

Lanna Resources Public Company Limited
and its subsidiaries
Report and interim financial statements
For the three-month period ended 31 March 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lanna Resources Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lanna Resources Public Company Limited and its subsidiaries as at 31 March 2014, the related consolidated statements of income and comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Lanna Resources Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 12 May 2014

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	748,833	822,019	192,907	162,782
Current investments	4	419,123	380,000	419,123	380,000
Trade and other receivables	2, 5	987,276	864,118	253,644	329,590
Inventories		873,706	430,502	136,588	177,067
Input tax refundable		989,605	888,653	4,666	4,972
Prepaid income tax		602,484	584,947	94	94
Advance payments for goods	2, 6	287,020	419,495	156,866	87,090
Other current assets		20,192	28,316	1,493	1,742
Total current assets		4,928,239	4,418,050	1,165,381	1,143,337
Non-current assets					
Restricted bank deposits	3	92,149	60,162	-	-
Investments in subsidiaries	7	-	-	852,763	852,763
Investment in associated company	8	45,281	38,930	891	891
Investment properties		34,726	34,726	34,726	34,726
Property, plant and equipment	9	3,282,406	3,240,457	265,573	251,639
Goodwill		186,000	186,000	-	-
Intangible assets		3,164	3,375	1,287	1,415
Deferred tax assets		69,860	68,849	18,383	18,238
Other non-current assets	10	487,218	489,111	57,622	61,757
Total non-current assets		4,200,804	4,121,610	1,231,245	1,221,429
Total assets		9,129,043	8,539,660	2,396,626	2,364,766

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	11	773,474	996,308	-	-
Trade and other payables	2, 12	990,734	677,372	60,170	109,015
Current portion of long-term loan from financial institution	13	180,000	180,000	-	-
Accrued expenses		637,882	552,003	5,084	17,943
Income tax payable		38,054	30,056	20,122	12,614
Other current liabilities		<u>238,554</u>	<u>121,728</u>	<u>7,431</u>	<u>5,521</u>
Total current liabilities		<u>2,858,698</u>	<u>2,557,467</u>	<u>92,807</u>	<u>145,093</u>
Non-current liabilities					
Long-term loan from financial institution - net of current portion	13	657,757	657,757	-	-
Provision for long-term employee benefits		170,513	156,141	25,301	24,573
Provision for mine reclamation and decommissioning costs		122,058	114,093	-	-
Deferred tax liabilities		<u>11,711</u>	<u>11,503</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>962,039</u>	<u>939,494</u>	<u>25,301</u>	<u>24,573</u>
Total liabilities		<u>3,820,737</u>	<u>3,496,961</u>	<u>118,108</u>	<u>169,666</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)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March	31 December	31 March	31 December
Note	2014	2013	2014	2013
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	14			
Registered, issued and fully paid up				
(524,999,679 ordinary shares of Baht 1 each)	525,000	525,000	525,000	525,000
Share premium	680,400	680,400	680,400	680,400
Retained earnings				
Appropriated - Statutory reserve	52,500	52,500	52,500	52,500
Appropriated - General reserve	650,600	650,600	650,600	650,600
Unappropriated	2,347,505	2,132,462	370,018	286,600
Other components of shareholders' equity	(55,162)	(37,626)	-	-
Equity attributable to owners of the Company	4,200,843	4,003,336	2,278,518	2,195,100
Non-controlling interests of the subsidiaries	1,107,463	1,039,363	-	-
Total shareholders' equity	5,308,306	5,042,699	2,278,518	2,195,100
Total liabilities and shareholders' equity	9,129,043	8,539,660	2,396,626	2,364,766

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

Directors

Lanna Resources Public Company Limited and its subsidiaries

Income statements

For the three-month period ended 31 March 2014

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Sales	2	3,287,994	2,858,761	546,369	346,488
Commission and marketing service income	2	-	-	49,206	46,021
Gain on exchange		58,740	-	-	-
Other income					
Dividend income	2, 7	-	-	28,145	32,017
Service income	2	-	-	14,893	13,671
Interest income		5,221	5,127	3,427	4,130
Others		1,933	5,031	766	3,732
Total other income		7,154	10,158	47,231	53,550
Total revenues		3,353,888	2,868,919	642,806	446,059
Expenses					
Cost of sales	2	2,230,680	1,873,053	472,406	298,069
Selling and distribution expenses		538,557	506,502	41,161	35,230
Administrative expenses		158,768	118,925	28,886	28,512
Loss on exchange		-	8,612	871	3,678
Total expenses		2,928,005	2,507,092	543,324	365,489
Profit before share of profit from investment, finance cost and income tax expenses		425,883	361,827	99,482	80,570
Share of profit from investment in associated company	8	6,351	2,612	-	-
Profit before finance cost and income tax expenses		432,234	364,439	99,482	80,570
Finance cost		(17,408)	(13,153)	-	-
Profit before income tax expenses		414,826	351,286	99,482	80,570
Withholding tax deducted at source		(8,644)	(9,739)	(8,644)	(9,739)
Income tax expenses	16	(89,612)	(77,992)	(7,420)	(398)
Profit for the period		316,570	263,555	83,418	70,433
Profit attributable to:					
Equity holders of the Company		215,043	177,984	83,418	70,433
Non-controlling interests of the subsidiaries		101,527	85,571	-	-
		316,570	263,555		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	17	0.41	0.34	0.16	0.13

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period	<u>316,570</u>	<u>263,555</u>	<u>83,418</u>	<u>70,433</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>(28,492)</u>	<u>(90,185)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(28,492)</u>	<u>(90,185)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>288,078</u></u>	<u><u>173,370</u></u>	<u><u>83,418</u></u>	<u><u>70,433</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	196,951	119,564	<u>83,418</u>	<u>70,433</u>
Non-controlling interests of the subsidiaries	<u>91,127</u>	<u>53,806</u>		
	<u><u>288,078</u></u>	<u><u>173,370</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 three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	414,826	351,286	99,482	80,570
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	71,855	59,369	6,923	7,788
Reversal of reduction of inventory to net realisable value	-	(9,703)	-	-
Gain on change in value of investments in trading securities	(123)	-	(123)	-
Share of profit from investment in associated company	(6,351)	(2,612)	-	-
Write-off of input tax refundable	37,539	-	-	-
Loss (gain) on disposal of equipment	2	(3,693)	2	(3,693)
Loss on write-off of equipment	-	381	-	-
Dividend income	-	-	(28,145)	(32,017)
Provision for long-term employee benefits	20,052	10,901	728	645
Provision for mine reclamation and decommissioning costs	5,353	40,273	-	-
Share-based payment transactions	556	-	-	-
Unrealised loss (gain) on exchange	(13,446)	172	1,098	172
Interest income	(5,221)	(5,127)	(3,427)	(4,130)
Interest expenses	17,408	13,153	-	-
Profit from operating activities before changes in operating assets and liabilities	542,450	454,400	76,538	49,335
Operating assets (increase) decrease				
Trade and other receivables	(125,696)	9,451	72,671	(23,335)
Inventories	(443,204)	(68,462)	40,479	(18,056)
Input tax refundable	(147,687)	(27,798)	306	(4,618)
Advance payments for goods	132,727	(61,638)	(70,517)	1,402
Other current assets	8,124	(8,136)	249	(187)
Operating liabilities increase (decrease)				
Trade and other payables	317,299	(30,203)	(50,047)	13,129
Accrued expenses	89,147	55,782	(12,859)	(11,480)
Other current liabilities	116,826	(105,393)	1,910	502
Provision for long-term employee benefits	(2,827)	(1,174)	-	-
Provision for mine reclamation	(2,740)	-	-	-
Cash from operating activities	484,419	216,829	58,730	6,692
Interest income	7,759	3,223	6,038	2,283
Cash paid for interest expenses	(20,676)	(13,368)	-	-
Cash paid for withholding tax deducted at source	(8,644)	(9,739)	(8,644)	(9,739)
Cash paid for corporate income tax	(94,293)	(124,646)	(57)	(17)
Net cash from (used in) operating activities	368,565	72,299	56,067	(781)

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 three-month period ended 31 March 2014**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Increase in current investments	(39,000)	(11,000)	(39,000)	(11,000)
Increase in restricted bank deposits	(32,666)	(31,199)	-	-
Dividend received from subsidiaries	-	-	28,145	32,017
Proceeds from disposals of equipment	113	3,756	11	3,756
Cash received from government grants	-	6,000	-	-
Acquisitions of property, plant and equipment	(101,235)	(71,670)	(14,663)	(16,475)
Acquisitions of computer software	(112)	(292)	(49)	(292)
Decrease (increase) in other non-current assets	(28,221)	(15,812)	(685)	294
Net cash from (used in) investing activities	(201,121)	(120,217)	(26,241)	8,300
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(222,834)	19,000	-	-
Repayment of long-term loan from financial institution	-	(90,000)	-	-
Dividend paid	(23,027)	(26,196)	-	-
Decrease in non-controlling interests of the subsidiaries	(10,400)	(31,765)	-	-
Net cash used in financing activities	(256,261)	(128,961)	-	-
Increase (decrease) in translation adjustments	15,332	(28,650)	-	-
Net increase (decrease) in cash and cash equivalents	(73,485)	(205,529)	29,826	7,519
Cash and cash equivalents at beginning of period	822,019	1,152,588	162,782	197,144
Effect of change in foreign exchange rate				
on cash at bank balance	299	(27)	299	(27)
Cash and cash equivalents at end of period (Note 3)	748,833	947,032	192,907	204,636

Supplemental cash flows information:

Non-cash transactions from investing activities

Increase (decrease) in accounts payable from purchases

of plant, equipment and intangible assets

(3,929)	(4,802)	1,210	(692)
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
					Other component of equity						
					Other						
					comprehensive						
					income						
					Exchange						
					differences on						
					translation of						
					financial						
					statements in						
					foreign currency						
					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						
					Issued and						
					paid up						
					share capital						
					Share premium						
					Retained earnings						
					Appropriated						
					Statutory						
					reserve						
					General						
					reserve						
					Unappropriated						
Balance as at 31 December 2012	350,000	680,400	35,000	495,900	2,266,118	(146,001)	-	(146,001)	3,681,417	894,455	4,575,872
Total comprehensive income for the period	-	-	-	-	177,984	(58,420)	-	(58,420)	119,564	53,806	173,370
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	(26,196)	(26,196)
Balance as at 31 March 2013	350,000	680,400	35,000	495,900	2,444,102	(204,421)	-	(204,421)	3,800,981	922,065	4,723,046
Balance as at 31 December 2013	525,000	680,400	52,500	650,600	2,132,462	(37,626)	-	(37,626)	4,003,336	1,039,363	5,042,699
Total comprehensive income for the period	-	-	-	-	215,043	(18,092)	-	(18,092)	196,951	91,127	288,078
Adjustment of capital reserve for share-based payment transactions (Note 15)	-	-	-	-	-	-	556	556	556	-	556
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	(23,027)	(23,027)
Balance as at 31 March 2014	525,000	680,400	52,500	650,600	2,347,505	(55,718)	556	(55,162)	4,200,843	1,107,463	5,308,306

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		Unappropriated	
			Appropriated			
			Statutory reserve	General reserve		
Balance as at 31 December 2012	350,000	680,400	35,000	495,900	534,793	2,096,093
Total comprehensive income for the period	-	-	-	-	70,433	70,433
Balance as at 31 March 2013	<u>350,000</u>	<u>680,400</u>	<u>35,000</u>	<u>495,900</u>	<u>605,226</u>	<u>2,166,526</u>
Balance as at 31 December 2013	525,000	680,400	52,500	650,600	286,600	2,195,100
Total comprehensive income for the period	-	-	-	-	83,418	83,418
Balance as at 31 March 2014	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>650,600</u>	<u>370,018</u>	<u>2,278,518</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2014

1. General information

1.1 Corporate 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 coal. The registered office of the Company is at 888/99 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These interim consolidated financial statements included the financial statements of Lanna Resources Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013. There have been no significant changes in the composition of the Group during the current period.

1.4 New accounting standards

(a) Accounting standards that became effective in the current accounting period

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company or do not have a significant impact.

(b) Accounting standards that will become effective in the future

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013, except the following accounting policy for investments in trading securities which has been adopted in the financial statements for the current period.

Investments in trading securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities, which is determined from their net asset value, are recorded in profit or loss.

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

(Unaudited but reviewed)

2. Related party transactions

During the periods, 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 its subsidiaries and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	28,145	32,017
Commission and marketing service income	-	-	49,206	46,021
Service income	-	-	14,893	13,671
<u>Transactions with major shareholder</u>				
Sales of coal	460,338	289,291	460,338	289,291
<u>Transactions with associated company</u>				
Purchase of coal	293,568	202,762	293,568	202,762
Freight charge	56,572	39,270	56,572	39,270

	Transfer pricing policy
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	At the agreed price as stipulated in the agreement
Dividend income	At the declared rate
Freight charge	Price comparable to freight charges paid to third parties

(Unaudited but reviewed)

As at 31 March 2014 and 31 December 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
<u>Trade and other receivables - related parties</u>				
(Note 5)				
Major shareholder	132,885	169,098	132,885	169,098
Subsidiaries	-	-	90,608	138,977
Total trade and other receivables - related parties	<u>132,885</u>	<u>169,098</u>	<u>223,493</u>	<u>308,075</u>
<u>Advance payment for goods - related parties</u>				
(Note 6)				
Subsidiary	-	-	86,097	87,090
Associated company	<u>70,769</u>	<u>-</u>	<u>70,769</u>	<u>-</u>
Total advance payment for goods - related parties	<u>70,769</u>	<u>-</u>	<u>156,866</u>	<u>87,090</u>
<u>Trade and other payables - related parties</u>				
(Note 12)				
Subsidiaries	-	-	-	5,544
Associated company	<u>5,640</u>	<u>3,652</u>	<u>5,640</u>	<u>3,652</u>
Total trade and other payables - related parties	<u>5,640</u>	<u>3,652</u>	<u>5,640</u>	<u>9,196</u>

Directors and management's benefits

During the three-month periods ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	33,471	29,689	10,911	10,605
Post-employment benefits	<u>3,866</u>	<u>3,179</u>	<u>579</u>	<u>429</u>
Total	<u>37,337</u>	<u>32,868</u>	<u>11,490</u>	<u>11,034</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.

3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Cash	177	180	40	40
Bank deposits	690,805	832,001	42,867	112,742
Investments in bills of exchange and bond of the Bank of Thailand	150,000	50,000	150,000	50,000
Total	840,982	882,181	192,907	162,782
Less: Restricted bank deposits	(92,149)	(60,162)	-	-
Total	748,833	822,019	192,907	162,782

As at 31 March 2014, bank deposits in savings account, fixed deposits and investments in bills of exchange and bond carried interests between 0.1 and 9.5 percent per annum (31 December 2013: between 0.02 and 9.5 percent per annum).

As at 31 March 2014, the oversea subsidiaries had restricted bank deposits of approximately Baht 92.1 million (31 December 2013: Baht 60 million) to secure bank guarantees issued by banks on behalf of the subsidiaries as discussed in Note 21.5.

4. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Investments in trading securities - fair value	199,123	-	199,123	-
Fixed deposit	50,000	-	50,000	-
Investments in bills of exchange	170,000	380,000	170,000	380,000
Total	419,123	380,000	419,123	380,000

(Unaudited but reviewed)

As at 31 March 2014, the Company had current investments in the form of bills of exchange and fixed deposit amounting to Baht 220 million (31 December 2013: Baht 380 million) carried interests between 3.1 and 3.25 percent per annum (31 December 2013: between 3.1 and 3.35 percent per annum) and due for redemption within August 2014.

5. Trade and other receivables

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	132,885	169,098	154,802	192,631
Past due				
Up to 3 months	-	-	32,076	31,707
3 - 6 months	-	-	9,738	-
Total trade receivables - related parties	132,885	169,098	196,616	224,338
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	833,659	684,138	27,951	16,588
Past due				
Up to 3 months	15,233	-	-	-
Total trade receivable - unrelated parties	848,892	684,138	27,951	16,588
Total trade receivables	981,777	853,236	224,567	240,926
<u>Other receivables</u>				
Other receivable - related parties	-	-	26,877	83,737
Other receivable - unrelated parties	3,224	6,163	1	211
Advances	488	394	488	394
Interest receivable	1,787	4,325	1,711	4,322
Total other receivables	5,499	10,882	29,077	88,664
Total trade and other receivables	987,276	864,118	253,644	329,590

(Unaudited but reviewed)

6. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Advance payments for goods - related parties	70,769	-	156,866	87,090
Advance payments for goods - unrelated parties	216,251	419,495	-	-
Total advance payments for goods	<u>287,020</u>	<u>419,495</u>	<u>156,866</u>	<u>87,090</u>

The local subsidiary had significant business transactions with local companies in respect of purchases of molasses and cassava chips under the purchase and sales of molasses agreement and cassava chips agreement. To comply with the conditions in the agreements, as at 31 March 2014, the subsidiary had paid advance payments for purchase of molasses and cassava chips amounting to Baht 189 million (31 December 2013: Baht 366.9 million).

(Unaudited but reviewed)

7. Investments in subsidiaries

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

Company's name	Nature of business	Relationship	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received for the three-month periods ended	
			31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
			2014	2013	2014	2013	2014	2013	2014	2013
PT. Lanna Mining Services (Incorporated in Indonesia)	Coal distribution	Direct holding and common directors	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	-	-
Thai Agro Energy Public Co., Ltd.	Ethanol production and distribution	Direct holding and common directors	Baht 800 million	Baht 800 million	75.75	75.75	606,038	606,038	-	-
PT. Singlurus Pratama (Incorporated in Indonesia)	Coal production and distribution	Direct holding and common directors	Rp 7,950 million	Rp 7,950 million	65.00	65.00	18,626	18,626	-	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	Coal production and distribution	Direct holding and common directors	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	28,145	32,017
PT. Citra Harita Mineral (Incorporated in Indonesia)	Service in coal production and port and jetty service	Direct holding and common directors	Rp 1,000 million	Rp 1,000 million	55.00	55.00	2,187	2,187	-	-
Total							<u>852,763</u>	<u>852,763</u>	<u>28,145</u>	<u>32,017</u>

Local subsidiary

Thai Agro Energy Public Co., Ltd.

On 18 September 2013, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.

- a) Approved the plan for the listing of Thai Agro Energy Public Co., Ltd. in the Stock Exchange of Thailand. The listing shall proceed by the initial public offering (IPO) and the offer to the Company's shareholders by pre-emptive right according to shareholding proportion in the Company totaling 296,037,733 shares at the par value of Baht 1 per share, totaling Baht 296,037,733 consisting of:
 1. Capital increase ordinary shares in Thai Agro Energy Public Co., Ltd. of 200,000,000 shares at the par value of Baht 1 per share, totaling Baht 200,000,000.
 2. Ordinary shares in Thai Agro Energy Public Co., Ltd. originally held by the Company of 96,037,733 shares at the par value of Baht 1 per share, totaling Baht 96,037,733.
- b) Approved the allocation of the capital increase ordinary shares in Thai Agro Energy Public Co., Ltd. of 105,037,733 shares to the Company's shareholders for subscription by pre-emptive right according to their shareholding proportion in the Company. The offer price shall be the same as the initial public offering price.

Subsequently, on 21 April 2014, the meeting of the Board of Directors of the Company passed a resolution to allocate such capital increase ordinary shares to the Company's shareholders at the proportion of 5 ordinary shares in the Company per 1 ordinary share in Thai Agro Energy Public Co., Ltd. Additionally, the Company's shareholders may subscribe more capital increase ordinary shares in excess of their allocated proportion at the same offer price. The Board of Directors of Thai Agro Energy Public Co., Ltd. or a person authorised by the Board of Directors of Thai Agro Energy Public Co., Ltd. has authorised to consider the allocation of the remaining shares unsubscribed by the Company's shareholders to each of the Company's shareholders who have indicated intention to subscribe the shares in excess of their allocated proportion in the Company on a pro-rata basis but the total amount of allocated shares shall not exceed 105,037,733 shares.

- c) Approved the sale of ordinary shares in Thai Agro Energy Public Co., Ltd. originally held by the Company of 96,037,733 shares, to be offered together with the public offering of newly issued capital increase ordinary shares of Thai Agro Energy Public Co., Ltd. The offer price shall be the same as the initial public offering price.

On 19 September 2013, the Extraordinary General Meeting of Thai Agro Energy Public Co., Ltd.'s shareholders passed a resolution to approve the increase in its registered capital from Baht 800,000,000 (800,000,000 shares of Baht 1 each) to Baht 1,000,000,000 (1,000,000,000 shares of Baht 1 each) to support the initial public offering to public and a subsidiary's shareholders. The subsidiary registered the increase of its capital with Ministry of Commerce on 2 October 2013.

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.

Oversea subsidiary

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. Currently, the subsidiary is in the process of dissolution and liquidation.

(Unaudited but reviewed)

8. Investment in associated company

Company	Nature of business	Relationship	Paid up capital		Shareholding percentage		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			31 March	31 December	31 March	31 December	Carrying amounts based on equity method		Cost	
			2014	2013	2014	2013	31 March	31 December	31 March	31 December
					(%)	(%)	2014	2013	2014	2013
United Bulk Shipping Pte. Ltd. (Incorporated in Singapore)	Shipping business and coal distribution	Direct holding	SGD 0.1 million	SGD 0.1 million	49	49	45,281	38,930	891	891
Total							45,281	38,930	891	891

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month period ended 31 March 2014 of approximately Baht 6.4 million (2013: Baht 2.6 million) had been calculated from the financial statements prepared by the management of the associated company and not being reviewed by its auditor.

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

(Unaudited but reviewed)

9. Property, plant and equipment

Movements in the property, plant and equipment account for the three-month period ended 31 March 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial Statements
Net book value as at 31 December 2013	3,240,457	251,639
Acquisitions during the period - cost	97,327	15,922
Disposals and write-off during the period - net book value on disposal/write-off date	(115)	(13)
Depreciation for the period	(46,258)	(1,975)
Translation adjustments	(9,005)	-
Net book value as at 31 March 2014	<u>3,282,406</u>	<u>265,573</u>

A subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 31 March 2014 amounting to approximately Baht 1,205.4 million (31 December 2013: Baht 1,198.7 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 11 and 13.

10. Other non-current assets

Other non-current assets consist of the following items, which are shown net of relevant accumulated amortisation.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Deferred expenses - Indonesia coal mine project	401,679	398,514	-	-
Deferred overburden removal expenses	11,392	12,132	-	-
Deferred transferred service fees according to contract	46,983	51,803	46,983	51,803
Others	27,164	26,662	10,639	9,954
Total other non-current assets	<u>487,218</u>	<u>489,111</u>	<u>57,622</u>	<u>61,757</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 stipulates 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 agrees 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.

11. Short-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 March 2014	31 December 2013
Promissory notes	773,474	604,684
Trust receipts	-	297,504
Short-term loans from financial institutions	-	94,120
Total	773,474	996,308

As at 31 March 2014, the local subsidiary had short-term loans from financial institutions of Baht 773.5 million (31 December 2013: Baht 604.7 million), which are repayable within 3 months. The loans bear interests between 3.7 and 4.1 percent per annum (31 December 2013: between 3.7 and 4.1 percent per annum). The loan amounting to Baht 773.5 million (31 December 2013: Baht 604.7 million) is secured by the mortgage of part of the subsidiary’s land and construction thereon and machinery as discussed in Note 9.

(Unaudited but reviewed)

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Trade payables - related parties	5,640	3,652	5,640	3,652
Trade payables - unrelated parties	874,729	568,163	46,674	93,359
Other payables - related parties	-	-	-	5,544
Other payables - unrelated parties	53,900	17,690	2,277	1,675
Payables for purchases of plant, equipment and intangible assets	45,982	49,911	5,579	4,369
Retention payable	10,483	37,956	-	416
Total trade and other payables	<u>990,734</u>	<u>677,372</u>	<u>60,170</u>	<u>109,015</u>

13. Long-term loan from financial institution

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	31 March 2014	31 December 2013
Long-term loan	837,757	837,757
Less: Current portion	<u>(180,000)</u>	<u>(180,000)</u>
Long-term loan - net of current portion	<u>657,757</u>	<u>657,757</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 9.

Subsequently, on 7 March 2014, the Company made executed an annex of the long-term loan agreement with the bank to revise certain conditions and debt service coverage ratios.

The loan agreement contains covenants that, among other things, require the subsidiary to maintain certain financial ratios according to the agreement such as debt to equity and debt service coverage ratios.

As at 31 March 2014, the subsidiary could maintain certain financial ratios as specified in the loan agreement (31 December 2013: the subsidiary could not maintain certain financial ratios as specified in the loan agreement, however, the subsidiary had negotiated with the bank, and had obtained a waiver letter for the condition to maintain certain financial ratios for the year ended 31 December 2013 from that bank on 27 December 2013).

14. Share capital

On 22 April 2013, the Annual General Meeting of the Company's shareholders passed the resolutions to increase the Company's registered share capital in order to support the dividend payment at Baht 175,000,000 by issuing new ordinary shares of 175,000,000 shares, having a par value of Baht 1 per share, which shall result in an increase of previous registered share capital of Baht 350,000,000, consisting of 350,000,000 ordinary shares at a par value of Baht 1 per share to become a new registered share capital of Baht 525,000,000, consisting of 525,000,000 ordinary shares at par value of Baht 1 per share. The Company registered the share capital increase with the Ministry of Commerce on 30 April 2013.

On 18 September 2013, the Extraordinary General Meeting of the Company's shareholders passed the resolution to approve the reduction of the Company's registered capital from Baht 525,000,000 consisting of 525,000,000 ordinary shares at a par value of Baht 1 per share to become Baht 524,999,679, consisting of 524,999,679 ordinary shares at par value of Baht 1 per share by writing off the unsold ordinary shares of 321 shares at the par value of Baht 1 per share, totaling Baht 321. The Company registered the share capital increase with the Ministry of Commerce on 20 September 2013.

15. 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 (revised 2012): 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 current period and as capital reserve for share-based payment transactions in the consolidated statement of financial position as at 31 March 2014.

16. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	90,610	75,482	7,565	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(998)	2,510	(145)	398
Income tax expense reported in the income statements	<u>89,612</u>	<u>77,992</u>	<u>7,420</u>	<u>398</u>

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of stock dividend, as discussed in Note 14. The number of ordinary shares is adjusted as if the distribution of stock dividend had occurred at the beginning of the earliest period reported.

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

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		(Restated)	(Restated)	
Profit attributable to equity holders of the Company (Thousand Baht)	215,043	177,984	83,418	70,433
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.41	0.34	0.16	0.13

18. Dividend paid

Dividends paid by the Group during the three-month periods ended 31 March 2014 and 2013 are as follows:

Subsidiary**PT. Lanna Harita Indonesia**

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2014</u>				
The third interim dividend for 2013	Board of Directors' meeting on 10 March 2014	1,600	200	19 March 2014
Total		1,600	200	
<u>2013</u>				
The third interim dividend for 2012	Board of Directors' meeting on 19 March 2013	2,000	250	22 March 2013
Total		2,000	250	

During the three-month period ended 31 March 2014, the Company received dividend income at 55 percent for a total of USD 0.88 million or equivalent to Baht 28.1 million. The Company had been withheld the withholding tax deducted at source of Baht 2.1 million (2013: dividend income of USD 1.1 million or equivalent to Baht 32 million. The Company had been withheld the withholding tax deducted at source of Baht 2.4 million).

19. 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.

The Company and its subsidiaries are organised into business units based on its products. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

The following table presents revenue and profit information regarding of the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2014 and 2013:

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Domestic coal business		Oversea coal business		Ethanol business		Elimination of inter-segment transactions		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues from external customers	546	347	2,111	2,106	631	406	-	-	3,288	2,859
Inter-segment revenues	64	60	-	-	-	-	(64)	(60)	-	-
Total revenue	610	407	2,111	2,106	631	406	(64)	(60)	3,288	2,859
Operating results										
Segment profit	138	108	852	862	127	73	(60)	(57)	1,057	986
Other income									7	10
Share of profit from investment in associated company									6	3
Gain (loss) on exchange									59	(9)
Selling and distribution expenses									(538)	(507)
Administrative expenses									(159)	(119)
Finance cost									(17)	(13)
Profit before income tax expenses									415	351
Withholding tax deducted at source									(9)	(10)
Income tax expenses									(90)	(78)
Non-controlling interests of the subsidiaries									(101)	(85)
Profit for the period									215	178

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 March 2014 and 31 December 2013:

(Unit: Million Baht)

Segment assets	Domestic coal business	Oversea coal business	Ethanol business	Total Segments	Adjustments and eliminations	Consolidated
At 31 March 2014	2,583	4,539	3,009	10,131	(1,002)	9,129
At 31 December 2013	2,551	4,165	2,888	9,604	(1,064)	8,540

20. Significant contracts and agreements

20.1 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.

20.2 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.

20.3 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.

21. Commitments and contingent liabilities

21.1 Capital commitments

As at 31 March 2014, the Company and its subsidiary had capital commitments of approximately Baht 169.6 million, relating to the construction of the Company’s machinery, installation of building system and coal conveyance, the construction of the subsidiary’s Biogas systems and molasses tanks, and the acquisitions of machinery and equipment (the Company only: Baht 3.7 million) (31 December 2013: Baht 194 million (the Company only: Baht 17.7 million)).

21.2 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. Future minimum payments under these lease agreements are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Less than 1 year	39	36	12	11
In over 1 and up to 5 years	30	31	18	19

21.3 Long-term service and purchase commitments

- a) The Company and its subsidiaries have 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. Future minimum payments under these service agreements are as follows:

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Less than 1 year	6	3	2	2
In over 1 and up to 5 years	1	2	1	2

- b) The Company and its subsidiaries have commitments under service agreements with regard to the legal consulting, the consulting for mining, environment and safety and other consulting of Baht 2.6 million (the Company only: Baht 0.5 million) (31 December 2013: Baht 1.7 million (the Company only: Baht 0.5 million)).
- c) The Company has commitment under the coal purchase agreements with two overseas related companies. The price, coal quality and quantity are as stipulated in the agreements.
- 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 has commitment 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 of molasses are those stipulated in the agreement. In addition, the subsidiary had additional two commitments under the purchase of molasses agreements with 5-year 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.

(Unaudited but reviewed)

- f) The local subsidiary had commitments under service agreement with a financial advisory company with regards to the consulting and financial advisory service for a subsidiary to list on the Stock Exchange of Thailand. The service fees are to be paid as stipulated in the agreement.

21.4 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.

21.5 Guarantees

As at 31 March 2014, the Company and its subsidiaries had bank guarantees of approximately Baht 11.9 million, Rupiah 18,549 million and USD 0.6 million (the Company only: Baht 0.8 million) (31 December 2013: Baht 11.5 million, Rupiah 21,892 million and USD 0.03 million (the Company only: Baht 0.4 million)) issued by banks on behalf of the Company and its subsidiaries in respect of mine reclamation of the oversea 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, Biogas Technologic promotion project 2012 (Year 5) of the Energy Policy and Planning Office Ministry of Energy, and to guarantee contractual performance under the license for using of electric to the Provincial Electricity Authority.

22. Litigation

In September 2011, a subsidiary company was sued by a company for its 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 to sue back that company, claiming a compensation for damage of Baht 82.4 million. As at 31 March 2014, the case is still being conciliated by the Civil Court. The subsidiary's lawyer opined that the subsidiary had not breached the above agreement, and the subsidiary's management believes that the case will be settled in the favour of the subsidiary, without any significant losses. Therefore, the subsidiary has not made any provision for loss from the lawsuit in its accounts.

23. 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, with maturity of less than one year, when they consider appropriate.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

As at 31 March 2014				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	8.6	0.2	32.3050	32.5814

As at 31 December 2013				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	5.1	0.3	32.6778	32.9494

As at 31 March 2014 and 31 December 2013, the Company and its subsidiaries had no outstanding forward exchange contract.

24. Event after the reporting period

On 21 April 2014, the Annual General Meeting of the Company's shareholders passed a resolution approving the payment of a dividend in respect of the 2013 operating income of Baht 0.75 per share or a total of Baht 393.75 million. Following the Company's Board of Directors' Meeting on 21 October 2013, which passed a resolution approving the payment of interim dividend of Baht 0.35 per share or a total of Baht 183.75 million, the additional payment of dividend remains at Baht 0.40 per share or a total of Baht 210 million, which had been paid on 9 May 2014. In addition, the meeting approved to set aside statutory reserve and general reserve of Baht 17.5 million and Baht 76.6 million, respectively. The dividend and general reserve will be recorded in the second quarter of the current year.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 May 2014.