

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

Condensed interim financial statements
for the three-month period ended
31 March 2020
and
Independent auditor's review report

Independent Auditor’s Report on Review of Interim Financial Information

To the Board of Directors of Unique Mining Services Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Unique Mining Services Public Company Limited and its subsidiaries, and of Unique Mining Services Public Company Limited, respectively, as at 31 March 2020; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2020; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 2 to the interim financial statements which describes that the Group and the Company incurred a net loss for the three-month period ended 31 March 2020 of Baht 13.5 million and Baht 10.9 million, respectively. As of that date, the Group and the Company's current liabilities exceeded current assets by Baht 514.4 million and Baht 550.4 million, respectively, and the deficit balances were Baht 779.7 million and Baht 814.4 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 conclusion is not modified in respect of this matter.

(Watchara Pattarapitak)
Certified Public Accountant
Registration No. 6669

KPMG Phoomchai Audit Ltd.
Bangkok
13 May 2020

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

Statement of financial position

| Assets | Note | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------------------|------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | | 31 March 2020 (Unaudited) | 31 December 2019 | 31 March 2020 (Unaudited) | 31 December 2019 |
| | | <i>(in Baht)</i> | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 38,892,281 | 40,839,480 | 13,175,162 | 14,621,585 |
| Trade accounts receivable | 11 | 18,943,473 | 16,923,514 | 14,866,217 | 13,148,971 |
| Other current receivables | | 6,452,488 | 2,878,481 | 6,475,730 | 2,078,613 |
| Inventories | | 9,850,283 | 10,472,246 | 9,751,140 | 10,360,051 |
| Other current assets | | 1,596,440 | 1,637,641 | 1,571,737 | 1,588,485 |
| Total current assets | | 75,734,965 | 72,751,362 | 45,839,986 | 41,797,705 |
| Non-current assets | | | | | |
| Restricted deposit at a financial institution | 12 | 1,700,000 | 1,700,000 | - | - |
| Investments in subsidiaries | 7 | - | - | 133,044,666 | 133,044,666 |
| Investment properties | | 189,603,071 | 192,178,125 | 189,603,071 | 192,178,125 |
| Property, plant and equipment | 8 | 371,223,590 | 373,145,821 | 240,868,736 | 242,950,059 |
| Right-of-use assets | 4, 8 | 3,980,282 | - | 3,980,282 | - |
| Intangible assets | | 1,440,837 | 1,586,876 | 1,423,452 | 1,567,996 |
| Other non-current assets | | 2,419,718 | 2,009,949 | 2,011,796 | 1,746,971 |
| Total non-current assets | | 570,367,498 | 570,620,771 | 570,932,003 | 571,487,817 |
| Total assets | | 646,102,463 | 643,372,133 | 616,771,989 | 613,285,522 |

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

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

Statement of financial position

| | Note | Consolidated | | Separate | |
|----------------------------------------------------------------------------------------------------|------|---------------------------------|---------------------|---------------------------------|---------------------|
| | | financial statements | | financial statements | |
| | | 31 March 2020 (Unaudited) | 31 December 2019 | 31 March 2020 (Unaudited) | 31 December 2019 |
| <i>(in Baht)</i> | | | | | |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Short-term borrowings from financial institutions | 9 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Trade accounts payable | | 9,069,762 | 5,449,926 | 8,604,949 | 4,923,161 |
| Other current payables | | 35,861,545 | 29,179,259 | 35,575,192 | 28,471,901 |
| Current portion of lease liabilities | 4, 9 | 751,932 | - | 751,932 | - |
| Short-term borrowings from related parties | 9 | 530,000,000 | 530,000,000 | 540,000,000 | 540,000,000 |
| Accrued expenses | | 4,161,188 | 2,401,068 | 1,199,918 | 1,777,658 |
| Other current liabilities | | 258,290 | 268,377 | 130,748 | 82,094 |
| Total current liabilities | | 590,102,717 | 577,298,630 | 596,262,739 | 585,254,814 |
| Non-current liabilities | | | | | |
| Lease liabilities | 4, 9 | 3,256,783 | - | 3,256,783 | - |
| Provision for employee benefit | | 2,532,037 | 2,405,126 | 1,689,382 | 1,602,127 |
| Other non-current liabilities | | 1,013,746 | 1,013,746 | 1,013,746 | 1,013,746 |
| Total non-current liabilities | | 6,802,566 | 3,418,872 | 5,959,911 | 2,615,873 |
| Total liabilities | | 596,905,283 | 580,717,502 | 602,222,650 | 587,870,687 |
| Equity | | | | | |
| Share capital | | | | | |
| Authorised share capital (704,738,212 ordinary shares, par value at Baht 0.5 per share) | | 352,369,106 | 352,369,106 | 352,369,106 | 352,369,106 |
| Issued and paid-up share capital (704,738,212 ordinary shares, par value at Baht 0.5 per share) | | 352,369,106 | 352,369,106 | 352,369,106 | 352,369,106 |
| Share premium on ordinary shares | | 466,074,567 | 466,074,567 | 466,074,567 | 466,074,567 |
| Retained earnings (deficit) | | | | | |
| Appropriated to legal reserve | | 10,500,000 | 10,500,000 | 10,500,000 | 10,500,000 |
| Deficit | | (779,746,493) | (766,289,042) | (814,394,334) | (803,528,838) |
| Equity attributable to owners of the parent | | 49,197,180 | 62,654,631 | 14,549,339 | 25,414,835 |
| Non-controlling interests | | - | - | - | - |
| Total equity | | 49,197,180 | 62,654,631 | 14,549,339 | 25,414,835 |
| Total liabilities and equity | | 646,102,463 | 643,372,133 | 616,771,989 | 613,285,522 |

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

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

Statement of comprehensive income (Unaudited)

| | Note | Consolidated financial statements | | Separate financial statements | |
|----------------------------------------------------|------|--------------------------------------|---------------------|--------------------------------------|---------------------|
| | | Three-month period ended 31 March | | Three-month period ended 31 March | |
| | | 2020 | 2019 | 2020 | 2019 |
| <i>(in Baht)</i> | | | | | |
| Revenues | | | | | |
| Revenue from sales of goods | | 17,588,316 | 21,620,250 | 17,588,316 | 21,620,250 |
| Revenue from rendering of services | | 9,523,846 | 13,271,015 | 3,704,578 | 3,613,814 |
| Total revenues | 10 | 27,112,162 | 34,891,265 | 21,292,894 | 25,234,064 |
| Costs | | | | | |
| Cost of sales of goods | | 15,197,800 | 21,104,531 | 15,197,800 | 21,150,519 |
| Cost of rendering of services | | 7,284,210 | 8,946,929 | 2,452,406 | 2,680,602 |
| Total costs | | 22,482,010 | 30,051,460 | 17,650,206 | 23,831,121 |
| Gross profit | | 4,630,152 | 4,839,805 | 3,642,688 | 1,402,943 |
| Other income | 6 | 362,988 | 2,892,517 | 1,884,825 | 4,354,606 |
| Profit before expenses | | 4,993,140 | 7,732,322 | 5,527,513 | 5,757,549 |
| Selling expenses | | 1,134,826 | 1,678,657 | 1,134,826 | 1,678,657 |
| Administrative expenses | 6 | 11,033,818 | 10,596,223 | 8,913,906 | 9,405,651 |
| Total expenses | | 12,168,644 | 12,274,880 | 10,048,732 | 11,084,308 |
| Loss from operating activities | | (7,175,504) | (4,542,558) | (4,521,219) | (5,326,759) |
| Finance costs | 6 | (6,281,947) | (6,657,909) | (6,344,277) | (6,719,553) |
| Loss before income tax expense | | (13,457,451) | (11,200,467) | (10,865,496) | (12,046,312) |
| Tax expense | | - | (241,586) | - | - |
| Loss for the period | | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| Other comprehensive income for the period | | - | - | - | - |
| Total comprehensive income for the period | | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| Loss attributable to: | | | | | |
| Owners of the parent | | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| Non-controlling interests | | - | - | - | - |
| Loss for the period | | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income for the period | | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| Basic loss per share (in Baht) | | (0.02) | (0.02) | (0.02) | (0.02) |

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

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

Statement of changes in equity (Unaudited)

| | Consolidated financial statements | | | | | | |
|--------------------------------------------------|------------------------------------------|--------------------|-----------------------------|-----------------------------|---------------------------------------------------|----------------------------------|---------------------|
| | Issued and paid-up share capital | Share premium | Retained earnings (deficit) | | Equity attributable to owners of the parent | Non- controlling interests | Total equity |
| | | | Legal reserve | Deficit <i>(in Baht)</i> | | | |
| Three-month period ended 31 March 2019 | | | | | | | |
| Balance at 1 January 2019 | 352,369,106 | 466,074,567 | 10,500,000 | (724,512,730) | 104,430,943 | - | 104,430,943 |
| Comprehensive income for the period | | | | | | | |
| Loss | - | - | - | (11,442,053) | (11,442,053) | - | (11,442,053) |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (11,442,053) | (11,442,053) | - | (11,442,053) |
| Balance at 31 March 2019 | 352,369,106 | 466,074,567 | 10,500,000 | (735,954,783) | 92,988,890 | - | 92,988,890 |
| Three-month period ended 31 March 2020 | | | | | | | |
| Balance at 1 January 2020 | 352,369,106 | 466,074,567 | 10,500,000 | (766,289,042) | 62,654,631 | - | 62,654,631 |
| Comprehensive income for the period | | | | | | | |
| Loss | - | - | - | (13,457,451) | (13,457,451) | - | (13,457,451) |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (13,457,451) | (13,457,451) | - | (13,457,451) |
| Balance at 31 March 2020 | 352,369,106 | 466,074,567 | 10,500,000 | (779,746,493) | 49,197,180 | - | 49,197,180 |

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

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

Statement of changes in equity (Unaudited)

| | Separate financial statements | | | | Total equity |
|--------------------------------------------------|----------------------------------------|--------------------|-----------------------------|-----------------------------------|---------------------|
| | Issued and paid-up share capital | Share premium | Retained earnings (deficit) | | |
| | | | | Legal reserve <i>(in Baht)</i> | Deficit |
| Three-month period ended 31 March 2019 | | | | | |
| Balance at 1 January 2019 | 352,369,106 | 466,074,567 | 10,500,000 | (763,228,047) | 65,715,626 |
| Comprehensive income for the period | | | | | |
| Loss | - | - | - | (12,046,312) | (12,046,312) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (12,046,312) | (12,046,312) |
| Balance at 31 March 2019 | 352,369,106 | 466,074,567 | 10,500,000 | (775,274,359) | 53,669,314 |
| Three-month period ended 31 March 2020 | | | | | |
| Balance at 1 January 2020 | 352,369,106 | 466,074,567 | 10,500,000 | (803,528,838) | 25,414,835 |
| Comprehensive income for the period | | | | | |
| Loss | - | - | - | (10,865,496) | (10,865,496) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (10,865,496) | (10,865,496) |
| Balance at 31 March 2020 | 352,369,106 | 466,074,567 | 10,500,000 | (814,394,334) | 14,549,339 |

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

**Unique Mining Services Public Company Limited
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Statement of cash flows (Unaudited)

| | Consolidated | | Separate | |
|-------------------------------------------------------------------------------------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | Three-month ended period | | Three-month period ended | |
| | 31 March | | 31 March | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Loss for the period | (13,457,451) | (11,442,053) | (10,865,496) | (12,046,312) |
| <i>Adjustments to reconcile loss to cash receipts (payments)</i> | | | | |
| Tax expense | - | 241,586 | - | - |
| Finance costs | 6,281,947 | 6,657,909 | 6,344,277 | 6,719,553 |
| Depreciation and amortisation | 8,069,833 | 8,328,352 | 5,373,846 | 5,953,966 |
| Provision for employee benefit | 126,911 | 122,933 | 87,255 | 82,323 |
| Reversal of impairment loss from trade accounts receivable (2019: bad and doubtful debts expenses) | (169,898) | - | (169,898) | - |
| (Reversal of) loss on inventories devaluation | (158,823) | 890,894 | (158,823) | 890,894 |
| Interest income | - | (1,163) | - | (1,163) |
| | <u>692,519</u> | <u>4,798,458</u> | <u>611,161</u> | <u>1,599,261</u> |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | (1,850,061) | 1,138,296 | (1,547,348) | 1,521,578 |
| Other current receivables | (3,574,007) | (1,706,176) | (4,397,117) | (1,222,539) |
| Inventories | 780,786 | 3,413,612 | 767,734 | 3,465,067 |
| Other current assets | 41,201 | (1,436,753) | 16,748 | (1,493,597) |
| Other non-current assets | 8,499 | 153,717 | - | - |
| Trade accounts payable | 3,619,836 | (1,303,429) | 3,681,788 | (558,388) |
| Other current payables | 1,027,183 | (1,633,548) | 1,448,872 | (1,386,481) |
| Accrued expenses | (652,750) | 2,049,118 | (577,486) | (309,754) |
| Other current liabilities | (10,087) | 939,025 | 48,654 | 894,642 |
| Net cash generated from operating | 83,119 | 6,412,320 | 53,006 | 2,509,789 |
| Taxes paid | (418,269) | (376,409) | (264,825) | (206,127) |
| Net cash from (used in) operating activities | (335,150) | 6,035,911 | (211,819) | 2,303,662 |

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

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

Statement of cash flows (Unaudited)

| | Consolidated | | Separate | |
|----------------------------------------------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | financial statements | | financial statements | |
| | Three-month period ended | | Three-month period ended | |
| | 31 March | | 31 March | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Acquisition of property, plant and equipment | (640,805) | (3,271,574) | (200,346) | (1,026,621) |
| Acquisition of intangible assets | - | (60,000) | - | (60,000) |
| Interest received | - | 1,163 | - | 1,163 |
| Net cash used in investing activities | (640,805) | (3,330,411) | (200,346) | (1,085,458) |
| <i>Cash flows from financing activities</i> | | | | |
| Proceeds from short-term borrowings from financial institutions | 10,000,000 | 14,538,245 | 10,000,000 | 14,538,245 |
| Repayment of short-term borrowings from financial institutions | (10,000,000) | (29,432,318) | (10,000,000) | (29,432,318) |
| Repayment of short-term borrowings from related parties | - | (115,000,000) | - | (115,000,000) |
| Payment of lease liabilities | (181,056) | - | (181,056) | - |
| Finance costs paid | (790,188) | (36,833,456) | (853,202) | (36,896,470) |
| Net cash from used in financing activities | (971,244) | (166,727,529) | (1,034,258) | (166,790,543) |
| Net decrease in cash and cash equivalents | (1,947,199) | (164,022,029) | (1,446,423) | (165,572,339) |
| Cash and cash equivalents at beginning of period | 40,839,480 | 207,412,138 | 14,621,585 | 183,065,668 |
| Cash and cash equivalents at ending of period | 38,892,281 | 43,390,109 | 13,175,162 | 17,493,329 |
| <i>Non-cash transactions</i> | | | | |
| Unpaid liabilities from acquisition of property, plant and equipment | 2,576,215 | 251,557 | 163,090 | 250,380 |

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

**Unique Mining Services Public Company Limited
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Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

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**Unique Mining Services Public Company Limited
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 13 May 2020.

1 General information

The principal activities of the Company are engaged in distribution of coal and provision of related services for domestic industrial. The principal activities of the Group are engaged in distribution of coal and provision of related services for domestic industrial, transportation by barge conveyance, and port services.

Details of the Company's subsidiaries as at 31 March 2020 and 31 December 2019 are given in note 7.

2 Current operations

The Group and the Company incurred a net loss for three-month period ended 31 March 2020 of Baht 13.5 million and Baht 10.9 million, respectively (*for the three-month period ended 31 March 2019: net loss of Baht 11.4 million and Baht 12.0 million, respectively*). As of that date, the Group's and the Company's current liabilities exceeded current assets by Baht 514.4 million and Baht 550.4 million, respectively (*31 December 2019: Baht 504.5 million and Baht 543.5 million, respectively*) and the deficit balances were Baht 779.7 million and Baht 814.4 million, respectively (*31 December 2019: Baht 766.3 million and Baht 803.5 million, respectively*).

The Company has received financial assistance from Thoresen Thai Agencies Public Company Limited ("TTA"), the ultimate parent company, in form of promissory notes which are payable upon the lender's request. As at 31 March 2020, the Company had outstanding short-term borrowings from TTA and its subsidiaries of Baht 530.0 million (*31 December 2019: Baht 530.0 million*) and the Company requested for additional borrowing facilities from TTA up to Baht 430.0 million. However, the drawdown of additional facilities is subject to the approval by TTA. 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.

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 efficiency of asset usage, service income and other income. Improving current businesses performance and modifying the financial structure by 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.

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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 interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

The Group has initially applied TFRS - Financial instruments standards which have no material impact on the financial statements and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 4.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as described in notes 4 and 5, respectively.

4 Change in accounting policy

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

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On transition, the Group also elected exemption to use the following practical expedients:

- use hindsight when determining the lease term
- apply a single discount rate to a portfolio of leases with similar characteristics

| Impact from the adoption of TFRS 16 | Consolidated financial statements | Separate financial statements |
|--------------------------------------------|--------------------------------------------------|----------------------------------------------|
| | <i>(in thousand Baht)</i> | |
| At 1 January 2020 | | |
| Increase in right-of-use assets | 4,190 | 4,190 |
| Increase in lease liabilities | (4,190) | (4,190) |

| Measurement of lease liabilities | Consolidated financial statements | Separate financial statements |
|----------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------|
| | <i>(in thousand Baht)</i> | |
| Operating lease commitment as disclosed at 31 December 2019 | 1,561 | 1,536 |
| Contract considered as service agreement | (589) | (564) |
| Discounted using the incremental borrowing rate at 1 January 2020 | 941 | 941 |
| Extension and termination options reasonably certain to be exercised | 3,249 | 3,249 |
| Lease liabilities recognised at 1 January 2020 | 4,190 | 4,190 |
| Weighted-average incremental borrowing rate (% per annum) | 5.75 | 5.75 |

5 Impact of COVID-19 Outbreak

In 2020, the Group's business was significantly affected by the COVID-19 outbreak, resulting in declining in revenue. However, the management will constantly provide commercial support to the customers and make the utmost effort to reduce such impact by targeting the Group's other markets, adjusting the operating process, cutting costs and other procedures.

6 Related parties

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

| Transactions | Pricing policies |
|-------------------------------------|----------------------------------------------------------|
| Revenues from rendering of services | At mutually agreed rate |
| Service expenses | At mutually agreed rate |
| Finance costs | At contractually agreed rates |
| Management benefit expenses | Amount approved by the directors and/or the shareholders |

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Significant transactions for the three-month periods ended 31 March 2020 and 2019 with related parties were as follows:

| <i>Three-month period ended 31 March</i> | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------------------------|----------------------------------------------|--------------|------------------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Ultimate parent | | | | |
| Service expenses (included in administrative expenses) | 494 | 532 | 494 | 532 |
| Finance costs | 6,154 | 6,077 | 6,154 | 6,077 |
| Parent | | | | |
| Finance costs | - | 31 | - | 31 |
| Subsidiaries | | | | |
| Revenue from rendering of services | - | - | 1,670 | 1,616 |
| Finance costs | - | - | 62 | 62 |
| Other related party | | | | |
| Revenue from rendering of services | 2 | 3 | 2 | 3 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term benefits | 1,404 | 1,404 | 1,012 | 1,046 |
| Post-employment benefits | 37 | 43 | 32 | 39 |
| Total key management personnel compensation | 1,441 | 1,447 | 1,044 | 1,085 |

Balances as at 31 March 2020 and 31 December 2019 with related parties were as follows:

| <i>Other current receivables</i> | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|----------------------------------------------|---------------------|------------------------------------------|---------------------|
| | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | - | - | 620 | 571 |
| Other related party | 2 | - | 2 | - |
| Total | 2 | - | 622 | 571 |

| <i>Other current payables</i> | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|----------------------------------------------|---------------------|------------------------------------------|---------------------|
| | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Ultimate parent | 29,150 | 23,658 | 29,150 | 23,658 |
| Subsidiaries | - | - | 41 | 42 |
| Total | 29,150 | 23,658 | 29,191 | 23,700 |

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| | Interest rate | | Consolidated financial statements | | | |
|------------------------------|----------------------|-------------|------------------------------------------|---------------------------|----------|-----------------------|
| | 31 | 31 | 31 | | | 31 |
| | December | March | December | Increase | Decrease | March |
| <i>Short-term borrowings</i> | 2019 | 2020 | 2019 | <i>(in thousand Baht)</i> | | 2020 |
| | <i>(% per annum)</i> | | | | | |
| Ultimate parent | 4.60 - 4.70 | 4.60 - 4.70 | <u>530,000</u> | - | - | <u>530,000</u> |
| Total | | | <u>530,000</u> | | | <u>530,000</u> |

| | Interest rate | | Separate financial statements | | | |
|------------------------------|----------------------|-------------|--------------------------------------|---------------------------|----------|-----------------------|
| | 31 | 31 | 31 | | | 31 |
| | December | March | December | Increase | Decrease | March |
| <i>Short-term borrowings</i> | 2019 | 2020 | 2019 | <i>(in thousand Baht)</i> | | 2020 |
| | <i>(% per annum)</i> | | | | | |
| Ultimate parent | 4.60 - 4.70 | 4.60 - 4.70 | 530,000 | - | - | 530,000 |
| Subsidiaries | 2.50 | 2.50 | <u>10,000</u> | - | - | <u>10,000</u> |
| Total | | | <u>540,000</u> | | | <u>540,000</u> |

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

| | Consolidated | | Separate | |
|----------------------------|-----------------------------|-------------|-----------------------------|-------------|
| | financial statements | | financial statements | |
| | 31 March | 31 December | 31 March | 31 December |
| <i>Leases liabilities</i> | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Current portion</i> | | | | |
| Ultimate parent | <u>752</u> | <u>-</u> | <u>752</u> | <u>-</u> |
| <i>Non-current portion</i> | | | | |
| Ultimate parent | <u>3,257</u> | <u>-</u> | <u>3,257</u> | <u>-</u> |

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7 Investments in subsidiaries

Separate financial statements

| | Type of Business | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income for the three-month period ended | |
|-----------------------------|------------------------------------------------|--------------------|---------------|-----------------|----------------|----------------|----------------|---------------------------|-----------------|----------------|----------------|--------------------------------------------------|------------|
| | | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | | March 2020 | December 2019 | March 2020 | December 2019 | March 2020 | December 2019 | March 2020 | December 2019 | March 2020 | December 2019 | March 2020 | March 2019 |
| | | (%) | | | | | | <i>(in thousand Baht)</i> | | | | | |
| UMS Distribution Co., Ltd. | Logistics management and trading of fertilizer | 99.99 | 99.99 | 5,000 | 5,000 | 5,000 | 5,000 | (4,662) | (4,462) | 338 | 338 | - | - |
| UMS Lighter Co., Ltd. | Barge conveyance | 99.99 | 99.99 | 110,000 | 110,000 | 110,000 | 110,000 | - | - | 110,000 | 110,000 | - | - |
| UMS Port Services Co., Ltd. | Port service | 99.99 | 99.99 | 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 | (17,955) | (17,955) | 133,045 | 133,045 | - | - |

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8 Property, plant and equipment

The movement of property, plant and equipment during the three-month period ended 31 March 2020 was as follows:

| | Consolidated financial statements | Separate financial statements |
|-------------------------------------------|--------------------------------------------------|----------------------------------------------|
| | <i>(in thousand Baht)</i> | |
| Net book value as at 1 January 2020 | 373,146 | 242,950 |
| Additions | 3,217 | 364 |
| Depreciation charge for the period | (5,139) | (2,445) |
| Net book value as at 31 March 2020 | <u>371,224</u> | <u>240,869</u> |

Carrying amounts of the Group's and the Company's right-of-use assets at 31 March 2020 are Baht 4.0 million and Baht 4.0 million, respectively and the Group and the Company recognised depreciation of right-of-use assets for the three-month period ended 31 March 2020, amounting to Baht 0.2 million and Baht 0.2 million, respectively.

As at 31 March 2020, 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 210.8 million (*31 December 2019: Baht 211.4 million*), have been mortgaged with a bank as collateral for borrowing as mentioned in note 9.
- A barge of a subsidiary with a net book value of Baht 12.8 million (*31 December 2019: Baht 13.0 million*), have been mortgaged with a bank as collateral for the bank overdrafts as mentioned in note 9.

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9 Interest-bearing liabilities

| | Note | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------------------|------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 |
| <i>(in thousand Baht)</i> | | | | | |
| Current | | | | | |
| Short-term borrowings from financial institutions | | 10,000 | 10,000 | 10,000 | 10,000 |
| Current portion of lease liabilities | | 752 | - | 752 | - |
| Short-term borrowings from related parties | 6 | 530,000 | 530,000 | 540,000 | 540,000 |
| Total current interest- bearing liabilities | | 540,752 | 540,000 | 550,752 | 550,000 |
| Non-current | | | | | |
| Lease liabilities | | 3,257 | - | 3,257 | - |
| Total non-current interest-bearing liabilities | | 3,257 | - | 3,257 | - |
| Total interest-bearing liabilities | | 544,009 | 540,000 | 554,009 | 550,000 |

Short-term borrowings

As at 31 March 2020, the Group has overdraft facility totalling Baht 5.0 million (*31 December 2019: Baht 5.0 million*). The facility is secured by a subsidiary's barge as disclosed in note 8. The Group has unused bank overdrafts facilities amounting to Baht 5.0 million (*31 December 2019: Baht 5.0 million*).

As at 31 March 2020, the Company has short-term borrowing facilities from a financial institution, in form of promissory notes, letter of credit and trust receipts totalling Baht 60.0 million (*31 December 2019: Baht 60.0 million*). The facilities are secured by a subsidiary and parts of the Company's land and construction, and machinery as disclosed in note 8. The Company has unused short-term borrowing facilities amounting to Baht 50.0 million (*31 December 2019: Baht 50.0 million*).

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10 Segment information and disaggregation of revenue

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. The Group has done most of the business in domestic; no revenues from foreign or asset in foreign has materiality.

Business segments

| | |
|-----------|-------------------------------------------|
| Segment 1 | Distribution of coal and related services |
| 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 the chief operating decision maker (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 and timing of revenue recognition

| <i>For the three-month period ended 31 March 2020</i> | Distribution of coal and related services | Consolidated financial statements | | | Separate financial statements Distribution of coal and related services |
|-----------------------------------------------------------|----------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------|---------------|------------------------------------------------------------------------------------------------|
| | | Transport | Elimination of inter-segment transaction <i>(in thousand Baht)</i> | Total | |
| Revenue from operations | 21,293 | 5,819 | - | 27,112 | 21,293 |
| Revenue from inter-segment | - | - | - | - | - |
| Revenues from outside customers | 21,293 | 5,819 | - | 27,112 | 21,293 |
| Depreciation and amortisation | 5,374 | 2,718 | (22) | 8,070 | 5,374 |
| Operating loss | (4,521) | (2,614) | (40) | (7,175) | (4,521) |
| Finance costs | (6,344) | - | 62 | (6,282) | (6,344) |
| Profit (loss) for the period | (10,865) | (2,614) | 22 | (13,457) | (10,865) |
| Major products and service lines | | | | | |
| Selling of coal | 17,588 | - | - | 17,588 | 17,588 |
| Providing services | 3,705 | 5,819 | - | 9,524 | 3,705 |
| Total | 21,293 | 5,819 | - | 27,112 | 21,293 |
| Timing of revenue recognition | | | | | |
| At a point in time | 21,293 | - | - | 21,293 | 21,293 |
| Over time | - | 5,819 | - | 5,819 | - |
| Total | 21,293 | 5,819 | - | 27,112 | 21,293 |

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| <i>As at 31 March 2020</i> | Distribution of coal and related services | Consolidated financial statements | | Total | Separate financial statements Distribution of coal and related services |
|-----------------------------------------------------------|----------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------|
| | | Transport | Elimination of inter-segment transaction <i>(in thousand Baht)</i> | | |
| Total assets | 616,772 | 173,797 | (144,467) | 646,102 | 616,772 |
| Total liabilities | 602,223 | 5,343 | (10,661) | 596,905 | 602,223 |
| | | | | | |
| <i>For the three-month period ended 31 March 2019</i> | Distribution of coal and related services | Consolidated financial statements | | Total | Separate financial statements Distribution of coal and related services |
| | | Transport | Elimination of inter-segment transaction <i>(in thousand Baht)</i> | | |
| Revenue from operations | 25,234 | 9,657 | - | 34,891 | 25,234 |
| Revenue from inter-segment | - | - | - | - | - |
| Revenues from outside customers | 25,234 | 9,657 | - | 34,891 | 25,234 |
| Depreciation and amortisation | 5,954 | 2,395 | (21) | 8,328 | 5,954 |
| Operating profit (loss) | (5,327) | 778 | 6 | (4,543) | (5,327) |
| Finance costs | (6,719) | - | 61 | (6,658) | (6,719) |
| Tax expense | - | (241) | - | (241) | - |
| Profit (loss) for the period | (12,046) | 537 | 67 | (11,442) | (12,046) |

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| <i>For the three-month period ended 31 March 2019</i> | Distribution of coal and related services | Consolidated financial statements | | Total | Separate financial statements Distribution of coal and related services |
|-----------------------------------------------------------|----------------------------------------------------------|------------------------------------------|---------------------------------------------------------|---------------|------------------------------------------------------------------------------------------------|
| | | Transport | Elimination of inter-segment transaction | | |
| | | | <i>(in thousand Baht)</i> | | |
| Major products and service lines | | | | | |
| Selling of coal | 21,620 | - | - | 21,620 | 21,620 |
| Providing services | 3,614 | 9,657 | - | 13,271 | 3,614 |
| Total | 25,234 | 9,657 | - | 34,891 | 25,234 |
| Timing of revenue recognition | | | | | |
| At a point in time | 25,234 | - | - | 25,234 | 25,234 |
| Over time | - | 9,657 | - | 9,657 | - |
| Total | 25,234 | 9,657 | - | 34,891 | 25,234 |
| | | | | | |
| <i>As at 31 December 2019</i> | Distribution of coal and related services | Consolidated financial statements | | Total | Separate financial statements Distribution of coal and related services |
| | | Transport | Elimination of inter-segment transaction | | |
| | | | <i>(in thousand Baht)</i> | | |
| Total assets | 613,286 | 174,527 | (144,441) | 643,372 | 613,286 |
| Total liabilities | 587,871 | 3,459 | (10,612) | 580,718 | 587,871 |

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11 Financial instruments

Carrying amounts and fair values

The carrying amounts and fair values of financial current assets and financial current liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

Credit risk

Allowance for impairment loss for trade receivables are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

| | Consolidated financial statements | |
|--------------------------------------|------------------------------------------|------------------------------------|
| | Trade accounts receivable | Allowance for impairment losses |
| <i>At 31 March 2020</i> | <i>(in thousand Baht)</i> | |
| Within credit terms | 11,292 | - |
| Overdue: | | |
| 1-30 days | 6,848 | - |
| 31-60 days | 354 | - |
| 61-90 days | 449 | - |
| More than 90 days | 4,762 | 4,762 |
| Total | 23,705 | 4,762 |
| <i>Less</i> allowance for impairment | (4,762) | |
| Net | 18,943 | |

| | Separate financial statements | |
|--------------------------------------|--------------------------------------|------------------------------------|
| | Trade accounts receivable | Allowance for impairment losses |
| <i>At 31 March 2020</i> | <i>(in thousand Baht)</i> | |
| Within credit terms | 8,325 | - |
| Overdue: | | |
| 1-30 days | 6,541 | - |
| More than 90 days | 4,676 | 4,676 |
| Total | 19,542 | 4,676 |
| <i>Less</i> allowance for impairment | (4,676) | |
| Net | 14,866 | |

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| <i>Trade accounts receivable</i> | Consolidated financial statements | Separate financial statements |
|---------------------------------------------|----------------------------------------------|------------------------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>At 31 December 2019</i> | | |
| Within credit terms | 11,688 | 9,878 |
| Overdue: | | |
| Less than 3 months | 5,246 | 3,281 |
| Over 12 months | 4,922 | 4,836 |
| | 21,856 | 17,995 |
| <i>Less allowance for doubtful accounts</i> | (4,932) | (4,846) |
| Net | 16,924 | 13,149 |

12 Commitments

| <i>As at 31 March 2020</i> | Consolidated financial statements | Separate financial statements |
|----------------------------|----------------------------------------------|------------------------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Other commitments</i> | | |
| Bank guarantees | 1,631 | 1,631 |

As at 31 March 2020, a subsidiary had fixed bank deposit with a local financial institution amounting to Baht 1.7 million to use as collateral for issuing the bank guarantees of the Company.

13 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. A subsidiary has filed the written response to the Court and the Court received the response on 5 March 2019. 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.