

Lanna Resources Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2021

## **Independent Auditor's Report**

To the Shareholders of Lanna Resources Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Lanna Resources Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lanna Resources Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lanna Resources Public Company Limited and its subsidiaries and of Lanna Resources Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

Major revenue of the Group is derived from production and distribution of coal and ethanol. The Group recognised revenue, based on the contractual price, when control of goods is transferred to the customer, generally on delivery goods. The price is based on the market price with adjusted by other factors. Revenue from sales is a significant account because the amount of revenue from sales is material and directly affects the Group's profit or loss. In addition, selling prices are based on the fluctuated market price and current demands. I therefore gave significant attention to the revenue recognition of the Group.

I have examined the revenue recognition of the Group by assessing and testing its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy, on a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period, reviewing credit notes that the Group issued after the period-end and performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

#### *Coal reserve estimates for the overseas subsidiaries*

Coal reserves are estimates of the amounts of coal that can be economically and legally extracted by the subsidiary companies. The subsidiary companies determine and report their coal reserves under the Australasian Code for Reporting, Exploration Results, Mineral Resources and Ore Reserves (Joint Ore Reserves Committee Code).

Estimating coal reserves requires the use of assumptions about a range of geological, technical and economic factors, including production quantities, production techniques, stripping ratio, production costs, transport costs, commodity demand, coal prices and exchange rates.

Estimating the quantity and/or calorific value of coal ore reserves requires the size, shape and depth of coal ore bodies or fields to be determined through an analysis of geological data such as drilling data, samples and topography. The process of making judgements with respect to such geological data is complex and difficult.

Because the economic assumptions used to estimate the reserves change from period to period, and because additional geological data may be generated during the course of operations, the estimates of reserves may change from period to period.

Changes in reported reserves may affect the subsidiary companies' financial results and financial position in a number of ways, including the following:

- Assets' carrying values may be affected by changes in estimated future cash flows.
- Depreciation, depletion and amortisation charges in the statements of income and other comprehensive income may change when such charges are determined by the units of production basis, or when the useful economic lives of assets change.
- Overburden removal costs recorded in the statements of financial position or charged to the statement of income and other comprehensive income may change due to changes in stripping ratios.
- Decommissioning costs and provisions for site and environmental restoration may change due to changes in estimated reserves which result from the timing or cost of these activities.
- The recognised value of deferred tax assets/liabilities may change due to changes in estimates of the recoverable amounts of the tax benefits.

I audited the coal reserve estimates by assessing the competency and capability of the management and the expert used by the management to estimate the subsidiary companies' coal reserves as of 31 December 2021. In addition, I tested the significant assumptions used by the management and the expert in the estimation, especially the assumptions relating to coal prices, production levels and discount rate determination. I also reviewed the disclosure of the accounting policy relating to the estimation of coal reserves in the notes to the financial statements.

### *Goodwill*

As at 31 December 2021, the Company recorded goodwill amounting to Baht 186 million, as disclosed in Note 19 to the financial statements. The assessment of goodwill impairment is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating unit, estimating the cash inflows that are expected to be generated from the group of assets in the future, and setting an appropriate discount rate and long-term growth rate. This will affect the appropriateness of the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the management by making enquiry of the management and gaining an understanding of its decision-making process to assess whether the decisions made were consistent with how the assets are utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by the management through analysis of the weighted average finance costs of the Company and of the industry, tested the calculation of the recoverable amounts of the assets using the selected financial model and considered the impact of changes in key assumptions on those recoverable amounts, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Patcharawan Koonarangsri  
Certified Public Accountant (Thailand) No. 6650

EY Office Limited  
Bangkok: 23 February 2022

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2021	31 December 2020 (Restated)	1 January 2020	31 December 2021	31 December 2020
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	7	2,163,717,638	832,696,118	477,624,516	874,230,669	277,703,813
Trade and other receivables	6, 8	1,666,080,907	935,830,636	706,160,104	322,899,031	185,858,998
Inventories	9	525,524,689	302,320,531	729,349,115	254,755,840	108,970,147
Value added tax refundable		692,662,696	533,846,333	647,373,180	8,824,584	-
Prepaid income tax		124,011,809	222,935,258	280,716,195	-	-
Advance payments for goods	6, 10	316,458,238	257,383,405	667,833,828	42,436,514	127,859,017
Other current financial assets	11	551,099,427	551,087,018	611,600,619	550,006,500	550,012,663
Other current assets		130,312,145	86,389,642	151,956,144	2,839,038	3,019,428
<b>Total current assets</b>		<b>6,169,867,549</b>	<b>3,722,488,941</b>	<b>4,272,613,701</b>	<b>2,055,992,176</b>	<b>1,253,424,066</b>
<b>Non-current assets</b>						
Restricted bank deposits	7	343,225,261	151,423,164	105,741,923	-	-
Investments in subsidiaries	12	-	-	-	844,212,324	905,135,653
Investment in associated companies	13	173,043,466	20,786,433	19,607,780	59,328,216	890,679
Advance payment for share subscription	14	-	160,769,616	241,154,424	-	160,769,616
Long-term loans to related party	6	105,810,553	-	-	105,810,553	-
Investment properties	15	57,532,539	61,144,449	32,422,689	29,451,251	29,864,051
Biological assets	16	11,577,452	6,458,681	1,957,439	-	-
Property, plant and equipment	17	4,033,626,146	4,140,399,470	4,193,081,094	323,816,345	328,835,436
Right-of-use assets	18	89,885,000	85,281,914	85,278,678	44,633,112	36,104,474
Goodwill	19	185,999,788	234,768,720	185,999,788	-	-
Intangible assets	20	106,572,894	131,092,439	156,990,300	104,138,091	129,493,448
Deferred tax assets	33	55,034,457	54,398,581	25,883,422	57,600,613	24,408,834
Other non-current financial assets		7,948,761	7,539,160	5,759,274	4,062,320	3,827,420
Other non-current assets	21	691,702,949	474,809,416	480,821,977	-	-
<b>Total non-current assets</b>		<b>5,861,959,266</b>	<b>5,528,872,043</b>	<b>5,534,698,788</b>	<b>1,573,052,825</b>	<b>1,619,329,611</b>
<b>Total assets</b>		<b>12,031,826,815</b>	<b>9,251,360,984</b>	<b>9,807,312,489</b>	<b>3,629,045,001</b>	<b>2,872,753,677</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 December 2021

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2021	31 December 2020 (Restated)	1 January 2020	31 December 2021	31 December 2020
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	22	763,613,321	977,305,656	1,606,854,389	-	-
Short-term loans	6, 23	-	17,429,284	-	-	-
Trade and other payables	24	529,811,720	481,144,362	519,047,870	53,680,349	33,292,947
Current portion of lease liabilities	18	30,422,602	24,269,716	28,731,365	11,255,318	8,749,617
Current portion of long-term loans from financial institution	25	291,605,339	190,133,717	166,114,467	-	-
Accrued expenses		399,328,641	309,669,938	283,151,130	44,124,941	12,888,908
Income tax payable		915,767,113	31,616,010	22,097,146	-	829,765
Other current financial liabilities		4,471,767	19,022,044	2,288,363	939,371	994,057
Other current liabilities		278,897,044	86,400,223	54,225,826	6,311,358	13,012,891
<b>Total current liabilities</b>		<b>3,213,917,547</b>	<b>2,136,990,950</b>	<b>2,682,510,556</b>	<b>116,311,337</b>	<b>69,768,185</b>
<b>Non-current liabilities</b>						
Lease liabilities - net of current portion	18	62,536,430	60,865,221	55,094,439	34,894,151	28,111,001
Long-term loans from financial institution - net of current portion	25	619,088,431	476,478,157	587,824,890	-	-
Provision for long-term employee benefits	26	203,689,998	268,140,778	252,810,330	47,585,681	48,802,269
Provision for mine reclamation and decommissioning costs	27	124,990,028	96,731,232	87,201,715	-	-
Deferred tax liabilities	33	226,332,536	187,651,452	161,226,815	-	-
<b>Total non-current liabilities</b>		<b>1,236,637,423</b>	<b>1,089,866,840</b>	<b>1,144,158,189</b>	<b>82,479,832</b>	<b>76,913,270</b>
<b>Total liabilities</b>		<b>4,450,554,970</b>	<b>3,226,857,790</b>	<b>3,826,668,745</b>	<b>198,791,169</b>	<b>146,681,455</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 December 2021

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020
			(Restated)			
<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		524,999,679	524,999,679	524,999,679	524,999,679	524,999,679
Share premium		680,400,000	680,400,000	680,400,000	680,400,000	680,400,000
Retained earnings						
Appropriated - Statutory reserve	28	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
Appropriated - General reserve		1,310,600,000	1,255,000,000	1,250,600,000	1,310,600,000	1,255,000,000
Unappropriated		3,003,444,184	1,951,548,458	1,909,834,942	861,754,153	213,172,543
Other components of shareholders' equity		115,153,382	(65,003,318)	(53,919,919)	-	-
<b>Equity attributable to owners of the Company</b>		<b>5,687,097,245</b>	<b>4,399,444,819</b>	<b>4,364,414,702</b>	<b>3,430,253,832</b>	<b>2,726,072,222</b>
Non-controlling interests of the subsidiaries		1,894,174,600	1,625,058,375	1,616,229,042	-	-
<b>Total shareholders' equity</b>		<b>7,581,271,845</b>	<b>6,024,503,194</b>	<b>5,980,643,744</b>	<b>3,430,253,832</b>	<b>2,726,072,222</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,031,826,815</b>	<b>9,251,360,984</b>	<b>9,807,312,489</b>	<b>3,629,045,001</b>	<b>2,872,753,677</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 year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
			(Restated)		
<b>Revenues</b>					
Sales	6	15,734,470,720	9,511,865,870	1,568,191,752	1,365,941,481
Commission and marketing service income	6	-	-	204,489,202	184,638,318
Other income					
Dividend income	6, 12, 13	-	-	1,506,263,001	127,038,572
Service income	6	-	-	52,194,440	50,635,673
Gain on exchange		14,308,808	-	21,616,808	13,087,446
Others		105,650,677	57,271,409	1,487,033	8,950,867
Total other income		119,959,485	57,271,409	1,581,561,282	199,712,558
<b>Total revenues</b>		<b>15,854,430,205</b>	<b>9,569,137,279</b>	<b>3,354,242,236</b>	<b>1,750,292,357</b>
<b>Expenses</b>					
Cost of sales	6	7,791,617,402	6,639,497,831	1,429,655,549	1,129,532,849
Selling and distribution expenses		3,045,092,706	1,845,316,496	160,206,191	170,434,638
Administrative expenses		785,945,874	461,635,275	289,699,274	115,458,730
Loss on exchange		-	3,732,341	-	-
<b>Total expenses</b>	32	<b>11,622,655,982</b>	<b>8,950,181,943</b>	<b>1,879,561,014</b>	<b>1,415,426,217</b>
<b>Operating profit</b>		<b>4,231,774,223</b>	<b>618,955,336</b>	<b>1,474,681,222</b>	<b>334,866,140</b>
Share of profit from investment in associated companies					
	13	101,570,096	8,045,375	-	-
Finance income	30	14,286,282	13,871,162	4,367,878	3,774,314
Finance cost	31	(53,317,723)	(58,399,707)	(2,363,383)	(2,153,406)
<b>Profit before income tax</b>		<b>4,294,312,878</b>	<b>582,472,166</b>	<b>1,476,685,717</b>	<b>336,487,048</b>
Income tax expenses	33	(1,577,383,787)	(176,709,177)	(303,771,104)	(44,603,730)
<b>Profit for the year</b>		<b>2,716,929,091</b>	<b>405,762,989</b>	<b>1,172,914,613</b>	<b>291,883,318</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		1,575,244,559	286,822,488	1,172,914,613	291,883,318
Non-controlling interests of the subsidiaries		1,141,684,532	118,940,501		
		2,716,929,091	405,762,989		
<b>Basic earnings per share</b>					
	35				
Profit attributable to equity holders of the Company		3.00	0.55	2.23	0.56
Weighted average number of ordinary shares (shares)		524,999,679	524,999,679	524,999,679	524,999,679

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

**Lanna Resources Public Company Limited and its subsidiaries**

**Statements of comprehensive income**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
			(Restated)		
<b>Profit for the year</b>		<u>2,716,929,091</u>	<u>405,762,989</u>	<u>1,172,914,613</u>	<u>291,883,318</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to income statement in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		<u>288,619,758</u>	<u>(18,387,306)</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to income statement in subsequent periods		<u>288,619,758</u>	<u>(18,387,306)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods</i>					
Actuarial gain (loss)	26	<u>7,701,824</u>	<u>(9,219,802)</u>	<u>4,708,385</u>	<u>-</u>
Less: Income tax effect	33	<u>(1,839,685)</u>	<u>2,410,266</u>	<u>(941,677)</u>	<u>-</u>
Net other comprehensive income not to be reclassified to income statement in subsequent periods - net of income tax		<u>5,862,139</u>	<u>(6,809,536)</u>	<u>3,766,708</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>294,481,897</u>	<u>(25,196,842)</u>	<u>3,766,708</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>3,011,410,988</u>	<u>380,566,147</u>	<u>1,176,681,321</u>	<u>291,883,318</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u>1,760,152,137</u>	<u>271,279,973</u>	<u>1,176,681,321</u>	<u>291,883,318</u>
Non-controlling interests of the subsidiaries		<u>1,251,258,851</u>	<u>109,286,174</u>		
		<u>3,011,410,988</u>	<u>380,566,147</u>		

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

<b>Consolidated financial statements</b>													
Equity attributable to owners of the Company													
	Note	Retained earnings				Other component of equity							
		Issued and paid up share capital	Share premium	Appropriated		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
		share capital	Share premium	Statutory reserve	General reserve	Unappropriated	foreign currency	in subsidiary	for share-based payment transactions	equity	the Company	the subsidiaries	equity
<b>Balance as at 31 December 2019</b>		524,999,679	680,400,000	52,500,000	1,250,600,000	1,909,834,942	(130,425,046)	75,948,676	556,451	(53,919,919)	4,364,414,702	1,616,229,042	5,980,643,744
Profit for the year - restated		-	-	-	-	286,822,488	-	-	-	-	286,822,488	118,940,501	405,762,989
Other comprehensive income for the year - restated		-	-	-	-	(4,459,116)	(11,083,399)	-	-	(11,083,399)	(15,542,515)	(9,654,327)	(25,196,842)
Total comprehensive income for the year - restated		-	-	-	-	282,363,372	(11,083,399)	-	-	(11,083,399)	271,279,973	109,286,174	380,566,147
Dividend paid	36	-	-	-	-	(236,249,856)	-	-	-	-	(236,249,856)	-	(236,249,856)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	4,400,000	(4,400,000)	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	-	(100,456,841)	(100,456,841)
<b>Balance as at 31 December 2020 - restated</b>		<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>1,255,000,000</u>	<u>1,951,548,458</u>	<u>(141,508,445)</u>	<u>75,948,676</u>	<u>556,451</u>	<u>(65,003,318)</u>	<u>4,399,444,819</u>	<u>1,625,058,375</u>	<u>6,024,503,194</u>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Retained earnings				Other component of equity							
		Issued and paid up share capital	Share premium	Appropriated		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
		Statutory reserve	General reserve										
<b>Balance as at 31 December 2020 - as previously reported</b>		524,999,679	680,400,000	52,500,000	1,255,000,000	1,957,349,717	(141,508,445)	75,948,676	556,451	(65,003,318)	4,405,246,078	1,625,058,375	6,030,304,453
Effect from business combination	12	-	-	-	-	(5,801,259)	-	-	-	-	(5,801,259)	-	(5,801,259)
<b>Balance as at 31 December 2020 - as restated</b>		524,999,679	680,400,000	52,500,000	1,255,000,000	1,951,548,458	(141,508,445)	75,948,676	556,451	(65,003,318)	4,399,444,819	1,625,058,375	6,024,503,194
Profit for the year		-	-	-	-	1,575,244,559	-	-	-	-	1,575,244,559	1,141,684,532	2,716,929,091
Other comprehensive income for the year		-	-	-	-	4,750,878	180,156,700	-	-	180,156,700	184,907,578	109,574,319	294,481,897
Total comprehensive income for the year		-	-	-	-	1,579,995,437	180,156,700	-	-	180,156,700	1,760,152,137	1,251,258,851	3,011,410,988
Dividend paid	36	-	-	-	-	(472,499,711)	-	-	-	-	(472,499,711)	-	(472,499,711)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	55,600,000	(55,600,000)	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiaries from calling for a payment of shares of subsidiaries		-	-	-	-	-	-	-	-	-	-	218	218
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries		-	-	-	-	-	-	-	-	-	-	(982,142,844)	(982,142,844)
<b>Balance as at 31 December 2021</b>		524,999,679	680,400,000	52,500,000	1,310,600,000	3,003,444,184	38,648,255	75,948,676	556,451	115,153,382	5,687,097,245	1,894,174,600	7,581,271,845

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements

	Note	Retained earnings				Total shareholders' equity	
		Issued and paid up share capital	Share premium	Appropriated			
				Statutory reserve	General reserve		Unappropriated
<b>Balance as at 1 January 2020</b>		524,999,679	680,400,000	52,500,000	1,250,600,000	161,939,081	2,670,438,760
Profit for the year		-	-	-	-	291,883,318	291,883,318
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	291,883,318	291,883,318
Dividend paid	36	-	-	-	-	(236,249,856)	(236,249,856)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	4,400,000	(4,400,000)	-
<b>Balance as at 31 December 2020</b>		<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>1,255,000,000</u>	<u>213,172,543</u>	<u>2,726,072,222</u>
<b>Balance as at 1 January 2021</b>		524,999,679	680,400,000	52,500,000	1,255,000,000	213,172,543	2,726,072,222
Profit for the year		-	-	-	-	1,172,914,613	1,172,914,613
Other comprehensive income for the year		-	-	-	-	3,766,708	3,766,708
Total comprehensive income for the year		-	-	-	-	1,176,681,321	1,176,681,321
Dividend paid	36	-	-	-	-	(472,499,711)	(472,499,711)
Unappropriated retained earnings transferred to general reserve	36	-	-	-	55,600,000	(55,600,000)	-
<b>Balance as at 31 December 2021</b>		<u>524,999,679</u>	<u>680,400,000</u>	<u>52,500,000</u>	<u>1,310,600,000</u>	<u>861,754,153</u>	<u>3,430,253,832</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 year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
		(Restated)		
<b>Cash flows from operating activities</b>				
Profit before tax	4,294,312,878	582,472,166	1,476,685,717	336,487,048
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	852,754,690	812,755,711	54,652,856	55,015,416
Reduction of inventories to net realisable value	16,311,589	-	15,525,688	-
Gain on debt forgiveness	(21,701,399)	-	-	-
Allowance for expected credit losses	180,688	-	-	-
Bad debt	-	-	200,804	-
Gain on disposals and unrealised gain on change in value of debt instrument investments	(4,042)	(1,403,251)	-	(1,394,207)
Share of profit from investment in associated companies	(101,570,096)	(8,045,375)	-	-
Allowance for impairment loss of goodwill	48,768,932	6,194,051	-	-
Allowance for diminution in value added tax refundable	12,195,809	10,961,349	-	-
Allowance for impairment of the investment in subsidiaries	-	-	152,798,969	8,196,840
Write-off of value added tax refundable and prepaid income tax	47,095,657	18,500,518	-	-
Loss (gain) on disposal and write-off of equipment, computer software and investment properties	361,561	(6,024,160)	(253,824)	(5,912,280)
Gain on write-off of right-of-use assets from contract cancellation	(537,423)	(95,008)	-	-
Allowance for impairment loss on assets	31,254,639	-	5,314,448	-
Reversal of dividend payable	(127,747)	(29,586)	(127,747)	(29,586)
Dividend income	-	-	(1,506,263,001)	(127,038,572)
Provision for long-term employee benefits	3,221,654	29,022,806	3,491,797	3,149,650
Provision for mine reclamation and decommissioning costs	43,843,482	27,472,683	-	-
Unrealised loss on exchange	3,051,136	6,911,412	222,912	840,832
Finance income	(14,286,282)	(13,871,182)	(4,367,878)	(3,774,314)
Finance cost	53,049,487	53,734,377	2,363,383	2,153,409
Profit from operating activities before changes in operating assets and liabilities	5,268,175,213	1,518,556,511	200,244,124	267,694,236

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 year ended 31 December 2021**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2021	2020	2021	2020
		(Restated)		
Operating assets (increase) decrease				
Trade and other receivables	(730,227,098)	(229,701,756)	(136,972,996)	(64,170,335)
Inventories	(239,515,747)	427,296,294	(161,311,381)	31,303,729
Value added tax refundable	(163,760,805)	92,878,350	(8,824,584)	236,371
Advance payments for goods	(59,074,833)	490,835,231	85,422,503	162,806,067
Other current financial assets	(8,367)	9,617	6,163	31,872
Other current assets	(43,922,503)	64,935,881	180,390	(755,630)
Operating liabilities increase (decrease)				
Trade and other payables	43,852,319	(28,927,472)	22,497,649	9,718
Accrued expenses	98,517,123	12,491,463	31,236,033	(2,513,398)
Other current financial liabilities	(14,422,530)	16,763,267	73,061	(1,765)
Other current liabilities	188,236,180	23,231,821	(10,962,174)	(1,435,325)
Cash paid for long-term employee benefits	(85,400,853)	(12,918,897)	-	-
Cash paid for mine reclamation	(28,587,683)	(19,098,188)	-	-
Cash from operating activities	4,233,860,416	2,356,352,122	21,588,788	393,205,540
Interest income	14,082,421	13,902,406	4,169,119	3,751,137
Cash paid for interest expenses	(44,970,836)	(48,222,141)	-	-
Refund of income tax	151,923,308	88,829,077	-	-
Cash paid for income tax	(731,086,001)	(193,119,234)	(334,473,684)	(36,827,812)
<b>Net cash from (used in) operating activities</b>	<b>3,623,809,308</b>	<b>2,217,742,230</b>	<b>(308,715,777)</b>	<b>360,128,865</b>
<b>Cash flows from investing activities</b>				
Decrease in debt instruments investments	-	61,907,235	-	60,694,186
Increase in restricted bank deposits	(175,806,865)	(36,699,178)	-	-
Dividend received from subsidiaries and associated company	7,750,600	6,866,722	1,506,263,001	127,038,572
Cash paid for investment in subsidiary	-	(74,711,730)	(144,999,783)	(144,999,783)
Cash received from the partial return on investment from subsidiary	-	-	53,124,143	-
Proceeds from disposals of equipment, computer software and investment properties	1,779,461	11,238,728	669,954	10,298,172
Acquisitions of plant and equipment	(135,742,968)	(261,396,018)	(19,643,533)	(10,386,719)
Acquisitions of computer software	(1,792,935)	(826,799)	(165,280)	(347,459)
Acquisitions of biological asset	(5,118,771)	(4,501,242)	-	-
Decrease (increase) in other non-current financial assets	(269,942)	(81,319)	(234,900)	45,600
Increase in other non-current assets	(631,419,079)	(388,125,030)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(940,620,499)</b>	<b>(686,328,631)</b>	<b>1,395,013,602</b>	<b>42,342,569</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 year ended 31 December 2021**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2021	2020	2021	2020
		(Restated)		
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions - net	(213,692,335)	(629,325,768)	-	-
Cash paid for lease liabilities	(33,657,403)	(33,780,568)	(13,607,071)	(12,976,083)
Cash received from long-term loan from financial institution	499,365,000	-	-	-
Repayment of long-term loan from financial institution	(270,847,214)	(166,527,735)	-	-
Dividend paid	(1,454,642,555)	(336,706,697)	(472,499,711)	(236,249,856)
Increase (decrease) in non-controlling interests of the subsidiaries	108,463,276	(7,303,908)	-	-
<b>Net cash used in financing activities</b>	<b>(1,365,011,231)</b>	<b>(1,173,644,676)</b>	<b>(486,106,782)</b>	<b>(249,225,939)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>16,508,129</b>	<b>(2,600,674)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,334,685,707</b>	<b>355,168,249</b>	<b>600,191,043</b>	<b>153,245,495</b>
Cash and cash equivalents at beginning of year	832,696,118	477,624,516	277,703,813	124,554,965
Effect of change in foreign exchange rate on cash at bank balance	(3,664,187)	(96,647)	(3,664,187)	(96,647)
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>2,163,717,638</b>	<b>832,696,118</b>	<b>874,230,669</b>	<b>277,703,813</b>

**Supplemental cash flows information:**

Non-cash transaction from operating activities

Transferred provision for long-term employee benefits to accrued expenses

2,258,753      6,910,443      -      -

Non-cash transactions from investing activities

Additions to right-of-use assets and lease liabilities

39,627,701      105,510,062      20,532,539      4,544,683

Transfer advance payment for share subscription to long-term loans to related party

102,332,079      -      102,332,079      -

Transfer advance payment for share subscription to investment in associated company

58,437,537      -      58,437,537      -

Payables from purchases of plant and equipment and intangible assets

12,596,575      7,887,817      1,727,576      3,944,104

Transfer equipment to intangible assets

-      111,200      -      111,200

Transfer right-of-use assets to equipment

-      571,954      -      -

Transfer advance payment for share subscription to advance payment for goods

-      80,384,808      -      80,384,808

Transfer equipment to other non-current assets

-      50,671,398      -      -

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

## **Lanna Resources Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 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 lignite. 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 current Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group 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.

#### **2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Lanna Resources Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Relationship	Country of incorporation	Shareholding percentage	
				<u>2021</u> Percent	<u>2020</u> Percent
<b><u>Held by the Company</u></b>					
<b>Local subsidiaries</b>					
Lanna Power Generation Company Limited	Investment business and power generation and distribution services	Direct holding and common directors	Thailand	100.00	100.00
Thai Agro Energy Public Company Limited	Ethanol production and distribution	Direct holding and common directors	Thailand	51.00	51.00
<b>Overseas subsidiaries</b>					
PT. Lanna Power Indonesia	Coal distribution	Direct holding and common directors	Indonesia	99.95	99.95
PT. Singlurus Pratama	Coal production and distribution	Direct holding and common directors	Indonesia	65.00	65.00
PT. Lanna Harita Indonesia	Coal production and distribution	Direct holding and common directors	Indonesia	55.00	55.00
<b><u>Held by subsidiary</u></b>					
SRT Power Pellet Company Limited	Wood pellet production and distribution	Direct holding and common directors	Thailand	99.99	99.99
<b><u>Held by associated company</u></b>					
PT. Lanna Power Indonesia	Coal distribution	Direct holding	Indonesia	0.05	0.05

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.
- h) The excess of the cost of investment in a subsidiary company over the Company’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired as at the investment date has been shown as “Goodwill” and separately presented as non-current asset in the consolidated statement of financial position and is measured at cost less any accumulated impairment losses (if any).

2.3 The separate financial statements present investments in subsidiaries and associated company under the cost method.

### **3. New financial reporting standards**

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

During the year, 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.

**4. Significant accounting policies**

**4.1 Revenue and expense recognition**

*Sales of goods*

Revenue from sale of coal and ethanol is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

Income from coal sales are recorded according to the weight as recorded at the Company's site or the customer's site. Adjustments of the sales price due to quality and weight considerations are recognised in the month in which notification is received from customers.

*Commission and marketing service income*

Commission and marketing service income are recognised on an accrual basis when overseas subsidiaries sell coal to the buyer who the Company provides to subsidiaries.

*Service income*

Service income is recognised on an accrual basis when overseas subsidiary sells coal which is produced from its concession area to the buyer.

### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Such cost includes cost of material, labour and overheads.

Raw materials, supplies and spare parts are value at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

Allowance for diminution in inventory value is provided for the excess of cost over the net realisable value of inventories and for slow moving or deteriorated inventories.

Net realisable value is selling price in normal course of business less other costs incurred to sell the goods.

#### **4.4 Investments in subsidiaries and associates**

Investment in associated company is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method.

#### **4.5 Investment properties**

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period when the asset is derecognised.

#### **4.6 Agriculture**

The subsidiary's biological assets consist of Mangium and Black Wattle which were measured at its fair value less costs to sell. The fair value of Mangium and Black Wattle is determined based on discounted cash flows/ reference to price of Mangium and Black Wattle at the point of harvest. Gains or losses on changes in fair value of biological assets is recognised in the income statement.

In case the fair value cannot be measured reliably, this biological assets shall be measured at their cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological assets become reliably measurable, the subsidiary shall measure them at their fair value less costs to sell.

#### **4.7 Property, plant and equipment and depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

The cost of property, plant and equipment also includes the initial estimate of the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land and building improvement	5 - 10 years
Building and amenities	5 - 30 years
Machinery and equipment	4 - 30 years
Furniture and office equipment	3 - 15 years
Vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction and installation, land improvement of a local subsidiary and land, except for mining land which is depleted in accordance with the difference between its purchase cost and fair value and on the basis of units produced in proportion to the total coal reserves.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

#### **4.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.9 Government grants related to assets**

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. Government grants related to assets are presented as a deducting to the value of the related assets and are recognised in the income statement over the useful life of the assets as a reduced depreciation expense.

#### **4.10 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Intangible asset with finite useful lives, which is computer software, has useful lives of 3 - 10 years.

#### **4.11 Other non-current assets**

##### *Assets under exploration for and evaluation of mineral resources*

Exploration and evaluation expenditures of the subsidiaries involve expenditures relating to the search for mineral resources after the subsidiaries have obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource such as license costs, expenditures from topographical, geological, geochemical and geophysical studies, exploratory drilling expenditure and sampling expenditure.

Exploration and evaluation expenditures are recorded as assets except for administration expenditures that are not directly attributable to the specific area are charged to the income statement. Following the initial recognition, exploration and evaluation assets are stated at cost less allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

Exploration and evaluation assets are classified as part of deferred exploration and development costs when proven reserves of the specific area are completely determined.

### *Deferred exploration and development costs*

Development expenditures and incorporated costs before the production stage, which are net of proceeds from the sale of coal extracted during the development phase, are capitalised as deferred exploration and development costs. When the mine construction project moves into the production stage, deferred exploration and development costs are amortised as expenses in accordance with the proportion of units produced to total coal reserves.

### *Deferred stripping costs*

Stripping costs/overburden removal expenses during the development phase of the mine are capitalised as part of the deferred stripping costs.

Stripping costs during the production phase are capitalised as part of the deferred stripping costs if, and only if, all of the following are met:

- a) It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the subsidiaries.
- b) The subsidiaries can identify the component of the ore body for which access has been improved.
- c) The costs relating to the stripping activity associated with that component can be measured reliably.

The deferred stripping costs shall be initially recognised at cost and subsequently stated at cost less accumulated amortisation, which is calculated using the proportion of unit produced to total reserves, and allowance for impairment (if any). In case when the future benefit of these assets is in doubt, they are written off to period expenses immediately.

## **4.12 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the income statement.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.13 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### ***The Group as a lessee***

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land, building and building improvement	2 - 7 years
Machinery and equipment	3 - 5 years
Furniture, fixtures and office equipment	2 - 5 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

## **4.14 Related party transaction**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.15 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.16 Impairment of non-financial assets**

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

In the assessment of asset impairment (except for goodwill) if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

#### **4.17 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by professionally qualified independent actuaries based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognise restructuring-related costs.

#### **4.18 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.19 Provision for mine reclamation and decommissioning costs**

The subsidiaries recognise a provision for mine reclamation and decommissioning costs where an obligation exists. The estimated amount of the eventual costs relating to the site restoration and reclamation is discounted to its present value. Such costs are included in the income statement based on the unit-of-production method on the total estimated reclamation and decommissioning costs over the total proven reserves.

#### **4.20 Income tax**

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

##### *Current tax*

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

##### *Deferred tax*

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **4.21 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

#### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in the income statement.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure.

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due. However, in certain cases, the Group may also consider a financial asset as credit impaired or to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **4.22 Derivatives**

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in the income statement. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.23 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

## **Coal reserve estimates**

The subsidiaries determine coal reserve based on best estimate of product that can be economically extracted from the relevant mining area. Such determination is made based on various assumptions including a range of geological, technical and economic factors, quantities, production techniques, stripping ratios, production costs, transport costs, coal prices and exchange rates.

## **Leases**

### *Determining the lease term with extension and termination option*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

### *Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

## **Allowance for diminution in inventory value**

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

### **Allowance for impairment of investments**

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Tax refundable**

The estimated claim for value added tax refund is determined in a net basis between value added tax input and output. The subsidiaries recognise overpayment of value added tax because they generated revenue mostly from export sales which are subject to value added tax at a 0% rate.

The estimated claim for income tax refund is measured at the amount expected to be recovered from tax authority which is the excess of prepaid corporate income tax over the corporate income tax expense during the respective fiscal year. The corporate income tax expense is determined based on the estimated taxable income computed using prevailing tax rates.

The management needs to make judgement which the recoverability of the estimated claims for taxes refund is dependent on the examination by tax authority which gives rise to the complexity and uncertainty exist with respect the interpretation of tax regulations.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **Provision for mine reclamation and decommissioning costs**

The majority of the decommissioning and reclamation costs is incurred at the end of a mine's life. In determining a provision for such costs, the management needs to make judgement regarding the expected future costs to be incurred, the timing of these expected future costs, largely dependent on the life of the mine, and the estimated future level of inflation.

## **6. Related party transactions**

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate 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	-	-	1,498,512	120,172
Commission and marketing service income	-	-	204,489	184,638
Service income	-	-	52,194	50,636
Purchase of coal	-	-	442,418	401,256
<u>Transactions with major shareholder</u>				
Sales of coal	860,860	1,107,384	860,860	1,107,384
<u>Transactions with associated companies</u>				
Dividend income	-	-	7,751	6,867
Purchase of coal	341,421	-	341,421	-
Freight charge	269,901	243,552	269,901	243,552
<u>Transactions with related person and company</u>				
Sales of coal	554	326	554	326
Interest expense	25	-	-	-

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Transfer pricing policy

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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 31 December 2021 and 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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 8)</b>				
Major shareholder	209,565	98,390	209,565	98,390
Subsidiaries	-	-	28,190	51,115
Total trade and other receivables - related parties	<u>209,565</u>	<u>98,390</u>	<u>237,755</u>	<u>149,505</u>
<b><u>Advance payments for goods - related parties</u></b>				
<b>(Note 10)</b>				
Subsidiary	-	-	12,949	56,692
Associated company	29,488	-	29,488	-
Total advance payment for goods - related parties	<u>29,488</u>	<u>-</u>	<u>42,437</u>	<u>56,692</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 year ended 31 December 2021 was summarised below.

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Balance as at 31 December 2020	Increase during the year	Balance as at 31 December 2021
<b><u>Long-term loan to related company</u></b>			
Associated company	-	105,811	105,811

## Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	212,010	149,872	55,566	41,489
Post-employment benefits	60,922	15,948	1,756	1,000
Total	<u>272,932</u>	<u>165,820</u>	<u>57,322</u>	<u>42,489</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	165	157	40	40
Bank deposits	<u>2,506,778</u>	<u>983,962</u>	<u>874,191</u>	<u>277,664</u>
Total	<u>2,506,943</u>	<u>984,119</u>	<u>874,231</u>	<u>277,704</u>
Less: Restricted bank deposits	<u>(343,225)</u>	<u>(151,423)</u>	-	-
Total	<u><u>2,163,718</u></u>	<u><u>832,696</u></u>	<u><u>874,231</u></u>	<u><u>277,704</u></u>

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

As at 31 December 2021, the overseas subsidiaries have restricted bank deposits of USD 10.3 million or approximately Baht 343.2 million (2020: USD 4.7 million or approximately Baht 142.0 million) to secure mine reclamation of the overseas subsidiaries to government and for coal supply of the overseas subsidiaries.

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	209,565	98,390	223,300	118,026
Past due				
Up to 3 months	-	-	6,466	14,743
Total trade receivables - related parties	<u>209,565</u>	<u>98,390</u>	<u>229,766</u>	<u>132,769</u>
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	1,158,600	791,288	83,913	35,204
Past due				
Up to 3 months	242,576	8,137	-	-
Total	<u>1,401,176</u>	<u>799,425</u>	<u>83,913</u>	<u>35,204</u>
Less: Allowance for expected credit losses	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties, net	<u>1,401,142</u>	<u>799,425</u>	<u>83,913</u>	<u>35,204</u>
Total trade receivables - net	<u>1,610,707</u>	<u>897,815</u>	<u>313,679</u>	<u>167,973</u>
<b><u>Other receivables</u></b>				
Other receivables - related parties	-	-	7,989	16,736
Other receivables - unrelated parties	54,543	37,242	261	379
Interest receivable - unrelated parties	978	774	970	771
Total	<u>55,521</u>	<u>38,016</u>	<u>9,220</u>	<u>17,886</u>
Less: Allowance for expected credit losses	<u>(147)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other receivables - net	<u>55,374</u>	<u>38,016</u>	<u>9,220</u>	<u>17,886</u>
Total trade and other receivables - net	<u>1,666,081</u>	<u>935,831</u>	<u>322,899</u>	<u>185,859</u>

The overseas subsidiary has pledged its accounts receivable to secure credit facilities from the financial institutions. As at 31 December 2021, the balance of accounts receivable totaling Rupiah 90,000 million or approximately Baht 201.7 million (2020: Rupiah 90,000 million or approximately Baht 183.6 million) were pledged to secure such credit facilities.

## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Coal and work in process	422,241	170,651	(15,526)	-	406,715	170,651
Finished goods	20,101	12,262	(720)	-	19,381	12,262
Work in process	16,654	14,712	-	-	16,654	14,712
Raw materials	50,527	76,928	(19)	-	50,508	76,928
Supplies	21,150	23,825	(47)	-	21,103	23,825
Spare parts	11,164	3,943	-	-	11,164	3,943
<b>Total</b>	<b>541,837</b>	<b>302,321</b>	<b>(16,312)</b>	<b>-</b>	<b>525,525</b>	<b>302,321</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Coal and work in process	270,282	108,970	(15,526)	-	254,756	108,970
<b>Total</b>	<b>270,282</b>	<b>108,970</b>	<b>(15,526)</b>	<b>-</b>	<b>254,756</b>	<b>108,970</b>

During the current year, the Group reduced cost of inventories by Baht 16.3 million (the Company only: Baht 15.5 million), to reflect the net realisable value. This was included in cost of sales.

An overseas subsidiary has pledged its finished goods to secure credit facilities from the financial institutions. As at 31 December 2021, the balance of finished goods totaling Rupiah 10,000 million or approximately Baht 22.4 million (2020: Rupiah 10,000 million or approximately Baht 20.4 million) were pledged to secure such credit facilities.

## 10. Advance payments for goods

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Advance payments for goods - related parties	29,488	-	42,437	56,692
Advance payments for goods - unrelated parties	293,634	264,047	-	71,167
Total	323,122	264,047	42,237	127,859
Less: Allowance for impairment	(6,664)	(6,664)	-	-
Total advance payments for goods	<u>316,458</u>	<u>257,383</u>	<u>42,437</u>	<u>127,859</u>

## 11. Other current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>				
Fixed deposits	550,000	550,000	550,000	550,000
Others	30	22	7	13
<u>Debt instruments at FVTPL</u>				
Investments in General Fixed Income funds	1,069	1,065	-	-
Total other current financial assets	<u>551,099</u>	<u>551,087</u>	<u>550,007</u>	<u>550,013</u>

## 12. Investments in subsidiaries

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

Company's name	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received for the years ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(%)	(%)				
<b>Local subsidiaries</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	856,694	-
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	615,624	-
Total investment in subsidiaries					1,058,333	913,333	1,498,512	120,172
Less: Partial return on investment from subsidiary					(53,125)	-		
Less: Allowance for impairment of the investment					(160,996)	(8,197)		
Total investments in subsidiaries - net					844,212	905,136		

## **Overseas subsidiaries**

The Company has 3 overseas subsidiaries in which the Company has shareholding percentage between 55.00% and 99.95% and, as at 31 December 2021, such subsidiaries had unappropriated retained earnings of the Company's portion totaling USD 48.2 million or approximately Baht 1,586.6 million (2020: USD 37.5 million or approximately Baht 1,254.7 million). The Group may have obligations regarding withholding tax deducted at source in Indonesia when the subsidiaries pay dividends from such amount in the future.

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 year, 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 of 2021.

## **Local subsidiary**

### 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.

## **Investment in subsidiary from business combination**

### 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.

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 year ended 31 December 2020 (restated) included revenue and loss of SRT Power Pellet Company Limited as from the acquisition date as follows:

	(Unit: Million Baht)
Revenue	16.7
Loss	23.7

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

	(Unit: Million Baht)
Revenue	16.7
Loss	19.7

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 year 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.

SRT Power Pellet Company Limited

	(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
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 December 2021.

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

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	5,055
Increase in deferred tax assets	1,450
Decrease in unappropriated retained earnings	(5,801)
	(Unit: Thousand Baht)
	<u>2020</u>
<b>Consolidated income statement</b>	
Decrease in cost of sales	(926)
Increase in administrative expenses	6,629
Increase in income tax expenses	98
<b>Profit attributable to</b>	
Decrease in profit attributable to equity holders of the Company	(5,801)
<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.

During the year 2021, SRT Power Pellet Company Limited (“SRT”) ceased its operations due to a shortage of raw materials. On 20 December 2021, the Board of Directors Meeting of the Company passed a resolution approving the restructuring of SRT by transferring the business to Lanna Power Generation Company Limited (“LPG”) and approving the dissolution and liquidation of SRT after the transfer of SRT business to LPG has been completed in 2022. However, the Group’s management considers that there is uncertainty of the nature of business operations after the business transfer. Therefore, there is a decrease in recoverable amounts from the investment in LPG. In this regard, the management considers recognising an impairment loss on investment amounting to Baht 159.5 million in the separate financial statements.

In addition, there is uncertainty of recoverable amounts of goodwill from the acquisition of the wood pallet business. Therefore, the Group recognised an impairment loss in goodwill amounting to Baht 48.8 million in the consolidated financial statements.

12.2 Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Other comprehensive income allocated to non-controlling interests during the year		Translation adjustment allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<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>
	(%)	(%)										
Thai Agro Energy Public Co., Ltd.	49.00	49.00	835	881	(29)	35	-	(1)	-	-	(17)	(100)
PT. Singlurus Pratama	35.00	35.00	560	371	588	57	(1)	(1)	63	(4)	(461)	-
PT. Lanna Harita Indonesia	45.00	45.00	508	381	583	27	2	-	46	(3)	(504)	-

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Thai Agro Energy		PT. Singlurus		PT. Lanna Harita	
	Public Co., Ltd.		Pratama		Indonesia	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	637	527	1,490	900	1,940	1,032
Non-current assets	2,762	2,831	1,580	1,275	443	320
Current liabilities	(1,093)	(1,209)	(970)	(602)	(1,076)	(313)
Non-current liabilities	(600)	(350)	(294)	(308)	(169)	(195)

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December

	Thai Agro Energy		PT. Singlurus		PT. Lanna Harita	
	Public Co., Ltd.		Pratama		Indonesia	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue	2,208	2,409	6,896	3,734	5,602	2,463
Profit (loss)	(58)	70	1,682	162	1,308	60
Other comprehensive income	-	(2)	(2)	(4)	4	-
Total comprehensive income	(58)	68	1,680	158	1,312	60

Summarised information about cash flow

(Unit: Million Baht)

For the year ended 31 December

	Thai Agro Energy		PT. Singlurus		PT. Lanna Harita	
	Public Co., Ltd.		Pratama		Indonesia	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flow from (used in) operating activities	(63)	991	2,326	416	1,566	416
Cash flow used in investing activities	(88)	(159)	(591)	(402)	(82)	(66)
Cash flow from (used in) financing activities	161	(831)	(1,407)	5	(1,147)	(167)
Net increase in cash and cash equivalents	10	1	328	19	337	183

### 13. Investment in associated companies

#### 13.1 Detail of associated companies

(Unit: Thousand Baht)

Company's name	Nature of Business	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements	
		Carrying amounts based		on equity method		Cost			
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
				(%)	(%)				
United Bulk Shipping Pte. Ltd. (Incorporated in Singapore)	Shipping business and coal distribution	SGD 0.1 million	SGD 0.1 million	49	49	21,018	20,786	891	891
PT. Pesona Khatulistiwa Nusantara (Incorporated in Indonesia)	Manufacture and distribution of coal	Rp 580,891 million	-	10	-	152,025	-	58,437	-
Total						<u>173,043</u>	<u>20,786</u>	<u>59,328</u>	<u>891</u>

### 13.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit from investment in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in associate for the years ended 31 December		Share of other comprehensive income from investment in associate for the years ended 31 December		Dividend received for the years ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
United Bulk Shipping Pte. Ltd.	7,983	8,045	-	-	7,751	6,867
PT. Pesona Khatulistiwa Nusantara	93,588	-	-	-	-	-

Share of profit from the associated companies for the years ended 31 December 2021 and 2020 had been calculated from the financial statements prepared by the management of the associated companies and not being audited by their auditors.

The Company's management believes that the management accounts of the associated companies would not be significantly different from the account audited by its auditor.

### 13.3 Summarised financial information about material associate

#### Summarised information about financial position

(Unit: Million Baht)

	United Bulk Shipping Pte. Ltd.		PT. Pesona Khatulistiwa Nusantara	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	72	45	1,304	-
Current liabilities	(4)	(4)	(2,224)	-
Net assets	68	41	(920)	-
Carrying amounts of associates based on equity method	33	20	(92)	-

#### Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	United Bulk Shipping Pte. Ltd.		PT. Pesona Khatulistiwa Nusantara	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue	270	241	2,073	-
Profit	16	16	936	-
Other comprehensive income	-	-	-	-
Total comprehensive income	16	16	936	-

#### **14. 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.

## 15. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Cost	72,781	67,708	29,451	29,864
Adjustment from business combination (Note 12)	-	5,055	-	-
Less: Accumulated depreciation	(14,839)	(11,618)	-	-
Less: Allowance for impairment	(409)	-	-	-
Net book value - as restated	<u>57,533</u>	<u>61,145</u>	<u>29,451</u>	<u>29,864</u>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Net book value as at 31 December 2020				
- as restated	61,145	32,423	29,864	32,423
Increase from business combination - as restated	-	33,143	-	-
Disposals - net book value	(413)	(2,559)	(413)	(2,559)
Depreciation charged	(2,790)	(1,862)	-	-
Allowance for impairment	(409)	-	-	-
Net book value as at 31 December 2021	<u>57,533</u>	<u>61,145</u>	<u>29,451</u>	<u>29,864</u>

As at 31 December 2021, the Company had investment properties, which mainly are plots of land of Paka mine, with an aggregate net book value of approximately Baht 29.4 million (2020: Baht 29.9 million) and land and building of the local subsidiary with an aggregate net book value of approximately Baht 28.1 million (2020: 26.2 million). The Group is considering making use and/or selling such assets to other parties.

The additional information of the investment properties as at 31 December 2021 and 2020 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
The fair value of land awaiting sales	45.0	48.0	45.0	48.0
The fair value of land and building	31.0	31.6	-	-

The fair value of the investment properties determined based on the price appraised by the Department of Land and the valuation performed by an accredited independent valuer. The fair value of land and building has been determined using the cost approach.

#### 16. Biological assets

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Balance as at 1 January 2021</b>	<u>6,459</u>
Increase due to cost of planting	<u>5,118</u>
<b>Balance as at 31 December 2021</b>	<u><u>11,577</u></u>

## 17. Property, plant and equipment

### Consolidated financial statements

(Unit: Thousand Baht)

	Land	Ore	Land and building improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>									
31 December 2019	435,256	65,045	190,306	1,303,152	3,305,452	97,018	55,610	929,410	6,381,249
Adjustments due to first time adoption of TFRS16	-	-	-	-	-	(272)	(19,819)	-	(20,091)
Increase from business combination	-	-	12,739	1,449	62,342	67	-	1,376	77,973
Additions	-	-	7,099	4,084	31,487	7,079	345	197,262	247,356
Disposals/write-off	-	-	-	(126)	(8,373)	(4,657)	(2,011)	-	(15,167)
Transfer in (transfer out)	-	-	1,753	3,699	521,670	229	572	(578,594)	(50,671)
Translation adjustment	(61)	-	(61)	(2,692)	(1,732)	(162)	(52)	(1,948)	(6,708)
31 December 2020	435,195	65,045	211,836	1,309,566	3,910,846	99,302	34,645	547,506	6,613,941
Adjustment from business combination (Note 12)	-	-	(753)	-	(12,494)	19	-	-	(13,228)
31 December 2020 - as stated	435,195	65,045	211,083	1,309,566	3,898,352	99,321	34,645	547,506	6,600,713
Additions	-	-	2,304	2,773	17,492	7,968	1,355	108,570	140,462
Disposals/write-off	-	(1,149)	-	-	(4,156)	(3,354)	(3,836)	(52)	(12,547)
Transfer in (transfer out)	-	-	8,363	18,691	41,735	381	-	(69,170)	-
Translation adjustment	1,780	-	1,784	78,035	105,830	4,571	1,491	3,378	196,869
31 December 2021	436,975	63,896	223,534	1,409,065	4,059,253	108,887	33,655	590,232	6,925,497

(Unit: Thousand Baht)

	Land	Ore	Land and building improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Accumulated depreciation</b>									
31 December 2019	-	65,045	54,459	461,601	1,479,845	82,197	32,080	-	2,175,227
Adjustments due to first time adoption of TFRS16	-	-	-	-	-	(127)	(7,023)	-	(7,150)
Depreciation for the year	-	-	8,155	95,757	195,723	6,640	2,045	-	308,320
Accumulated depreciation of the disposal/written-off	-	-	-	(54)	(6,562)	(4,456)	(1,439)	-	(12,511)
Translation adjustment	-	-	(62)	(1,255)	(1,160)	(140)	(34)	-	(2,651)
31 December 2020	-	65,045	62,552	556,049	1,667,846	84,114	25,629	-	2,461,235
Adjustment from business combination (Note 12)	-	-	(60)	-	(866)	4	-	-	(922)
31 December 2020 - as restated	-	65,045	62,492	556,049	1,666,980	84,118	25,629	-	2,460,313
Depreciation for the year	-	-	8,364	103,513	200,902	7,191	2,241	-	322,211
Accumulated depreciation of the disposal/written-off	-	(1,149)	-	-	(4,156)	(2,866)	(2,648)	-	(10,819)
Translation adjustment	-	-	1,784	43,846	38,811	3,873	1,091	-	89,405
31 December 2021	-	63,896	72,640	703,408	1,902,537	92,316	26,313	-	2,861,110
<b>Allowance for impairment loss:</b>									
31 December 2019	-	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	11,033	5,240	14,488	-	-	-	30,761
31 December 2021	-	-	11,033	5,240	14,488	-	-	-	30,761
<b>Net book value</b>									
31 December 2020 - restated	435,195	-	148,591	753,517	2,231,372	15,203	9,016	547,506	4,140,400
31 December 2021	436,975	-	139,861	700,417	2,142,228	16,571	7,342	590,232	4,033,626
<b>Depreciation for the year</b>									
2020 (Baht 231 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)									308,320
2021 (Baht 226 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)									322,211

## Separate financial statements

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>									
1 January 2020	180,000	65,045	106,739	45,984	124,770	27,500	6,381	1,593	558,012
Additions	-	-	-	-	3,091	2,052	-	6,254	11,397
Transfer in (transfer out)	-	-	4,564	-	-	-	-	(4,675)	(111)
Disposal/write-off	-	-	-	-	(8,146)	(308)	(1,439)	-	(9,893)
31 December 2020	180,000	65,045	111,303	45,984	119,715	29,244	4,942	3,172	559,405
Additions	-	-	2,233	1,676	6,206	1,763	-	5,559	17,437
Transfer in (transfer out)	-	-	72	-	-	-	-	(72)	-
Disposal/write-off	-	(1,149)	-	-	-	(1,829)	-	-	(2,978)
31 December 2021	180,000	63,896	113,608	47,660	125,921	29,178	4,942	8,659	573,864
<b>Accumulated depreciation</b>									
1 January 2020	-	65,045	38,553	11,523	79,630	23,403	2,992	-	221,146
Depreciation for the year	-	-	7,131	2,328	5,493	2,181	357	-	17,490
Accumulated depreciation of the disposal/written-off	-	-	-	-	(6,335)	(292)	(1,439)	-	(8,066)
31 December 2020	-	65,045	45,684	13,851	78,788	25,292	1,910	-	230,570
Depreciation for the year	-	-	6,637	2,343	5,692	2,110	357	-	17,139
Accumulated depreciation of the disposal/written-off	-	(1,149)	-	-	-	(1,826)	-	-	(2,975)
31 December 2021	-	63,896	52,321	16,194	84,480	25,576	2,267	-	244,734

(Unit: Thousand Baht)

	Land	Ore	Land improvement	Building and amenities	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Allowance for impairment loss:</b>									
1 January 2020	-	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	1,126	4,188	-	-	-	5,314
31 December 2021	-	-	-	1,126	4,188	-	-	-	5,314
<b>Net book value</b>									
31 December 2020	180,000	-	65,619	32,133	40,927	3,952	3,032	3,172	328,835
31 December 2021	180,000	-	61,287	30,340	37,253	3,602	2,675	8,659	323,816
<b>Depreciation for the year</b>									
2020 (included in selling, distribution and administrative expenses)									17,490
2021 (included in selling, distribution and administrative expenses)									17,139

As at 31 December 2021, a local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 387.1 million (2020: Baht 381.8 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 4.2 million were capitalised during the year (2020: Baht 7.3 million). The weighted average rate of 2.1 to 2.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (2020: 2.3 to 3.1 percent per annum).

The local subsidiaries have mortgaged part of their land and construction thereon and machinery with net book value as at 31 December 2021 amounting to approximately Baht 1,314 million (2020: Baht 1,469 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 22 and 25.

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 31 December 2021 amounting to approximately USD 20.1 million or equivalent to Baht 670.9 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 22 and 25.

As at 31 December 2021, the Company and subsidiaries had certain plant and equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 648 million (2020: Baht 599 million) (the Company only: Baht 101 million (2020: Baht 100 million)).

## 18. Leases

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 7 years.

### 18.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land, buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
1 January 2020	50,878	792	145	33,463	85,278
Increase from business combination	3,964	521	-	-	4,485
Additions	5,502	-	200	14,529	20,231
Write-off	-	-	-	(911)	(911)
Transfer out	-	-	-	(572)	(572)
Adjustment from reassessment	9,141	-	-	-	9,141
Depreciation for the year	(13,411)	(421)	(81)	(18,396)	(32,309)
Translation adjustment	(24)	-	-	(37)	(61)
31 December 2020	56,050	892	264	28,076	85,282
Additions	7,881	-	-	31,747	39,628
Write-off - net book value at write-off date	(3,627)	(224)	-	(274)	(4,125)
Depreciation for the year	(14,189)	(223)	(94)	(17,918)	(32,424)
Translation adjustment	975	-	-	549	1,524
31 December 2021	47,090	445	170	42,180	89,885

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings	Motor vehicles	Total
1 January 2020	33,089	10,050	43,139
Additions	-	4,544	4,544
Depreciation for the year	(5,515)	(6,064)	(11,579)
31 December 2020	27,574	8,530	36,104
Additions	953	19,580	20,533
Depreciation for the year	(6,175)	(5,829)	(12,004)
31 December 2021	22,352	22,281	44,633

## 18.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	102,005	93,630	52,358	41,985
Less: Deferred interest expenses	(9,046)	(8,495)	(6,209)	(5,125)
Total	92,959	85,135	46,149	36,860
Less: Portion due within one year	(30,423)	(24,270)	(11,255)	(8,749)
Lease liabilities - net of current portion	<u>62,536</u>	<u>60,865</u>	<u>34,894</u>	<u>28,111</u>

Movements of lease liabilities for the year ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	85,135	83,825	36,860	43,139
Increase from business combination	-	4,504	-	-
Additions during the year	39,628	18,934	20,533	4,544
Accretion of interest	4,646	4,807	2,363	2,153
Adjustment from reassessment	-	9,141	-	-
Payment during the year	(33,657)	(33,781)	(13,607)	(12,976)
Decrease from contract cancellation	(4,662)	(1,006)	-	-
Translation adjustment	1,869	(1,289)	-	-
Balance at end of year	<u>92,959</u>	<u>85,135</u>	<u>46,149</u>	<u>36,860</u>

A maturity analysis of lease payments is disclosed in Note 42.2 under the liquidity risk.

### 18.3 Expenses relating to leases that are recognised in income statement

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	32,424	32,309	12,004	11,579
Interest expenses on lease liabilities	4,646	4,807	2,363	2,153
Expenses relating to short-term leases	1,852	2,011	587	160
Expenses relating to leases of low-value assets	176	219	117	77
Expenses relating to variable lease payments that do not depend on an index or a rate	11	65	-	-

### 18.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 34.8 million (2020: Baht 36.1 million) (the Company only: Baht 14.3 million 2020: Baht 13.2 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

### 19. Goodwill

Movements in the goodwill account during the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)
Book value as at 31 December 2020	234,769
Less: Allowance for impairment loss	<u>(48,769)</u>
Book value as at 31 December 2021	<u>186,000</u>

The Company has determined recoverable amounts of its cash-generating units (CGUs) based on value in use using cash flow projections from financial budgets approved by the management.

Key assumptions used in value in use calculations summarise as follows:

	(Unit: Percent per annum)
Terminal growth rate	1
Discount rate	14

The management has considered the growth rate from policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax which relate to the specific risk in that operating segment.

## 20. Intangible assets

Details of intangible assets are as follows:

### Consolidated financial statements

	(Unit: Thousand Baht)		
	Computer software	Deferred transferred service fees according to contract	Total
<b>Cost</b>			
31 December 2019	20,635	191,939	212,574
Additions	833	-	833
Transfer in during the year	111	-	111
Translation adjustment	(12)	-	(12)
31 December 2020	21,567	191,939	213,506
Additions	1,783	-	1,783
Disposal	(37)	-	(37)
Translation adjustment	344	-	344
31 December 2021	23,657	191,939	215,596
<b>Accumulated amortisation</b>			
31 December 2019	16,987	38,597	55,584
Amortisation for the year	1,830	25,012	26,842
Translation adjustment	(12)	-	(12)
31 December 2020	18,805	63,609	82,414
Amortisation for the year	1,363	24,854	26,217
Disposal	(37)	-	(37)
Translation adjustment	344	-	344
31 December 2021	20,475	88,463	108,938
<b>Allowance for impairment loss</b>			
31 December 2019	-	-	-
31 December 2020	-	-	-
Increase during the year	85	-	85
31 December 2021	85	-	85
<b>Net book value</b>			
31 December 2020	2,762	128,330	131,092
31 December 2021	3,097	103,476	106,573

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(Unit: Thousand Baht)

	Computer software	Deferred transferred service fees according to contract	Total
<b>Cost</b>			
1 January 2020	8,220	191,939	200,159
Additions	354	-	354
Transfer in during the year	111	-	111
31 December 2020	8,685	191,939	200,624
Additions	155	-	155
Disposal	(37)	-	(37)
31 December 2021	8,803	191,939	200,742
<b>Accumulated amortisation</b>			
1 January 2020	6,587	38,597	45,184
Amortisation for the year	935	25,012	25,947
31 December 2020	7,522	63,609	71,131
Amortisation for the year	656	24,854	25,510
Disposal	(37)	-	(37)
31 December 2021	8,141	88,463	96,604
<b>Net book value</b>			
31 December 2020	1,163	128,330	129,493
31 December 2021	662	103,476	104,138

### **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.

## 21. Other non-current assets

Other non-current assets have been shown net of related accumulated amortisation as at 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Deferred expenses - Indonesia coal mine project	216,727	188,161
Deferred stripping costs	474,976	285,391
Others	-	1,257
Total other non-current assets	<u>691,703</u>	<u>474,809</u>
Amortisation expenses for the year	<u>467,857</u>	<u>443,405</u>

### Deferred expenses - Indonesia coal mine project

A reconciliation of the net book value of deferred expenses - Indonesia coal mine project for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Exploration and evaluation assets	Deferred exploration and development costs	Total
As at 31 December 2019	2,896	152,976	155,872
Increase during the year	-	2,348	2,348
Transfer in	-	51,132	51,132
Amortisation for the year	-	(20,586)	(20,586)
Translation adjustment	(11)	(594)	(605)
As at 31 December 2020	<u>2,885</u>	<u>185,276</u>	<u>188,161</u>
Increase during the year	-	31,211	31,211
Amortisation for the year	-	(23,836)	(23,836)
Translation adjustment	325	20,866	21,191
As at 31 December 2021	<u>3,210</u>	<u>213,517</u>	<u>216,727</u>

## Deferred stripping costs

A reconciliation of the net book value of deferred stripping costs for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	285,391	323,689
Increase during the year	601,465	385,777
Amortisation for the year	(444,021)	(422,819)
Translation adjustment	32,141	(1,256)
Net book value at end of year	<u>474,976</u>	<u>285,391</u>

## 22. Short-term loans from financial institutions

	Interest rate		(Unit: Thousand Baht)	
	(percent per annum)		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Promissory notes	2.67 - 2.88	2.67 - 2.75	763,613	588,405
Trust receipts	-	2.24 - 2.68	-	326,925
Bill of purchasing line	-	1.78	-	61,976
Total			<u>763,613</u>	<u>977,306</u>

Movements in short-term loans from financial institutions during the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>statements</u>
Balance as at 31 December 2020	977,306
Add: Increase during the year	3,869,016
Less: Repayment during the year	<u>(4,082,709)</u>
Balance as at 31 December 2021	<u>763,613</u>

Credit facilities are secured by the mortgage of part of the subsidiary's land and construction thereon and machinery as discussed in Note 17.

As at 31 December 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 935.8 million and Baht 996.4 million totaling of Baht 1,932.2 million (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).

### 23. Short-term loans

As at 31 December 2020, the local subsidiary had short-term loans from individuals and unrelated company in form of promissory note of Baht 17.4 million and accrued interest expenses of Baht 4.0 million. The carrying interest of loan from individuals is at 2.0 percent per annum and no interest for loan from unrelated company. The loans are unsecured and are due for repayment at call.

On 30 July 2021, the local subsidiary entered into an agreement with individuals and an unrelated company whereby the individuals and unrelated company are to forgive short-term loans together with accrued interest totaling Baht 21.7 million. The subsidiary therefore reversed the short-term loans from the individuals and unrelated company and recognised profit from debt forgiveness in the income statement for the year ended 31 December 2021.

### 24. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	424,254	418,983	46,796	27,948
Other payables - unrelated parties	105,452	62,061	6,778	5,245
Derivative liabilities	106	100	106	100
Total trade and other payables	<u>529,812</u>	<u>481,144</u>	<u>53,680</u>	<u>33,293</u>

## 25. Long-term loans from financial institution

				(Unit: Thousand Baht)	
				Consolidated	
				financial statements	
				As at 31 December	
No.	Credit facilities (Million Baht)	Interest rate (percent per annum)	Repayment schedule	2021	2020
1	418.0	3M THBFIX + 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 subsidiary withdrew the loan (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.	196,591	280,503
2	300.0	3M THBFIX + 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 Company withdrew the loan (15 November 2018). The principal is repayable in 10 semi-annually installments of Baht 30 million each and interest is repayable every 3 months.	119,856	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.	94,833	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.	499,413	-
<b>Total</b>				<b>910,693</b>	<b>666,612</b>
<b>Less: Current portion</b>				<b>(291,605)</b>	<b>(190,134)</b>
<b>Long-term loans, net of current portion</b>				<b>619,088</b>	<b>476,478</b>



## 26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Group, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Provision for long-term employee benefits at beginning of year</b>	268,141	252,810	48,802	45,653
Included in income statement:				
Current service cost	16,450	23,153	2,854	2,502
Interest cost	13,385	13,449	638	647
Past service costs	(26,613)	(7,579)	-	-
Included in statement of comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(4,555)	(16)	(4,555)	-
Financial assumptions changes	(3,769)	5,632	3,562	-
Experience adjustments	622	3,604	(3,715)	-
Benefits paid during the year	(80,750)	(19,772)	-	-
Translation adjustment	20,779	(3,140)	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>203,690</b>	<b>268,141</b>	<b>47,586</b>	<b>48,802</b>

The Group expects to pay Baht 52.2 million of long-term employee benefits during the next year (2020: Baht 51.4 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 2 - 15 years (the Company only: 10 years) (2020: 2 - 14 years, the Company only: 12 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.64 - 7.55	1.64 - 7.34	1.36	1.52
Salary increase rate	5.00 - 8.00	5.00 - 8.00	5.73	6.34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2021					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in overseas		financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5% - 1.0%	0.5% - 1.0%	1.0%	1.0%	0.5%	0.5%
Discount rate	(1,783)	1,889	(7,019)	7,794	(1,408)	1,483
Salary increase rate	2,499	(2,320)	7,851	(7,189)	1,637	(1,568)

(Unit: Thousand Baht)

	As at 31 December 2020					
	Consolidated financial statements				Separate	
	The group in Thailand		The group in overseas		financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5% - 1.0%	0.5% - 1.0%	1.0%	1.0%	0.5%	0.5%
Discount rate	(2,295)	2,452	(10,955)	12,175	(1,923)	2,049
Salary increase rate	2,978	(2,764)	12,052	(11,040)	2,204	(2,085)

## 27. Provision for mine reclamation and decommissioning costs

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for		Total
	Provision for mine reclamation	decommissioning costs	
As at 31 December 2019	66,967	20,235	87,202
Increase during the year	29,865	-	29,865
Decrease from actual paid	(19,098)	-	(19,098)
Translation adjustment	(868)	(370)	(1,238)
As at 31 December 2020	76,866	19,865	96,731
Increase during the year	47,238	-	47,238
Decrease from actual paid	(28,588)	-	(28,588)
Translation adjustment	7,626	1,983	9,609
As at 31 December 2021	103,142	21,848	124,990

## 28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 29. Provident fund

The Group and their employees jointly established a provident fund, in accordance with the Provident Fund Act B.E. 2530. The fund is contributed by employees at a rate of 5% of their basic salaries and the Group also contribute a certain amount. The fund, which is managed by the Bank of Ayudhaya Public Co., Ltd., will be paid to employee upon termination in accordance with the fund rules of the Group. The contributions of the Group for the year 2021 amounting to Baht 9.2 million (the Company only: Baht 5.7 million) (2020: Baht 9.0 million (the Company only: Baht 5.2 million)) were recognised as expenses.

## 30. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest income at amortised cost	14,286	12,540	4,368	2,443
Interest received from debt instruments measured at FVTPL	-	1,331	-	1,331
<b>Total</b>	<b>14,286</b>	<b>13,871</b>	<b>4,368</b>	<b>3,774</b>

## 31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	45,304	51,096	-	-
Interest expenses on mine reclamation	3,368	2,497	-	-
Interest expenses on lease liabilities	4,646	4,807	2,363	2,153
<b>Total</b>	<b>53,318</b>	<b>58,400</b>	<b>2,363</b>	<b>2,153</b>

## 32. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Purchase of finished goods	1,174,185	696,973	1,575,441	1,098,229
Raw materials and consumables used	1,851,667	1,781,576	-	-
Changes in inventories of finished goods and work in process decrease (increase)	(261,371)	189,419	(161,312)	31,304
Royalty fee	1,617,123	703,730	-	-
Freight and transportation of goods expenses	1,123,161	774,793	73,462	95,817
Coal winning and conveyance expenses	3,252,935	2,089,279	-	-
Depreciation and amortisation expenses	852,755	812,756	54,653	55,015
Reduction of inventories to net realisable value	16,312	-	15,526	-
Allowance for impairment of the investment in subsidiaries	-	-	152,799	-
Allowance for impairment loss of goodwill	48,769	6,194	-	-
Allowance for impairment loss on assets	31,255	-	5,314	-
Salaries, wages and other employee benefits	389,032	244,718	69,801	50,635
Management benefit expenses	272,932	165,820	57,322	42,489
Electricity and fuel expenses	98,535	131,279	6,931	6,638
Repair and maintenance expenses	64,500	66,725	6,994	5,404
Loss on exchange	-	3,732	-	-

### 33. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
<b>Current income tax:</b>				
Current income tax charge	1,210,648	135,630	-	43,253
Adjustment in respect of income tax of previous year	3,236	27,810	-	182
Withholding tax deducted at source recognised as expenses during the year	49,984	3,124	337,905	3,124
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	313,516	10,145	(34,134)	(1,955)
<b>Income tax expenses reported in income statements</b>	<u>1,577,384</u>	<u>179,709</u>	<u>303,771</u>	<u>44,604</u>

The amount of income tax related to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follow:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain (loss)	<u>1,840</u>	<u>(2,410)</u>	<u>942</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Accounting profit before tax	4,294,313	582,472	1,476,686	336,487
Applicable tax rate	10% - 30%	10% - 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,265,524	143,330	295,337	67,297
Adjustment in respect of income tax of previous year	3,236	27,810	-	182
Withholding tax deducted at source recognised as expenses during the year	49,984	3,124	337,905	3,124
Effects of:				
Promotional privileges (Note 34)	-	(18,043)	-	-
Non-deductible expenses	21,930	12,857	3,519	3,105
Income not subject to tax	(26,864)	(16,392)	(301,253)	(25,408)
Additional expense deductions allowed	(3,213)	(3,799)	(3,094)	(3,071)
Taxable withholding tax deducted at source expenses	(59,226)	(625)	(59,226)	(625)
Previously unrecognised temporary differences	(952)	-	-	-
Others	346	856	-	-
Total	(67,979)	(25,146)	(360,054)	(25,999)
Investments in subsidiaries	282,770	24,193	-	-
Deductible temporary differences and unrecognised tax loss as deferred tax assets	43,858	3,249	30,583	-
Translation adjustment	(9)	149	-	-
Income tax expenses reported in income statements	<u>1,577,384</u>	<u>176,709</u>	<u>303,771</u>	<u>44,604</u>

A reconciliation of the book value of deferred tax assets and deferred tax liabilities for the years ended 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	As at 31 December 2020	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2021	As at 1 January 2021	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2021
	(Restated)								
<b>Deferred tax assets</b>									
Provision for long-term employee benefits	75,165	(23,164)	(1,840)	5,551	55,712	9,761	699	(942)	9,518
Reduction of inventories to net realisable value	-	3,224	-	-	3,224	-	3,105	-	3,105
Allowance for impairment loss of investment in subsidiary	-	-	-	-	-	1,639	30,560	-	32,199
Accumulated depreciation - ore, plant and equipment	18,887	(1,219)	-	577	18,245	13,009	(230)	-	12,779
Inventories	(2,522)	18,107	-	51	15,636	-	-	-	-
Government grants	5,111	(1,061)	-	-	4,050	-	-	-	-
Lease liabilities	(34,218)	12,566	-	(4,039)	(25,691)	-	-	-	-
Property, plant and equipment and investment properties	-	3,397	-	-	3,397	-	-	-	-
Unrecognised tax loss	16,449	5,235	-	-	21,684	-	-	-	-
Provision for domestic market sales obligation penalty	-	15,836	-	472	16,308	-	-	-	-
Decrease in assets from fair value adjustment from the acquisition	1,450	(177)	-	-	1,273	-	-	-	-
<b>Total</b>	<b>80,322</b>	<b>32,744</b>	<b>(1,840)</b>	<b>2,612</b>	<b>113,838</b>	<b>24,409</b>	<b>34,134</b>	<b>(942)</b>	<b>57,601</b>

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	As at 31 December 2020	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2021	As at 1 January 2021	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2021
	(Restated)								
<b>Deferred tax liabilities</b>									
Accumulated amortisation - deferred exploration and development costs and deferred stripping costs	111,814	54,178	-	13,234	179,226	-	-	-	-
Investments in subsidiaries	96,323	2,023	-	-	98,346	-	-	-	-
Accumulated depreciation - machinery	3,421	(272)	-	-	3,149	-	-	-	-
Accumulated depreciation - right-of-use assets	2,017	2,410	-	(11)	4,416	-	-	-	-
Total	213,575	58,339	-	13,223	285,137	-	-	-	-
<b>Deferred tax assets (liabilities) - net</b>	<u>(133,253)</u>				<u>(171,299)</u>	<u>24,409</u>			<u>57,601</u>
Deferred tax assets					55,034				57,601
Deferred tax liabilities					<u>(226,333)</u>				-
<b>Deferred tax assets (liabilities) - net</b>					<u>(171,299)</u>				<u>57,601</u>

(Unit: Thousand Baht)

	Consolidated financial statements						Separate financial statements				
	As at 31 December 2019	Increase from business combination	Adjustment from business combination	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2020	As at 1 January 2020	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2020
							(Restated)				
<b>Deferred tax assets</b>											
Provision for long-term employee benefits	70,627	-	-	2,518	2,410	(390)	75,165	9,131	630	-	9,761
Allowance for impairment loss of investment in subsidiary	-	-	-	-	-	-	-	-	1,639	-	1,639
Accumulated depreciation - ore, plant and equipment	19,530	-	-	(601)	-	(42)	18,887	13,009	-	-	13,009
Inventories	9,705	-	-	(13,599)	-	1,372	(2,522)	-	-	-	-
Government grants	5,256	-	-	(145)	-	-	5,111	-	-	-	-
Lease liabilities	(45,120)	-	-	12,122	-	(1,220)	(34,218)	-	-	-	-
Unrecognised tax loss	-	8,348	-	8,101	-	-	16,449	-	-	-	-
Decrease in assets from fair value adjustment from the acquisition	-	-	1,548	(98)	-	-	1,450	-	-	-	-
Others	1,520	-	-	(1,520)	-	-	-	314	(314)	-	-
<b>Total</b>	<b>61,518</b>	<b>8,348</b>	<b>1,548</b>	<b>6,778</b>	<b>2,410</b>	<b>(280)</b>	<b>80,322</b>	<b>22,454</b>	<b>1,955</b>	<b>-</b>	<b>24,409</b>

(Unit: Thousand Baht)

	Consolidated financial statements						Separate financial statements				
	As at 31 December 2019	Increase from business combination	Adjustment from business combination	Recognise to income statement	Recognise to statement of comprehensive income	Translation adjustment	As at 31 December 2020	As at 1 January 2020	Recognise to income statement	Recognise to statement of comprehensive income	As at 31 December 2020
							(Restated)				
<b>Deferred tax liabilities</b>											
Accumulated amortisation - deferred exploration and development costs and deferred stripping costs	118,038	-	-	(3,893)	-	(2,331)	111,814	-	-	-	-
Investments in subsidiaries	74,248	-	-	22,075	-	-	96,323	-	-	-	-
Accumulated depreciation - machinery	3,421	-	-	-	-	-	3,421	-	-	-	-
Accumulated depreciation - right- of-use assets	1,155	-	-	845	-	17	2,017	-	-	-	-
Total	196,862	-	-	19,027	-	(2,314)	213,575	-	-	-	-
<b>Deferred tax assets (liabilities) - net</b>	<b>(135,344)</b>						<b>(133,253)</b>	<b>22,454</b>			<b>24,409</b>
Deferred tax assets							54,398				24,409
Deferred tax liabilities							(187,651)				-
<b>Deferred tax assets (liabilities) - net</b>							<b>(133,253)</b>				<b>24,409</b>

As at 31 December 2021, the Group have deductible temporary differences and unused tax losses totaling Baht 298.6 million (the Company only: Baht 152.9 million) (2020: Baht 66.0 million), on which deferred tax assets have not been recognised as the Group believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 268.2 million will expire by year 2026.

### 34. Promotional privileges

Thai Agro Energy Public Company Limited, a subsidiary, has been granted the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Certificate No.	2078(9)/2551	62-0394-1-04-1-0
Date	19 November 2008	22 April 2019
1. Promotional privileges for	Manufacture of ethanol (99.5%)	Manufacture of alcohol
2. Significant privileges		
2.1 Exemption from corporate income tax on income derived from the promoted operations (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the promoted operations throughout the period in which the corporate income tax is exempted.	8 years (expired on 1 April 2020)	3 years or not exceed 50 percent of the investment (will expire on 22 April 2022)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years	5 years
2.3 Exemption from import duty on raw and essential materials or products used for manufacture for export commencing from the first import date.	1 year	-
3. Date of first earning operating income	2 April 2012	23 April 2019

As a promoted company, the subsidiary has to comply with certain conditions and restrictions provided for in the promotional certificate.

The subsidiary's operating revenues for the years ended 31 December 2021 and 2020 were domestic sales, which were divided between promoted and non-promoted operations, are summarised below:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Revenues from sales		
Promoted operations	606,998	1,321,471
Non-promoted operations	1,600,299	1,084,520
Total	<u>2,207,297</u>	<u>2,405,991</u>

### 35. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

### 36. Dividend paid

Dividends paid by the Group for the years ended 31 December 2021 and 2020 are as follows:

#### The Company

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b><u>2021</u></b>				
Final dividends for 2020	Annual General Meeting of the shareholders on 19 April 2021	157,500	0.30	18 May 2021
Interim dividends	Board of Directors' meeting on 18 October 2021	315,000	0.60	16 November 2021
Total		<u>472,500</u>	<u>0.90</u>	
<b><u>2020</u></b>				
Interim dividends	Board of Directors' meeting on 8 April 2020	157,500	0.30	7 May 2020
Interim dividends	Board of Directors' meeting on 19 October 2020	78,750	0.15	18 November 2020
Total		<u>236,250</u>	<u>0.45</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).

## Local subsidiary

### Thai Agro Energy Public Company Limited

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<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		34,999	0.035	
<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		205,000	0.205	

During the year 2021, the Company received dividend income at 51 percent for a total of Baht 17.9 million (2020: Baht 104.6 million).

### Overseas 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
The second interim dividends for 2021	Board of Directors' meeting on 8 December 2021	20,000	2,500.0	8 December 2021
Total		34,020	4,252.5	

During the year 2021, the Company recorded dividend income at 55 percent for a total of USD 18.7 million or equivalent to Baht 615.6 million. The Company had been withheld the withholding tax deducted at source of Baht 123.1 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>				
Dividend for 2019	Annual General Meeting of shareholders on 15 July 2020	504	24	16 September 2020
Total		504	24	

During the year 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**

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<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
The second interim dividends for 2021	Board of Directors' meeting on 8 December 2021	20,000	1,905	8 December 2021
Total		40,000	3,809	

During the year 2021, the Company recorded dividend income at 65 percent for a total of USD 26.0 million or equivalent to Baht 856.7 million. The Company had been withheld the withholding tax deducted at source of Baht 171.3 million.

### **37. Segment information**

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

For management purposes, the Group are organised into business units based on its products, in which the Group recognised revenue at the point in time, and have five reportable segments as follows:

1. Domestic coal segment, which purchases and sells of coal
2. Overseas coal segment, which produces and sells of coal
3. Ethanol segment, which produces and sells of ethanol
4. Wood pellet segment, which produces and sells of wood pellet
5. Soil conditioner segment

During the current year, the Group has added a reportable segment, which is Wood pellet. In addition, the operation of the soil conditioner segment for the current year is insignificant.

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

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

	For the years ended 31 December															
	Domestic		Overseas		Ethanol business				Wood Pellet		Total segments		Adjustments and		Consolidated	
	coal business		coal business		Ethanol business		business				eliminations					
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
								(Restated)	(Restated)				(Restated)			
Revenue from external customers	1,568	1,366	11,959	5,739	2,207	2,406	-	1	15,734	9,512	-	-	15,734	9,512		
Inter-segment revenue	282	260	442	401	-	-	2	18	726	679	(726)	(679)	-	-		
Finance income	4	4	10	10	-	-	1	-	15	14	(1)	-	14	14		
Finance cost	2	2	11	13	37	40	4	3	54	58	(1)	-	53	58		
Depreciation and amortisation	55	55	615	572	171	176	13	11	854	814	(1)	(1)	853	813		
Share of profit from investment in associated companies accounted for by the equity method	102	8	-	-	-	-	-	-	102	8	-	-	102	8		
Income tax expenses	304	45	1,256	109	(15)	6	7	(7)	1,552	153	25	24	1,577	177		
<b>Segment profit (loss)</b>	<b>420</b>	<b>497</b>	<b>7,763</b>	<b>2,436</b>	<b>65</b>	<b>199</b>	<b>(2)</b>	<b>(9)</b>	<b>8,246</b>	<b>3,123</b>	<b>(303)</b>	<b>(251)</b>	<b>7,943</b>	<b>2,872</b>		
<b>Segment total assets</b>	<b>3,815</b>	<b>3,059</b>	<b>5,471</b>	<b>3,605</b>	<b>3,398</b>	<b>3,358</b>	<b>329</b>	<b>279</b>	<b>13,013</b>	<b>10,301</b>	<b>(981)</b>	<b>(1,050)</b>	<b>12,032</b>	<b>9,251</b>		
Investment in associated companies accounted for by equity method	173	21	-	-	-	-	-	-	173	21	-	-	173	21		
Additions to non-current assets other than financial instruments and deferred tax assets	(183)	(84)	236	(90)	(85)	(5)	(88)	155	(120)	(24)	2	8	(118)	(16)		

## Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
		(Restated)
Revenue from external customers		
Thailand	4,001,215	4,055,903
India	6,722,724	3,630,632
Singapore	1,611,022	854,695
Indonesia	1,707,789	298,517
China	604,005	270,099
Dubai	512,754	328,708
Others	574,961	73,312
Total	<u>15,734,470</u>	<u>9,511,866</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	3,501,392	3,855,077
Indonesia	1,675,505	1,439,528
Total	<u>5,176,897</u>	<u>5,294,605</u>

## Major customers

During the year 2021, the Group has revenue from 5 major customers in amount of Baht 6,078 million and Baht 2,029 million, arising from sales by the coal business and ethanol business, respectively (2020: revenue from 5 major customers in amount of Baht 3,027 million and Baht 1,150 million, arising from sales by the coal business and ethanol business, respectively).

### **38. Significant contracts and agreements**

38.1 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.

38.2 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.

38.3 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.

## 39. Commitments and contingent liabilities

### 39.1 Capital commitments

As at 31 December 2021, the Group had capital commitments of Baht 24.4 million, relating to acquisition and installation of machine and 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 assessment of environmental impact on the construction of the Company's jetty, the construction of the subsidiaries' construction of Vinasse Evaporation Plant and other construction projects.)

### 39.2 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 between 1 and 5 years. As at 31 December 2021 and 2020, future minimum payments under these agreements are as follows:

(Unit: Million Baht)

Payable	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
In up to 1 year	2.2	2.7	0.4	0.3
In over 1 year and up to 5 years	0.8	-	0.8	-

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for finance and management and other consulting of Baht 23.1 million (the Company only: Baht 21.6 million) (2020: Baht 20.1 million (the Company only: Baht 20.1 million)).
- c) The Company had commitments 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 agreement.
- 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.

### **39.3 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.

### **39.4 Guarantees**

As at 31 December 2021, the Group had bank guarantees of approximately Baht 6 million and Rupiah 19,990 million (the Company only: Baht 0.9 million) (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.

## **40. 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.

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. In addition, on 21 January 2022, the court ordered the debtor, a government agency, to submit the funds as they had been withheld to the subsidiary. Currently, the subsidiary is awaiting the remittance of the funds in accordance with the enforcement procedure. However, the subsidiary has previously recorded allowance for impairment in advance paid to that company for a whole amount.

#### 41. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial Statements		financial Statements	
	Level 2	Total	Level 2	Total
<b>Asset measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Investment in General Fixed Income				
Funds - open fund	1,069	1,069	-	-
<b>Liability measured at fair value</b>				
<u>Derivatives</u>				
Foreign currency forward contracts	106	106	106	106
<b>Assets for which fair value are disclosed</b>				
<u>Financial assets measured at amortised cost</u>				
Investment properties	57,533	57,533	29,451	29,451
(Unit: Thousand Baht)				
As at 31 December 2020				
Consolidated		Separate		
financial Statements		financial Statements		
Level 2	Total	Level 2	Total	
<b>Asset measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Investment in General Fixed Income				
Funds - open fund	1,065	1,065	-	-
<b>Liability measured at fair value</b>				
<u>Derivatives</u>				
Foreign currency forward contracts	100	100	100	100
<b>Assets for which fair value are disclosed</b>				
<u>Financial assets measured at amortised cost</u>				
Investment properties - as restated	61,145	61,145	29,864	29,864

## 42. Financial instruments

### 42.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Derivative liabilities</b>				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	106	100	106	100
<b>Total derivative liabilities</b>	<u>106</u>	<u>100</u>	<u>106</u>	<u>100</u>

#### Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 to 6 months.

### 42.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to trade and other accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

#### Trade and other accounts receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Credit term provided to customers normally is between 7 days and 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's management or Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's management or Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### **Market risk**

There are two significant types of market risk comprising currency risk and interest rate risk.

#### **Foreign currency risk**

The Group's exposure to the foreign currency risk relates primarily to its importing and service rendering transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the Company had balances of financial assets and liabilities denominated in foreign currencies as follows:

As at 31 December 2021				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	as at 31 December 2021	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	21.1	-	33.2469	33.5929

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

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

As at 31 December 2021			
Foreign currency	Bought amount	Contractual exchange	Contractual maturity date
		rate for amount bought	
	(Million)		
US dollar	0.6	33.60	March - June 2022

As at 31 December 2020			
Foreign currency	Bought amount	Contractual exchange	Contractual maturity date
		rate for amount bought	
	(Million)		
US dollar	0.7	29.80 - 30.49	February - June 2021

### *Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020.

Currency	2021		2020	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	5	35,024	5	4,223
US dollar	(5)	(35,024)	(5)	(4,223)

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to bank deposits, short-term loans, lease liabilities, and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by providing loans with both fixed and variable interest rates, which must be approved by the Group's management or the Board of Directors. The Group has an interest rate risk management policy by closely monitoring and controlling interest rate risk. Also, monitoring the economic situation, money market and capital market conditions and direction of interest rates that may cause interest rate risk factors. If there is a fluctuation in market interest rates or future direction that will affect the operating results and cash flows, the Group will consider using an interest rate swap contract in order to exchange difference interest amounts between fixed interest rates and variable rates by referencing principal value of the contract at specified intervals.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2021

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	267	-	884	1,013	2,164	0.01 - 5.50
Trade and other receivables	-	-	-	1,666	1,666	-
Other current financial assets	550	-	-	1	551	0.45 - 0.55
Restricted bank deposits	343	-	-	-	343	0.20 - 5.50
Long-term loans to related parties	-	-	105,811	-	105,811	6MSIBOR+1.00
Other non-current financial assets	-	-	-	8	8	-
	<u>1,160</u>	<u>-</u>	<u>106,695</u>	<u>2,688</u>	<u>110,543</u>	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	764	-	-	-	764	2.67 - 2.88
Trade and other payables	-	-	-	530	530	-
Lease liabilities	30	63	-	-	93	0.27 - 22.37
Other current financial liabilities	-	-	-	4	4	-
						3MTHBFIX+1.95, 5.50, 3MBAYBIBOR+
Long-term loans	48	47	816	-	911	2.22
	<u>842</u>	<u>110</u>	<u>816</u>	<u>534</u>	<u>2,302</u>	

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2020

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	333	-	316	184	833	0.01 - 5.50
Trade and other receivables	-	-	-	936	936	-
Other current financial assets	550	-	-	1	551	0.50 - 0.63
Restricted bank deposits	151	-	-	-	151	0.20 - 5.50
Other non-current financial assets	-	-	-	8	8	-
	<u>1,034</u>	<u>-</u>	<u>316</u>	<u>1,129</u>	<u>2,479</u>	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	977	-	-	-	977	1.78 - 2.75
Short-term loans	17	-	-	-	17	2.00
Trade and other payables	-	-	-	481	481	-
Lease liabilities	24	61	-	-	85	0.27 - 22.37
Other current financial liabilities	-	-	-	19	19	-
						3MTHBFIX+1.95, MLR-1.25, 5.50
Long-term loans	30	97	540	-	667	
	<u>1,048</u>	<u>158</u>	<u>540</u>	<u>500</u>	<u>2,246</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2021						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% per annum)
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalents	50	-	747	77	874	0.01 - 0.40
Trade and other receivables	-	-	-	323	323	-
Other current financial assets	550	-	-	-	550	0.45 - 0.55
Long-term loans to related party	-	-	105,811	-	105,811	6MSIBOR+1.00
Other non-current financial assets	-	-	-	4	4	-
	<u>600</u>	<u>-</u>	<u>106,558</u>	<u>404</u>	<u>107,562</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	54	54	-
Lease liabilities	11	35	-	-	46	1.66 - 22.37
Other current financial liabilities	-	-	-	1	1	-
	<u>11</u>	<u>35</u>	<u>-</u>	<u>55</u>	<u>101</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2020						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% per annum)
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	96	182	278	0.01 - 0.38
Trade and other receivables	-	-	-	186	186	-
Other current financial assets	550	-	-	-	550	0.50 - 0.63
Other non-current financial assets	-	-	-	4	4	-
	<u>550</u>	<u>-</u>	<u>96</u>	<u>372</u>	<u>1,018</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	33	33	-
Lease liabilities	9	28	-	-	37	5.12 - 5.28
Other current financial liabilities	-	-	-	1	1	-
	<u>9</u>	<u>28</u>	<u>-</u>	<u>34</u>	<u>71</u>	

### *Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans to and loans from affected as at 31 December 2021 and 2020, with all other variables held constant.

Currency	2021		2020	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	0.5	(4,079)	0.5	(2,697)
Baht	(0.5)	4,079	(0.5)	2,697

### **Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from financial institutions and lease contracts. The Group has liquidity risk management policy, which must be approved by the Group's management or the Board of Directors, to ensure that the Group maintains sufficient future cash flows for its business activities. By using cash flow projections, these reports will be used to monitor and control liquidity risks. The Group also determined the liquidity ratio at appropriate level. In addition, there is supervision and monitoring of the net cash flow in each interval to ensure that the Group can manage liquidity risk effectively.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2021

	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	763,613	-	763,613
Trade and other payables	529,812	-	529,812
Lease liabilities	34,163	67,842	102,005
Long-term loans	291,898	619,742	911,640
Other current financial liabilities	4,472	-	4,472
<b>Total non-derivatives</b>	<b>1,623,958</b>	<b>687,584</b>	<b>2,311,542</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	106	-	106
<b>Total</b>	<b>106</b>	<b>-</b>	<b>106</b>

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	53,680	-	53,680
Lease liabilities	13,646	38,712	52,358
Other current financial liabilities	939	-	939
<b>Total non-derivatives</b>	<b>68,265</b>	<b>38,712</b>	<b>106,977</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	106	-	106
<b>Total derivatives</b>	<b>106</b>	<b>-</b>	<b>106</b>

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	977,306	-	977,306
Short-term loans	17,429	-	17,429
Trade and other payables	481,144	-	481,144
Lease liabilities	26,751	66,879	93,630
Long-term loans	190,300	476,838	667,138
Other current financial liabilities	19,022	-	19,022
<b>Total non-derivatives</b>	<b>1,711,952</b>	<b>543,717</b>	<b>2,255,669</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	100	-	100
<b>Total</b>	<b>100</b>	<b>-</b>	<b>100</b>

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	33,293	-	33,293
Lease liabilities	10,605	31,380	41,985
Other current financial liabilities	994	-	994
<b>Total non-derivatives</b>	<b>44,892</b>	<b>31,380</b>	<b>76,272</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	100	-	100
<b>Total derivatives</b>	<b>100</b>	<b>-</b>	<b>100</b>

### 42.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other accounts receivable, accounts payable and short-term loans from financial institutions, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- d) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- e) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

#### **43. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.59:1 (2020: 0.54:1) and the Company's debt-to-equity ratio was 0.06:1 (2020: 0.05:1).

#### **44. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.