

Lanna Resources Public Company Limited
and its subsidiaries
Report and interim financial statements
For the three-month period ended 31 March 2016

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 2016, 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
Bangkok: 12 May 2016

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Assets					
Current assets					
Cash and cash equivalents	4	686,917	660,146	10,301	61,886
Current investments	5	916,281	850,794	915,479	850,015
Trade and other receivables	3, 6	948,554	812,318	286,647	245,174
Inventories		530,958	478,145	101,225	96,139
Input tax refundable		696,244	805,779	-	-
Prepaid income tax		218,334	215,407	-	-
Advance payments for goods	7	356,275	598,525	-	-
Other current assets		<u>47,643</u>	<u>47,338</u>	<u>2,275</u>	<u>2,280</u>
Total current assets		<u>4,401,206</u>	<u>4,468,452</u>	<u>1,315,927</u>	<u>1,255,494</u>
Non-current assets					
Restricted bank deposits	4	133,247	78,297	-	-
Investments in subsidiaries	8	-	-	754,538	754,538
Investment in associated company	9	48,536	42,217	891	891
Investment properties		34,726	34,726	34,726	34,726
Property, plant and equipment	10	3,304,567	3,289,371	260,721	262,346
Goodwill		186,000	186,000	-	-
Intangible assets		4,394	4,747	743	722
Deferred tax assets		21,331	21,599	18,361	18,226
Other non-current assets	11	<u>623,046</u>	<u>653,756</u>	<u>20,605</u>	<u>24,195</u>
Total non-current assets		<u>4,355,847</u>	<u>4,310,713</u>	<u>1,090,585</u>	<u>1,095,644</u>
Total assets		<u>8,757,053</u>	<u>8,779,165</u>	<u>2,406,512</u>	<u>2,351,138</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)

	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	12	772,521	1,036,964	-	-
Trade and other payables	3, 13	489,960	410,731	52,109	50,121
Current portion of liabilities under finance lease agreements		2,726	1,449	-	-
Current portion of long-term loan from financial institution	14	180,000	180,000	-	-
Accrued expenses		437,305	441,139	3,314	31,004
Income tax payable		24,377	10,027	12,675	7,530
Other current liabilities		93,604	85,476	28,275	23,996
Total current liabilities		2,000,493	2,165,786	96,373	112,651
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		5,909	4,092	-	-
Long-term loan from financial institution - net of current portion	14	297,757	297,757	-	-
Provision for long-term employee benefits		160,281	151,254	25,193	24,517
Provision for mine reclamation and decommissioning costs		111,423	104,475	-	-
Deferred tax liabilities		76,357	74,604	-	-
Total non-current liabilities		651,727	632,182	25,193	24,517
Total liabilities		2,652,220	2,797,968	121,566	137,168

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)

	Consolidated financial statements		Separate financial statements	
	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
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	734,900	734,900	734,900	734,900
Unappropriated	2,192,945	2,057,902	292,146	221,170
Other components of shareholders' equity	<u>167,832</u>	<u>206,675</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company	4,353,577	4,257,377	2,284,946	2,213,970
Non-controlling interests of the subsidiaries	<u>1,751,256</u>	<u>1,723,820</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>6,104,833</u>	<u>5,981,197</u>	<u>2,284,946</u>	<u>2,213,970</u>
Total liabilities and shareholders' equity	<u>8,757,053</u>	<u>8,779,165</u>	<u>2,406,512</u>	<u>2,351,138</u>

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

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Directors
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(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Income statements

For the three-month period ended 31 March 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Sales	3	2,534,951	2,889,517	395,490	529,375
Commission and marketing service income	3	-	-	47,751	45,326
Other income					
Dividend income	3, 8	-	-	22,873	28,665
Service income	3	-	-	12,076	12,560
Gain on exchange		29,884	-	-	1,030
Interest income		4,552	5,981	2,194	3,268
Others		3,411	2,709	2,981	1,635
Total other income		37,847	8,690	40,124	47,158
Total revenues		2,572,798	2,898,207	483,365	621,859
Expenses					
Cost of sales	3	1,850,736	2,046,949	332,252	450,460
Selling and distribution expenses		370,982	439,856	39,317	46,005
Administrative expenses		84,117	90,260	25,057	28,095
Loss on exchange		-	40,161	2,191	-
Total expenses		2,305,835	2,617,226	398,817	524,560
Profit before share of profit from investment in associated company, finance cost and income tax expenses					
		266,963	280,981	84,548	97,299
Share of profit from investment in associated company					
	9	6,319	6,214	-	-
Profit before finance cost and income tax expenses		273,282	287,195	84,548	97,299
Finance cost		(12,351)	(19,985)	-	-
Profit before income tax expenses		260,931	267,210	84,548	97,299
Income tax expenses	15	(56,430)	(73,105)	(13,572)	(15,353)
Profit for the period		204,501	194,105	70,976	81,946
Profit attributable to:					
Equity holders of the Company		135,043	120,591	70,976	81,946
Non-controlling interests of the subsidiaries		69,458	73,514		
		204,501	194,105		
Basic earnings per share					
	16				
Profit attributable to equity holders of the Company (Baht)		0.26	0.23	0.14	0.16

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 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit for the period	<u>204,501</u>	<u>194,105</u>	<u>70,976</u>	<u>81,946</u>
Other comprehensive income:				
<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>(62,151)</u>	<u>(31,921)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(62,151)</u>	<u>(31,921)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss	-	(1,020)	-	-
Less: Income tax effect	<u>-</u>	<u>309</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>-</u>	<u>(711)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(62,151)</u>	<u>(32,632)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>142,350</u>	<u>161,473</u>	<u>70,976</u>	<u>81,946</u>
Total comprehensive income attributable to:				
Equity holders of the Company	96,200	100,062	<u>70,976</u>	<u>81,946</u>
Non-controlling interests of the subsidiaries	<u>46,150</u>	<u>61,411</u>		
	<u>142,350</u>	<u>161,473</u>		

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries**Statements of cash flows****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	260,931	267,210	84,548	97,299
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	105,659	175,634	6,269	6,830
Reversal of reduction of inventories to net realisable value	-	(16,179)	-	-
Gain on disposals and change in value of investments in trading securities	(1,629)	(1,675)	(1,606)	(1,630)
Share of profit from investment in associated company	(6,319)	(6,214)	-	-
Write-off of input tax refundable and prepaid income tax	9,405	3,736	-	-
Gain on disposals of equipment	(1,002)	(446)	(1,002)	-
Dividend income	-	-	(22,873)	(28,665)
Provision for long-term employee benefits	8,414	1,402	676	384
Provision for mine reclamation and decommissioning costs	8,236	16,458	-	-
Unrealised loss (gain) on exchange	(31,215)	46,018	1,949	357
Interest income	(4,552)	(5,981)	(2,193)	(3,268)
Interest expenses	12,343	19,462	-	-
Profit from operating activities before changes in operating assets and liabilities	360,271	499,425	65,768	71,307
Operating assets (increase) decrease				
Trade and other receivables	(134,811)	(109,888)	(42,091)	(6,076)
Inventories	(52,813)	(249,602)	(5,086)	(32,490)
Input tax refundable	120,725	255,523	-	3,739
Advance payments for goods	242,250	338,665	-	3,437
Other current assets	(305)	(31,620)	5	281
Operating liabilities increase (decrease)				
Trade and other payables	74,860	62,675	2,189	21,859
Accrued expenses	9,501	(10,986)	(15,899)	(15,841)
Other current liabilities	1,289	(23,399)	(2,560)	348
Cash paid for long-term employee benefits	(14,035)	(9,667)	(11,791)	-
Cash paid for mine reclamation	(3,468)	(7,565)	-	-
Cash from (used in) operating activities	603,464	713,561	(9,465)	46,564
Interest income	3,127	3,839	797	1,163
Cash paid for interest expenses	(12,862)	(19,896)	-	-
Refund of income tax	-	12,928	-	-
Cash paid for income tax	(43,170)	(39,127)	(1,723)	(15,542)
Net cash from (used in) operating activities	550,559	671,305	(10,391)	32,185

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Increase in current investments	(63,858)	(11,222)	(63,858)	(11,222)
Increase in restricted bank deposits	(56,794)	(7,454)	-	-
Dividend received from subsidiary company	-	-	22,873	28,665
Proceed from disposals of equipment	1,002	446	1,002	-
Cash received from government grants	-	4,872	-	-
Acquisitions of property, plant and equipment	(76,664)	(21,643)	(1,174)	(7,323)
Acquisitions of computer software	(60)	(147)	(44)	(147)
Decrease (increase) in other non-current assets	(37,737)	(82,101)	-	2,405
Net cash from (used in) investing activities	(234,111)	(117,249)	(41,201)	12,378
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(264,443)	(275,048)	-	-
Cash paid for liabilities under finance lease agreements	(478)	(336)	-	-
Dividend paid	(18,714)	(23,453)	-	-
Decrease in non-controlling interests of the subsidiaries	(23,308)	(11,879)	-	-
Net cash used in financing activities	(306,943)	(310,716)	-	-
Increase in translation adjustments	17,259	5,419	-	-
Net increase (decrease) in cash and cash equivalents	26,764	248,759	(51,592)	44,563
Cash and cash equivalents at beginning of period	660,146	446,919	61,886	19,975
Effect of change in foreign exchange rate				
on cash at bank balance	7	(39)	7	(39)
Cash and cash equivalents at end of period (Note 4)	686,917	695,639	10,301	64,499

Supplemental cash flows information:

Non-cash transactions from investing activities

Increase (decrease) in payables from purchases of

 plant, equipment and intangible assets

4,427 (13,097) (143) (6,676)

Acquisitions of equipment under finance lease agreements

3,447 - - -

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 2016

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Retained earnings					Other components of shareholders' equity						
	Issued and paid up share capital	Share premium	Statutory reserve	General reserve	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
Balance as at 1 January 2015	525,000	680,400	52,500	727,200	2,154,008	(31,525)	75,949	556	44,980	4,184,088	1,658,251	5,842,339
Profit for the period	-	-	-	-	120,591	-	-	-	-	120,591	73,514	194,105
Other comprehensive income for the period	-	-	-	-	(486)	(20,043)	-	-	(20,043)	(20,529)	(12,103)	(32,632)
Total comprehensive income for the period	-	-	-	-	120,105	(20,043)	-	-	(20,043)	100,062	61,411	161,473
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	-	(23,453)	(23,453)
Balance as at 31 March 2015	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>727,200</u>	<u>2,274,113</u>	<u>(51,568)</u>	<u>75,949</u>	<u>556</u>	<u>24,937</u>	<u>4,284,150</u>	<u>1,696,209</u>	<u>5,980,359</u>
Balance as at 1 January 2016	525,000	680,400	52,500	734,900	2,057,902	130,170	75,949	556	206,675	4,257,377	1,723,820	5,981,197
Profit for the period	-	-	-	-	135,043	-	-	-	-	135,043	69,458	204,501
Other comprehensive income for the period	-	-	-	-	-	(38,843)	-	-	(38,843)	(38,843)	(23,308)	(62,151)
Total comprehensive income for the period	-	-	-	-	135,043	(38,843)	-	-	(38,843)	96,200	46,150	142,350
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	-	(18,714)	(18,714)
Balance as at 31 March 2016	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>734,900</u>	<u>2,192,945</u>	<u>91,327</u>	<u>75,949</u>	<u>556</u>	<u>167,832</u>	<u>4,353,577</u>	<u>1,751,256</u>	<u>6,104,833</u>

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 2016

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		Unappropriated	
			Statutory reserve	General reserve		
Balance as at 1 January 2015	525,000	680,400	52,500	727,200	217,760	2,202,860
Profit for the period	-	-	-	-	81,946	81,946
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	81,946	81,946
Balance as at 31 March 2015	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>727,200</u>	<u>299,706</u>	<u>2,284,806</u>
Balance as at 1 January 2016	525,000	680,400	52,500	734,900	221,170	2,213,970
Profit for the period	-	-	-	-	70,976	70,976
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	70,976	70,976
Balance as at 31 March 2016	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>734,900</u>	<u>292,146</u>	<u>2,284,946</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 periods ended 31 March 2016

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 of preparation of interim financial statements

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) 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 2015. There have been no significant changes in the composition of the Group during the current period.

1.4 New financial reporting standards

During the period, the Group has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 Group's financial statements.

2. 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 2015.

3. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	22,873	28,665
Commission and marketing service income	-	-	47,751	45,326
Service income	-	-	12,076	12,560
<u>Transactions with major shareholder</u>				
Sales of coal	339,714	455,428	339,714	455,428
<u>Transactions with associated company</u>				
Purchase of coal	227,362	336,807	227,362	336,807
Freight charge	35,475	57,708	35,475	57,708

(Unaudited but reviewed)

	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	Rate comparable paid to third parties
Dividend income	At the declared rate
Freight charge	Price comparable to freight charges paid to third parties

As at 31 March 2016 and 31 December 2015, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Trade and other receivables - related parties</u>				
(Note 6)				
Major shareholder	134,373	126,631	134,373	126,631
Subsidiaries	-	-	118,508	89,258
Total trade and other receivables - related parties	<u>134,373</u>	<u>126,631</u>	<u>252,881</u>	<u>215,889</u>
<u>Trade and other payables - related party</u>				
(Note 13)				
Associated company	4,470	7,429	4,470	7,429
Total trade and other payables - related party	<u>4,470</u>	<u>7,429</u>	<u>4,470</u>	<u>7,429</u>

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, 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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	25,755	32,862	5,798	11,541
Post-employment benefits	3,112	5,655	253	224
Total	<u>28,867</u>	<u>38,517</u>	<u>6,051</u>	<u>11,765</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.

4. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Cash	164	174	40	40
Bank deposits	820,000	688,269	10,261	11,846
Investments in bill of exchange	-	50,000	-	50,000
Total	820,164	738,443	10,301	61,886
Less: Restricted bank deposits	(133,247)	(78,297)	-	-
Total	686,917	660,146	10,301	61,886

As at 31 March 2016, bank deposits in savings account, fixed deposits and short-term investments carried interests between 0.1 and 7.5 percent per annum (31 December 2015: between 0.1 and 7.5 percent per annum).

As at 31 March 2016, the overseas subsidiaries have restricted bank deposits of USD 3.8 million or approximately Baht 133.2 million (31 December 2015: USD 2.2 million or approximately Baht 78.3 million) to secure bank guarantees issued by banks on behalf of the subsidiaries as discussed in Note 20.5.

5. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Investments in trading securities - fair value	466,281	500,794	465,479	500,015
Fixed deposits	150,000	100,000	150,000	100,000
Investments in bills of exchange	300,000	250,000	300,000	250,000
Total	916,281	850,794	915,479	850,015

As at 31 March 2016, the Company had current investments in the form of fixed deposits and bills of exchange amounting to Baht 450 million (31 December 2015: Baht 350 million) carried interests between 1.7 and 2.3 percent per annum (31 December 2015: between 2.0 and 2.3 percent per annum) and due for redemption during April 2016 to January 2017.

(Unaudited but reviewed)

6. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	134,373	126,631	158,725	144,441
Past due				
Up to 3 months	-	-	19,101	28,971
Over 3 months to 6 months	-	-	21,612	18,197
Over 6 months to 9 months	-	-	17,765	-
Total trade receivables - related parties	134,373	126,631	217,203	191,609
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	780,350	675,925	29,415	26,012
Past due				
Over 12 months	3,953	4,048	-	-
Total trade receivables - unrelated parties	784,303	679,973	29,415	26,012
Total trade receivables	918,676	806,604	246,618	217,621
<u>Other receivables</u>				
Other receivables - related parties	-	-	35,678	24,280
Other receivables - unrelated parties	25,498	2,505	2	66
Advances	701	955	701	955
Interest receivable	3,679	2,254	3,648	2,252
Total other receivables	29,878	5,714	40,029	27,553
Total trade and other receivables	948,554	812,318	286,647	245,174

The overseas subsidiary has pledged its accounts receivable to secure bank guarantees issued by a bank. As at 31 March 2016, the balance of accounts receivable totaling Rupiah 87,355 million or approximately Baht 231.9 million (31 December 2015: Rupiah 37,601 million or approximately Baht 98.4 million) were placed to secure such bank guarantees.

7. Advance payments for goods

Advance payments for goods are mainly from significant business transactions of the local subsidiary 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 March 2016, the subsidiary had outstanding advance payments for purchase of molasses and cassava chips amounting to Baht 336.4 million (31 December 2015: Baht 578.1 million).

(Unaudited but reviewed)

8. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid up capital		Shareholding percentage		Cost		Dividend received for the three-month periods ended	
	31 March 2016	31 December 2015	31 March 2016 (%)	31 December 2015 (%)	31 March 2016	31 December 2015	31 March 2016	31 March 2015
Local subsidiary								
Thai Agro Energy Public Co., Ltd.	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	-	-
Overseas subsidiaries								
PT. Lanna Mining Services (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	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	-	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	22,873	28,665
Total					<u>754,538</u>	<u>754,538</u>	<u>22,873</u>	<u>28,665</u>

(Unaudited but reviewed)

9. Investment in associated company

(Unit: Thousand Baht)

Company's name	Nature of business	Relationship	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend received for the three-month periods ended	
			31 March	31 December	31 March	31 December	Carrying amounts based on equity method		Cost		31 March	31 March
			2016	2015	2016	2015	31 March	31 December	31 March	31 December	31 March	2015
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 (%)	48,536	42,217	891	891	-	-
Total							48,536	42,217	891	891	-	-

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month period ended 31 March 2016 of approximately Baht 6.3 million (2015: Baht 6.2 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)

10. Property, plant and equipment

Movements in the property, plant and equipment account for the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2015	3,289,371	262,346
Acquisitions during the period - cost	84,405	955
Depreciation for the period	(51,492)	(2,580)
Translation adjustments	(17,717)	-
Net book value as at 31 March 2016	<u>3,304,567</u>	<u>260,721</u>

As at 31 March 2016, a subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 10.0 million (31 December 2015: Baht 5.5 million).

The subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 31 March 2016 amounting to approximately Baht 1,133.6 million (31 December 2015: Baht 1,143.4 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 12 and 14.

11. 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 2016	31 December 2015	31 March 2016	31 December 2015
Deferred expenses - Indonesia				
coal mine project	376,243	402,863	-	-
Deferred stripping costs	208,130	208,192	-	-
Deferred transferred service fees				
according to contract	16,014	19,604	16,014	19,604
Others	22,659	23,097	4,591	4,591
Total other non-current assets	<u>623,046</u>	<u>653,756</u>	<u>20,605</u>	<u>24,195</u>

(Unaudited but reviewed)

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.

12. Short-term loans from financial institutions

(Unit: Thousand Baht)

Consolidated
financial statements

	31 March 2016	31 December 2015
Promissory notes	738,767	862,957
Short-term loans from financial institution	33,754	72,030
Trust receipts	-	101,977
Total	<u>772,521</u>	<u>1,036,964</u>

As at 31 March 2016, the local subsidiary had short-term loans from financial institutions in form of promissory notes of Baht 738.8 million (31 December 2015: Baht 863.0 million), which bear interests between 3.1 and 3.3 percent per annum (31 December 2015: between 3.1 and 3.3 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 10.

(Unaudited but reviewed)

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Trade payables - related parties	4,470	7,429	4,470	7,429
Trade payables - unrelated parties	430,058	344,133	46,089	40,824
Other payables - unrelated parties	55,432	59,169	1,550	1,868
Total trade and other payables	<u>489,960</u>	<u>410,731</u>	<u>52,109</u>	<u>50,121</u>

14. Long-term loan from financial institution

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	31 March	31 December
	2016	2015
Long-term loan from financial institution	477,757	477,757
Less: Current portion	<u>(180,000)</u>	<u>(180,000)</u>
Long-term loan from financial institution - net of current portion	<u>297,757</u>	<u>297,757</u>

Movements in the long-term loan from financial institution during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2015	477,757
Less: Repayment during the period	<u>-</u>
Balance as at 31 March 2016	<u>477,757</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 10.

(Unaudited but reviewed)

The loan agreement contains several covenants which, 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 at the rate prescribed in the agreement.

As at 31 March 2016 and 31 December 2015, the subsidiary could maintain certain financial ratios as specified in the long-term loan agreement.

15. 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 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	50,939	49,273	11,992	13,280
Withholding tax deducted at source recognised as expenses during the period	1,715	2,150	1,715	2,150
Deferred tax:				
Relating to origination and reversal of temporary differences	3,776	21,682	(135)	(77)
Income tax expense reported in the income statements	<u>56,430</u>	<u>73,105</u>	<u>13,572</u>	<u>15,353</u>

The amount of income tax related to each component of comprehensive income statements for the three-month periods ended 31 March 2016 and 2015 are as follow:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to actuarial loss	-	309	-	-

16. 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.

The following tables set forth the computation of basic earnings per share:

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to equity holders of the Company (Thousand Baht)	135,043	120,591	70,976	81,946
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.26	0.23	0.14	0.16

17. Dividend paid

Dividends paid by the Group during the three-month periods ended 31 March 2016 and 2015 are as follows:

Overseas subsidiaryPT. Lanna Harita Indonesia

<u>Dividends</u>	<u>Approved by</u>	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	<u>Paid on</u>
<u>2016</u>				
The third interim dividend for 2015	Board of Directors' meeting on 15 March 2016	1,200	150	18 March 2016
Total		<u>1,200</u>	<u>150</u>	
<u>2015</u>				
The second interim dividend for 2014	Board of Directors' meeting on 10 March 2015	1,600	200	19 March 2015
Total		<u>1,600</u>	<u>200</u>	

During the three-month period ended 31 March 2016, the Company received dividend income at 55 percent for a total of USD 0.66 million or equivalent to Baht 22.9 million. The Company had been withheld the withholding tax deducted at source of Baht 1.7 million (2015: dividend income at 55 percent for a total of USD 0.88 million or equivalent to Baht 28.7 million. The Company had been withheld the withholding tax deducted at source of Baht 2.1 million).

(Unaudited but reviewed)

18. 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 access 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.

The following tables present revenue and profit information regarding of the Company's and its subsidiaries' operating segments for the three-month periods ended 31 March 2016 and 2015:

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Domestic coal business		Overseas coal business		Ethanol business		Elimination of inter-segment transactions		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues										
Revenues from external customers	395	529	1,490	1,667	650	694	-	-	2,535	2,890
Inter-segment revenues	60	58	-	-	-	-	(60)	(58)	-	-
Total revenue	455	587	1,490	1,667	650	694	(60)	(58)	2,535	2,890
Operating results										
Segment gross profit	123	137	495	610	123	151	(57)	(56)	684	842
Other income									8	9
Share of profit from investment in associated company									6	6
Gain (loss) on exchange									30	(40)
Selling and distribution expenses									(371)	(440)
Administrative expenses									(84)	(90)
Finance cost									(12)	(20)
Profit before income tax expenses									261	267
Income tax expenses									(56)	(73)
Profit for the period									205	194

(Unaudited but reviewed)

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 31 March 2016 and 31 December 2015:

(Unit: Million Baht)

	Domestic coal business	Overseas coal business	Ethanol business	Total Segments	Adjustments and eliminations	Consolidated
Segment assets						
At 31 March 2016	2,593	3,767	3,237	9,597	(840)	8,757
At 31 December 2015	2,537	3,817	3,241	9,595	(816)	8,779

19. Significant contracts and agreements

19.1 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.

19.2 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.

19.3 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.

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 31 March 2016, two subsidiaries had capital commitments of Baht 15.5 million, relating to the construction of Bio Scrubber and molasses tanks and USD 12.3 million relating to the acquisitions of hauling road and special terminal for transportation of coals (31 December 2015: Baht 33.3 million and USD 12.3 million, respectively).

20.2 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:

(Unit: Million Baht)

Payable	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Less than 1 year	24	26	9	9
In over 1 year and up to 5 years	17	9	13	3

20.3 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	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Less than 1 year	4	2	1	-
In over 1 year and up to 5 years	3	-	3	-

- b) The Company and its subsidiaries have commitments under service agreements regarding the legal consulting, the consulting for mining, environment and safety and other consulting of Baht 1.5 million (the Company only: Baht 0.9 million) (31 December 2015: Baht 1.4 million (the Company only: Baht 0.9 million)).
- c) The Company had commitment under the coal purchase agreement and coal shipping agreement with an overseas company which the coal price and freight rate, coal quality and quantity to purchase are 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.

20.4 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.

20.5 Guarantees

As at 31 March 2016, the Company and its subsidiaries had bank guarantees of approximately Baht 5.7 million, Rupiah 47,726 million and USD 0.2 million (the Company only: Baht 0.6 million) (31 December 2015: Baht 5.7 million, Rupiah 28,175 million and USD 0.2 million (the Company only: Baht 0.6 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 coal supply of the overseas subsidiary, 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.

21. 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. However, on 3 December 2014, the subsidiary lodged an appeal with the Appeal Court. On 9 February 2016, the Appeal Court affirmed the judgment of the Civil Court.

Subsequently on 7 April 2016, the subsidiary lodged an appeal with the Supreme Court. Presently, the case is in under consideration of the Supreme Court. As at 31 March 2016, the subsidiary has not received such payment; therefore, the subsidiary has not recorded in its account.

(Unaudited but reviewed)

22. 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 2016				
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	3.4	0.1	35.0709	35.4074

As at 31 December 2015				
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	2.5	0.2	35.9233	36.2538

As at 31 March 2016 and 31 December 2015, the Company and its subsidiaries had no outstanding forward exchange contract.

23. Fair value hierarchy

As at 31 March 2016, the Company and its subsidiary had the assets that were measured at fair value using different levels of inputs as follows:

Payable	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Level 2	Total	Level 2	Total
Held for trade investments - equity instruments	466,281	466,281	465,479	465,479

24. Events after the reporting period

Dividend paid of the Company

On 25 April 2016, the Annual General Meeting of the Company's shareholders passed a resolution approving the payment of dividend in respect of the 2015 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 18 November 2015, 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 will be paid on 16 May 2016. In addition, the meeting approved to set aside general reserve of Baht 11.10 million. The dividend and general reserve will be recorded in the second quarter of the current year.

Dividend paid of the subsidiary

On 18 April 2016, the Annual General Meeting of Thai Agro Energy Public Company Limited ("the subsidiary") passed a resolution to approve the payment of dividend in respect of operation income from BOI promoted operation for the period from July to December 2015 to the subsidiary's shareholders for 1,000 million shares of Baht 0.05 per share, or a totaling of Baht 50 million, additional from the interim dividends of Baht 0.10 per share. The total dividend payment is Baht 0.15 per share. The Company will receive such dividend at 51 percent for a total of Baht 25.50 million. The subsidiary will pay dividend on 18 May 2016.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 May 2016.