

Lanna Resources Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month period ended 31 March 2021

## **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 2021 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 interim consolidated financial statements. I have also reviewed the separate financial information of Lanna Resources Public Company Limited for the same period (collectively "interim financial information"). 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 Matters**

I drew attention to Note 7 to the interim financial statements that, in the current period, the Group had completed the assessment of the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of SRT Power Pellet Company Limited, acquired during the year 2020. The Group had restated the prior period's financial statements, presented as comparative information, to reflect the fair value of the assets and liabilities from such acquisitions. My conclusion is not qualified in respect of these matters.

Patcharawan Koonarangsri

Certified Public Accountant (Thailand) No. 6650

EY Office Limited

Bangkok: 14 May 2021

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2021

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 March	31 December	1 January	31 March	31 December	
	2021	2020	2020	2021	2020	
	(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited)	
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	3	1,203,942	832,696	477,625	414,939	277,704
Trade and other receivables	2, 4	1,133,805	935,831	706,160	157,863	185,859
Inventories		550,277	302,321	729,349	121,451	108,970
Value added tax refundable		527,975	533,846	647,373	-	-
Prepaid income tax		228,232	222,935	280,716	-	-
Advance payments for goods	2, 5	293,763	257,383	667,834	113,156	127,859
Other current financial assets	6	551,072	551,087	611,601	550,006	550,013
Other current assets		77,355	86,390	151,956	3,422	3,019
<b>Total current assets</b>		<b>4,566,421</b>	<b>3,722,489</b>	<b>4,272,614</b>	<b>1,360,837</b>	<b>1,253,424</b>
<b>Non-current assets</b>						
Restricted bank deposits	3	223,558	151,423	105,742	-	-
Investments in subsidiaries	7	-	-	-	858,751	905,136
Investment in associated company	8	22,270	20,786	19,608	891	891
Advance payment for share subscription	9	160,770	160,770	241,154	160,770	160,770
Investment properties		60,449	61,145	32,423	29,864	29,864
Property, plant and equipment	10	4,143,736	4,140,400	4,193,081	328,238	328,835
Right-of-use assets		85,862	85,282	85,278	38,626	36,104
Biological asset		8,451	6,459	1,957	-	-
Goodwill	7	234,769	234,769	186,000	-	-
Intangible assets	11	124,257	131,092	156,990	122,871	129,493
Deferred tax assets		42,423	54,398	25,883	22,294	24,409
Other non-current financial assets		7,859	7,539	5,759	4,085	3,828
Other non-current assets	12	453,947	474,809	480,822	-	-
<b>Total non-current assets</b>		<b>5,568,351</b>	<b>5,528,872</b>	<b>5,534,697</b>	<b>1,566,390</b>	<b>1,619,330</b>
<b>Total assets</b>		<b>10,134,772</b>	<b>9,251,361</b>	<b>9,807,311</b>	<b>2,927,227</b>	<b>2,872,754</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 31 March 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 March	31 December	1 January	31 March	31 December
		2021	2020	2020	2021	2020
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	13	1,261,868	977,306	1,606,854	-	-
Short-term loans	2, 14	19,429	17,429	-	-	-
Trade and other payables	2, 15	463,641	481,144	519,048	30,994	33,293
Current portion of long-term loans from financial institutions	16	205,158	190,134	166,114	-	-
Current portion of lease liabilities		26,104	24,270	28,731	9,087	8,749
Accrued expenses		346,210	309,670	283,151	4,668	12,889
Income tax payable		168,668	31,616	22,097	794	830
Other current financial liabilities		17,506	19,022	2,288	994	994
Other current liabilities		89,986	86,400	54,226	6,531	13,013
<b>Total current liabilities</b>		<b>2,598,570</b>	<b>2,136,991</b>	<b>2,682,509</b>	<b>53,068</b>	<b>69,768</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions - net of current portion	16	452,833	476,478	587,825	-	-
Lease liabilities - net of current portion		60,388	60,865	55,094	30,540	28,111
Provision for long-term employee benefits		154,468	268,141	252,810	44,967	48,802
Provision for mine reclamation and decommissioning costs		105,232	96,731	87,202	-	-
Deferred tax liabilities		238,599	187,651	161,227	-	-
<b>Total non-current liabilities</b>		<b>1,011,520</b>	<b>1,089,866</b>	<b>1,144,158</b>	<b>75,507</b>	<b>76,913</b>
<b>Total liabilities</b>		<b>3,610,090</b>	<b>3,226,857</b>	<b>3,826,667</b>	<b>128,575</b>	<b>146,681</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 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited) (Restated)	1 January 2020	31 March 2021 (Unaudited but reviewed)	31 December 2020 (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	1,255,000	1,255,000	1,250,600	1,255,000	1,255,000
Unappropriated	2,197,942	1,951,549	1,909,835	285,752	213,173
Other components of shareholders' equity	3,483	(65,003)	(53,920)	-	-
<b>Equity attributable to owners of the Company</b>	<b>4,714,325</b>	<b>4,399,446</b>	<b>4,364,415</b>	<b>2,798,652</b>	<b>2,726,073</b>
Non-controlling interests of the subsidiaries	1,810,357	1,625,058	1,616,229	-	-
<b>Total shareholders' equity</b>	<b>6,524,682</b>	<b>6,024,504</b>	<b>5,980,644</b>	<b>2,798,652</b>	<b>2,726,073</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,134,772</b>	<b>9,251,361</b>	<b>9,807,311</b>	<b>2,927,227</b>	<b>2,872,754</b>
	-	-	-	-	-

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

.....  
Directors  
.....

**Lanna Resources Public Company Limited and its subsidiaries****Income statements****For the three-month period ended 31 March 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<b>Revenues</b>					
Sales	2	3,021,257	3,007,653	227,948	229,970
Commission and marketing service income	2	-	-	47,439	53,284
Other income					
Dividend income	2, 7	-	-	41,057	-
Service income		-	-	12,495	13,955
Reversal of allowance for impairment loss of investment	7	-	-	6,740	-
Gain on exchange		-	-	765	24,520
Others		15,665	8,628	209	1,762
Total other income		15,665	8,628	61,266	40,237
<b>Total revenues</b>		<b>3,036,922</b>	<b>3,016,281</b>	<b>336,653</b>	<b>323,491</b>
<b>Expenses</b>					
Cost of sales	2	1,709,542	1,874,316	189,940	193,088
Selling and distribution expenses		558,585	574,542	32,670	36,040
Administrative expenses		103,580	121,907	26,051	26,619
Loss on exchange		17,884	31,786	-	-
<b>Total expenses</b>		<b>2,389,591</b>	<b>2,602,551</b>	<b>248,661</b>	<b>255,747</b>
<b>Operating profit</b>		<b>647,331</b>	<b>413,730</b>	<b>87,992</b>	<b>67,744</b>
Share of profit from investment in associated company	8				
Interest income		1,484	1,896	-	-
Finance income		3,385	3,291	1,068	1,430
Finance cost		(13,299)	(15,974)	(540)	(559)
<b>Profit before income tax</b>		<b>638,901</b>	<b>402,943</b>	<b>88,520</b>	<b>68,615</b>
Income tax	17	(222,998)	(113,874)	(19,708)	(13,956)
<b>Profit for the period</b>		<b>415,903</b>	<b>289,069</b>	<b>68,812</b>	<b>54,659</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		242,626	178,360	68,812	54,659
Non-controlling interests of the subsidiaries		173,277	110,709		
		415,903	289,069		
<b>Basic earnings per share</b>					
	18				
Profit attributable to equity holders of the Company (Baht)		0.46	0.34	0.13	0.10
Weighted average number of ordinary shares (Thousand shares)		525,000	525,000	525,000	525,000

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 2021**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Profit for the period</b>		<u>415,903</u>	<u>289,069</u>	<u>68,812</u>	<u>54,659</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>107,277</u>	<u>172,238</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>107,277</u>	<u>172,238</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		4,708	-	4,708	-
Less: Income tax effect	17	<u>(941)</u>	<u>-</u>	<u>(941)</u>	<u>-</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>3,767</u>	<u>-</u>	<u>3,767</u>	<u>-</u>
<b>Other comprehensive income for the period</b>		<u>111,044</u>	<u>172,238</u>	<u>3,767</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>526,947</u>	<u>461,307</u>	<u>72,579</u>	<u>54,659</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		314,879	286,658	<u>72,579</u>	<u>54,659</u>
Non-controlling interests of the subsidiaries		<u>212,068</u>	<u>174,649</u>		
		<u>526,947</u>	<u>461,307</u>		

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



(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries  
 Statements of changes in shareholders' equity  
 For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>													
Equity attributable to owners of the Company													
					Other components of shareholders' equity								
					Retained earnings		Other	Exchange	Surplus on change	Capital reserve	Total other	Total equity	Equity attributable
					Appropriated		comprehensive	differences on	in the percentage	for share-based	component of	attributable to	to non-controlling
					Statutory	General	income	translation of	of shareholding	payment	shareholders'	owners of	interests of
					reserve	reserve	Unappropriated	financial	statements in	in subsidiary	transactions	the Company	the subsidiaries
					Unappropriated	foreign currency	in subsidiary	of shareholding	in subsidiary	transactions	equity	the Company	the subsidiaries
Note	Issued and	Share	Statutory	General	Unappropriated	foreign currency	in subsidiary	in subsidiary	transactions	equity	the Company	the subsidiaries	Total
Note	share capital	premium	reserve	reserve	Unappropriated	foreign currency	in subsidiary	in subsidiary	transactions	equity	the Company	the subsidiaries	equity
<b>Balance as at 31 December 2019</b>	525,000	680,400	52,500	1,250,600	1,909,835	(130,425)	75,949		556	(53,920)	4,364,415	1,616,229	5,980,644
Profit for the period - restated	-	-	-	-	178,360	-	-		-	-	178,360	110,709	289,069
Other comprehensive income for the period - as restated	-	-	-	-	-	108,298	-		-	108,298	108,298	63,940	172,238
Total comprehensive income for the period - as restated	-	-	-	-	178,360	108,298	-		-	108,298	286,658	174,649	461,307
<b>Balance as at 31 March 2020 - as restated</b>	525,000	680,400	52,500	1,250,600	2,088,195	(22,127)	75,949		556	54,378	4,651,073	1,790,878	6,441,951
<b>Balance as at 31 December 2020 - as previously reported</b>	525,000	680,400	52,500	1,255,000	1,957,350	(141,508)	75,949		556	(65,003)	4,405,247	1,625,058	6,030,305
Effect from business combination 7	-	-	-	-	(5,801)	-	-		-	-	(5,801)	-	(5,801)
<b>Balance as at 31 December 2020 - as restated</b>	525,000	680,400	52,500	1,255,000	1,951,549	(141,508)	75,949		556	(65,003)	4,399,446	1,625,058	6,024,504
Profit for the period	-	-	-	-	242,626	-	-		-	-	242,626	173,277	415,903
Other comprehensive income for the period	-	-	-	-	3,767	68,486	-		-	68,486	72,253	38,791	111,044
Total comprehensive income for the period	-	-	-	-	246,393	68,486	-		-	68,486	314,879	212,068	526,947
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-		-	-	-	(26,769)	(26,769)
<b>Balance as at 31 March 2021</b>	525,000	680,400	52,500	1,255,000	2,197,942	(73,022)	75,949		556	3,483	4,714,325	1,810,357	6,524,682

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 2021**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>					<b>Total shareholders' equity</b>
	<b>Issued and paid up share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>			
			<b>Appropriated</b>		<b>Unappropriated</b>	
			<b>Statutory reserve</b>	<b>General reserve</b>		
<b>Balance as at 31 December 2019</b>	525,000	680,400	52,500	1,250,600	161,939	2,670,439
Profit for the period	-	-	-	-	54,659	54,659
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	54,659	54,659
<b>Balance as at 31 March 2020</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,250,600</u>	<u>216,598</u>	<u>2,725,098</u>
<b>Balance as at 31 December 2020</b>	525,000	680,400	52,500	1,255,000	213,173	2,726,073
Profit for the period	-	-	-	-	68,812	68,812
Other comprehensive income for the period	-	-	-	-	3,767	3,767
Total comprehensive income for the period	-	-	-	-	72,579	72,579
<b>Balance as at 31 March 2021</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,255,000</u>	<u>285,752</u>	<u>2,798,652</u>

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

**Lanna Resources Public Company Limited and its subsidiaries****Statements of cash flows****For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>				
Profit before tax	638,901	402,943	88,520	68,615
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	202,889	216,538	13,815	14,240
Gain on disposals and unrealised gain on change in value of investments in general fixed income funds	(1)	(614)	-	(589)
Share of profit from investment in associated company	(1,484)	(1,896)	-	-
Reversal on allowance for impairment of the investment	-	-	(6,740)	-
Allowance for impairment loss of goodwill	-	6,194	-	-
Allowance for diminution in value added tax refundable	11,437	11,923	-	-
Write-off of value added tax refundable	572	570	-	-
Gain on disposals of equipment	-	(462)	-	(462)
Gain on write-off of right-of-use assets from contract cancellation	(6)	-	-	-
Dividend income	-	-	(41,057)	-
Provision for long-term employee benefits	9,383	9,499	873	787
Provision for mine reclamation and decommissioning costs	15,694	12,150	-	-
Unrealised loss (gain) on exchange	(6,465)	19,084	(1,983)	(19,336)
Finance income	(3,385)	(3,291)	(1,068)	(1,430)
Finance cost	13,270	15,419	540	559
Profit from operating activities before changes in operating assets and liabilities	880,805	688,057	52,900	62,384
Operating assets (increase) decrease				
Trade and other receivables	(198,006)	(151,469)	28,476	(58,346)
Inventories	(247,956)	(396,094)	(12,481)	(70,070)
Value added tax refundable	17,305	154,785	-	(4,142)
Advance payments for goods	(36,380)	423,817	14,703	24,347
Other current financial assets	16	(1,054)	7	(1,457)
Other current assets	8,936	9,006	(403)	261
Operating liabilities increase (decrease)				
Trade and other payables	(16,453)	(19,255)	(2,092)	78,765
Accrued expenses	40,035	51,919	(8,221)	(10,443)
Other current financial liabilities	(1,516)	1,061	-	-
Other current liabilities	(1,174)	18,315	(11,242)	(4,044)
Cash paid for long-term employee benefits	(127,173)	(1,771)	-	-
Cash paid for mine reclamation	(8,168)	(10,753)	-	-
Cash from operating activities	310,271	766,564	61,647	17,255
Interest income	3,501	2,822	1,201	969
Cash paid for interest expenses	(10,417)	(13,714)	-	-
Cash paid for income tax	(28,460)	(65,195)	(13,810)	(196)
<b>Net cash from operating activities</b>	<b>274,895</b>	<b>690,477</b>	<b>49,038</b>	<b>18,028</b>

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

**Lanna Resources Public Company Limited and its subsidiaries****Statements of cash flows (continued)****For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>				
Decrease in debt instruments investments	-	182,806	-	217,984
Increase in restricted bank deposits	(65,978)	(18,984)	-	-
Dividend received from subsidiaries	-	-	41,057	-
Cash paid for investment in subsidiary	-	(65,091)	-	(145,000)
Cash received from the partial return on investment from subsidiary	-	-	53,125	-
Proceed from disposals of equipment and investment properties	-	468	-	468
Acquisitions of plant and equipment	(35,269)	(99,193)	(3,854)	(3,982)
Acquisitions of biological asset	(1,992)	(1,197)	-	-
Acquisitions of computer software	(41)	(5)	(22)	(5)
Increase in other non-current financial assets	(266)	(679)	(257)	(180)
Increase in other non-current assets	<u>(73,172)</u>	<u>(113,879)</u>	<u>-</u>	<u>-</u>
<b>Net cash from (used in) investing activities</b>	<b><u>(176,718)</u></b>	<b><u>(115,754)</u></b>	<b><u>90,049</u></b>	<b><u>69,285</u></b>
<b>Cash flows from financing activities</b>				
Net increase (decrease) in short-term loans from financial institution	284,562	(279,290)	-	-
Repayment of long-term loan from financial institution	(14,303)	-	-	-
Cash received from short-term loan - related person	2,000	-	-	-
Cash paid for principal of lease liabilities	(7,307)	(6,944)	(2,703)	(2,578)
Cash paid for interest expense of lease liabilities	(1,142)	(1,269)	(540)	(559)
Dividend paid	(26,769)	-	-	-
Increase in non-controlling interests of the subsidiaries	<u>38,791</u>	<u>63,940</u>	<u>-</u>	<u>-</u>
<b>Net cash from (used in) financing activities</b>	<b><u>275,832</u></b>	<b><u>(223,563)</u></b>	<b><u>(3,243)</u></b>	<b><u>(3,137)</u></b>
<b>Decrease in translation adjustments</b>	<b><u>(4,154)</u></b>	<b><u>(59,876)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>369,855</b>	<b>291,284</b>	<b>135,844</b>	<b>84,176</b>
Cash and cash equivalents at beginning of period	832,696	477,625	277,704	124,555
Effect of change in foreign exchange rate				
on cash at bank balance	<u>1,391</u>	<u>4</u>	<u>1,391</u>	<u>4</u>
<b>Cash and cash equivalents at end of period (Note 3)</b>	<b><u>1,203,942</u></b>	<b><u>768,913</u></b>	<b><u>414,939</u></b>	<b><u>208,735</u></b>
	-		-	
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Right-of-use assets acquired during the period	8,511	-	5,470	-
Payables from purchases of plant and equipment and intangible assets	6,817	11,347	3,716	3,479
Transfer equipment to other non-current assets	-	55,615	-	-
Transfer equipment to intangible assets	-	65	-	65
Transfer right-of-use assets to equipment	-	11,433	-	1,624

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 2021**

**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 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.3 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, income, 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.

#### **1.4 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 2020.

#### **1.5 New financial reporting standards**

##### **a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

##### **b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group’s financial statements.

#### **1.6 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

## 2. Related party transactions

During the periods, the Group 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 Group and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	41,057	-
Commission and marketing service income	-	-	47,439	53,284
Service income	-	-	12,495	13,955
Purchase of coal	-	-	79,480	68,817
<u>Transactions with major shareholder</u>				
Sales of coal	135,161	162,889	135,161	162,889
<u>Transactions with associated company</u>				
Freight charge	32,732	56,001	32,732	56,001
<u>Transactions with related person and company</u>				
Sales of coal	-	326	-	326
Interest expense	6	-	-	-
<u>Transfer pricing policy</u>				
Sales of coal	Market price at which equivalent quality coal is sold to the same industry			
Purchase of coal	Market price for equivalent quality coal			
Commission and marketing service income	At the price agreed between the parties which is general price for the same business			
Service income	Rate comparable paid to third parties			
Dividend income	At the declared rate			
Freight charge	Price comparable to freight charges paid to third parties			
Interest expense	Interest rate of 2 percent per annum			

(Unaudited but reviewed)

As at 31 March 2021 and 31 December 2020, 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 2021	31 December 2020	31 March 2021	31 December 2020	
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 4)</b>				
Major shareholder	51,019	98,390	51,019	98,390
Subsidiaries	-	-	32,306	51,115
Related company (related by common shareholder and/or common directors)	-	-	201	-
Total trade and other receivables - related parties	<u>51,019</u>	<u>98,390</u>	<u>83,526</u>	<u>149,505</u>
<b><u>Advance payments for goods - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	47,999	56,692
Total advance payments for goods - related parties	<u>-</u>	<u>-</u>	<u>47,999</u>	<u>56,692</u>
<b><u>Short-term loan - related party (Note 14)</u></b>				
Related person	2,000	-	-	-
Total short-term loan - related party	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Trade and other payables - related party</u></b>				
<b>(Note 15)</b>				
Associated company	1,081	-	1,081	-
Total trade and other payables - related party	<u>1,081</u>	<u>-</u>	<u>1,081</u>	<u>-</u>

#### Directors and management's benefits

During the three-month period ended 31 March 2021 and 2020, the Group 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		
2021	2020	2021	2020	
Short-term employee benefits	29,647	30,007	8,460	6,995
Post-employment benefits	2,890	3,885	423	204
Total	<u>32,537</u>	<u>33,892</u>	<u>8,883</u>	<u>7,199</u>



(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Cash	165	157	40	40
Bank deposits	1,427,335	983,962	414,899	277,664
Total	1,427,500	984,119	414,939	277,704
Less: Restricted bank deposits	(223,558)	(151,423)	-	-
Total	1,203,942	832,696	414,939	277,704

As at 31 March 2021, bank deposits in savings accounts and fixed deposits carried interests between 0.01 and 5.50 percent per annum (31 December 2020: between 0.01 and 5.50 percent per annum).

As at 31 March 2021, the overseas subsidiaries have restricted bank deposits of USD 6.8 million or approximately Baht 214.2 million (31 December 2020: USD 4.7 million or approximately Baht 142.0 million) to secure mine reclamation of the overseas subsidiaries to the government and guarantee for coal supply of the overseas subsidiary.

As at 31 March 2021, the local subsidiary has pledged the bank deposits of Baht 9.4 million (31 December 2020, Baht 9.4 million) as collateral for credit facility of long-term loan granted by a commercial bank as discussed in Note 16.

### 4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	51,019	98,390	74,155	118,026
Past due				
Up to 3 months	-	-	245	14,743
Total trade receivables - related parties	51,019	98,390	74,400	132,769

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	1,044,009	791,288	68,879	35,204
Past due				
Up to 3 months	-	8,137	-	-
Total trade receivables - unrelated parties	1,044,009	799,425	68,879	35,204
Total trade receivables	1,095,028	897,815	143,279	167,973
<b><u>Other receivables</u></b>				
Other receivables - related parties	-	-	9,126	16,736
Other receivables - unrelated parties	38,044	37,242	4,745	379
Derivative assets	75	-	75	-
Interest receivables	658	774	638	771
Total other receivables	38,777	38,016	14,584	17,886
Total trade and other receivables	1,133,805	935,831	157,863	185,859

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 31 March 2021, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 185.5 million (31 December 2020: Rupiah 90,000 million or approximately Baht 183.6 million) were placed to secure such credit facilities.

## 5. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Advance payments for goods - related parties	-	-	47,999	56,692
Advance payments for goods - unrelated parties	300,427	264,047	65,157	71,167
Total	300,427	264,047	113,156	127,859
Less: Allowance for impairment	(6,664)	(6,664)	-	-
Total advance payments for goods	293,763	257,383	113,156	127,859

(Unaudited but reviewed)

**6. Other current financial assets**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Debt instruments at amortised cost</u>				
Fixed deposits	550,000	550,000	550,000	550,000
Others	6	22	6	13
<u>Debt instruments at FVTPL</u>				
Investments in General Fixed Income funds	1,066	1,065	-	-
<b>Total</b>	<b>551,072</b>	<b>551,087</b>	<b>550,006</b>	<b>550,013</b>

**7. 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		Dividends received for the three-month periods ended	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 March 2020
			(%)	(%)				
<b>Local subsidiary</b>								
Lanna Power Generation Company Limited	Baht 155 million	Baht 155 million	100.00	100.00	155,000	155,000	-	-
Thai Agro Energy Public Company Limited	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	-	-
<b>Overseas subsidiaries</b>								
PT. Lanna Power Indonesia (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	8,344	-
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	-	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	32,713	-
Total investment in subsidiaries					913,333	913,333	41,057	-
Less: Partial return on investment from subsidiary					(53,125)	-		
Less: Allowance for impairment loss of the investment					(1,457)	(8,197)		
Total investments in subsidiaries - net					<u>858,751</u>	<u>905,136</u>		

During 2018, 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. In 2019, the subsidiaries evaluated their shares and proposed to Indonesian government sectors which was in accordance with the regulation about the divestment prescribed by Indonesia government sectors. Currently, Indonesian government sectors have been considering the purchase of such shares.

#### PT. Lanna Power Indonesia

On 10 February 2021, the Board of Directors Meeting of the subsidiary passed a resolution on approving the dissolution and on 25 March 2021, the subsidiary submitted the request for liquidation to Indonesia government which has currently been considering the request. During the current period, the subsidiary partially returned the investment of Baht 53.1 million. The Company then recorded the reversal on an allowance for impairment loss of investment in subsidiary totaling of Baht 6.7 million in the income statement for the current period.

#### Lanna Power Generation Company Limited

On 3 February 2020, the Board of Directors Meeting passed a resolution on approving Lanna Power Generation Company Limited to increase its registered capital from Baht 10 million (2 million shares of Baht 5.0 each) to Baht 300 million (60 million shares of Baht 5.0 each), by issuing ordinary shares of Baht 290 million (58 million shares of Baht 5.0 each). On 21 February 2020, the Company exercised its right and made the subscription payment for the newly issued share at 50 percent totaling of Baht 145 million (58 million shares of Baht 2.5 each). The subsidiary registered the increase in share capital with the Ministry of Commerce on 24 February 2020.

#### SRT Power Pellet Company Limited

On 4 March 2020, Lanna Power Generation Company Limited (“Subsidiary”) entered into share purchase agreement to make an investment in 99.99 percent of shares in SRT Power Pellet Company Limited. The subsidiary acquired 0.78 million ordinary shares at a value of Baht 90 per share and 0.12 million preferred shares at a value of Baht 90 per share from the existing shareholder for a total consideration of Baht 81 million which was totally paid in cash.

(Unaudited but reviewed)

The financial statements of SRT Power Pellet Company Limited have been included in the consolidated financial statements since the Group gained controlling authority on 4 March 2020 (“acquisition date”). The details of the acquisition are as follows:

	(Unit: Thousand Baht)
Acquisition cost of investment in subsidiary	81,000
Less: Fair value of net assets (as described in below paragraph)	<u>(26,037)</u>
Goodwill	<u>54,963</u>
Acquisition cost of investment in subsidiary	81,000
Less: Cash and cash equivalents of subsidiary	<u>(6,288)</u>
Net cash paid for acquisition of investment in subsidiary	<u>74,712</u>

The consolidated income statement for the three-month period ended 31 March 2020 (restated) included revenue and profit of SRT Power Pellet Company Limited as from the acquisition date as follows:

	(Unit: Million Baht)
Revenue	-
Loss	(1.5)

If the business combination had taken place at the beginning of the period, revenue and profit of SRT Power Pellet Company Limited would have been included in the consolidated income statement for the three-month period ended 31 March 2020 (restated) as follows:

	(Unit: Million Baht)
Revenue	-
Loss	(5.4)

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of SRT Power Pellet Co., Ltd. The assessments were completed in the current period and within the measurement period of 12 months from the acquisition dates pursuant to the year allowed by Thai Financial Reporting Standard No. 3 (revised 2019). During the measurement period, the Group obtained further information on the fair values of part of the assets and liabilities and had retrospectively adjusted the provisional amount recognised at the acquisition dates. The adjustments caused property, plant and equipment to decrease by approximately Baht 13.2 million, investment properties to increase by approximately Baht 5.5 million, and deferred tax assets to increase by approximately Baht 1.5 million.

(Unaudited but reviewed)

Fair values of the identifiable assets acquired and liabilities assumed from SRT Power Pellet Company Limited as at the acquisition dates are summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	6,288
Inventories	268
Value added tax refundable	9,362
Other current assets	666
Restricted bank deposits	9,392
Investment properties	33,574
Property, plant and equipment	64,745
Right-of-use assets	4,485
Deferred tax assets	9,896
Other non-current financial assets	1,703
Short-term loans	(17,429)
Trade and other payables	(4,765)
Long-term loans from financial institutions	(79,148)
Other accrued expenses	(8,455)
Lease liabilities	(4,504)
Other current liabilities	(41)
Fair value of net assets	<u>26,037</u>
Goodwill	<u>54,963</u>
Cost of acquisitions of investments in subsidiaries	<u>81,000</u>

The difference of Baht 55 million between the consideration paid and the fair value of identifiable net assets acquired was included in a part of goodwill in the consolidated statement of financial position as at 31 March 2021.

Goodwill comprises the value of the manufacture and distribution of wood pellet.

Movements in the goodwill account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
Book value as at 31 December 2020 - as previously reported	234,769
Add: Increase from fair value adjustment	6,194
Less: Allowance for impairment loss of goodwill	<u>(6,194)</u>
Book value as at 31 December 2020 - as restated	<u>234,769</u>

(Unaudited but reviewed)

As a result of the adjustments of the provisional amounts recognised as at the acquisition dates for business combinations in 2020, the Group restated the prior period's financial statements, presented as comparative information, whereby the amounts of adjustments affecting the consolidated statements of financial position and income are summarised below.

(Unit: Thousand Baht)

As at

31 December 2020

**Consolidated statement of financial position**

Decrease in property, plant and equipment	(12,306)
Increase in investment properties	5,505
Increase in deferred tax assets	1,450
Decrease in unappropriated retained earnings	(5,801)

(Unit: Thousand Baht)

For three-month

period ended

31 March 2020

**Consolidated income statement**

Decrease in cost of sales	(76)
Increase in administrative expenses	6,233
Increase in income tax expenses	7

**Profit attributable to**

Decrease in profit attributable to equity holders of the Company	(6,164)
------------------------------------------------------------------	---------

**Earnings per share (Baht)**

Decrease in basic earnings per share	(0.01)
--------------------------------------	--------

The adjustments have no effect to the consolidated statement of financial position as at 1 January 2020, presented as comparative information.

(Unaudited but reviewed)

## 8. Investment in associated company

(Unit: Thousand Baht)

Company	Nature of business	Relationship	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements	
			31 March 2021	31 December 2020	31 March 2021 (%)	31 December 2020 (%)	Carrying amounts based on equity method		Cost	
							31 March 2021	31 December 2020	31 March 2021	31 December 2020
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	22,270	20,786	891	891
Total							<u>22,270</u>	<u>20,786</u>	<u>891</u>	<u>891</u>

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month period ended 31 March 2021 of approximately Baht 1.5 million (2020: Baht 1.9 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.



## 9. 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. In 2018, the Company has 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.

On 21 December 2020, the Company’s Board of Directors meeting passed a resolution to approve the decrease in the investment proportion in PKN from 40 percent to 10 percent. In 2020, the Company entered into the coal purchases agreement with PKN by transferring the advance payment for share subscription to the advance payment for goods amounting to Baht 80.4 million, resulted in the balance of advance payment for share subscription was Baht 160.8 million.

Due to the COVID-19 situation, PKN could not complete the certain conditions under the agreement. On 1 March 2021, the Company, therefore, entered into an agreement with PKN to extend the share subscription to 30 June 2021.

## 10. Property, plant and equipment

Movements in the property, plant and equipment account for the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2020 - as previously reported	4,152,706	328,835
Adjustment from business combination (Note 7)	(12,306)	-
Net book value as at 31 December 2020 - as restated	4,140,400	328,835
Acquisitions during the period - cost	34,195	3,623
Depreciation for the period	(72,228)	(4,220)
Translation adjustments	41,369	-
Net book value as at 31 March 2021	<u>4,143,736</u>	<u>328,238</u>

(Unaudited but reviewed)

As at 31 March 2021, the local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 382.9 million (31 December 2020: Baht 381.8 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 1.2 million were capitalised during the three-month period ended 31 March 2021 (31 December 2020: Baht 7.3 million). The weighted average rate of 2.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (31 December 2020: 2.3 to 3.1 percent per annum).

The local subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 31 March 2021 amounting to approximately Baht 1,442 million (31 December 2020: Baht 1,457 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 13 and 16.

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 31 March 2021 amounting to approximately USD 21.3 million or equivalent to Baht 667.4 million (31 December 2020: USD 22.7 million or equivalent to Baht 681.7 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 13 and 16.

## 11. Intangible assets

Movement in the intangible assets account for the three-month period ended 31 March 2021 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 2020	2,762	128,330	131,092
Acquisitions during the period - cost	44	-	44
Amortisation for period	(469)	(6,410)	(6,879)
Net book value as at 31 March 2021	<u>2,337</u>	<u>121,920</u>	<u>124,257</u>

  

	(Unit: Thousand Baht)		
	Separate financial statements		
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 31 December 2020	1,163	128,330	129,493
Acquisitions during the period - cost	25	-	25
Amortisation for period	(237)	(6,410)	(6,647)
Net book value as at 31 March 2021	<u>951</u>	<u>121,920</u>	<u>122,871</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. Such right to the fees will be amortised according to the quantity of coal produced and sold from SGP.

**12. Other non-current assets**

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	31 March	31 December
	2021	2020
Deferred expenses - Indonesia coal mine project	198,349	188,161
Deferred stripping costs	255,598	285,391
Others	-	1,257
Total other non-current assets	<u>453,947</u>	<u>474,809</u>
Amortisation expenses for the period/year	<u>114,620</u>	<u>443,405</u>

**13. Short-term loans from financial institutions**

	(Unit: Thousand Baht)			
	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Promissory notes	2.63 - 2.75	2.67 - 2.75	762,574	588,405
Trust receipts	2.60 - 2.80	2.24 - 2.63	499,294	326,925
Bill of purchasing line	-	1.78	-	61,976
Total			<u>1,261,868</u>	<u>977,306</u>

(Unaudited but reviewed)

Movements in short-term loans from financial institutions during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2020	977,306
Add: Increase during the period	1,653,814
Less: Repayment during the period	<u>(1,369,252)</u>
Balance as at 31 March 2021	<u>1,261,868</u>

The credit facilities of the subsidiaries are secured by the mortgage of part of the land and construction thereon, machinery, and equipment as discussed in Note 10.

As at 31 March 2021, the short-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 28 million or equivalent to Baht 877.5 million and Baht 798.1 million totaling of Baht 1,675.6 million (31 December 2020: USD 25.9 million or equivalent to Baht 779.1 million and Baht 1,144.7 million, totaling of Baht 1,923.8 million).

#### 14. Short-term loans

As at 31 March 2021, the local subsidiary had short-term loans from director, individuals, and unrelated company in form of promissory note of Baht 19.4 million (31 December 2020: Baht 17.4 million). The carrying interest of loan from director and individuals is at 2.0 percent per annum (31 December 2020: 2.0 percent per annum) and no interest for loan from unrelated company. The loans are unsecured and are due for repayment at call.

#### 15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Trade payables - related party	1,081	-	1,081	-
Trade payables - unrelated parties	400,796	418,983	4,671	27,948
Other payables - unrelated parties	61,764	62,061	25,242	5,245
Derivative liabilities	-	100	-	100
Total trade and other payables	<u>463,641</u>	<u>481,144</u>	<u>30,994</u>	<u>33,293</u>

(Unaudited but reviewed)

**16. Long-term loans from financial institutions**

				(Unit: Thousand Baht)	
				Consolidated	
				financial statements	
No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	31 March 2021	31 December 2020
1	418.0	3M THBFIX reference rate + 1.95	The loan is repayable within 6 years and is repayable the first installment in the last day of the eighteenth month since the first withdrawal date (8 June 2018). The principal is payable in 10 semi-annually installments of Baht 42 million during the first to ninth installment, remaining balance is repayable in the tenth installment and interest is repayable every 3 months.	280,524	280,503
2	300.0	3M THBFIX reference rate + 1.95	The loan is repayable within 5 years and is repayable the first installment in the last day of the sixth month since the first withdrawal date (15 November 2018). The principal is repayable in 10 semi-annually installments of Baht 30 million each and interest is repayable every 3 months.	179,798	179,779
3	214.1	5.50	The loan is repayable within 5 years 7 months and is repayable the principal in 60 monthly installments with the first installment on 23 April 2020 and the interest is repayable on monthly basis with the first payment on 23 September 2019.	122,518	127,049
4	80.0	MLR-1.25	The loan is repayable within 5 years 7 months and is repayable the first installment on the last day of January 2021. The principal is payable in 57 monthly installments of Baht 1.39 million and the interest is monthly payable with the first payment in the last day of the month of first withdrawal date (4 March 2020).	75,151	79,281
Total				657,991	666,612
Less: Current portion				(205,158)	(190,134)
Long-term loans, net of current portion				452,833	476,478

(Unaudited but reviewed)

Movements in the long-term loans account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2020	666,612
Amortisation of transaction costs during the period	174
Repayment during the period	(14,303)
Translation adjustments	5,508
Balance as at 31 March 2021	<u>657,991</u>

The credit facilities of subsidiaries are secured by the pledge of bank deposits and the mortgage of part of the land and construction thereon, machinery and equipment, and part of the investment properties.

The Company, as an indirect major shareholder of the local subsidiary, sent a letter to the bank to notify its intention to provide attributable financial support on the subsidiary's debt obligations in case the subsidiary is unable to maintain the financial ratios as stipulated in the loan agreement.

The loan agreements contain several covenants which, among other things, require the subsidiaries to maintain certain financial ratios according to the agreements such as debt to equity and debt service coverage ratios at the rate prescribed in the agreements. As at 31 March 2021, the subsidiaries could maintain certain financial ratios as specified in the long-term loan agreements.

As at 31 March 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 11.2 million (31 December 2020: Baht 11.2 million).

**17. 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 for the three-month periods ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)			
<b>Current income tax:</b>				
Interim corporate income tax charge	152,736	78,623	6,749	13,931
Adjustment in respect of income tax of previous year	-	182	-	182
Withholding tax deducted at source recognised as expenses during the period	11,785	-	11,785	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	58,477	35,069	1,174	(157)
<b>Income tax reported in the income statements</b>	<u>222,998</u>	<u>113,874</u>	<u>19,708</u>	<u>13,956</u>

The amount of income tax related to each component of other comprehensive income for the three-month periods ended 31 March 2021 and 2020 are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain	941	-	941	-

**18. 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 ordinary shares in issue during the period.

**19. Dividend paid**

Dividends paid by the Group during the three-month periods ended 31 March 2021 and 2020 are as follows:

**Overseas subsidiaries**PT. Lanna Harita Indonesia

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b>2021</b>				
1 <sup>st</sup> interim dividends for 2020	Board of Directors' meeting on 22 January 2021	2,000	250	1 February 2021
Total		2,000	250	

During the three-month period ended 31 March 2021, the Company recorded dividend income at 55 percent for a total of USD 1.1 million or equivalent to Baht 32.7 million. The Company had been withheld the withholding tax deducted at source of Baht 6.5 million.

PT. Lanna Power Indonesia

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b>2021</b>				
Dividends for 2020	Annual General Meeting of shareholders on 18 February 2021	273	13	18 March 2021
Total		273	13	

During the three-month period ended 31 March 2021, the Company recorded dividend income at 99.95 percent for a total of USD 0.3 million or equivalent to Baht 8.3 million. The Company had been withheld the withholding tax deducted at source of Baht 1.7 million.

**20. 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 Group is organised into business units based on its products. The Group recognised revenue at the point in time.

The following tables present revenue and profit information regarding of the Group's operating segments for the three-month periods ended 31 March 2021 and 2020.



(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 31 March

	Domestic coal business		Overseas coal business		Ethanol business		Woods pellet business		Elimination of inter-segment transactions		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
								(Restated)				(Restated)
<b>Revenues</b>												
Revenues from external customers	228	230	2,110	2,040	683	738	1	-	-	-	3,022	3,008
Inter-segment revenues	66	74	80	69	-	-	1	-	(147)	(143)	-	-
<b>Total revenue</b>	<u>294</u>	<u>304</u>	<u>2,190</u>	<u>2,109</u>	<u>683</u>	<u>738</u>	<u>2</u>	<u>-</u>	<u>(147)</u>	<u>(143)</u>	<u>3,022</u>	<u>3,008</u>
<b>Operating results</b>												
<b>Segment gross profit (loss)</b>	104	111	1,193	982	93	117	(2)	-	(77)	(77)	1,311	1,133
Other income											16	9
Share of profit from investment in associated company											1	2
Loss on exchange											(18)	(31)
Selling and distribution expenses											(558)	(575)
Administrative expenses											(103)	(122)
Finance income											3	3
Finance cost											(13)	(16)
<b>Profit before income tax</b>											<u>639</u>	<u>403</u>
Income tax											(223)	(114)
<b>Profit for the period</b>											<u>416</u>	<u>289</u>

## **21. Significant contracts and agreements**

**21.1** 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.

**21.2** 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.

**21.3** 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.

**21.4** 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.

## **22 Commitments and contingent liabilities**

### **22.1 Capital commitments**

As at 31 March 2021, the Group had capital commitments of Baht 20.2 million, relating to the assessment of environmental impact on the construction of the Company’s jetty, the construction of the subsidiary’s Vinasse Evaporation Plant and other construction projects. (31 December 2020: Baht 18.2 million, relating to the construction of the subsidiaries’ construction of Vinasse Evaporation Plant, port loading conveyor and other construction projects.)

## 22.2 Long-term service and purchase commitments

- a) The Group had commitments under several service agreements in respect of the security service, car maintenance service and other services. The terms of the agreements are generally 1 year. Future minimum payments under these service agreements are as follows:

Payable	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
In up to 1 year	6.3	2.7	0.6	0.3

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for financing and management of Baht 18.1 million (The Company Only: Baht 16.6 million) (31 December 2020: Baht 20.1 million (The Company Only: Baht 20.1 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, and being automatically renewed for every one-year period. The subsidiary shall pay power supply at the rate as stipulated in the agreement.

## 22.3 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.

## 22.4 Guarantees

As at 31 March 2021, the Group had bank guarantees of approximately Baht 6 million and Rupiah 19,900 million (the Company only: Baht 0.9 million) (31 December 2020: Baht 6 million and Rupiah 19,900 million (the Company only: Baht 0.9 million)) issued by banks on behalf of the Group in respect of mine reclamation of the overseas subsidiaries to the government and guarantee contractual performance for using of electric to the Provincial Electricity Authority.

**23. Litigation**

On September 2011, a company sued the subsidiary for its alleged non-compliance with the cassava chip purchase agreement, claiming a compensation for damage of Baht 186.9 million. The subsidiary submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Both parties defended in three courts. The case has been finalised on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company 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. Now the execution of judgment is in process.

In addition, on 18 May 2018, the subsidiary sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The subsidiary has already made attachment of the claim.

On 13 August 2019, the subsidiary received partial of Baht 0.2 million. However, the subsidiary recorded allowance for impairment in advance paid to that company for a whole amount.

**24. Foreign currency risk**

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks 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 2021				
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	4.0	-	31.1735	31.5052

  

As at 31 December 2020				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	2.8	-	29.8674	30.2068

(Unaudited but reviewed)

As at 31 March 2021 and 31 December 2020, foreign exchange contracts outstanding are summarised below.

As at 31 March 2021			
Foreign currency	Bought amount	Contractual exchange rate for amount bought	Contractual Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.6	31.13 - 31.32	June 2021

  

As at 31 December 2020			
Foreign currency	Bought amount	Contractual exchange rate for amount bought	Contractual Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.7	29.80 - 30.49	February - June 2021

## 25. Financial Instrument

### 25.1 Fair value of financial instrument

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

### 25.2 Fair value hierarchy

As at 31 March 2021, the Group had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Level 2	Total	Level 2	Total
Investment in General Fixed Income				
Funds	1,066	1,066	-	-
Derivatives - Foreign exchange contracts	75	75	75	75

**26. Event after the reporting period**

**Dividend payment of the Company**

On 19 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of dividend for 2020 of Baht 0.45 per shares, totaling Baht 236.2 million. The interim dividends were paid on 18 November 2020 of Baht 0.15 per share, amounting to Baht 78.7 million, and there is the remaining dividends of Baht 0.30 per share, amounting to Baht 157.5 million. The Company set aside a general reserve of Baht 55.6 million. The Company will pay such dividend on 18 May 2021.

**Dividend payment of the local subsidiary**

On 22 April 2021, the Annual General Meeting of the subsidiary's shareholders passed a resolution to approve the payment of dividend from retained earnings from BOI promoted operation to the subsidiary's shareholders for 1,000 million shares of Baht 0.08 per share, or a total of Baht 80 million. The interim dividends were paid on 18 September 2020 of Baht 0.055 per share, amounting to Baht 55 million and there is remaining dividend of Baht 0.025 per share amounting to Baht 25 million. The subsidiary will pay such dividend on 21 May 2021.

**27. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 14 May 2021.