

Lanna Resources Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 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 September 2022, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Lanna Resources Public Company Limited for the same 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: 11 November 2022

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

**Statements of financial position**

**As at 30 September 2022**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,641,681	2,163,718	1,316,505	874,231
Trade and other receivables	2, 3	2,831,457	1,666,081	361,516	322,899
Inventories		845,209	525,525	329,265	254,756
Value added tax refundable		806,712	692,663	9,050	8,824
Prepaid income tax		75,895	124,012	-	-
Advance payments for goods	2	59,248	316,458	29,407	42,437
Other current financial assets	4	450,072	551,099	449,000	550,007
Other current assets		354,287	130,312	3,173	2,839
<b>Total current assets</b>		<b>9,064,561</b>	<b>6,169,868</b>	<b>2,497,916</b>	<b>2,055,993</b>
<b>Non-current assets</b>					
Restricted bank deposits	5	382,960	343,225	-	-
Investments in subsidiaries	6	-	-	812,144	844,212
Investments in associated companies	7	307,310	173,043	59,328	59,328
Long-term loan to related party	2	98,990	105,811	98,990	105,811
Investment properties		50,835	57,533	29,451	29,451
Biological asset		14,334	11,577	-	-
Property, plant and equipment	8	4,123,292	4,033,626	330,986	323,816
Right-of-use assets		81,809	89,885	37,930	44,633
Goodwill		186,000	186,000	-	-
Intangible assets	9	81,436	106,573	79,156	104,138
Deferred tax assets		75,748	55,034	61,446	57,601
Other non-current financial assets		7,011	7,949	4,062	4,062
Other non-current assets	10	890,142	691,703	-	-
<b>Total non-current assets</b>		<b>6,299,867</b>	<b>5,861,959</b>	<b>1,513,493</b>	<b>1,573,052</b>
<b>Total assets</b>		<b>15,364,428</b>	<b>12,031,827</b>	<b>4,011,409</b>	<b>3,629,045</b>

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	11	808,644	763,613	-	-
Trade and other payables	2, 12	907,633	529,812	141,843	53,680
Current portion of long-term loans from financial institutions	13	311,996	291,605	-	-
Current portion of lease liabilities		33,928	30,423	11,729	11,255
Accrued expenses		638,199	399,329	15,419	44,125
Income tax payable		1,025,051	915,767	-	-
Other current financial liabilities		4,234	4,472	647	939
Other current liabilities		381,573	278,897	43,769	6,312
<b>Total current liabilities</b>		<b>4,111,258</b>	<b>3,213,918</b>	<b>213,407</b>	<b>116,311</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions - net of current portion	13	444,361	619,088	-	-
Lease liabilities from financial institutions - net of current portion		50,566	62,536	28,147	34,894
Provision for long-term employee benefits		235,653	203,690	50,270	47,586
Provision for mine reclamation and decommissioning costs		148,814	124,990	-	-
Deferred tax liabilities		409,163	226,333	-	-
<b>Total non-current liabilities</b>		<b>1,288,557</b>	<b>1,236,637</b>	<b>78,417</b>	<b>82,480</b>
<b>Total liabilities</b>		<b>5,399,815</b>	<b>4,450,555</b>	<b>291,824</b>	<b>198,791</b>

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

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

**Statements of financial position (continued)**

**As at 30 September 2022**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
<b>Share capital</b>				
Registered, issued and fully paid up				
524,999,679 ordinary shares of Baht 1 each	525,000	525,000	525,000	525,000
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	4,239,318	3,003,444	1,151,085	861,754
Other components of shareholders' equity	498,211	115,153	-	-
<b>Equity attributable to owners of the Company</b>	<b>7,306,029</b>	<b>5,687,097</b>	<b>3,719,585</b>	<b>3,430,254</b>
Non-controlling interests of the subsidiaries	2,658,584	1,894,175	-	-
<b>Total shareholders' equity</b>	<b>9,964,613</b>	<b>7,581,272</b>	<b>3,719,585</b>	<b>3,430,254</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,364,428</b>	<b>12,031,827</b>	<b>4,011,409</b>	<b>3,629,045</b>
	-	-	-	-

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

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Directors

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

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>					
Sales	2	6,953,212	4,736,520	472,846	462,517
Commission and marketing service income	2	-	-	79,331	59,219
Other income					
Dividend income	2, 6	-	-	702,164	358,485
Service income		-	-	22,442	15,616
Gain on exchange		3,590	32,549	27,433	18,374
Others		19,401	27,720	62	196
Total other income		22,991	60,269	752,101	392,671
<b>Total revenues</b>		<b>6,976,203</b>	<b>4,796,789</b>	<b>1,304,278</b>	<b>914,407</b>
<b>Expenses</b>					
Cost of sales	2	3,119,949	2,035,988	418,250	395,746
Selling and distribution expenses		2,010,917	922,774	38,547	39,652
Administrative expenses		171,652	162,621	30,270	26,175
Loss on exchange		-	-	-	-
<b>Total expenses</b>		<b>5,302,518</b>	<b>3,121,383</b>	<b>487,067</b>	<b>461,573</b>
<b>Operating profit</b>		<b>1,673,685</b>	<b>1,675,406</b>	<b>817,211</b>	<b>452,834</b>
Share of profit from investments in associated companies	7	57,133	25,698	-	-
Finance income	2	6,757	3,611	2,758	1,079
Finance cost	2	(13,115)	(14,305)	(610)	(582)
<b>Profit before income tax expenses</b>		<b>1,724,460</b>	<b>1,690,410</b>	<b>819,359</b>	<b>453,331</b>
Income tax expenses	14	(606,591)	(576,914)	(157,728)	(82,938)
<b>Profit for the period</b>		<b>1,117,869</b>	<b>1,113,496</b>	<b>661,631</b>	<b>370,393</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		710,897	679,909	661,631	370,393
Non-controlling interests of the subsidiaries		406,972	433,587		
		<u>1,117,869</u>	<u>1,113,496</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company (Baht)	15	1.35	1.30	1.26	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 three-month period ended 30 September 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Profit for the period</b>	<u>1,117,869</u>	<u>1,113,496</u>	<u>661,631</u>	<u>370,393</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>377,812</u>	<u>173,866</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>377,812</u>	<u>173,866</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>377,812</u>	<u>173,866</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>1,495,681</u></u>	<u><u>1,287,362</u></u>	<u><u>661,631</u></u>	<u><u>370,393</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>944,620</u>	<u>786,917</u>	<u><u>661,631</u></u>	<u><u>370,393</u></u>
Non-controlling interests of the subsidiaries	<u>551,061</u>	<u>500,445</u>		
	<u><u>1,495,681</u></u>	<u><u>1,287,362</u></u>		

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

(Unaudited but reviewed)

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

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>					
Sales	2	19,513,000	11,245,375	1,440,930	1,055,052
Commission and marketing service income	2	-	-	210,356	161,420
Other income					
Dividend income	2, 6, 7	-	-	1,667,196	705,513
Service income		-	-	58,852	43,108
Reversal of allowance for impairment loss of investment	6	-	-	-	6,740
Gain on exchange		-	26,747	46,443	23,666
Others		82,451	67,762	10,604	558
Total other income		82,451	94,509	1,783,095	779,585
<b>Total revenues</b>		<b>19,595,451</b>	<b>11,339,884</b>	<b>3,434,381</b>	<b>1,996,057</b>
<b>Expenses</b>					
Cost of sales	2	7,932,649	5,536,410	1,239,653	890,876
Selling and distribution expenses		4,944,968	2,168,219	113,404	107,689
Administrative expenses		492,906	448,002	134,505	82,340
Loss on exchange		13,306	-	-	-
<b>Total expenses</b>		<b>13,383,829</b>	<b>8,152,631</b>	<b>1,487,562</b>	<b>1,080,905</b>
<b>Operating profit</b>		<b>6,211,622</b>	<b>3,187,253</b>	<b>1,946,819</b>	<b>915,152</b>
Share of profit from investments in associated companies	7	142,968	28,811	-	-
Finance income	2	21,115	9,938	6,661	3,271
Finance cost	2	(42,106)	(41,025)	(1,902)	(1,698)
<b>Profit before income tax expenses</b>		<b>6,333,599</b>	<b>3,184,977</b>	<b>1,951,578</b>	<b>916,725</b>
Income tax expenses	14	(2,252,636)	(1,139,682)	(375,998)	(171,603)
<b>Profit for the period</b>		<b>4,080,963</b>	<b>2,045,295</b>	<b>1,575,580</b>	<b>745,122</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		2,522,240	1,245,144	1,575,580	745,122
Non-controlling interests of the subsidiaries		1,558,723	800,151		
		<u>4,080,963</u>	<u>2,045,295</u>		
<b>Basic earnings per share</b>					
	15				
Profit attributable to equity holders of the Company (Baht)		4.80	2.37	3.00	1.42
Weighted average number of ordinary shares (Thousand shares)		525,000	525,000	525,000	525,000

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



(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Profit for the period</b>	<u>4,080,963</u>	<u>2,045,295</u>	<u>1,575,580</u>	<u>745,122</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>619,773</u>	<u>343,110</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>619,773</u>	<u>343,110</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>7 (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>
<b>Other comprehensive income for the period</b>	<u>619,656</u>	<u>348,012</u>	<u>-</u>	<u>3,767</u>
<b>Total comprehensive income for the period</b>	<u>4,700,619</u>	<u>2,393,307</u>	<u>1,575,580</u>	<u>748,889</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>2,905,181</u>	<u>1,463,224</u>	<u>1,575,580</u>	<u>748,889</u>
Non-controlling interests of the subsidiaries	<u>1,795,438</u>	<u>930,083</u>	<u>-</u>	<u>-</u>
	<u>4,700,619</u>	<u>2,393,307</u>	<u>-</u>	<u>-</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

**Consolidated financial statements**

	Equity attributable to owners of the Company											
	Issued and paid up share capital	Share premium	Retained earnings			Other components of shareholders' equity						
Statutory reserve			General reserve	Unappropriated	Other comprehensive income	Exchange differences on translation of financial statements in foreign currency	Surplus on change in the percentage of shareholding in subsidiary	Capital reserve for share-based payment transactions	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated									
<b>Balance as at 1 January 2021</b>	525,000	680,400	52,500	1,255,000	1,951,549	(141,508)	75,949	556	(65,003)	4,399,446	1,625,058	6,024,504
Profit for the period	-	-	-	-	1,245,144	-	-	-	-	1,245,144	800,151	2,045,295
Other comprehensive income for the period	-	-	-	-	4,391	213,689	-	-	213,689	218,080	129,932	348,012
Total comprehensive income for the period	-	-	-	-	1,249,535	213,689	-	-	213,689	1,463,224	930,083	2,393,307
Dividend paid (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	-	-	-	-	-	-	-	-	-	-	(448,309)	(448,309)
<b>Balance as at 30 September 2021</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>2,987,984</u>	<u>72,181</u>	<u>75,949</u>	<u>556</u>	<u>148,686</u>	<u>5,705,170</u>	<u>2,106,832</u>	<u>7,812,002</u>
<b>Balance as at 1 January 2022</b>	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	-	-	-	-	2,522,240	-	-	-	-	2,522,240	1,558,723	4,080,963
Other comprehensive income for the period	-	-	-	-	(117)	383,058	-	-	383,058	382,941	236,715	619,656
Total comprehensive income for the period	-	-	-	-	2,522,123	383,058	-	-	383,058	2,905,181	1,795,438	4,700,619
Dividend paid (Note 16)	-	-	-	-	(1,286,249)	-	-	-	-	(1,286,249)	-	(1,286,249)
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,031,029)	(1,031,029)
<b>Balance as at 30 September 2022</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>4,239,318</u>	<u>421,706</u>	<u>75,949</u>	<u>556</u>	<u>498,211</u>	<u>7,306,029</u>	<u>2,658,584</u>	<u>9,964,613</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	<b>Separate financial statements</b>					Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		Unappropriated	
			Statutory reserve	General reserve		
<b>Balance as at 1 January 2021</b>	525,000	680,400	52,500	1,255,000	213,173	2,726,073
Profit for the period	-	-	-	-	745,122	745,122
Other comprehensive income for the period	-	-	-	-	3,767	3,767
Total comprehensive income for the period	-	-	-	-	748,889	748,889
Dividend paid (Note 16)	-	-	-	-	(157,500)	(157,500)
Unappropriated retained earnings transferred to general reserve	-	-	-	55,600	(55,600)	-
<b>Balance as at 30 September 2021</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>748,962</u>	<u>3,317,462</u>
<b>Balance as at 1 January 2022</b>	525,000	680,400	52,500	1,310,600	861,754	3,430,254
Profit for the period	-	-	-	-	1,575,580	1,575,580
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,575,580	1,575,580
Dividend paid (Note 16)	-	-	-	-	(1,286,249)	(1,286,249)
<b>Balance as at 30 September 2022</b>	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>1,151,085</u>	<u>3,719,585</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 nine-month period ended 30 September 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Profit before tax	6,333,599	3,184,977	1,951,578	916,725
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	828,399	708,441	47,454	42,977
Reversal of reduction of inventory to net realisable value	(16,312)	-	(15,526)	-
Write-off of inventories	114	-	-	-
Unrealised gain on change in value of investments in general fixed income funds	(3)	(3)	-	-
Share of profit from investments in associated companies	(142,968)	(28,811)	-	-
Allowance for impairment loss on investments in subsidiaries (reversal)	-	-	32,068	(6,740)
Allowance for impairment loss on value added tax refundable	13,833	12,379	-	-
Write-off of value added tax refundable and prepaid income tax	9,883	1,016	-	-
Loss (gain) on disposals and write-off of machine, equipment and investment properties	3,911	(1,046)	(606)	-
Loss (gain) on write-off of right-of-use assets from contract cancellation	(57)	125	-	-
Write-back of dividend payable	(384)	(43)	(384)	(43)
Allowance for impairment loss on assets	32,484	-	-	-
Dividend income	-	-	(1,667,196)	(705,513)
Provision for long-term employee benefits	24,340	24,713	2,684	2,619
Provision for mine reclamation and decommissioning costs	38,528	37,686	-	-
Unrealised loss (gain) on exchange	(24,338)	3,973	(7,588)	(13,075)
Finance income	(21,115)	(9,938)	(6,661)	(3,271)
Finance cost	41,541	40,814	1,902	1,698
Profit from operating activities before changes in operating assets and liabilities	7,121,455	3,974,283	337,725	235,377

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivables	(1,163,344)	(1,315,500)	(35,520)	(33,168)
Inventories	(303,486)	(451,968)	(58,983)	(137,899)
Value added tax refundable	(36,658)	(138,344)	(226)	(6,480)
Advance payments for goods	257,210	214,290	13,030	71,963
Other current financial assets	30	15	7	6
Other current assets	(223,975)	(42,593)	(334)	(611)
Operating liabilities increase (decrease)				
Trade and other payables	380,154	78,435	82,744	15,934
Accrued expenses	241,352	119,950	(28,706)	(2,167)
Other current financial liabilities	146	(14,613)	92	13
Other current liabilities	100,411	104,010	35,192	(11,074)
Cash paid for long-term employee benefits	(2,873)	(83,165)	-	-
Cash paid for mine reclamation	<u>(24,927)</u>	<u>(26,085)</u>	-	-
Cash from operating activities	6,345,495	2,418,715	345,021	131,894
Interest income	19,083	9,632	4,679	2,992
Cash paid for interest expenses	(35,221)	(34,591)	-	-
Refund of income tax	114,083	146,106	-	-
Cash paid for income tax	<u>(2,338,805)</u>	<u>(360,270)</u>	<u>(377,578)</u>	<u>(166,601)</u>
<b>Net cash from (used in) operating activities</b>	<b>4,104,635</b>	<b>2,179,592</b>	<b>(27,878)</b>	<b>(31,715)</b>
<b>Cash flows from investing activities</b>				
Increase in fixed deposits	101,000	-	101,000	-
Decrease (increase) in restricted bank deposits	6,344	(127,773)	-	-
Decrease in long-term loan to related party	18,618	-	18,618	-
Dividend received from subsidiaries and associated company	8,584	7,750	1,667,196	705,513
Cash paid for investment in subsidiary	-	-	-	(145,000)
Cash received from the partial return on investment from subsidiary	-	-	-	53,125
Proceeds from disposals of machine and equipment	3,316	1,126	606	-
Acquisitions of plant and equipment	(255,492)	(117,006)	(17,865)	(11,435)
Acquisitions of biological asset	(2,757)	(4,279)	-	-
Acquisitions of computer software	(328)	(1,292)	-	(140)
Decrease (increase) in other non-current financial assets	1,156	(650)	-	(866)
Increase in other non-current assets	<u>(626,433)</u>	<u>(379,344)</u>	-	-
<b>Net cash from (used in) investing activities</b>	<b>(745,992)</b>	<b>(621,468)</b>	<b>1,769,555</b>	<b>601,197</b>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from financing activities</b>				
Net increase (decrease) in short-term loans				
from financial institutions	45,031	(389,468)	-	-
Cash received from long-term loans from financial institution	45,443	499,365	-	-
Repayment of long-term loans from financial institution	(212,939)	(187,340)	-	-
Cash paid for principal portion of lease liabilities	(23,113)	(21,915)	(8,889)	(8,311)
Cash paid for interest expense of lease liabilities	(3,764)	(3,511)	(1,902)	(1,698)
Dividend paid	(2,317,278)	(605,809)	(1,286,249)	(157,500)
Increase in non-controlling interests of the subsidiaries	236,715	129,421	-	-
<b>Net cash used in financing activities</b>	<u>(2,229,905)</u>	<u>(579,257)</u>	<u>(1,297,040)</u>	<u>(167,509)</u>
<b>Increase in translation adjustments</b>	351,588	34,256	-	-
<b>Net increase in cash and cash equivalents</b>	1,480,326	1,013,123	444,637	401,973
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	(2,363)	7,113	(2,363)	7,113
<b>Cash and cash equivalents at end of period</b>	<u>3,641,681</u>	<u>1,852,932</u>	<u>1,316,505</u>	<u>686,790</u>
	-		-	
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Additions to right-of-use assets and lease liabilities	13,796	29,488	2,616	18,681
Transfer advance payment for share subscription to long-term loans to related party	-	102,333	-	102,333
Transfer advance payment for share subscription to investment in associated company	-	58,437	-	58,437
Payables from purchases of plant and equipment and intangible assets	7,303	4,050	4,186	3,282
Transfer equipment to other non-current assets	3,173	-	-	-

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

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

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 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 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.

**1.3 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.

#### 1.4 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 September			
	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	-	-	702,164	358,485
Commission and marketing service income	-	-	79,331	59,219
Service income	-	-	22,442	15,616
Purchase of coal	-	-	209,315	121,915
<u>Transactions with major shareholder</u>				
Sales of coal	323,216	243,519	323,216	243,519
<u>Transactions with associated companies</u>				
Interest income	979	-	979	-
Purchase of coal	84,052	67,877	84,052	67,877
Freight charge	102,085	64,731	102,085	64,731
<u>Transactions with related person and company</u>				
Sales of coal	-	554	-	554
Interest expense	-	9	-	-



(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	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	-	-	1,658,612	697,763
Commission and marketing service income	-	-	210,356	161,420
Service income	-	-	58,852	43,108
Purchase of coal	-	-	621,534	442,418
<u>Transactions with major shareholder</u>				
Sales of coal	962,545	561,623	962,545	561,623
<u>Transactions with associated companies</u>				
Dividend income	-	-	8,584	7,750
Interest income	2,127	-	2,127	-
Purchase of coal	253,597	67,877	253,597	67,877
Freight charge	249,706	152,499	249,706	152,499
<u>Transactions with related person and company</u>				
Sales of coal	1,833	554	1,833	554
Interest expense	-	25	-	-

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b><u>Trade and other receivables - related parties</u></b> <b>(Note 3)</b>				
Major shareholder	231,448	209,565	231,448	209,565
Subsidiaries	-	-	42,869	28,190
Associated company	978	-	978	-
Total trade and other receivables - related parties	<u>232,426</u>	<u>209,565</u>	<u>275,295</u>	<u>237,755</u>
<b><u>Advance payments for goods - related parties</u></b>				
Subsidiaries	-	-	12,949	12,949
Associated company	16,458	29,488	16,458	29,488
Total advance payments for goods - related parties	<u>16,458</u>	<u>29,488</u>	<u>29,407</u>	<u>42,437</u>
<b><u>Trade and other payables - related party</u></b> <b>(Note 12)</b>				
Associated company	2,318	-	2,318	-
Total trade and other payables - related party	<u>2,318</u>	<u>-</u>	<u>2,318</u>	<u>-</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 nine-month period ended 30 September 2022 was summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Balance as at 1 January 2022	Decrease during the period	Balance as at 30 September 2022
<b>Long-term loan to related company</b>			
Associated company	105,811	(6,821)	98,990

### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	62,304	33,740	8,931	8,283
Post-employment benefits	3,197	4,523	450	423
Total	<u>65,501</u>	<u>38,263</u>	<u>9,381</u>	<u>8,706</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	152,278	108,835	43,745	28,568
Post-employment benefits	9,806	33,336	1,350	1,269
Total	<u>162,084</u>	<u>142,171</u>	<u>45,095</u>	<u>29,837</u>

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b><u>Trade receivables - related parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	231,448	209,565	262,081	223,300
Past due				
Up to 3 months	-	-	-	6,466
Total trade receivables - related parties	231,448	209,565	262,081	229,766
<b><u>Trade receivables - unrelated parties</u></b>				
<b>Age on the basis of due dates</b>				
Not yet due	2,148,927	1,158,600	84,061	83,913
Past due				
Up to 3 months	377,793	242,576	-	-
Total	2,526,720	1,401,176	84,061	83,913
Less: Allowance for expected credit losses	(34)	(34)	-	-
Total trade receivables - unrelated parties, net	2,526,686	1,401,142	84,061	83,913
Total trade receivables - net	2,758,134	1,610,707	346,142	313,679
<b><u>Other receivables</u></b>				
Other receivables - related parties	-	-	12,236	7,989
Other receivables - unrelated parties	70,276	54,543	2	261
Advances	184	-	184	-
Interest receivable - related party	978	-	978	-
Interest receivable - unrelated parties	2,032	978	1,974	970
Total	73,470	55,521	15,374	9,220
Less: Allowance for expected credit losses	(147)	(147)	-	-
Total other receivables - net	73,323	55,374	15,374	9,220
Total trade and other receivables - net	2,831,457	1,666,081	361,516	322,899

(Unaudited but reviewed)

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 30 September 2022, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 215.0 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 September	31 December	30 September	31 December	
2022	2021	2022	2021	
<u>Measured at amortised cost</u>				
Fixed deposits	449,000	550,000	449,000	550,000
Others	-	30	-	7
<u>Measured at FVTPL</u>				
Investments in General Fixed Income funds	1,072	1,069	-	-
Total	<u>450,072</u>	<u>551,099</u>	<u>449,000</u>	<u>550,007</u>

#### 5. Restricted bank deposits

As at 30 September 2022, the overseas subsidiaries have restricted bank deposits of USD 10.1 million or approximately Baht 383.0 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 nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)				
<b>Local subsidiary</b>								
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	-	17,850
<b>Overseas subsidiaries</b>								
PT. Lanna Power Indonesia (Incorporated in Indonesia)	USD 2.1 million	USD 2.1 million	99.95	99.95	70,889	70,889	-	8,344
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	1,165,511	422,955
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	493,101	248,614
Total investments in subsidiaries					1,058,333	1,058,333	1,658,612	697,763
Less: Partial return on investment from subsidiary					(53,125)	(53,125)		
Less: Allowance for impairment loss of the investment					(193,064)	(160,996)		
Total investments in subsidiaries - net					812,144	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 nine-month period ended 30 September 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 0.6 million and Baht 32.1 million in the separate financial statements for the three-month and the nine-month periods ended 30 September 2022, respectively.

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 pellet 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. Investments in associated companies**

(Unit: Thousand Baht)

Company	Nature of business	Relationship	Paid up capital		Shareholding percentage		Consolidated financial statements		Separate financial statements			
			Carrying amounts based on equity method				Cost		Dividends received for the nine-month periods ended			
			30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	30 September 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	19,097	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	288,213	152,025	58,437	58,437	-	-
<b>Total</b>							<b>307,310</b>	<b>173,043</b>	<b>59,328</b>	<b>59,328</b>	<b>8,584</b>	<b>7,750</b>

(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 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 September				For the nine-month periods ended 30 September			
	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.	2,315	2,225	-	-	6,663	5,338	-	-
PT. Pesona Khatulistiwa Nusantara	54,818	23,473	-	-	136,305	23,473	(117)	-
Total	<u>57,133</u>	<u>25,698</u>	<u>-</u>	<u>-</u>	<u>142,968</u>	<u>28,811</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 nine-month period ended 30 September 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	250,198	20,323
Disposal and write-off during the period - net book value		
on disposal and write-off date	(7,135)	-
Transfer out during the period	(3,173)	-
Depreciation for the period	(251,999)	(13,153)
Translation adjustments	129,699	-
Impairment losses during the period	(27,924)	-
Net book value as at 30 September 2022	<u>4,123,292</u>	<u>330,986</u>

As at 30 September 2022, the local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 392.8 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 2.1 million were capitalised during the nine-month period ended 30 September 2022 (31 December 2021: Baht 4.2 million). The weighted average rate of 2.1 to 2.9 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 September 2022 amounting to approximately Baht 1,240.8 million (31 December 2021: Baht 1,314.3 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 September 2022 amounting to approximately USD 18.5 million or equivalent to Baht 699.5 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 nine-month period ended 30 September 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	(713)	(24,752)	(25,465)
Net book value as at 30 September 2022	<u>2,712</u>	<u>78,724</u>	<u>81,436</u>

(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	(230)	(24,752)	(24,982)
Net book value as at 30 September 2022	<u>432</u>	<u>78,724</u>	<u>79,156</u>

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

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

(Unaudited but reviewed)

## 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 September	31 December
	2022	2021
Deferred expenses - Indonesia coal mine project	245,883	216,727
Deferred stripping costs	644,259	474,976
Total other non-current assets	<u>890,142</u>	<u>691,703</u>
Amortisation expenses for the period/year	<u>524,032</u>	<u>467,857</u>

## 11. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
Promissory notes	2.73 - 3.52	2.67 - 2.88	808,644	763,613
Total			<u>808,644</u>	<u>763,613</u>

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

	(Unit: Thousand Baht)
Balance as at 1 January 2022	763,613
Add: Increase during the period	3,868,499
Less: Repayment during the period	<u>(3,823,468)</u>
Balance as at 30 September 2022	<u>808,644</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 September 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 1,213.0 million and Baht 551.4 million totaling of Baht 1,764.4 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 September 2022	31 December 2021	30 September 2022	31 December 2021
Trade payables - related party	2,318	-	2,318	-
Trade payables - unrelated parties	771,215	424,254	133,393	46,796
Other payables - unrelated parties	134,100	105,452	6,132	6,778
Derivative liabilities	-	106	-	106
Total trade and other payables	<u>907,633</u>	<u>529,812</u>	<u>141,843</u>	<u>53,680</u>

## 13. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	30 September 2022	31 December 2021
Long-term loans from financial institutions	756,357	910,693
Less: Current portion	<u>(311,996)</u>	<u>(291,605)</u>
Long-term loans from financial institutions - net of current portion	<u>444,361</u>	<u>619,088</u>

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

(Unit: Thousand Baht)

Balance as at 1 January 2022	910,693
Increase during the period	45,697
Transaction costs during the period	(254)
Amortisation of transaction costs during the period	428
Repayment during the period	(212,939)
Translation adjustments	<u>12,732</u>
Balance as at 30 September 2022	<u>756,357</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 September 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 3 August 2022 and 27 October 2021, respectively.

As at 30 September 2022, the long-term credit facilities of the Group which have not yet been drawn down amounted to USD 6.8 million or approximately Baht 257.5 million and Baht 11.2 million totaling of Baht 268.7 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 nine-month periods ended 30 September 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	462,964	468,123	-	5,059
Adjustment in respect of income tax of previous year	57	105	-	-
Withholding tax deducted at source recognised as expenses during the period	17,597	7,377	158,029	78,054
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	125,973	101,309	(301)	(175)
<b>Income tax reported in the income statements</b>	<u>606,591</u>	<u>576,914</u>	<u>157,728</u>	<u>82,938</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	1,731,914	903,903	-	14,392
Adjustment in respect of income tax of previous year	3,077	3,195	-	-
Withholding tax deducted at source recognised as expenses during the period	45,991	28,616	379,843	156,386
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	471,654	203,968	(3,845)	825
<b>Income tax reported in the income statements</b>	<u>2,252,636</u>	<u>1,139,682</u>	<u>375,998</u>	<u>171,603</u>

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

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	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 nine-month periods ended 30 September 2022 and 2021 are as follows:

**The Company**

Dividends	Approved by	Total Dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b><u>2022</u></b>				
Final dividends for 2021	Annual General Meeting of the shareholders on 18 April 2022	525,000	1.00	17 May 2022
Interim dividends for 2022	Board of Directors' meeting on 22 August 2022	761,249	1.45	20 September 2022
Total		1,286,249	2.45	
<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
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
<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 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	

**Overseas subsidiaries****PT. Lanna Harita Indonesia**

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<b><u>2022</u></b>				
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
The first interim dividends for 2022	Board of Directors' meeting on 20 September 2022	10,000	1,250.0	28 September 2022
Total		25,000	3,125.0	
<b><u>2021</u></b>				
The first interim dividends for 2020	Board of Directors' meeting on 22 January 2021	2,000	250.0	1 February 2021
Final dividends for 2020	Annual General Meeting of the shareholders on 22 June 2021	4,500	562.5	28 June 2021
The first interim dividends for 2021	Board of Directors' meeting on 13 September 2021	7,520	940.0	27 September 2021
Total		14,020	1,752.5	

During the nine-month period ended 30 September 2022, the Company recorded dividend income at 55 percent for a total of USD 13.8 million or equivalent to Baht 493.1 million. The Company had been withheld the withholding tax deducted at source of Baht 99.1 million (2021: USD 7.7 million or equivalent to Baht 248.6 million. The Company had been withheld the withholding tax deducted at source of Baht 49.7 million).

**PT. Lanna Power Indonesia**

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



(Unaudited but reviewed)

During the nine-month period ended 30 September 2021, the Company recorded dividend income at 99.95 percent for a total of USD 0.3 million or equivalent to Baht 8.3 million. The Company had been withheld the withholding tax deducted at source of Baht 1.7 million.

PT. Singlurus Pratama

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand US Dollar)	<u>Dividend per share</u> (US Dollar)	<u>Paid on</u>
<b><u>2022</u></b>				
The third interim dividends for 2021	Board of Directors' meeting on 28 March 2022	10,000	952.4	10 May 2022
Final dividends for 2021	Annual General Meeting of the shareholders on 30 June 2022	20,000	1,904.8	30 June 2022
The first interim dividends for 2022	Board of Directors' meeting on 20 September 2022	20,000	1,904.8	20 September 2022
Total		<u>50,000</u>	<u>4,762.0</u>	
<b><u>2021</u></b>				
Final dividends for 2020	Annual General Meeting of the shareholders on 23 June 2021	10,000	952.4	28 June 2021
The first interim dividends for 2021	Board of Directors' meeting on 20 September 2021	10,000	952.4	27 September 2021
Total		<u>20,000</u>	<u>1,904.8</u>	

During the nine-month period ended 30 September 2022, the Company recorded dividend income at 65 percent for a total of USD 32.5 million or equivalent to Baht 1,165.5 million. The Company had been withheld the withholding tax deducted at source of Baht 234.7 million (2021: USD 13.0 million or equivalent to Baht 423.0 million. The Company had been withheld the withholding tax deducted at source of Baht 84.6 million).

**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 nine-month periods ended 30 September 2022 and 2021.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Domestic coal business		Overseas coal business		Ethanol business		Woods pellet business		Elimination of inter-segment transactions		Total	
	<u>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>
<b>Revenues</b>												
Revenues from external customers	473	462	5,938	3,808	542	466	-	-	-	-	6,953	4,736
Inter-segment revenues	111	82	210	121	-	-	-	-	(321)	(203)	-	-
<b>Total revenue</b>	<u>584</u>	<u>544</u>	<u>6,148</u>	<u>3,929</u>	<u>542</u>	<u>466</u>	<u>-</u>	<u>-</u>	<u>(321)</u>	<u>(203)</u>	<u>6,953</u>	<u>4,736</u>
<b>Operating results</b>												
<b>Segment gross profit</b>	165	148	3,745	2,627	19	13	-	-	(95)	(87)	3,834	2,701
Other income											19	27
Share of profit from investments in associated companies											57	26
Gain on exchange											4	33
Selling and distribution expenses											(2,011)	(923)
Administrative expenses											(172)	(163)
Finance income											7	4
Finance cost											(13)	(15)
<b>Profit before income tax expenses</b>											<u>1,725</u>	<u>1,690</u>
Income tax expenses											<u>(607)</u>	<u>(577)</u>
<b>Profit for the period</b>											<u>1,118</u>	<u>1,113</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Domestic coal business		Overseas coal business		Ethanol business		Woods pellet business		Elimination of inter-segment transactions		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenues</b>												
Revenues from external customers	1,441	1,055	16,578	8,457	1,494	1,732	-	1	-	-	19,513	11,245
Inter-segment revenues	294	225	622	442	-	-	-	1	(916)	(668)	-	-
<b>Total revenue</b>	<b>1,735</b>	<b>1,280</b>	<b>17,200</b>	<b>8,899</b>	<b>1,494</b>	<b>1,732</b>	<b>-</b>	<b>2</b>	<b>(916)</b>	<b>(668)</b>	<b>19,513</b>	<b>11,245</b>
<b>Operating results</b>												
<b>Segment gross profit (loss)</b>	495	389	11,303	5,508	55	88	-	(2)	(272)	(274)	11,581	5,709
Other income											82	67
Share of profit from investments in associated companies											143	29
Gain (loss) on exchange											(13)	27
Selling and distribution expenses											(4,945)	(2,168)
Administrative expenses											(493)	(448)
Finance income											21	10
Finance cost											(42)	(41)
<b>Profit before income tax expenses</b>											6,334	3,185
Income tax expenses											(2,253)	(1,140)
<b>Profit for the period</b>											<b>4,081</b>	<b>2,045</b>

## **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 September 2022, the Group had capital commitments of Baht 21.8 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 financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
In up to 1 year	2.9	2.2	0.5	0.4
In over 1 year and up to 5 years	0.6	0.8	0.6	0.8

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for financing and management of Baht 12.3 million (The Company Only: Baht 11.2 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 September 2022, the Group had bank guarantees of approximately Baht 22 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, guarantee contractual performance under the agreement for rice supply agreement with the Public Warehouse Organization Ministry of Commerce and 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. In October 2022, the subsidiary proceeded with an enforcement action by filing an application requesting to attach the debtor's bank deposits in full in accordance with the writ of execution. Currently, the subsidiary is awaiting the remittance of the funds in accordance with the enforcement procedure. However, the subsidiary recorded allowance for impairment in advance paid to that company for a 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 September 2022				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	15.1	3.0	37.7454	38.0679

(Unaudited but reviewed)

As at 31 December 2021				
<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Exchange rate</u>	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	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 September 2022, the Group had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Level 2</u>	<u>Total</u>	<u>Level 2</u>	<u>Total</u>
Investment in General Fixed				
Income Funds	1,072	1,072	-	-

## 23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 11 November 2022.