

Lanna Resources Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lanna Resources Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lanna Resources Public Company Limited and its subsidiaries as at 31 March 2023 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Lanna Resources Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Patcharawan Koonarangsri

Certified Public Accountant (Thailand) No. 6650

EY Office Limited

Bangkok: 12 May 2023

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 March	31 December	1 January	31 March	31 December
		2023	2022	2022	2023	2022
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited)
Assets						
Current assets						
Cash and cash equivalents		2,900,434	3,028,666	2,163,718	951,091	987,798
Trade and other receivables	3, 4	2,858,910	1,879,512	1,666,081	746,088	485,253
Inventories		1,134,314	583,222	525,525	276,296	207,636
Value added tax refundable		939,715	814,917	692,663	3,151	-
Prepaid income tax		53,463	66,446	124,012	-	-
Advance payments for goods	3	157,707	584,318	316,458	12,949	56,926
Other current financial assets	5	1,693,596	1,443,576	551,099	1,692,519	1,442,502
Other current assets		475,229	264,066	130,312	4,148	2,551
Total current assets		10,213,368	8,664,723	6,169,868	3,686,242	3,182,666
Non-current assets						
Restricted bank deposits	6	361,861	434,883	343,225	-	-
Investments in subsidiaries	7	-	-	-	793,444	794,315
Investments in associated companies	8	421,710	383,383	173,043	59,328	59,328
Long-term loan to related party	3	46,188	90,194	105,811	46,188	90,194
Investment properties		49,704	50,149	57,533	29,451	29,451
Biological asset		16,329	15,169	11,577	-	-
Property, plant and equipment	9	4,015,936	3,997,391	4,027,175	335,314	335,705
Right-of-use assets		64,814	71,420	89,885	34,786	34,890
Goodwill		186,000	186,000	186,000	-	-
Intangible assets	10	68,283	75,256	106,573	64,816	73,128
Deferred tax assets		56,938	70,338	51,637	61,512	61,638
Other non-current financial assets		6,858	5,718	7,949	4,445	3,307
Other non-current assets	11	877,954	909,178	691,703	-	-
Total non-current assets		6,172,575	6,289,079	5,852,111	1,429,284	1,481,956
Total assets		16,385,943	14,953,802	12,021,979	5,115,526	4,664,622

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 March	31 December	1 January	31 March	31 December
		2023	2022	2022	2023	2022
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	12	1,395,537	1,303,948	763,613	-	-
Trade and other payables	3, 13	880,478	747,593	529,812	63,983	47,068
Current portion of long-term loans from financial institutions	14	307,865	321,044	291,605	-	-
Current portion of lease liabilities		29,917	29,608	30,423	13,167	11,737
Accrued expenses		399,464	303,532	399,329	7,458	52,612
Income tax payable		1,274,418	1,005,939	915,767	-	-
Other current financial liabilities		4,692	4,641	4,472	1,107	1,054
Other current liabilities		249,973	346,993	278,897	14,201	8,381
Total current liabilities		4,542,344	4,063,298	3,213,918	99,916	120,852
Non-current liabilities						
Long-term loans from financial institutions - net of current portion	14	330,082	384,304	619,088	-	-
Lease liabilities from financial institutions - net of current portion		39,235	44,846	62,536	23,705	25,193
Provision for long-term employee benefits		218,145	203,761	203,690	49,665	51,164
Provision for mine reclamation and decommissioning costs		138,084	130,672	124,990	-	-
Deferred tax liabilities		494,474	445,162	226,333	-	-
Total non-current liabilities		1,220,020	1,208,745	1,236,637	73,370	76,357
Total liabilities		5,762,364	5,272,043	4,450,555	173,286	197,209

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

Lanna Resources Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	31 March 2023	31 December 2022	1 January 2022	31 March 2023	31 December 2022
	(Unaudited but reviewed)	(Audited (Restated))		(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	525,000
Share premium	680,400	680,400	680,400	680,400	680,400
Retained earnings					
Appropriated - Statutory reserve	52,500	52,500	52,500	52,500	52,500
Appropriated - General reserve	1,310,600	1,310,600	1,310,600	1,310,600	1,310,600
Unappropriated	5,454,044	4,673,393	2,995,597	2,373,740	1,898,913
Other components of shareholders' equity	160,744	188,784	115,153	-	-
Equity attributable to owners of the Company	8,183,288	7,430,677	5,679,250	4,942,240	4,467,413
Non-controlling interests of the subsidiaries	2,440,291	2,251,082	1,892,174	-	-
Total shareholders' equity	10,623,579	9,681,759	7,571,424	4,942,240	4,467,413
Total liabilities and shareholders' equity	16,385,943	14,953,802	12,021,979	5,115,526	4,664,622
	-	-	-	-	-

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 31 March 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u>
Revenues					
Sales	3	6,755,602	4,967,739	627,974	463,160
Commission and marketing service income	3	-	-	73,799	55,307
Other income					
Dividend income	3, 7	-	-	537,733	306,539
Service income		-	-	23,257	15,075
Gain on exchange		59,706	-	1,765	-
Others		35,033	46,621	903	10,159
Total other income		94,739	46,621	563,658	331,773
Total revenues		6,850,341	5,014,360	1,265,431	850,240
Expenses					
Cost of sales	3	2,991,081	2,270,532	580,504	401,699
Selling and distribution expenses		1,686,460	1,058,304	56,464	37,656
Administrative expenses		136,976	134,818	33,427	59,022
Loss on exchange		-	4,843	-	2,106
Total expenses		4,814,517	3,468,497	670,395	500,483
Operating profit		2,035,824	1,545,863	595,036	349,757
Share of profit from investments in associated companies	8	38,349	26,672	-	-
Finance income	3	13,190	8,938	6,153	1,583
Finance cost		(20,743)	(13,979)	(532)	(651)
Profit before income tax expenses		2,066,620	1,567,494	600,657	350,689
Income tax expenses	15	(763,673)	(555,903)	(125,830)	(69,716)
Profit for the period		1,302,947	1,011,591	474,827	280,973
Profit attributable to:					
Equity holders of the Company		780,673	615,242	474,827	280,973
Non-controlling interests of the subsidiaries		522,274	396,349		
		<u>1,302,947</u>	<u>1,011,591</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	16	1.49	1.17	0.90	0.54
Weighted average number of ordinary shares (Thousand shares)		525,000	525,000	525,000	525,000

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		
Profit for the period	<u>1,302,947</u>	<u>1,011,591</u>	<u>474,827</u>	<u>280,973</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>(45,293)</u>	<u>(6,242)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(45,293)</u>	<u>(6,242)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Share of other comprehensive income from associates - actuarial loss	8 <u>(22)</u>	<u>(117)</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>(22)</u>	<u>(117)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(45,315)</u>	<u>(6,359)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>1,257,632</u>	<u>1,005,232</u>	<u>474,827</u>	<u>280,973</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>752,611</u>	<u>611,357</u>	<u>474,827</u>	<u>280,973</u>
Non-controlling interests of the subsidiaries	<u>505,021</u>	<u>393,875</u>		
	<u>1,257,632</u>	<u>1,005,232</u>		

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other components of shareholders' equity							
					Other							
					comprehensive							
					income							
					Exchange							
					differences on							
					translation of	Surplus on change	Capital reserve	Total other	Total equity	Equity attributable		
					financial	in the percentage	for share-based	component of	attributable to	to non-controlling		
					statements in	of shareholding	payment	shareholders'	owners of	interests of		
					foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries		
					Unappropriated							
					Retained earnings							
					Appropriated							
					Statutory	General						
					reserve	reserve						
					share capital	premium						
					Issued and	Share						
					paid up	premium						
					share capital	premium						
Balance as at 31 December 2021												
as previously reported	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
Cumulative effect of change in accounting policy for Property, plant and equipment (Note 2)	-	-	-	-	(7,847)	-	-	-	-	(7,847)	(2,001)	(9,848)
Balance as at 31 December 2021 as restated	525,000	680,400	52,500	1,310,600	2,995,597	38,648	75,949	556	115,153	5,679,250	1,892,174	7,571,424
Profit for the period	-	-	-	-	615,242	-	-	-	-	615,242	396,349	1,011,591
Other comprehensive income for the period	-	-	-	-	(117)	(3,768)	-	-	(3,768)	(3,885)	(2,474)	(6,359)
Total comprehensive income for the period	-	-	-	-	615,125	(3,768)	-	-	(3,768)	611,357	393,875	1,005,232
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	-	(190,551)	(190,551)
Balance as at 31 March 2022	525,000	680,400	52,500	1,310,600	3,610,722	34,880	75,949	556	111,385	6,290,607	2,095,498	8,386,105

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
					Other components of shareholders' equity								
					Other comprehensive income				Exchange differences on				
					translation of	Surplus on change	Capital reserve	Total other	Total equity	Equity attributable			
					financial	in the percentage	for share-based	component of	attributable to	to non-controlling			
					statements in	of shareholding	payment	shareholders'	owners of	interests of			
					foreign currency	in subsidiary	transactions	equity	the Company	the subsidiaries			
					Unappropriated								Total
					Retained earnings								shareholders'
					Appropriated								equity
		Issued and paid up share capital	Share premium	Statutory reserve	General reserve								
Balance as at 31 December 2022													
as previously reported													
	525,000	680,400	52,500	1,310,600	4,676,179	112,279	75,949	556	188,784	7,433,463	2,248,221	9,681,684	
Cumulative effect of change in accounting policy for Property, plant and equipment (Note 2)													
	-	-	-	-	(2,786)	-	-	-	-	(2,786)	2,861	75	
Balance as at 31 December 2022													
as restated													
	525,000	680,400	52,500	1,310,600	4,673,393	112,279	75,949	556	188,784	7,430,677	2,251,082	9,681,759	
Profit for the period													
	-	-	-	-	780,673	-	-	-	-	780,673	522,274	1,302,947	
Other comprehensive income for the period													
	-	-	-	-	(22)	(28,040)	-	-	(28,040)	(28,062)	(17,253)	(45,315)	
Total comprehensive income for the period													
	-	-	-	-	780,651	(28,040)	-	-	(28,040)	752,611	505,021	1,257,632	
Decrease in non-controlling interests of the subsidiaries from dividend payments of subsidiaries													
	-	-	-	-	-	-	-	-	-	-	(315,812)	(315,812)	
Balance as at 31 March 2023													
	525,000	680,400	52,500	1,310,600	5,454,044	84,239	75,949	556	160,744	8,183,288	2,440,291	10,623,579	

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

(Unaudited but reviewed)

Lanna Resources Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		Unappropriated	
			Appropriated			
			Statutory reserve	General reserve		
Balance as at 1 January 2022	525,000	680,400	52,500	1,310,600	861,754	3,430,254
Profit for the period	-	-	-	-	280,973	280,973
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	280,973	280,973
Balance as at 31 March 2022	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>1,142,727</u>	<u>3,711,227</u>
Balance as at 1 January 2023	525,000	680,400	52,500	1,310,600	1,898,913	4,467,413
Profit for the period	-	-	-	-	474,827	474,827
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	474,827	474,827
Balance as at 31 March 2023	<u>525,000</u>	<u>680,400</u>	<u>52,500</u>	<u>1,310,600</u>	<u>2,373,740</u>	<u>4,942,240</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 three-month period ended 31 March 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit before tax	2,066,620	1,567,494	600,657	350,689
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	432,279	226,801	17,725	14,401
Unrealised gain on change in value of investments in general fixed income funds	(3)	(1)	-	-
Share of profit from investments in associated companies	(38,349)	(26,672)	-	-
Reversal of reduction of inventories to net realisable value	-	(16,198)	-	(15,526)
Allowance for impairment loss on investments in subsidiaries	-	-	871	31,456
Write-off of value added tax refundable and prepaid income tax	173	1,688	-	-
Gain on disposals and write-off of machine, equipment and investment properties	(902)	(454)	(902)	(545)
Gain on write-off of right-of-use assets from contract cancellation	(17)	(49)	-	-
Allowance for impairment loss on assets	-	27,556	-	-
Dividend income	-	-	(537,733)	(306,539)
Provision for long-term employee benefits	13,143	7,376	917	894
Provision for mine reclamation and decommissioning costs	11,363	15,600	-	-
Unrealised loss (gain) on exchange	18,449	(12,790)	1,300	462
Finance income	(13,190)	(8,938)	(6,153)	(1,583)
Finance cost	20,454	13,720	534	651
Profit from operating activities before changes in operating assets and liabilities	2,510,020	1,795,133	77,216	74,360

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 three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u>
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(975,902)	(1,174,018)	(257,863)	(45,555)
Inventories	(551,092)	(449,695)	(68,660)	71,580
Value added tax refundable	(146,308)	(14,654)	(2,957)	7,263
Advance payments for goods	426,611	249,546	43,977	4,536
Other current financial assets	(17)	18	(17)	(5)
Other current assets	(211,163)	(121,345)	(1,597)	(624)
Operating liabilities increase (decrease)				
Trade and other payables	139,617	218,122	21,417	(6,112)
Accrued expenses	94,897	71,676	(45,154)	(38,895)
Other current financial liabilities	51	46	53	(8)
Other current liabilities	(100,069)	(154,687)	2,578	1,131
Cash paid for long-term employee benefits	(3,216)	(2,244)	(2,416)	-
Cash paid for mine reclamation	(9,177)	(9,779)	-	-
Cash from operating activities	1,174,252	408,119	(233,423)	67,671
Interest income	9,694	8,308	2,730	1,009
Cash paid for interest expenses	(17,689)	(11,614)	-	-
Refund of income tax	27,028	-	-	-
Cash paid for income tax	(440,887)	(316,636)	(122,656)	(10,866)
Net cash from (used in) operating activities	752,398	88,177	(353,349)	57,814
Cash flows from investing activities				
Increase in fixed deposits	(250,000)	(49,900)	(250,000)	(49,900)
Decrease in restricted bank deposits	67,188	19,271	-	-
Decrease in long-term loan to related party	43,384	-	43,384	-
Dividend received from subsidiaries and associated company	-	-	537,733	-
Proceeds from disposals of machine and equipment	912	545	912	545
Acquisitions of plant and equipment	(122,017)	(81,363)	(8,610)	(10,442)
Acquisitions of computer software	(3,454)	(328)	(1,897)	-
Acquisitions of biological asset	-1,160	(923)	-	-
Increase in other non-current financial assets	(1,162)	(133)	(1,138)	(141)
Increase in other non-current assets	(310,769)	(194,782)	-	-
Net cash from (used in) investing activities	(577,078)	(307,613)	320,384	(59,938)

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 three-month period ended 31 March 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u>
Cash flows from financing activities				
Net increase in short-term loans from financial institutions	91,554	365,367	-	-
Cash received from long-term loans from financial institution	(65,881)	(61,987)	-	-
Cash paid for principal portion of lease liabilities	(7,736)	(7,445)	(2,921)	(3,057)
Cash paid for interest expense of lease liabilities	(980)	(1,309)	(534)	(651)
Dividend paid	(315,812)	-	-	-
Increase in non-controlling interests of the subsidiaries	<u>(17,253)</u>	<u>(2,474)</u>	<u>-</u>	<u>-</u>
Net cash from (used in) financing activities	<u>(316,108)</u>	<u>292,152</u>	<u>(3,455)</u>	<u>(3,708)</u>
Increase in translation adjustments	<u>12,843</u>	<u>3,927</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(127,945)</u>	<u>76,643</u>	<u>(36,420)</u>	<u>(5,832)</u>
Cash and cash equivalents at beginning of period	3,028,666	2,163,718	987,798	874,231
Effect of change in foreign exchange rate				
on cash at bank balance	<u>(287)</u>	<u>86</u>	<u>(287)</u>	<u>86</u>
Cash and cash equivalents at end of period	<u><u>2,900,434</u></u>	<u><u>2,240,447</u></u>	<u><u>951,091</u></u>	<u><u>868,485</u></u>
	-		-	
Supplemental cash flows information:				
Non-cash transactions				
Dividend receivable from subsidiaries	-	-	-	306,539
Additions to right-of-use assets and lease liabilities	2,863	4,055	2,863	2,616
Payables from purchases of plant and equipment and intangible assets	2,097	1,569	1,423	520
Dividend payable	-	190,551	-	-

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

Lanna Resources Public Company Limited and its subsidiaries
Notes to interim financial statements
For the three-month period ended 31 March 2023

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 2022 with no change in shareholding structure of subsidiaries during the current period.

2. 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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements, except the following standard which involves changes to key principles, summarised below.

TAS 16, Property, Plant and Equipment

The amendment prohibits entities from deducting from cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The Group has changed this accounting policy in the current period and restated the prior year's financial statements only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented. The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the income statement are as follows:

	(Unit: Thousand Baht)	
	Increase (decrease)	
	31 December 2022	1 January 2022
Statement of financial position		
Inventories	8,512	-
Property, plant and equipment	114	(6,451)
Deferred tax assets	(8,551)	(3,397)
Total assets	75	(9,848)
Retained earnings	75	(9,848)
Total shareholders' equity	75	(9,848)

(Unaudited but reviewed)

	(Unit: Thousand Baht)
	Increase (decrease)
	for the three-month
	period ended
	31 March 2022
Income statement	
Sales	1,128
Cost of sales	(705)
Income tax	(226)
Net profit for the period	197
Earnings per share (Baht):	
Basic earnings per share	-

3. 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	537,733	306,539
Commission and marketing service income	-	-	73,799	55,307
Service income	-	-	23,257	15,075
Purchase of coal	-	-	109,080	173,428
<u>Transactions with major shareholder</u>				
Sales of coal	489,872	300,769	489,872	300,769
<u>Transactions with associated companies</u>				
Interest income	753	414	753	414
Purchase of coal	259,267	72,234	259,267	72,234
Freight charge	129,951	72,953	129,951	72,953
<u>Transactions with related person and company</u>				
Sales of coal	-	1,833	-	1,833

(Unaudited but reviewed)

As at 31 March 2023 and 31 December 2022, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
<u>Trade and other receivables - related parties</u>				
(Note 4)				
Major shareholder	633,192	384,358	633,193	384,358
Subsidiaries	-	-	41,170	25,488
Associated company	3,089	2,054	3,089	2,054
Total trade and other receivables - related parties	<u>636,281</u>	<u>386,412</u>	<u>677,452</u>	<u>411,900</u>
<u>Advance payments for goods - related parties</u>				
Subsidiaries	-	-	12,949	12,949
Associated company	-	43,977	-	43,977
Total advance payments for goods - related parties	<u>-</u>	<u>43,977</u>	<u>12,949</u>	<u>56,926</u>
<u>Trade and other payables - related party</u>				
(Note 13)				
Associated company	5,099	-	5,099	-
Total trade and other payables - related party	<u>5,099</u>	<u>-</u>	<u>5,099</u>	<u>-</u>

Long-term loan to related party

On 31 August 2021, the Company entered into Shareholder Loan Agreement to provide a long-term loan to an associated company. The loan bears interest at 6 months SIBOR plus 1% per annum and on 25 May 2022, the interest rate was adjusted to 3 months SIBOR plus 1% per annum, effective since 1 April 2022. Such loan is repayable on demand. Movement of long-term loan to related party for the three-month period ended 31 March 2023 was summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Balance as at	Decrease	Balance as at
	1 January	during the	31 March
	2023	period	2023
Long-term loan to related company			
Associated company	90,194	(44,006)	46,188

(Unaudited but reviewed)

Directors and management's benefits

During the three-month period ended 31 March 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	35,595	33,137	10,198	8,986
Post-employment benefits	5,998	3,179	484	450
Total	<u>41,593</u>	<u>36,316</u>	<u>10,682</u>	<u>9,436</u>

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	633,192	384,358	661,362	402,561
Total trade receivables - related parties	<u>633,192</u>	<u>384,358</u>	<u>661,362</u>	<u>402,561</u>
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	2,032,043	1,204,454	61,475	70,786
Past due				
Up to 3 months	116,771	221,517	-	-
Total trade receivables - unrelated parties	<u>2,148,814</u>	<u>1,425,971</u>	<u>61,475</u>	<u>70,786</u>
Total trade receivables - net	<u>2,782,006</u>	<u>1,810,329</u>	<u>722,837</u>	<u>473,347</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<u>Other receivables</u>				
Other receivables - related parties	2,336	-	15,337	7,285
Other receivables - unrelated parties	67,394	65,506	822	953
Interest receivable - related party	753	2,054	753	2,054
Interest receivable - unrelated parties	6,421	1,623	6,339	1,614
Total other receivables	76,904	69,183	23,251	11,906
Total trade and other receivables	2,858,910	1,879,512	746,088	485,253

An overseas subsidiary has pledged its trade receivables to secure credit facilities from the financial institutions. As at 31 March 2023, the balance of trade receivables totaling Rupiah 90,000 million or approximately Baht 196.1 million (31 December 2022: Rupiah 90,000 million or approximately Baht 191.0 million) were placed to secure such credit facilities.

5. Other current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<u>Measured at amortised cost</u>				
Fixed deposits	1,692,502	1,442,502	1,692,502	1,442,502
Others	17	-	17	-
<u>Measured at FVTPL</u>				
Investments in General Fixed Income funds	1,077	1,074	-	-
Total	1,693,596	1,443,576	1,692,519	1,442,502

6. Restricted bank deposits

As at 31 March 2023, the overseas subsidiaries have restricted bank deposits of USD 10.6 million or approximately Baht 361.9 million (31 December 2022: USD 12.5 million or approximately Baht 434.9 million) to secure mine reclamation of the overseas subsidiaries to the government and guarantee for coal supply of the overseas subsidiaries.

7. Investments in subsidiaries

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

Company	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividends received for the three-month periods ended	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)				
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	-	-
Overseas subsidiaries								
PT. Singlurus Pratama (Incorporated in Indonesia)	Rp 10,500 million	Rp 10,500 million	65.00	65.00	22,421	22,421	443,843	215,406
PT. Lanna Harita Indonesia (Incorporated in Indonesia)	USD 8 million	USD 8 million	55.00	55.00	155,023	155,023	93,890	91,133
Total investments in subsidiaries					987,444	987,444	537,733	306,539
Less: Allowance for impairment loss of the investment					(194,000)	(193,129)		
Total investments in subsidiaries - net					793,444	794,315		

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.

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. During the current period, the management additionally recognised an impairment loss on investment in LPG amounting to Baht 0.8 million in the separate financial statements for the three-month period ended 31 March 2023 (2022: Baht 31.5 million).

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

(Unaudited but reviewed)

8. 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					
			31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
					(%)	(%)				
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	27,095	23,599	891	891
PT. Pesona Khatulistiwa Nusantara (Incorporated in Indonesia)	Manufacture and distribution of coal	Direct holding	Rp 580,891 million	Rp 580,891 million	10	10	394,615	359,784	58,437	58,437
Total							421,710	383,383	59,328	59,328

(Unaudited but reviewed)

During the three-month period ended 31 March 2023 and 2022, 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 31 March			
	Share of profit from investments in associated companies		Share of other comprehensive income from investments in associated companies	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
United Bulk Shipping Pte. Ltd.	3,496	1,903	-	-
PT. Pesona Khatulistiwa Nusantara	34,853	24,769	(22)	(117)
Total	<u>38,349</u>	<u>26,672</u>	<u>(22)</u>	<u>(117)</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.

9. Property, plant and equipment

Movements in the property, plant and equipment account for the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2022	3,997,277	335,705
Adjusted from the change in accounting policy (Note 2)	114	-
Net book value as at 31 December 2022 - Restated	3,997,391	335,705
Acquisitions during the period - cost	115,323	4,168
Disposal and write-off during the period - net book value		
on disposal and write-off date	(10)	(10)
Depreciation for the period	(82,906)	(4,549)
Translation adjustments	(13,862)	-
Net book value as at 31 March 2023	<u>4,015,936</u>	<u>335,314</u>

As at 31 December 2022, the local subsidiary had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 392.4 million (31 March 2023: Nil). Borrowing costs amounting to Baht 0.1 million were capitalised during the three-month period ended 31 March 2023 (31 December 2022: Baht 2.7 million). The weighted average rate of 3.3 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (31 December 2022: 2.1 to 3.3 percent per annum).

The local subsidiary has mortgaged part of its land and construction thereon and machinery with net book value as at 31 March 2023 amounting to approximately Baht 1,192 million (31 December 2022: Baht 1,216 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 12 and 14.

The overseas subsidiary has mortgaged part of its land, machinery, and equipment with net book value as at 31 March 2023 amounting to approximately USD 17.4 million or equivalent to Baht 593.2 million (31 December 2022: USD 17.9 million or equivalent to Baht 619.9 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 12 and 14.

10. Intangible assets

Movement in the intangible assets account for the three-month period ended 31 March 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 31 December 2022	2,760	72,496	75,256
Acquisitions during the period - cost	3,476	-	3,476
Amortisation for period	(343)	(10,106)	(10,449)
Net book value as at 31 March 2023	<u>5,893</u>	<u>62,390</u>	<u>(68,283)</u>

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Deferred transferred service fees according to contract	Total
Net book value as at 1 January 2023	632	72,496	73,128
Acquisition during the period - cost	1,897	-	1,897
Amortisation for period	(103)	(10,106)	(10,209)
Net book value as at 31 March 2023	<u>2,426</u>	<u>62,390</u>	<u>64,816</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)

11. Other non-current assets

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	31 March	31 December
	2023	2022
Deferred expenses - Indonesia coal mine project	204,914	216,774
Deferred stripping costs	669,040	692,404
Advance for purchase of land	4,000	-
Total other non-current assets	<u>877,954</u>	<u>909,178</u>
Amortisation expenses for the period/year	<u>329,797</u>	<u>665,195</u>

12. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
Promissory notes	3.52 - 4.58	3.00 - 3.90	1,395,537	1,303,948
Total			<u>1,395,537</u>	<u>1,303,948</u>

Movements in short-term loans from financial institutions during the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2022	1,303,948
Add: Increase during the period	1,382,868
Amortisation of transaction costs during the period	35
Less: Repayment during the period	<u>(1,291,314)</u>
Balance as at 31 March 2023	<u>1,395,537</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 9.

(Unaudited but reviewed)

As at 31 March 2023, 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 1,091.2 million and Baht 163.7 million totaling of Baht 1,254.9 million (31 December 2022: USD 32.0 million or equivalent to Baht 1,106.0 million and Baht 56.1 million, totaling of Baht 1,162.1 million).

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
Trade payables - related party	5,099	-	5,099	-
Trade payables - unrelated parties	734,380	605,183	54,866	33,275
Other payables - unrelated parties	140,409	138,703	3,428	10,086
Derivative liabilities	590	3,707	590	3,707
Total trade and other payables	<u>880,478</u>	<u>747,593</u>	<u>63,983</u>	<u>47,068</u>

14. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	31 March	31 December
	2023	2022
Long-term loans from financial institutions	637,947	705,348
Less: Current portion	<u>(307,865)</u>	<u>(321,044)</u>
Long-term loans from financial institutions - net of current portion	<u>330,082</u>	<u>384,304</u>

Movements in the long-term loans account during the three-month period ended 31 March 2023 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2022	705,348
Amortisation of transaction costs during the period	267
Repayment during the period	(65,881)
Translation adjustments	<u>(1,787)</u>
Balance as at 31 March 2023	<u>637,947</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 31 March 2023, a local subsidiary could maintain certain financial ratio as specified in the loan agreement. As at 31 December 2022, A local subsidiary could not maintain such ratio, however, a local subsidiary had obtained a waiver letter for the condition maintain certain financial ratios from bank on 3 November 2022.

As at 31 March 2023, the long-term credit facilities of the Group which have not yet been drawn down amounted to USD 5.5 million or approximately Baht 185.9 million and Baht 11.2 million totaling of Baht 197.1 million (31 December 2022: USD 5.5 million or approximately Baht 188.4 million and Baht 11.2 million totaling of Baht 199.6 million).

15. 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 period ended 31 March 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		
Current income tax:				
Interim corporate income tax charge	572,940	403,150	-	-
Withholding tax deducted at source recognised as expenses during the period	18,158	11,773	125,704	73,081
Deferred tax:				
Relating to origination and reversal of temporary differences	172,575	140,980	126	(3,365)
Income tax reported in the income statements	<u>763,673</u>	<u>555,903</u>	<u>125,830</u>	<u>69,716</u>

16. 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.

17. Dividend paid

Dividends paid by the Group during the three-month periods ended 31 March 2023 and 2022 are as follows:

Overseas subsidiariesPT. Lanna Harita Indonesia

Dividends	Approved by	Total Dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2023</u>				
The third interim dividends for 2022	Board of Directors' meeting on 21 March 2023	5,000	625.0	28 March 2023
Total		5,000	625.0	
<u>2022</u>				
The third interim dividends for 2021	Board of Directors' meeting on 28 March 2022	5,000	625.0	25 May 2022
Total		5,000	625.0	

During the three-month period ended 31 March 2023, the Company recorded dividend income at 55 percent for a total of USD 2.8 million or equivalent to Baht 93.9 million. The Company had been withheld the withholding tax deducted at source of Baht 18.8 million (2022: USD 2.8 million or equivalent to Baht 91.1 million. The Company had been withheld the withholding tax deducted at source of Baht 18.2 million).

PT. Singlurus Pratama

Dividends	Approved by	Total dividends (Thousand US Dollar)	Dividend per share (US Dollar)	Paid on
<u>2023</u>				
The third interim dividends for 2022	Board of Directors' meeting on 23 March 2023	20,000	1,904.8	27 March 2023
Total		20,000	1,904.8	
<u>2022</u>				
The third interim dividends for 2021	Board of Directors' meeting on 28 March 2022	10,000	952.4	10 May 2022
Total		10,000	952.4	

During the three-month period ended 31 March 2023, the Company recorded dividend income at 65 percent for a total of USD 13.0 million or equivalent to Baht 443.8 million. The Company had been withheld the withholding tax deducted at source of Baht 88.8 million (2022: USD 6.5 million or equivalent to Baht 215.4 million. The Company had been withheld the withholding tax deducted at source of Baht 43.1 million).

18. 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 period ended 31 March 2023 and 2022.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 31 March

	Domestic coal business		Overseas coal business		Ethanol business		Soil conditioner business		Elimination of inter-segment transactions		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
								(Restated)				(Restated)
Revenues												
Revenues from external customers	628	463	5,346	3,834	768	670	14	1	-	-	6,756	4,968
Inter-segment revenues	107	77	109	173	-	-	-	-	(216)	(250)	-	-
Total revenue	735	540	5,455	4,007	768	670	14	1	(216)	(250)	6,756	4,968
Operating results												
Segment gross profit	155	138	3,606	2,594	91	37	8	1	(95)	(72)	3,765	2,698
Other income											35	46
Share of profit from investments in associated companies											38	27
Gain (loss) on exchange											60	(5)
Selling and distribution expenses											(1,686)	(1,058)
Administrative expenses											(137)	(135)
Finance income											13	9
Finance cost											(21)	(14)
Profit before income tax expenses											2,067	1,568
Income tax expenses											(764)	(556)
Profit for the period											1,303	1,012

19. Significant contracts and agreements

19.1 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.

19.2 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.

19.3 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.

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 31 March 2023, the Group had capital commitments of Baht 17.9 million, relating to the assessment of the environment impact on the construction of the Company’s jetty, purchasing of special tools and equipment to report air pollution from factory stacks, purchase of land and other projects of the subsidiary. (31 December 2022: Baht 11.2 million, relating to the assessment of environmental impact on the construction of the Company’s jetty, the construction of the subsidiary’s Vinasse Evaporation Plant and other construction projects.)

20.2 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:

(Unit: Million Baht)

Payable	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	In up to 1 year	5.7	2.0	1.0
In over 1 year and up to 5 years	0.5	0.6	0.5	0.6

- b) The Group had commitments under service agreements regarding the legal consulting, the consulting for financing and management of Baht 10.8 million (The Company Only: Baht 10.4 million) (31 December 2022: Baht 15.2 million (The Company Only: Baht 13.9 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.

20.3 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.

20.4 Guarantees

As at 31 March 2023, the Group had bank guarantees of approximately Baht 72 million and Rupiah 20,000 million (the Company only: Baht 1.0 million) (31 December 2022: Baht 72 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.

21. 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 had been finished on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company to make payments for purchases of cassava chip that the subsidiary paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2011 (the countersue date) until completion of payment.

In addition, on 18 May 2018, the subsidiary sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The Company 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, and the bank already remitted the fully funds that had been withheld to enforcement officers. In December 2022, while the subsidiary was waiting for the preparation of its account and the payment receipt, the debtor filed a petition for revocation of attachment of claims. The Court has completed its investigation of the said petition. Currently, the case is pending a court order. However, the subsidiary recorded allowance for impairment in advance paid to that company for a whole amount.

22. Foreign currency risk

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

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

As at 31 March 2023				
Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			<u>Buying rate</u>	<u>Selling rate</u>
US dollar	4.0	0.2	33.9345	34.2631

(Unaudited but reviewed)

As at 31 December 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	6.5	-	34.3913	34.7335

23. Financial Instrument

23.1 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.

23.2 Fair value hierarchy

As at 31 March 2023, 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	1,077	1,077	-	-
Derivatives - Foreign				
exchange contracts	590	590	590	590

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 May 2023.