

Lanna Resources Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 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 30 September 2021, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 periods (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 this matter.

Patcharawan Koonarangsri

Certified Public Accountant (Thailand) No. 6650

EY Office Limited

Bangkok: 12 November 2021

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		30 September	31 December	1 January	30 September	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	1,852,932	832,696	477,625	686,790	277,704
Trade and other receivables	2, 4	2,251,870	935,831	706,160	220,386	185,859
Inventories		754,289	302,321	729,349	246,869	108,970
Value added tax refundable		707,901	533,846	647,373	6,480	-
Prepaid income tax		133,638	222,935	280,716	-	-
Advance payments for goods	2, 5	43,093	257,383	667,834	55,896	127,859
Other current financial assets	6	551,075	551,087	611,601	550,007	550,013
Other current assets		128,876	86,390	151,956	3,630	3,019
<b>Total current assets</b>		<b>6,423,674</b>	<b>3,722,489</b>	<b>4,272,614</b>	<b>1,770,058</b>	<b>1,253,424</b>
<b>Non-current assets</b>						
Restricted bank deposits	3	297,567	151,423	105,742	-	-
Investments in subsidiaries	7	-	-	-	1,003,751	905,136
Investment in associated companies	8	100,284	20,786	19,608	59,328	891
Advance payment for share subscription	9	-	160,770	241,154	-	160,770
Long-term loans to related party	2	107,424	-	-	107,424	-
Investment properties		59,053	61,145	32,423	29,864	29,864
Property, plant and equipment	10	4,134,048	4,140,400	4,193,081	326,870	328,835
Right-of-use assets		90,461	85,282	85,278	45,888	36,104
Biological asset		10,738	6,459	1,957	-	-
Goodwill	7	234,769	234,769	186,000	-	-
Intangible assets	11	110,587	131,092	156,990	108,291	129,493
Deferred tax assets		41,812	54,398	25,883	22,643	24,409
Other non-current financial assets		8,350	7,539	5,759	4,694	3,828
Other non-current assets	12	499,420	474,809	480,822	-	-
<b>Total non-current assets</b>		<b>5,694,513</b>	<b>5,528,872</b>	<b>5,534,697</b>	<b>1,708,753</b>	<b>1,619,330</b>
<b>Total assets</b>		<b>12,118,187</b>	<b>9,251,361</b>	<b>9,807,311</b>	<b>3,478,811</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 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		30 September	31 December	1 January	30 September	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	587,838	977,306	1,606,854	-	-
Short-term loans	14	17,429	17,429	-	-	-
Trade and other payables	2, 15	555,950	481,144	519,048	48,774	33,293
Current portion of long-term loans from financial institutions	16	936,365	190,134	166,114	-	-
Current portion of lease liabilities		27,311	24,270	28,731	11,185	8,749
Accrued expenses		425,299	309,670	283,151	10,722	12,889
Income tax payable		812,440	31,616	22,097	-	830
Other current financial liabilities		4,366	19,022	2,288	964	994
Other current liabilities		195,417	86,400	54,226	6,946	13,013
<b>Total current liabilities</b>		<b>3,562,415</b>	<b>2,136,991</b>	<b>2,682,509</b>	<b>78,591</b>	<b>69,768</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions - net of current portion	16	59,810	476,478	587,825	-	-
Lease liabilities - net of current portion		65,817	60,865	55,094	36,045	28,111
Provision for long-term employee benefits		231,879	268,141	252,810	46,713	48,802
Provision for mine reclamation and decommissioning costs		121,462	96,731	87,202	-	-
Deferred tax liabilities		264,802	187,651	161,227	-	-
<b>Total non-current liabilities</b>		<b>743,770</b>	<b>1,089,866</b>	<b>1,144,158</b>	<b>82,758</b>	<b>76,913</b>
<b>Total liabilities</b>		<b>4,306,185</b>	<b>3,226,857</b>	<b>3,826,667</b>	<b>161,349</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 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	30 September	31 December	1 January	30 September	31 December
	Note	2021	2020	2020	2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		but reviewed)	(Restated)	but reviewed)	
<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
Share premium		680,400	680,400	680,400	680,400
Retained earnings					
Appropriated - Statutory reserve		52,500	52,500	52,500	52,500
Appropriated - General reserve	19	1,310,600	1,255,000	1,250,600	1,255,000
Unappropriated		2,987,984	1,951,549	1,909,835	748,962
Other components of shareholders' equity		148,686	(65,003)	(53,920)	-
<b>Equity attributable to owners of the Company</b>		<b>5,705,170</b>	<b>4,399,446</b>	<b>4,364,415</b>	<b>3,317,462</b>
Non-controlling interests of the subsidiaries		2,106,832	1,625,058	1,616,229	-
<b>Total shareholders' equity</b>		<b>7,812,002</b>	<b>6,024,504</b>	<b>5,980,644</b>	<b>2,726,073</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,118,187</b>	<b>9,251,361</b>	<b>9,807,311</b>	<b>2,872,754</b>
		-	-	-	-

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

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 Directors  
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## Lanna Resources Public Company Limited and its subsidiaries

## Income statements

For the three-month period ended 30 September 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	4,736,520	1,993,427	462,517	349,129
Commission and marketing service income	2	-	-	59,219	37,610
Other income					
Dividend income	2, 7, 8	-	-	358,485	50,539
Service income		-	-	15,616	11,119
Gain on exchange		32,549	-	18,374	6,624
Others		27,720	18,788	196	6,327
Total other income		60,269	18,788	392,671	74,609
<b>Total revenues</b>		<b>4,796,789</b>	<b>2,012,215</b>	<b>914,407</b>	<b>461,348</b>
<b>Expenses</b>					
Cost of sales	2	2,035,988	1,551,942	395,746	282,325
Selling and distribution expenses		922,774	361,622	39,652	45,200
Administrative expenses		162,621	114,911	26,175	25,533
Loss on exchange		-	12,960	-	-
<b>Total expenses</b>		<b>3,121,383</b>	<b>2,041,435</b>	<b>461,573</b>	<b>353,058</b>
<b>Operating profit (loss)</b>		<b>1,675,406</b>	<b>(29,220)</b>	<b>452,834</b>	<b>108,290</b>
Share of profit from investment in associated companies	8	25,698	2,401	-	-
Finance income		3,611	3,913	1,079	530
Finance cost	2	(14,305)	(14,213)	(582)	(517)
<b>Profit (loss) before income tax</b>		<b>1,690,410</b>	<b>(37,119)</b>	<b>453,331</b>	<b>108,303</b>
Income tax	17	(576,914)	24,645	(82,938)	(14,025)
<b>Profit (loss) for the period</b>		<b>1,113,496</b>	<b>(12,474)</b>	<b>370,393</b>	<b>94,278</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		679,909	6,608	370,393	94,278
Non-controlling interests of the subsidiaries		433,587	(19,082)		
		<b>1,113,496</b>	<b>(12,474)</b>		
<b>Basic earnings per share</b>					
	18				
Profit attributable to equity holders of the Company (Baht)		1.30	0.01	0.71	0.18
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 30 September 2021

(Unit: Thousand Baht)

	<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 (loss) for the period</b>	<u>1,113,496</u>	<u>(12,474)</u>	<u>370,393</u>	<u>94,278</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>173,866</u>	<u>55,546</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>173,866</u>	<u>55,546</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>173,866</u>	<u>55,546</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>1,287,362</u>	<u>43,072</u>	<u>370,393</u>	<u>94,278</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>786,917</u>	<u>41,315</u>	<u>370,393</u>	<u>94,278</u>
Non-controlling interests of the subsidiaries	<u>500,445</u>	<u>1,757</u>		
	<u>1,287,362</u>	<u>43,072</u>		

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



## Lanna Resources Public Company Limited and its subsidiaries

## Income statements

For the nine-month period ended 30 September 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	11,245,375	6,958,408	1,055,052	1,081,561
Commission and marketing service income	2	-	-	161,420	125,297
Other income					
Dividend income	2, 7, 8	-	-	705,513	127,039
Service income		-	-	43,108	34,291
Reversal of allowance for impairment loss of investment	7	-	-	6,740	-
Gain on exchange		26,747	-	23,666	16,302
Others		67,762	32,398	558	7,852
Total other income		94,509	32,398	779,585	185,484
<b>Total revenues</b>		<b>11,339,884</b>	<b>6,990,806</b>	<b>1,996,057</b>	<b>1,392,342</b>
<b>Expenses</b>					
Cost of sales	2	5,536,410	4,827,885	890,876	892,126
Selling and distribution expenses		2,168,219	1,315,625	107,689	132,796
Administrative expenses		448,002	363,147	82,340	82,569
Loss on exchange		-	12,789	-	-
<b>Total expenses</b>		<b>8,152,631</b>	<b>6,519,446</b>	<b>1,080,905</b>	<b>1,107,491</b>
<b>Operating profit</b>		<b>3,187,253</b>	<b>471,360</b>	<b>915,152</b>	<b>284,851</b>
Share of profit from investment in associated companies	8	28,811	6,025	-	-
Finance income		9,938	10,353	3,271	2,698
Finance cost	2	(41,025)	(46,190)	(1,698)	(1,628)
<b>Profit before income tax expenses</b>		<b>3,184,977</b>	<b>441,548</b>	<b>916,725</b>	<b>285,921</b>
Income tax expenses	17	(1,139,682)	(120,918)	(171,603)	(34,499)
<b>Profit for the period</b>		<b>2,045,295</b>	<b>320,630</b>	<b>745,122</b>	<b>251,422</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		1,245,144	218,902	745,122	251,422
Non-controlling interests of the subsidiaries		800,151	101,728		
		<u>2,045,295</u>	<u>320,630</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company (Baht)	18	2.37	0.42	1.42	0.48
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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<b>Profit for the period</b>		<u>2,045,295</u>	<u>320,630</u>	<u>745,122</u>	<u>251,422</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>343,110</u>	<u>99,191</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>343,110</u>	<u>99,191</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		6,330	-	4,708	-
Less: Income tax effect	17	<u>(1,428)</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>4,902</u>	<u>-</u>	<u>3,767</u>	<u>-</u>
<b>Other comprehensive income for the period</b>		<u>348,012</u>	<u>99,191</u>	<u>3,767</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>2,393,307</u>	<u>419,821</u>	<u>748,889</u>	<u>251,422</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,463,224	281,263	<u>748,889</u>	<u>251,422</u>
Non-controlling interests of the subsidiaries		<u>930,083</u>	<u>138,558</u>		
		<u>2,393,307</u>	<u>419,821</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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Retained earnings				Other components of shareholders' equity							
		Issued and paid up share capital	Share premium	Statutory reserve	General reserve	Unappropriated	Other comprehensive income	Exchange differences on translation of financial statements in foreign currency	Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries
<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		-	-	-	-	218,902	-	-	-	-	218,902	101,728	320,630
Other comprehensive income for the period - as restated		-	-	-	-	-	62,361	-	-	62,361	62,361	36,830	99,191
Total comprehensive income for the period - as restated		-	-	-	-	218,902	62,361	-	-	62,361	281,263	138,558	419,821
Dividend paid	19	-	-	-	-	(157,500)	-	-	-	-	(157,500)	-	(157,500)
Unappropriated retained earnings transferred to general reserve	19	-	-	-	4,400	(4,400)	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	-	(100,457)	(100,457)
<b>Balance as at 30 September 2020 - as restated</b>		<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,255,000</u>	<u>1,966,837</u>	<u>(68,064)</u>	<u>75,949</u>	<u>556</u>	<u>8,441</u>	<u>4,488,178</u>	<u>1,654,330</u>	<u>6,142,508</u>
<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>		<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,255,000</u>	<u>1,951,549</u>	<u>(141,508)</u>	<u>75,949</u>	<u>556</u>	<u>(65,003)</u>	<u>4,399,446</u>	<u>1,625,058</u>	<u>6,024,504</u>
Profit for the period		-	-	-	-	1,245,144	-	-	-	-	1,245,144	800,151	2,045,295
Other comprehensive income for the period		-	-	-	-	4,391	213,689	-	-	213,689	218,080	129,932	348,012
Total comprehensive income for the period		-	-	-	-	1,249,535	213,689	-	-	213,689	1,463,224	930,083	2,393,307
Dividend paid	19	-	-	-	-	(157,500)	-	-	-	-	(157,500)	-	(157,500)
Unappropriated retained earnings transferred to general reserve	19	-	-	-	55,600	(55,600)	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	-	(448,309)	(448,309)
<b>Balance as at 30 September 2021</b>		<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>2,987,984</u>	<u>72,181</u>	<u>75,949</u>	<u>556</u>	<u>148,686</u>	<u>5,705,170</u>	<u>2,106,832</u>	<u>7,812,002</u>

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

		Separate financial statements					
		Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity	
				Appropriated			Unappropriated
Note			Statutory reserve	General reserve			
	<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	-	-	-	-	251,422	251,422
	Other comprehensive income for the period	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	251,422	251,422
	Dividend paid	-	-	-	-	(157,500)	(157,500)
19	Unappropriated retained earnings transferred to general reserve	-	-	-	4,400	(4,400)	-
	<b>Balance as at 30 September 2020</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,255,000</u>	<u>251,461</u>	<u>2,764,361</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	-	-	-	-	745,122	745,122
	Other comprehensive income for the period	-	-	-	-	3,767	3,767
	Total comprehensive income for the period	-	-	-	-	748,889	748,889
	Dividend paid	-	-	-	-	(157,500)	(157,500)
19	Unappropriated retained earnings transferred to general reserve	-	-	-	55,600	(55,600)	-
19		-	-	-	-	-	-
	<b>Balance as at 30 September 2021</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>748,962</u>	<u>3,317,462</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 nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>				
Profit before tax	3,184,977	441,548	916,725	285,921
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	708,441	556,253	42,977	39,142
Gain on disposals and unrealised gain on change in value of investments in general fixed income funds	(3)	(617)	-	(589)
Share of profit from investment in associated companies	(28,811)	(6,025)	-	-
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	12,379	11,553	-	-
Write-off of value added tax refundable	1,016	2,628	-	-
Gain on disposals and write-off of equipment	(1,046)	(6,251)	-	(5,909)
Loss on write-off of right-of-use assets from contract cancellation	125	-	-	-
Write-back of dividend payable	(43)	(25)	(43)	(25)
Dividend income	-	-	(705,513)	(127,039)
Provision for long-term employee benefits	24,713	27,832	2,619	2,362
Provision for mine reclamation and decommissioning costs	37,686	23,222	-	-
Unrealised loss (gain) on exchange	3,973	(7,426)	(13,075)	(1,020)
Finance income	(9,938)	(10,353)	(3,271)	(2,698)
Finance cost	40,814	45,214	1,698	1,628
Profit from operating activities before changes in operating assets and liabilities	3,974,283	1,083,747	235,377	191,773

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 nine-month period ended 30 September 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>				
Operating assets (increase) decrease				
Trade and other receivables	(1,315,500)	(47,407)	(33,168)	(16,257)
Inventories	(451,968)	150,512	(137,899)	22,423
Value added tax refundable	(138,344)	163,950	(6,480)	236
Advance payments for goods	214,290	582,652	71,963	137,101
Other current financial assets	15	20	6	20
Other current assets	(42,593)	36,487	(611)	(663)
Operating liabilities increase (decrease)				
Trade and other payables	78,435	(87,553)	15,934	11,203
Accrued expenses	119,950	7,073	(2,167)	(3,406)
Other current financial liabilities	(14,613)	1,083	13	14
Other current liabilities	104,010	28,894	(11,074)	71
Cash paid for long-term employee benefits	(83,165)	(13,685)	-	-
Cash paid for mine reclamation	(26,085)	(18,645)	-	-
Cash from (used in) operating activities	2,418,715	1,887,128	131,894	342,515
Interest income	9,632	10,606	2,992	2,956
Cash paid for interest expenses	(34,591)	(40,798)	-	-
Refund of income tax	146,106	93,622	-	-
Cash paid for income tax	(360,270)	(154,563)	(166,601)	(20,241)
<b>Net cash from (used in) operating activities</b>	<b>2,179,592</b>	<b>1,795,995</b>	<b>(31,715)</b>	<b>325,230</b>
<b>Cash flows from investing activities</b>				
Decrease in debt instruments investments	-	309,816	-	308,901
Increase in restricted bank deposits	(127,773)	(31,222)	-	-
Dividend received from subsidiaries and associated company	7,750	6,867	705,513	127,039
Cash paid for investment in subsidiary	-	(74,483)	(145,000)	(145,000)
Cash received from the partial return on investment from subsidiary	-	-	53,125	-
Proceed from disposals of equipment and investment properties	1,126	11,230	-	10,295
Acquisitions of plant and equipment	(117,006)	(238,610)	(11,435)	(9,011)
Acquisitions of biological asset	(4,279)	(3,197)	-	-
Acquisitions of computer software	(1,292)	(606)	(140)	(313)
Decrease (increase) in other non-current financial assets	(650)	(487)	(866)	46
Increase in other non-current assets	(379,344)	(298,465)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(621,468)</b>	<b>(319,157)</b>	<b>601,197</b>	<b>291,957</b>
<b>Cash flows from financing activities</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 nine-month period ended 30 September 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>
Net decrease in short-term loans from financial institutions	(389,468)	(507,883)	-	-
Cash received from long-term loans from financial institution	499,365	-	-	-
Repayment of long-term loan from financial institution	(187,340)	(87,829)	-	-
Cash paid for principal portion of lease liabilities	(21,915)	(25,651)	(8,311)	(9,654)
Cash paid for interest expense of lease liabilities	(3,511)	-	(1,698)	-
Dividend paid	(605,809)	(257,957)	(157,500)	(157,500)
Increase in non-controlling interests of the subsidiaries	129,421	36,830	-	-
<b>Net cash used in financing activities</b>	<b>(579,257)</b>	<b>(842,490)</b>	<b>(167,509)</b>	<b>(167,154)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>34,256</b>	<b>(36,250)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,013,123</b>	<b>598,098</b>	<b>401,973</b>	<b>450,033</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	7,113	370	7,113	370
<b>Cash and cash equivalents at end of period (Note 3)</b>	<b>1,852,932</b>	<b>1,076,093</b>	<b>686,790</b>	<b>574,958</b>
	-		-	

**Supplemental cash flows information:**

## Non-cash transactions

Right-of-use assets acquired during the period	29,488	18,397	18,681	3,391
Transfer advance payment for share subscription to long-term loans to related party	102,333	-	102,333	-
Transfer advance payment for share subscription to investment in associated company	58,437	-	58,437	-
Payables from purchases of plant and equipment and intangible assets	4,050	7,601	3,282	2,960
Transfer equipment to other non-current assets	-	53,891	-	-
Transfer equipment to intangible assets	-	111	-	111
Transfer right-of-use assets to equipment	-	572	-	-

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 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 a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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 30 September

	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	-	-	358,485	43,672
Commission and marketing service income	-	-	59,219	37,610
Service income	-	-	15,616	11,119
Purchase of coal	-	-	121,915	86,084
<u>Transactions with major shareholder</u>				
Sales of coal	243,519	294,733	243,519	294,733
<u>Transactions with associated company</u>				
Dividend income	-	-	-	6,867
Purchase of coal	67,877	-	67,877	-
Freight charge	64,731	53,951	64,731	53,951
<u>Transactions with related person and company</u>				
Sales of coal	554	-	554	-
Interest expense	9	-	-	-

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	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	-	-	697,763	120,172
Commission and marketing service income	-	-	161,420	125,297
Service income	-	-	43,108	34,291
Purchase of coal	-	-	442,418	313,166
<u>Transactions with major shareholder</u>				
Sales of coal	561,623	902,853	561,623	902,853
<u>Transactions with associated company</u>				
Dividend income	-	-	7,750	6,867
Purchase of coal	67,877	-	67,877	-
Freight charge	152,499	193,152	152,499	193,152
<u>Transactions with related person and company</u>				
Sales of coal	554	326	554	326
Interest expense	25	-	-	-

(Unaudited but reviewed)

	Transfer pricing policy
Sales of coal	Market price at which equivalent quality coal is sold to the same industry
Purchase of coal	Market price for equivalent quality coal
Commission and marketing service income	At the price agreed between the parties which is general price for the same business
Service income	Rate comparable paid to third parties
Dividend income	At the declared rate
Freight charge	Price comparable to freight charges paid to third parties
Interest expense	Interest rate of 2 percent per annum

As at 30 September 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	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 4)</b>				
Major shareholder	110,116	98,390	110,116	98,390
Subsidiaries	-	-	33,686	51,115
Associated company	4,401	-	4,401	-
Related company (related by common shareholder and/or common directors)	593	-	794	-
Total trade and other receivables - related parties	<u>115,110</u>	<u>98,390</u>	<u>148,997</u>	<u>149,505</u>
<b><u>Advance payments for goods - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	12,949	56,692
Associated company	42,947	-	42,947	-
Total advance payments for goods - related parties	<u>42,947</u>	<u>-</u>	<u>55,896</u>	<u>56,692</u>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 15)</b>				
Associated company	5,784	-	5,784	-
Total trade and other payables - related party	<u>5,784</u>	<u>-</u>	<u>5,784</u>	<u>-</u>

Long-term loan to related party

On 31 August 2021, the Company entered into Shareholder Loan Agreement to provide a long-term loan to an associated company. The loan bears interest at 6 months SIBOR plus 1% per annum. Such loan is repayable on demand. Movement of long-term loan to related party for the nine-month period ended 30 September 2021 was summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Balance as at	Increase during	Balance as at
	31 December		30 September
	2020	the period	2021
<b>Long-term loan to related company</b>			
Associated company	-	107,424	107,424

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	33,740	29,927	8,283	7,343
Post-employment benefits	4,523	3,992	423	204
<b>Total</b>	<b>38,263</b>	<b>33,919</b>	<b>8,706</b>	<b>7,547</b>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	108,835	104,866	28,568	26,463
Post-employment benefits	33,336	12,047	1,269	611
<b>Total</b>	<b>142,171</b>	<b>116,913</b>	<b>29,837</b>	<b>27,074</b>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Cash	181	157	40	40
Bank deposits	2,150,318	983,962	686,750	277,664
Total	2,150,499	984,119	686,790	277,704
Less: Restricted bank deposits	(297,567)	(151,423)	-	-
Total	1,852,932	832,696	686,790	277,704

As at 30 September 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 30 September 2021, the overseas subsidiaries have restricted bank deposits of USD 8.8 million or approximately Baht 297.6 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.

### 4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	110,709	98,390	132,351	118,026
Past due				
Up to 3 months	-	-	2,655	14,743
Total trade receivables - related parties	110,709	98,390	135,006	132,769

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	2,041,848	791,288	69,982	35,204
Past due				
Up to 3 months	-	8,137	-	-
Total trade receivables - unrelated parties	2,041,848	799,425	69,982	35,204
Total trade receivables	2,152,557	897,815	204,988	167,973
<b><u>Other receivables</u></b>				
Other receivables - related parties	4,401	-	13,991	16,736
Other receivables - unrelated parties	93,599	37,242	124	379
Derivative assets	233	-	233	-
Interest receivables	1,080	774	1,050	771
Total other receivables	99,313	38,016	15,398	17,886
Total trade and other receivables	2,251,870	935,831	220,386	185,859

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 30 September 2021, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 203.5 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	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Advance payments for goods - related parties	42,947	-	55,896	56,692
Advance payments for goods - unrelated parties	6,810	264,047	-	71,167
Total	49,757	264,047	55,896	127,859
Less: Allowance for impairment	(6,664)	(6,664)	-	-
Total advance payments for goods	43,093	257,383	55,896	127,859

(Unaudited but reviewed)

**6. Other current financial assets**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Debt instruments at amortised cost</u>				
Fixed deposits	550,000	550,000	550,000	550,000
Others	7	22	7	13
<u>Debt instruments at FVTPL</u>				
Investments in General Fixed Income funds	1,068	1,065	-	-
<b>Total</b>	<b>551,075</b>	<b>551,087</b>	<b>550,007</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 nine-month periods ended	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	30 September 2020
			(%)	(%)				
<b>Local subsidiary</b>								
Lanna Power Generation Company Limited	Baht 300 million	Baht 155 million	100.00	100.00	300,000	155,000	-	-
Thai Agro Energy Public Company Limited	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	17,850	104,550
<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	15,622
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	422,955	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	248,614	-
Total investment in subsidiaries					1,058,333	913,333	697,763	120,172
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					1,003,751	905,136		

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.

On 6 August 2021, the Board of Directors Meeting of Lanna Power Generation Company Limited, a wholly owned subsidiary, called for a payment of the remaining at 50 percent of ordinary shares, totaling of Baht 145 million (58 million shares of Baht 2.5 each). The Company already made the subscription payment.

#### 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><u>54,963</u></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><u>74,712</u></u>

The consolidated income statement for the three-month and nine-month periods ended 30 September 2020 (restated) included revenue and loss of SRT Power Pellet Company Limited as from the acquisition date as follows:

	(Unit: Million Baht)	
	For the three-month period ended 30 September 2020	For the nine-month period ended 30 September 2020
Revenue	<u>7.5</u>	<u>12.8</u>
Loss	(9.5)	(19.3)

If the business combination had taken place at the beginning of the period, revenue and loss of SRT Power Pellet Company Limited would have been included in the consolidated income statement for the three-month and nine-month periods ended 30 September 2020 (restated) as follows:

	(Unit: Million Baht)	
	For the three-month period ended 30 September 2020	For the nine-month period ended 30 September 2020
Revenue	<u>7.5</u>	<u>12.8</u>
Loss	(9.5)	(23.7)

(Unaudited but reviewed)

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of SRT Power Pellet Company Limited. 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 3 Business Combinations. 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.

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 30 September 2021.

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

(Unaudited but reviewed)

Movements in the goodwill account from the adjustments of the provisional amounts recognised as at acquisition date for business combination 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>

As a result of the adjustments of the provisional amounts recognised as at the acquisition date 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
	<u>31 December 2020</u>
<b>Consolidated statement of financial position</b>	
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 the three-month period ended	For the nine-month period ended
	<u>30 September 2020</u>	<u>30 September 2020</u>
<b>Consolidated income statement</b>		
Decrease in cost of sales	(259)	(590)
Increase in administrative expenses	133	6,497
Increase in income tax expenses	25	57
<b>Profit attributable to</b>		
Increase (decrease) in profit attributable to equity holders of the Company	101	(5,964)
<b>Earnings per share (Baht)</b>		
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 companies**

(Unit: Thousand Baht)

Company	Nature of business	Relationship	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements			
			30 September	31 December	30 September	31 December	Carrying amounts based on equity method		Cost		Dividends received for the nine-month periods ended	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	30 September
					(%)	(%)						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	18,374	20,786	891	891	7,750	6,867
PT. Pesona Khatulistiwa Nusantara (Incorporated in Indonesia)	Manufacture and distribution of coal	Direct holding	Rp 580,891 million	-	10	-	81,910	-	58,437	-	-	-
Total							100,284	20,786	59,328	891	7,750	6,867

Share of profit from United Bulk Shipping Pte. Ltd. for the three-month and nine-month periods ended 30 September 2021 of approximately Baht 2.2 million and Baht 5.3 million, respectively (2020: Baht 2.4 million and Baht 6.0 million, respectively) had been calculated from the financial statements prepared by the management of the associated company and not being reviewed by its auditor.

Share of profit from PT. Pesona Khatulistiwa Nusantara for the three-month and nine-month periods ended 30 September 2021 of approximately Baht 23.5 million and Baht 23.5 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.

## 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 241.15 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 USD 2.5 million or approximately Baht 80.38 million, resulted in the balance of advance payment for share subscription was USD 5.0 million or approximately Baht 160.77 million.

On 31 August 2021, the Company entered into Share Subscription Agreement, Shareholder Agreement and Shareholder Loan Agreement by transferring the advance payment for share subscription of USD 5.0 million, or approximately Baht 160.77 million, to long-term loan to PKN and investment in newly issued ordinary shares of PKN as follows:

- Long-term loan amounting to USD 3,182,569, or approximately Baht 102.33 million. Such long-term loan can be converted into ordinary shares when PKN needs to increase its share capital.
- The purchase of 61,554,652 newly issued ordinary shares amounting to USD 1,817,431, or approximately Baht 58.44 million, accounting for 10 percent of total number of registered and paid-up shares. The Company recorded such investment as investment in associated company because the Company has significant influence in PKN.

**10. Property, plant and equipment**

Movements in the property, plant and equipment account for the nine-month period ended 30 September 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	113,085	10,784
Disposal during the period - net book value on disposal date	(80)	-
Depreciation for the period	(242,781)	(12,749)
Translation adjustments	123,424	-
Net book value as at 30 September 2021	<u>4,134,048</u>	<u>326,870</u>

As at 30 September 2021, the local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 386.2 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 3.3 million were capitalised during the nine-month period ended 30 September 2021 (31 December 2020: Baht 7.3 million). The weighted average rate of 2.2 to 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 30 September 2021 amounting to approximately Baht 1,359 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 30 September 2021 amounting to approximately USD 20.1 million or equivalent to Baht 680.5 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 nine-month period ended 30 September 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	1,375	-	1,375
Amortisation for period	(1,085)	(20,795)	(21,880)
Net book value as at 30 September 2021	<u>3,052</u>	<u>107,535</u>	<u>110,587</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	129	-	129
Amortisation for period	(536)	(20,795)	(21,331)
Net book value as at 30 September 2021	<u>756</u>	<u>107,535</u>	<u>108,291</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.

(Unaudited but reviewed)

## 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	
	30 September 2021	31 December 2020
Deferred expenses - Indonesia coal mine project	206,017	188,161
Deferred stripping costs	293,403	285,391
Others	-	1,257
Total other non-current assets	<u>499,420</u>	<u>474,809</u>
Amortisation expenses for the period/year	<u>416,149</u>	<u>443,405</u>

## 13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Promissory notes	2.63 - 2.75	2.67 - 2.75	587,838	588,405
Trust receipts	-	2.24 - 2.68	-	326,925
Bill of purchasing line	-	1.78	-	61,976
Total			<u>587,838</u>	<u>977,306</u>



(Unaudited but reviewed)

Movements in short-term loans from financial institutions during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2020	977,306
Add: Increase during the period	2,874,387
Less: Repayment during the period	<u>(3,263,855)</u>
Balance as at 30 September 2021	<u>587,838</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 30 September 2021, the short-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 28.0 million or equivalent to Baht 949.8 million and Baht 1,172.2 million totaling of Baht 2,122.0 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 30 September 2021, the local subsidiary had short-term loans from individuals and unrelated company in form of promissory note of Baht 17.4 million (31 December 2020: Baht 17.4 million). The carrying interest of loan from 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	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Trade payables - related party	5,784	-	5,784	-
Trade payables - unrelated parties	462,254	418,983	38,381	27,948
Other payables - unrelated parties	87,912	62,061	4,609	5,245
Derivative liabilities	-	100	-	100
Total trade and other payables	<u>555,950</u>	<u>481,144</u>	<u>48,774</u>	<u>33,293</u>

**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	30 September 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.	238,569	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.	149,836	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.	108,389	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).	-	79,281
5	500.0	3M BAYBIBOR reference rate + 2.22	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 (16 August 2021). The principal is repayable in 10 semi-annually installments of Baht 50 million each and interest is repayable every 3 months.	499,381	-
Total				996,175	666,612
Less: Current portion				(936,365)	(190,134)
Long-term loans, net of current portion				59,810	476,478

(Unaudited but reviewed)

Movements in the long-term loans account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2020	666,612
Additional loan during the period	499,365
Amortisation of transaction costs during the period	1,105
Repayment during the period	(187,340)
Translation adjustments	16,433
Balance as at 30 September 2021	<u>996,175</u>

The credit facilities of subsidiaries are secured by the mortgage of part of the land and construction thereon and machinery.

During the current period, a local subsidiary settled long-term loan from the financial institutions and redeemed the assets that had been mortgaged and pledged to secure such long-term loan from financial institution.

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 30 September 2021, the overseas subsidiary could maintain certain the covenants as specified in the long-term loan agreement. However, a local subsidiary could not maintain certain financial ratio as specified in the loan agreement. A local subsidiary had negotiated with the bank, and had obtained a waiver letter for the condition to maintain certain financial ratios for the period ended 30 September 2021 from that bank on 27 October 2021. As at 30 September 2021, the subsidiary classified such loan amounting to Baht 887.8 as current portion of long-term loan since the subsidiary received the waiver letter from the bank after the end of the reporting period.

As at 30 September 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 and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	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	468,123	(34,741)	5,059	10,745
Adjustment in respect of income tax of previous year	105	(4)	-	-
Withholding tax deducted at source recognised as expenses during the period	7,377	3,124	78,054	3,124
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	101,309	6,976	(175)	156
<b>Income tax reported in the income statements</b>	<u>576,914</u>	<u>(24,645)</u>	<u>82,938</u>	<u>14,025</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	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	903,903	66,137	14,392	31,351
Adjustment in respect of income tax of previous year	3,195	16,144	-	182
Withholding tax deducted at source recognised as expenses during the period	28,616	3,124	156,386	3,124
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	203,968	35,513	825	(158)
<b>Income tax reported in the income statements</b>	<u>1,139,682</u>	<u>120,918</u>	<u>171,603</u>	<u>34,499</u>

(Unaudited but reviewed)

The amount of income tax related to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follow:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain	-	-	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain	1,428	-	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 nine-month periods ended 30 September 2021 and 2020 are as follows:

### The Company

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b>2021</b>				
Final dividends for 2020	Annual General Meeting of the shareholders on 19 April 2021	157,500	0.30	18 May 2021
Total		<u>157,500</u>	<u>0.30</u>	
<b>2020</b>				
Interim dividends	Board of Directors' meeting on 8 April 2020	157,500	0.30	7 May 2020
Total		<u>157,500</u>	<u>0.30</u>	

In addition, the Annual General Meeting of the shareholders approved to set aside a general reserve of Baht 55.6 million (2020: Baht 4.4 million).

(Unaudited but reviewed)

**Local subsidiary**

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

<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>2021</u></b>				
The dividend in respect of operation income from BOI promoted operation for the period from July to December 2020	Annual General Meeting of the shareholders on 22 April 2021	25,000	0.025	21 May 2021
The interim dividend in respect of operation income from BOI promoted operation for the period from January to June 2021	Board of Directors' meeting on 19 August 2021	9,999	0.010	17 September 2021
Total		<u>34,999</u>	<u>0.035</u>	
<b><u>2020</u></b>				
The interim dividend in respect of operation income from BOI promoted operation for the period from July to December 2019	Board of Directors' meeting on 9 April 2020	150,000	0.150	8 May 2020
The interim dividend in respect of operation income from BOI promoted operation for the period from January to June 2020	Board of Directors' meeting on 20 August 2020	55,000	0.055	18 September 2020
Total		<u>205,000</u>	<u>0.205</u>	

**Oversea subsidiaries****PT. Lanna Harita Indonesia**

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2021</u></b>				
The first interim dividends for 2020	Board of Directors' meeting on 22 January 2021	2,000	250.0	1 February 2021
Final dividends for 2020	Annual General Meeting of the shareholders on 22 June 2021	4,500	562.5	28 June 2021
The first interim dividends for 2021	Board of Directors' meeting on 13 September 2021	7,520	940.0	27 September 2021
Total		14,020	1,752.5	

During the nine-month period ended 30 September 2021, the Company recorded dividend income at 55 percent for a total of USD 7.7 million or equivalent to Baht 248.6 million. The Company had been withheld the withholding tax deducted at source of Baht 49.7 million.

**PT. Lanna Power Indonesia**

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2021</u></b>				
Dividends for 2020	Annual General Meeting of shareholders on 18 February 2021	273	13	18 March 2021
Total		273	13	
<b><u>2020</u></b>				
Dividends for 2019	Annual General Meeting of shareholders on 15 July 2020	504	24	16 September 2020
Total		504	24	

(Unaudited but reviewed)

During the nine-month period ended 30 September 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 (2020: USD 0.5 million or equivalent to Baht 15.6 million. The Company had been withheld the withholding tax deducted at source of Baht 3.1 million).

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>2021</u></b>				
Final dividends for 2020	Annual General Meeting of the shareholders on 23 June 2021	10,000	952	28 June 2021
The first interim dividends for 2021	Board of Directors' meeting on 20 September 2021	10,000	952	27 September 2021
Total		<u>20,000</u>	<u>1,904</u>	

During the nine-month period ended 30 September 2021, the Company recorded dividend income at 65 percent for a total of USD 13.0 million or equivalent to Baht 423.0 million. The Company had been withheld the withholding tax deducted at source of Baht 84.6 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 and nine-month periods ended 30 September 2021 and 2020.



(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	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	462	350	3,808	986	466	657	-	-	-	-	4,736	1,993
Inter-segment revenues	82	54	121	86	-	-	-	8	(203)	(148)	-	-
<b>Total revenue</b>	<b>544</b>	<b>404</b>	<b>3,929</b>	<b>1,072</b>	<b>466</b>	<b>657</b>	<b>-</b>	<b>8</b>	<b>(203)</b>	<b>(148)</b>	<b>4,736</b>	<b>1,993</b>
<b>Operating results</b>												
<b>Segment gross profit (loss)</b>	<b>148</b>	<b>121</b>	<b>2,627</b>	<b>330</b>	<b>13</b>	<b>37</b>	<b>-</b>	<b>(1)</b>	<b>(87)</b>	<b>(45)</b>	<b>2,701</b>	<b>442</b>
Other income											27	19
Share of profit from investment in associated companies											26	2
Gain (loss) on exchange											33	(13)
Selling and distribution expenses											(923)	(362)
Administrative expenses											(163)	(115)
Finance income											4	4
Finance cost											(15)	(14)
<b>Profit (loss) before income tax</b>											<b>1,690</b>	<b>(37)</b>
Income tax											(577)	25
<b>Profit (loss) for the period</b>											<b>1,113</b>	<b>(12)</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	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	1,055	1,082	8,457	3,972	1,732	1,904	1	-	-	-	11,245	6,958
Inter-segment revenues	225	176	442	313	-	-	1	13	(668)	(502)	-	-
<b>Total revenue</b>	<u>1,280</u>	<u>1,258</u>	<u>8,899</u>	<u>4,285</u>	<u>1,732</u>	<u>1,904</u>	<u>2</u>	<u>13</u>	<u>(668)</u>	<u>(502)</u>	<u>11,245</u>	<u>6,958</u>
<b>Operating results</b>												
<b>Segment gross profit (loss)</b>	389	366	5,508	1,721	88	209	(2)	(3)	(274)	(162)	5,709	2,131
Other income											67	33
Share of profit from investment in associated companies											29	6
Gain (loss) on exchange											27	(13)
Selling and distribution expenses											(2,168)	(1,316)
Administrative expenses											(448)	(363)
Finance income											10	10
Finance cost											(41)	(46)
<b>Profit before income tax expenses</b>											<u>3,185</u>	<u>442</u>
Income tax expenses											(1,140)	(121)
<b>Profit for the period</b>											<u><u>2,045</u></u>	<u><u>321</u></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 30 September 2021, the Group had capital commitments of Baht 15.8 million, relating to acquisition and installation of coal sieving screen, 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 and 5 years. Future minimum payments under these service agreements are as follows:

Payable	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
In up to 1 year	3.5	2.7	0.5	0.3
In over 1 year and up to 5 years	0.9	-	0.9	-

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for financing and management of Baht 10.0 million (The Company Only: Baht 9.7 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 overseas companies 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 30 September 2021, the Group had bank guarantees of approximately Baht 6 million and Rupiah 19,990 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 30 September 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	11.3	0.2	33.7538	34.0908

  

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 30 September 2021 and 31 December 2020, foreign exchange contracts outstanding are summarised below.

As at 30 September 2021			
Foreign currency	Bought amount	Contractual exchange rate for amount bought	Contractual Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.5	33.47	November 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 30 September 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	1,068	1,068	-	-
Derivatives - Foreign exchange contracts	233	233	233	233

**26. Event after the reporting period**

**Dividend payment of the Company**

On 18 October 2021, the Board of the Company's directors passed a resolution approving the payment of the interim dividend in respect of the operation for the period from January to June 2021 of Baht 0.6 per share or a total of Baht 315 million. The interim dividend will be paid on 16 November 2021.

**27. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 12 November 2021.