

Lanna Resources Public Company Limited
and its subsidiaries
Report and interim financial statements
For the three-month and nine-month periods ended
30 September 2013

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 30 September 2013, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2013, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2013, 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*.

Emphasis of matter

I draw attention to Note 2 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*. My conclusion is not qualified in respect of this matter.

Other matter

The consolidated statement of financial position of Lanna Resources Public Company Limited and its subsidiaries, and the separate statement of financial position of Lanna Resources Public Company Limited as at 31 December 2012 (before restatement), were audited by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 21 February 2013. The consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2012 (before restatement), and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2012 (before restatement) of Lanna Resources Public Company Limited and its subsidiaries, and the separate financial statements of Lanna Resources Public Company Limited for the same period, were also reviewed by the aforementioned auditor who concluded, under her report dated 8 November 2012, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok: 13 November 2013

Lanna Resources Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September	31 December	1 January	30 September	31 December	1 January
		2013	2012	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
Assets							
Current assets							
Cash and cash equivalents	4	1,373,630	1,152,588	1,212,391	326,612	197,144	381,840
Current investments	5	450,000	439,000	-	450,000	439,000	-
Trade and other receivables	3, 6	710,332	865,838	1,197,935	192,562	142,439	199,829
Inventories	7	823,816	502,318	266,030	152,942	203,613	27,321
Cassava and sugar cane plantation costs		-	-	5,723	-	-	-
Input tax refundable		699,808	558,442	699,612	-	1,850	-
Prepaid income tax		479,730	321,703	103,558	192	132	18,266
Advance payments for goods	23.2	122,843	78,423	170,906	-	5,663	109,613
Other current assets		40,141	35,355	68,909	2,824	1,429	1,337
Total current assets		4,700,300	3,953,667	3,725,064	1,125,132	991,270	738,206
Non-current assets							
Restricted bank deposits	4	70,016	66,377	51,541	-	-	-
Investments in subsidiaries	8	-	-	-	852,763	852,763	1,068,589
Investment in associated company	9	32,232	34,561	23,715	891	891	891
Long-term loans to related party	3	-	-	-	-	-	45,001
Investment properties		34,726	34,726	36,530	34,726	34,726	36,530
Property, plant and equipment	10	2,865,408	2,847,833	2,716,091	240,620	217,273	214,934
Goodwill		186,000	186,000	186,000	-	-	-
Intangible assets		3,625	3,946	3,504	1,575	1,515	1,765
Deferred tax assets	2	65,463	71,604	79,603	30,758	30,066	31,135
Other non-current assets	11	470,689	433,205	475,122	66,813	79,805	95,159
Total non-current assets		3,728,159	3,678,252	3,572,106	1,228,146	1,217,039	1,494,004
Total assets		8,428,459	7,631,919	7,297,170	2,353,278	2,208,309	2,232,210

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

Lanna Resources Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September	31 December	1 January	30 September	31 December	1 January
		2013	2012	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	12	582,000	513,000	563,000	-	-	-
Trust receipts	13	139,768	-	-	-	-	-
Bills of exchange	14	45,000	-	-	-	-	-
Trade and other payables	3, 15	818,735	751,147	377,586	91,468	67,000	230,400
Current portion of long-term loan from financial institution	16	180,000	180,000	900,000	-	-	-
Factoring liabilities	17	15,023	-	-	-	-	-
Accrued expenses		925,602	614,090	581,366	13,283	16,656	26,516
Income tax payable		171	26,528	408,516	-	-	-
Other current liabilities		88,141	187,840	168,838	7,417	5,818	10,654
Total current liabilities		2,794,440	2,272,605	2,999,306	112,168	89,474	267,570
Non-current liabilities							
Long-term loan from financial institution - net of current portion	16	360,000	540,000	-	-	-	-
Provision for long-term employee benefits		186,785	176,265	122,556	24,677	22,742	22,165
Provision for mine reclamation and decommissioning costs		108,940	85,426	17,011	-	-	-
Deferred tax liabilities	2	6,777	-	-	-	-	-
Total non-current liabilities		662,502	801,691	139,567	24,677	22,742	22,165
Total liabilities		3,456,942	3,074,296	3,138,873	136,845	112,216	289,735

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

Lanna Resources Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	30 September	31 December	1 January	30 September	31 December	1 January
	Note	2013	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	
Shareholders' equity						
Share capital	18					
Registered, issued and fully paid up						
524,999,679 ordinary shares of Baht 1 each						
(2012: 350,000,000 ordinary shares						
Baht 1 each)		525,000	350,000	525,000	350,000	350,000
Share premium		680,400	680,400	680,400	680,400	680,400
Retained earnings						
Appropriated - Statutory reserve		35,000	35,000	35,000	35,000	35,000
Appropriated - General reserve		650,600	495,900	436,000	495,900	436,000
Unappropriated		2,187,078	2,252,294	1,950,695	534,793	441,075
Other components of shareholders' equity		(105,271)	(146,001)	-	-	-
Equity attributable to owners of the Company		<u>3,972,807</u>	<u>3,667,593</u>	<u>3,330,694</u>	<u>2,096,093</u>	<u>1,942,475</u>
Non-controlling interests of the subsidiaries		998,710	890,030	-	-	-
Total shareholders' equity		<u>4,971,517</u>	<u>4,557,623</u>	<u>4,158,297</u>	<u>2,096,093</u>	<u>1,942,475</u>
Total liabilities and shareholders' equity		<u>8,428,459</u>	<u>7,631,919</u>	<u>7,297,170</u>	<u>2,353,278</u>	<u>2,232,210</u>
		-	-	-	-	-

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

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Directors
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Lanna Resources Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 September 2013

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Sales	3	3,203,125	2,979,588	393,791	434,484
Commission and marketing service income	3	-	-	54,639	44,361
Other income					
Dividend income	3, 8	-	-	41,668	27,734
Service income	3	-	-	17,006	13,456
Gain on exchange		-	-	2,411	-
Interest income	3	5,556	4,047	4,644	3,013
Others		878	2,639	273	9
Total other income		6,434	6,686	66,002	44,212
Total revenues		3,209,559	2,986,274	514,432	523,057
Expenses					
Cost of sales	3	2,181,920	2,022,743	336,056	371,803
Selling and distribution expenses		628,588	525,945	37,499	41,035
Administrative expenses		129,842	132,132	29,591	29,569
Loss on exchange		112,892	1,781	-	201
Total expenses		3,053,242	2,682,601	403,146	442,608
Profit before share of profit from investment, finance cost and income tax expenses		156,317	303,673	111,286	80,449
Share of profit from investment in associated company	9	1,960	5,741	-	-
Profit before finance cost and income tax expenses		158,277	309,414	111,286	80,449
Finance cost		(15,134)	(15,310)	-	-
Profit before income tax expenses		143,143	294,104	111,286	80,449
Withholding tax deducted at source		(11,217)	(13,673)	(11,217)	(13,673)
Income tax expenses	19	(10,806)	(66,128)	234	(340)
Profit for the period		121,120	214,303	100,303	66,436
Profit attributable to:					
Equity holders of the Company		94,438	158,231	100,303	66,436
Non-controlling interests of the subsidiaries		26,682	56,072		
		121,120	214,303		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	20	0.18	0.30	0.19	0.13

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2013

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Profit for the period	<u>121,120</u>	<u>214,303</u>	<u>100,303</u>	<u>66,436</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>19,806</u>	<u>(67,510)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>19,806</u>	<u>(67,510)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>140,926</u></u>	<u><u>146,793</u></u>	<u><u>100,303</u></u>	<u><u>66,436</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>107,270</u>	<u>113,968</u>	<u><u>100,303</u></u>	<u><u>66,436</u></u>
Non-controlling interests of the subsidiaries	<u>33,656</u>	<u>32,825</u>		
	<u><u>140,926</u></u>	<u><u>146,793</u></u>		

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

Lanna Resources Public Company Limited and its subsidiaries

Income statement

For the nine-month period ended 30 September 2013

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Sales	3	8,903,494	9,549,611	1,080,147	1,347,810
Commission and marketing service income	3	-	-	146,534	106,098
Other income					
Dividend income	3, 8, 9	-	-	164,528	370,790
Service income	3	-	-	44,218	31,066
Gain on exchange		-	422	5,271	1,732
Interest income	3	16,090	11,830	13,039	8,590
Others		7,889	65,208	4,157	35,467
Total other income		23,979	77,460	231,213	447,645
Total revenues		8,927,473	9,627,071	1,457,894	1,901,553
Expenses					
Cost of sales	3	5,854,027	6,187,253	922,056	1,158,377
Selling and distribution expenses		1,670,604	1,438,134	107,600	123,183
Administrative expenses		384,085	382,062	98,166	103,417
Loss on exchange		139,285	-	-	-
Total expenses		8,048,001	8,007,449	1,127,822	1,384,977
Profit before share of profit from investment, finance cost and income tax expenses		879,472	1,619,622	330,072	516,576
Share of profit from investment in associated company	9	9,033	13,370	-	-
Profit before finance cost and income tax expenses		888,505	1,632,992	330,072	516,576
Finance cost		(43,471)	(39,418)	-	-
Profit before income tax expenses		845,034	1,593,574	330,072	516,576
Withholding tax deducted at source		(35,424)	(72,858)	(35,424)	(72,858)
Income tax expenses	19	(168,302)	(385,479)	692	(3,327)
Profit for the period		641,308	1,135,237	295,340	440,391
Profit attributable to:					
Equity holders of the Company		439,484	767,601	295,340	440,391
Non-controlling interests of the subsidiaries		201,824	367,636		
		641,308	1,135,237		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	20	0.84	1.46	0.56	0.84

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statement of comprehensive income
For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Profit for the period	<u>641,308</u>	<u>1,135,237</u>	<u>295,340</u>	<u>440,391</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>63,847</u>	<u>(56,482)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>63,847</u>	<u>(56,482)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>705,155</u></u>	<u><u>1,078,755</u></u>	<u><u>295,340</u></u>	<u><u>440,391</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>480,214</u>	<u>728,407</u>	<u><u>295,340</u></u>	<u><u>440,391</u></u>
Non-controlling interests of the subsidiaries	<u>224,941</u>	<u>350,348</u>		
	<u><u>705,155</u></u>	<u><u>1,078,755</u></u>		

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	845,034	1,593,574	330,072	516,576
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	178,224	168,800	22,888	23,839
Reversal of inventory to net realisable value	(9,703)	(3,590)	-	-
Share of profit from investment in associated company	(9,033)	(13,370)	-	-
Gain from return on investment and disposal of investment in subsidiaries	-	-	-	(5,607)
Gain on disposal of equipment and investment properties	(3,692)	(1,806)	(3,692)	(1,515)
Loss on write-off of equipment and intangible assets	1,184	2,101	-	-
Dividend income	-	-	(164,528)	(370,790)
Provision for long-term employee benefits	36,220	33,448	1,935	1,919
Provision for mine reclamation and decommissioning costs	56,590	-	-	-
Unrealised loss (gain) on exchange	25,636	254	(709)	254
Interest income	(16,090)	(11,830)	(13,039)	(8,590)
Interest expenses	43,471	39,418	-	-
Profit from operating activities before changes in operating assets and liabilities	1,147,841	1,806,999	172,927	156,086
Operating assets (increase) decrease				
Trade and other receivables	163,619	226,814	(48,421)	27,508
Inventories	(311,795)	(456,965)	50,671	(194,714)
Cassava and sugar cane plantation costs	-	5,723	-	-
Input tax refundable	(141,366)	(169,962)	1,850	(6,528)
Advance payments for goods	(44,420)	(210)	5,663	100,849
Other current assets	(4,786)	17,181	(1,395)	(1,583)
Operating liabilities increase (decrease)				
Trade and other payables	40,839	288,452	17,481	(188,531)
Accrued expenses	310,770	117,391	(3,373)	(13,115)
Other current liabilities	(99,699)	(70,256)	1,599	(4,731)
Provision for long-term employee benefits	(1,595)	(6,330)	-	(1,432)
Provision for mine reclamation and decommissioning costs	(19,396)	-	-	-
Cash from (used in) operating activities	1,040,012	1,758,837	197,002	(126,191)
Interest income	14,315	10,071	11,337	6,517
Cash paid for interest expenses	(42,729)	(39,355)	-	-
Refund of corporate income tax	38	18,007	37	18,007
Cash paid for withholding tax deducted at source	(35,424)	(72,858)	(35,424)	(72,858)
Cash paid for corporate income tax	(365,369)	(891,506)	(97)	(2,091)
Net cash from (used in) operating activities	610,843	783,196	172,855	(176,616)

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Increase in current investments	(11,000)	(150,000)	(11,000)	(150,000)
Increase in restricted bank deposits	(1,994)	(17,668)	-	-
Cash received from repayment of long-term loans to related party	-	-	-	45,001
Dividend received from subsidiary and associated companies	11,362	7,686	164,528	370,790
Cssh received from return on investment and disposal of investment in subsidiaries	-	-	-	221,433
Proceeds from disposals of equipment and investment properties	3,756	4,420	3,756	3,338
Cash received from government grants	6,000	5,000	-	-
Acquisitions of property, plant and equipment	(106,192)	(205,326)	(23,445)	(5,591)
Acquisitions of computer software	(811)	(353)	(612)	(197)
Increase in other non-current assets	(92,174)	(87,783)	(2,323)	(3,120)
Net cash from (used in) investing activities	(191,053)	(444,024)	130,904	481,654
Cash flows from financing activities				
Increase in short-term loans from financial institutions	582,000	543,000	-	-
Repayment of short-term loans from financial institutions	(513,000)	(563,000)	-	-
Cash received from trust receipts	139,768	-	-	-
Cash received from bills of exchange	45,000	-	-	-
Net cash received from factoring liabilities	15,023	-	-	-
Repayment of long-term loan from financial institution	(180,000)	(180,000)	-	-
Dividend paid	(291,261)	(601,994)	(175,000)	(350,000)
Increase (decrease) in non-controlling interests of the subsidiaries	23,117	(16,842)	-	-
Net cash used in financing activities	(179,353)	(818,836)	(175,000)	(350,000)
Decrease in translation adjustments	(20,104)	(25,805)	-	-
Net increase (decrease) in cash and cash equivalents	220,333	(505,469)	128,759	(44,962)
Cash and cash equivalents at beginning of period	1,152,588	1,212,391	197,144	381,840
Effect of change in foreign exchange rate on cash at bank balance	709	(15)	709	(15)
Cash and cash equivalents at end of period (Note 4)	1,373,630	706,907	326,612	336,863
Supplemental cash flows information:				
Non-cash transactions from investing activities				
Accrued receipt from government grants	(6,338)	-	-	-
Increase (decrease) in payables for purchases of plant, equipment and intangible assets	26,749	(9,013)	6,987	748
Transferred property, plant and equipment to other non-current assets	238	-	-	-
Transferred property, plant and equipment to intangible assets	30	1,262	30	-
Non-cash transactions from financing activities				
Issuance of stock dividend	175,000	-	175,000	-

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company											
	Note	Retained earnings				Unappropriated	Other component of equity					
		Issued and paid-up share capital	Share premium	Appropriated			Exchange differences on translation of financial statements in foreign currency	Other comprehensive income	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
				Statutory reserve	General reserve							
Balance as at 31 December 2011												
- as previously reported		350,000	680,400	35,000	436,000	1,891,579	(122,135)	(122,135)	3,270,844	807,850	4,078,694	
Cumulative effect of change in accounting policy for income taxes	2	-	-	-	-	59,116	734	734	59,850	19,753	79,603	
Balance as at 31 December 2011												
- as restated		350,000	680,400	35,000	436,000	1,950,695	(121,401)	(121,401)	3,330,694	827,603	4,158,297	
Dividend paid	21	-	-	-	-	(350,000)	-	-	(350,000)	-	(350,000)	
Unappropriated retained earnings transferred to general reserve	21	-	-	-	59,900	(59,900)	-	-	-	-	-	
Effect of liquidation of the subsidiary		-	-	-	-	(24,627)	24,621	24,621	(6)	-	(6)	
Total comprehensive income for the period - as restated		-	-	-	-	767,601	(39,194)	(39,194)	728,407	350,348	1,078,755	
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	21	-	-	-	-	-	-	-	-	(251,994)	(251,994)	
Increase in non-controlling interests of the subsidiaries from disposal of investment in subsidiary		-	-	-	-	-	-	-	-	30	30	
Balance as at 30 September 2012 - as restated		350,000	680,400	35,000	495,900	2,283,769	(135,974)	(135,974)	3,709,095	925,987	4,635,082	

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	Issued and paid-up share capital	Share premium	Retained earnings			Other component of equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Statutory reserve	General reserve	Unappropriated	translation of financial statements in foreign currency	Total other component of shareholders' equity			
Balance as at 31 December 2012											
- as previously reported		350,000	680,400	35,000	495,900	2,197,857	(146,016)	(146,016)	3,613,141	872,878	4,486,019
Cumulative effect of change in accounting policy for income taxes	2	-	-	-	-	54,437	15	15	54,452	17,152	71,604
Balance as at 31 December 2012											
- as restated		350,000	680,400	35,000	495,900	2,252,294	(146,001)	(146,001)	3,667,593	890,030	4,557,623
Dividend paid	21	175,000	-	-	-	(350,000)	-	-	(175,000)	-	(175,000)
Unappropriated retained earnings transferred to general reserve	21	-	-	-	154,700	(154,700)	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	439,484	40,730	40,730	480,214	224,941	705,155
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	21	-	-	-	-	-	-	-	-	(116,261)	(116,261)
Balance as at 30 September 2013		525,000	680,400	35,000	650,600	2,187,078	(105,271)	(105,271)	3,972,807	998,710	4,971,517

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Separate financial statements						
Note	Issued and paid-up share capital	Share premium	Retained earnings			Total shareholders' equity
			Appropriated		Unappropriated	
			Statutory reserve	General reserve		
	350,000	680,400	35,000	436,000	409,940	1,911,340
	-	-	-	-	31,135	31,135
	350,000	680,400	35,000	436,000	441,075	1,942,475
	-	-	-	-	(350,000)	(350,000)
	-	-	-	59,900	(59,900)	-
	-	-	-	-	440,391	440,391
	350,000	680,400	35,000	495,900	471,566	2,032,866
	350,000	680,400	35,000	495,900	504,727	2,066,027
	-	-	-	-	30,066	30,066
	350,000	680,400	35,000	495,900	534,793	2,096,093
	175,000	-	-	-	(350,000)	(175,000)
	-	-	-	154,700	(154,700)	-
	-	-	-	-	295,340	295,340
	525,000	680,400	35,000	650,600	325,433	2,216,433

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 and nine-month periods ended 30 September 2013

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 Accounting Standard No. 34 (revised 2009) "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 2012. There have been no significant changes in the composition of the Group during the current period.

1.4 New accounting standards

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

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

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy since 1 January 2013 and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 2.

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

		<u>Effective date</u>
Accounting Standard:		
TAS 12 (revised 2012)	Income taxes	1 January 2014
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TAS 12 (revised 2012), TFRIC 1, TFRIC 5 and TFRIC 10, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

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 2012, except for the change in the accounting policies due to the adoption of TAS 12 Income Taxes as follow:

Income tax

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

Current tax

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

Deferred tax

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

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

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

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

(Unaudited but reviewed)

2. Cumulative effect of the change in accounting policy due to the adoption of new accounting standard

Since 1 January 2013, the Company and its subsidiaries made the change described in Note 1.4 to the financial statements to its significant accounting policy, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position, income statements and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at 30 September 2013	As at 31 December 2012	As at 1 January 2012	As at 30 September 2013	As at 31 December 2012	As at 1 January 2012
Statements of financial position						
Increase in deferred tax assets	65,463	71,604	79,603	30,758	30,066	31,135
Increase in deferred tax liabilities	6,777	-	-	-	-	-
Increase in other components of shareholders' equity	475	15	734	-	-	-
Increase in non-controlling interests of the subsidiaries	11,737	17,152	19,753	-	-	-
Increase in unappropriated retained earnings	46,474	54,437	59,116	30,758	30,066	31,135

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Income statements				
Increase (decrease) in income tax	8,587	177	(234)	340
Increase (decrease) in profit attributable to non-controlling interest of the subsidiaries	(3,519)	39	-	-
Increase (decrease) in profit attributable to equity holders of the Company	(5,068)	(216)	234	(340)
Increase (decrease) in basic earnings per share (Baht)	(0.0097)	(0.0004)	0.0004	(0.0006)
Statements of comprehensive income				
Increase (decrease) in exchange differences on translation of financial statements in foreign currency	302	(1,199)	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Income statements				
Increase (decrease) in income tax	13,699	11,187	(692)	1,072
Decrease in profit attributable to non-controlling interest of the subsidiaries	(5,736)	(3,858)	-	-
Increase (decrease) in profit attributable to equity holders of the Company	(7,963)	(7,329)	692	(1,072)
Increase (decrease) in basic earnings per share (Baht)	(0.015)	(0.014)	0.001	(0.002)
Statements of comprehensive income				
Increase (decrease) in exchange differences on translation of financial statements in foreign currency	781	(997)	-	-

(Unaudited but reviewed)

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 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	41,668	27,734
Commission and marketing service income	-	-	54,639	44,361
Service income	-	-	17,006	13,456
Interest income	-	-	-	106
<u>Transactions with major shareholder</u>				
Sales of coal	345,086	270,212	345,086	270,212
<u>Transactions with associated company</u>				
Purchase of coal	206,066	229,721	206,066	229,721
Freight charge	36,353	56,753	36,353	56,753

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	153,166	363,104
Commission and marketing service income	-	-	146,534	106,098
Service income	-	-	44,218	31,066
Interest income	-	-	-	904
<u>Transactions with major shareholder</u>				
Sales of coal	918,011	801,666	918,011	801,666
<u>Transactions with associated company</u>				
Purchase of coal	547,312	878,776	547,312	878,776
Freight charge	100,625	151,489	100,625	151,489
Dividend income	11,362	7,686	11,362	7,686

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
Interest income	LIBOR + 3% per annum
Freight charge	Price comparable to freight charges paid to third parties

(Unaudited but reviewed)

As at 30 September 2013 and 31 December 2012, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<u>Trade and other receivables - related parties</u> (Note 6)				
Major shareholder	138,091	72,436	138,091	72,436
Subsidiaries	-	-	34,053	28,094
Total trade and other receivables - related parties	<u>138,091</u>	<u>72,436</u>	<u>172,144</u>	<u>100,530</u>
<u>Trade and other payables - related parties</u> (Note 15)				
Associated company	1,510	842	1,510	-
Total trade and other payables - related parties	<u>1,510</u>	<u>842</u>	<u>1,510</u>	<u>-</u>

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2013 and 2012, 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 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	37,294	40,168	10,952	9,803
Post-employment benefits	3,079	3,407	430	430
Total	<u>40,373</u>	<u>43,575</u>	<u>11,382</u>	<u>10,233</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	107,595	117,834	40,361	38,900
Post-employment benefits	9,611	11,597	1,288	1,288
Total	<u>117,116</u>	<u>129,431</u>	<u>41,649</u>	<u>40,188</u>

(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Cash	159	196	40	40
Bank deposits	1,152,487	1,180,769	35,572	159,104
Investments in bill of exchange and bond of the Bank of Thailand	291,000	38,000	291,000	38,000
Total	1,443,646	1,218,965	326,612	197,144
Less: Restricted bank deposits	(70,016)	(66,377)	-	-
Total	1,373,630	1,152,588	326,612	197,144

As at 30 September 2013, bank deposits in savings account, fixed deposits and investments in bill of exchange and bond carried interests between 0.1 and 3 percent per annum (31 December 2012: between 0.1 and 3 percent per annum).

As at 30 September 2013, the oversea subsidiaries had restricted bank deposits of approximately Baht 70 million (31 December 2012: Baht 66 million) to secure bank guarantees issued by banks on behalf of the subsidiaries as discussed in Note 24.5.

5. Current investments

As at 30 September 2013, the Company had current investments in the form of bills of exchange amounting to Baht 450 million (31 December 2012: Baht 439 million) carrying interest at the rate of 2.85 - 3.35 percent per annum (31 December 2012: 3.1 - 3.5 percent per annum) and due for redemption in October 2013 - March 2014.

(Unaudited but reviewed)

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	138,091	72,436	163,075	93,538
Total trade receivables - related parties	138,091	72,436	163,075	93,538
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	555,219	789,436	16,450	39,882
Total trade receivable - unrelated parties	555,219	789,436	16,450	39,882
Total trade receivables	693,310	861,872	179,525	133,420
<u>Other receivables</u>				
Other receivable - related parties	-	-	9,069	6,992
Other receivable - unrelated parties	13,116	1,940	135	1
Advances	452	347	452	347
Interest receivable	3,454	1,679	3,381	1,679
Total other receivables	17,022	3,966	13,037	9,019
Total trade and other receivables	710,332	865,838	192,562	142,439

A subsidiary entered into the factoring agreements with a local financial institution for total factoring facilities of Baht 50 million. As at 30 September 2013, such a subsidiary sold its trade accounts receivable of Baht 15 million at a discount to a financial institution, with full recourse guarantee obligations.

7. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value during the nine-month period ended 30 September 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2012	9,703	-
Less: Reversal of reduction of inventory value during the period	(9,703)	-
Balance as at 30 September 2013	-	-

(Unaudited but reviewed)

8. 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 nine-month period ended	
			30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
			2013	2012	2013	2012	2013	2012	2013	2012
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	18,181	-
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	-	161,114
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	134,985	139,380
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	-	62,610
Total							<u>852,763</u>	<u>852,763</u>	<u>153,166</u>	<u>363,104</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.
- 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 shares of Baht 1 each) to support the initial public offering to public and a subsidiary's shareholders. A subsidiary registered the increase of its capital with Ministry of Commerce on 2 October 2013.

Overseas subsidiaries

Lanna (Singapore) Pte. Ltd.

On 21 June 2010, the meeting of the Board of Directors of the Company passed a resolution approving the dissolution and liquidation of Lanna (Singapore) Pte. Ltd.

In March 2012, the Company received its return on investment of Baht 221.4 million from Lanna (Singapore) Pte. Ltd. and recognised gain from return on investment of Baht 5.6 million in the income statement for the nine-month period ended 30 September 2012.

On 28 June 2012, Lanna (Singapore) Pte. Ltd. had completed its liquidation and had submitted the related documents to the Regulatory Authority on 4 July 2012.

PT. Citra Harita Mineral

On 17 April 2012, the meeting of the Board of Directors of the Company passed a resolution approving the dissolution and liquidation of PT. Citra Harita Mineral, which is a subsidiary incorporated in Indonesia. The dissolution and liquidation of this subsidiary is expected to be completed within 2013.

(Unaudited but reviewed)

9. Investment in associated company

(Unit: Thousand Baht)

Company	Nature of business	Relationship	Paid-up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements			
			Carrying amounts based on equity method		Dividend received for the nine-month periods ended		Cost					
			30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
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 (%)	32,232	34,561	891	891	11,362	7,686
Total							32,232	34,561	891	891	11,362	7,686

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month and nine-month periods ended 30 September 2013 of approximately Baht 2 million and Baht 9 million, respectively (2012: Baht 5.7 million and Baht 13.4 million, respectively) 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.

10. Property, plant and equipment

Movements in the property, plant and equipment account for the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial Statements
	<u> </u>	<u> </u>
Net book value as at 31 December 2012	2,847,833	217,273
Acquisitions during the period - cost	133,000	30,492
Disposals and write-off during the period - net book value on disposal/write-off date	(1,248)	(64)
Transfer to intangible assets	(30)	(30)
Transfer to other non-current assets	(238)	-
Cash received from government grants	(12,338)	-
Depreciation for the period	(113,447)	(7,051)
Translation adjustments	11,876	-
Net book value as at 30 September 2013	<u>2,865,408</u>	<u>240,620</u>

A subsidiary has mortgaged part of its land and construction thereon and machinery of the second ethanol production plant with net book value as at 30 September 2013 amounting to approximately Baht 1,143.1 million (31 December 2012: Baht 1,175.9 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 12 and 16.

During the first quarter of current period, a subsidiary received the subsidy of Baht 6 million from the subsidy agreement with the Energy Conservation Promotion Fund under "Biogas Technology for Industry Project". Subsequent, on 24 October 2013, a subsidiary received the subsidy of Baht 6.3 million from the subsidy agreement with the Energy Conservation Promotion Fund under "Biogas Technology for Industry Project". However, the subsidiary is required to comply with the terms under the aforementioned agreements

A subsidiary had temporary ceased the ethanol production of the first plant on 1 January 2013 for machine maintenance and then continued to start the ethanol production in March 2013. On 6 April 2013, a subsidiary had temporary ceased the ethanol production of the first plant again due to the ethanol production of the second plant already reach the full capacity which enough for ethanol distribution. Subsequently, a subsidiary continued to start the ethanol in July 2013 and on 8 July 2013, a subsidiary had temporary ceased the ethanol production of the first plant again due to the ethanol production of the second plant already reach the full capacity which enough for ethanol distribution.

(Unaudited but reviewed)

A subsidiary had capitalised interest expenses as part of costs of machinery and equipment under installation with the capitalisation rate as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Interest expenses capitalised as costs of machinery and equipment (Thousand Baht)	-	-	-
Capitalisation rate (percent per annum)	-	-	-	4.31

11. Other non-current assets

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

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Deferred expenses - Indonesia coal mine project	372,107	323,813	-	-
Deferred overburden removal expenses	12,296	13,953	-	-
Deferred transferred service fees according to contract	58,120	73,435	58,120	73,435
Others	28,166	22,004	8,693	6,370
Total other non-current assets	<u>470,689</u>	<u>433,205</u>	<u>66,813</u>	<u>79,805</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.

12. Short-term loans from financial institutions

As at 30 September 2013, a subsidiary had short-term loans from financial institutions in the form of promissory notes which are repayable within 3 months. The loans bear interest at the rate of 3.80 - 5.88 percent per annum. The loan amounting to Baht 150 million is secured by the mortgage of part of the subsidiary's land and construction thereon and machinery of the second ethanol production plant as discussed in Note10.

13. Trust receipts

The subsidiary entered into the credit facilities agreements with a local financial institution of Baht 200 million. As at 30 September 2013, a subsidiary had outstanding balance of trust receipts of Baht 140 million, with interest at the rate of 3.7 percent per annum.

14. Bills of exchange

As at 30 September 2013, the subsidiary had outstanding balance of bills of exchange of Baht 45 million to 4 non-related parties. This bills of exchange are repayable within 3 months, with interest at the rate of 3.95 percent per annum.

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Trade payables - related parties	1,510	842	1,510	842
Trade payables - unrelated parties	744,562	711,903	79,464	62,775
Other payables - unrelated parties	12,235	17,137	1,950	1,976
Payables for purchases of plant, equipment and intangible assets	28,294	1,341	7,717	526
Retention payable	32,134	19,924	827	881
Total trade and other payables	818,735	751,147	91,468	67,000

16. Long-term loan from financial institution

Movements in the long-term loan from financial institution for the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Balance as at 31 December 2012	720,000	-
Less: Repayment during the period	(180,000)	-
Balance as at 30 September 2013	<u>540,000</u>	<u>-</u>
Less: Current portion	<u>(180,000)</u>	<u>-</u>
Long-term loan from financial institution - net	<u><u>360,000</u></u>	<u><u>-</u></u>

On 16 September 2009, a subsidiary entered into a loan agreement with a local bank, obtaining loan facilities of Baht 900 million for the construction of the second ethanol production plant and the purchase of machinery for this plant. The loan initially carries interest at a fixed rate of 3.8 percent per annum for the first 2 years, and THBFIX reference rate plus 2.1 percent per annum during the third to the seventh year. The loan is repayable within 7 years with grace period of 30 months and then to be repaid in 10 semi-annual installments of Baht 90 million each from March 2012 to October 2016. The loan is secured by the mortgage of part of the subsidiary's land and construction thereon and machinery of the second ethanol production plant as discussed in Note 10.

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

On 14 January 2013, the above bank has reduced the interest rate during January to December 2013 from THBFIX reference rate plus 2.1 percent per annum to THBFIX reference rate plus 1.95 percent per annum.

As at 30 September 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 already obtained a waiver letter for the condition to maintain certain financial ratios for the period ended 30 September 2013 from that bank on 30 September 2013.

17. Factoring liabilities

As at 30 September 2013, the subsidiary had the factoring liabilities with a financial institution for its trade accounts receivable as discussed in Note 6. The credit is provided at 90 percent of the invoiced value, with interest rate of 5.23 percent per annum.

18. 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.

Subsequently, 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.

19. 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 and nine-month periods ended 30 September 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Current income tax:				
Interim corporate income tax charge	2,218	65,951	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	8,588	177	(234)	340
Income tax expense reported in the statements of income	<u>10,806</u>	<u>66,128</u>	<u>(234)</u>	<u>340</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
	(Restated)		(Restated)	
Current income tax:				
Interim corporate income tax charge	154,602	374,292	-	2,255
Deferred tax:				
Relating to origination and reversal of temporary differences	13,700	11,187	(692)	1,072
Income tax expense reported in the statements of income	<u>168,302</u>	<u>385,479</u>	<u>(692)</u>	<u>3,327</u>

20. 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 18. The number of ordinary shares is adjusted as if the distribution of stock dividend had occurred at the beginning of the earliest period reported.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
	(Restated)		(Restated)	
Profit attributable to equity holders of the Company (Thousand Baht)	94,438	158,231	100,303	66,436
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.18	0.30	0.19	0.13

(Unaudited but reviewed)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (Thousand Baht)	439,484	767,601	295,340	440,391
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.84	1.46	0.56	0.84

21. Dividend paid

Dividends paid by the Group during the nine-month periods ended 30 September 2013 and 2012 are as follows:

The Company

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
2013				
Final dividends for 2012	Annual General Meeting of the shareholders on 22 April 2013	175,000	0.50	21 May 2013
Stock dividends for 2012	Annual General Meeting of the shareholders on 22 April 2013	175,000 ⁽¹⁾	0.50	21 May 2013
Total		<u>350,000</u>	<u>1.00</u>	
2012				
Final dividends for 2011	Annual General Meeting of the shareholders on 17 April 2012	350,000	1.00	2 May 2012
Total		<u>350,000</u>	<u>1.00</u>	

⁽¹⁾ On 22 April 2013, the Annual General Meeting of the Company's shareholders approved the Company's distribution of a stock dividend totaling 175 million shares at Baht 1 each, by allocating these newly issued shares to the Company's existing shareholders in proportion to their shareholding at the ratio of 2 existing issued ordinary shares to 1 stock dividend at the par value of Baht 1 per share, or dividend payment at Baht 0.50 per share. In case of any fraction of shares from the allocation of newly issued shares, it shall be rounded off and paid in cash instead of stock dividend with calculation based on the stock dividend payment ratio at amount of Baht 0.50 per share.

In addition, the Annual General Meeting of the shareholders approved to set aside a general reserve of Baht 154.7 million (2012: Baht 59.9 million).

Subsidiaries**Thai Agro Energy Public Co., Ltd.**

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
2013				
Final dividends for 2012	Annual General Meeting of the shareholders on 23 April 2013	24,000	0.03	20 May 2013
Total		24,000	0.03	

During the nine-month period ended 30 September 2013, the Company received dividend income at 75.75 percent for a total of Baht 18.2 million.

PT. Singlurus Pratama

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
2012				
The second interim dividend for 2011	Board of Directors' meeting on 19 January 2012	7,950	1,000	26 January 2012
Total		7,950	1,000	

During the nine-month period ended 30 September 2012, the Company received dividend income at 65 percent for a total of USD 5.2 million or equivalent to Baht 161.1 million. The Company had been withheld the withholding tax deducted at source of Baht 32.2 million.

(Unaudited but reviewed)

PT. Lanna Harita Indonesia

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand US Dollar)	<u>Dividend per share</u> (US Dollar)	<u>Paid on</u>
<u>2013</u>				
The third interim dividend for 2012	Board of Directors' meeting On 19 March 2013	2,000	250	22 March 2013
Final dividends for 2012	Board of Directors' meeting On 3 June 2013	3,600	450	26 June 2013
The first interim dividend for 2013	Board of Directors' meeting on 9 September 2013	2,400	300	17 September 2013
Total		<u>8,000</u>	<u>1,000</u>	
<u>2012</u>				
Final dividends for 2011	Annual General Meeting of the shareholders on 7 June 2012	5,600	700	25 June 2012
The first interim dividend for 2012	Board of Directors' meeting on 7 June 2012	2,400	300	25 June 2012
Total		<u>8,000</u>	<u>1,000</u>	

During the nine-month period ended 30 September 2013, the Company received dividend income at 55 percent for a total of USD 4.4 million or equivalent to Baht 135 million. The Company had been withheld the withholding tax deducted at source of Baht 10.1 million (2012: dividend income of USD 4.4 million or equivalent to Baht 139.4 million. The Company had been withheld the withholding tax deducted at source of Baht 10.5 million).

PT. Citra Harita Mineral

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2012</u>				
Final dividends for 2011	Extraordinary meeting of the shareholders on 28 May 2012	2,000	2,000	1 June 2012
Interim dividends for 2012	Extraordinary meeting of the shareholders on 22 June 2012	1,600	1,600	26 July 2012
Total		3,600	3,600	

During the nine-month period ended 30 September 2012, the Company received dividend income at 55 percent for a total of USD 2 million or equivalent to Baht 62.6 million. The Company had been withheld the withholding tax deducted at source of Baht 12.5 million.

22. Segment information

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

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

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

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

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company's and its subsidiaries' financing activities, which give rise to finance costs and finance income, and income taxes are managed on a Group basis. Therefore these income and expenses are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

(Unaudited but reviewed)

The following table presents revenue and profit information regarding of the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2013 and 2012.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September									
	Domestic coal business		Oversea coal business		Ethanol business		Elimination of inter-segment transactions		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues from external customers	393,791	434,484	2,366,454	2,171,204	442,880	373,900	-	-	3,203,125	2,979,588
Intersegment revenues	71,645	57,817	-	-	-	-	(71,645)	(57,817)	-	-
Total revenues	<u>465,436</u>	<u>492,301</u>	<u>2,366,454</u>	<u>2,171,204</u>	<u>442,880</u>	<u>373,900</u>	<u>(71,645)</u>	<u>(57,817)</u>	<u>3,203,125</u>	<u>2,979,588</u>
Operating income	129,380	120,498	893,096	833,711	68,085	57,856	(69,356)	(55,220)	1,021,205	956,845
Unallocated income (expenses)										
Other income									6,434	6,686
Share of profit from investment in associated company									1,960	5,741
Loss on exchange									(112,892)	(1,781)
Selling and distribution expenses									(628,588)	(525,945)
Administrative expenses									(129,842)	(132,132)
Finance cost									(15,134)	(15,310)
Withholding tax deducted at source									(11,217)	(13,673)
Income tax expenses									(10,806)	(66,128)
Non-controlling interests of the subsidiaries									(26,682)	(56,072)
Profit for the period									<u>94,438</u>	<u>158,231</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated income statements for the nine-month periods ended 30 September

	Domestic coal business		Oversea coal business		Ethanol business		Elimination of inter-segment revenues		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues from external customers	1,080,147	1,347,810	6,570,197	7,121,293	1,253,150	1,080,508	-	-	8,903,494	9,549,611
Inter-segment revenues	190,752	137,164	-	-	-	-	(190,752)	(137,164)	-	-
Total revenues	1,270,899	1,484,974	6,570,197	7,121,293	1,253,150	1,080,508	(190,752)	(137,164)	8,903,494	9,549,611
Operating income	348,843	326,597	2,680,221	2,907,728	203,862	257,996	(183,459)	(129,963)	3,049,467	3,362,358
Unallocated income (expenses)										
Other income									23,979	77,038
Share of profit from investment in associated company									9,033	13,370
Gain (loss) on exchange									(139,285)	422
Selling and distribution expenses									(1,670,604)	(1,438,134)
Administrative expenses									(384,085)	(382,062)
Finance cost									(43,471)	(39,418)
Withholding tax deducted at source									(35,424)	(72,858)
Income tax expenses									(168,302)	(385,479)
Non-controlling interest of the subsidiaries									(201,824)	(367,636)
Profit for the period									439,484	767,601

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 September 2013 and 31 December 2012:

(Unit: Thousand Baht)

Segment assets	Domestic coal business	Oversea coal business	Ethanol business	Total Segments	Unallocated assets	Consolidated
At 30 September 2013	425,177	1,338,978	2,396,409	4,160,564	4,267,895	8,428,459
At 31 December 2012	451,640	1,060,862	2,292,391	3,804,893	3,827,026	7,631,919

23. Significant contracts and agreements

23.1 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.

23.2 On 25 April 2008, the Company and Saraburi Resources Pte. Ltd., which was incorporated in Singapore (which received the right to sell coal from PT. Saraburi Batu Hitam in Indonesia) entered into the Agreement for Sale and Purchase of Steam Coal of 2 million metric tons, whereby the Company is to take delivery of coal for a term of about 2 years, and is to make advance payment amounting to USD 4 million to Saraburi Resources Pte. Ltd. On 6 May 2008, the Company made advance payment amounting to USD 2 million, or equivalent to Baht 63 million. Saraburi Resources Pte. Ltd. will refund the advance payment in the form of a deduction from the price of coal delivered to the Company, at a rate of USD 2 per ton, until the advance has been covered. Other conditions are specified in the agreements. PT. Saraburi Batu Hitam and two directors of Saraburi Resources Pte. Ltd. are guarantors for performance in accordance with the agreement, and a shareholder of PT. Saraburi Batu Hitam has pledged 3,000 shares of PT. Saraburi Batu Hitam and the shareholders of Saraburi Resources Pte. Ltd. have pledged 10,000 shares as share charge to guarantee performance bonds as required under the agreement.

Saraburi Resources Pte. Ltd. was obliged to start delivering coal within January 2009 but it was unable to comply with the agreement. The Company had sued Saraburi Resource Pte. Ltd. and guarantors, and on 23 May 2011, the arbitrator of SIAC ordered Saraburi Resources Pte. Ltd. to pay advance for purchase of coal of USD 2 million, together with interest and other expenses, to the Company. Subsequently on 13 August 2012, the Supreme Court of Singapore ordered the guarantors to pay advance for purchase of coal of USD 2 million with interest at SIBOR+3.5% per annum and other expenses to the Company. However, for a prudent reason, the Company has still set full allowance for doubtful account for this advance payment.

(Unaudited but reviewed)

23.3 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.

23.4 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.

24. Commitments and contingent liabilities

24.1 Capital commitments

As at 30 September 2013, the Company and its subsidiary had capital commitments of approximately Baht 91.4 million and Euro 0.4 million, totaling Baht 108.6 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 the acquisitions of machinery and equipment (the Company only: Baht 33.3 million) (31 December 2012: Baht 109.2 million and Euro 0.4 million, totaling approximately Baht 125.8 million (the Company only: Baht 3.4 million)).

24.2 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 within	Consolidated		Separate	
	financial statements		Financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Less than 1 year	40	44	11	10
1 to 5 years	36	35	22	14

24.3 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		Separate	
	financial statements		Financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Less than 1 year	4	2	2	2
1 to 5 years	2	3	2	3

- b) The Company and its subsidiaries have commitments under service agreements with regard to the legal consulting, consulting for the construction of the biogas system, the consulting for mining, environment and safety and other consulting of Baht 2.4 million (the Company only: Baht 0.5 million) (31 December 2012: Baht 4.3 million (the Company only: Baht 0.5 million)).
- c) The Company has commitment under the coal purchase agreement with an overseas company. The price, coal quality and quantity are as stipulated in the agreement.
- d) The local subsidiary entered into a power supply agreement with the Provincial Electricity Authority for a period of one year, commencing 21 December 2010 to 20 December 2011, and being automatically renewed for every one-year period. The subsidiary shall pay power supply at the rate as stipulated in the agreement.
- e) The local subsidiary 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.
- f) The local subsidiary had additional two commitments under the purchase of molasses agreements with 5-years duration under which the price is to be determined before shipment in the next period and the quantity to purchase of molasses are those stipulated in the agreements.

- g) 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.

24.4 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.

24.5 Guarantees

As at 30 September 2013, the Company and its subsidiaries had bank guarantees of approximately Baht 16.6 million, Rupiah 25,462.5 million and USD 0.03 million (the Company only: Baht 0.4 million) (31 December 2012: Baht 16.9 million and Rupiah 18,337.8 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.

25. 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 30 September 2013, 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.

26. 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.

(Unaudited but reviewed)

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

As at 30 September 2013				
<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Exchange rate</u>	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	3.6	0.1	31.2483	31.5330

As at 31 December 2012				
<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Exchange rate</u>	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	8.1	1.3	30.4857	30.7775

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries had no outstanding forward exchange contract.

27. Event after the reporting period

On 21 October 2013, the meeting of the Company's Board of Directors passed a resolution approving the payment of an interim dividend on the 2013 profit of Baht 0.35 per share or a total of Baht 183.7 million, which will be paid on 20 November 2013. The dividend will be recorded in the fourth quarter of the current year.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 November 2013.