

Lanna Resources Public Company Limited
and its subsidiaries
Report and interim financial statements
For the three-month period ended 31 March 2018



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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 2018 and the related consolidated statements of income, 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.

Emphasis of matter

I draw attention to Note 3 to the interim financial statements which describes the prior year's adjustment regarding deferred tax liabilities. The Company has therefore restated the consolidated financial statements for the year ended 31 December 2017, presented as comparative information, to reflect this adjustment. My conclusion is not qualified in respect of this matter.

S. Ratananurak .

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 14 May 2018

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 March	31 December	1 January	31 March	31 December
		2018	2017	2017	2018	2017
		(Unaudited but reviewed)	(Audited/ Restated)		(Unaudited but reviewed)	(Audited)
Assets						
Current assets						
Cash and cash equivalents	5	945,001	1,128,070	698,170	18,783	261,622
Current investments	6	862,582	834,292	632,806	854,941	826,066
Trade and other receivables	4, 7	1,135,032	1,268,274	616,555	463,854	197,347
Inventories		845,900	392,756	460,386	205,286	184,235
Input tax refundable		618,192	606,959	805,566	7,661	9,761
Prepaid income tax		29,507	25,329	131,525	6,511	-
Advance payments for goods	4, 8	269,811	56,890	585,797	93,600	60,272
Other current financial assets		72,945	91,468	35,024	2,811	2,308
Total current assets		4,778,970	4,404,038	3,965,829	1,653,447	1,541,611
Non-current assets						
Restricted bank deposits	5	117,390	86,447	78,608	-	-
Investments in subsidiaries	9	-	-	-	764,538	764,538
Investment in associated company	10	32,141	28,073	25,221	891	891
Advance payment for share subscription	11	47,021	-	-	47,021	-
Investment properties		32,423	32,423	32,423	32,423	32,423
Property, plant and equipment	12	3,572,018	3,547,727	3,635,876	296,698	295,606
Goodwill		186,000	186,000	186,000	-	-
Intangible assets		4,716	4,985	5,109	2,898	3,101
Deferred tax assets		22,344	22,877	22,011	19,396	19,264
Other non-current assets	13	641,793	462,028	579,425	186,352	3,740
Total non-current assets		4,655,846	4,370,560	4,564,673	1,350,217	1,119,563
Total assets		9,434,816	8,774,598	8,530,502	3,003,664	2,661,174

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 March	31 December	1 January	31 March	31 December	
	2018	2017	2017	2018	2017	
	(Unaudited but reviewed)	(Audited/ Restated)		(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	14	1,365,709	899,068	1,031,550	-	-
Trade and other payables	4, 15	551,687	557,021	481,386	109,248	44,931
Current portion of liabilities under finance lease agreements		2,973	3,255	2,805	-	-
Current portion of long-term loan from financial institution	16	117,757	117,757	180,000	-	-
Accrued expenses		339,508	283,483	151,378	7,581	25,458
Income tax payable		246,867	378,674	25,405	-	-
Other current liabilities		372,846	136,869	122,790	61,258	11,857
Total current liabilities		2,997,347	2,376,127	1,995,314	178,087	82,246
Non-current liabilities						
Liabilities under finance lease agreements - net of current portion		2,102	2,584	3,957	-	-
Long-term loan from financial institution - net of current portion	16	-	-	117,757	-	-
Provision for long-term employee benefits		195,704	198,601	186,709	30,363	29,705
Provision for mine reclamation and decommissioning costs		70,074	75,813	110,389	-	-
Deferred tax liabilities		100,720	130,765	51,396	-	-
Other non-current liabilities		117,664	182,514	258,620	-	-
Total non-current liabilities		486,264	590,277	728,828	30,363	29,705
Total liabilities		3,483,611	2,966,404	2,724,142	208,450	111,951

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	31 March 2018	31 December 2017	1 January 2017	31 March 2018	31 December 2017
	(Unaudited but reviewed)	(Audited/ Restated)		(Unaudited but reviewed)	(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	525,000
Share premium	680,400	680,400	680,400	680,400	680,400
Retained earnings					
Appropriated - Statutory reserve	52,500	52,500	52,500	52,500	52,500
Appropriated - General reserve	747,300	747,300	746,000	747,300	747,300
Unappropriated	2,453,403	2,195,917	1,920,661	790,014	544,023
Other components of shareholders' equity	(11,903)	50,980	193,990	-	-
Equity attributable to owners of the Company	4,446,700	4,252,097	4,118,551	2,795,214	2,549,223
Non-controlling interests of the subsidiaries	1,504,505	1,556,097	1,687,809	-	-
Total shareholders' equity	5,951,205	5,808,194	5,806,360	2,795,214	2,549,223
Total liabilities and shareholders' equity	9,434,816	8,774,598	8,530,502	3,003,664	2,661,174

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

Directors

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Income statements

For the three-month period ended 31 March 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales	4	3,062,945	2,780,689	373,655	468,967
Commission and marketing service income	4	-	-	38,002	32,834
Other income					
Dividend income	4, 9	-	-	271,686	113,851
Service income	4	-	-	11,343	6,889
Gain on exchange		-	1,996	-	-
Interest income	4	6,060	4,864	3,053	1,789
Others		6,957	18,447	1,271	11,917
Total other income		13,017	25,307	287,353	134,446
Total revenues		3,075,962	2,805,996	699,010	636,247
Expenses					
Cost of sales	4	1,870,802	1,912,470	324,794	436,493
Selling and distribution expenses		472,538	369,067	40,094	42,470
Administrative expenses		87,879	128,720	28,089	23,976
Loss from flood event	17	2,251	-	-	-
Loss on exchange		17,699	-	5,837	4,534
Total expenses		2,451,169	2,410,257	398,814	507,473
Profit before share of profit from investment in associated company, finance cost and income tax expenses					
Share of profit from investment in associated company	10	4,068	3,515	-	-
Profit before finance cost and income tax expenses		628,861	399,254	300,196	128,774
Finance cost		(14,658)	(17,608)	-	-
Profit before income tax expenses		614,203	381,646	300,196	128,774
Income tax expenses	18	(175,798)	(118,936)	(54,205)	(10,281)
Profit for the period		438,405	262,710	245,991	118,493
Profit attributable to:					
Equity holders of the Company		257,486	140,397	245,991	118,493
Non-controlling interests of the subsidiaries		180,919	122,313	-	-
		<u>438,405</u>	<u>262,710</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	19	0.49	0.27	0.47	0.23

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 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period	<u>438,405</u>	<u>262,710</u>	<u>245,991</u>	<u>118,493</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>(101,334)</u>	<u>(96,869)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(101,334)</u>	<u>(96,869)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(101,334)</u>	<u>(96,869)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>337,071</u>	<u>165,841</u>	<u>245,991</u>	<u>118,493</u>
Total comprehensive income attributable to:				
Equity holders of the Company	194,603	79,765	<u>245,991</u>	<u>118,493</u>
Non-controlling interests of the subsidiaries	<u>142,468</u>	<u>86,076</u>		
	<u>337,071</u>	<u>165,841</u>		

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

(Unaudited but reviewed)

Lama Resources Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity
 For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of shareholders' equity													
Issued and paid up share capital	Share premium	Retained earnings			Unappropriated	translation of financial statements in foreign currency	Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	Total shareholders' equity
		Appropriated	General reserve	Statutory reserve									
525,000	680,400	52,500	746,000	1,920,661	117,485	75,949	556	193,980	4,118,551	1,687,809	5,806,360		
-	-	-	-	140,397	(60,632)	-	-	(60,632)	140,397	122,313	262,710		
-	-	-	-	-	(60,632)	-	-	(60,632)	(60,632)	(36,237)	(96,869)		
-	-	-	-	140,397	(60,632)	-	-	(60,632)	79,765	86,076	165,841		
525,000	680,400	52,500	746,000	2,061,058	56,853	75,949	556	133,358	4,198,316	1,680,735	5,879,051	(93,150)	
525,000	680,400	52,500	747,300	2,282,730	(25,525)	75,949	556	50,980	4,338,910	1,556,097	5,895,007	(86,813)	
-	-	-	-	(86,813)	-	-	-	-	(86,813)	-	(86,813)		
525,000	680,400	52,500	747,300	2,195,917	(25,525)	75,949	556	50,980	4,252,097	1,556,097	5,808,194		
-	-	-	-	257,486	(62,883)	-	-	(62,883)	257,486	180,919	438,405		
-	-	-	-	-	(62,883)	-	-	(62,883)	(62,883)	(38,451)	(101,334)		
-	-	-	-	257,486	(62,883)	-	-	(62,883)	194,603	142,468	337,071		
525,000	680,400	52,500	747,300	2,453,403	(88,408)	75,949	556	(11,903)	4,446,700	1,504,505	5,951,205	(194,060)	
525,000	680,400	52,500	747,300	2,453,403	(88,408)	75,949	556	(11,903)	4,446,700	1,504,505	5,951,205	(194,060)	

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 2018

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and paid up share capital	Share premium	Retained earnings			Total shareholders' equity
			Statutory reserve	General reserve	Unappropriated	
Balance as at 31 December 2016	525,000	680,400	52,500	746,000	153,572	2,157,472
Profit for the period	-	-	-	-	118,493	118,493
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Balance as at 31 March 2017	525,000	680,400	52,500	746,000	272,065	2,275,965
Balance as at 31 December 2017	525,000	680,400	52,500	747,300	544,023	2,549,223
Profit for the period	-	-	-	-	245,991	245,991
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Balance as at 31 March 2018	525,000	680,400	52,500	747,300	790,014	2,795,214

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 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	614,203	381,646	300,196	128,774
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	141,718	201,819	6,708	4,934
Reversal of reduction of inventories to net realisable value	(555)	(3,867)	-	-
Gain on disposals and change in value of investments in trading securities	(1,200)	(1,028)	(1,178)	(1,016)
Share of profit from investment in associated company	(4,068)	(3,515)	-	-
Write-off of input tax refundable and prepaid income tax	984	30,649	-	-
Gain on disposals and write-off of equipment	(42)	(460)	(5)	(4)
Write-back of dividend payable	-	(4,164)	-	(4,164)
Dividend income	-	-	(271,686)	(113,851)
Provision for long-term employee benefits	8,424	8,860	658	621
Provision for mine reclamation and decommissioning costs (reversal)	3	(16,584)	-	-
Unrealised loss (gain) on exchange	1,075	(6,782)	380	4,676
Interest income	(6,060)	(4,864)	(3,054)	(1,789)
Interest expenses	14,650	18,494	-	-
Profit from operating activities before changes in operating assets and liabilities	769,132	600,204	32,019	18,181
Operating assets (increase) decrease				
Trade and other receivables	132,092	(324,625)	736	(25,040)
Inventories	(452,589)	(355,901)	(21,051)	55,159
Input tax refundable	(40,250)	259,035	2,100	9,102
Advance payments for goods	(214,241)	364,570	(34,648)	(7,789)
Other current financial assets	18,523	(8,326)	(503)	(79)
Operating liabilities increase (decrease)				
Trade and other payables	(74,984)	(4,538)	3,423	(96,150)
Accrued expenses	64,545	207,151	(11,940)	(8,154)
Other current liabilities	(44,013)	(534)	(8,612)	3,171
Cash paid for long-term employee benefits	(5,487)	(2,241)	-	-
Cash paid for mine reclamation	(2,107)	(6,942)	-	-
Cash from (used in) operating activities	150,621	727,853	(38,476)	(51,599)
Interest income	7,210	4,448	7,398	1,400
Cash paid for interest expenses	(8,360)	(10,672)	-	-
Refund of income tax	1,514	185	-	-
Cash paid for income tax	(264,113)	(45,955)	(2,835)	(9,799)
Net cash from (used in) operating activities	(113,128)	675,859	(33,913)	(59,998)

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 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Increase in current investments	(27,090)	(36,467)	(27,697)	(36,467)
Increase in restricted bank deposits	(34,777)	(45,728)	-	-
Dividend received from subsidiary company	-	-	-	113,851
Proceed from disposals of equipment	757	1,038	5	4
Acquisitions of property, plant and equipment	(117,826)	(57,734)	(6,078)	(6,592)
Acquisitions of computer software	(35)	(29)	-	-
Cash paid for advance payment for share subscription	(47,021)	-	(47,021)	-
Increase in other non-current assets	(222,097)	(108,199)	(128,127)	(179)
Net cash from (used in) investing activities	(448,089)	(247,119)	(208,918)	70,617
Cash flows from financing activities				
Net increase (decrease) in short-term loans from financial institutions	466,641	(125,625)	-	-
Cash paid for liabilities under finance lease agreements	(853)	(809)	-	-
Cash paid for liabilities under capital lease agreement	(33,671)	-	-	-
Dividend paid	-	(93,150)	-	-
Decrease in non-controlling interests of the subsidiaries	(38,451)	(36,237)	-	-
Net cash from (used in) financing activities	393,666	(255,821)	-	-
Increase (decrease) in translation adjustments	(15,510)	14,209	-	-
Net increase (decrease) in cash and cash equivalents	(183,061)	187,128	(242,831)	10,619
Cash and cash equivalents at beginning of period	1,128,070	698,170	261,622	82,502
Effect of change in foreign exchange rate on cash at bank balance	(8)	(446)	(8)	(446)
Cash and cash equivalents at end of period (Note 5)	945,001	884,852	18,783	92,675

Supplemental cash flows information:

Non-cash transactions from investing activities

Dividend receivable from subsidiaries	-	-	271,686	-
Payables from agreement of transferring service fee	63,980	-	63,980	-
Payables from purchases of plant and equipment and intangible assets	43,383	16,833	97	2,742
Transfer equipment to intangible assets	10	-	10	-
Acquisitions of equipment under finance lease agreements	-	1,701	-	-
Non-cash transactions from financing activities				
Dividend payable to non-controlling interests of subsidiaries	194,060	-	-	-

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

Lanna Resources Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2018

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 Mahathun Plaza Building 9th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, 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.

These 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 2017. There have been no change in the composition of the Group during the current period.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of the revised financial reporting standards and interpretations does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

3. Prior year's adjustment

During the current period, the management of the Company considered the recognition of deferred tax liabilities in relation to the divestment of investments in subsidiaries as discussed in Note 9 and found that in prior year the Company had under recorded the deferred tax liabilities. Therefore, the Company retroactively adjusted the consolidated financial statements for the year ended 31 December 2017, presented as comparative information, to reflect the effect of the adjustment whereby such adjustment had no effect to the consolidated statements of income and comprehensive income for the three-month period ended 31 March 2017 and the consolidated statement of financial position as at 1 January 2017, presented as comparative information. The effect of such adjustment had been separately presented in the consolidated statement of changes in shareholders' equity.

The amounts of adjustment affecting the consolidated statement of financial position as at 31 December 2017 are summarised below.

(Unit: Thousand Baht)

Consolidated statements of financial position

Increase in deferred tax liabilities	86,813
Decrease in unappropriated retained earnings	(86,813)

4. 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 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	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)				
Dividend income	-	-	271,686	113,851
Commission and marketing service income	-	-	38,002	32,834
Service income	-	-	11,343	6,889
Interest income	-	-	805	-
Purchase of coal	-	-	-	73,221
<u>Transactions with major shareholder</u>				
Sales of coal	162,946	364,569	162,946	364,569
<u>Transactions with associated company</u>				
Purchase of coal	161,190	248,025	161,190	248,025
Freight charge	47,009	25,556	47,009	25,556
<u>Transactions with related company</u>				
Sales of coal	94,711	-	94,711	-

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
Interest income	At the rate agreed between the parties
Freight charge	Price comparable to freight charges paid to third parties

As at 31 March 2018 and 31 December 2017, 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 2018	31 December 2017	31 March 2018	31 December 2017
<u>Trade and other receivables - related parties</u>				
(Note 7)				
Major shareholder	-	79,542	-	79,542
Subsidiaries	-	-	296,063	48,157
Related company (related by common shareholder and/or common directors)	101,341	-	101,341	-
Total trade and other receivables - related parties	101,341	79,542	397,404	127,699
<u>Advance payments for goods - related party</u>				
(Note 8)				
Subsidiary company	-	-	-	60,272
Total advance payment for goods - related party	-	-	-	60,272
<u>Trade and other payables - related party</u>				
(Note 15)				
Associated company	1,909	1,753	1,909	1,753
Total trade and other payables - related party	1,909	1,753	1,909	1,753

(Unaudited but reviewed)

Directors and management's benefits

During the three-month periods ended 31 March 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

For the three-month periods ended 31 March

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Short-term employee benefits	29,562	26,661	6,132	5,883
Post-employment benefits	4,157	4,388	285	269
Total	33,719	31,049	6,417	6,152

5. Cash and cash equivalents/Restricted bank deposits

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Cash	160	149	40	40
Bank deposits	1,062,231	1,114,368	18,743	161,582
Investments in bill of exchange	-	100,000	-	100,000
Total	1,062,391	1,214,517	18,783	261,622
Less: Restricted bank deposits	(117,390)	(86,447)	-	-
Total	945,001	1,128,070	18,783	261,622

As at 31 March 2018, bank deposits in savings accounts, fixed deposits and short-term investments carried interests between 0.10 and 7.25 percent per annum (31 December 2017: between 0.10 and 7.50 percent per annum).

As at 31 March 2018, the overseas subsidiaries have restricted bank deposits of USD 3.8 million or approximately Baht 117.4 million (31 December 2017: USD 2.6 million or approximately Baht 86.4 million) to secure bank guarantees issued by banks on behalf of the subsidiaries as discussed in Note 23.5.

(Unaudited but reviewed)

6. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Investments in trading securities - fair value	592,582	504,292	584,941	496,066
Fixed deposit	100,000	100,000	100,000	100,000
Investments in bills of exchange	170,000	230,000	170,000	230,000
Total	862,582	834,292	854,941	826,066

As at 31 March 2018, the Company had current investments in the form of fixed deposits and bills of exchange amounting to Baht 270 million (31 December 2017: Baht 330 million) carried interests between 1.30 and 1.55 percent per annum (31 December 2017: between 1.30 and 1.70 percent per annum) and due for redemption within June 2018.

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	101,341	79,542	115,208	95,060
Past due				
Up to 3 months			4,194	11,097
Total trade receivables - related parties	101,341	79,542	119,402	106,157
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	1,017,000	1,163,445	53,980	56,235
Past due				
Up to 3 months	10,000	10,002	10,000	10,002
Total trade receivables - unrelated parties	1,027,000	1,173,447	63,980	66,237
Total trade receivables	1,128,341	1,252,989	183,382	172,394

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Other receivables</u>				
Other receivables - related parties	-	-	6,316	18,363
Other receivables - unrelated parties	4,164	11,913	69	150
Advances	609	304	609	304
Interest receivable - related parties	-	-	-	3,179
Interest receivable - unrelated parties	1,918	3,068	1,792	2,957
Dividend receivable from related parties	-	-	271,686	-
Total other receivables	6,691	15,285	280,472	24,953
Total trade and other receivables	1,135,032	1,268,274	463,854	197,347

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 31 March 2018, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 216.0 million (31 December 2017: Rupiah 90,000 million or approximately Baht 228.6 million) were placed to secure such credit facilities.

8. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Advance payments for goods - related parties	-	-	-	60,272
Advance payments for goods - unrelated parties	269,811	56,890	93,600	-
Total advance payments for goods	269,811	56,890	93,600	60,272

A local subsidiary had significant business transactions with local companies in respect of purchases of molasses and cassava chips under the purchase of molasses agreement and cassava chips agreement. To comply with the conditions in the agreements, as at 31 March 2018, the subsidiary had outstanding advance payments for purchase of molasses and cassava chips amounting to Baht 163.5 million (31 December 2017: Baht 38.4 million).

(Unaudited but reviewed)

9. Investments in subsidiaries

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

Company	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividends received for the three-month periods ended	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Local subsidiaries								
Lanna Power Generation Company Limited	Baht 10 million	Baht 10 million	100.00	100.00	10,000	10,000	-	-
Thai Agro Energy Public Company Limited	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	100,863	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	170,823	113,851
Total					<u>764,538</u>	<u>764,538</u>	<u>271,686</u>	<u>113,851</u>

During the current period, PT. Singlurus Pratama ("SGP") and PT. Lanna Harita Indonesia ("LHI") sign amendment to each of their coal mining concession or the Coal Contract of Work ("CCOW") with the Ministry of Energy and Mineral Resources in respect of divestment obligation to reduce the proportion of foreign or non-Indonesian shareholding to not more than 49 percent of the paid up capital. The Company has to completely reduce such divestment within October 2019. After the divestment, the Company will have the percentage of shareholding in SGP and LHI at 49 percent and 41.4615 percent, respectively.

10. Investment in associated company

(Unit: Thousand Baht)

Company	Nature of business	Relationship	Shareholding percentage				Consolidated financial statements		Separate financial statements	
			Paid up capital		Carrying amounts based on equity method		Cost			
			31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017		
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	32,141	28,073	891	891
Total					(%)	(%)	32,141	28,073	891	891

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month period ended 31 March 2018 of approximately Baht 4.1 million (2017: Baht 3.5 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.

11. Advance payment for share subscription

On 8 March 2018, the Company entered into Conditional Share Subscription Agreement for subscription of new issued 269,674,581 ordinary shares of PT. Pesona Khatulistiwa Nusantara ("PKN") which incorporated in mining business in Indonesia amounting to USD 8.8 million with proportion of 40 percent of total registered shares after the increase in share capital of PKN. During the current period, the Company paid an advance for the share subscription of USD 1.5 million or approximately Baht 47.0 million. However, the completion of the transaction is subject to certain conditions precedent under the agreement which must be satisfied in full.

12. Property, plant and equipment

Movements in the property, plant and equipment account for the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	3,547,727	295,606
Acquisitions during the period - cost	124,505	4,014
Transfer out	(10)	(10)
Disposals and write-off during the period - net book value on disposed/written-off date	(716)	-
Depreciation for the period	(61,218)	(2,912)
Translation adjustments	(38,270)	-
Net book value as at 31 March 2018	<u>3,572,018</u>	<u>296,698</u>

As at 31 March 2018, a subsidiary had office equipment and vehicles under finance lease agreements with net book values amounting to Baht 6.9 million (31 December 2017: Baht 7.6 million).

A subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 31 March 2018 amounting to approximately Baht 1,092 million (31 December 2017: Baht 1,107 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 14 and 16.

13. 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		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Deferred expenses - Indonesia				
coal mine project	295,769	316,774	-	-
Deferred stripping costs	143,452	123,315	-	-
Deferred transferred service fees				
according to contract	182,444	-	182,444	-
Others	20,128	21,939	3,908	3,740
Total other non-current assets	<u>641,793</u>	<u>462,028</u>	<u>186,352</u>	<u>3,740</u>
Amortisation expenses for the period	<u>80,148</u>	<u>422,844</u>	<u>3,559</u>	<u>9,485</u>

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

On 9 February 2015, 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 25 million tons of coal, 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. The Company had negotiated the price of transferring of such right at USD 6 million, or equivalent to Baht 191.9 million in which the Company will separately pay in 2 installments. The Company paid the first payment in February 2018 with amount of USD 4 million or equivalent to Baht 128.0 million. The second payment was paid in April 2018 with amount of USD 2 million or equivalent to Baht 63.9 million. Such right to the fees will be amortised according to the quantity of coal sold from SGP.

(Unaudited but reviewed)

14. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Promissory notes	2.75 - 3.00	2.75 - 3.00	933,530	633,210
Trust receipts	2.75	2.75 - 2.85	432,179	265,858
Total			1,365,709	899,068

Movements in short-term loans from financial institutions during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2017	899,068
Add: Increase during the period	1,480,140
Less: Repayment during the period	(1,013,499)
Balance as at 31 March 2018	1,365,709

The subsidiary's credit facilities are secured by the mortgage of part of the subsidiary's land and construction thereon and machinery as discussed in Note 12.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade payables - related party	1,909	1,753	1,909	1,753
Trade payables - unrelated parties	407,155	462,522	41,742	39,729
Other payables - unrelated parties	142,623	92,746	65,597	3,449
Total trade and other payables	551,687	557,021	109,248	44,931

16. Long-term loan from financial institution

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 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 12.

Subsequently on 7 March 2014, the subsidiary executed a memorandum attached to the long-term loan agreement made with the bank to revise certain conditions and debt service coverage ratios.

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 December 2017, the subsidiary could not maintain certain financial ratios as specified in the loan agreement. However, the subsidiary had obtained a waiver letter for the condition to maintain certain financial ratios for the years ended 31 December 2017 from a bank on 29 January 2018. As at 31 December 2017, all of long-term loan of Baht 117.8 million was current portion of long-term loan. Nevertheless, as at 31 March 2018, the subsidiary could maintain certain financial ratios as specified in the loan agreement.

17. Loss from flood event

In October 2017, it was inundated by flood, which caused the collapse of a part of the vinasse reservoirs at the subsidiary's ethanol plant, resulting in overflows of treated vinasse into a village and some related agricultural areas. The subsidiary therefore had to pay compensation and the Ministry of Industry ordered to shut down its ethanol plant temporarily in order to repair the damaged reservoirs to a safe level. The subsidiary investigated the damages and recorded losses from flood event of Baht 73.3 million in the statement of income for the year 2017 and Baht 2.3 million in the statement of income for the three-month period ended 31 March 2018.

However, the subsidiary has insurance covering the damages on which it is in the process of claiming compensation from the insurance company.

18. 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 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	146,718	112,337	-	1,177
Withholding tax deducted at source recognised as expenses during the period	54,337	9,228	54,337	9,228
Deferred tax:				
Relating to origination and reversal of temporary differences	(25,257)	(2,629)	(132)	(124)
Income tax expenses reported in the income statements	<u>175,798</u>	<u>118,936</u>	<u>54,205</u>	<u>10,281</u>

19. 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to equity holders of the Company (Thousand Baht)	257,486	140,397	245,991	118,493
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.49	0.27	0.47	0.23

20. Dividend paid

Dividends paid by the Group during the three-month periods ended 31 March 2018 and 2017 are as follows:

Overseas subsidiariesPT. 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>2018</u>				
The third interim dividend for 2017	Board of Directors' meeting on 30 March 2018	10,000	1,250	18 April 2018
Total		<u>10,000</u>	<u>1,250</u>	
<u>2017</u>				
The third interim dividend for 2016	Board of Directors' meeting on 24 March 2017	6,000	750	24 March 2017
Total		<u>6,000</u>	<u>750</u>	

(Unaudited but reviewed)

During the three-month period ended 31 March 2018, the Company recorded dividend income at 55 percent for a total of USD 5.5 million or equivalent to Baht 170.8 million. The Company had been withheld the withholding tax deducted at source of Baht 34.1 million (2017: recorded dividend income at 55 percent for a total of USD 3.3 million or equivalent to Baht 113.9 million. The Company had been withheld the withholding tax deducted at source of Baht 8.5 million).

PT. Singlurus Pratama

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>	<u>Paid on</u>
		(Thousand US Dollar)	(US Dollar)	
<u>2018</u>				
The third interim dividend for 2017	Board of Directors' meeting on 23 March 2018	5,009	630	12 April 2018
Total		<u>5,009</u>	<u>630</u>	

During the three-month period ended 31 March 2018, the Company recorded dividend income at 65 percent for a total of USD 3.3 million or equivalent to Baht 100.9 million. The Company had been withheld the withholding tax deducted at source of Baht 20.2 million.

21. Segment information

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

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

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 2018 and 2017.

(Unit: Million Baht)

	For the three-month periods ended 31 March						Total			
	Domestic coal business		Overseas coal business		Ethanol business			Elimination of inter-segment transactions		
	2018	2017	2018	2017	2018	2017				
Revenues										
Revenues from external customers	374	469	2,083	1,562	606	750	-	3,063	2,781	
Inter-segment revenues	49	40	-	73	-	-	(49)	(113)	-	
Total revenue	423	509	2,083	1,635	606	750	(49)	(113)	3,063	2,781
Operating results										
Segment gross profit	98	72	1,046	731	97	102	(49)	(37)	1,192	868
Other income									13	24
Share of profit from investment in associated company									4	4
Gain (loss) on exchange									(18)	2
Selling and distribution expenses									(473)	(369)
Administrative expenses									(87)	(129)
Loss from flood event									(2)	-
Finance cost									(15)	(18)
Profit before income tax expenses									614	382
Income tax expenses									(176)	(119)
Profit for the period									438	263

22. Significant contracts and agreements

22.1 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. Subsequently on 17 January 2018, the subsidiary amended certain condition in the contract with the Indonesian government.

22.2 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. Subsequently on 17 January 2018, the subsidiary amended certain conditions in the contract with the Indonesian government.

22.3 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.

Subsequently on 29 October 2017, PT. Singlurus Pratama has made the agreement to amend the service fees to the new rates as stipulated in the agreements. This agreement shall be effective retroactively as of 1 August 2017.

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 31 March 2018, the Company and a subsidiaries had capital commitments of Baht 429.2 million, relating to the construction of the Company's coal screening plant and the subsidiary's construction of Wastewater Evaporation Plant and Vinasse Evaporation Reservoirs (31 December 2017: Baht 14.3 million, relating to the construction of the Company's jetty and the subsidiary's Vinasse Evaporation Reservoirs).

23.2 Operating lease commitments

a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, vehicles and other services. The terms of the agreements are generally between 1 and 5 years. Future minimum payments under these lease agreements are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

Payable	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
In up to 1 year	34	33	12	12
In over 1 year and up to 5 years	42	43	17	20

- b) On 13 April 2017, PT. Singlurius Pratama (“SGP”) entered into the land compensation agreement with PT. Alam Jaya Persada (“AJP”) to utilise the palm oil plantation in order to conduct mining activity for 5 years from 2017 to 2021. SGP is to pay fixed service fee for land utilisation and infrastructure based on quantity of production throughout the agreement period in Mutiara site.

23.3 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 2018	31 December 2017	31 March 2018	31 December 2017
In up to 1 year	4.7	2.1	1.1	0.9
In over 1 year and up to 5 years	1.6	1.8	1.6	1.8

- 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 15.2 million (The Company Only: Baht 15.2 million) (31 December 2017: Baht 17.3 million (The Company Only: Baht 17.2 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.

23.4 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.

23.5 Guarantees

As at 31 March 2018, the Company and its subsidiaries had bank guarantees of approximately Baht 6.1 million, Rupiah 56,233 million and USD 0.1 million (the Company only: Baht 0.9 million) (31 December 2017: Baht 6 million, Rupiah 41,328 million and USD 0.1 million (the Company only: Baht 0.9 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.

24. Litigation

In September 2011, a company sued the subsidiary 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. Subsequently 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 Court of Appeal. On 9 February 2016, the Appeal Court affirmed the judgment of the Civil Court.

(Unaudited but reviewed)

Subsequently on 7 April 2017, the subsidiary lodged an appeal with the Supreme Court. Presently, the case is under consideration of the Supreme Court. As at 31 March 2018, the subsidiary has not received such payment. However, the subsidiary recorded allowance for impairment in advance paid to that company for a whole amount.

25. 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 2018				
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	12.8	2.1	31.0573	31.4063

As at 31 December 2017				
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	7.9	0.1	32.5146	32.8472

Foreign exchange contracts outstanding as at 31 March 2018 are summarised below.

Foreign currency	Bought amount	Contractual exchange rate for amount bought	Contractual Maturity date
	(Million)		
US dollar	1	31.2450	April 2018

As at 31 December 2017, there was no outstanding foreign exchange contract.

26. Fair value hierarchy

As at 31 March 2018, the Company and its subsidiary had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Level 2	Total	Level 2	Total
Held for trade investments - debt instruments	592,582	592,582	584,941	584,941

27. Events after the reporting period**27.1 Dividend paid of the Company**

On 25 April 2018, the Annual General Meeting of the Company's shareholders passed a resolution approving the payment of dividend in respect of the 2017 operating income of Baht 0.87 per share or a total of Baht 457 million. Following the Company's Board of Directors' Meeting on 16 October 2017, which passed the resolution approving the payment of interim dividend of Baht 0.40 per share or a total of Baht 210 million, the additional payment of dividend remains at Baht 0.47 per share or a total of Baht 247 million which will be paid on 15 May 2018. In addition, the meeting approved to set aside general reserve of Baht 297 million. The dividend and general reserve will be recorded in the second quarter of the current year.

27.2 Dividend paid of the subsidiary

On 19 April 2018, the Annual General Meeting of the Thai Agro Energy Public Company Limited ("the subsidiary") passed a resolution approving the payment of dividend from retained earnings from BOI promoted operations to the subsidiary's shareholders for 1,000 million shares of Baht 0.15 per share, or a total of Baht 150 million. The interim dividends were paid on 15 September 2017 of Baht 0.10 per share, or a total of Baht 100 million, and there is the remaining dividend of Baht 0.05 per share, or a total of Baht 50 million. The subsidiary will pay such dividend on 18 May 2018.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised board of directors on 14 May 2018.