

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Unique Mining Services Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Unique Mining Services Public Company Limited and its subsidiaries (the "Group") and of Unique Mining Services Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 2 to the accompanying financial statements which describes that the Group and the Company incurred a net loss during the year ended 31 December 2018 of Baht 64.0 million and Baht 82.2 million, respectively. As of that date, the Group's and the Company's current liabilities exceeded current assets by Baht 485.1 million and Baht 524.3 million and the deficit balances were Baht 724.5 million and Baht 763.2 million, respectively. However, the Group and the Company are in process of solving the financial position, financial performance and financial liquidity problems of the Group and the Company by implementing policies and procedures in an attempt to manage its liquidity risk and other circumstances. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Group's and the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Impairment of investment properties and property, plant and equipment	
Refer to Notes 4, 11 and 12 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company has operated at a loss for several years and coal sales volume is in the declining trend. Moreover, the Company has some part of investment properties which have not been utilised in business operation and held for a currently undetermined future use. The management considers these are the indicators of possible impairment.</p> <p>To determine the recoverable amount of the assets, the management considers value in use and fair value less costs to sell. The consideration of recoverable amount involve the application of management's judgment. In addition, the carrying value of investment properties and property, plant and equipment are material to the Company's financial statements, this is the most significant area which my audit is focus on.</p>	<p>Among others, I performed the following procedures:</p> <ul style="list-style-type: none">• gained understanding of the process for estimating the recoverable amount including the value in use which derived from discounted cash flow to present value and fair value less costs to sell;• assessed the appropriateness of significant assumptions made by management by comparing with the actual past operation results, the future Company's business plan and external market analysis;• performed sensitivity analysis calculation based on the expected movements in such assumption to ascertain the impact of reasonably possible changes;• inspected the relevant documents, which are engagement letter for the service provided by the independent property valuer to the Company and the valuation report, to obtain the understanding of objective, methodologies and assumptions used by valuer;• performed an evaluation of the competence, capabilities and objectivity of the valuer, engaged by the Company;• checked the property detail provided to valuer with asset register and detail of property on valuation report for the completeness of property in valuation scope;

Impairment of investment properties and property, plant and equipment	
Refer to Notes 4, 11 and 12 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> involved with KPMG external expert to evaluate the appropriateness of methodologies and assumptions used by independent property valuer; and tested the calculations and considered the adequacy of disclosures in accordance with the Thai Financial Reporting Standard.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
26 February 2019

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	207,412,138	82,968,479	183,065,668	63,717,761
Trade accounts receivable	7	22,687,899	18,815,399	15,475,489	13,155,924
Other accounts receivable	5, 8	3,312,515	12,487,571	3,019,772	11,970,475
Inventories	9	19,248,289	10,956,311	19,190,961	10,682,456
Other current assets		1,670,684	2,539,239	1,608,386	2,517,669
Total current assets		254,331,525	127,766,999	222,360,276	102,044,285
Non-current assets					
Investments in subsidiaries	10	-	-	133,210,169	133,379,710
Investment properties	11	309,076,814	213,094,727	309,076,814	213,094,727
Property, plant and equipment	12	279,677,920	389,371,112	146,401,267	268,282,831
Intangible assets	13	2,111,158	2,623,185	2,086,282	2,623,183
Other non-current assets		645,878	738,424	563,807	656,036
Total non-current assets		591,511,770	605,827,448	591,338,339	618,036,487
Total assets		845,843,295	733,594,447	813,698,615	720,080,772

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

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2018	2017	2018	2017
<i>(in Baht)</i>					
Current liabilities					
Short-term borrowings from financial institutions	15	42,574,633	42,000,000	42,574,633	42,000,000
Trade accounts payable	5, 16	6,691,814	8,206,914	5,925,612	8,055,368
Other accounts payable	5, 17	41,102,076	14,844,916	40,069,174	13,523,679
Short-term borrowings from related parties	5, 15	645,000,000	645,000,000	655,000,000	655,000,000
Accrued expenses		2,260,901	2,896,292	1,723,370	2,009,739
Other current liabilities		1,768,085	1,245,501	1,412,089	1,131,426
Total current liabilities		739,397,509	714,193,623	746,704,878	721,720,212
Non-current liabilities					
Provisions for employee benefit	18	2,014,843	1,757,044	1,278,111	1,269,596
Total non-current liabilities		2,014,843	1,757,044	1,278,111	1,269,596
Total liabilities		741,412,352	715,950,667	747,982,989	722,989,808
Equity					
Share capital	19				
Authorized share capital		352,369,106	251,692,219	352,369,106	251,692,219
Issued and paid share capital		352,369,106	251,692,219	352,369,106	251,692,219
Share premium on ordinary shares	19	466,074,567	416,355,938	466,074,567	416,355,938
Retained earnings (deficit)					
Appropriated to legal reserve	20	10,500,000	10,500,000	10,500,000	10,500,000
Deficit		(724,512,730)	(660,904,377)	(763,228,047)	(681,457,193)
Equity attributable to owners of the parent/ (capital deficiency)		104,430,943	17,643,780	65,715,626	(2,909,036)
Non-controlling interests		-	-	-	-
Total equity/ (capital deficiency)		104,430,943	17,643,780	65,715,626	(2,909,036)
Total liabilities and equity		845,843,295	733,594,447	813,698,615	720,080,772

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

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
Revenues					
Revenues from sales of goods		204,301,707	412,068,397	204,301,707	412,068,397
Revenues from rendering of services	26	44,841,660	36,050,232	-	-
Total revenues		249,143,367	448,118,629	204,301,707	412,068,397
Costs					
Costs of sales of goods	5, 24	205,009,194	394,407,344	206,271,949	400,096,778
Costs of rendering of services	24	27,791,875	21,781,402	-	-
Total costs		232,801,069	416,188,746	206,271,949	400,096,778
Gross profits (losses)		16,342,298	31,929,883	(1,970,242)	11,971,619
Other income	5, 22	4,330,644	6,425,959	10,088,337	49,036,136
Profit before expenses		20,672,942	38,355,842	8,118,095	61,007,755
Selling expenses	24	7,460,483	28,231,941	7,460,483	28,231,941
Administrative expenses	5, 24	57,204,020	65,426,891	52,594,564	62,789,052
Reversal of impairment loss on assets	12	(12,159,799)	-	-	-
Total expenses		52,504,704	93,658,832	60,055,047	91,020,993
Loss before finance costs and income tax expense		(31,831,762)	(55,302,990)	(51,936,952)	(30,013,238)
Finance costs	5	30,004,394	32,554,988	30,254,397	33,951,084
Loss before income tax expense		(61,836,156)	(87,857,978)	(82,191,349)	(63,964,322)
Tax expense	25	2,151,218	3,133,798	-	-
Loss for the year		(63,987,374)	(90,991,776)	(82,191,349)	(63,964,322)
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans		379,021	(112,533)	420,495	(159,738)
Total comprehensive income for the year		(63,608,353)	(91,104,309)	(81,770,854)	(64,124,060)
Loss attributable to:					
Owners of the parent		(63,987,374)	(90,991,776)	(82,191,349)	(63,964,322)
Non-controlling interests		-	-	-	-
Loss for the year		(63,987,374)	(90,991,776)	(82,191,349)	(63,964,322)
Total comprehensive income attributable to:					
Owners of the parent		(63,608,353)	(91,104,309)	(81,770,854)	(64,124,060)
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		(63,608,353)	(91,104,309)	(81,770,854)	(64,124,060)
Basic loss per share (in Baht)	27	(0.13)	(0.18)	(0.16)	(0.13)

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

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statement of changes in equity

Consolidated financial statements

	Note	Issued and paid share capital	Share premium	Retained earnings (deficit)		Equity attributable to owners of the parent	Non- controlling interests	Total equity
				Appropriated to legal reserve	Deficit <i>(in Baht)</i>			
Year ended 31 December 2017								
Balance at 1 January 2017		251,692,219	416,355,938	10,500,000	(569,800,068)	108,748,089	-	108,748,089
Comprehensive income for the year								
Loss		-	-	-	(90,991,776)	(90,991,776)	-	(90,991,776)
Other comprehensive income		-	-	-	(112,533)	(112,533)	-	(112,533)
Total comprehensive income for the year		-	-	-	(91,104,309)	(91,104,309)	-	(91,104,309)
Balance at 31 December 2017		251,692,219	416,355,938	10,500,000	(660,904,377)	17,643,780	-	17,643,780
Year ended 31 December 2018								
Balance at 1 January 2018		251,692,219	416,355,938	10,500,000	(660,904,377)	17,643,780	-	17,643,780
Contributions by owners of the Company								
Issue of ordinary shares	19	100,676,887	49,718,629	-	-	150,395,516	-	150,395,516
Total contributions by owners of the Company		352,369,106	466,074,567	10,500,000	(660,904,377)	168,039,296	-	168,039,296
Comprehensive income for the year								
Loss		-	-	-	(63,987,374)	(63,987,374)	-	(63,987,374)
Other comprehensive income		-	-	-	379,021	379,021	-	379,021
Total comprehensive income for the year		-	-	-	(63,608,353)	(63,608,353)	-	(63,608,353)
Balance at 31 December 2018		352,369,106	466,074,567	10,500,000	(724,512,730)	104,430,943	-	104,430,943

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

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statement of changes in equity

	<i>Note</i>	Issued and paid share capital	Share premium	Separate financial statements		Total equity/ (capital deficiency)
				Appropriated to legal reserve (<i>in Baht</i>)	Retained earnings (deficit) Deficit	
Year ended 31 December 2017						
Balance at 1 January 2017		251,692,219	416,355,938	10,500,000	(617,333,133)	61,215,024
Comprehensive income for the year						
Loss		-	-	-	(63,964,322)	(63,964,322)
Other comprehensive income		-	-	-	(159,738)	(159,738)
Total comprehensive income for the year		-	-	-	(64,124,060)	(64,124,060)
Balance at 31 December 2017		251,692,219	416,355,938	10,500,000	(681,457,193)	(2,909,036)
Year ended 31 December 2018						
Balance at 1 January 2018		251,692,219	416,355,938	10,500,000	(681,457,193)	(2,909,036)
Contributions by owners of the Company						
Issue of ordinary shares	19	100,676,887	49,718,629	-	-	150,395,516
Total contributions by owners of the Company		352,369,106	466,074,567	10,500,000	(681,457,193)	147,486,480
Comprehensive income for the year						
Loss		-	-	-	(82,191,349)	(82,191,349)
Other comprehensive income		-	-	-	420,495	420,495
Total comprehensive income for the year		-	-	-	(81,770,854)	(81,770,854)
Balance at 31 December 2018		352,369,106	466,074,567	10,500,000	(763,228,047)	65,715,626

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

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Loss for the year	(63,987,374)	(90,991,776)	(82,191,349)	(63,964,322)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	2,151,218	3,133,798	-	-
Finance costs	30,004,394	32,554,988	30,254,397	33,951,084
Depreciation and amortization	34,934,310	36,709,727	26,407,031	29,459,782
Reversal of impairment loss on assets	(12,159,799)	-	-	-
Impairment loss on investment in subsidiary	-	-	169,541	183,817
Provisions for employee benefit	636,820	590,268	429,010	471,244
Unrealised loss on exchange	-	356,686	-	356,686
Loss on fair value adjustment of current investments	-	10,806	-	10,806
(Reversal of) bad and doubtful debts expenses	45,668	(159,377)	26,238	(226,095)
(Reversal of) loss on inventories devaluation	(4,263,497)	659,952	(4,263,497)	659,952
(Gain) loss on disposal of property, plant and equipment	(1,058,086)	(44,827)	(1,063,421)	14,022
Gain on disposal of current investments	-	(101,833)	-	(80,508)
Dividends income from subsidiaries	-	-	-	(38,020,000)
Interest income	(182,196)	(236,310)	(102,502)	(163,591)
	<u>(13,878,542)</u>	<u>(17,517,898)</u>	<u>(30,334,552)</u>	<u>(37,347,123)</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(3,918,168)	33,346,744	(2,345,803)	33,048,412
Other accounts receivable	9,175,056	1,209,149	8,950,703	1,018,383
Inventories	(4,028,481)	121,387,555	(4,245,008)	121,280,101
Other current assets	868,555	5,499,684	909,283	5,435,355
Other non-current assets	3,135,450	6,470,304	372,140	4,133,788
Trade accounts payable	(1,515,100)	(95,108,954)	(2,129,756)	(96,177,136)
Other accounts payable	(3,307,793)	(1,560,676)	(668,477)	735,522
Accrued expenses	(649,258)	(5,066,145)	(300,236)	(3,438,895)
Other current liabilities	522,584	(1,397,777)	280,663	(1,085,046)
Net cash generated from (used in) operating	(13,595,697)	47,261,986	(29,511,043)	27,603,361
Taxes paid	(3,042,904)	(2,413,873)	(279,911)	(196,108)
Net cash from (used in) operating activities	(16,638,601)	44,848,113	(29,790,954)	27,407,253

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

**Unique Mining Services Public Company Limited
and its Subsidiaries**

Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from disposal of property, plant and equipment	1,308,598	488,850	1,248,598	430,000
Acquisition of property, plant and equipment	(8,672,608)	(5,841,442)	(125,830)	(203,670)
Acquisition of intangible assets	(60,000)	-	(30,000)	-
Proceeds from disposal of current investments	-	45,101,833	-	40,080,508
Payment for current investments	-	(5,000,000)	-	-
Dividends received	-	-	-	38,020,000
Interest received	182,196	236,310	102,502	163,591
Net cash from (used in) investing activities	(7,241,814)	34,985,551	1,195,270	78,490,429
<i>Cash flows from financing activities</i>				
Proceeds from issue of share capital	150,395,516	-	150,395,516	-
Proceeds from short-term borrowings from financial institutions	177,412,010	320,779,569	177,412,010	320,779,569
Repayment of short-term borrowings from financial institutions	(176,837,377)	(246,370,221)	(176,837,377)	(246,370,221)
Proceeds from short-term borrowings from related parties	-	-	-	10,000,000
Repayment of short-term borrowings from related parties	-	(125,000,000)	-	(160,000,000)
Finance costs paid	(2,646,075)	(26,025,986)	(3,026,558)	(27,439,958)
Net cash from (used in) financing activities	148,324,074	(76,616,638)	147,943,591	(103,030,610)
Net increase in cash and cash equivalents	124,443,659	3,217,026	119,347,907	2,867,072
Cash and cash equivalents at beginning of year	82,968,479	79,751,453	63,717,761	60,850,689
Cash and cash equivalents at ending of year	207,412,138	82,968,479	183,065,668	63,717,761
<i>Non-cash transactions</i>				
Unpaid liabilities from acquisition of property, plant and equipment	69,283	-	-	-
Increase of short-term borrowings from related parties to offset with the repayment of short-term borrowings from financial institutions	15	-	200,000,000	-
				200,000,000

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

Unique Mining Services Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

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**Unique Mining Services Public Company Limited
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Notes to the financial statements
For the year ended 31 December 2018

These notes form an integral part of the interim financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 26 February 2019

1 General information

Unique Mining Services Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at the following addresses:

Head Office : 26/23 Orakarn Building, 7th Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330.

Branch : 88/8-9 Moo 5, Tambol Suansom, Amphur Baanpaew, Samutsakorn 74120.

Branch : 108 Moo 2, Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya 13260.

The Company was listed on the Market for Alternative Investment (MAI) in July 2004.

The ultimate parent company during the financial year was Thoresen Thai Agencies Public Company Limited (“TTA”), which was incorporated in Thailand.

The principal businesses of the Company are sales of coal for domestic industrial. The principal businesses of the Group are sales of coal for domestic industrial, transportation by barge conveyance, and port services.

Details of the Company’s subsidiaries as at 31 December 2018 and 2017 are given in note 10.

2 Current operations

The Group and the Company incurred a net loss for the year ended 31 December 2018 of Baht 64.0 million and Baht 82.2 million, respectively (*2017: net loss of Baht 91.0 million and Baht 64.0 million, respectively*). As of that date, the Group’s and the Company’s current liabilities exceeded current assets by Baht 485.1 million and Baht 524.3 million, respectively (*2017: Baht 586.4 million and Baht 619.7 million, respectively*) and the deficit balances were Baht 724.5 million and Baht 763.2 million, respectively (*2017: Baht 660.9 million and Baht 681.5 million, respectively*).

The Company has received financial assistance from TTA, the ultimate parent company, in form of promissory notes which are payable upon the lender’s request. As at 31 December 2018, the Company had outstanding short-term borrowings from TTA and its subsidiary of Baht 645.0 million (*2017: Baht 645.0 million*). In addition, the ultimate parent company issued the letter to confirm that the ultimate parent company and its subsidiary will not call back the liabilities due from the Company in the next 12 months unless the Company has sufficient funds to meet these obligations earlier. In addition, the Company issued the additional share capital which offered to existing shareholders in proportion to their shareholding percentage and registered with the Business Development Department, Ministry of Commerce on 28 December 2018 as disclosed in Note 19 to the financial statements.

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Moreover, the Group and the Company are in process of solving the financial position, financial performance and financial liquidity problems of the Group and the Company by implementing policies and procedures in an attempt to manage its liquidity risk and other circumstances, increasing sale volumes, changing sourcing, increasing other income, reducing costs, requesting additional credit facilities from financial institutions and plan to sell of non-operating assets.

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business. Therefore, the financial statements have not included any adjustment of the value of assets to realisable value, or of liabilities to the amounts eventually due, and reclassification of accounts, which may be necessary if the Group and the Company is not able to continue as a going concern.

Caution sign

The Stock Exchange of Thailand (“SET”) posted a “C” (Caution) sign on the Company’s securities traded on the SET when the Group’s and the Company’s total equity balances were less than 50% of the Group’s and the Company’s total paid-up share capital which the Company has already published a plan to resolve this cause.

3 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 31.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

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(d) Use of judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognized in the financial statements is included in the following notes:

Note 11, 12	Impairment test : key assumptions underlying recoverable amounts;
Note 14	Deferred tax assets have not been recognized; and
Note 18	Measurement of Provisions for employee benefit : key actuarial assumptions.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 – Investment properties;
- Note 12 – Property, plant and equipment; and
- Note 28 – Financial instruments

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

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(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in debt securities

Debt securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

The fair value of financial instruments classified as held-for-trading is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

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(g) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	5 and 20 years
Buildings	10 - 20 years

No depreciation is provided on freehold land.

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(h) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss.

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Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	3 - 20 years
Buildings	3 - 20 years
Vehicles	5 years
Lighters	25 - 26 years
Machinery	2 - 11 years
Office equipment	2 - 20 years
Dry-docking	5 years

No depreciation is provided on freehold land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods for computer software are 3 – 10 years.

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(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and rendering of services

Revenue is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Rendering of services are recognized as services are provided.

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Rental income

Rental income is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognized in profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income are recognized in profit or loss as they accrue.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(q) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

(t) *Segment reporting*

Segment results that are reported to the Group's managing director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 10. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent
Athene Holdings Ltd.	Thailand	Parent, 92.93% shareholding
PMT Properties Co.,Ltd.	Thailand	99.99% holding by ultimate parent company
Mermaid Maritime Public Company Limited	Thailand	49.53% holding by ultimate parent company
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenues from rendering of services	At mutually agreed rate normally charged to a third party
Dividend income	Upon declaration
Service expenses	At mutually agreed rate normally charged by a third party
Finance costs	At contractually agreed rates
Management benefit expenses	Amount approved by the directors and/or the shareholders

Significant transactions for the year ended 31 December with related parties were as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Ultimate parent				
Revenues from rendering of services	-	8	-	8
Service expense (included in administrative expense)	2,189	2,272	2,189	2,272
Finance costs	26,315	26,315	26,315	26,315
Parent				
Finance costs	1,125	1,009	1,125	1,009

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<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenues from rendering of services	-	-	6,026	4,426
Dividends income	-	-	-	38,020
Service expense (included in cost of sales of goods)	-	-	1,309	5,689
Service expense (included in administration expense)	-	-	-	3
Finance costs	-	-	250	1,396
Other related parties				
Revenues from rendering of services	11	3	11	3
Key management personnel				
Key management personnel compensation				
Short-term benefits	6,055	9,406	5,032	9,406
Post-employment benefits	336	175	246	175
Total key management personnel compensation	6,391	9,581	5,278	9,581

Balances as at 31 December with related parties were as follows:

<i>Other accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	-	398
Other related parties	-	4	543	4
Total	-	4	543	402

<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	104	-
Total	-	-	104	-

<i>Other accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Ultimate parent	35,349	8,993	35,349	8,993
Parent	1,125	96	1,125	96
Subsidiaries	-	-	42	172
Total	36,474	9,089	36,516	9,261

Short-term borrowings from related parties

Consolidated

Separate

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	Interest rate		financial statements		financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Ultimate parent	4.60 - 4.70	4.60 - 4.70	570,000	570,000	570,000	570,000
Parent	1.50	1.50	75,000	75,000	75,000	75,000
Subsidiaries	2.50	2.50	-	-	10,000	10,000
Total			645,000	645,000	655,000	655,000

Movements during the year ended 31 December of short-term borrowings from related parties were as follows:

<i>Short-term borrowings from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Ultimate parent				
At 1 January	570,000	570,000	570,000	570,000
At 31 December	570,000	570,000	570,000	570,000
Parent				
At 1 January	75,000	-	75,000	-
Increase	-	200,000	-	200,000
Decrease	-	(125,000)	-	(125,000)
At 31 December	75,000	75,000	75,000	75,000
Subsidiaries				
At 1 January	-	-	10,000	35,000
Increase	-	-	-	10,000
Decrease	-	-	-	(35,000)
At 31 December	-	-	10,000	10,000

All short-term borrowings from related parties are unsecured and have repayment terms at call.

At the Extraordinary General Meeting of Shareholders No. 1/2017 held on 19 October 2017, the shareholders approved the extension period of existing borrowing facilities from the ultimate parent company totaling Baht 570.0 million and the request for additional borrowing facilities from the ultimate parent company up to Baht 430.0 million. However, the additional facilities is subject to the approval by the ultimate parent company.

Please see Note 31 to the financial statements regarding to the Company made the repayment of partial short-term borrowings from related parties after the reporting period.

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	31	20	15	7
Cash at banks – current and savings accounts	207,381	82,948	183,051	63,711
Total	207,412	82,968	183,066	63,718

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other parties	27,641	23,722	20,342	17,996
<i>Less</i> allowance for doubtful accounts	(4,953)	(4,907)	(4,867)	(4,840)
Net	22,688	18,815	15,475	13,156
 (Reversal of) bad and doubtful debts expense for the year	 46	 (159)	 27	 (226)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within credit terms	15,699	14,591	12,952	11,108
Overdue:				
Less than 3 months	6,999	4,175	2,533	2,058
6-12 months	164	19	164	-
Over 12 months	4,779	4,937	4,693	4,830
	27,641	23,722	20,342	17,996
<i>Less</i> allowance for doubtful accounts	(4,953)	(4,907)	(4,867)	(4,840)
Net	22,688	18,815	15,475	13,156

The normal credit terms granted by the Group ranges from 30 - 60 days.

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8 Other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	5	-	4	543	402
Other parties					
- Advances to suppliers		500	10,265	-	9,765
- Prepayments		1,347	1,478	1,199	1,251
- Accrued income		321	478	63	63
- Others		1,701	819	1,271	545
Total		3,869	13,044	3,076	12,026
<i>Less</i> allowance for doubtful accounts					
- Advances to suppliers		(500)	(500)	-	-
- Others		(56)	(56)	(56)	(56)
Net		3,313	12,488	3,020	11,970

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Coal and others	235,298	327,588	235,344	327,588
Spare parts and supplies	2,356	3,535	2,253	3,261
Total	237,654	331,123	237,597	330,849
<i>Less</i> allowance for declining in value of inventory and inventory deterioration	(218,406)	(320,167)	(218,406)	(320,167)
Net	19,248	10,956	19,191	10,682
Inventories recognized as an expense in 'cost of sales of goods':				
- Cost	209,272	393,747	210,535	399,437
- (Reversal of) write-down to net realisable value	(4,263)	660	(4,263)	660
Net	205,009	394,407	206,272	400,097

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10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income for the years ended, were as follows:

	Type of business	Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		Cost – net of impairment		Dividend income	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		(%)		(in thousand Baht)									
Direct subsidiaries													
UMS Distribution Co., Ltd.	Logistics management and trading of fertilizer	99.99	99.99	5,000	5,000	5,000	5,000	(4,497)	(4,327)	503	673	-	-
UMS Lighter Co., Ltd.	Boat conveyance	99.99	99.99	110,000	110,000	110,000	110,000	-	-	110,000	110,000	-	20,020
UMS Port Services Co., Ltd.	Port service	99.99	99.99	18,000	18,000	18,000	18,000	-	-	18,000	18,000	-	18,000
UMS Pellet Energy Co., Ltd.	Road transport and trading of wood pellet	99.99	99.99	18,000	18,000	18,000	18,000	(13,293)	(13,293)	4,707	4,707	-	-
Total				151,000	151,000	151,000	151,000	(17,790)	(17,620)	133,210	133,380	-	38,020

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11 Investment properties

	<i>Note</i>	Consolidated / separate financial statements			Total
		Land	Land improvement (in thousand Baht)	Buildings	
<i>Cost</i>					
At 1 January 2017		99,723	13,297	216,077	329,097
At 31 December 2017 and 1 January 2018		99,723	13,297	216,077	329,097
Reclassification from property, plant and equipment	12	106,461	-	-	106,461
At 31 December 2018		206,184	13,297	216,077	435,558
<i>Depreciation and impairment loss</i>					
At 1 January 2017		-	6,177	99,289	105,466
Depreciation charge for the year		-	663	9,873	10,536
At 31 December 2017 and 1 January 2018		-	6,840	109,162	116,002
Depreciation charge for the year		-	606	9,873	10,479
At 31 December 2018		-	7,446	119,035	126,481
<i>Net book value</i>					
At 1 January 2017		99,723	7,120	116,788	223,631
At 31 December 2017 and 1 January 2018		99,723	6,457	106,915	213,095
At 31 December 2018		206,184	5,851	97,042	309,077

The fair value of investment properties as at 31 December 2018 of Baht 421.8 million (2017: Baht 315.7 million) was determined by independent professional valuers, at open market values on an existing use basis. The fair value measurement for investment properties has been categorized as a Level 3 fair value.

Investment properties comprise a number of land, land improvement, and buildings located at Suansom Sub-District, Baanpaew District, Samutsakorn Province and partial land located at Nakornluang District, Ayudhaya province have been transferred from property, plant and equipment to investment properties since they have not been utilised in main business operation and rent out some space to other parties.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties were determined by independent professional valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent professional valuers provide the fair value of the Company's investment property portfolio on an annual basis.

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The fair value measurement for investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

	Valuation technique	Significant unobservable inputs
Land		
- Market comparative method with weighted quality score		• Adjusted market comparable price of land
Land improvement and buildings		
- Forced sale value method		• Forced sale value

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12 Property, plant and equipment

		Consolidated financial statements							
	<i>Note</i>	Land	Land improvement	Buildings	Vehicle, lighter and dry-docking <i>(in thousand Baht)</i>	Machinery	Office equipment	Assets under construction	Total
Cost									
At 1 January 2017		199,228	28,736	89,626	200,374	267,801	96,634	7,186	889,585
Additions		-	-	-	5,557	-	123	161	5,841
Transfers		-	-	62	-	-	-	(62)	-
Disposal		-	-	-	(2,460)	(724)	(236)	-	(3,420)
At 31 December 2017 and 1 January 2018		199,228	28,736	89,688	203,471	267,077	96,521	7,285	892,006
Additions		-	-	-	48	-	183	8,511	8,742
Transfer		-	-	2,086	6,437	-	-	(8,523)	-
Transfer to investment properties	<i>11</i>	(106,461)	-	-	-	-	-	-	(106,461)
Disposal		-	-	(281)	(5,602)	-	(103)	-	(5,986)
At 31 December 2018		92,767	28,736	91,493	204,354	267,077	96,601	7,273	788,301

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	Consolidated financial statements							
	Land	Land improvement	Buildings	Vehicle, lighter and dry-docking <i>(in thousand Baht)</i>	Machinery	Office equipment	Assets under construction	Total
<i>Depreciation and impairment loss</i>								
At 1 January 2017	-	23,302	30,138	98,748	230,866	91,457	5,539	480,050
Depreciation charge for the year	-	1,165	5,803	5,361	11,148	2,085	-	25,562
Disposal	-	-	-	(2,341)	(605)	(31)	-	(2,977)
At 31 December 2017 and 1 January 2018	-	24,467	35,941	101,768	241,409	93,511	5,539	502,635
Depreciation charge for the year	-	1,109	5,845	5,716	9,760	1,454	-	23,884
Reversal of impairment loss	-	-	-	(12,160)	-	-	-	(12,160)
Disposal	-	-	(226)	(5,407)	-	(103)	-	(5,736)
At 31 December 2018	-	25,576	41,560	89,917	251,169	94,862	5,539	508,623

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	Consolidated financial statements							
	Land	Land improvement	Buildings	Vehicle, lighter and dry-docking <i>(in thousand Baht)</i>	Machinery	Office equipment	Assets under construction	Total
<i>Net book value</i>								
At 1 January 2017	<u>199,228</u>	<u>5,434</u>	<u>59,488</u>	<u>101,626</u>	<u>36,935</u>	<u>5,177</u>	<u>1,647</u>	<u>409,535</u>
At 31 December 2017 and 1 January 2018	<u>199,228</u>	<u>4,269</u>	<u>53,747</u>	<u>101,703</u>	<u>25,668</u>	<u>3,010</u>	<u>1,746</u>	<u>389,371</u>
At 31 December 2018	<u><u>92,767</u></u>	<u><u>3,160</u></u>	<u><u>49,933</u></u>	<u><u>114,437</u></u>	<u><u>15,908</u></u>	<u><u>1,739</u></u>	<u><u>1,734</u></u>	<u><u>279,678</u></u>

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Separate financial statements									
	<i>Note</i>	Land	Land improvement	Buildings	Vehicle <i>(in thousand Baht)</i>	Machinery	Office equipment	Assets under construction	Total
Cost									
At 1 January 2017		199,228	28,736	59,384	25,218	267,801	92,802	7,186	680,355
Additions		-	-	-	33	-	112	59	204
Disposal		-	-	-	(2,224)	(724)	(236)	-	(3,184)
At 31 December 2017 and 1 January 2018		199,228	28,736	59,384	23,027	267,077	92,678	7,245	677,375
Additions		-	-	-	-	-	126	-	126
Transfer to investment properties	<i>11</i>	(106,461)	-	-	-	-	-	-	(106,461)
Disposal		-	-	(281)	(6,147)	-	(103)	-	(6,531)
At 31 December 2018		92,767	28,736	59,103	16,880	267,077	92,701	7,245	564,509

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	Separate financial statements					Office equipment	Assets under construction	Total
	Land	Land improvement	Buildings	Vehicle <i>(in thousand Baht)</i>	Machinery			
<i>Depreciation and impairment loss</i>								
At 1 January 2017	-	23,302	22,010	23,662	230,866	88,141	5,539	393,520
Depreciation charge for the year	-	1,165	3,143	949	11,148	1,907	-	18,312
Disposal	-	-	-	(2,104)	(605)	(31)	-	(2,740)
At 31 December 2017 and 1 January 2018	-	24,467	25,153	22,507	241,409	90,017	5,539	409,092
Depreciation charge for the year	-	1,108	3,141	13	9,760	1,340	-	15,362
Disposal	-	-	(226)	(6,017)	-	(103)	-	(6,346)
At 31 December 2018	-	25,575	28,068	16,503	251,169	91,254	5,539	418,108

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	Land	Land improvement	Buildings	Separate financial statements		Office equipment	Assets under construction	Total
				Vehicle <i>(in thousand Baht)</i>	Machinery			
<i>Net book value</i>								
At 1 January 2017	<u>199,228</u>	<u>5,434</u>	<u>37,374</u>	<u>1,556</u>	<u>36,935</u>	<u>4,661</u>	<u>1,647</u>	<u>286,835</u>
At 31 December 2017 and 1 January 2018	<u>199,228</u>	<u>4,269</u>	<u>34,231</u>	<u>520</u>	<u>25,668</u>	<u>2,661</u>	<u>1,706</u>	<u>286,283</u>
At 31 December 2018	<u>92,767</u>	<u>3,161</u>	<u>31,035</u>	<u>377</u>	<u>15,908</u>	<u>1,447</u>	<u>1,706</u>	<u>146,401</u>

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Securities

As at 31 December 2018, property, plant and equipment used as collateral for borrowing facilities can be summarised as follows:

- The Company's partial land, partial construction thereon and partial machinery located at Klong Sa-kae Sub-District, Nakornluang District, Ayudhaya province with a net book value of Baht 213.8 million (2017: Baht 217.0 million), have been mortgaged with a bank as collateral for borrowing as mentioned in note 15.
- On 4 May 2017, the Company has changed collateral assets, a barge of a subsidiary, to a new barge with a net book value of Baht 13.9 million (2017: Baht 12.6 million), which have been mortgaged with a bank as collateral for the bank overdrafts as mentioned in note 15.

Impairment

Subsidiary

During the year 2014, a subsidiary received a request for forfeiture of the barge. This barge provided service to a customer who has a dispute. However, the subsidiary is not a defendant. By the Civil Court and the Appeal Court rendered a judgement to seize the barge according to section 154 of Minerals Act, B.E. 1967. The subsidiary filed a petition to Supreme Court on 29 November 2016. Subsequently on 24 January 2019, the Supreme Court rendered a judgement to disagree with the Civil Court and the Appeal Court judgement. As result from the judgement, the subsidiary was not seized such barge. Thus, the management considered the reversal of relevant impairment loss, the Group recognized the reversal of impairment loss on assets of Baht 12.2 million in the consolidated financial statements for the year ended 31 December 2018.

The Company

In 2018, the management performed tests of impairment of property, plant and equipment by engaging independent professional valuers by using fair market value in exchange and forced sale value. Moreover, management estimated the value in use of such assets for consideration the recoverable amount. Based on the result of the independent valuer's report and the management's assessment, the recoverable amount estimated using the value in use method was higher than fair value. The recoverable amount is higher than the assets' carrying amounts. As result, no additional impairment loss has to be recognized in 2018. As at 31 December 2018, the cash flows were projected over a period of 5 years before a terminal growth rate was applied to reflect management's estimate.

The key assumptions used in the estimation of the value in use are set out below.

	Consolidated and separate financial statements
	2018
	(%)
Discount rate	6.97
Terminal value growth rate	0

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13 Intangible assets

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January 2017	17,037	16,143
Additions/disposal	-	-
At 31 December 2017 and 1 January 2018	17,037	16,143
Additions	60	30
At 31 December 2018	17,097	16,173
 Amortization		
At 1 January 2017	13,802	12,908
Amortization charge for the year	612	612
At 31 December 2017 and 1 January 2018	14,414	13,520
Amortization charge for the year	572	567
At 31 December 2018	14,986	14,087
 <i>Net book value</i>		
At 1 January 2017	3,235	3,235
At 31 December 2017 and 1 January 2018	2,623	2,623
At 31 December 2018	2,111	2,086

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14 Deferred tax

Deferred tax assets have not been recognized in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Deductible temporary differences				
• Allowance for doubtful accounts - trade and other accounts receivable	1,102	1,093	984	979
• Allowance for declining in value of inventories and inventory deterioration	43,681	64,033	43,681	64,033
• Allowance for impairment losses on investment	-	-	3,558	3,524
• Allowance impairment losses on investment properties and property, plant and equipment	7,501	9,490	7,501	9,776
• Depreciation gap	3,019	2,571	-	-
• Accrued bonus	166	133	109	97
• Provisions for employee benefit	403	351	256	254
	55,872	77,671	56,089	78,663
Loss carry forward	118,693	164,546	118,576	163,972
Total	174,565	242,217	174,665	242,635

The tax loss expire in 2019 to 2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in the financial statements of the Group in respect of these items because it is not certain that future taxable profit will be generated against which the Group can utilise the benefits there from.

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15 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current					
Short-term borrowings from financial institutions		42,575	42,000	42,575	42,000
Short-term borrowings from related parties	5	645,000	645,000	655,000	655,000
Total current interest- bearing liabilities		687,575	687,000	697,575	697,000

Short-term borrowings

As at 31 December 2018, the Group has overdraft facility totaling Baht 5.0 million (2017: Baht 10.0 million). The facility is secured by a subsidiary's barge as disclosed in note 12. The Group has unused bank overdrafts facilities amounting to Baht 5.0 million (2017: Baht 10.0 million).

During the year ended 31 December 2017, the Company was unable to fulfill its trust receipts with a financial institution of Baht 62.8 million. As a result, the financial institution asked the Company to repay all outstanding debts the Company had with it of Baht 200.0 million, withdrew all short-term borrowing facilities offered by it to the Company of Baht 300.0 million and deducted Baht 200.0 million from the savings deposit account of the Company's parent company, which was already pledged as collateral for the Company's short-term borrowing facilities with the financial institution. Consequently, the Company has the short-term borrowings from the parent company in form of promissory notes which are payable upon the lender's request, amounting to Baht 200.0 million with interest rate at 1.50% per annum. As at 31 December 2018, the outstanding short-term borrowings from the parent company, in the form of promissory notes, was 75.0 million (2017: Baht 75.0 million).

As at 31 December 2018, the Company has short-term borrowing facilities from a financial institution, in form of promissory notes, letter of credit and trust receipts totaling Baht 60.0 million (2017: Baht 60.0 million). The facilities are secured by a subsidiary, and part of the Company's land and construction, and machinery as disclosed in note 12. The Company has unused short-term borrowing facilities amounting to Baht 17.4 million (2017: Baht 18.0 million).

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16 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related party	5	-	-	104	-
Other parties		6,692	8,207	5,822	8,055
Total		6,692	8,207	5,926	8,055

17 Other accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	5	36,474	9,089	36,516	9,261
Other parties					
- Tax payable		647	2,359	68	1,199
- Others		3,981	3,397	3,485	3,064
Total		41,102	14,845	40,069	13,524

18 Provisions for employee benefit

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Statements of financial position					
Provisions for:					
Post-employment benefits		1,740	1,526	1,141	1,135
Other long-term employee benefits		275	231	137	135
Total		2,015	1,757	1,278	1,270
<i>Year ended 31 December</i>					
Statement of comprehensive income:					
Recognized in profit or loss:					
Post-employment benefits		593	528	427	450
Other long-term employee benefits		44	62	2	21
Total		637	590	429	471
Recognized in other comprehensive income:					
Actuarial (gains) losses recognized in the year		(379)	113	(421)	160
Cumulative actuarial gains recognized		(2,595)	(2,216)	(2,448)	(2,027)

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Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	1,757	1,054	1,270	639
Included in profit or loss:				
Current service cost	395	585	312	494
Past service cost	247	(10)	128	(14)
Interest on obligation	50	29	36	19
Remeasurements of other long-term benefits	(23)	(14)	(15)	(28)
	669	590	461	471
Included in other comprehensive income:				
Actuarial (gains) losses	(379)	113	(421)	160
	(379)	113	(421)	160
Other:				
Benefit paid	(32)	-	(32)	-
	(32)	-	(32)	-
At 31 December	2,015	1,757	1,278	1,270

In 2018, the Group improved the benefits under its retirement plan for employees who were employed by the Group for twenty years or more, without interruption. Those employees are now entitled to receive severance payment upon retirement of 400 days of wages at the most recent rate. As a result of this change, the provision for retirement benefits as at 31 December 2018 as well as past service cost recognized during the year in the consolidated and the separate financial statements increased by an amount of Baht 0.2 million and Baht 0.1 million, respectively.

Actuarial gains and losses recognized in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	310	-	309
Financial assumptions	(10)	162	4	155
Experience adjustment	(369)	(359)	(425)	(304)
Total	(379)	113	(421)	160

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	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2017				
Other long-term employee benefits				
Discount rate (1% movement)	(16)	18	(8)	9
Employee turnover (1% movement)	(1)	2	(1)	1
Future mortality (1% movement)	-	-	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19 Share capital

	Par value per share <i>(in Baht)</i>	2018		2017	
		Number	Baht	Number	Baht
<i>(thousand shares/ thousand Baht)</i>					
Authorized					
At 1 January					
- ordinary shares	0.5	503,384	251,692	503,384	251,692
Increase of new shares	0.5	201,354	100,677	-	-
At 31 December					
- ordinary shares	0.5	704,738	352,369	503,384	251,692
Issued and paid					
At 1 January					
- ordinary shares	0.5	503,384	251,692	503,384	251,692
Increase of new shares	0.5	201,354	100,677	-	-
At 31 December					
- ordinary shares	0.5	704,738	352,369	503,384	251,692

Increase of share capital to existing shareholders in proportion to their shareholding percentage

At the Extraordinary General Meeting of Shareholders No. 1/2018 held on 13 December 2018, shareholders approved the increase of the Company authorized share capital by 201,353,774 shares at par value of Baht 0.50 each from the existing authorized share capital of Baht 251,692,219 divided into 503,384,438 shares. After increase the share capital, the new authorized share capital was Baht 352,369,106, and total ordinary share is 704,738,212 shares. The share capital was offered to existing shareholders in proportion to their shareholding percentage (Rights Offering: RO) in a ratio of 5 existing ordinary shares to 2 new ordinary shares. The RO price is Baht 0.75 per one share. The Company registered the increase in authorized share capital with the Business Development Department, Ministry of Commerce on 18 December 2018.

To allocate capital increase share, existing shareholders shall have the rights to oversubscribe in the RO based on the ratio specified above by indicating their intention to oversubscribe by no more than 100 percent of existing ordinary shares held by them. Shareholders may oversubscribe, and oversubscription shares may be allocated to such oversubscribing shareholders only when there are shares left after allocation to all shareholders who have subscribed to shares proportionately to their shareholding percentage in the RO.

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The subscription date and payment of subscription price was 21 - 27 December 2018. On 28 December 2018, the Company announced the subscription result to the existing shareholders of 201,353,774 shares, resulting in proceeds of Baht 150.4 million (paid-up shares capital of Baht 100.7 million, premium on ordinary shares of Baht 50.3 million net with the costs related to issuing the new shares of Baht 0.6 million). The Company registered the increase in paid-up share capital with the Business Development Department, Ministry of Commerce on 28 December 2018. The new issued ordinary share was trade in the Market for Alternative Investment (MAI) on 10 January 2019.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Movements during the year ended 31 December of share premium were as follows:

	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	416,356	416,356
Increase of new shares	49,719	-
At 31 December	<u>466,075</u>	<u>416,356</u>

20 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

21 Segment information

The Group has two reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different sales and services, and are managed separately because they require different technology, marketing strategic and resource input. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

Business segments

Segment 1	Sales of coal
Segment 2	Transport

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

Revenue and results, based on business segments, in the consolidated financial statements for the year ended 31 December 2018 and 2017 were as follows:

Consolidated financial statements				
For the year ended 31 December 2018				
	Sales of coal	Transport	Elimination of inter-segment transaction	Total
	<i>(in thousand Baht)</i>			
Revenues from operations	204,302	46,150	(1,309)	249,143
Revenues from inter-segment	-	(1,309)	1,309	-
From outside customers	204,302	44,841	-	249,143
Depreciation and amortization	26,407	8,737	(210)	34,934
Reversal of impairment loss on assets	-	12,160	-	12,160
Operating profit (loss)	(51,937)	20,087	18	(31,832)
Finance costs	(30,254)	-	250	(30,004)
Tax expense	-	(2,151)	-	(2,151)
Profit (loss) for the year	(82,191)	17,936	268	(63,987)
Consolidated financial statements				
As at 31 December 2018				
	Sales of coal	Transport	Elimination of inter-segment transaction	Total
	<i>(in thousand Baht)</i>			
Total assets	813,699	176,959	(144,815)	845,843
Total liabilities	747,983	4,118	(10,689)	741,412

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	Sales of coal	Transport	Elimination of inter-segment transaction	Total
			<i>(in thousand Baht)</i>	
Revenues from operations	412,068	41,740	(5,689)	448,119
Revenues from inter-segment	-	(5,689)	5,689	-
From outside customers	<u>412,068</u>	<u>36,051</u>	<u>-</u>	<u>448,119</u>
Depreciation and amortization	<u>29,460</u>	<u>7,464</u>	<u>(214)</u>	<u>36,710</u>
Operating profit (loss)	(30,013)	13,729	(39,019)	(55,303)
Finance costs	(33,951)	-	1,396	(32,555)
Tax expense	-	(3,134)	-	(3,134)
Profit (loss) for the year	<u>(63,964)</u>	<u>10,595</u>	<u>(37,623)</u>	<u>(90,992)</u>

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	Sales of coal	Transport	Elimination of inter-segment transaction	Total
			<i>(in thousand Baht)</i>	
Total assets	<u>720,081</u>	<u>158,478</u>	<u>(144,965)</u>	<u>733,594</u>
Total liabilities	<u>722,990</u>	<u>3,532</u>	<u>(10,571)</u>	<u>715,951</u>

22 Other income

	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
			<i>(in thousand Baht)</i>	
Rental income	2,059	303	4,912	1,761
Gain on disposal of assets	1,058	59	1,063	-
Interest income	182	236	103	164
Net gain on foreign exchange	92	3,690	92	3,690
Dividends income	-	-	-	38,020
Gain on current investments	-	91	-	70
Others	939	2,047	3,918	5,331
Total	<u>4,330</u>	<u>6,426</u>	<u>10,088</u>	<u>49,036</u>

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23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Wages, salaries and bonus	19,530	30,787	13,289	25,595
Termination benefits	-	1,707	-	1,559
Defined contribution plans	881	1,301	629	1,132
Defined benefit plans	669	590	461	471
Others	2,485	3,668	1,392	2,916
Total	23,565	38,053	15,771	31,673

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 7%, 10% or 15% of their basic salaries and by the Group at rates 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

24 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Included in costs:</i>				
Changes in inventories of finished goods and work in progress	(2,872)	10,521	(2,872)	10,521
Raw material and consumable used	190,345	354,426	191,608	360,115
(Reversal of) loss on inventories	(4,264)	660	(4,264)	660
Depreciation and amortization	16,013	16,313	7,486	9,069
Employee benefit expenses	7,754	12,667	3,291	7,713
Rental and service expenses	5,081	5,404	2,564	3,568
Maintenance expenses	6,255	5,317	2,741	2,806
Others	14,489	10,881	5,718	5,645
Total	232,801	416,189	206,272	400,097
<i>Included in selling expenses:</i>				
Transportation expenses	3,907	18,304	3,907	18,304
Employee benefit expenses	2,631	5,104	2,631	5,104
Commission expenses	597	3,953	597	3,953
Depreciation and amortization	31	33	31	33
Others	294	838	294	838
Total	7,460	28,232	7,460	28,232

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Included in administrative expenses:</i>				
Depreciation and amortization	18,891	20,364	18,890	20,358
Employee benefit expenses	13,180	20,282	9,849	18,856
Utilities expenses	2,908	2,841	2,907	2,840
Rental and service expenses	1,208	1,639	1,199	1,636
Impairment loss on investment	-	-	170	184
(Reversal of) bad and doubtful debts expenses	46	(159)	27	(226)
Others	20,971	20,460	19,553	19,141
Total	57,204	65,427	52,595	62,789

25 Tax expense

Tax expense recognized in profit or loss

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	2,196	2,902	-	-
Adjustment for prior years	(45)	232	-	-
	2,151	3,134	-	-
Deferred tax expense				
Movement in temporary differences	-	-	-	-
Total	2,151	3,134	-	-

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Reconciliation of effective tax rate

	Consolidated financial statements			
		2018		2017
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Loss before income tax expense		<u>(61,836)</u>		<u>(87,858)</u>
Income tax using the Thai corporation tax rate	20	(12,367)	20	(17,572)
Income not subject to tax		-		(63)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(466)		2,175
Utilization of previously unrecognized tax losses		-		(20)
Current year losses for which no deferred tax asset was recognized		36,828		22,896
Change in unrecognized deferred tax assets during the year		(21,799)		(4,514)
Under (over) provided in prior years		(45)		232
Total	<u>(3)</u>	<u>2,151</u>	<u>(4)</u>	<u>3,134</u>

	Separate financial statements			
		2018		2017
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Loss before income tax expense		<u>(82,191)</u>		<u>(63,964)</u>
Income tax using the Thai corporation tax rate	20	(16,438)	20	(12,793)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		2,225		(7,899)
Current year losses for which no deferred tax asset was recognized		36,787		22,856
Change in unrecognized deferred tax assets during the year		(22,574)		(2,164)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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26 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. of 2520, a subsidiary has been granted privileges relating to barge transportation business. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) exemption from payment of income tax for certain operations for a period of 8 years from the date on which the income is first derived from such operations. The exemption was expired in January 2017.

As a promoted company, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of service income from promoted and non-promoted businesses:

	Consolidated financial statements					
	2018			2017		
	Promoted businesses	Non- Promoted businesses	Total	Promoted businesses	Non- Promoted businesses	Total
	<i>(in thousand Baht)</i>					
Local service income	-	46,150	46,150	890	40,850	41,740
Eliminations	-	(1,309)	(1,309)	(414)	(5,276)	(5,690)
Total service income	-	44,841	44,841	476	35,574	36,050

27 Basic loss per share

The calculations of basic loss per share for the year ended 31 December 2018 and 2017 were based on the loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company	(63,987)	(90,992)	(82,191)	(63,964)
Number of ordinary shares outstanding at 1 January	503,384	503,384	503,384	503,384
Effect of shares issued on 28 December 2018	2,207	-	2,207	-
Weighted average number of ordinary shares outstanding (basic)	505,591	503,384	505,591	503,384
Basic loss per share (in Baht)	(0.13)	(0.18)	(0.16)	(0.13)

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28 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because most of the interest rates from borrowings from financial institutions are floating rates, which based on market rates. The interest rates from short-term borrowings from related parties are fixed rates.

The interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Interest rates (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year But within 5 years	After 5 years	
2018					
Current					
Short-term borrowings from financial institutions	5.75	42,575	-	-	42,575
Short-term borrowings from related parties	1.50 – 4.70	645,000	-	-	645,000
Total		687,575	-	-	687,575

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	Interest rates (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year But within 5 years	After 5 years	
<i>(in thousand Baht)</i>					
2017					
Current					
Short-term borrowings from financial institutions	5.75	42,000	-	-	42,000
Short-term borrowings from related parties	1.50 – 4.70	645,000	-	-	645,000
Total		687,000	-	-	687,000

	Interest rates (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year But within 5 years	After 5 years	
<i>(in thousand Baht)</i>					
2018					
Current					
Short-term borrowings from financial institutions	5.75	42,575	-	-	42,575
Short-term borrowings from related parties	1.50 – 4.70	655,000	-	-	655,000
Total		697,575	-	-	697,575

	Interest rates (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year But within 5 years	After 5 years	
<i>(in thousand Baht)</i>					
2017					
Current					
Short-term borrowings from financial institutions	5.75	42,000	-	-	42,000
Short-term borrowings from related parties	1.50 – 4.70	655,000	-	-	655,000
Total		697,000	-	-	697,000

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

Since the majority of the financial assets and liabilities as at 31 December 2018 and 2017 classified as short-term and borrowings are bearing interest at rates close to current market rate, the carrying amount of the Group's financial instruments does not materially differ from their aggregate fair value.

29 Commitments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payment under non-cancellable operating leases</i>				
Within one year	1,588	422	1,560	396
After one year but within five years	103	-	77	-
Total	1,691	422	1,637	396
<i>Other commitments</i>				
Opened letter of credit for goods but not yet been liability	4,655	-	4,655	-
Bank guarantees	2,483	2,483	2,483	2,483

As at 31 December 2018, the Company had operating lease agreements covering its office space with the ultimate parent and office equipments for periods ranging from 1 - 2 years ending on various dates up to November 2020.

Sale contract for steam coal

As at 31 December 2018, the Company has outstanding commitments relating to sale contracts for steam coal with domestic enterprises for the specific volume plus or minus 10% at a fix price per contract.

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30 Environmental litigation case

On 5 August 2016, the Central Administrative Court ordered the Company to file the written answer with relevant evidence to the Court as the interpleader in a lawsuit filed by an association and a number of people in Ayutthaya province against the Government authorities as stated in the complaint. The lawsuit relates to the environmental impact caused by the operations of certain companies, including the Company, which operate in the area under the Government authorities' control. The plaintiffs demand the Government authorities to exercise their power to control or order the companies to follow the plaintiff's certain requests which the plaintiff's claimed to help reducing the environmental impact. The Company has filed the written response to the Court. The Court received the response on 5 October 2016. Subsequently on 25 January 2017, the Central Administrative Court sent a copy of plaintiffs' testimony to the Company. The Company filed a defence in response and the court received the response on 7 February 2017. Subsequently on 8 January 2019, the Central Administrative Court ordered a subsidiary to file the written answer with relevant evidence to the Court as the additional interpleader. As at the approved date of these financial statements, the case is in the consideration of the Court. Based on opinion of the expert legal counsel, management believes that the outcome of the Court consideration will not have a significant financial impact on the Company.

31 Events after the reporting period

On 11 January 2019, the Company made the repayment of short-term borrowings to the ultimate parent company and the parent company; the principle in amount of Baht 40.0 million and Baht 75.0 million, respectively and accrued interest expenses in amount of Baht 35.1 million and Baht 1.2 million, respectively totaling amount of Baht 151.3 million.

32 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 22	Foreign Currency Transactions and Advance Consideration	2019

* TFRS - Financial instruments standards

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

The Group has completed an assessment of the potential impact of adopting and initially TFRS 15 and found that there will be no impact on the consolidated and separate financial statements.

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TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS – Financial instruments on the consolidated and separate financial statements.