

Lanna Resources Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lanna Resources Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lanna Resources Public Company Limited and its subsidiaries as at 30 June 2022, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Lanna Resources Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Patcharawan Koonarangsri
Certified Public Accountant (Thailand) No. 6650

EY Office Limited
Bangkok: 10 August 2022

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2022

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		3,211,464	2,163,718	1,180,733	874,231
Trade and other receivables	2, 3	2,540,061	1,666,081	394,607	322,899
Inventories		1,029,061	525,525	216,382	254,756
Value added tax refundable		916,717	692,663	-	8,824
Prepaid income tax		122,719	124,012	-	-
Advance payments for goods	2	63,572	316,458	33,445	42,437
Other current financial assets	4	599,971	551,099	598,901	550,007
Other current assets		218,107	130,312	4,014	2,839
Total current assets		8,701,672	6,169,868	2,428,082	2,055,993
Non-current assets					
Restricted bank deposits	5	359,928	343,225	-	-
Investments in subsidiaries	6	-	-	812,756	844,212
Investment in associated companies	7	250,177	173,043	59,328	59,328
Long-term loans to related party	2	111,804	105,811	111,804	105,811
Investment properties		51,508	57,533	29,451	29,451
Biological asset		13,294	11,577	-	-
Property, plant and equipment	8	4,029,568	4,033,626	330,218	323,816
Right-of-use assets		84,684	89,885	40,970	44,633
Goodwill		186,000	186,000	-	-
Intangible assets	9	90,479	106,573	88,046	104,138
Deferred tax assets		69,318	55,034	61,145	57,601
Other non-current financial assets		6,208	7,949	4,062	4,062
Other non-current assets	10	835,609	691,703	-	-
Total non-current assets		6,088,577	5,861,959	1,537,780	1,573,052
Total assets		14,790,249	12,031,827	3,965,862	3,629,045

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	11	960,346	763,613	-	-
Trade and other payables	12	878,142	529,812	34,651	53,680
Current portion of long-term loans from financial institutions	13	294,377	291,605	-	-
Current portion of lease liabilities		32,123	30,423	11,740	11,255
Accrued expenses		528,638	399,329	10,088	44,125
Income tax payable		835,553	915,767	-	-
Other current financial liabilities		4,233	4,472	646	939
Other current liabilities		298,571	278,897	9,090	6,312
Total current liabilities		3,831,983	3,213,918	66,215	116,311
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	13	474,515	619,088	-	-
Lease liabilities - net of current portion		55,020	62,536	31,069	34,894
Provision for long-term employee benefits		221,485	203,690	49,375	47,586
Provision for mine reclamation and decommissioning costs		137,798	124,990	-	-
Deferred tax liabilities		402,786	226,333	-	-
Total non-current liabilities		1,291,604	1,236,637	80,444	82,480
Total liabilities		5,123,587	4,450,555	146,659	198,791

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered, issued and fully paid up				
524,999,679 ordinary shares of Baht 1 each	525,000	525,000	525,000	525,000
Share premium	680,400	680,400	680,400	680,400
Retained earnings				
Appropriated - Statutory reserve	52,500	52,500	52,500	52,500
Appropriated - General reserve	1,310,600	1,310,600	1,310,600	1,310,600
Unappropriated	4,289,670	3,003,444	1,250,703	861,754
Other components of shareholders' equity	264,488	115,153	-	-
Equity attributable to owners of the Company	7,122,658	5,687,097	3,819,203	3,430,254
Non-controlling interests of the subsidiaries	2,544,004	1,894,175	-	-
Total shareholders' equity	9,666,662	7,581,272	3,819,203	3,430,254
Total liabilities and shareholders' equity	14,790,249	12,031,827	3,965,862	3,629,045
	-	-	-	-

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

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Directors

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(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries**Income statements****For the three-month period ended 30 June 2022**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues					
Sales	2	7,593,177	3,487,598	504,924	364,587
Commission and marketing service income	2	-	-	75,718	54,762
Other income					
Dividend income	2, 6, 7	-	-	658,493	305,971
Service income		-	-	21,335	14,997
Gain on exchange		-	12,082	21,116	4,527
Others		16,429	24,377	383	153
Total other income		16,429	36,459	701,327	325,648
Total revenues		7,609,606	3,524,057	1,281,969	744,997
Expenses					
Cost of sales	2	2,542,873	1,790,880	419,704	305,190
Selling and distribution expenses		1,875,747	686,860	37,201	35,367
Administrative expenses		186,436	181,801	45,213	30,114
Loss on exchange		12,053	-	-	-
Total expenses		4,617,109	2,659,541	502,118	370,671
Operating profit		2,992,497	864,516	779,851	374,326
Share of profit from investment in associated companies	7	59,163	1,629	-	-
Finance income	2	5,420	2,942	2,320	1,124
Finance cost	2	(15,012)	(13,421)	(641)	(576)
Profit before income tax expenses		3,042,068	855,666	781,530	374,874
Income tax expenses	14	(1,090,368)	(339,770)	(148,554)	(68,957)
Profit for the period		1,951,700	515,896	632,976	305,917
Profit attributable to:					
Equity holders of the Company		1,196,201	322,609	632,976	305,917
Non-controlling interests of the subsidiaries		755,499	193,287		
		<u>1,951,700</u>	<u>515,896</u>		
Basic earnings per share					
	15				
Profit attributable to equity holders of the Company (Baht)		2.28	0.61	1.21	0.58
Weighted average number of ordinary shares (Thousand shares)		525,000	525,000	525,000	525,000

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statements of comprehensive income
For the three-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period	<u>1,951,700</u>	<u>515,896</u>	<u>632,976</u>	<u>305,917</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>248,203</u>	<u>61,967</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>248,203</u>	<u>61,967</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain - net of income tax	<u>-</u>	<u>1,135</u>	<u>-</u>	<u>-</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>-</u>	<u>1,135</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>248,203</u>	<u>63,102</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,199,903</u>	<u>578,998</u>	<u>632,976</u>	<u>305,917</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,349,304</u>	<u>361,428</u>	<u>632,976</u>	<u>305,917</u>
Non-controlling interests of the subsidiaries	<u>850,599</u>	<u>217,570</u>		
	<u>2,199,903</u>	<u>578,998</u>		

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries**Income statements****For the six-month period ended 30 June 2022**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues					
Sales	2	12,559,788	6,508,855	968,084	592,535
Commission and marketing service income	2	-	-	131,025	102,201
Other income					
Dividend income	2, 6, 7	-	-	965,032	347,028
Service income		-	-	36,410	27,492
Reversal of allowance for impairment loss of investment	6	-	-	-	6,740
Gain on exchange		-	-	19,010	5,292
Others		63,050	40,042	10,542	362
Total other income		63,050	40,042	1,030,994	386,914
Total revenues		12,622,838	6,548,897	2,130,103	1,081,650
Expenses					
Cost of sales	2	4,812,700	3,500,422	821,403	495,130
Selling and distribution expenses		2,934,051	1,245,445	74,857	68,037
Administrative expenses		321,254	285,381	104,235	56,165
Loss on exchange		16,896	5,802	-	-
Total expenses		8,084,901	5,037,050	1,000,495	619,332
Operating profit		4,537,937	1,511,847	1,129,608	462,318
Share of profit from investment in associated companies	7	85,835	3,113	-	-
Finance income	2	14,358	6,327	3,903	2,192
Finance cost	2	(28,991)	(26,720)	(1,292)	(1,116)
Profit before income tax expenses		4,609,139	1,494,567	1,132,219	463,394
Income tax expenses	14	(1,646,045)	(562,768)	(218,270)	(88,665)
Profit for the period		2,963,094	931,799	913,949	374,729
Profit attributable to:					
Equity holders of the Company		1,811,343	565,235	913,949	374,729
Non-controlling interests of the subsidiaries		1,151,751	366,564		
		<u>2,963,094</u>	<u>931,799</u>		
Basic earnings per share					
	15				
Profit attributable to equity holders of the Company (Baht)		3.45	1.08	1.74	0.71
Weighted average number of ordinary shares (Thousand shares)		525,000	525,000	525,000	525,000

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statements of comprehensive income
For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period	<u>2,963,094</u>	<u>931,799</u>	<u>913,949</u>	<u>374,729</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>241,961</u>	<u>169,244</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>241,961</u>	<u>169,244</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain - net of income tax	<u>-</u>	<u>4,902</u>	<u>-</u>	<u>3,767</u>
Share of other comprehensive income from associates - actuarial loss	<u>(117)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(117)</u>	<u>4,902</u>	<u>-</u>	<u>3,767</u>
Other comprehensive income for the period	<u>241,844</u>	<u>174,146</u>	<u>-</u>	<u>3,767</u>
Total comprehensive income for the period	<u>3,204,938</u>	<u>1,105,945</u>	<u>913,949</u>	<u>378,496</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,960,561</u>	<u>676,307</u>	<u>913,949</u>	<u>378,496</u>
Non-controlling interests of the subsidiaries	<u>1,244,377</u>	<u>429,638</u>		
	<u>3,204,938</u>	<u>1,105,945</u>		

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company											
	Issued and paid up share capital	Share premium	Retained earnings			Unappropriated	Other components of shareholders' equity					
Statutory reserve			General reserve	Appropriated	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	
Balance as at 1 January 2021	525,000	680,400	52,500	1,255,000	1,951,549	(141,508)	75,949	556	(65,003)	4,399,446	1,625,058	6,024,504
Profit for the period	-	-	-	-	565,235	-	-	-	-	565,235	366,564	931,799
Other comprehensive income for the period	-	-	-	-	4,391	106,681	-	-	106,681	111,072	63,074	174,146
Total comprehensive income for the period	-	-	-	-	569,626	106,681	-	-	106,681	676,307	429,638	1,105,945
Dividend paid (Note 16)	-	-	-	-	(157,500)	-	-	-	-	(157,500)	-	(157,500)
Unappropriated retained earnings transferred to general reserve	-	-	-	55,600	(55,600)	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	-	(214,687)	(214,687)
Balance as at 30 June 2021	525,000	680,400	52,500	1,310,600	2,308,075	(34,827)	75,949	556	41,678	4,918,253	1,840,009	6,758,262
Balance as at 1 January 2022	525,000	680,400	52,500	1,310,600	3,003,444	38,648	75,949	556	115,153	5,687,097	1,894,175	7,581,272
Profit for the period	-	-	-	-	1,811,343	-	-	-	-	1,811,343	1,151,751	2,963,094
Other comprehensive income for the period	-	-	-	-	(117)	149,335	-	-	149,335	149,218	92,626	241,844
Total comprehensive income for the period	-	-	-	-	1,811,226	149,335	-	-	149,335	1,960,561	1,244,377	3,204,938
Dividend paid (Note 16)	-	-	-	-	(525,000)	-	-	-	-	(525,000)	-	(525,000)
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	-	(594,548)	(594,548)
Balance as at 30 June 2022	525,000	680,400	52,500	1,310,600	4,289,670	187,983	75,949	556	264,488	7,122,658	2,544,004	9,666,662

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		Unappropriated	
			Statutory reserve	General reserve		
Balance as at 1 January 2021	525,000	680,400	52,500	1,255,000	213,173	2,726,073
Profit for the period	-	-	-	-	374,729	374,729
Other comprehensive income for the period	-	-	-	-	3,767	3,767
Total comprehensive income for the period	-	-	-	-	378,496	378,496
Dividend paid (Note 16)	-	-	-	-	(157,500)	(157,500)
Unappropriated retained earnings transferred to general reserve	-	-	-	55,600	(55,600)	-
Balance as at 30 June 2021	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>378,569</u>	<u>2,947,069</u>
Balance as at 1 January 2022	525,000	680,400	52,500	1,310,600	861,754	3,430,254
Profit for the period	-	-	-	-	913,949	913,949
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	913,949	913,949
Dividend paid (Note 16)	-	-	-	-	(525,000)	(525,000)
Balance as at 30 June 2022	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>1,250,703</u>	<u>3,819,203</u>

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	4,609,139	1,494,567	1,132,219	463,394
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	512,791	388,056	31,058	28,469
Reduction of inventories to net realisable value (reversal)	(16,312)	6,260	(15,526)	-
Write-off of inventories	114	-	-	-
Unrealised gain on change in value of investments in general fixed income funds	(1)	(1)	-	-
Share of profit from investment in associated companies	(85,835)	(3,113)	-	-
Allowance for impairment loss on investment (reversal)	-	-	31,456	(6,740)
Allowance for impairment loss on value added tax refundable	12,881	11,697	-	-
Write-off of value added tax refundable	4,694	873	-	-
Gain on disposals and write-off of machine, equipment and investment properties	(1,938)	(1,037)	(545)	-
Loss (gain) on write-off of right-of-use assets from contract cancellation	(52)	115	-	-
Write-back of dividend payable	(384)	(43)	(384)	(43)
Allowance for impairment loss on assets	32,484	-	-	-
Dividend income	-	-	(965,032)	(347,028)
Provision for long-term employee benefits	15,360	12,422	1,789	1,746
Provision for mine reclamation and decommissioning costs	29,179	17,508	-	-
Unrealised loss (gain) on exchange	(31,465)	25,475	(6,301)	(995)
Finance income	(14,358)	(6,327)	(3,903)	(2,192)
Finance cost	<u>28,476</u>	<u>26,578</u>	<u>1,292</u>	<u>1,116</u>
Profit from operating activities before changes in operating assets and liabilities	5,094,773	1,973,030	206,123	137,727

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Operating assets (increase) decrease				
Trade and other receivables	(872,923)	(775,167)	(70,344)	(18,172)
Inventories	(487,338)	(368,519)	53,900	(113,513)
Value added tax refundable	(185,473)	10,286	8,824	-
Advance payments for goods	252,886	84,908	8,992	58,330
Other current financial assets	29	19	6	10
Other current assets	(87,795)	(21,350)	(1,175)	(1,088)
Operating liabilities increase (decrease)				
Trade and other payables	355,077	46,836	(21,106)	102,947
Accrued expenses	131,833	81,061	(34,037)	(5,442)
Other current financial liabilities	145	3,031	91	13
Other current liabilities	18,503	62,070	1,607	(7,808)
Cash paid for long-term employee benefits	(2,765)	(78,831)	-	-
Cash paid for mine reclamation	<u>(19,896)</u>	<u>(9,742)</u>	<u>-</u>	<u>-</u>
Cash from operating activities	4,197,056	1,007,632	152,881	153,004
Interest income	13,316	6,545	2,860	2,407
Cash paid for interest expenses	(23,606)	(20,747)	-	-
Refund of income tax	58,244	138,056	-	-
Cash paid for income tax	<u>(1,723,741)</u>	<u>(159,937)</u>	<u>(220,643)</u>	<u>(83,439)</u>
Net cash from (used in) operating activities	2,521,269	971,549	(64,902)	71,972
Cash flows from investing activities				
Increase in fixed deposits	(48,900)	-	(48,900)	-
Decrease (increase) in restricted bank deposits	2,575	(69,048)	-	-
Dividend received from subsidiaries and associated company	8,584	7,750	965,032	347,028
Cash received from the partial return on investment from subsidiary	-	-	-	53,125
Proceeds from disposals of machine and equipment	3,254	1,064	545	-
Acquisitions of plant and equipment	(140,247)	(74,532)	(13,025)	(7,445)
Acquisitions of biological asset	(1,717)	(3,095)	-	-
Acquisitions of computer software	(328)	(151)	-	(127)
Decrease (increase) in other non-current financial assets	1,832	(182)	-	(405)
Increase in other non-current assets	<u>(421,286)</u>	<u>(205,319)</u>	<u>-</u>	<u>-</u>
Net cash from (used in) investing activities	(596,233)	(343,513)	903,652	392,176

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from financing activities				
Net increase in short-term loans from financial institutions	196,733	244,999	-	-
Repayment of long-term loans from financial institution	(147,414)	(102,243)	-	-
Cash receipt from short-term loan from related person	-	2,000	-	-
Cash paid for principal portion of lease liabilities	(15,755)	(14,611)	(5,956)	(5,475)
Cash paid for interest expense of lease liabilities	(2,546)	(2,264)	(1,292)	(1,116)
Dividend paid	(1,119,548)	(372,187)	(525,000)	(157,500)
Increase in non-controlling interests of the subsidiaries	92,626	62,563	-	-
Net cash used in financing activities	<u>(995,904)</u>	<u>(181,743)</u>	<u>(532,248)</u>	<u>(164,091)</u>
Increase (decrease) in translation adjustments	<u>118,614</u>	<u>(2,541)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	1,047,746	443,752	306,502	300,057
Cash and cash equivalents at beginning of period	2,163,718	832,696	874,231	277,704
Effect of change in foreign exchange rate				
on cash at bank balance	-	634	-	634
Cash and cash equivalents at end of period	<u>3,211,464</u>	<u>1,277,082</u>	<u>1,180,733</u>	<u>578,395</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions				
Additions to right-of-use assets and lease liabilities	9,616	15,338	2,616	11,154
Payables from purchases of plant and equipment and intangible assets	5,837	9,686	3,792	4,636

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

Lanna Resources Public Company Limited and its subsidiaries
Notes to interim financial statements
For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 Corporate information

Lanna Resources Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Siam City Cement Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of coal. The registered office of the Company is at 888/99 Mahathun Plaza Building 9th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

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

1.3 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.4 Basis of consolidation

These interim consolidated financial statements included the financial statements of Lanna Resources Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021 with no change in shareholding structure of subsidiaries during the current period.

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, arose in ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties. There were no significant changes in the transfer pricing of transactions with related parties during the current period.

Summaries business transactions with related parties are as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	649,909	298,221
Commission and marketing service income	-	-	75,718	54,762
Service income	-	-	21,335	14,997
Purchase of coal	-	-	238,791	241,023
<u>Transactions with major shareholder</u>				
Sales of coal	338,560	182,943	338,560	182,943
<u>Transactions with associated companies</u>				
Dividend income	-	-	8,584	7,750
Interest income	734	-	734	-
Purchase of coal	97,311	-	97,311	-
Freight charge	74,668	55,036	74,668	55,036
<u>Transactions with related person and company</u>				
Interest income	-	10	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	956,448	339,278
Commission and marketing service income	-	-	131,025	102,201
Service income	-	-	36,410	27,492
Purchase of coal	-	-	412,219	320,503
<u>Transactions with major shareholder</u>				
Sales of coal	639,329	318,104	639,329	318,104
<u>Transactions with associated companies</u>				
Dividend income	-	-	8,584	7,750
Interest income	1,148	-	1,148	-
Purchase of coal	169,545	-	169,545	-
Freight charge	147,621	87,768	147,621	87,768
<u>Transactions with related person and company</u>				
Sales of coal	1,833	-	1,833	-
Interest income	-	16	-	-

As at 30 June 2022 and 31 December 2021, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<u>Trade and other receivables - related parties</u>				
(Note 3)				
Major shareholder	255,529	209,565	255,529	209,565
Subsidiaries	-	-	37,412	28,190
Associated company	2,061	-	2,061	-
Total trade and other receivables - related parties	<u>257,590</u>	<u>209,565</u>	<u>295,002</u>	<u>237,755</u>
<u>Advance payments for goods - related parties</u>				
Subsidiaries	-	-	12,949	12,949
Associated company	20,496	29,488	20,496	29,488
Total advance payments for goods - related parties	<u>20,496</u>	<u>29,488</u>	<u>33,445</u>	<u>42,437</u>

(Unaudited but reviewed)

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 six-month period ended 30 June 2022 was summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Balance as at 1 January 2022	Increase during the period	Balance as at 30 June 2022
Long-term loan to related company			
Associated company	105,811	5,993	111,804

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	56,837	45,448	25,828	11,825
Post-employment benefits	3,430	25,923	450	423
Total	60,267	71,371	26,278	12,248

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	89,974	75,095	34,814	20,285
Post-employment benefits	6,609	28,813	900	846
Total	96,583	103,908	35,714	21,131

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	255,529	209,565	281,789	223,300
Past due				
Up to 3 months	-	-	968	6,466
Total trade receivables - related parties	255,529	209,565	282,757	229,766
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	2,214,702	1,158,600	98,592	83,913
Past due				
Up to 3 months	28,810	242,576	-	-
Total	2,243,512	1,401,176	98,592	83,913
Less: Allowance for expected credit losses	(34)	(34)	-	-
Total trade receivables - unrelated parties, net	2,243,478	1,401,142	98,592	83,913
Total trade receivables - net	2,499,007	1,610,707	381,349	313,679
<u>Other receivables</u>				
Other receivables - related parties	913	-	11,097	7,989
Other receivables - unrelated parties	38,124	54,543	4	261
Advances	144	-	144	-
Interest receivable - related parties	1,148	-	1,148	-
Interest receivable - unrelated parties	872	978	865	970
Total	41,201	55,521	13,258	9,220
Less: Allowance for expected credit losses	(147)	(147)	-	-
Total other receivables - net	41,054	55,374	13,258	9,220
Total trade and other receivables - net	2,540,061	1,666,081	394,607	322,899

(Unaudited but reviewed)

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 30 June 2022, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 204.1 million (31 December 2021: Rupiah 90,000 million or approximately Baht 201.7 million) were placed to secure such credit facilities.

4. Other current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
<u>Measured at amortised cost</u>				
Fixed deposits	598,900	550,000	598,900	550,000
Others	1	30	1	7
<u>Measured at FVTPL</u>				
Investments in General Fixed Income funds	1,070	1,069	-	-
Total	<u>599,971</u>	<u>551,099</u>	<u>598,901</u>	<u>550,007</u>

5. Restricted bank deposits

As at 30 June 2022, the overseas subsidiaries have restricted bank deposits of USD 10.2 million or approximately Baht 359.9 million (31 December 2021: USD 10.3 million or approximately Baht 343.2 million) to secure mine reclamation of the overseas subsidiaries to the government and guarantee for coal supply of the overseas subsidiaries.

6. Investments in subsidiaries

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

Company	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividends received for the six-month periods ended	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	30 June 2021
			(%)	(%)				
Local subsidiary								
Lanna Power Generation Company Limited	Baht 300 million	Baht 300 million	100.00	100.00	300,000	300,000	-	-
Thai Agro Energy Public Company Limited	Baht 1,000 million	Baht 1,000 million	51.00	51.00	510,000	510,000	-	12,750
Overseas subsidiaries								
PT. Lanna Power Indonesia (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	-	8,344
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	672,098	206,990
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	284,350	111,194
Total investment in subsidiaries					1,058,333	1,058,333	956,448	339,278
Less: Partial return on investment from subsidiary					(53,125)	(53,125)		
Less: Allowance for impairment loss of the investment					(192,452)	(160,996)		
Total investments in subsidiaries - net					812,756	844,212		

Overseas subsidiaries

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 year 2021, the subsidiary partially returned the investment of Baht 53.1 million. The Company then recorded the reversal on an allowance for impairment loss of investment in subsidiary totaling of Baht 6.7 million in the income statement for the six-month period ended 30 June 2021.

Local subsidiaries

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 for the year ended 31 December 2021 and during the current period, the management additionally recognised an impairment loss on investment in Lanna Power Generation Company Limited amounting to Baht 31.5 million in the separate financial statement for the six-month period ended 30 June 2022.

SRT is currently in the process of considering asset management. The management expects that the registration of the dissolution will be completed in 2023.

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 for the year ended 31 December 2021.

(Unaudited but reviewed)

7. Investment in associated companies

(Unit: Thousand Baht)

Company	Nature of business	Relationship	Paid up capital		Shareholding percentage		Carrying amounts based on equity method		Cost		Dividends received for the six-month periods ended	
			30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
					(%)	(%)						
United Bulk Shipping Pte. Ltd. (Incorporated in Singapore)	Shipping business and coal distribution	Direct holding	SGD 0.1 million	SGD 0.1 million	49	49	16,782	21,018	891	891	8,584	7,750
PT. Pesona Khatulistiwa Nusantara (Incorporated in Indonesia)	Manufacture and distribution of coal	Direct holding	Rp 580,891 million	Rp 580,891 million	10	10	233,395	152,025	58,437	58,437	-	-
Total							250,177	173,043	59,328	59,328	8,584	7,750

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2022 and 2021, the Company recognised its share of profit and other comprehensive income from investments in associated companies in the consolidated financial statements as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				For the six-month periods ended 30 June			
	Share of profit from investments in associated companies		Share of other comprehensive income from investments in associated companies		Share of profit from investments in associated companies		Share of other comprehensive income from investments in associated companies	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
United Bulk Shipping Pte. Ltd.	2,445	1,629	-	-	4,348	3,113	-	-
PT. Pesona Khatulistiwa Nusantara	56,718	-	-	-	81,487	-	(117)	-
Total	<u>59,163</u>	<u>1,629</u>	<u>-</u>	<u>-</u>	<u>85,835</u>	<u>3,113</u>	<u>(117)</u>	<u>-</u>

The shares of profit and the shares of other comprehensive incomes had been calculated from the financial statements prepared by the management of the associated companies and not being reviewed by their auditors.

The Company's management believes that the management accounts of the associated companies would not be significantly different from the accounts reviewed by their auditors.

8. Property, plant and equipment

Movements in the property, plant and equipment account for the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	4,033,626	323,816
Acquisitions during the period - cost	133,487	15,089
Disposal and write - off during the period - net book value on disposal and write - off date	(1,225)	-
Depreciation for the period	(162,658)	(8,687)
Translation adjustments	54,262	-
Impairment losses during the period	(27,924)	-
Net book value as at 30 June 2022	<u>4,029,568</u>	<u>330,218</u>

As at 30 June 2022, the local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 391.1 million (31 December 2021: Baht 387.1 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 1.4 million were capitalised during the six-month period ended 30 June 2022 (31 December 2021: Baht 4.2 million). The weighted average rate of 2.1 to 2.6 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (31 December 2021: 2.1 to 2.3 percent per annum).

The local subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 30 June 2022 amounting to approximately Baht 1,265 million (31 December 2021: Baht 1,314 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 11 and 13.

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 30 June 2022 amounting to approximately USD 19.0 million or equivalent to Baht 670.4 million (31 December 2021: USD 20.1 million or equivalent to Baht 670.9 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 11 and 13.

9. Intangible assets

Movement in the intangible assets account for the six-month period ended 30 June 2022 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements			
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 1 January 2022	3,097	103,476	106,573
Acquisitions during the period - cost	328	-	328
Amortisation for period	(509)	(15,913)	(16,422)
Net book value as at 30 June 2022	2,916	87,563	90,479

(Unit: Thousand Baht)

Separate financial statements			
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 1 January 2022	662	103,476	104,138
Amortisation for period	(179)	(15,913)	(16,092)
Net book value as at 30 June 2022	483	87,563	88,046

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

On 9 February 2018, the Company and PT. Indocoal Pratama Jaya (“IPJ”) entered into agreement of transferring service fees for service provided to the concession area of PT. Singlurus Pratama (“SGP”) for 25 million tons of coal, in accordance with the Service Agreement, which stipulates that IPJ is to receive a fee of USD 0.75 per ton of coal produced and distributed from SGP. The Company had negotiated the price of transferring of such right at USD 6 million, or equivalent to Baht 191.9 million. Such right to the fees will be amortised according to the quantity of coal produced and sold from SGP.

(Unaudited but reviewed)

10. Other non-current assets

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	30 June	31 December
	2022	2021
Deferred expenses - Indonesia coal mine project	234,664	216,727
Deferred stripping costs	600,945	474,976
Total other non-current assets	<u>835,609</u>	<u>691,703</u>
Amortisation expenses for the period/year	<u>316,230</u>	<u>467,857</u>

11. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
Promissory notes	2.72 - 3.25	2.67 - 2.88	960,346	763,613
Total			<u>960,346</u>	<u>763,613</u>

Movements in short-term loans from financial institutions during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2022	763,613
Add: Increase during the period	3,159,082
Less: Repayment during the period	<u>(2,962,349)</u>
Balance as at 30 June 2022	<u>960,346</u>

The credit facilities of the subsidiaries are secured by the mortgage of part of the land and construction thereon, machinery, and equipment as discussed in Note 8.

(Unaudited but reviewed)

As at 30 June 2022, the short-term credit facilities of the subsidiaries which have not yet been drawn down amounted to USD 32.0 million or equivalent to Baht 1,129.5 million and Baht 299.7 million totaling of Baht 1,429.2 million (31 December 2021: USD 28.0 million or equivalent to Baht 935.8 million and Baht 996.4 million, totaling of Baht 1,932.2 million).

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
30 June	31 December	30 June	31 December	
2022	2021	2022	2021	
Trade payables - unrelated parties	748,062	424,254	29,344	46,796
Other payables - unrelated parties	130,080	105,452	5,307	6,778
Derivative liabilities	-	106	-	106
Total trade and other payables	<u>878,142</u>	<u>529,812</u>	<u>34,651</u>	<u>53,680</u>

13. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
30 June	31 December	
2022	2021	
Long-term loans from financial institutions	768,892	910,693
Less: Current portion	<u>(294,377)</u>	<u>(291,605)</u>
Long-term loans from financial institutions - net of current portion	<u>474,515</u>	<u>619,088</u>

Movements in the long-term loans account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2022	910,693
Amortisation of transaction costs during the period	285
Repayment during the period	(147,414)
Translation adjustments	<u>5,328</u>
Balance as at 30 June 2022	<u>768,892</u>

(Unaudited but reviewed)

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

As at 30 June 2022 and 31 December 2021, a local subsidiary could not maintain certain financial ratio as specified in the loan agreement. However, the local subsidiary had negotiated with the bank, and had obtained a waiver letter for the condition to maintain certain financial ratios from that bank on 19 May 2022 and 27 October 2021, respectively.

As at 30 June 2022, the long-term credit facilities of the Group which have not yet been drawn down amounted to USD 2 million or approximately Baht 70.6 million and Baht 11.2 million totaling of Baht 81.8 million (31 December 2021: USD 2 million or approximately Baht 66.8 million and Baht 11.2 million totaling of Baht 78.0 million).

14. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month and six-month periods ended 30 June 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	865,800	283,044	-	2,584
Adjustment in respect of income tax of previous year	3,020	3,090	-	-
Withholding tax deducted at source recognised as expenses during the period	16,621	9,454	148,733	66,547
Deferred tax:				
Relating to origination and reversal of temporary differences	204,927	44,182	(179)	(174)
Income tax reported in the income statements	<u>1,090,368</u>	<u>339,770</u>	<u>148,554</u>	<u>68,957</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	1,268,950	435,780	-	9,333
Adjustment in respect of income tax of previous year	3,020	3,090	-	-
Withholding tax deducted at source recognised as expenses during the period	28,394	21,239	221,814	78,332
Deferred tax:				
Relating to origination and reversal of temporary differences	345,681	102,659	(3,544)	1,000
Income tax reported in the income statements	<u>1,646,045</u>	<u>562,768</u>	<u>218,270</u>	<u>88,665</u>

The amount of income tax related to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2022 and 2021 are as follow:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial gain	-	487	-	-

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial gain	-	1,428	-	941

15. Earnings per share

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

16. Dividend paid

Dividends paid by the Group during the six-month periods ended 30 June 2022 and 2021 are as follows:

The Company

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<u>2022</u>				
Final dividends for 2021	Annual General Meeting of the shareholders on 18 April 2022	525,000	1.00	17 May 2022
Total		525,000	1.00	
<u>2021</u>				
Final dividends for 2020	Annual General Meeting of the shareholders on 19 April 2021	157,500	0.30	18 May 2021
Total		157,500	0.30	

The Annual General Meeting of the shareholders for the year 2021 approved to set aside a general reserve of Baht 55.6 million.

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

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<u>2021</u>				
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
Total		25,000	0.025	

(Unaudited but reviewed)

Overseas subsidiaries

PT. Lanna Harita Indonesia

<u>Dividends</u>	<u>Approved by</u>	<u>Total Dividends (Thousand US Dollar)</u>	<u>Dividend per share (US Dollar)</u>	<u>Paid on</u>
<u>2022</u>				
The third interim dividends for 2021	Board of Directors' meeting on 28 March 2022	5,000	625.0	25 May 2022
Final dividends for 2021	Annual General Meeting of the shareholders on 30 June 2022	10,000	1,250.0	30 June 2022
Total		<u>15,000</u>	<u>1,875.0</u>	
<u>2021</u>				
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
Total		<u>6,500</u>	<u>812.5</u>	

During the six-month period ended 30 June 2022, the Company recorded dividend income at 55 percent for a total of USD 8.3 million or equivalent to Baht 284.3 million. The Company had been withheld the withholding tax deducted at source of Baht 57.4 million (2021: USD 3.6 million or equivalent to Baht 111.1 million. The Company had been withheld the withholding tax deducted at source of Baht 22.2 million).

PT. Lanna Power Indonesia

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends (Thousand US Dollar)</u>	<u>Dividend per share (US Dollar)</u>	<u>Paid on</u>
<u>2021</u>				
Dividends for 2020	Annual General Meeting of shareholders on 18 February 2021	273	13.0	18 March 2021
Total		<u>273</u>	<u>13.0</u>	

(Unaudited but reviewed)

During the six-month period ended 30 June 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.

PT. Singlurus Pratama

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand US Dollar)	<u>Dividend per share</u> (US Dollar)	<u>Paid on</u>
<u>2022</u>				
The third interim dividends for 2021	Board of Directors' meeting on 31 March 2022	10,000	952	10 May 2022
Final dividends for 2021	Annual General Meeting of the shareholders on 30 June 2022	20,000	1,905	30 June 2022
Total		<u>20,000</u>	<u>2,857</u>	
<u>2021</u>				
Final dividends for 2020	Annual General Meeting of the shareholders on 23 June 2021	10,000	952	28 June 2021
Total		<u>10,000</u>	<u>952</u>	

During the six-month period ended 30 June 2022, the Company recorded dividend income at 65 percent for a total of USD 19.5 million or equivalent to Baht 672.1 million. The Company had been withheld the withholding tax deducted at source of Baht 136.1 million (2021: USD 6.5 million or equivalent to Baht 207.0 million. The Company had been withheld the withholding tax deducted at source of Baht 41.4 million).

17. Segment information

The Group is organised into business units based on its products. The Group recognised revenue at the point in time. The Group has not changed the organisation of their reportable segments from the last annual financial statements.

The following tables present revenue and profit information regarding of the Group's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 June

	Domestic coal business		Overseas coal business		Ethanol business		Woods pellet business		Elimination of inter-segment transactions		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues												
Revenues from external customers	505	365	6,806	2,539	282	583	-	-	-	-	7,593	3,487
Inter-segment revenues	106	77	239	241	-	-	-	-	(345)	(318)	-	-
Total revenue	611	442	7,045	2,780	282	583	-	-	(345)	(318)	7,593	3,487
Operating results												
Segment gross profit (loss)	192	137	4,964	1,688	(1)	(18)	-	-	(105)	(110)	5,050	1,697
Other income											17	24
Share of profit from investment in associated companies											59	2
Gain (loss) on exchange											(12)	12
Selling and distribution expenses											(1,876)	(687)
Administrative expenses											(186)	(182)
Finance income											5	3
Finance cost											(15)	(13)
Profit before income tax expenses											3,042	856
Income tax expenses											(1,090)	(340)
Profit for the period											1,952	516

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June											
	Domestic coal business		Overseas coal business		Ethanol business		Woods pellet business		Elimination of inter-segment transactions		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues												
Revenues from external customers	968	593	10,640	4,649	952	1,266	-	1	-	-	12,560	6,509
Inter-segment revenues	183	143	412	321	-	-	-	1	(595)	(465)	-	-
Total revenue	<u>1,151</u>	<u>736</u>	<u>11,052</u>	<u>4,970</u>	<u>952</u>	<u>1,266</u>	<u>-</u>	<u>2</u>	<u>(595)</u>	<u>(465)</u>	<u>12,560</u>	<u>6,509</u>
Operating results												
Segment gross profit (loss)	330	241	7,558	2,881	36	75	-	(2)	(177)	(187)	7,747	3,008
Other income											63	40
Share of profit from investment in associated companies											86	3
Loss on exchange											(17)	(6)
Selling and distribution expenses											(2,934)	(1,245)
Administrative expenses											(321)	(285)
Finance income											14	6
Finance cost											(29)	(26)
Profit before income tax expenses											<u>4,609</u>	<u>1,495</u>
Income tax expenses											(1,646)	(563)
Profit for the period											<u><u>2,963</u></u>	<u><u>932</u></u>

18. Significant contracts and agreements

18.1 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.

18.2 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.

18.3 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.

19 Commitments and contingent liabilities

19.1 Capital commitments

As at 30 June 2022, the Group had capital commitments of Baht 25.4 million, relating to the construction of bank protection in front of the jetty and the assessment of the quality of the environment of the Company, the construction of the subsidiary’s Vinasse Evaporation Plant and other construction projects. (31 December 2021: 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.)

19.2 Long-term service and purchase commitments

- a) The Group had commitments under several service agreements in respect of the security service, car maintenance service and other services. The terms of the agreements are generally 1 year and 5 years. Future minimum payments under these service agreements are as follows:

Payable	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
In up to 1 year	4.5	2.2	0.6	0.4
In over 1 year and up to 5 years	0.7	0.8	0.7	0.8

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for financing and management of Baht 15.4 million (The Company Only: Baht 14.7 million) (31 December 2021: Baht 23.1 million (The Company Only: Baht 21.6 million)).
- c) The Company had commitment under the coal purchase agreement and coal shipping agreement with overseas companies which the coal price and freight rate, coal quality and quantity to purchase are stipulated in the agreements.
- d) The local subsidiary entered into a power supply agreement with the Provincial Electricity Authority for a period of one year, and being automatically renewed for every one-year period. The subsidiary shall pay power supply at the rate as stipulated in the agreement.

19.3 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.

19.4 Guarantees

As at 30 June 2022, the Group had bank guarantees of approximately Baht 6 million and Rupiah 19,990 million (the Company only: Baht 0.9 million) (31 December 2021: Baht 6 million and Rupiah 19,990 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.

20. Litigation

On September 2011, a company sued the subsidiary for its alleged non-compliance with the cassava chip purchase agreement, claiming a compensation for damage of Baht 186.9 million. The subsidiary submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Both parties defended in three courts. The case has been finalised on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company to make payments for purchases of cassava chip that the subsidiary paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2011 (the countersue date) until completion of payment. Now the execution of judgment is in process.

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

On 13 August 2019, the subsidiary received partial payment 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 the whole amount.

21. Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts, with maturity of less than one year, when they consider appropriate.

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

As at 30 June 2022				
Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Exchange rate	
			Buying rate	Selling rate
US dollar	19.1	-	35.1302	35.4638

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

22. Financial Instrument**22.1 Fair value of financial instrument**

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

22.2 Fair value hierarchy

As at 30 June 2022, the Group had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Level 2	Total	Level 2	Total
Investment in General Fixed Income Funds	1,070	1,070	-	-

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 10 August 2022.