

Lanna Resources Public Company Limited  
and its subsidiaries  
Report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2018



**EY Office Limited**  
33rd Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110  
G.P.O.Box 1047, Bangkok 10501, Thailand  
Tel: +66 2264 9090  
Fax: +66 2264 0789-90  
ey.com

บริษัท สำนักงาน อีวาย จำกัด  
ชั้น 33 อาคารเลกซ์ชด  
193/136-137 ถนนรัชดาภิเษก  
คลองเตย กรุงเทพฯ 10110  
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501  
โทรศัพท์: +66 2264 9090  
โทรสาร: +66 2264 0789-90  
ey.com

## **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 2018, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, 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 periods. 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 November 2018

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited/ Restated)	1 January 2017	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	5	537,225	1,128,070	698,170	15,402	261,622
Current investments	6	897,801	834,292	632,806	891,605	826,066
Trade and other receivables	4, 7	1,095,153	1,268,274	616,555	247,517	197,347
Inventories		865,402	392,756	460,386	177,744	184,235
Input tax refundable		692,100	606,959	805,566	3,715	9,761
Prepaid income tax		39,780	25,329	131,525	19,714	-
Advance payments for goods	4, 8	204,229	56,890	585,797	122,004	60,272
Other current financial assets		71,447	91,468	35,024	3,241	2,308
<b>Total current assets</b>		<b>4,403,137</b>	<b>4,404,038</b>	<b>3,965,829</b>	<b>1,480,942</b>	<b>1,541,611</b>
<b>Non-current assets</b>						
Restricted bank deposits	5	101,874	86,447	78,608	-	-
Investments in subsidiaries	9	-	-	-	764,538	764,538
Investment in associated company	10	21,410	28,073	25,221	891	891
Advance payment for share subscription	11	241,154	-	-	241,154	-
Investment properties		32,423	32,423	32,423	32,423	32,423
Property, plant and equipment	12	3,860,382	3,547,727	3,635,876	305,247	295,606
Goodwill		186,000	186,000	186,000	-	-
Intangible assets	13	179,774	4,985	5,109	177,019	3,101
Deferred tax assets		22,443	22,877	22,011	19,659	19,264
Other non-current assets	14	565,468	462,028	579,425	3,735	3,740
<b>Total non-current assets</b>		<b>5,210,928</b>	<b>4,370,560</b>	<b>4,564,673</b>	<b>1,544,666</b>	<b>1,119,563</b>
<b>Total assets</b>		<b>9,614,065</b>	<b>8,774,598</b>	<b>8,530,502</b>	<b>3,025,608</b>	<b>2,661,174</b>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited/ Restated)	1 January 2017	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	15	1,289,723	899,068	1,031,550	-	-
Trade and other payables	4, 16	665,921	557,021	481,386	80,065	44,931
Current portion of liabilities under						
finance lease agreements		2,380	3,255	2,805	-	-
Current portion of long-term loans from						
financial institution	17	27,757	117,757	180,000	-	-
Accrued expenses		358,787	283,483	151,378	12,463	25,458
Income tax payable		118,729	378,674	25,405	-	-
Other current liabilities		427,126	136,869	122,790	260,618	11,857
<b>Total current liabilities</b>		<b>2,890,423</b>	<b>2,376,127</b>	<b>1,995,314</b>	<b>353,146</b>	<b>82,246</b>
<b>Non-current liabilities</b>						
Liabilities under finance lease agreements						
- net of current portion		1,143	2,584	3,957	-	-
Long-term loans from financial institution						
- net of current portion	17	259,405	-	117,757	-	-
Provision for long-term employee benefits		202,886	198,601	186,709	31,680	29,705
Provision for mine reclamation and						
decommissioning costs		90,650	75,813	110,389	-	-
Deferred tax liabilities		150,382	130,765	51,396	-	-
Other non-current liabilities		65,868	182,514	258,620	-	-
<b>Total non-current liabilities</b>		<b>770,334</b>	<b>590,277</b>	<b>728,828</b>	<b>31,680</b>	<b>29,705</b>
<b>Total liabilities</b>		<b>3,660,757</b>	<b>2,966,404</b>	<b>2,724,142</b>	<b>384,826</b>	<b>111,951</b>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	30 September 2018	31 December 2017	1 January 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited/ Restated)		(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered, issued and fully paid up					
524,999,679 ordinary shares of Baht 1 each	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	1,044,500	747,300	746,000	1,044,500	747,300
Unappropriated	2,040,253	2,195,917	1,920,661	338,382	544,023
Other components of shareholders' equity	39,408	50,980	193,990	-	-
<b>Equity attributable to owners of the Company</b>	<b>4,382,061</b>	<b>4,252,097</b>	<b>4,118,551</b>	<b>2,640,782</b>	<b>2,549,223</b>
Non-controlling interests of the subsidiaries	1,571,247	1,556,097	1,687,809	-	-
<b>Total shareholders' equity</b>	<b>5,953,308</b>	<b>5,808,194</b>	<b>5,806,360</b>	<b>2,640,782</b>	<b>2,549,223</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,614,065</b>	<b>8,774,598</b>	<b>8,530,502</b>	<b>3,025,608</b>	<b>2,661,174</b>

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 30 September 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Revenues</b>					
Sales	4	3,150,313	3,136,404	337,691	545,667
Commission and marketing service income	4	-	-	41,646	44,419
Other income					
Dividend income	4, 9, 10	-	-	139,260	218,518
Service income	4	-	-	7,960	8,749
Gain on exchange		-	-	483	-
Interest income		5,949	5,534	2,180	1,986
Others		3,404	2,763	2,249	1,370
Total other income		9,353	8,297	152,132	230,623
<b>Total revenues</b>		<b>3,159,666</b>	<b>3,144,701</b>	<b>531,469</b>	<b>820,709</b>
<b>Expenses</b>					
Cost of sales	4	2,029,275	1,957,150	300,142	463,223
Selling and distribution expenses		542,709	489,711	39,888	45,696
Administrative expenses		174,746	110,048	35,779	26,115
Loss on exchange		29,907	6,540	-	899
<b>Total expenses</b>		<b>2,776,637</b>	<b>2,563,449</b>	<b>375,809</b>	<b>535,933</b>
<b>Profit before share of profit from investment in associated company, finance cost and income tax expenses</b>		<b>383,029</b>	<b>581,252</b>	<b>155,660</b>	<b>284,776</b>
Share of profit from investment in associated company	10	2,795	4,023	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>385,824</b>	<b>585,275</b>	<b>155,660</b>	<b>284,776</b>
Finance cost		(15,045)	(14,920)	-	-
<b>Profit before income tax expenses</b>		<b>370,779</b>	<b>570,355</b>	<b>155,660</b>	<b>284,776</b>
Income tax expenses	19	(110,304)	(161,081)	(14,278)	(26,567)
<b>Profit for the period</b>		<b>260,475</b>	<b>409,274</b>	<b>141,382</b>	<b>258,209</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		144,696	249,588	141,382	258,209
Non-controlling interests of the subsidiaries		115,779	159,686	-	-
		<u>260,475</u>	<u>409,274</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company (Baht)	20	0.28	0.48	0.27	0.49

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 30 September 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>
<b>Profit for the period</b>	<u>260,475</u>	<u>409,274</u>	<u>141,382</u>	<u>258,209</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>(55,238)</u>	<u>(45,083)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(55,238)</u>	<u>(45,083)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(55,238)</u>	<u>(45,083)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>205,237</u>	<u>364,191</u>	<u>141,382</u>	<u>258,209</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	109,954	221,558	<u>141,382</u>	<u>258,209</u>
Non-controlling interests of the subsidiaries	<u>95,283</u>	<u>142,633</u>		
	<u>205,237</u>	<u>364,191</u>		

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



(Unaudited but reviewed)

## Lanna Resources Public Company Limited and its subsidiaries

## Income statements

For the nine-month period ended 30 September 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Revenues</b>					
Sales	4	9,587,345	8,823,960	1,019,612	1,513,215
Commission and marketing service income	4	-	-	125,270	114,673
Other income					
Dividend income	4, 9, 10	-	-	592,432	475,935
Service income	4	-	-	24,713	21,121
Gain on exchange		-	-	8,167	-
Interest income		17,549	15,422	7,296	7,065
Others		17,626	23,760	8,843	14,295
Total other income		35,175	39,182	641,451	518,416
<b>Total revenues</b>		<b>9,622,520</b>	<b>8,863,142</b>	<b>1,786,333</b>	<b>2,146,304</b>
<b>Expenses</b>					
Cost of sales	4	6,039,748	5,855,546	904,181	1,351,288
Selling and distribution expenses		1,569,100	1,284,203	115,128	130,099
Administrative expenses		358,883	363,271	92,609	76,556
Loss from flood event	18	2,251	-	-	-
Loss on exchange		61,576	5,758	-	5,448
<b>Total expenses</b>		<b>8,031,558</b>	<b>7,508,778</b>	<b>1,111,918</b>	<b>1,563,391</b>
<b>Profit before share of profit from investment in associated company, finance cost and income tax expenses</b>					
Share of profit from investment in associated company	10	9,549	12,683	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>1,600,511</b>	<b>1,367,047</b>	<b>674,415</b>	<b>582,913</b>
Finance cost		(47,173)	(50,668)	-	-
<b>Profit before income tax expenses</b>		<b>1,553,338</b>	<b>1,316,379</b>	<b>674,415</b>	<b>582,913</b>
Income tax expenses	19	(469,313)	(366,497)	(99,856)	(53,102)
<b>Profit for the period</b>		<b>1,084,025</b>	<b>949,882</b>	<b>574,559</b>	<b>529,811</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		624,536	551,205	574,559	529,811
Non-controlling interests of the subsidiaries		459,489	398,677	-	-
		1,084,025	949,882		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company (Baht)	20	1.19	1.05	1.09	1.01

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 nine-month period ended 30 September 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>
<b>Profit for the period</b>	<u>1,084,025</u>	<u>949,882</u>	<u>574,559</u>	<u>529,811</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>(20,004)</u>	<u>(176,953)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(20,004)</u>	<u>(176,953)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(20,004)</u>	<u>(176,953)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>1,064,021</u>	<u>772,929</u>	<u>574,559</u>	<u>529,811</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>612,964</u>	<u>440,798</u>	<u>574,559</u>	<u>529,811</u>
Non-controlling interests of the subsidiaries	<u>451,057</u>	<u>332,131</u>		
	<u>1,064,021</u>	<u>772,929</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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Note	Issued and paid up share capital	Share premium	Retained earnings		Unappropriated reserve	Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
			Appropriated	General reserve								
			Statutory reserve	General reserve		in foreign currency						
	525,000	680,400	52,500	745,000	1,529,661	117,485	75,949	556	4,118,551	1,687,809	5,806,360	
	-	-	-	-	551,205	(110,407)	-	-	551,205	398,677	949,882	
	-	-	-	-	551,205	(110,407)	-	-	(110,407)	(66,546)	(176,953)	
21	-	-	-	-	(152,250)	(110,407)	-	-	440,798	332,131	772,929	
	-	-	-	1,300	(1,300)	-	-	-	(152,250)	-	(152,250)	
21	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	7,078	75,949	556	4,407,099	1,657,120	6,064,219	
	525,000	680,400	52,500	747,300	2,316,316	7,078	75,949	556	4,407,099	1,657,120	6,064,219	
	525,000	680,400	52,500	747,300	2,282,730	(25,525)	75,949	556	4,338,910	1,556,097	5,895,007	
3	-	-	-	-	(86,813)	(25,525)	-	-	(86,813)	-	(86,813)	
	525,000	680,400	52,500	747,300	2,195,917	(25,525)	75,949	556	4,252,097	1,556,097	5,808,194	
	-	-	-	-	624,536	(11,572)	-	-	624,536	459,489	1,084,025	
	-	-	-	-	624,536	(11,572)	-	-	(11,572)	(9,432)	(20,004)	
21	-	-	-	-	(483,000)	(11,572)	-	-	612,964	451,057	1,064,021	
	-	-	-	297,200	(297,200)	-	-	-	(483,000)	-	(483,000)	
21	-	-	-	-	-	-	-	-	-	-	-	
	525,000	680,400	52,500	1,044,500	2,040,253	(37,097)	75,949	556	4,382,061	1,571,247	5,953,308	
	-	-	-	-	-	-	-	-	-	(435,907)	(435,907)	

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 nine-month period ended 30 September 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		
<b>Balance as at 1 January 2017</b>	525,000	680,400	52,500	746,000	153,572	2,157,472	
Profit for the period	-	-	-	-	529,811	529,811	
Other comprehensive income for the period	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	529,811	529,811	
Dividend paid	-	-	-	-	(152,250)	(152,250)	
Unappropriated retained earnings transferred to general reserve	-	-	-	1,300	(1,300)	-	
<b>Balance as at 30 September 2017</b>	525,000	680,400	52,500	747,300	529,833	2,535,033	
<b>Balance as at 1 January 2018</b>	525,000	680,400	52,500	747,300	544,023	2,549,223	
Profit for the period	-	-	-	-	574,559	574,559	
Other comprehensive income for the period	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	574,559	574,559	
Dividend paid	-	-	-	-	(483,000)	(483,000)	
Unappropriated retained earnings transferred to general reserve	-	-	-	297,200	(297,200)	-	
<b>Balance as at 30 September 2018</b>	525,000	680,400	52,500	1,044,500	338,382	2,640,782	

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 nine-month period ended 30 September 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>
<b>Cash flows from operating activities</b>				
Profit before tax	1,553,338	1,316,379	674,415	582,913
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	512,823	544,750	20,998	18,267
Provision for impairment loss of input tax refundable	11,826	-	-	-
Reversal of reduction of inventories to net realisable value	(555)	(3,867)	-	-
Gain on disposals and change in value of investments in trading securities	(3,196)	(3,317)	(3,134)	(3,233)
Share of profit from investment in associated company	(9,549)	(12,683)	-	-
Write-off of input tax refundable and prepaid income tax	1,887	43,228	-	-
Loss on write-off of equipment	642	536	-	-
Gain on disposals of equipment	(690)	(446)	(10)	(4)
Write-back of dividend payable	(80)	(4,164)	(80)	(4,164)
Dividend income	-	-	(592,432)	(475,935)
Write-off of deferred stripping costs	-	254	-	-
Provision for long-term employee benefits	25,510	24,927	1,975	1,864
Provision for mine reclamation and decommissioning costs	29,945	1,048	-	-
Unrealised loss (gain) on exchange	21,193	(20,274)	1,527	5,230
Interest income	(17,549)	(15,422)	(7,296)	(7,065)
Interest expenses	47,049	49,985	-	-
Profit from operating activities before changes in operating assets and liabilities	2,172,594	1,920,934	95,963	117,873
Operating assets (increase) decrease				
Trade and other receivables	170,702	(390,507)	15,765	(65,091)
Inventories	(472,092)	(335)	6,491	100,900
Input tax refundable	(130,918)	291,942	6,046	9,102
Advance payments for goods	(148,459)	515,824	(62,851)	6,932
Other current assets	20,020	(4,018)	(933)	(2,867)
Operating liabilities increase (decrease)				
Trade and other payables	77,385	(8,995)	34,227	(21,282)
Accrued expenses	81,069	137,724	(7,059)	(1,364)
Other current liabilities	(14,455)	37,788	(7,899)	381
Cash paid for long-term employee benefits	(5,576)	(13,446)	-	-
Cash paid for mine reclamation	(17,013)	(20,550)	-	-
Cash from operating activities	1,733,257	2,466,361	79,750	144,584
Interest income	19,969	15,431	12,888	7,114
Cash paid for interest expenses	(27,339)	(26,667)	-	-
Refund of income tax	1,568	81,203	-	-
Cash paid for income tax	(703,879)	(144,808)	(99,475)	(53,026)
<b>Net cash from (used in) operating activities</b>	<b>1,023,576</b>	<b>2,391,520</b>	<b>(6,837)</b>	<b>98,672</b>

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Increase in current investments	(60,313)	(318,522)	(62,405)	(320,224)
Increase in restricted bank deposits	(16,153)	(15,216)	-	-
Dividend received from subsidiaries and associated company	16,212	16,301	520,384	475,935
Proceed from disposals of equipment	759	1,009	25	8
Acquisitions of property, plant and equipment	(481,349)	(204,532)	(17,503)	(29,216)
Acquisitions of computer software	(1,415)	(1,557)	(47)	(1,385)
Cash paid for transferring service fees	(191,939)	-	(191,939)	-
Cash paid for advance payment for share subscription	(241,154)	-	(241,154)	-
Decrease (increase) in other non-current assets	(408,220)	(272,663)	5	(10)
<b>Net cash from (used in) investing activities</b>	<b>(1,383,572)</b>	<b>(795,180)</b>	<b>7,366</b>	<b>125,108</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	390,655	(339,200)	-	-
Cash paid for liabilities under finance lease agreements	(2,558)	(2,485)	-	-
Repayment of assets under capital lease	(139,749)	(53,271)	-	-
Cash received from long-term loan from financial institution	259,405	-	-	-
Repayment of long-term loan from financial institution	(90,000)	(90,000)	-	-
Dividend paid	(623,709)	(515,070)	(246,750)	(152,250)
Decrease in non-controlling interests of the subsidiaries	(8,432)	(66,546)	-	-
<b>Net cash used in financing activities</b>	<b>(214,388)</b>	<b>(1,066,572)</b>	<b>(246,750)</b>	<b>(152,250)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>(16,462)</b>	<b>16,272</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(590,846)</b>	<b>546,040</b>	<b>(246,221)</b>	<b>71,530</b>
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	1	1,124	1	1,124
<b>Cash and cash equivalents at end of period (Note 4)</b>	<b>537,225</b>	<b>1,245,334</b>	<b>15,402</b>	<b>155,156</b>
<b>Supplemental cash flows information:</b>				
Non-cash transactions from investing activities				
Dividend receivable from subsidiaries	-	-	72,048	-
Payables from purchases of plant, equipment and intangible assets	68,094	36,666	3,180	2,161
Decrease in property, plant and equipment from decommissioning costs	-	(10,993)	-	-
Transfer equipment to intangible assets	10	-	10	-
Acquisitions of equipment under finance lease agreements	-	1,995	-	-
Non-cash transactions from financing activities				
Dividend payable	295,198	-	236,250	-

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 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 standards 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 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

#### **TFRS 15 Revenue from contracts with customers**

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.

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



### **Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are 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 and nine-month periods ended 30 September 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 30 September			
	Consolidated		Separate	
	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)				
Commission and marketing service income	-	-	41,646	44,419
Dividend income	-	-	123,048	202,217
Service income	-	-	7,960	8,749
Purchase of coal	-	-	33,782	144,079
<u>Transactions with major shareholder</u>				
Sales of coal	-	424,658	-	424,658
<u>Transactions with associated company</u>				
Dividend income	-	-	16,212	16,301
Purchase of coal	88,189	149,601	88,189	149,601
Freight charge	53,845	44,237	53,845	44,237
<u>Transactions with related company</u>				
Sales of coal	259,059	-	259,059	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Commission and marketing service income	-	-	125,270	114,673
Dividend income	-	-	576,220	459,634
Service income	-	-	24,713	21,121
Interest income	-	-	805	1,654
Purchase of coal	-	-	33,782	373,167
<u>Transactions with major shareholder</u>				
Sales of coal	162,946	1,194,432	162,946	1,194,432
<u>Transactions with associated company</u>				
Dividend income	-	-	16,212	16,301
Purchase of coal	326,861	564,978	326,861	564,978
Freight charge	138,367	118,281	138,367	118,281
<u>Transactions with related company</u>				
Sales of coal	570,453	-	570,453	-

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

(Unaudited but reviewed)

As at 30 September 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 7)</b>				
Major shareholder	-	79,542	-	79,542
Subsidiaries	-	-	110,703	48,157
Related company (related by common shareholder and/or common directors)	86,193	-	86,193	-
Total trade and other receivables - related parties	<u>86,193</u>	<u>79,542</u>	<u>196,896</u>	<u>127,699</u>
<b><u>Advance payments for goods - related party</u></b>				
<b>(Note 8)</b>				
Subsidiary company	-	-	-	60,272
Total advance payment for goods - related party	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,272</u>
<b><u>Trade and other payables - related party</u></b>				
<b>(Note 16)</b>				
Subsidiaries	-	-	33,582	-
Associated company	966	1,753	966	1,753
Total trade and other payables - related party	<u>966</u>	<u>1,753</u>	<u>34,548</u>	<u>1,753</u>

#### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	42,724	33,646	6,133	5,884
Post-employment benefits	2,911	3,573	285	268
Total	<u>45,635</u>	<u>37,219</u>	<u>6,418</u>	<u>6,152</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	116,296	101,482	25,255	22,735
Post-employment benefits	14,460	10,887	855	806
Total	130,756	112,369	26,110	23,541

## 5. Cash and cash equivalents/Restricted bank deposits

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Cash	156	149	40	40
Bank deposits	638,943	1,114,368	15,362	161,582
Investments in bill of exchange	-	100,000	-	100,000
Total	639,099	1,214,517	15,402	261,622
Less: Restricted bank deposits	(101,874)	(86,447)	-	-
Total	537,225	1,128,070	15,402	261,622

As at 30 September 2018, bank deposits in savings accounts, fixed deposits and short-term investments carried interests between 0.1 and 6.0 percent per annum (31 December 2017: between 0.1 and 7.5 percent per annum).

As at 30 September 2018, the overseas subsidiaries have restricted bank deposits of USD 3.1 million or approximately Baht 101.9 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 24.5.

(Unaudited but reviewed)

**6. Current investments**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Investments in trading securities - fair value	897,801	504,292	891,605	496,066
Fixed deposit	-	100,000	-	100,000
Investments in bills of exchange	-	230,000	-	230,000
<b>Total</b>	<b>897,801</b>	<b>834,292</b>	<b>891,605</b>	<b>826,066</b>

As at 31 December 2017, the Company had current investments in the form of fixed deposits and bills of exchange of Baht 330 million carried interests between 1.3 and 1.7 percent per annum and due for redemption during January to June 2018.

**7. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	86,193	79,542	102,675	95,060
Past due				
Up to 3 months	-	-	10,773	11,097
<b>Total trade receivables - related parties</b>	<b>86,193</b>	<b>79,542</b>	<b>113,448</b>	<b>106,157</b>
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	974,337	1,163,445	39,174	56,235
Past due				
Up to 3 months	27,523	10,002	10,000	10,002
<b>Total trade receivables - unrelated parties</b>	<b>1,001,860</b>	<b>1,173,447</b>	<b>49,174</b>	<b>66,237</b>
<b>Total trade receivables</b>	<b>1,088,053</b>	<b>1,252,989</b>	<b>162,622</b>	<b>172,394</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<b><u>Other receivables</u></b>				
Other receivables - related parties	-	-	11,400	18,363
Other receivables - unrelated parties	5,680	11,913	131	150
Advances	772	304	772	304
Interest receivable - related parties	-	-	-	3,179
Interest receivable - unrelated parties	648	3,068	544	2,957
Dividend receivable from related parties	-	-	72,048	-
Total other receivables	7,100	15,285	84,895	24,953
Total trade and other receivables	1,095,153	1,268,274	247,517	197,347

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 30 September 2018, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 185.6 million (31 December 2017: Rupiah 90,000 million or approximately Baht 207.5 million) were placed to secure such credit facilities.

#### 8. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Advance payments for goods - related parties	-	-	-	60,272
Advance payments for goods - unrelated parties	204,229	56,890	122,004	-
Total advance payments for goods	204,229	56,890	122,004	60,272

A local subsidiary had significant business transactions with local companies in respect of purchases of molasses and raw sugar under the purchase of molasses and raw sugar agreements. To comply with the conditions in the agreements, as at 30 September 2018, the subsidiary had outstanding advance payments for purchase of molasses and raw sugar amounting to Baht 73.0 million (31 December 2017: Baht 38.4 million).

## 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 nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
<b>Local subsidiaries</b>								
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	76,500	76,500
<b>Overseas subsidiaries</b>								
PT. Lanna Mining Services (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	-	-
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 7,950 million	Rp 7,950 million	65.00	65.00	18,626	18,626	165,932	86,299
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	333,788	296,835
Total					764,538	764,538	576,220	459,634

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.

On 17 September 2018, the board of directors meeting passed a resolution approving the increase of SGP’s registered capital from Rupiah 7,950 million (7,950 shares of Rupiah 1 million each) to Rupiah 10,500 million (10,500 shares of Rupiah 1 million each) by issuing ordinary shares of Rupiah 2,550 million (2,550 shares of Rupiah 1 million each). The meeting also approved the Company to exercise the right to subscribe for the newly issued shares according to the share allotment of Rupiah 1,657 million or approximately equivalent to Baht 3.65 million (1,657 ordinary shares of Rupiah 1 million each), to maintain shareholding proportion at 65 percent of paid-up capital of SGP.



## 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		Dividends received for the nine-month periods ended		Cost		Dividends received for the nine-month periods ended			
			September 2018	December 2017	September 2018	December 2017	September 2018	December 2017	September 2018	December 2017	September 2018	December 2017	September 2018	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	21,410	28,073	891	891	16,212	16,301	891	891	16,212	16,301
Total					(%)	(%)	21,410	28,073	891	891	16,212	16,301	891	891	16,212	16,301

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month and nine-month periods ended 30 September 2018 of approximately Baht 2.8 million and Baht 9.5 million, respectively (2017: Baht 4.0 million and Baht 12.7 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.

**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 7.5 million or approximately Baht 241.2 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 nine-month period ended 30 September 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	519,850	18,522
Transfer to intangible assets	(10)	(10)
Disposals and write-off during the period - net book value on disposed and written-off date	(711)	(15)
Depreciation for the period	(199,226)	(8,856)
Translation adjustments	(7,248)	-
Net book value as at 30 September 2018	<u>3,860,382</u>	<u>305,247</u>

As at 30 September 2018, a local subsidiary had office equipment and vehicles under finance lease agreements with net book values amounting to Baht 5.5 million (31 December 2017: Baht 7.6 million).

As at 30 September 2018, a local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 290.2 million (2017: Nil). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 1.7 million and Baht 2.0 million, respectively were capitalised during the three-month and nine-month periods ended 30 September 2018 (2017: Nil). The weighted average rate of 2.92 - 3.32 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation.

(Unaudited but reviewed)

The subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 30 September 2018 amounting to approximately Baht 1,638.8 million (31 December 2017: Baht 1,713.6 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 15 and 17.

### 13. Intangible assets

Movement in the intangible assets account for the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 31 December 2017	4,985	-	4,985
Acquisitions during the period - cost	1,422	191,939	193,361
Transfer in from equipment	10	-	10
Amortisation for period	(1,202)	(17,380)	(18,582)
Net book value as at 30 September 2018	<u>5,215</u>	<u>174,559</u>	<u>179,774</u>

  

	(Unit: Thousand Baht)		
	Separate financial statements		
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 31 December 2017	3,101	-	3,101
Acquisitions during the period - cost	47	191,939	191,986
Transfer in from equipment	10	-	10
Amortisation for period	(698)	(17,380)	(18,078)
Net book value as at 30 September 2018	<u>2,460</u>	<u>174,559</u>	<u>177,019</u>

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

On 9 February 2018, 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 separately paid 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 produced and sold from SGP.

**14. 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Deferred expenses - Indonesia coal mine project	242,115	316,774	-	-
Deferred stripping costs	301,031	123,315	-	-
Others	22,322	21,939	3,735	3,740
<b>Total other non-current assets</b>	<b>565,468</b>	<b>462,028</b>	<b>3,735</b>	<b>3,740</b>
Amortisation expenses for the period/year	300,950	422,844	-	-

(Unaudited but reviewed)

## 15. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Promissory notes	2.60 - 3.00	2.75 - 3.00	835,128	633,210
Trust receipts	2.75	2.75 - 2.85	454,595	265,858
Total			1,289,723	899,068

Movements in short-term loans from financial institutions during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2017	899,068
Add: Increase during the period	4,069,896
Less: Repayment during the period	(3,679,241)
Balance as at 30 September 2018	1,289,723

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.

## 16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade payables - related party	966	1,753	34,548	1,753
Trade payables - unrelated parties	546,299	462,522	40,839	39,729
Other payables - unrelated parties	118,656	92,746	4,678	3,449
Total trade and other payables	665,921	557,021	80,065	44,931

(Unaudited but reviewed)

**17. Long-term loans from financial institution**

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
Long-term loans	287,162	117,757
Less: Current portion	(27,757)	(117,757)
Long-term loans - net of current portion	<u>259,405</u>	<u>-</u>

Movements in the long-term loans account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2017	117,757
Add: Additional loan withdrew during the period	259,405
Less: Repayment during the period	<u>(90,000)</u>
Balance as at 30 September 2018	<u>287,162</u>

On 6 November 2013, the local subsidiary entered into long-term loan agreement with a local bank, obtaining loan facilities of Baht 845 million, for the debt refinance with an another local bank. Then, on 18 December 2013, the subsidiary withdrew the loan for the debt refinance and repaid all of short-term and long-term loans to that local bank totaling Baht 837.8 million. The loan initially carries interest 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.

(Unaudited but reviewed)

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 30 September 2018, the subsidiary could maintain certain financial ratios as specified in the loan agreement.

On 15 May 2018, the subsidiary entered into long-term loan agreement with a local bank, obtaining loan facilities of Baht 418 million. The first loan facilities of Baht 150.8 million had been drawn by the subsidiary on 8 June 2018. The loan initially carries interest at 3M THBFIX reference rate plus 1.95 percent per annum and is repayable the first installment in the last day of the eighteenth month since the subsidiary withdrew the loan. The loan is repayable within 6 years in 10 semi-annually installments of Baht 42 million during the first to ninth year, and remaining balance is repayable in the tenth year. 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.

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

As at 30 September 2018, the subsidiary could maintain certain financial ratio as specified in the long-term loan agreement.

#### **18. 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 nine-month periods ended 30 September 2018.

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

**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 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	61,421	142,552	-	10,024
Adjustment in respect of income tax of previous year	2,770	-	-	-
Withholding tax deducted at source recognised as expenses during the period	14,410	16,667	14,410	16,667
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	31,703	1,862	(132)	(124)
<b>Income tax expense reported in the income statements</b>	<u>110,304</u>	<u>161,081</u>	<u>14,278</u>	<u>26,567</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	343,329	330,603	-	13,248
Adjustment in respect of income tax of previous year	2,770	-	-	-
Withholding tax deducted at source recognised as expenses during the period	100,251	40,198	100,251	40,198
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	22,963	(4,304)	(395)	(344)
<b>Income tax expense reported in the income statements</b>	<u>469,313</u>	<u>366,497</u>	<u>99,856</u>	<u>53,102</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.

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

	For the three-month period ended 30 September			
	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)	144,696	249,588	141,382	258,209
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,000	525,000
Basic earnings per share (Baht)	0.28	0.48	0.27	0.49

  

	For the nine-month period ended 30 September			
	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)	624,536	551,205	574,559	529,811
Weighted average number of ordinary shares (Thousand shares)	525,000	525,000	525,500	525,000
Basic earnings per share (Baht)	1.19	1.05	1.09	1.01

**21. Dividend paid**

Dividends paid by the Group during the nine-month period ended 30 September 2018 and 2017 are as follows:

**The Company**

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends (Thousand Baht)</u>	<u>Dividend per share (Baht)</u>	<u>Paid on</u>
<b><u>2018</u></b>				
Final dividends for 2017	Annual General Meeting of the shareholders on 23 April 2018	246,750	0.47	15 May 2018
The interim dividend for 2018	Board of Directors' meeting on 17 September 2018	236,250	0.45	16 October 2018
<b>Total</b>		<b>483,000</b>	<b>0.92</b>	
<b><u>2017</u></b>				
Final dividends for 2016	Annual General Meeting of the shareholders on 25 April 2017	152,250	0.29	16 May 2017
<b>Total</b>		<b>152,250</b>	<b>0.29</b>	

(Unaudited but reviewed)

In addition, the Annual General Meeting of the shareholders approved to set aside a general reserve of Baht 297.2 million (2017: Baht 1.3 million).

### Local subsidiary

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

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)	<u>Paid on</u>
<b>2018</b>				
The dividend in respect of operation income from BOI promoted operation for the period from July to December 2017	Annual General Meeting of the shareholders on 19 April 2018	50,000	0.05	18 May 2018
The dividend in respect of operation income from BOI promoted operation for the period from January to June 2018	Board of Directors' meeting on 16 August 2018	99,985	0.10	14 September 2018
Total		<u>149,985</u>	<u>0.15</u>	
<b>2017</b>				
The dividend in respect of operation income from BOI promoted operation for the period from July to December 2016	Annual General Meeting of the shareholders on 24 April 2017	50,000	0.05	23 May 2017
The dividend in respect of operation income from BOI promoted operation for the period from January to June 2017	Board of Directors' meeting on 17 August 2017	100,000	0.10	15 September 2017
Total		<u>150,000</u>	<u>0.15</u>	

**Overseas subsidiaries****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>
<b><u>2018</u></b>				
The third interim dividend for 2017	Board of Directors' meeting on 30 March 2018	10,000	1,250	18 April 2018
Final dividends for 2017	Annual General Meeting of the shareholders on 29 June 2018	5,000	625	26 July 2018
The first interim dividend for 2018	Board of Directors' meeting on 28 September 2018	4,000	500	25 October 2018
Total		<u>19,000</u>	<u>2,375</u>	
<b><u>2017</u></b>				
The third interim dividend for 2016	Board of Directors' meeting on 24 March 2017	6,000	750	24 March 2017
Final dividends for 2016	Annual General Meeting of the shareholders on 12 June 2017	4,000	500	16 June 2017
The first interim dividend for 2017	Board of Directors' meeting on 18 September 2017	6,000	750	18 September 2017
Total		<u>16,000</u>	<u>2,000</u>	

During the nine-month period ended 30 September 2018, the Company received dividend income at 55 percent for a total of USD 10.5 million or equivalent to Baht 333.8 million. The Company had been withheld the withholding tax deducted at source of Baht 66.8 million (2017: dividend income at 55 percent for a total of USD 8.8 million or equivalent to Baht 296.8 million. The Company had been withheld the withholding tax deducted at source of Baht 22.3 million).

(Unaudited but reviewed)

PT. Singlurus Pratama

<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>
<b><u>2018</u></b>				
The third interim dividend for 2017	Board of Directors' meeting on 23 March 2018	5,009	630	12 April 2018
Final dividends for 2017	Annual General Meeting of the shareholders on 29 June 2018	3,021	380	31 July 2018
Total		<u>8,030</u>	<u>1,010</u>	
<b><u>2017</u></b>				
Final dividends for 2016	Annual General Meeting of the shareholders on 22 June 2017	1,988	250	30 June 2017
The first interim dividend for 2017	Board of Directors' meeting on 22 September 2017	1,988	250	26 September 2017
Total		<u>3,976</u>	<u>500</u>	

During the nine-month period ended 30 September 2018, the Company received dividend income at 65 percent for a total of USD 5.2 million or equivalent to Baht 165.9 million. The Company had been withheld the withholding tax deducted at source of Baht 33.2 million (2017: dividend income at 65 percent for a total of USD 2.6 million or equivalent to Baht 86.3 million. The Company had been withheld the withholding tax deducted at source of Baht 17.3 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 access its performance.

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

The following tables present revenue and profit information regarding of the Company's and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017.

(Unit: Million Baht)

	For the three-month period ended 30 September									
	Domestic coal business		Overseas coal business		Ethanol business		Elimination of inter-segment transactions		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>										
Revenues from external customers	338	545	2,181	1,905	631	686	-	-	3,150	3,136
Inter-segment revenues	53	57	34	144	-	-	(87)	(201)	-	-
<b>Total revenue</b>	<b>391</b>	<b>602</b>	<b>2,215</b>	<b>2,049</b>	<b>631</b>	<b>686</b>	<b>(87)</b>	<b>(201)</b>	<b>3,150</b>	<b>3,136</b>
<b>Operating results</b>										
<b>Segment gross profit</b>	91	140	980	1,021	103	76	(53)	(57)	1,121	1,180
Other income									9	8
Share of profit from investment in associated company									3	4
Loss on exchange									(30)	(7)
Selling and distribution expenses									(543)	(490)
Administrative expenses									(175)	(110)
Finance cost									(15)	(15)
<b>Profit before income tax expenses</b>									370	570
Income tax expenses									(110)	(161)
Non-controlling interests of the subsidiaries									(115)	(160)
<b>Profit for the period</b>									<b>145</b>	<b>249</b>

## (Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September

	Domestic coal business			Overseas coal business			Ethanol business			Elimination of inter-segment transactions			Total	
	2018	2017		2018	2017		2018	2017		2018	2017		2018	2017
<b>Revenues</b>														
Revenues from external customers	1,020	1,513		6,614	5,088		1,953	2,223		-	-		9,587	8,824
Inter-segment revenues	161	145		34	373		-	-		(195)	(518)		-	-
<b>Total revenue</b>	<b>1,181</b>	<b>1,658</b>		<b>6,648</b>	<b>5,461</b>		<b>1,953</b>	<b>2,223</b>		<b>(195)</b>	<b>(518)</b>		<b>9,587</b>	<b>8,824</b>
<b>Operating results</b>														
<b>Segment gross profit</b>	<b>277</b>	<b>307</b>		<b>3,134</b>	<b>2,565</b>		<b>294</b>	<b>244</b>		<b>(158)</b>	<b>(147)</b>		<b>3,547</b>	<b>2,969</b>
Other income													35	39
Share of profit from investment in associated company													10	13
Loss on exchange													(62)	(6)
Selling and distribution expenses													(1,569)	(1,285)
Administrative expenses													(359)	(363)
Loss from flood event													(2)	-
Finance cost													(47)	(51)
<b>Profit before income tax expenses</b>													<b>1,553</b>	<b>1,316</b>
Income tax expenses													(469)	(366)
Non-controlling interests of the subsidiaries													(459)	(399)
<b>Profit for the period</b>													<b>625</b>	<b>551</b>

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

23.2 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.

23.3 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 2016, 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 2016.

## **24. Commitments and contingent liabilities**

### **24.1 Capital commitments**

As at 30 September 2018, the Company and a subsidiaries had capital commitments of Baht 238.7 million, relating to the construction of the Company’s coal screening plant and conveyor system, and the subsidiaries’ construction of Wastewater Evaporation Plant, port loading conveyor and other construction projects (31 December 2017: Baht 14.3 million, relating to the construction of the Company’s jetty and the subsidiary’s Vinasse Evaporation Reservoirs).

## 24.2 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:

(Unit: Million Baht)

Payable	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
In up to 1 year	38	33	12	12
In over 1 year and up to 5 years	43	43	12	20

- b) On 13 April 2017, PT. Singlurus 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.

## 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	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
In up to 1 year	2.9	2.1	0.9	0.9
In over 1 year and up to 5 years	1.2	1.8	1.2	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 10.6 million (The Company Only: Baht 10.6 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. For the sixth year onwards, the price is to be determined in each year. 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.

#### **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 2018, the Company and its subsidiaries had bank guarantees of approximately Baht 5.9 million, Rupiah 51,893 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 agreement for using of electric to the Provincial Electricity Authority.

**25. 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 2011 (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.

Subsequently on 7 April 2016, the subsidiary lodged an appeal with the Supreme Court. On 18 May 2018, the subsidiary sued that company for bankruptcy case. At present, the case is under the consideration of these courts. As at 30 September 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.

**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.

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

As at 30 September 2018				
<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	7.3	1.1	32.2364	32.5767

  

As at 31 December 2017				
<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	7.9	0.1	32.5146	32.8472

(Unaudited but reviewed)

As at 30 September 2018, foreign exchange contracts outstanding are summarised below.

As at 30 September 2018			
Foreign currency	Bought amount	Contractual exchange rate for amount bought	Contractual maturity date
	(Million)		
US dollar	0.3	32.55	October 2018

As at 30 September 2018, there was no outstanding foreign exchange contract

## 27. Fair value hierarchy

As at 30 September 2018, the Company and its subsidiary had the assets that were measured at fair value using different levels of inputs as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	Level 2	Total	Level 2	Total
Held for trade investments - debt instruments	897,801	897,801	891,605	891,605

## 28. Reclassification

The Company reclassified accounts in the income statements for the three-month and nine-month periods ended 30 September 2017 to conform with current period's classification as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Income statements for the three-month period</u>				
Service income	-	-	8,749	12,789
Selling and distribution expense	489,711	485,671	45,696	45,696
Administrative expense	110,048	114,088	26,115	30,155
<u>Income statements for the nine-month period</u>				
Service income	-	-	21,121	30,606
Selling and distribution expense	1,284,203	1,274,718	130,099	130,099
Administrative expense	363,271	372,756	76,556	86,041

## **29. Events after the reporting period**

### **29.1 Increase in registered capital of the subsidiary**

On 16 October 2018, the Board of Directors Meeting passed a resolution approving the increase of registered capital of Lanna Power Generation Co., Ltd. from Baht 10 million (2 million shares of Baht 5 each) to Baht 20 million (4 million shares of Baht 5 each), by issuing ordinary shares of Baht 10 million (2 million shares of Baht 5 each). The meeting also approved the Company to exercise the right to subscribe for newly issued shares according to the share allotment of approximately Baht 10 million (1,999,997 ordinary shares of Baht 5 each).

### **29.2 Dividend paid of the subsidiary**

On 19 October 2018, Board of Directors' meeting of PT. Singlurus Pratama passed a resolution approving the first interim dividend for 2018 of USD 1 million or approximately equivalent to Baht 32.25 million (7,950 shares of USD 125 each). The dividend will be paid within November 2018.

## **30. Approval of interim financial statements**

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