investment Program of the Company, for a period of 5 years commencing 1 January 2012. The details and conditions in relation to such program depend on the determination of the Company's Board of Directors. The Company obtained an approval from the Securities and Exchange Commission on 16 November 2011.

## 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	174	180	40	40
Bank deposits	688,269	534,227	11,846	19,935
Investments in bill of exchange	50,000	-	50,000	-
Total	738,443	534,407	61,886	19,975
Less: Restricted bank deposits	(78,297)	(87,488)	-	-
Total	660,146	446,919	61,886	19,975

As at 31 December 2015, bank deposits in saving accounts, fixed deposits and short-term investments carried interests between 0.10 and 7.50 percent per annum (2014: between 0.10 and 9.75 percent per annum).

As at 31 December 2015, the overseas subsidiaries have restricted bank deposits of USD 2.2 million or approximately Baht 78 million (2014: USD 2.7 million or approximately Baht 87 million) as collateral for the credit facilities of trust receipt and to secure bank guarantees issued by banks on behalf of the subsidiaries as discussed in Note 19 and Note 35.5, respectively.

## 9. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Investments in trading securities - fair value	500,794	267,216	500,015	266,781
Fixed deposit	100,000	150,000	100,000	150,000
Investments in bills of exchange	250,000	350,000	250,000	350,000
Total	850,794	767,216	850,015	766,781

During the year 2015, the Company and its subsidiary recognised gains on the sales of trading securities amounting to Baht 7.7 million (the Company only: Baht 7.4 million) (2014: Baht 3.2 million and the Company only: Baht 2.8 million) and, as at 31 December 2015, the Company and its subsidiary recognised loss on valuation of trading securities amounting to Baht 0.3 million (the Company only: Baht 0.3 million) in profit or loss (2014: gain of Baht 0.3 million and the Company only: gain of Baht 0.3 million).

As at 31 December 2015, the Company had current investments in the form of bills of exchange and fixed deposit amounting to Baht 350 million (2014: Baht 500 million) carried interests between 2.0 and 2.3 percent per annum (2014: between 2.7 and 3.0 percent per annum) and due for redemption during April to September 2016.

## 10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	126,631	143,073	144,441	160,109
Past due				
Up to 3 months	-	-	28,971	22,671
Over 3 months to 6 months	-	-	18,197	13,772
Over 6 months to 9 months	-	-	-	1
Total trade receivables - related parties	<u>126,631</u>	<u>143,073</u>	<u>191,609</u>	<u>196,553</u>
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	675,925	558,203	26,012	31,074
Past due				
Over 9 months to 12 months	-	3,698	-	-
Over 12 months	4,048	-	-	-
Total trade receivables - unrelated parties	<u>679,973</u>	<u>561,901</u>	<u>26,012</u>	<u>31,074</u>
Total trade receivables	<u>806,604</u>	<u>704,974</u>	<u>217,621</u>	<u>227,627</u>
<b><u>Other receivables</u></b>				
Other receivables - related parties	-	-	24,280	22,564
Other receivables - unrelated parties	2,505	13,897	66	226
Advances	955	464	955	464
Interest receivable	2,254	4,609	2,252	4,607
Total other receivables	<u>5,714</u>	<u>18,970</u>	<u>27,553</u>	<u>27,861</u>
Total trade and other receivables	<u>812,318</u>	<u>723,944</u>	<u>245,174</u>	<u>255,488</u>

The overseas subsidiary has pledged its accounts receivable to the bank as collateral for the credit facilities of trust receipt. As at 31 December 2015, the balance of accounts receivable totaling Rupiah 37,601 million or approximately Baht 98.4 million (2014: Rupiah 45,000 million or approximately Baht 118.7 million) were placed as collateral for such credit facilities.

## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Coal and work in process	327,807	458,698	-	(20,844)	327,807	437,854
Finished goods - Ethanol	15,618	10,044	-	-	15,618	10,044
Work in process - Ethanol	16,789	12,761	-	-	16,789	12,761
Raw materials - Molasses	95,424	81,944	-	-	95,424	81,944
Supplies	13,406	15,491	-	-	13,406	15,491
Spare parts	9,101	6,201	-	-	9,101	6,201
<b>Total</b>	<b>478,145</b>	<b>585,139</b>	<b>-</b>	<b>(20,844)</b>	<b>478,145</b>	<b>564,295</b>

(Unit: Thousand Baht)

	Separated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Coal	96,138	162,577	-	-	96,138	162,577
<b>Total</b>	<b>96,138</b>	<b>162,577</b>	<b>-</b>	<b>-</b>	<b>96,138</b>	<b>162,577</b>

During the current year, a subsidiary reversed the write-down of cost of inventories by Baht 20.7 million, and reduced the cost of sales during the year (2014: reduced cost of inventories by Baht 20.8 million, which was included in cost of sales, to reflect the net realisable value).

## 12. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Advance payments for goods - related parties	-	3,437	-	3,437
Advance payments for goods - unrelated parties	598,525	666,321	-	-
<b>Total advance payments for goods</b>	<b>598,525</b>	<b>669,758</b>	<b>-</b>	<b>3,437</b>

The local subsidiary had significant business transactions with local companies in respect of purchases of molasses and cassava chips under the purchase of molasses agreement and cassava chips agreement. To comply with the conditions in the agreements, as at 31 December 2015, the subsidiary had outstanding advance payments for purchase of molasses and cassava chips amounting to Baht 578.1 million (2014: Baht 629.2 million).

### 13. Investments in subsidiaries

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

Company's name	Paid up capital		Shareholding		Cost		Allowance for		Cost - net		Dividend received	
			percentage				impairment of				for the years ended	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
				(%)	(%)							
<b>Local subsidiary</b>												
Thai Agro Energy Public Co., Ltd.	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	-	-	510,000	510,000	76,500	51,000
<b>Overseas subsidiaries</b>												
PT. Lanna Mining Services (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	-	-	70,889	70,889	-	-
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 7,950 million	Rp 7,950 million	65.00	65.00	18,626	18,626	-	-	18,626	18,626	-	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	-	-	155,023	155,023	120,123	77,759
PT. Citra Harita Mineral (Incorporated in Indonesia)	-	Rp 1,000 million	-	55.00	-	2,187	-	(2,159)	-	28	-	-
Total					<u>754,538</u>	<u>756,725</u>	<u>-</u>	<u>(2,159)</u>	<u>754,538</u>	<u>754,566</u>	<u>196,623</u>	<u>128,759</u>

(Unit: Thousand Baht)

## **Local subsidiary**

### Thai Agro Energy Public Co., Ltd.

On 10 April 2014, the Securities and Exchange Commission approved the share offering of Thai Agro Energy Public Co., Ltd. The registration statement and prospectus of Thai Agro Energy Public Co., Ltd. have been effective on 9 May 2014. The Company and Thai Agro Energy Public Co., Ltd. determined the offering price of shares of Thai Agro Energy Public Co., Ltd. to the Company's existing shareholders who has name on the Company's share registration book on 7 May 2014 and public at the price of Baht 2.00 per share. The subscription periods for the Company's shareholders is 21 - 23 May 2014 and for public is 28 - 30 May 2014. The Company had already received the full payment from the disposal of Thai Agro Energy Public Co., Ltd.'s ordinary shares and Thai Agro Energy Public Co., Ltd. had already received the full payment from issuance of additional ordinary shares on 2 June 2014. Then, the Stock Exchange of Thailand approved 1,000,000,000 ordinary shares with a par value of Baht 1 each of Thai Agro Energy Public Co., Ltd. as listed securities for trading, effective from 5 June 2014.

The disposal of some ordinary shares of Thai Agro Energy Public Co., Ltd. and issuance of additional ordinary shares of Thai Agro Energy Public Co., Ltd. to the Company's shareholders and public led to a decrease in shareholding percentage of the Company in such subsidiary from 75.75 percent to 51.00 percent. The Company recognised gain from disposal of investment in subsidiary of Baht 90.7 million in profit or loss in the prior's year separate financial statements and recorded surplus on change in the percentage of shareholding in subsidiary of Baht 75.9 million in the prior year's consolidated statement of change in shareholders' equity.

## **Overseas subsidiaries**

The Company has 3 overseas subsidiaries in which the Company has shareholding percentage between 55.00% and 99.95% and, as at 31 December 2015, such subsidiaries had unappropriated retained earnings of the Company's portion totaling USD 37.6 million or approximately Baht 1,256.0 million (2014: 4 overseas subsidiaries of USD 41.7 million or approximately Baht 1,432.8 million). The Group may have obligations regarding withholding tax deducted at source in Indonesia when the subsidiaries pay dividends from such amount in the future.



PT. Citra Harita Mineral

On 17 April 2012, the meeting of the Board of Directors of the Company passed a resolution to approve the dissolution and liquidation of PT. Citra Harita Mineral, which is a subsidiary incorporated in Indonesia. The subsidiary company registered its dissolution with the Directorate General for General Law Administration, Ministry of Law and Human Rights on 31 July 2015 and completely liquidation on 19 November 2015.

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13.2 Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Other comprehensive income allocated to non-controlling interests during the year		Translation adjustment allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(%)	(%)										
Thai Agro Energy Public Co., Ltd.	49.00	49.00	834	788	120	71	-	-	-	-	(74)	(49)
PT. Singlurus Pratama	35.00	35.00	380	397	(58)	3	(1)	2	42	2	-	-
PT. Lanna Harita Indonesia	45.00	45.00	518	481	87	111	2	(1)	46	2	(98)	(64)

13.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Thai Agro Energy Public Co., Ltd.		PT. Singlurus Pratama		PT. Lanna Harita Indonesia	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current assets	948	997	894	1,246	1,318	1,044
Non-current assets	2,293	2,388	996	1,004	451	394
Current liabilities	(1,235)	(1,293)	(478)	(806)	(431)	(220)
Non-current liabilities	(303)	(483)	(118)	(99)	(184)	(144)

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December

	Thai Agro Energy Public Co., Ltd.		PT. Singlurus Pratama		PT. Lanna Harita Indonesia	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue	2,602	2,500	2,472	3,528	3,284	4,061
Profit (loss)	244	219	(167)	8	192	244
Other comprehensive income	-	-	(2)	5	5	(2)
Total comprehensive income	244	219	(169)	13	197	242

Summarised information about cash flow

(Unit: Million Baht)

For the year ended 31 December

	Thai Agro Energy Public Co., Ltd.		PT. Singlurus Pratama		PT. Lanna Harita Indonesia	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flow from operating activities	356	70	510	389	563	107
Cash flow from investing activities	(39)	(307)	(279)	(430)	(237)	(182)
Cash flow from financing activities	(330)	247	(185)	(18)	(231)	(145)
Net increase (decrease) in cash and cash equivalents	(13)	10	46	(59)	95	(220)

## 14. Investment in associated company

### 14.1 Detail of associated company

(Unit: Thousand Baht)

Company's name	Nature of Business	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014	Carrying amounts based on equity method		Cost	
				(%)	(%)	2015	2014	2015	2014
United Bulk Shipping Pte. Ltd. (Incorporated in Singapore)	Shipping business and coal distribution	SGD 0.1 million	SGD 0.1 million	49.00	49.00	42,217	50,250	891	891
Total						42,217	50,250	891	891

#### 14.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit from investment in associated company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in associate for the years ended 31 December		Share of other comprehensive income from investment in associate for the years ended 31 December		Dividend received for the years ended 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
United Bulk Shipping Pte. Ltd.	25,457	23,244	-	-	33,490	11,924

Share of profit from United Bulk Shipping Pte. Ltd. for the years ended 31 December 2015 and 2014 had been calculated from the financial statements prepared by the management of the associated company and not being audited by its auditor.

The Company's management believes that the management accounts of the associated company would not be significantly different from the account audited by its auditor.

### 14.3 Summarised financial information about material associates

#### Summarised information about financial position

	(Unit: Million Baht)	
	United Bulk Shipping Pte. Ltd.	
	<u>2015</u>	<u>2014</u>
Current assets	240	258
Current liabilities	(146)	(156)
<b>Net assets</b>	<u>94</u>	<u>102</u>
<b>Carrying amounts of associates based on equity method</b>	<u>42</u>	<u>50</u>

#### Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	United Bulk Shipping Pte. Ltd.	
	<u>2015</u>	<u>2014</u>
Revenue	1,224	1,314
Profit	52	47
Other comprehensive income	-	-
Total comprehensive income	52	47

## 15. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	<u>Consolidated and Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>
Cost	37,496	37,496
Less: Accumulated depreciation	(1,200)	(1,200)
Less: Allowance for diminution in value	(1,570)	(1,570)
Net book value	<u>34,726</u>	<u>34,726</u>

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	<u>Consolidated and Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	34,726	34,726
Disposal - net book value on disposal date	-	-
Net book value at end of year	<u>34,726</u>	<u>34,726</u>

As at 31 December 2015, the Company had investment properties, which mainly are plots of land of Paka mine, with an aggregate net book value of approximately Baht 34.7 million (2014: Baht 34.7 million). The Company is considering making use and/or selling such assets to other parties. However, for some plots of land and land improvement which the Company had considered their net realisable value to be less than the net book value, the Company had set up allowance for impairment of such assets of Baht 1.6 million (2014: Baht 1.6 million).

The fair value of the investment properties as at 31 December 2015 is Baht 54.8 million (2014: Baht 51.6 million), which is determined based on the price appraised by the Department of Land.

## 16. Property, plant and equipment

### Consolidated financial statements

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>									
1 January 2014	354,004	65,045	107,838	647,201	2,212,006	96,863	50,758	616,306	4,150,021
Additions	3,701	-	4,281	3,208	5,985	4,947	9,335	319,186	350,643
Disposals/write-off	(1,446)	-	-	(202)	(4,383)	(3,509)	(685)	-	(10,225)
Transfer in (transfer out)	-	-	4,484	32,014	188,675	1,391	-	(226,564)	-
Cash received from government grants	-	-	-	-	(13,487)	-	-	-	(13,487)
Translation adjustment	79	-	79	1,751	2,073	227	65	547	4,821
31 December 2014	356,338	65,045	116,682	683,972	2,390,869	99,919	59,473	709,475	4,481,773
Additions	2,292	-	-	233	8,297	4,133	1,623	26,832	43,410
Disposals/write-off	-	-	-	(889)	(3,115)	(11,022)	(4,400)	-	(19,426)
Transfer in (transfer out)	-	-	-	20,194	213,784	-	-	(233,978)	-
Translation adjustment	1,645	-	1,649	37,533	44,996	4,785	1,734	11,359	103,701
31 December 2015	360,275	65,045	118,331	741,043	2,654,831	97,815	58,430	513,688	4,609,458



(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Office equipment	Vehicles	Assets under construction and installation	Total
<b>Accumulated depreciation</b>									
1 January 2014	-	65,045	29,024	62,515	639,028	73,934	40,018	-	909,564
Depreciation for the year	-	-	3,425	48,442	124,259	10,988	3,751	-	190,865
Accumulated depreciation of the disposed and written-off assets	-	-	-	(103)	(4,032)	(3,396)	(674)	-	(8,205)
Translation adjustment	-	-	79	75	836	168	30	-	1,188
31 December 2014	-	65,045	32,528	110,929	760,091	81,694	43,125	-	1,093,412
Depreciation for the year	-	-	3,463	53,443	140,547	9,642	4,795	-	211,890
Accumulated depreciation of the disposed and written-off assets	-	-	-	(372)	(2,888)	(9,294)	(4,396)	-	(16,950)
Translation adjustment	-	-	1,649	5,149	20,161	3,958	818	-	31,735
31 December 2015	-	65,045	37,640	169,149	917,911	86,000	44,342	-	1,320,087
<b>Net book value</b>									
31 December 2014	356,338	-	84,154	573,043	1,630,778	18,225	16,348	709,475	3,388,361
31 December 2015	360,275	-	80,691	571,894	1,736,920	11,815	14,088	513,688	3,289,371
<b>Depreciation for the year</b>									
2014 (Baht 169 million included in manufacturing cost, and the balance in selling and administrative expenses)									190,865
2015 (Baht 192 million included in manufacturing cost, and the balance in selling and administrative expenses)									211,890

## Separate financial statements

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>									
1 January 2014	180,000	65,045	33,744	6,645	76,034	27,283	10,869	26,589	426,209
Additions	-	-	4,281	2,979	501	1,949	-	18,038	27,748
Disposal/write-off	-	-	-	-	(110)	(1,670)	(20)	-	(1,800)
Transfer in (transfer out)	-	-	4,485	22,186	17,795	-	-	(44,466)	-
31 December 2014	180,000	65,045	42,510	31,810	94,220	27,562	10,849	161	452,157
Additions	-	-	-	-	-	1,962	-	323	2,285
Disposal/write-off	-	-	-	-	(75)	(2,541)	(2)	-	(2,618)
Transfer in (transfer out)	-	-	-	178	-	-	-	(178)	-
31 December 2015	180,000	65,045	42,510	31,988	94,145	26,983	10,847	306	451,824
<b>Accumulated depreciation</b>									
1 January 2014	-	65,045	11,716	1,385	64,495	21,072	10,857	-	174,570
Depreciation for the year	-	-	3,425	548	2,047	2,797	6	-	8,823
Accumulated depreciation of the disposed and written-off assets	-	-	-	-	(110)	(1,657)	(20)	-	(1,787)
31 December 2014	-	65,045	15,141	1,933	66,432	22,212	10,843	-	181,606
Depreciation for the year	-	-	3,463	1,594	2,841	2,580	5	-	10,483
Accumulated depreciation of the disposed assets/write-off	-	-	-	-	(75)	(2,534)	(2)	-	(2,611)
31 December 2015	-	65,045	18,604	3,527	69,198	22,258	10,846	-	189,478
<b>Net book value</b>									
31 December 2014	180,000	-	27,369	29,877	27,788	5,350	6	161	270,551
31 December 2015	180,000	-	23,906	28,461	24,947	4,725	1	306	262,346

### **Depreciation for the year**

2014 (included in selling and administrative expenses)	8,823
2015 (included in selling and administrative expenses)	10,483

The subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 31 December 2015 amounting to approximately Baht 1,143.4 million (2014: Baht 1,183.0 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 19 and Note 22.

During the year 2014, a subsidiary recorded receipt for a subsidy of Baht 13.5 million from the subsidy agreement with the Energy Conservation Promotion Fund under “Biogas Technology for Industry Project”. The subsidiary included accrued receipt for the subsidy of Baht 4.9 million which subsequently received on 7 January 2015. However, the subsidy is required to comply with the terms under the agreements.

As at 31 December 2015, a subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 5.5 million (2014: Baht 5.0 million).

As at 31 December 2015, the Company and subsidiaries had certain plant and equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 275 million (2014: Baht 231 million) (the Company only: Baht 99 million (2014: Baht 98 million)).

## 17. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2014	10,763	4,724
Additions	991	135
Transfer in	2,874	-
Write-off	(235)	(235)
31 December 2014	14,393	4,624
Additions	1,849	111
Write-off	(485)	(216)
Translation adjustment	146	-
31 December 2015	15,903	4,519
<b>Accumulated amortisation</b>		
1 January 2014	7,388	3,309
Amortisation for the year	2,335	495
Accumulated amortisation of the written-off assets	(235)	(235)
31 December 2014	9,488	3,569
Amortisation for the year	2,179	444
Accumulated amortisation of the written-off assets	(485)	(216)
Translation adjustment	(26)	-
31 December 2015	11,156	3,797
<b>Net book value</b>		
31 December 2014	4,905	1,055
31 December 2015	4,747	722

## 18. Other non-current assets

Other non-current assets have been shown net of related accumulated amortisation as at 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred expenses - Indonesia coal mine project	402,863	401,453	-	-
Deferred stripping costs	208,192	134,419	-	-
Deferred transferred service fees according to contract	19,604	33,919	19,604	33,919
Others	23,097	25,773	4,591	8,995
<b>Total other non-current assets</b>	<b><u>653,756</u></b>	<b><u>595,564</u></b>	<b><u>24,195</u></b>	<b><u>42,914</u></b>
Amortisation expenses for the year	<u>485,452</u>	<u>516,012</u>	<u>14,315</u>	<u>17,884</u>

### Deferred expenses - Indonesia coal mine project

A reconciliation of the net book value of deferred expenses - Indonesia coal mine project for the years 2015 and 2014 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Exploration and evaluation assets	Deferred exploration and development costs	Total
As at 1 January 2014	36,037	362,477	398,514
Increase during the year	-	69,257	69,257
Transfer out	-	(2,874)	(2,874)
Amortisation for the year	-	(65,258)	(65,258)
Translation adjustment	164	1,650	1,814
<b>As at 31 December 2014</b>	<b>36,201</b>	<b>365,252</b>	<b>401,453</b>
Increase during the year	-	35,460	35,460
Amortisation for the year	-	(72,116)	(72,116)
Translation adjustment	3,433	34,633	38,066
<b>As at 31 December 2015</b>	<b><u>39,634</u></b>	<b><u>363,229</u></b>	<b><u>402,863</u></b>

## Deferred stripping costs

A reconciliation of the net book value of deferred stripping costs for the years 2015 and 2014 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	134,419	146,406
Increase during the year	460,110	486,647
Write-off during the year	(61)	(66,431)
Amortisation for the year	(399,021)	(432,870)
Translation adjustment	12,745	667
Net book value at end of year	<u>208,192</u>	<u>134,419</u>

## Agreement of transferring service fees provided by PT. Indocoal Pratama Jaya

On 6 March 2008, the Company and PT. Indocoal Pratama Jaya (“IPJ”) entered into agreement of transferring service fees for service provided to the concession area of PT. Singlurus Pratama (SGP) for the first 15 million tons of coal produced and distributed at a price of USD 0.75 per ton, in accordance with the Service Agreement, which stipulate that IPJ is to receive a fee of USD 0.75 per ton of coal produced and distributed from SGP.

IPJ has an agreement with a creditor who provided it with financial support, whereby IPJ agreed to pay the creditor the fees it receives at a rate of USD 0.75 per ton for the first 15 million tons of coal produced and distributed from the SGP concession.

That creditor agreed to transfer such fees to the Company at a negotiated price of USD 3.75 million, or equivalent to Baht 118.3 million, with the Company making a lump sum payment. Such fees will be amortised according to the quantity of coal sold from SGP and the Company had already started amortising the fee since July 2009.

## 19. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated	financial
	statements	
	<u>2015</u>	<u>2014</u>
Promissory notes	862,957	831,210
Trust receipts	101,977	366,521
Short-term loans from financial institution	72,030	-
Total	<u>1,036,964</u>	<u>1,197,731</u>

As at 31 December 2015, the local subsidiary had short-term loans from financial institution in the form of promissory notes of Baht 863.0 million (2014: Baht 831.2 million), which bear interests between 3.1 and 3.3 percent per annum (2014: between 3.6 and 3.9 percent per annum). The loan is secured by the mortgage of part of the subsidiary's land and construction thereon and machinery as discussed in Note 16.

Two subsidiaries entered into the credit facilities agreements with two financial institutions of Baht 200 million and USD 7.9 million. As at 31 December 2015, the subsidiaries had outstanding balance of trust receipts of Baht 102.0 million (2014: Baht 131.9 million and USD 7.1 million, totaling Baht 366.5 million), with interest rates of 3.1 percent per annum (2014: 3.52 percent per annum and 6.0 percent per annum, respectively).

As at 31 December 2015, the overseas subsidiary had short-term loans from financial institution of approximately USD 2.0 million or Baht 72.0 million. The loans bear interest at the rate 3.08 percent per annum (2014: trust receipts of USD 7.1 million or approximately Baht 234.6 million) are secured by pledge of restricted deposit and accounts receivable of USD 0.1 million or approximately Baht 5.0 million and Rupiah 37,601 million or Baht 98.4 million, respectively, (2014: secured by pledge of restricted deposit and accounts receivable of 0.6 million or approximately Baht 19.8 million and Rupiah 45,000 million or Baht 118.7 million) as discussed in Note 8 and Note 10, respectively, and containing covenants which the overseas subsidiary has to comply, pertaining to matters such as requesting for approval from the financial institution for negative pledge.

## 20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables - related parties	7,429	1,366	7,429	1,366
Trade payables - unrelated parties	344,133	413,738	40,824	51,615
Other payables - unrelated parties	59,169	47,699	1,868	8,410
Total trade and other payables	<u>410,731</u>	<u>462,803</u>	<u>50,121</u>	<u>61,391</u>

## 21. Liabilities under finance lease agreements

Details of liabilities under finance lease agreements of a subsidiary as at 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Liabilities under finance lease agreements	6,580	6,679
Less: Deferred interest expenses	(1,039)	(1,437)
Total	5,541	5,242
Less: Current portion	(1,449)	(916)
Liabilities under finance lease agreements - net of current portion	<u>4,092</u>	<u>4,326</u>

The subsidiary has entered into the finance lease agreements with leasing company for rental of vehicles for use in its operations, whereby it is committed to pay rental on a monthly basis. The term of the agreement is 3 years and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

As at 31 December 2015

	As at 31 December 2015		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,883	4,697	6,580
Deferred interest expenses	(434)	(605)	(1,039)
Present value of future minimum lease payments	<u>1,449</u>	<u>4,092</u>	<u>5,541</u>



	(Unit: Thousand Baht)		
	As at 31 December 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,456	5,223	6,679
Deferred interest expenses	(540)	(897)	(1,437)
Present value of future minimum lease payments	<u>916</u>	<u>4,326</u>	<u>5,242</u>

## 22. Long-term loan from financial institution

	(Unit: Thousand Baht)	
	Consolidated	financial
	statements	
	<u>2015</u>	<u>2014</u>
Long-term loan from financial institution	477,757	657,757
Less: Current portion	<u>(180,000)</u>	<u>(180,000)</u>
Long-term loan from financial institution - net of current portion	<u><u>297,757</u></u>	<u><u>477,757</u></u>

Movements in the long-term loan from financial institution during the year ended 31 December 2015 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2015	657,757
Less: Repayment during the year	<u>(180,000)</u>
Balance as at 31 December 2015	<u><u>477,757</u></u>

On 6 November 2013, the local subsidiary entered into long-term loan agreement with a local bank, obtaining loan facilities of Baht 845 million, for the debt refinance with an another local bank. Then, on 18 December 2013, the subsidiary withdrew the loan for the debt refinance and repaid all of short-term and long-term loans to that local bank totaling Baht 837.8 million. The loan initially carries interest rate at THBFIX reference rate plus 1.75 percent per annum for the first year, and the interest rate increases by 0.05 percent per annum from the second to fifth year. The loan is repayable within 5 years in 10 semi-annually installments of Baht 90 million during the first to ninth installment, and remaining balance is repayable in the tenth installment. The repayment period is from June 2014 to December 2018. The loan is secured by the mortgage of a part of the subsidiary's land and construction thereon and machinery as discussed in Note 16.

On 7 March 2014, the subsidiary made executed an annex of the long-term loan agreement with the bank to revise certain conditions and debt service coverage ratios for the subsidiary's financial statements of year 2014.

The loan agreement contains several covenants which, among other things, require the subsidiary to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement.

As at 31 December 2015, the subsidiary could maintain certain financial ratios as specified in the long-term loan agreement (2014: the subsidiary could not maintain certain financial ratios as specified in the memorandum attached to the long-term loan agreement).

### 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Provision for long-term employee benefits at beginning of year</b>	167,435	156,141	27,484	24,573
Included in profit or loss:				
Current service cost	20,833	23,204	919	1,692
Interest cost	11,850	13,325	620	1,219
Past service costs	(20,152)	(11,750)	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	2,405	-	2,996	-
Financial assumptions changes	533	(6,487)	1,493	-
Experience adjustments	155	(89)	2,796	-
Benefits paid during the year	(32,316)	(4,249)	(11,791)	-
Translation adjustment	511	(2,660)	-	-
<b>Provision for long-term employee benefits at end of year</b>	<u>151,254</u>	<u>167,435</u>	<u>24,517</u>	<u>27,484</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of sales	213	634	-	-
Selling and administrative expenses	12,318	24,145	1,539	2,911
Total expenses recognised in profit or loss	<u>12,531</u>	<u>24,779</u>	<u>1,539</u>	<u>2,911</u>

The Company and its subsidiaries expect to pay Baht 14.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 11.8 million) (2014: Consolidated financial statements: Baht 17.7 million and Separate financial statements: nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10 - 20 years (Separate financial statements: 20 years) (2014: 11 - 28 years, separate financial statements: 18 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.92 - 9.00	4.64 - 8.00	3.62	4.64
Future salary increase rate (depending on age)	5.00 - 8.00	4.70 - 8.00	7.55	7.63
Staff turnover rate	0 - 34	0 - 29	0 - 19	0 - 15

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Thousand Baht)					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in oversea		financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	1%	1%	0.5%	0.5%
Discount rate	(1,025)	1,301	(9,792)	10,951	(946)	1,215
Salary increase rate	1,240	(980)	11,084	(10,075)	1,168	(913)
Turnover rate	(1,072)	436	(648)	662	(987)	343

## 24. Provision for mine reclamation and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for mine reclamation	Provision for decommissioning costs	Total
As at 1 January 2014	82,643	31,450	114,093
Increase during the year	21,193	-	21,193
Decrease from actual paid	(26,534)	-	(26,534)
Reversal of provisions	(22,117)	-	(22,117)
Translation adjustment	(1,198)	(494)	(1,692)
As at 31 December 2014	53,987	30,956	84,943
Increase during the year	48,898	-	48,898
Decrease from actual paid	(27,076)	-	(27,076)
Translation adjustment	(1,302)	(988)	(2,290)
As at 31 December 2015	74,507	29,968	104,475

## 25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 26. Capital reserve for share-based payment transactions

During the year 2011, a shareholder of the local subsidiary sold 3.1 million shares to directors and employees of the subsidiary at a price of Baht 1 per share. This transaction falls under the scope of TFRS 2 Share-based Payment, which requires that the subsidiary records the difference between the selling price and the fair value of shares as an expense. The subsidiary considered that the book value approach is appropriate to determine fair value as book value was calculated based on the financial statements as at 31 December 2010, which was close to the transaction date. However, the resulting difference of Baht 0.6 million was recorded as an expense in profit or loss in the consolidated income statement for the year 2014 and as capital reserve for share-based payment transactions in the consolidated statement of financial position.

## 27. Provident fund

The Company and a subsidiary and their employees jointly established a provident fund as approved by the Ministry of Finance, in accordance with the Provident Fund Act B.E. 2530. The fund is contributed by employees at a rate of 5% of their basic salaries and the Company and the subsidiary also contribute a certain amount. The fund is managed by the Bank of Ayudhaya Public Co., Ltd. will be paid to employee upon termination in accordance with the fund rules of the Company and its subsidiary. Total contributions of the Company and the subsidiary for the year 2015 amounting to Baht 7.9 million, and the Company only: Baht 5.4 million (2014: Baht 7.3 million, the Company only: Baht 5.1 million).

## 28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Purchase of finished goods	1,564,103	1,826,531	1,507,575	1,681,005
Raw materials and consumables used	2,011,450	1,900,821	-	-
Changes in inventories of finished goods and work in process (increase) decrease	121,289	(101,051)	66,439	14,490
Royalty fee	739,891	916,423	-	-
Freight and transportation of goods expenses	672,538	952,645	111,612	107,651
Coal winning and conveyance expenses	620,813	777,743	-	-
Depreciation and amortisation expenses	699,521	709,212	25,242	27,202
Salaries, wages and other employee benefits	181,128	196,698	39,721	37,940
Management benefit expenses	210,362	186,029	63,764	62,878
Electricity and fuel expenses	77,347	119,811	5,950	6,774
Repair and maintenance expenses	83,871	105,253	5,360	5,818
Write-off of deferred stripping costs	61	66,431	-	-
Loss on exchange	72,721	24,332	-	-

## 29. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(restated)			
<b>Current income tax:</b>				
Current income tax charge	112,499	225,468	45,028	67,778
Adjustments in respect of income tax of previous year	-	3,281	-	3,281
Withholding tax deducted at source recognised as expenses during the year	9,009	5,832	9,009	5,832
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	61,049	(1,896)	2,483	(1,014)
<b>Income tax expenses reported in the statement of income</b>	<u>182,557</u>	<u>232,685</u>	<u>56,520</u>	<u>75,877</u>

The amount of income tax related to each component of comprehensive income statements for the years ended 31 December 2015 and 2014 are as follow:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(restated)			
Deferred tax relating to actuarial loss (gain)	<u>235</u>	<u>(1,884)</u>	<u>1,457</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u>
Accounting profit before tax	640,428	842,405	467,207	477,387
Income tax rate	10% - 30%	10% - 30%	20%	20%
Accounting profit before tax multiplied by				
income tax rate	140,089	217,995	93,441	95,477
Adjustment in respect of income tax of previous year	-	3,281	-	3,281
Withholding tax deducted at source recognised as				
expenses during the year	9,009	5,832	9,009	5,832
Effects of:				
Promotional privileges (Note 30)	(38,048)	(27,534)	-	-
Recognition of tax loss carried forward of previous year	-	(8,635)	-	-
Taxable income	1,244	54	1,244	54
Non-deductible expenses	39,713	44,680	816	688
Income not subject to tax	(2,916)	(2,964)	(46,022)	(28,137)
Additional expense deductions allowed	(182)	(152)	(167)	(152)
Taxable withholding tax deducted at source expenses	(1,801)	(1,166)	(1,801)	(1,166)
Others	1,065	(650)	-	-
Total	(925)	3,633	(45,930)	(28,713)
Unrecognised tax loss as deferred tax assets	34,427	1,960	-	-
Translation adjustment	(43)	(16)	-	-
Income tax expenses reported in the statement of income	182,557	232,685	56,520	75,877

A reconciliation of the book value of deferred tax assets and deferred tax liabilities for the years ended 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	As at 1 January 2015	Recognise to profit or loss	Recognise to other comprehensive income	Translation adjustment	As at 31 December 2015	As at 1 January 2015	Recognise to profit or loss	Recognise to other comprehensive income	As at 31 December 2015
<b>Deferred tax assets</b>									
Provision for long-term employee benefits	50,781	(11,897)	235	3,769	42,888	5,497	(2,051)	1,457	4,903
Accumulated depreciation - ore, plant and equipment	23,869	(954)	-	1,005	23,920	13,009	-	-	13,009
Inventories	14,903	(11,394)	-	1,143	4,652	-	-	-	-
Tax loss carried forward	9,938	(9,938)	-	-	-	-	-	-	-
Allowance for diminution in inventory value	6,253	(6,361)	-	108	-	-	-	-	-
Government grants	5,986	(1,254)	-	-	4,732	-	-	-	-
Others	783	639	-	-	1,422	746	(432)	-	314
<b>Total</b>	<b>112,513</b>	<b>(41,159)</b>	<b>235</b>	<b>6,025</b>	<b>77,614</b>	<b>19,252</b>	<b>(2,483)</b>	<b>1,457</b>	<b>18,226</b>
<b>Deferred tax liabilities</b>									
Accumulated amortisation - deferred exploration and development costs and deferred stripping costs	97,300	19,890	-	10,008	127,198	-	-	-	-
Accumulated depreciation - machinery	3,421	-	-	-	3,421	-	-	-	-
<b>Total</b>	<b>100,721</b>	<b>19,890</b>	<b>-</b>	<b>10,008</b>	<b>130,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (liabilities), net</b>					<b>(53,005)</b>				<b>18,226</b>
Deferred tax assets					21,599				18,226
Deferred tax liabilities					(74,604)				-
<b>Deferred tax assets (liabilities), net</b>					<b>(53,005)</b>				<b>18,226</b>



(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	As at 1 January 2014	Recognise to profit or loss	Recognise to other comprehensive income	Translation adjustment	As at 31 December 2014	As at 1 January 2014	Recognise to profit or loss	Recognise to other comprehensive income	As at 31 December 2014
<b>Deferred tax assets</b>									
Provision for long-term employee benefits	46,535	5,950	(1,884)	180	50,781	4,915	582	-	5,497
Accumulated depreciation - ore, plant and equipment	25,534	(1,719)	-	54	23,869	13,009	-	-	13,009
Inventories	-	14,810	-	93	14,903	-	-	-	-
Tax loss carried forward	20,250	(10,312)	-	-	9,938	-	-	-	-
Allowance for diminution in inventory value	-	6,119	-	134	6,253	-	-	-	-
Government grants	4,479	1,507	-	-	5,986	-	-	-	-
Others	314	469	-	-	783	314	432	-	746
<b>Total</b>	<b>97,112</b>	<b>16,824</b>	<b>(1,884)</b>	<b>461</b>	<b>112,513</b>	<b>18,238</b>	<b>1,014</b>	<b>-</b>	<b>19,252</b>
<b>Deferred tax liabilities</b>									
Accumulated amortisation - deferred exploration and development costs and deferred stripping costs	76,627	19,881	-	792	97,300	-	-	-	-
Accumulated depreciation - machinery	3,421	-	-	-	3,421	-	-	-	-
Inventories	5,009	(4,953)	-	(56)	-	-	-	-	-
<b>Total</b>	<b>85,057</b>	<b>14,928</b>	<b>-</b>	<b>736</b>	<b>100,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (liabilities), net</b>					<b>11,792</b>				<b>19,252</b>
Deferred tax assets					45,688				19,252
Deferred tax liabilities					(33,896)				-
<b>Deferred tax assets (liabilities), net</b>					<b>11,792</b>				<b>19,252</b>

As at 31 December 2015, the subsidiaries has unused tax losses totaling Baht 115.8 million (2014: Baht 7.8 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax loss amounting to Baht 115.8 million will expire by year 2020.

### 30. Promotional privileges

Thai Agro Energy Public Company Limited, a subsidiary, has been granted the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Certificate No.	1760(2)/2546	2078(9)/2551
Date	26 December 2003	19 November 2008
1. Promotional privileges for	Manufacture of alcohol	Manufacture of ethanol (99.5%)
2. Significant privileges		
2.1 Exemption from corporate income tax on income derived from the promoted operations (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the promoted operations throughout the period in which the corporate income tax is exempted.	8 years (expired)	8 years (will expire on 1 April 2020)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years	5 years
2.3 Exemption from import duty on raw and essential materials or products used for manufacture for export commencing from the first import date.	1 year	1 year
3. Date of first earning operating income	31 January 2005	2 April 2012

As a promoted company, the subsidiary has to comply with certain conditions and restrictions provided for in the promotional certificate.

The subsidiary's operating revenues for the years ended 31 December 2015 and 2014 were domestic sales, which were divided between promoted and non-promoted operations, are summarised below:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Revenues from sales		
Promoted operations	1,646,949	1,514,152
Non-promoted operations	953,374	982,127
Total	<u>2,600,323</u>	<u>2,496,279</u>

### 31. Earnings per share

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

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u>
Profit attributable to equity holders of the Company (Thousand Baht)	309,609	426,771	410,687	401,510
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.59	0.81	0.78	0.76

### 32. Dividend paid

Dividends paid by the Company and its subsidiaries for the years ended 31 December 2015 and 2014 are as follows:

#### The Company

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b><u>2015</u></b>				
The interim dividend in respect of operation income for the period from January to June 2015	Board of Directors' meeting on 19 October 2015	183,750	0.35	18 November 2015
Final dividends for 2014	Annual General Meeting of the shareholders on 27 April 2015	210,000	0.40	15 May 2015
Total		<u>393,750</u>	<u>0.75</u>	
<b><u>2014</u></b>				
The interim dividend in respect of operation income for the period from January to June 2014	Board of Directors' meeting on 20 October 2014	183,750	0.35	19 November 2014
Final dividends for 2013	Annual General Meeting of the shareholders on 21 April 2014	210,000	0.40	9 May 2014
Total		<u>393,750</u>	<u>0.75</u>	

In addition, the Annual General Meeting of the shareholders for 2015 approved to set aside a general reserve of Baht 7.7 million (2014: Baht 76.6 million).

## Local subsidiary

### Thai Agro Energy Public Co., Ltd.

<u>Dividends</u>	<u>Approved by</u>	<u>Total Dividends (Thousand Baht)</u>	<u>Dividend per share (Baht)</u>	<u>Paid on</u>
<b><u>2015</u></b>				
The dividend in respect of operation income from BOI promoted operation for the period from July to December 2014	Annual General Meeting of the shareholders on 20 April 2015	50,000	0.05	20 May 2015
The interim dividend in respect of operation income from BOI promoted operation for the period from January to June 2015	Board of Directors' meeting on 20 August 2015	100,000	0.10	18 September 2015
Total		<u>150,000</u>	<u>0.15</u>	
<b><u>2014</u></b>				
The interim dividend in respect of operation income from BOI promoted operation for the period from January to June 2014	Board of Directors' meeting on 18 September 2014	100,000	0.10	17 October 2014
Total		<u>100,000</u>	<u>0.10</u>	

During the year 2015, the Company received dividend income at 51 percent for a total of Baht 76.5 million (2014: received dividend income at 51 percent for a total of Baht 51.0 million).

## Overseas subsidiary

### PT. Lanna Harita Indonesia

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2015</u></b>				
The second interim dividend for 2014	Board of Directors' meeting on 10 March 2015	1,600	200	19 March 2015
Final dividends for 2014	Annual General Meeting of the shareholders on 10 June 2015	2,400	300	18 June 2015
The first interim dividend for 2015	Board of Directors' meeting on 14 September 2015	1,200	150	15 September 2015
The second interim dividend for 2015	Board of Directors' meeting on 2 December 2015	1,200	150	4 December 2015
Total		6,400	800	
<b><u>2014</u></b>				
The third interim dividends for 2013	Board of Directors' meeting on 10 March 2014	1,600	200	19 March 2014
Final dividends for 2013	Annual General Meeting of the shareholders on 19 June 2014	1,600	200	23 June 2014
Interim dividends for 2014	Board of Directors' meeting on 22 September 2014	1,200	150	25 September 2014
Total		4,400	550	

During the year 2015, the Company received dividend income at 55 percent for a total of USD 3.5 million or equivalent to Baht 120.1 million. The Company had been withheld the withholding tax deducted at source of Baht 9.0 million (2014: dividend income of USD 2.4 million or equivalent to Baht 77.8 million. The Company had been withheld the withholding tax deducted at source of Baht 5.8 million).

### **33. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

1. Domestic coal segment, which purchases and sells of coal
2. Overseas coal segment, which produces and sells of coal
3. Ethanol segment, which produces and sells of ethanol

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

	For the years ended 31 December											
	Domestic coal business		Overseas coal business		Ethanol business		Total segments		Adjustments and eliminations		Consolidated	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (restated)
Revenue from external customers	1,850	1,974	5,700	7,738	2,600	2,496	10,150	12,208	-	-	10,150	12,208
Inter-segment revenue	213	249	-	-	-	-	213	249	(213)	(249)	-	-
Interest income	10	18	10	10	-	-	20	28	-	(3)	20	25
Interest expenses	-	-	12	10	49	57	61	67	-	(3)	61	64
Depreciation and amortisation	25	27	553	578	122	106	700	711	-	(2)	700	709
Gain on disposal of investment in subsidiary	-	91	-	-	-	-	-	91	-	(91)	-	-
Share of profit from investment in associated company accounted for by the equity method	25	23	-	-	-	-	25	23	-	-	25	23
Income tax expenses	57	76	110	166	16	(9)	183	233	-	-	183	233
<b>Segment profit</b>	<b>496</b>	<b>516</b>	<b>2,108</b>	<b>2,931</b>	<b>356</b>	<b>331</b>	<b>2,960</b>	<b>3,778</b>	<b>(213)</b>	<b>(249)</b>	<b>2,747</b>	<b>3,529</b>
<b>Segment total assets</b>	<b>2,537</b>	<b>2,526</b>	<b>3,817</b>	<b>3,847</b>	<b>3,241</b>	<b>3,385</b>	<b>9,595</b>	<b>9,758</b>	<b>(816)</b>	<b>(796)</b>	<b>8,779</b>	<b>8,962</b>
Investment in associated company accounted for by equity method	42	50	-	-	-	-	42	50	-	-	42	50
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	(35)	11	48	(19)	(85)	166	(72)	158	2	2	(70)	160

## Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Revenue from external customers		
Thailand	4,973,995	4,621,140
India	1,938,541	2,607,255
Singapore	724,458	1,855,367
Switzerland	125,188	966,464
Australia	272,205	703,357
China	218,751	600,604
South Korea	1,122,026	595,051
Others	775,170	258,941
Total	<u>10,150,334</u>	<u>12,208,179</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,840,674	2,960,923
Indonesia	1,435,923	1,386,370
Total	<u>4,276,597</u>	<u>4,347,293</u>

## Major customers

For the year 2015, the Company and its subsidiaries have revenue from 2 major customers in amount of Baht 1,581 million and Baht 1,388 million, arising from sales by the overseas coal business and domestic coal business (2014: Baht 1,846 million and Baht 1,688 million derived from two major customers, arising from sales by the overseas coal business and domestic coal business).

### 34. Significant contracts and agreements

34.1 In 1998, PT. Lanna Harita Indonesia had been granted the right under a Coal Contract of Work (“CCOW”) from the Indonesian government to explore for and exploit coal for a period of thirty years in a total survey area of 30,018 hectares in Tanah Merah in Samarinda and Kutai, East Kalimantan, Indonesia. The subsidiary has a continuing obligation to pay a fee and compensation under the contract.



34.2 In 1997, PT. Singlurus Pratama was granted the right under a Coal Contract of Work (“CCOW”) from the Indonesian government to explore for and exploit coal for a period of thirty years beginning at the commencement of the first mining operation in a total survey area of 24,760 hectares in Kutai, East Kalimantan, Indonesia. The subsidiary has a continuing obligation to pay a fee and compensation under the contract.

In February 2009, the subsidiary received the consent from Indonesian government to start the production activities.

34.3 On 20 May 2009, PT. Singlurus Pratama entered into the marketing and technical service agreements with the Company and entered into assistance service agreement with a company in Indonesia. The service fees are charged on the basis and at the rates as stipulated in the agreements.

### 35. Commitments and contingent liabilities

#### 35.1 Capital commitments

As at 31 December 2015, two subsidiaries had capital commitments of Baht 33.3 million relating to the construction of Bio Scrubber and USD 12.3 million relating to the acquisitions of hauling road and special terminal for transportation of coals (2014: the construction of Biogas system and the acquisitions of machinery and equipment of Baht 4.8 million and the acquisitions of hauling road and special terminal for transportation of coals of USD 13.5 million).

#### 35.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, vehicles and other services. The terms of the agreements are generally between 1 and 5 years. As at 31 December 2015 and 2014, future minimum payment under these lease and service agreements are as follows:

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Less than 1 year	26	35	9	11
In over 1 and up to 5 years	9	26	3	9

### 35.3 Long-term service and purchase commitments

- a) The Company and its subsidiaries had commitments under several service agreements in respect of the security service, car maintenance service and other services. The terms of the agreements are generally between 1 and 5 years. As at 31 December 2015 and 2014, future minimum payments under these agreements are as follows:

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Less than 1 year	2	3	-	2

- b) The Company and its subsidiaries had commitments under service agreements regarding the legal consulting, the consulting for mining, environment and safety and other consulting of Baht 1.4 million (the Company only: Baht 0.9 million) (2014: Baht 2 million and the Company only: Baht 0.9 million).
- c) The Company had commitments under the coal purchase agreement with an overseas company which the price, coal quality and quantity to purchase are stipulated in the agreement.
- d) The local subsidiary entered into a power supply agreement with the Provincial Electricity Authority for a period of one year, commencing 21 December 2010 to 20 December 2011, and being automatically renewed for every one-year period. The subsidiary shall pay power supply at the rate as stipulated in the agreement.
- e) The local subsidiary had commitments under the purchase of molasses agreement with 15-year duration under which the price is to be determined every 5 years commencing the first year in 2005. The price for the first three years is that stipulated in the agreement and for the fourth and fifth year, using the average actual market price of the first three years for comparison and the quantity to purchase and sales of molasses are those stipulated in the agreement. In addition, the subsidiary had additional two commitments under the purchase of molasses agreements with 5-years duration under which the price is to be determined before shipment in the next period and the quantity to purchase of molasses are those stipulated in the agreements.

#### **35.4 Coal supply agreement commitments**

PT. Lanna Harita Indonesia and PT. Singlurus Pratama have coal supply commitments to domestic customers in accordance with the Domestic Market Obligation regulation required by the Indonesian government.

#### **35.5 Guarantees**

As at 31 December 2015, the Company and its subsidiaries had bank guarantees of approximately Baht 5.7 million, Rupiah 28,175 million and USD 0.2 million (the Company only: Baht 0.6 million) (2014: Baht 5.9 million, Rupiah 15,689 million and USD 0.6 million (the Company only: Baht 0.8 million)) issued by banks on behalf of the Company and its subsidiaries in respect of mine reclamation of the overseas subsidiaries to the government, guarantee for a local subsidiary's contractual performance under the license for production and distribution of ethanol-for-fuel from the Excise Department and to guarantee contractual performance under the license for using of electric to the Provincial Electricity Authority.

#### **36. Litigation**

In September 2011, a subsidiary company was sued by a company for its alleged non-compliance with the cassava chip purchase agreement dated 21 January 2011 and memorandum dated 29 April 2011, claiming a compensation for damage of Baht 186.9 million. On 8 November 2011, the subsidiary submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million.

On 9 October 2014, the Civil Court dismissed the lawsuit filed by that company and ordered it to make payments for purchases of cassava chip that the subsidiary paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2014 (the countersue date) until completion of payment. In addition, that company shall pay for charges and partial lawyer fee for the subsidiary.

On 3 December 2014, the subsidiary lodged an appeal with the Appeal Court. Subsequently, on 9 February 2016, the Appeal Court affirmed the judgment of the civil court. As at 31 December 2015, and the subsidiary has not received such payment; therefore, the subsidiary has not recorded in its account.

### 37. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial Statements		Separate financial Statements	
	Level 2	Total	Level 2	Total
<b>Asset measured at fair value</b>				
Held for trade investments -				
Equity instruments	500,794	500,794	500,015	500,015
<b>Assets for which fair value are disclosed</b>				
Investment property	54,764	54,764	54,764	54,764

### 38. Financial instruments

#### 38.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables, short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

#### ***Interest rate risk***

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, and interest bearing short-term and long-term borrowings. However, since most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2015					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	212	448	-	660	0.10 - 0.75
Current investments	350	-	501	851	2.00 - 2.30
Trade and other receivables	-	-	812	812	-
	<u>562</u>	<u>448</u>	<u>1,313</u>	<u>2,323</u>	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	1,037	-	-	1,037	3.08 - 3.30
Trade and other payables	-	-	411	411	-
	<u>1,037</u>	<u>-</u>	<u>411</u>	<u>1,448</u>	

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2014					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	148	299	-	447	0.10 - 9.75
Current investments	500	-	267	767	2.70 - 3.00
Trade and other receivables	-	-	724	724	-
	<u>648</u>	<u>299</u>	<u>991</u>	<u>1,938</u>	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	1,198	-	-	1,198	3.52 - 6.00
Trade and other payables	-	-	463	463	-
	<u>1,198</u>	<u>-</u>	<u>463</u>	<u>1,661</u>	

As at 31 December 2015, long-term loan from bank of Baht 477.8 million (2014: Baht 657.8 million) carries interest at THBFIX reference rate plus 1.75 percent per annum for the first year, and the interest rate increases by 0.05 percent per annum from the second to fifth year.

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2015					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	50	12	-	62	0.10 - 1.80
Current investments	350	-	500	850	2.00 - 2.30
Trade and other receivables	-	-	245	245	-
	<u>400</u>	<u>12</u>	<u>745</u>	<u>1,157</u>	
<b>Financial liabilities</b>					
Trade and other payables	-	-	50	50	-
	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2014					
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	-	20	-	20	0.10 - 1.90
Current investments	500	-	267	767	2.70 - 3.00
Trade and other receivables	-	-	255	255	-
	<u>500</u>	<u>20</u>	<u>522</u>	<u>1,042</u>	
<b>Financial liabilities</b>					
Trade and other payables	-	-	61	61	-
	<u>-</u>	<u>-</u>	<u>61</u>	<u>61</u>	

### **Foreign currency risk**

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The Company had balances of financial assets and liabilities denominated in foreign currencies as follows:

As at 31 December 2015				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	as at 31 December 2015	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	2.5	0.2	35.9233	36.2538

  

As at 31 December 2014				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	as at 31 December 2014	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	2.6	-	32.8128	33.1132

As at 31 December 2015 and 2014, the Company and its subsidiaries had no outstanding forward exchange contract.

### **38.2 Fair values of financial instruments**

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates or fixed interest rates which are close to the market rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

### **39. Capital management**

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.47:1 (2014: 0.53:1) and the Company's debt-to-equity ratio was 0.06:1 (2014: 0.06:1).

### **40. Event after reporting period**

#### Proposed dividend of the subsidiary

On 18 February 2016, the meeting of the Board of Directors of Thai Agro Energy Public Company Limited ("the subsidiary") approved to pay a final dividend for 2015 of Baht 0.05 per share, totaling Baht 50 million. The Company will receive such dividend at 51 percent for a total of Baht 25.5 million. However, such dividend payment is subject to the approval of the Annual General Meeting of the shareholders of the subsidiary to be held in April 2016.

### **41. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 26 February 2016.