



Unique Mining Services Public Company Limited

Annual Report 2018





Contents

1

Financial
Highlights

2

Message from
Chairman
and Acting CEO

4

Board of
Directors

7

Corporate
Information

8

Nature of
Business

15

Structure of
Business

16

Risk
Factors

18

Major
Shareholders

19

Organization
Structure

26

Corporate
Governance

36

The Summarized
of Connected
Transaction

37

Management
Discussion and
Analysis

40

Report of Audit
Committee

41

Independent
Auditor's Report
and Financial
Statements

Financial Highlights

		2017	2018
Operating results			
Revenue from sales of goods and rendering of services	(THB. Million)	448.12	249.14
Total revenues	(THB. Million)	454.54	253.47
Gross profit (loss) margin	(THB. Million)	31.93	16.34
Net profit (loss)	(THB. Million)	(90.99)	(63.99)
Profit (loss) per share*	(Baht / Share)	(0.18)	(0.13)
Financial ratios			
Gross profit (loss) margin	(%)	7.13	6.56
Net profit (loss) margin	(%)	(20.02)	(25.68)
Return on equity	(%)	(515.72)	(61.27)
Return on asset	(%)	(12.40)	(7.56)
Total assets	(THB. Million)	733.59	845.84
Total liabilities	(THB. Million)	715.95	741.41
Total equity	(THB. Million)	17.64	104.43
Book value per share*	(Baht / Share)	0.04	0.15

* Par value of 0.50 Baht per share



Mr. Chalermchai Mahagitsiri
Chairman

Mr.Dome Liewlomviboon
Acting chief executive officer

Message from Chairman and Acting CEO


2018 world economy was generally fluctuated due to political and trading conflicts between the United States of America and China. This resulted in impeding of an increase of global economy and international trade. For Thailand, its overall economy slightly expanded however such expansion mainly came from consumer sector (machinery change/modification) and the Government's spending whilst the consumption of agricultural products decreased due to the fall in the price of agricultural products resulting in decrease of income household and spending of Thai farmers.

In 2018, the Company reduced directly importing coal from Indonesia however the Company domestically sourced Indonesian coal from importers instead. As such the cost of raw material was higher. Together with an intense price competition in the market, the capacity to compete thus declined. The Company recorded net loss at the end of the year however such the group company's loss decreased from that of a year earlier which was a good sign for the Company. To improve its performance, the Company developed the plan to partially transform itself as a service provider to diversify its services to other operators in the industry. This could help the Company improve its asset utilization and generate more income without considerable investment. The Company still focuses on selling good-quality products to the group of customers who choose quality over price. Since this group of customers is minority in the market, the Company's sales and gross profit margin decreased due to an increase in cost of production per unit. The Company has yet always maintained its quality of the products with selling at reasonable price. The Company expects that as a service provider it can reduce cost of production per unit resulting in its higher gross profit margin, increasing competition capability and improving asset utilization.

For 2019, the Company still focuses to provide quality products with reasonable price and expand its customer base into target group including other services for increasing income and competitiveness. This could help the Company improve its asset utilization and strongly perform in the market again.



Mr. Chalermchai Mahagitsiri
Chairman



Mr. Dome Liewlomviboon
Acting chief executive officer

Board of Directors



Mr. Chalermchai Mahagitsiri

(40 Years)

Chairman



Mr. Taratorn Wongprasat

(45 Years)

Vice Chairman / Independent director / Audit Committee
Chairman the nomination and remuneration committee

Date of appointment : June 11 , 2012

% of Shareholding as of Dec 31, 2018 : - None -

Educations Background

- M.S. in Finance, Boston University, USA , 2004
- B.S. in Finance, Suffolk University, USA , 2001

Trainings / Certifications

- Director Certification Program (DCP),
Thai Institute of Directors Association (IOD), Class 53/2005
- Director Accreditation Program (DAP),
Thai Institute of Directors Association (IOD), Class 30/2004
- Capital Market Academy Leadership Program,
Capital Market Academy (CMA), Class 17/2013

Working experiences

- Feb. 2018 - Present Director, Seven Utilities and Power Plc.
- 2018 - Present Director Four One One Ecommerce Co., Ltd.
- 2018 - Present Director , Siam Taco Co.,Ltd.
- Oct. 2016 - Present Director,PMT Property Co.,Ltd.
- Sep. 2016 - Present Director, Laser Game Asia Co.,Ltd.
- Sep. 2016 - Present Director ,TTA Suez Co.,Ltd.
- Mar. 2016 - Present Director ,Natural Bev Co.Ltd.
- Jun. 2013 - Present Chairman , PM Thoresen Asia Holdings
Public Co.,Ltd.
- Jan. 2012 - Present President and CEO, Thoresen Thai
Agencies Plc.
- Jun. 2012 - Present CEO and Executive Vice Chairman ,
Mermaid Maritime Plc.
- 1998 - Present Director ,Lakewood Country Club Co.,Ltd.
- 1998 - Present Director , Lakewood Land Co.,Ltd.

Meeting attendance for year 2018 : 8 of 9 Meetings

Relation among family with other directors and executives :

-None-

Date of appointment : January 24 ,2013

% of Shareholding as of Dec 31, 2018 : - None -

Educations Background

- Pratt Institute, Brooklyn, NY. Degree: Bachelor of Architecture
- Rensselaer Polytechnic Institute (R.P.I) Troy, NY.
- Suffield Academy, Suffield, CT. High School Diploma

Trainings / Certifications

- None -

Working experiences

- Managing Director, Dan Wongprasat Architect Co.,Ltd.
- Project Architecture , Architect 49 Co.,Ltd.
- Project Architecture, Robert G. Boughey Architects
- Architecture , Stephen Potters, New York, USA.
- Architecture, Lauster & Radu, New York, USA.

Meeting attendance for year 2018 : 7 of 9 Meetings

Relation among family with other directors and executives :

-None-

**Mr. Nitipat Amnathaloengsak****(62 years)**

Independent director / Chairman of Audit Committee

**Mr. Ekatip Tippavang****(34 years)**

Independent director / Audit committee

Date of appointment : July 21, 2018**% of Shareholding as of Dec 31, 2018 :** - None -**Educations Background**

- LL.B. Thammasat University, Thailand
- BARRISTER-AT-LAW, Thai Bar Association

Trainings / Certifications

- Director Accreditation Program (DAP) ,
Thai Institute of Directors Association (IOD), Class 149/2018

Working experiences

2017 - Present	Independent Director / Chairman of Audit Committee, Seven Utilities and Power Plc.
2006 - 2010	Legal consultant, Blumental richter and sumeth Co.,Ltd.
1981 - 1988	Legal consultant , Kasikornbank Plc.

Meeting attendance for year 2018 : 4 of 9 Meetings**Relation among family with other directors and executives :**

-None-

Date of appointment : July 21, 2018**% of Shareholding as of Dec 31, 2018 :** - None -**Educations Background**

- M.B.A. (Accounting), Ramkamhaeng University
- B.B.A. (Accounting), Assumption University

Trainings / Certifications

- Director Accreditation Program (DAP) ,
Thai Institute of Directors Association (IOD), Class 149/2018

Working experiences

2018 - Present	Independent Director / Audit Committee Seven Utilities and Power Plc.
2015 - Present	Senior Executive Vice President R J Energy Co.,Ltd.
2014 - 2015	Chief Executive Officer We love Accounting Co.,Ltd.
2010 - 2014	Senior Executive Vice President Legal Thanamit

Meeting attendance for year 2018 : 4 of 9 Meetings**Relation among family with other directors and executives :**

-None-



Mr.Suvicha Panichpol

(48 Years)

Independent Director /
The Nomination and remuneration committee



Mr.Dome Liewlomviboon

(52 Years)

Director / Acting chief executive officer /
The Nomination and remuneration committee

Date of appointment : February 11, 2018

% of Shareholding as of Dec 31, 2018 : - None -

Educations Background

- Bachelor's degree of Faculty of Accounting, Chulalongkorn University

Trainings / Certifications

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 2012

Working experiences

2014 - Present Chief Executive Officer , Gold Shore Co.,Ltd.

2006 - 2012 Chief Executive Officer , Energy Absolute Pl.

Meeting attendance for year 2018 : 2 of 9 Meetings

Relation among family with other directors and executives :

-None-

Date of appointment : May 11, 2017

% of Shareholding as of Dec 31, 2018 : - None -

Educations Background

- M.B.A. (Banking and Finance) , Case Western Reserve University , Ohio - USA , 1995
- Bachelor's degree of Faculty of Dentistry , Chulalongkorn University , 1991

Trainings / Certifications

- Director Accreditation Program (DAP) , Thai Institute of Directors Association (IOD), Class 149/2018

Working experiences

2012 - Present Director Business Development, Thoresen Thai Agencies Plc.

2010 - 2012 Finance Manager, Bangkok Weaving Mills Co.,Ltd.

2008 - 2010 Manager , KPMG Advisory (Thailand)

2007 - 2008 Vice President , BT Securities Co.,Ltd.

2001 - 2004 Manager , KPMG Advisory (Thailand)

1999 - 2001 Junior Asset Manager, Bangkok Capital Alliance Co.,Ltd.

1996 - 1999 Assistant Manager, Krungthai Thanakit Plc.

Meeting attendance for year 2018 : 9 of 9 Meetings

Relation among family with other directors and executives :

-None-

Corporate Information

The Company	Unique Mining Services Public Company Limited
Head Office	26/23 Orakarn Tower, 7th Floor, Soi Chidlom Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330
Plants	1. Suansom Plant 88/8, 88/9 Moo 5, Suansom, Ban Paew, Samutsakhon 74120 2. Nakornluang Plant 108, Moo 2, Klongsakaе, Nakornluang, Phra nakhon Si Ayutthaya 13260
Company Registration No.	0107547000095 (0107547000099)
Registered Capital	THB. 352,369,106 with Common Stock 704,738,212 shares
Paid-up Capital	THB. 352,369,106 with Common Stock 704,738,212 shares
Par value	0.50 per share
Telephone No.	(+ 662) 655-7501-2
Fax No.	(+662) 655-7504
Website	www.umspl.com

Securities Registrar

Thailand Securities Depository (Thailand) Co., Ltd. (TSD)

93 Ratchadaphisek Road, Dindaeng, Dindaeng , Bangkok 10400

Telephone No. : (+662) 009 - 9389

Fax No. : (+662) 009 - 9476

Auditor

KPMG Phoomchai Audit Ltd.

Mr. Banthit Tangpakorn Certified Public Accountant Registration No. 8509

48th - 50th Floors , Empire Tower, 1 South Sathorn Road,

Yannawa, Sathorn, Bangkok 10120

Telephone No. : (+ 662) 677 - 2000

Nature of Business

Unique Mining Services Public Company Limited or “ UMS “ operates import high quality coal, Bituminous and Sub-bituminous, with medium moderate calorific value and less environmental impact. The coal is mainly imported from Indonesia to distribute to large-size, medium and small-sized businesses especially to those located in Bangkok and other provinces. The primary industrial targets of UMS were food and beverage sector, pulp and paper including textile and cement industries. UMS imported coal to preparing and handling to serve high-coal-quality to the factories categorized by industrial manufacturing production. Additional, UMS participated in auctions bidding for selling from cements and power generation industries.

UMS lays out its strategic blueprints to deliver coal to customers in a timely manner through complete supply chain management with efficient administration in coal stockpiles and warehouses to ensure coal adequacy for delivery to customers. This enables customers never have to worry about stocking up coal and preparing stations or warehouse to store coal on its own.

Business Goals

The Company aims to sell coal for medium and small sized manufacturers. Our Company selects good coal specifications along with low environmental impacts to match each customer's requirement. Our Company's coal-based energy solutions present a lower cost production base than fuel-oil based processing. We see it as imperative that we give our clients truthful knowledge and understanding about the application of coal as the lower cost fuel option which also provides enhanced environmental-friendly properties to their industrial applications.

In addition, we have a policy to diversify risk of revenue structure by supplying the small and medium sized industrial customers in several industries. We believe that this will mitigate business risk derived from any particular industry which may have negative impact from the business cycle. The Company set business objectives aligned with environmental-friendly policies by implementing several measurements along with our business process to prevent and reduce any repercussion to environment.





Products and Services

Coal is a fossil fuel that has a large amount of reserves with coal resources spread in more than 100 countries around the world causing coal to be a fuel with high volume stability. The price is very competitive which the resulting is the cheaper prices than other fuels, especially natural gas and fuel oil coal is a type of natural fuel which has a solid state and contains important minerals, carbon. Generally, coal has dark brown or black color and can be divided into many types. The best quality coal (which is considering the heat value moisture content and sulfur content), respectively, including anthracite, bituminous, sub bituminous and lignite.

UMS focuses on sell bituminous and sub-bituminous coals as these are good quality containing moderate calorific value, moisture and ash at appropriate level and low sulfur content in particular, compared to fuel oil (fuel oil has a sulfur content of approximately 0.1% to 3.0 %), be getting less environmental pollution. UMS does not offer anthracite coal due to its higher cost, limited domestic consumption and lack of growth trend. Lignite is the lowest quality coal as it carries a lot of sulfur content causing a higher impact on the environment and is so unpopular with customers as a result.

UMS's business workflow begins with the import of coal from Indonesia or procures from domestic suppliers for sale to industrial facilities. For all large industrial plants and some medium-sized factories, UMS is able to deliver coal to customers immediately, without a stop at UMS's warehouse, whilst some small and medium industrial customers require coal that undergoes the coal preparation and screening process. Each imported run-of-mine coal (50,000 tons) have different qualities in terms of calorific value, level of moisture, ash and sulfur content. Therefore, it is important that these coals are properly graded prior to transport. Each type of run-of-mine coal has different attributes such as the calorific value although they come from the same mine. (Coal in each different soil layer will have different features, for instance the sub-bituminous coal can be divided into several types depending on the calorific value, moisture, ash and sulfur content, etc.), The coal will then be mixed with UMS's unique formula to meet customer requirements. The coal will also be sized to have quality appropriate for the boilers used in the industrial plant of each customer since boilers are differently engineered to achieve highest combustion. UMS provides delivery service to its customers on a daily basis for ease of customer use which trims the number of coals that need to be kept in the customer's storage facility since many customers do not have enough sites to store coal.

Competition

The business of coal sales for industrial enterprise in Thailand is operated by about 20 large-size operators combining with small-and-medium-sized operators. Especially for small-sized Company segment, the supply has been growing for years resulting in intense price competitions. This year the coal prices were slightly higher and a bit fluctuate.

The Company focuses on increasing the customers to sale to small-and-medium-sized factories and look for more opportunities to penetrate the market of large industrial customers in order to expand the customer base and boost sales volume for more sustainable growth.

Industry Outlook

For the overview of coal industry in Thailand in 2018, coal remains an important energy source for industrial development because the price of coal is lower than gas and fuel oil especially in the countries with high economic growth rates such as Asian countries including Thailand because of its cheap price. The demand of coal had been increasing during the first 10 months of 2018. Thailand imported 21.3 million tons of coal which increased about 14% compared to the same period of 2017. Most of coals were high quality coals distributed to power plant and other industrial segments.

The overall coal market for the year 2019, although the trend of Chinese coal imports will decline and control coal prices in China but the demand for coal in Asian countries such as India, Vietnam, which uses coal to generate electricity is likely to increase. Thereby increasing the overall coal demand but it may not be equal to 2018.

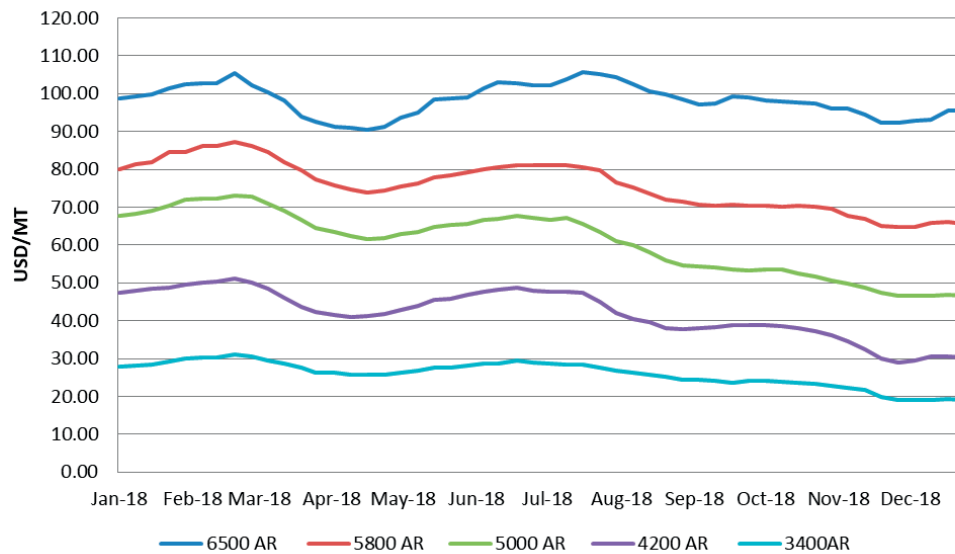
The overview of Thai market of coal in 2019, it is expected that the demand might be unchanged or slightly increased since coal is a main source of power for industrial business. Coal price is also expected to slight fluctuation.

Global coal-producing trend in the next 10 years is expected to increase 1 billion tons, especially in Asia and coal is also fueling energy of Southeast Asia. Coal consumption is expected to increase from 46% currently to 60% and the proportion of coal will increase from 32% to 50% by 2040 or the next 22 years.

The United States (USA), one of the world's most energy-consuming countries, uses both fossil fuels as primary energy consisting with increasing the capacity of renewable energy such as Solar and Wind. US Energy Information Administration (EIA) disclose the reports Short-Term Energy Outlook, September 2017 said that coal production in the United States in 2017 will increase to 31% and increase to 32% by 2019.

In Japan, after earthquakes and natural disasters, this led to the suspension of almost all nuclear power plants in the country. They plan to build 46 coal power plants in the future if being unable to produce enough much more energy including imported some from China. The Government of Japan argues that coal energy which is cheaper is the major energy security powerhouse. Japan now has to rely on imports of more than 95% of its energy. If it is able to produce by themselves, can be self-reliant in energy production.

Indonesian Coal Price within 12 Months (January – December 2018)

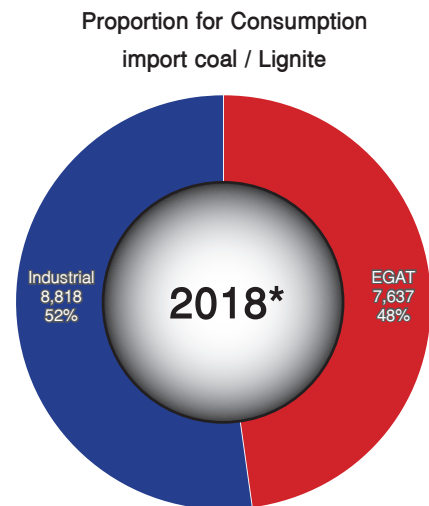
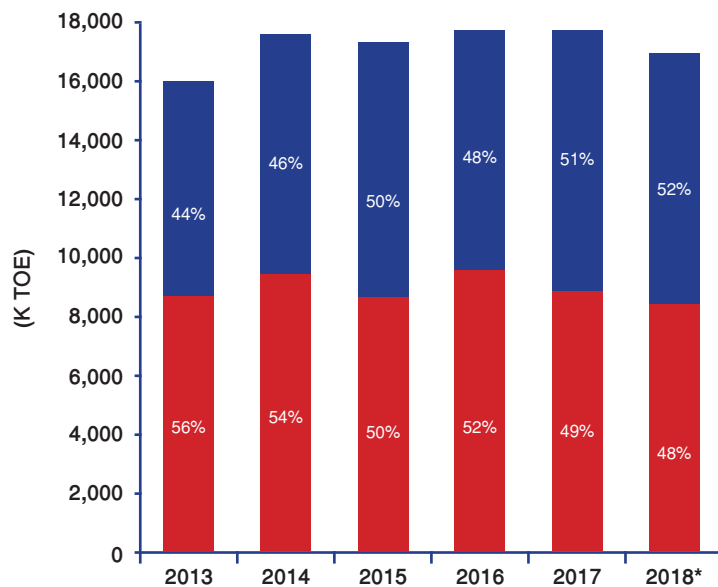


Source: www.argusmedia.com

The consumption of coal and lignite in Thailand

In 2018 (Jan. - Oct.), a total of about 15,818 KTOE, were increase by 4.1 % as below ;

The consumption of import Coal and Lignite



Total Consumption 15,818 KTOE

*Jan. - Oct.



Consumption Increasing ▲ 4.1%

Source : Energy and Planning Office , Department of Energy

TAB 4.1-3

Consumption of Lignite and Coal Classified by Sector

Unit : Ktoe

Date	Coal				Lignite			Coal and Lignite		
	IPP	SPP	Industry*	Total	EGAT	Industry*	Total	Electricity	Industry*	Total
2008	2,288.4	1,242.3	6,467.2	9,997.8	4,064.1	926.0	4,990.1	7,594.7	7,393.2	14,987.9
2009	2,274.9	1,183.7	6,771.1	10,229.7	3,918.2	890.4	4,808.6	7,376.8	7,661.5	15,038.3
2010	2,276.4	1,452.2	6,860.5	10,589.1	3,964.2	879.6	4,843.8	7,692.8	7,740.1	15,432.9
2011	2,406.2	1,236.3	6,555.1	10,197.5	4,250.8	1,245.5	5,496.3	7,893.3	7,800.5	15,693.8
2012	3,347.0	1,280.8	6,991.0	11,618.7	4,150.0	702.6	4,852.6	8,777.8	7,693.5	16,471.3
2013	3,471.3	1,465.2	6,317.9	11,254.4	4,182.4	774.3	4,956.7	9,118.9	7,092.2	16,211.1
2014	3,849.7	1,515.9	7,700.4	13,066.0	4,216.0	591.7	4,807.6	9,581.6	8,292.1	17,873.6
2015	3,657.2	1,466.6	8,565.9	13,689.7	3,587.6	269.9	3,857.5	8,711.4	8,835.8	17,547.2
2016	3,744.3	1,476.5	8,369.2	13,589.9	4,063.8	233.7	4,297.5	9,284.5	8,602.9	17,887.4
2017	3,567.6	1,323.4	8,959.1	13,850.1	3,938.0	170.3	4,108.3	8,829.0	9,129.4	17,958.4
2018 (11 MTHS)	3,581.4	1,487.5	8,721.2	13,790.1	3,212.5	166.0	3,378.5	8,281.5	8,887.2	17,168.6
2017 (11 MTHS)	3,355.3	1,183.7	8,264.9	12,803.9	3,628.9	164.2	3,793.0	8,167.8	8,429.1	16,596.9
Fuel Share (%)										
2008	15.3	8.3	43.1	66.7	27.1	6.2	33.3	50.7	49.3	100.0
2009	15.1	7.9	45.0	68.0	26.1	5.9	32.0	49.1	50.9	100.0
2010	14.8	9.4	44.5	68.6	25.7	5.7	31.4	49.8	50.2	100.0
2011	15.3	7.9	41.8	65.0	27.1	7.9	35.0	50.3	49.7	100.0
2012	20.3	7.8	42.4	70.5	25.2	4.3	29.5	53.3	46.7	100.0
2013	21.4	9.0	39.0	69.4	25.8	4.8	30.6	56.3	43.7	100.0
2014	21.5	8.5	43.1	73.1	23.6	3.3	26.9	53.6	46.4	100.0
2015	20.8	8.4	48.8	78.0	20.4	1.5	22.0	49.6	50.4	100.0
2016	20.9	8.3	46.8	76.0	22.7	1.3	24.0	51.9	48.1	100.0
2017	19.9	7.4	49.9	77.1	21.9	0.9	22.9	49.2	50.8	100.0
2018 (11 MTHS)	20.9	8.7	50.8	80.3	18.7	1.0	19.7	48.2	51.8	100.0
GROWTH RATE (%)										
2009	-0.6	-4.7	4.7	2.3	-3.6	-3.8	-3.6	-2.9	3.6	0.3
2010	0.1	22.7	1.3	3.5	1.2	-1.2	0.7	4.3	1.0	2.6
2011	5.7	-14.9	-4.5	-3.7	7.2	41.6	13.5	2.6	0.8	1.7
2012	39.1	3.6	6.7	13.9	-2.4	-43.6	-11.7	11.2	-1.4	5.0
2013	3.7	14.4	-9.6	-3.1	0.8	10.2	2.1	3.9	-7.8	-1.6
2014	10.9	3.5	21.9	16.1	0.8	-23.6	-3.0	5.1	16.9	10.3
2015	-5.0	-3.2	11.2	4.8	-14.9	-54.4	-19.8	-9.1	6.6	-1.8
2016	2.4	0.7	-2.3	-0.7	13.3	-13.4	11.4	6.6	-2.6	1.9
2017	-4.7	-10.4	7.0	1.9	-3.1	-27.1	-4.4	-4.9	6.1	0.4
2018 (11 MTHS)	6.7	25.7	5.5	7.7	-11.5	1.1	-10.9	1.4	5.4	3.4

Remarks : * = Preliminary data

Compiled by : Energy Policy and Planning Office (EPPO)

Source: Energy Policy and Planning Office, Ministry of Energy

TAB 4.1-2
14/02/2019

Consumption of Lignite and Coal Classified by Sector

Unit : 1,000 Tons

Date	Coal				Lignite			Coal and Lignite		
	IPP	SPP	Industry*	Total	EGAT	Industry*	Total	Electricity	Industry*	Total
2008	3,666.1	1,990.2	10,360.9	16,017.2	16,407.5	2,124.1	18,531.6	22,063.8	12,485.0	34,548.8
2009	3,644.5	1,896.4	10,847.8	16,388.7	15,818.3	2,042.5	17,860.8	21,359.2	12,890.3	34,249.5
2010	3,646.9	2,326.6	10,991.1	16,964.5	16,004.2	2,017.7	18,021.9	21,977.6	13,008.7	34,986.4
2011	3,854.9	1,980.6	10,501.7	16,337.2	17,161.2	2,857.0	20,018.2	22,996.7	13,358.7	36,355.3
2012	5,362.2	2,051.9	11,200.1	18,614.1	16,754.3	1,611.6	18,365.9	24,168.3	12,811.7	36,980.0
2013	5,561.2	2,347.4	10,121.8	18,030.4	16,884.9	1,776.2	18,661.1	24,793.6	11,898.0	36,691.5
2014	6,167.6	2,428.6	12,336.6	20,932.8	17,020.4	1,357.2	18,377.6	25,616.6	13,693.8	39,310.4
2015	5,859.1	2,349.7	13,723.2	21,932.0	14,483.5	619.2	15,102.7	22,692.3	14,342.3	37,034.6
2016	5,998.6	2,365.5	13,408.0	21,772.1	16,405.9	536.1	16,942.0	24,770.0	13,944.1	38,714.1
2017	5,715.6	2,120.2	14,353.2	22,189.0	15,898.3	390.6	16,288.9	23,734.0	14,743.9	38,477.9
2018 (12 MTHS)	6,110.4	2,582.5	15,035.0	23,727.9	14,169.5	417.9	14,587.4	22,862.5	15,452.9	38,315.3
2017 (12 MTHS)	5,715.6	2,120.2	14,353.2	22,189.0	15,898.3	390.6	16,288.9	23,734.0	14,743.9	38,477.9
Fuel Share (%)										
2008	10.6	5.8	30.0	46.4	47.5	6.1	53.6	63.9	36.1	100.0
2009	10.6	5.5	31.7	47.9	46.2	6.0	52.1	62.4	37.6	100.0
2010	10.4	6.6	31.4	48.5	45.7	5.8	51.5	62.8	37.2	100.0
2011	10.6	5.4	28.9	44.9	47.2	7.9	55.1	63.3	36.7	100.0
2012	14.5	5.5	30.3	50.3	45.3	4.4	49.7	65.4	34.6	100.0
2013	15.2	6.4	27.6	49.1	46.0	4.8	50.9	67.6	32.4	100.0
2014	15.7	6.2	31.4	53.2	43.3	3.5	46.8	65.2	34.8	100.0
2015	15.8	6.3	37.1	59.2	39.1	1.7	40.8	61.3	38.7	100.0
2016	15.5	6.1	34.6	56.2	42.4	1.4	43.8	64.0	36.0	100.0
2017	14.9	5.5	37.3	57.7	41.3	1.0	42.3	61.7	38.3	100.0
2018 (12 MTHS)	15.9	6.7	39.2	61.9	37.0	1.1	38.1	59.7	40.3	100.0
GROWTH RATE (%)										
2009	-0.6	-4.7	4.7	2.3	-3.6	-3.8	-3.6	-3.2	3.2	-0.9
2010	0.1	22.7	1.3	3.5	1.2	-1.2	0.9	2.9	0.9	2.2
2011	5.7	-14.9	-4.5	-3.7	7.2	41.6	11.1	4.6	2.7	3.9
2012	39.1	3.6	6.7	13.9	-2.4	-43.6	-8.3	5.1	-4.1	1.7
2013	3.7	14.4	-9.6	-3.1	0.8	10.2	1.6	2.6	-7.1	-0.8
2014	10.9	3.5	21.9	16.1	0.8	-23.6	-1.5	3.3	15.1	7.1
2015	-5.0	-3.2	11.2	4.8	-14.9	-54.4	-17.8	-11.4	4.7	-5.8
2016	2.4	0.7	-2.3	-0.7	13.3	-13.4	12.2	9.2	-2.8	4.5
2017	-4.7	-10.4	7.0	1.9	-3.1	-27.1	-3.9	-4.2	5.7	-0.6
2018 (12 MTHS)	6.9	21.8	4.7	6.9	-10.9	7.0	-10.4	-3.7	4.8	-0.4

Remarks : * = Preliminary data

Compiled by : Energy Policy and Planning Office (EPPO)

Source: Energy Policy and Planning Office, Ministry of Energy

The Consumption of Lignite and coal Classified by Sector total volume of about 38.315 million tons. Lignite consumption of about 14.587 million tons in year 2018, which is about 14.169 million tons were used in the electricity sector of EGAT and the rest of 0.418 million tons were used in various industrial sectors including cement, paper and food processing while the consumption of imported coal of approximately 23.728 million tons in 2018 increasing by 4.7% , 15.035 million tons of which were used in the industrial factories and the remaining of approximately 8.692 million tons were spent on the fuel used in power generation of the SPP and IPP.

Coal Procurement Procedure

UMS has a standard procedure for product sourcing and services as below:

1. UMS procures coal from domestic suppliers or imports bituminous and sub-bituminous coals from Indonesia, where Indonesia is one of the top three coal producer countries. UMS selects the quality coal for best coal in Calorific Value, moisture level, ash and sulfur to match with customers' demand. Because Indonesia locates not far from Thailand, compare to others coal producer countries so the transport cost is low which UMS has lower cost of operations. UMS would issue a letter of credit to Indonesian supplier and UMS import about 50,000 tons which transport the coal by mother vessel to Thailand.
2. The main vessel from Indonesia will anchorage at Koh Sri Chang. Then transfer the coal to lighters which can be done 500 - 2,500 tons per lighter. The lighter will be alongside at Nakornluang site, Ayutthaya port for discharging.
3. UMS can deliver coal to its customer right away by an in-land transport. In case the Company has to transport to its storage area in Ayutthaya for screening and quality improving, after completion of screening and quality improving, finished coal will be transported to customers' site via an in-land transport.
4. UMS has a regulation to maintain a certain inventory level for achieving customer demand.
5. UMS takes 45 days for the procurement transaction from Indonesia to its warehouse in Thailand.

From the historical data, it is founded that coal price are adjusted according to the world prices. The Company has the policy of sourcing coal from many vendors to reserve coal for achieve the business expansion and for the balancing of power to negotiate prices with other vendors which is the diversification of purchasing coal.

Besides the price factor, the reliability, the trust for the source of coal are the another factor that the Company focuses heavily on the quality of coal, production, transportation coal to the port and the reputation of the supplier etc. Moreover, the Company has the good relations with its partners for a long time. The Company is confident that it will receive the high quality coal from its partners.

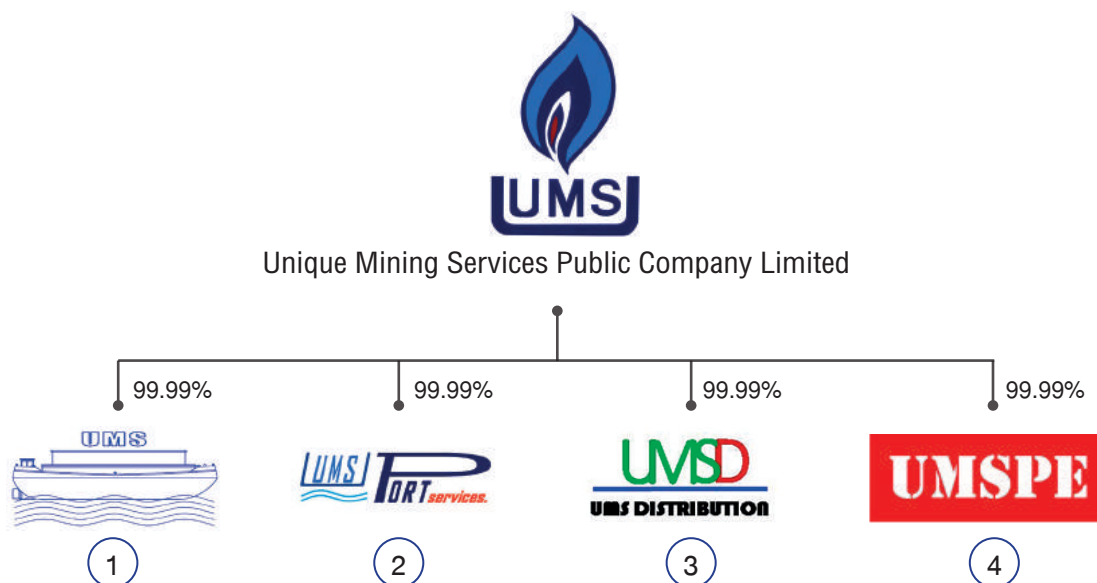
The Company has the policy to supply good quality coal, environmentally friendly to meet the customers need. Moreover, the Company has the good quality control checks since buying from supplier, mine, transportation, production line and delivery to the customers for ensuring customer satisfaction.

Structure of Business

Unique Mining Services Public Company Limited or “ UMS ” imports good quality coal, which has a medium calorific value and less negative impact to environment. Target groups of customers are food and beverages industry, pulp and paper industry, cement industry and textile industry.

Company's strategies are tailor-made based upon imported coal that is matched to the engineering specification of each factory's boiler.

The Company hold 99.99% in owned subsidiaries 4 businesses are as follows ;



1. **UMS Lighter Co., Ltd.** operates marine transportation by lighter which has capacity of 500 - 2,500 tons
2. **UMS Port Services Co., Ltd.** operates the port service at Nakornluang district, Phra nakhon Si Ayutthaya.
3. **UMS Distribution Co., Ltd.** operates the businesses for Importing and distributing the fertilizer and provide the logistics service to the customers. Currently, the Company temporarily stop the operation.
4. **UMS Pellet Energy Co., Ltd.** operates import and export of biomass fuels, and transport and land transport. Currently, the Company temporarily stop the operation.

Risk Factors

The risk factors that may affect the Company's operations are as follows ;

1. Risk from volatile cost prices which vary depending on the trading price of the global market

The major factors which affect costs of goods sold are the coal price, freight rates and currency exchange rates which depend upon world market rates. Thus, the price volatility of these factors will directly impact the cost of goods sold. If the coal price and freight rates are increased whilst exchange rate is depreciated, the cost of goods sold will increase.



The effect of coal price and the freight rates to the cost prices.

The price of coal and freight rates in the world move due to changes in demand and minor supply in the world market. The trends for coal prices have still slightly fluctuated in recent years. It will be a minor effect of the Company. Although, the demand for coal are rising from China and India , while the supply from Indonesia control the coal mine. It will affect to small coal mine to be closed so it takes effect to the coal price at the end of the year.

For the year 2019, coal consumption is expected to increase from Asian countries such as Vietnam and India due to the construction of coal-fired power plants. Therefore, it is slightly increasing the demand for coal, but it's not as high as to 2 - 3 years ago, together with dust pollution problems which may have to postpone or delay the construction of a coal-fired power plant project. Therefore, it is expected that the coal price in 2019 should not be too volatile.

For the freight rate in case of the Company has a plan to import coal continuously, the Company do the contract with shipping Company. The Company will specify the price in advance as following as the world market rate as well. Therefore, the Company will set the supporting team for following up the coal price and freight rate closely to manage the cost of the good efficiently.

The effect from the exchange rate to the cost of products

The Company imports coal from abroad and the freight cost is denominated in US dollars. It affects to the Company because the Company purchases coal in the US dollar while the Company's sales to the domestic industry in Thai Baht. It makes the Company has the risks from the exchange rate if the Thai Baht has weaken. That affects to the high cost. However, the Company protect the effect of fluctuation in exchange rate by buying forward contract for the coal and freight rate. Therefore, the Company can reduce the risk of exchange rate.

2 . Risk from new competitors

Since business of coal trading which requires less investment in terms of equipment and machinery, there is an opportunity for new comers to enter the business, especially when there are only a few existing players in this market. Currently, many new competitors has entered coal distribution market, as a result, gross margin is narrowed. Therefore, the Company has set key strategies to differentiate its products from other competitors for adding value and meeting the customer satisfaction. The Company has extensive experience and know-how to screen and improve the quality of coal to match each type of boiler used in each industry as well as our ability to promptly give advice to our customers on technical and other services related enquiries.



At present, the Company screens and improves coal quality to be optimal to each type of boiler used by small and medium sized manufacturers in order to ensure the highest efficiency and reduce the cost of production. Such an approach was well received by our customers. It causes the customers trust in ordering products from the Company. The Company has a large number of existing customers which is good for future business expansion.

3. Risk from substitute products and market expansion

Generally, primary energy resources being used by domestic industries can be classified into 3 types including fuel oil, natural gas, and coal. Whilst, fuel oil was the most popular choice among manufacturing companies due to its availability and ease of use (ease of maintenance) natural gas has mostly been used in power plants due to its lower cost compared to bunker oil. Coal is still not in widespread use due to the lack of the knowledge and correct understanding by the user. In the case of other types of alternative fuels that have lower prices, such as biomass fuel will not affect the Company's coal sales much because it is a limited amount of fuel which is not enough to produce steam of industrial plants.

From the past to present, the coal has the advantage of being a low-cost fuel with the cost of producing steam fuel is 3 times lower than fuel oil and it has very little environmental impact (bituminous and sub-bituminous types). Therefore, the various industrial plants tend to change to use more coal and the Company has been in the coal business for a long time. Therefore, it has a large customer base in many industries. However, the sale amount is decrease in the past. It will take effect to the customer to be decrease too. The Company began to build relationships with the old customers who stopped buying coal from the Company. The existing customers who repeated order for more coal from the Company. The Company will continue to expand the market with this group of customers.

4. Risk from environmental impact

Coal is classified into many types; ranking from the best heat generating quality and the least environmental hazard are Anthracite, Bituminous, Sub bituminous, and Lignite. While Lignite normally generates more polluted gas, the other types of coals with superior quality are more environmental friendly.



Currently, the Company imports bituminous and Sub-bituminous coal types which have superior quality and generates low sulphur (sulphur content is in range 0.1% -1.5% while sulfur content in fuel oil is in range 0.1%-3.0%). Thus, good quality coal creates less environmental. In addition, the Company has a closed storage system which complies with the government regulations and the Company manages particulate dispersion cautiously. Specifically, it has managed to reduce particulate dispersion by covering coal stockyard with plastic sheet, spraying water, planting tree in the high and fences around the warehouse, checking air and water quality regularly, planting pine trees, covering plastic sheet around truck to prevent coal from falling to the pavement and cleaning wheels of every truck before departure. Furthermore, the Company is executing more effective preventive measurement during production activities by dust dispersion control system of dust shield with water spraying to ensure the capacity of preventing environmental impact from Company's operation.

Major Shareholders

The list of the top 10 major shareholders of the Company as of December 28, 2018 is shown in the table below.
(The par value is 0.50 baht)

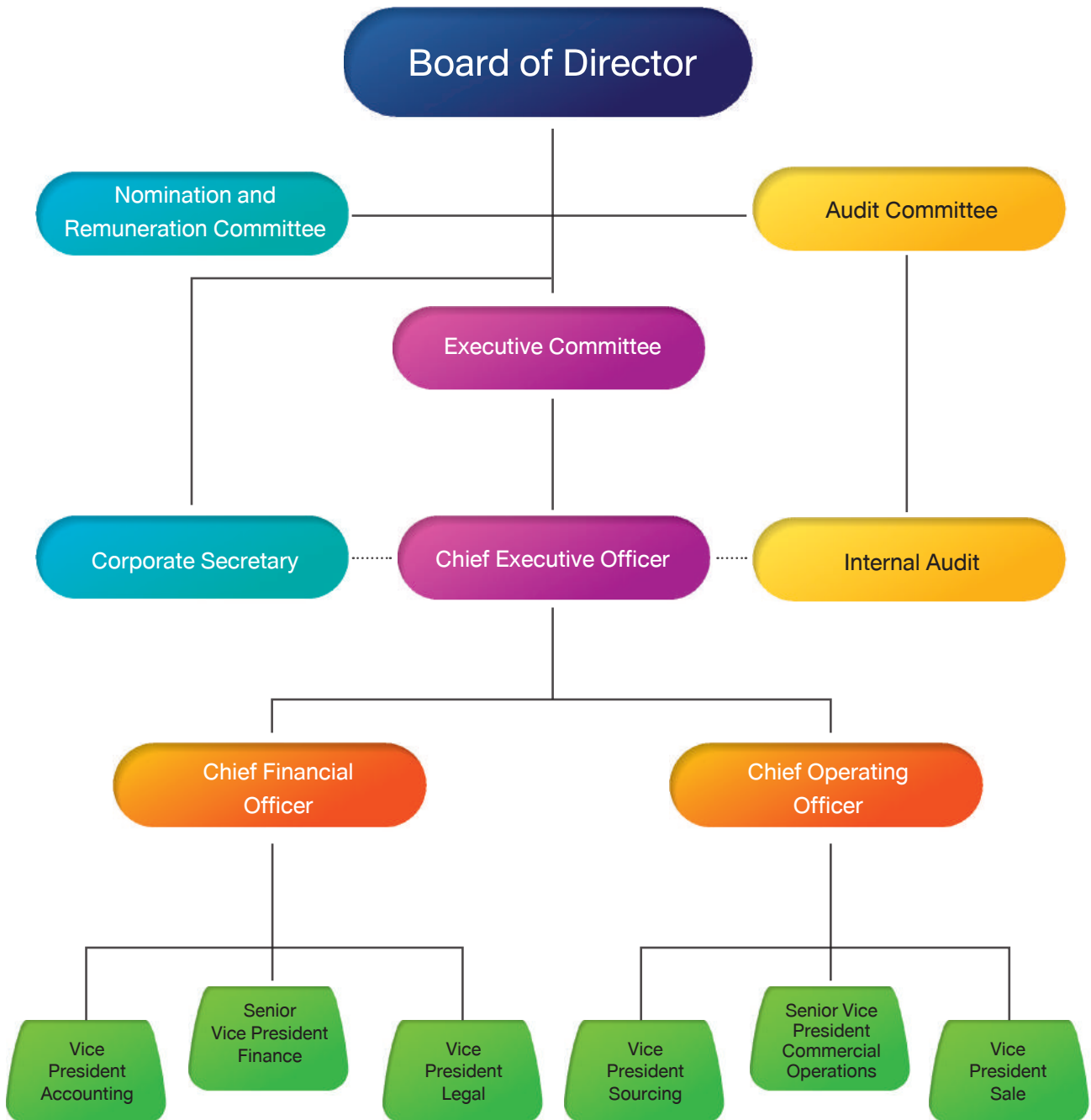
Shareholders' List		Number of Shares	Proportion (%)
1	Athene Holding Co.,Ltd.*	654,878,013	92.93
2	Mr.Prayudh Mahagitsiri	6,558,900	0.93
3	Miss. Amporn Sripothong	2,548,966	0.36
4	Mr.Suthee Lim-Atiboon	1,766,666	0.25
5	Mrs. Ratchada Chanthawarang	1,443,366	0.20
6	Mr. Suchart Sutanontpaibul	897,500	0.13
7	Miss Ornicha Suwatthanapim	800,000	0.11
8	Thai NVDR Company Limited	717,468	0.10
9	Mr. Banyat Wutthisethpaiboon	700,000	0.10
10	Mr. Wasin Patikulseth	688,400	0.10
Other shareholders		33,738,933	4.79
Total		704,738,212	100.00

Remark : *Thoresen Thai Agencies Public Company Limited held shareholder of 99.99%

Dividend Policy

The Company will be pay dividend to shareholder not less than 40% of net profits after deduct the legal reserved. However, it must be approved on the shareholders' meeting of the Company except the Company need for capital expenditure to expand the business.

Organization Structure



The management structure of the Company is consisted of four committees including The Board of Directors, The Audit Committee, The Nomination and Remuneration Committee and The Board of Executive Directors. Details of which are as follows:

1. The Board of Directors

The Board of Directors consists of 6 directors as follows (As of December 31, 2018)

- | | |
|---------------------------------|---|
| 1. Mr. Chalermchai Mahagitsiri | Chairman of the Board of Directors |
| 2. Mr. Taratorn Wongprasat | Vice Chairman / Independent Director / Audit Committee /
Chairman of the Nomination and Remuneration Committee |
| 3. Mr. Dome Liewlomviboon | Director / Acting Chief Executive Officer /
Nomination and Remuneration Committee |
| 4. Mr. Nitipat Amnatthaloengsak | Independent Director / Chairman of Audit Committee |
| 5. Mr. Ekatip Tippavang | Independent Director / Audit Committee |
| 6. Mr. Suvicha Panichpol | Independent Director / Nomination and Remuneration Committee |

Authorized directors to sign on behalf of the Company are Mr. Chalermchai Mahagitsiri and Mr. Dome Liewlomviboon, two persons signs together with affixation of the Company's seal.

Duties and Responsibilities of the Board of Directors

1. Authority and responsibility according to the Public Company Act and other related laws which are authorities and duties of Directors or Board of Directors of public Company.
2. Authority and responsibility according to the articles of association of Company which are defined to be of the Board of Directors.
3. Consider long term business plan, budget and annual investment plan.
4. Consider annual financial statements.
5. Consider annual salary adjustment budget, employees' bonus budget, managements' welfare, directors' remuneration and dividend payment to shareholders.
6. Establish management structure, appoint management, managing director and other committees as appropriate.
7. Supervise and manage Company's performance in accordance with laws, Company's objectives and articles of association as well as shareholders' resolutions.

If the committees or connected persons are related to the transaction that may create any conflict of interest with Company, the related committees are not permitted to vote on that transaction.

Besides the resolution of the Board of Directors, a three-quarter (3/4) vote of eligible shareholders present at the meeting is required to approve the following events:

- The sale or transfer of the whole or important parts of the business.
- The purchase or acceptance of transfer to other companies or private companies.
- The signing, amending or terminating of contracts with respect to the leasing of the whole or important parts of the business, the assignment of the management of the business of the Company to other persons or business merger/acquisition with the purpose of profit and loss sharing.

- The amendment of memorandum of association or articles of association.
- The increase and decrease in capital, debenture issuance, merger/acquisition and wind up the Company

2. The Audit Committee

The Audit Committee consists of 3 directors as follows:

- | | |
|---------------------------------|-----------------------------|
| 1. Mr. Nitipat Amnatthaloengsak | Chairman of Audit committee |
| 2. Mr. Ekatip Tippavang | Audit committee |
| 3. Mr. Taratorn Wongprasat | Audit committee |

Duties and Responsibilities of Audit Committee

1. Review Company's financial reports accurately and adequately.
2. Review Company's internal control and internal audit sufficiently and efficiently. To consider the independence of internal audit department and approve the appointment, change or retire head of internal audit department or other departments which are responsible for internal audit.
3. Review the Company to complies with SEC and SET rules and regulations, and laws concerning the Company's business.
4. Consider and propose for the appointment of the Company's auditor who is independent with the Company. Moreover, they shall propose the auditor fee and attend the meeting with auditor without management at least one time per year.
5. Consider connected transactions and conflicts of interest according to laws and regulations of SET to ensure the reasonableness and create most benefit to Company.
6. Prepare Audit Committee report to disclose in the Company annual report. Such report must be signed by chairman of audit committee and consists of the following :
 - a) Opinions regarding the correctness, completeness and reliability of Company's financial reports.
 - b) Opinions regarding the sufficiency of Company's internal control system.
 - c) Opinions regarding the compliance with SET rules and regulations, and laws concerning the Company's business.
 - d) Opinions regarding the auditors qualification.
 - e) Opinions regarding the connected transactions.
 - f) Total attendance of audit committees and the attendance of each audit committee.
 - g) Opinions or notices regarding audit committee perform according to the charter.
 - h) Any transactions which shareholders or investors should know under duties and responsibilities assigned by the Board of Directors.
7. Any other matters assigned by the Board of Directors which approved by audit committee.

Tenure of the audit committee are three years. Audit committee members who are retired by rotation could be re-elected. In the case of an audit committee position which is vacant with any reasons except by retired by rotation, The Board of Directors could appoint anyone who has complete qualifications to be an audit committee member to fulfill the rest position. Terms of such position are those remaining for the period of the substituted audit committee.

3. The Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee consists of 3 directors as following ;

- | | |
|----------------------------|---|
| 1. Mr. Taratorn Wongprasat | Chairman of The Nomination and Remuneration Committee |
| 2. Mr. Dome Liewlomviboon | The Nomination and Remuneration Committee |
| 3. Mr. Suvicha Panichpol | The Nomination and Remuneration Committee |

Duties and Responsibilities of The Nomination and Remuneration Committee

1. Determine and propose the structure, composition and attribute of the BOD and any committees.
2. Propose the qualified candidate to be a director to the BOD so as to propose to shareholders' meeting to approve in case there are any vacancies in the BOD.
3. Determine and shortlist the appropriate candidate for MD and establish the replacement plan for top executives.
4. Nominate, promote, transfer and terminate the Company's top executives, i.e., MD, Vice MD including the executives of the subsidiaries.
5. Recommend on the assessment of the performance of the executives.
6. Propose the remuneration structure for directors, MD and the management of the Company and its subsidiaries including meeting fee, annual bonus and any other benefits.
7. Determine the risk on the HR management.
8. Perform any other assignments appointed by the BOD

In order to accomplish the scope of work, NRC has the authority to direct the Company's employee to participate, opine and provide any related documents, NRC also has the right to hire an independent advisor to provide any related advises in which any other fee incurred will be charged to the Company.

4. The Board of Executive Directors

The Board of Executive Directors consists of 2 directors as following ;

- | | |
|--------------------------------|--------------------|
| 1. Mr. Chalermchai Mahagitsiri | Executive Director |
| 2. Mr. Dome Liewlomviboon | Executive Director |

Duties and Responsibilities of the Board of Executive Directors are as following ;

1. Define the policy, direction and operate the business according to the Company policy.
2. Conduct the business strategies.
3. Conduct investment strategies and fund raising plans according to the Company policy.
4. Authority to employ, appoint, dismiss, approve an employment rate, adjust salary and present the reward or bonus to person who employs as assistant managing director or higher position.
5. Determine the employees' welfare and remuneration according to Company situation under effective law.
6. Consider the meeting agendas before requesting the approval from The Board of Directors.

7. Consider, approve investment projects, acquire and dispose fixed assets, and sign the commercial agreements according to the general Company's transactions. Nevertheless, such transactions must be complied with laws and regulation which pass the approval of The Board of Directors.

All of above approved from the Board of Executive Directors, however, do not include the approvals of Executive Directors who have conflict of interest, as well as important transactions which need to request the approval from shareholders regarding to the purchase or disposal the Company's important assets according to The Stock Exchange of Thailand laws and regulations.

Executive Management

Management of Company as of as of December 31, 2018 consists of 5 persons as follows:

- | | |
|--------------------------------|---|
| 1. Mr. Dome Liewlomviboon | Acting Chief Executive Officer / Acting Chief Financial Officer |
| 2. Ms. Nuanchan Vasinanuruk | Senior Vice President Finance |
| 3. Ms. Phakamat Prabyai | Vice President Accounting |
| 4. Mr. Chakkrit Amsakul | Vice President Commercial Operations |
| 5. Mr. Narongsak Amnuaychaikij | Vice President Sale |

Remarks : Mr.Chakkrit Amsakul has appointed as the Vice President Commercial Operation replace Mr. Kittisak Thaikamnoed effective on April 1, 2018

Duties and Responsibilities of Chief Executive Officer

1. Determine the significant issues of Company, mission, objectives, policy, overall operating performance, production, customer relationship and any responsibility to Board of Directors.
2. Approve the normal operational transactions within budget of Baht 3 million.
3. Consider fund raising issues and present to Executive Board.
4. Hire, appoint, dismiss as well as determine salary and bonus to the employees who rank below assistant to managing director position.
5. Act and represent the Company to the outside related business and benefit to Company.
6. Approve and appoint any advisors regarding to the necessity issues for business operation.
7. Perform the general administration of Company.
8. Any other matters assigned by the Board of Directors and Executive Board.

All of above approved from Chief Executive Officer , However, do not include approvals of Chief Executive Officer who may have a conflict of interest , as well as important transactions which need to request the approval from shareholders regards to the purchase or dispose the Company's important assets according to The Stock Exchange of Thailand laws and regulations

Qualification of management

The Company certifies that our management team have ethics, capacity, and considerable experience, are honest and careful to protect the benefits of Company. They have the intention to operate business continuously. Moreover, they understand and response to public as well as they don't have any prohibit qualifications according to Securities and Exchange Act 1992.

Compensation for Board of Directors as of December 31, 2018

Name	Amount (Baht / Year)			
	BOD	AC	NRC	Total
Mr.Chalermchai Mahagitsiri	TTA has a policy to the management who is the director of the subsidiary will not be remunerated			
Mr.Dome Liewlomviboon	TTA has a policy to the management who is the director of the subsidiary will not be remunerated			
Mr. Nitipat Amnatthaloengsak	144,000	57,600		201,600
Mr. Ekatip Tippavang	144,000	48,000		192,000
Mr. Taratorn Wongprasat	276,000	36,000	-	312,000
Mr. Suvicha Panichpol	200,000		-	200,000
Total				905,600

The committee who resigned during the Year 2018

Name	Amount (Baht / Year)			
	BOD	AC	NRC	Total
1. Mr. Ekavaj Amornvivat	132,000	28,800		160,800
2. Police Lieutenant General Kamrob Panyakaew	132,000	24,000		156,000
3. Mr. Suchart Thammapiatgkul	120,000	12,000		132,000
Total				448,800

Remark :

BOD = Board of Directors Meeting

AC = Audit Committee Meeting

NRC = The Nomination and Remuneration Committee Meeting

Executive Management Compensations as of December 31, 2018

benefits	2018 ¹ (Million Baht)	2017 ² (Million Baht)
Salary	4.10	6.64
Bonus	0.27	0.09
Other compensation - Provident fund	0.29	0.38
Total	4.66	7.11

Remarks :

- For 2018** 1.Miss Nuanchan Vasinanuruk 2. Miss Phakamat Prabyai 3. Mr.Chakkrit Amsakul 4.Mr.Narongsak Amnuaychaikij
- For 2017** 1. Mr. Kittisak Thaikamnoed 2. Miss Nuanchan Vasinanuruk including executive management who resigned during this year 1. Mr. Teerapol Kampa 2.Mr. Jirath Chaijitboriboon

Corporate Governance

The Company has complied with the principles of good corporate governance and the Company considered the implementation of the principles of good corporate governance for listed companies in 2017 or the Corporate Governance Code (CG Code) issued by the Securities and Exchange Commission to be suitable for the organization. The Board of Directors has considered and realized the role as the leader of the organization (Governing Board) by carefully considering such practices and understanding the benefits and importance of implementing CG Code to create value for the business which has been divided into 5 categories according to the guidelines of the Stock Exchange of Thailand. Due to good corporate governance will help the company to have more credibility, build long-term competitiveness with other companies with details as follows:

Section 1 Rights of Shareholders

The Company values the importance of shareholders' right, therefore, the Company assures that Company's shareholders shall have the same basic right, namely rights to buy, sell, or transfer shares, rights to obtain adequate information, rights to participate and vote in the shareholders' meeting on significant issues and rights to share in the profits of the Company. The details are as follows:

- (1) The Company sends meeting notices in advance containing details of the agenda and related appendices together with the opinions of the Board of Directors, proxy forms determined by the Ministry of Commerce, a list of all Independent Directors, and a map showing the meeting venue. These notices also contain details about the documents which each shareholder needs to bring to the meeting, together with Company regulations on the meeting and voting procedures. In addition, shareholders may view information about each meeting agenda on the Company's website before receiving the notice by mail. The Company allows registration of shareholders at least an hour prior to each meeting.
- (2) Before every meeting Chairman of the Board or the person assigned by the Chairman will clarify the voting method and vote count as clearly specified in the Company's regulations. The Company has counted the votes of shareholders who vote disagree or abstain from deducting from the total number of votes attending the meeting. The remaining votes will be considered as votes approved in that agenda. Moreover, it shows the summary of all votes in the meeting room which the Company will clearly separate the vote for each matter to protect the rights of shareholders.
- (3) The chairman allocates a suitable period of time for the meeting, conducts each meeting suitably and transparently, allowing through expression of views and queries before each ballot round and summarizes meeting resolutions on each agenda.
- (4) The meeting gives shareholders who come late a chance to vote on agenda still under consideration and not voted.
- (5) All directors attend each shareholder meeting. Directors are required to address relevant questions and concerns, posed by shareholders (if any).
- (6) The Company regularly disseminates information to shareholders via The Stock Exchange of Thailand's channel, media and publications, including its website.
- (7) The Company sets up a channel of minor shareholders to contact directly via E-mail addresses. Apart from these channels, minor shareholders can directly contact the Company's secretary or the investor relations unit.

- (8) The Company explicitly discloses shareholding structure in affiliated and subsidiary companies, therefore, shareholders feel confident of transparent management structure that are allowed to scrutiny.
- (9) The Company conducts its business efficiently for the sustainable growth of the Company and optimum returns to shareholders.

Section 2 Equality Treatment of Shareholders

The Company values and treats all shareholders fairly through the following actions:

- (1) Allowing each shareholder to propose agenda for consideration at shareholders' meeting ahead of the actual meeting date, announced to all investors via The Stock Exchange of Thailand's news portal and Company's website in advance. Moreover, criteria for agenda proposals and screening processes are clearly defined on the corporate website.
- (2) The Company offer opportunities for Shareholders to propose agenda items and nominate candidate qualified to be proposed for the election as Company's directors prior to the Annual General Meeting date based on criteria and procedure clearly defined by the Company. Detail and methods are disclosed and disseminated for the shareholders' information via Company's Website. In this regard, the selection of directors, directors at the meeting, the Company provided voting for the election of directors individually.
- (3) Convening the meeting in sequence of agenda as specified in the notice and not adding agenda without notifying shareholders in advance, so that shareholders may have enough time for data assessment before making their decisions.
- (4) Providing shareholders with a list of all Independent Directors on the proxy forms that can decide balloting directors, to encourage them to dictate how they need to vote. These proxy forms serve as an option to appoint Independent Directors as their proxies, and a choice over which Independent Directors to entrust their views.
- (5) Encouraging shareholders to use ballots. "Voting tickets" provided for each significant agenda are collected at the meeting and then added up the pre-cast votes before announcing the resolution to the meeting. For transparency and reference, the Company will file all voting tickets bearing witnesses' signatures.
- (6) Recording the minutes accurately and completely for sending it to The Stock Exchange of Thailand and the Securities and Exchange Commission within 14 days after the meeting. The minutes will also be posted on corporate website.
- (7) Establishing the Board of Directors' measurements to control the usage and prevent the misuse of internal information (insider trading) for personal benefit of concerned persons, including the Board of Directors, executives and staff in related department (including spouses and minor child of concerned persons).

In addition, if the Board of Directors or executives sell or buy the Company shares, They are required to report the shareholdings to The Securities and Exchange Commission (SEC) within 3 working days period for public disclosure.

Section 3 The Roles of Stakeholders

The Company commits responsibilities for all stakeholders to ensure sustainable mutual benefits, providing that the corporate administration or business operations of the Company shall not have an impact on the rights of stakeholders or create damage to stakeholders. If damage occurs, the Company determines the appropriate measures to benefit every party.

The Company places importance on the rights of all stakeholders. The details are as follows

Shareholders :	Besides the basic rights of shareholders and the rights stipulated by the laws and the Company's article of association, such as rights to attend the shareholders' meetings and vote at the meeting, rights to freely express opinions at the shareholders' meetings, and rights to receive an appropriate return. The Company gives shareholders the right, as the owner of the Company, to make suggestions and comments on the Company's affairs through the independent directors. Each comment and suggestion will be carefully considered and presented to the Board of Directors.
Employees:	The Company believes that employees are the most valuable assets. The Company always develops competence of every employee to support business expansion plan. Furthermore, the Company treats its employees in such a way that they feel happy to perform their assigned tasks, improve working environment to ensure safe, modern and healthy welfare appropriately.
Trading partners :	The Company purchases products and services according to commercial terms including perform the contracts with partners fairly.
Creditors :	The Company considers the conditions with all creditors appropriately subject to economic situation and complies with loans agreements.
Customers :	The Company takes care and responses to all customers by providing standard quality products as well as keeps their confidential data. In addition, the Company set up customer relationship department to receive feedback, suggestions and opinions from customers.
Competitors :	Competitors will be treated fairly under normal competitive term and avoid the improper competition.
Communities :	The Company is responsible to environment of community and society. The Company complies with related rules and regulations to protect stakeholders' right fairly.
Independent Auditor :	The Company cooperates with independent auditors to disclose information correctly and transparently.
Society:	The Company continuously organizes activities to improve quality of communities such as environment, education and create jobs in community as well as the ISO 14000 standard and so on.

Section 4 Information Disclosure and Transparency

The Information disclosure represents an important principle of good corporate governance. The Company pays close attention to the information that needs to be disseminated to The Stock Exchange of Thailand and shareholders, particularly for its accuracy, adequacy, timeliness, and equitable treatment. The Company will disclose information at www.umspl.com, or contact to investor@uniquecoal.com by Mr. Dome Liewlomviboon, Acting Chief Executive Officer and Acting Chief Financial Officer. He is responsible for answer the questions. The Company has clear procedure for information disclosure to The Stock Exchange of Thailand under ordinary and urgent circumstances.

The various information of the company including the annual report, Form 56-1, company information, quarterly operating results news which has been disclosed to the public including shareholders and investors, which will be published on the company's website to allow users to receive news in time and get the most benefit.

The Company always valued the accuracy, completeness, timeliness, and transparency of information disclosure and is committed to its best practices.

Section 5 Responsibilities of the Board of Directors

1. Structure

A. Composition

The Board of directors consists of 6 directors, which is considered suitable for the business. The composition of the Board of Directors is as follows:

- Two executive directors who have conflict of interest.
- Four independent directors with no conflict of interest, no relationship and not representative of major shareholders.

B. Definition of Terms and Number of Companies Where Directors Can Serve

The Board of Directors consists of 6 members, 4 of them were independent directors which was accounted more than one-third of all directors set by The Stock Exchange of Thailand. The director who has completed his/her terms, one-third directors with the longest terms must retire. Directors who are retired by rotation could be re-elected.

Moreover, The Board of Directors also agreed for the issue of the number of companies where directors can serve to be one important key in considering for appointing the director. In addition, the Company where each director serves has disclosed in attachment 1 of Form 56-1, annual report and corporate website.

C. Qualifications of Independent Director

The Independent Director shall consist of at least one-third of all director or not always less than three persons. The qualifications of independent director in accordance with rules and regulations of SEC are as follows.

- (1) holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent Company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent Company, subsidiary Company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- (3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company;
- (4) neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent Company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the office.

- (5) neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the office;
- (6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the office;
- (7) not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

D. Aggregation or Segregation of Position

The Chairman and the Managing Director is always not the same person. The Chairman is elected by the Board of Directors, whereas the Chief Executive Officer comes from nomination. The Chairman is the leader and contributes significant decision-making of the Company's policy which is the result from The Board of Directors' meeting which is considered and determined goals with management. The chairman shall ensure that The Board of Directors meetings proceed efficiently and effectively. During each meeting all Directors are urged to actively participate such as raise essential questions, meeting, recommend, supervise and support management through managing director regularly. But the chairman shall not interfere to routine work which is responsible by managing director. Managing Director is head of management team. The Board of Directors authorizes managing director or acting or representative to sign on behalf of Company. Managing Director authorizes management team according to specified authorities efficiently and clearly. Hence, there is a clear distinction between the roles of The Board of Directors and the Management.

E. Company Secretary

The Company has appointed a corporate secretary who is Miss Phasita Nilnoree. The roles and responsibilities are the following :

- Handle and keep documents
- Registration of Directors.
- Meeting notices, minute of The Board of Directors, and corporate annual report.
- Appointment of Shareholders Meeting and minute of Shareholders Meeting.
- Record of connected transactions which report by directors or management.
- Communicate with shareholders and ensuring that they are properly taken care of.
- Communicating with related regulatory agencies.

2. Sub-committees

The Board of Directors has appointed sub-committees to handle specific aspects. Their qualifications and responsibilities have been defined in their respective charters. A majority of their members are Independent Directors. The Chairman does not belong to any sub-committee. The sub-committees are regularly report their findings to The Board of Directors.

Currently, the Company has appointed two sub-committees, namely The Audit Committee and The Nomination and Remuneration Committee. Their member names, responsibilities, and report of each sub-committee are described in the Annual Report.

3. Business Ethics

The Board of Directors stipulated the business ethics in good corporate governance principles by conducting equitable treatment, transparency, auditable, and respect to the rights of all stakeholders which will create confidence and acceptance of efficient performance and transparency of Company. The code of conducts consists of eight principles:

- Responsibility to shareholders
- Responsibility to employees
- Responsibility to customers
- Responsibility to trading partner
- Responsibility to competitors
- Responsibility to society and communities
- Follow-up the action

4. Conflicts of Interest

The Company has policy to protect conflicts of interest which define the measurement to avoid any conflict and interest for personal benefit. The procedure for directors and employees are as following ;

1. Prohibit Directors, Management and employees bring inside information of Company to use for their personal stock trading or use inside information to operate business which compete with the Company or related business.
2. Avoid doing personal transaction related to the Company which may cause conflict of interest.
3. If the Company has any transactions which are beneficial to the Company, the Company shall treat such transaction on arm length basis. Directors and employees which have conflicts of interest shall not approve such transactions.
4. If the Company has related transaction to Shareholders, Directors, Managements or related persons, the appointed Audit Committee shall approve on such transactions.

Connected transactions must be considered by The Board of Directors for reasonableness of the transactions and the Audit Committee shall approve the disclosure in the annual report and Form 56-1 including publishing on the company website.

5. The Board of Directors' Meeting

The meeting date of the Board of Directors has been specified in advance for each year while clear meeting agenda has been determined quarterly. Other agendas are jointly decided by the Chairman and Managing Director as necessary. However, each director may propose matters which they consider materially. In 2018, The Board of Directors convened totally 9 times. The Board of Directors always received an invitation, draft minute of meeting and complete supporting documents for consideration ahead of each meeting.

Normally, an ordinary The Board of Director's meeting last approximately two hours. The Company's secretary always attend the meeting, record minute of meeting and keep document files of meeting correctly and completely. The Company's secretary also advises the Board of Directors regarding related rules and regulations.

The minutes of meeting of the Board of Director's meeting covers all important issues and the resolutions were unanimously approved. The discussion and opinion of directors were clearly recorded. All documents were systematically filed under tight security. Generally, all directors attended every meeting except for legitimate reasons for absence. If he knows in advance, he will send an apology letter to the Chairman when they could not attend a meeting. Record of the Board of Directors' attendance in 2018 (as of December 31, 2018) was as follows :

Attendance of The Board of Directors and Sub-committee's meeting in 2018

Director	Position	BOD 9 Times	AC. 6 Times	Shareholder meeting	
				AGM	EGM
		No. of Attendance / No. of Meeting (Times)			
1.Mr. Chalermchai Mahagitsiri	Chairman	8 / 9		1 / 1	-
2.Mr. Taratorn Wongprasat	Vice Chairman / Independent Director / Audit committee / Chairman of NRC	7 / 9	3 / 6	1 / 1	1 / 1
3.Mr. Dome Liewlomviboon	Director / Acting Chief Executive Officer / Member of NRC	9 / 9		1 / 1	1 / 1
4.Mr. Nitipat Amnatthaloengsak	Independent Director / Chairman of Audit Committee	4 / 9	4 / 6	-	1 / 1
5.Mr. Ekatip Tippavang	Independent Director / Audit Committee	4/ 9	4 / 6	-	1 / 1
6.Mr. Suvicha Panichpol	Independent Director / Member of NRC	2 / 9		-	-
Directors who resigned during the Year 2018					
1.Mr. Ekavaj Amornvivat	Independent Director / Chairman of Audit Committee	3 / 9	2 / 6	1 / 1	-
2. Police Lieutenant General Kamrob Panyakaew	Independent Director / Audit Committee	3 / 9	2 / 6	1 / 1	-
3. Mr. Suchart Thammapiatagkul	Independent Director / Audit Committee / Chairman of NRC	2 / 9	1 / 6	1 / 1	-

Remark :

BOD = Board of Director Meeting

AC = Audit Committee Meeting

NRC = The Nomination and Remuneration Committee Meeting

1. Mr.Suvicha Panichpol was appointed to be a director on February 21 , 2018 replace Mr.Teerapol Kampa who resigned on October 21 , 2017 and was appointed to be independent director / member of NRC on July 23 , 2018
2. Mr.Chalermchai Mahagitsiri was appointed to be Chairman on July 23 , 2018
3. Mr.Taratorn Wongprasat was appointed to be Vice Chairman , member of Audit Committee and Chairman of NRC on July 23 , 2018.
4. Mr.Nitipat Amnatthaloengsak was appointed to be Independent Director / Chairman of Audit Committee on July 23 , 2018.
5. Mr.Ekatip Tippavang was appointed to be Independent Director / Audit Committee on July 23 , 2018.

6. Compensation of Directors and Management

A. Directors' Compensation

The Annual General Shareholders' Meeting for 2018 approved Directors and sub-committees' remuneration, taking into account the Company's business, size, performance as well as the duties and responsibilities of The Board of Directors and sub-committees. The Directors' and sub-committees' remuneration packages for 2018 were the same as those of 2017 to accommodate the performance of the Company. The details are as follows;

- The monthly compensation of 16,000 Baht per person for the Company's Chairman and non-executive directors, with the attendance fee of 12,000 Baht/time/person
- The attendance fee for the Audit Committee is 12,000 Baht/time/person
- The attendance fee for the Nomination and Remuneration Committee is 6,000 Baht/time/ person
- The attendance fee of the Chairman of each committee will be 1.2 times of each committee.

The attendance fee will be provided only Members who attended the meeting.

B. Compensation Policy for Subsidiaries' Board Members

The subsidiaries or joint venture Company which the Company invests directly or indirectly comply with the business condition are treated as Company assets in line with legal criteria or investment conditions. As a rule, the boards of these companies are kept minimum, for instance, the Chief Executive Officer and senior management executive directly responsible for the success of such project according to Company's policies and strategies. Therefore, Managing Director and executives as director of subsidiaries are not entitles to extra compensation except allowance because it is considered as routine work which is clearly specified in good corporate governance principles of Company as well.

C. Managing Director's Compensation

The Managing Director's compensation is determined clearly and transparently decided by the Chairman. Consideration is based on duties and responsibilities, linked to the Company financial results and annual performance evaluation.

D. Executives' Compensation

Chief Executive Officer will consider compensation of each executive appropriately for increasing salary of executive. Consideration is based on individual performance and Company's financial results. In addition, performance compared with goals of each department was considered as well.

The Company disclosed total compensation in Form 56-1. Besides, holding securities, warrant of individual were also disclosed transparently to support Company's good corporate governance principles.

7. Development of directors and executives

The Board of Directors regularly improve themselves by attending seminar, courses and meetings organized by the Institute of Directors of Thailand (IOD), The Stock Exchange of Thailand, and SEC, and bring such knowledge to develop Company further.

Employee Improvement Policy of the Company

The Company has continuously encouraged the employees to continue training in terms of increasing knowledge in the work in various fields to develop employees' potential more effectively. In addition, the development of security. The Company sent its staff to train firefighters and fire evacuation training "fire drills and fire escape" on December 19, 2018.

The Role of Strategic Partners

Human resources must know and understand the work of all department and must have the knowledge of the business as which is currently known as a business partner. Besides it must be stated clearly that any of activities of human resources can make the Company get more the benefit or get something in return to the Company.

The Role of being the expert in working

The work of human resources must have both of administrative role and service role to staffs. The service role is a routine work such as recruiting, hiring, salary, managing the staff's data, staff training, evaluation of performance completely so the human resource try to find the ways to improve the performance of the administration to get the result fast and efficiently by applying the technology for working fast and reduce the manpower which is unnecessary in the Company. Moreover, the Company will get the output for human resources fast moving, high quality under low cost conducted.

The Role of improvement for employee

Human resource need to set up the return or welfare to the staff which is able to competitive and to set up the career development and training/seminar for development, flexible working hours including CSR activities for motivation the staff and understanding the all of the group of generation in the Company.

The Role of the Leader skills

The nature of personnel in the organization during the current economic situation. There are many changes such as new attendance, resignation, migration, position adjustment etc. Therefore, setting the rules The Human Resources Department has set up a system to support change, which is a matter that human resource professionals must have expertise and understand such nature. Moreover, acting as a change leader Is the use of modern enterprise management systems to reduce operational procedures (in some cases that are not necessary, which can reduce the procedure). Besides, being the leader for changes is to use the modern management system such as to reduce the process work which is unnecessary and eliminate them out of working.

In addition, the Company had improved and provide the good welfare to the staff and special benefits to the employees in different ways which is non-monetary returns and others as below.

- Welfare medical expenses , the Company has developed a form of payment for the hospital both outpatient and inpatient to meet the cost of living in the present and making the employee to be comfortable and receive the good medical treatment in case of illness. Moreover, the employee can admit to the hospital without having to pay money before. So that all employees are treated well in sickness and also to improve the amount of medical expenses for employees to achieve the equality in the Company.
- To Provide the benefit for aid in case of family members (including father mother , husband , wife and son) died.
- Provident fund to employees for saving money. The Company will contribute to the fund with a number of employees. Employees will have the money to spend on termination of employment.
- Reward for the years of service to the employee who work for 10 consecutive years, 15 years , 20 years and 25 years. The Company will provide souvenirs and certificate to express its appreciation and thanks to them.
- The Company will provide the annual physical check up.

The Summarized of Connected Transaction

In the year 2018, the Company had connected transactions with related parties. The Company has taken special care to those transactions appropriately complying with Regulations of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the capital market supervisory board. However, The auditing Committee monitored the authorization approval and reviewed the connected transactions as regulated comply by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the capital market supervisory board. The details of the transactions were disclosed in notes of the financial statements for the year ended December 31, 2018 as detail as follows ;

Related Parties	Affiliation	Details	For the Year 2017 (Jan.-Dec.) (Baht)	For the Year 2018 (Jan.-Dec.) (Baht)	Outstanding as of Dec. 31, 2018 (Baht)
Thoresen	Holds the 99.99%	- Car rental	8,100.00	-	-
Thai Agencies Plc.	stake in Athene Holdings Co., Ltd. which holds 92.93% stake of UMS.	- Office rental (Orakarn building)	1,353,600.00	1,136,400.00	92,400.00
		- Office service (Orakarn building)	531,000.00	568,200.00	49,434.00
		- Network Maintenance	360,000.00	360,000.00	32,100.00
		- Loan (Promissory note)	-	-	570,000,000.00
		- Interest expenses	26,315,000.00	26,315,000.00	35,110,698.00
		- Meeting room services	27,500.00	27,500.00	8,025.00
		- TTA group card	540.00	-	-
		- Electricity	-	92,862.00	54,421.00
		- Water Supply	-	4,457.00	2,347.00
Athene Holdings Co., Ltd.	Athene Holdings Co., Ltd. is a major shareholder of the company by holding 92.93% of shares.	- Loan (Promissory note)	125,000,000.00	-	75,000,000.00
		- Interest expenses	1,008,699.00	1,124,999.00	1,124,999.00

Management Discussion and Analysis

2018 world economy was generally fluctuated due to political and trading conflicts between the United States of America and China. This resulted in impeding of an increase of global economy and international trade. For Thailand, its overall economy slightly expanded however such expansion mainly came from consumer sector machinery change or modification.

In this year, the Company reduced directly importing coal from Indonesia however the Company domestically sourced Indonesian coal from importers instead. As such the Company's cost of raw material was higher. Together with an intense price competition from the coal which is over supply in the market, the Company's capacity to compete thus declined. That will effect with the sale volume decrease and it makes the gross profit margin decrease which is 6.56 percent of total revenue and operating results, and net loss decrease from last year which is 63.99 million baht . That is a good sign for the Company.

The Company tries to find the best solution and improve its performance, the Company developed the plan to partially transform itself as a service provider to diversify its services to other operators. This could help the Company improve its asset utilization and generate more income without considerable investment. The Company offers service to the customers since the end of year 2018 and the Company expects that our service will help the Company to earn more the revenues without having to spend a lot of money. And it will improve the performance in the next year respectively for the benefit of shareholders as well as all stakeholders.

Financial Highlights

Unit : THB. million	2017	2018	% YOY
Total revenues	454.54	253.47	(44.24%)
Gross profits (losses)	31.93	16.34	(48.82%)
Earnings (losses) before interest, Tax and Depreciation (EBITDA)	(18.59)	3.10	(116.69%)
Net profits (losses)	(90.99)	(63.99)	(29.68%)
Gross profit margin (%)	7.13	6.56	(7.94%)
EBITDA margin (%)	(4.09)	1.22	(129.92%)
Net profit margin (%)	(20.02)	(25.24)	26.11%
Loss per share* (Baht per share)	(0.18)	(0.13)	(27.78%)
Total assets	733.59	845.84	15.30%
Total liabilities	715.95	741.41	3.56%
Total equity	17.64	104.43	491.89%

*Total share of common stock 503,384,438 shares for the Year 2017

*Total share of common stock 505,591,055 shares (Weighted Average) for the Year 2018

Performance Analysis

During the fiscal year January 1, 2018 to December 31, 2018, the Company's total revenue was at THB 253.47 million which decreased from THB 454.54 million at the same period of year 2017 or decreased at the rate of 44.24% due to the reduced in coal import from oversea and bought from domestic importers. As a result, the Company cost was increased and loss price competition. That effected the Company sale volume declined. The gross profit margin decreased to 6.56% compared with 7.13% of the last year. The Company has net loss of the Year 2018 at THB 63.99 million compared with net loss of the Year 2017 at THB 90.99 or decreased at the rate of 29.68%

Financial Position Analysis

Total Assets

The Company's Consolidated Total Assets at the end of 2018 was at THB 845.84 million or increased at the rate of 15.30 % compared with that of 2017 ended at December 31, 2017 Which is mainly due to the capital increase at the end of December due to Cash and cash equivalents increased from THB 82.97 million to THB 207.41 million at December 31, 2017 and at December 31, 2018 respectively or increasing at the rate of 75.68%.from the previous year.

Net Trade and Other Accounts Receivable

The Company's Consolidated Net Trade and Other Accounts Receivable at December 21, 2018 was at THB 26 million or decreased about 5 million from December 31, 2017 due to the decrease of sales. As a result, the average Collection Period increased from 39 days in 2017 to 42 days in 2018.

Net Inventory

The Company's Consolidated Net Inventory at December 31, 2018 was at THB 19.25 million or increased from THB 10.96 million at December 31, 2017. The Company stock for sale at the beginning of the next year. The Company's selling period decline from 67 days in year 2017 to 27 days in this year due to buy coal from domestic importers.

Statements of Cash Flow

Cash Flow from Operating Activities

For the year ended December 31, 2018, the Company and its subsidiaries had net cash flows used in operating activities of Baht 16.34 million . The main item is the decreasing in trade accounts payable and other creditors as well as increasing inventories without accrued interest which is included in other creditors that the company has not paid.

Cash Flow from Investing Activities

The Company's Consolidated Net Cash Flow used Investing Activities at December 31, 2018 was at THB 7.24 million which was maintenance expenses or improving fixed assets to be in good condition efficiently.

Cash Flow from Financing Activities

The Company's Consolidated Net Cash Flow from Financing Activities at December 31, 2018 was at THB 148.32 million which was due to the proceeds from the capital increased.

Financial Ratios

Current Ratio

The Company's Consolidated Current Ratio in 2018 was at 0.34 time and the Quick Ratio was at 0.32 time which increased from 2017 due to the Company received the cash from the capital increase. Thus, improve the Company liquidity.

Account Receivable Turnover and Collection Period

The Company and subsidiaries has turnover rate of accounts receivable decreased from 9.24 times to 8.70 times for 2017 and 2018 respectively and the average collection period increased from 39 days to 42 days for 2017 and 2018 respectively.

Inventory Turnover and Period

The Company's Consolidated Inventory Turnover increased from 5.47 times in 2017 to 13.29 times in 2018 due to the Company's ability to manage the inventory more appropriately by decreasing the Inventory Conversion Period from 67 days in 2017 to 27 days in 2018.

Gross Profit Margin

The Company's Consolidated Gross Profit Margin decreased from 7.13% in 2017 to 6.56% in 2018 which was due to the intense competition in domestic coal market and the Company purchased from domestic importers thus the Gross Profit Margin decreased from the previous year.

Debt to Equity Ratio

The Company's Consolidated Debt to Equity Ratio decreased from 40.58 times in 2017 to 7.10 times in 2018 due to the from capital increased. Therefore, Net Equity increased to THB 104.43 million and thus enhance the Debt to Equity Ratio.

Capital Structure

Liabilities

The Company's Consolidated Liabilities at December 31, 2018 were mainly from Short-term Loan from Related Company at THB 645.00 million and Short-term Loan from Financial Institution in form of Trust Receipt at THB 42.57 million.

Equity

The Company's Consolidated Net Equity at December 31, 2018 was at THB 104.43 million due to the Company has the capital increase at the end of year .

Capital Structure

In consideration of the appropriation of the proportions of capital structure as of December 31, 2018, the Consolidated Debt to Equity Ratio was at 7.10 times which is higher than the average of the industry in which most of the debt was from Short-term Loan from related Company. Therefore, the Company needs to adjust the financial structure more appropriately . Moreover , the Company has always been aware of such matters and it has put this in the long-term plan of the Company.

Report of the Audit Committee

Attention to Shareholders of Unique Mining Services Public Company Limited

The audit committee comprises of 3 independent directors who have experiences in business management financial management and law, namely Mr.Nitipat Amnatthaloengsak, as chairman of Audit Committee, Mr.Ekatip Tippavang and Mr.Taratorn Wongprasat as the committee.

In accordance with the duties and responsibilities assigned by the Board of Directors, the Audit Committee held 6 (six) meetings during the year 2018 (January 1, 2018 - December 31, 2018). The Audit Committee, through various meeting with related managements, auditors and internal audit department manager to consider the following matters;

- The Audit Committee has reviewed the financial statement quarterly and annually before presenting to the Board of Directors to ensure that the statements are accurate, complete and comply with rules and regulations, with sufficient disclosure and transparency. The Audit Committee also provided recommendations and suggestions for the improvement of Company to the Board of director.
- Considering and approving the internal audit plan for the year 2018. The plan is conducted and prioritized by risk base management concept and emphasized on effective and efficient compliance. The internal audit system has been developed and improved continuously to sustain good internal control. Audit Committee makes sure that the Company has implemented appropriate risk management system.
- Making sure internal audit department independently perform good control and monitor the internal operation of Company. The Audit Committee has followed the performance of internal audit work and quick response to the finding.
- Proposing principles of good corporate governance and reviewing the Company's compliance with the laws and regulations of Securities Exchange and Commission, The Stock Exchange of Thailand and the laws.
- Audit committee studied, reviewed and approved connected transaction to make sure that this transaction is transparency, and bring in benefit to the Company. The decision was made by only independent directors and the transaction has been disclosed and complied with SET rules and regulations. And it is emphasized to comply with the agreements made with communities and various government agencies.
- Reviewing the performance and independence of the Auditors and nominating Mr. Banthit Tangpakorn CPA No. 8509, Mr.Sakda Kaothanthong CPA no.4628 Mr.Veerachai Ratanajaratkul CPA No. 4323 and Mr.Watchara Watchara Pattarapitak CPA No. 6669 of KPMG Phoomchai Audit Ltd. to be auditor of the Company for the fiscal year 2019 (January 1, 2019 - December 31, 2019), as well as proposed their annual remuneration. This appointment will be submitted to the Board of Directors and to get the approval from shareholders' meeting.
- Evaluation of the performance of the Audit Committee

The Audit Committee has evaluated the performance of the Audit Committee jointly and severally with the Audit Committee Charter approved by the Board of Directors as following the relevant regulations and as assigned by the Board of Directors , and performance appraisal meets the criteria set by the Securities and Exchange Commission. The results of the appraisal show that the Audit Committee has performed its duties with great efficiency. In summary, the Audit Committee has performed the duties assigned by using the knowledge, ability , prudence and there is sufficient independence. They also provide comments and suggestions for the benefit of all stakeholders equally, the Audit Committee attaches great importance to have an internal control system and risk management continuously. Good governance is ensured by adequate internal control system appropriate to the business of the Company. Moreover, the Company has the effective risk management, accurate and reliable accounting , financial reporting and compliance with relevant laws and regulations, as well as efficient management.



(Mr.Nitipat Amnatthaloengsak)

Chairman of the Audit Committee

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;

B

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.

B

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.

B

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

Statements of financial position

Unique Mining Services Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
(in Baht)					
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.

Statements of financial position

Unique Mining Services Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2018	2017	2018	2017
(in Baht)					
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.

Statements of financial position

Unique Mining Services Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
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.

Statements of changes in equity

Unique Mining Services Public Company Limited and its Subsidiaries

Consolidated financial statements								
	Note	Retained earnings (deficit)			Equity			
		Issued and paid share capital	Share premium	Appropriated to legal reserve	Deficit (in Baht)	attributable to owners of the parent	Non-controlling interests	Total equity
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.

Statements of changes in equity

Unique Mining Services Public Company Limited and its Subsidiaries

	Note	Separate financial statements			
		Issued and paid share capital	Share premium	Retained earnings (deficit)	Total equity/ (capital deficiency)
			Appropriated to legal reserve (in Baht)	Deficit	
Year ended 31 December 2017					
Balance at 1 January 2017		251,692,219	416,355,938	10,500,000	(617,333,133)
Comprehensive income for the year					
Loss		-	-	-	(63,964,322)
Other comprehensive income		-	-	-	(159,738)
Total comprehensive income for the year		-	-	-	(64,124,060)
Balance at 31 December 2017		251,692,219	416,355,938	10,500,000	(681,457,193)
Year ended 31 December 2018					
Balance at 1 January 2018		251,692,219	416,355,938	10,500,000	(681,457,193)
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	147,486,480
Comprehensive income for the year					
Loss		-	-	-	(82,191,349)
Other comprehensive income		-	-	-	420,495
Total comprehensive income for the year		-	-	-	(81,770,854)
Balance at 31 December 2018		352,369,106	466,074,567	10,500,000	65,715,626

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

Statements of cash flows

Unique Mining Services Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	(in Baht)			
<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)
	(13,878,542)	(17,517,898)	(30,334,552)	(37,347,123)
<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.

Statements of cash flows

Unique Mining Services Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2018	2017	2018	2017
	(in Baht)			
Cash flows from investing activities				
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
Cash flows from financing activities				
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
Non-cash transactions				
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

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

Notes to the financial statements

For the years ended 31 December 2018

Unique Mining Services Public Company Limited and its Subsidiaries

Note	Contents
1	General information
2	Current operations
3	Basis of preparation of the financial statements
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Trade accounts receivable
8	Other accounts receivable
9	Inventories
10	Investments in subsidiaries
11	Investment properties
12	Property, plant and equipment
13	Intangible assets
14	Deferred tax
15	Interest-bearing liabilities
16	Trade accounts payable
17	Other accounts payable
18	Provisions for employee benefit
19	Share capital
20	Legal reserve
21	Segment information
22	Other income
23	Employee benefit expenses
24	Expenses by nature
25	Tax expense
26	Promotional privileges
27	Basic loss per share
28	Financial instruments
29	Commitments
30	Environmental litigation case
31	Events after the reporting period
32	Thai Financial Reporting Standards (TFRS) not yet adopted

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.

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.

(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.

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.

(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.

(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.

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.

(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.

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.

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.

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.

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:

<i>For the year ended 31 December</i>	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

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

	Interest rate		Consolidated financial statements		Separate 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:

Short-term borrowings from related parties

	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.

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
Less 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
Less 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.

8 Other accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	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 allowance for doubtful accounts</i>					
- 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 allowance for declining in value of inventory and inventory deterioration</i>					
		(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

10 Investments in subsidiaries

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

Separate financial statements													
Type of business	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	-	-
	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.													
UMS Pellet Energy Co., Ltd.													
Port service	99.99	99.99	18,000	18,000	18,000	18,000	-	-	-	18,000	18,000	-	18,000
Road transport and trading of wood pellet	99.99	99.99	18,000	18,000	18,000	18,000	(13,293)	(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

11 Investment properties

		Consolidated / separate financial statements			
	Note	Land	Land improvement (in thousand Baht)	Buildings	Total
Cost					
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
Depreciation and impairment loss					
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
Net book value					
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.

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.

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

12 Property, plant and equipment

	Note	Consolidated financial statements						Total	
		Land	Land improvement	Buildings	Vehicle, lighter and dry-docking (in thousand Baht)	Machinery	Office equipment		Assets under construction
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	11	(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

	Consolidated financial statements (in thousand Baht)						
	Land	Land improvement	Buildings	Vehicle, lighter and dry-docking	Machinery	Office equipment	Assets under construction
	Land	Land improvement	Buildings	Vehicle, lighter and dry-docking	Machinery	Office equipment	Total
Depreciation and impairment loss							
At 1 January 2017	-	23,302	30,138	98,748	230,866	91,457	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	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	508,623

Consolidated financial statements

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

Separate financial statements

	Note	Land	Land improvement	Buildings	Vehicle (in thousand Baht)	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	11	(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

	Separate financial statements						
	Land	Land improvement	Buildings	Vehicle (in thousand Baht)	Machinery	Office equipment	Assets under construction
							Total
Depreciation and impairment loss							
At 1 January 2017	-	23,302	22,010	23,662	230,866	88,141	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	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	418,108

Net book value

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

13 Intangible assets

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
	<i>(in thousand Baht)</i>	
Cost		
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
Net book value		
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

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
	<u>55,872</u>	<u>77,671</u>	<u>56,089</u>	<u>78,663</u>
Loss carry forward	<u>118,693</u>	<u>164,546</u>	<u>118,576</u>	<u>163,972</u>
Total	<u>174,565</u>	<u>242,217</u>	<u>174,665</u>	<u>242,635</u>

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.

15 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
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).

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
	(in thousand Baht)			
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
Year ended 31 December				
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)

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

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(%)
Discount rate	2.55 - 3.29	2.39 - 3.12	2.55 - 2.92	2.39 - 2.96
Future salary growth	3.00 - 5.00	4.00 - 5.00	5.00	5.00
Employee turnover	1.70 - 34.38	1.70 - 34.38	1.70 - 34.38	1.70 - 34.38

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
				(in thousand Baht)
At 31 December 2018				
Post-employment benefits				
Discount rate (1% movement)	(167)	194	(117)	135
Future salary growth (1% movement)	183	(160)	128	(114)
Employee turnover (1% movement)	(7)	9	(5)	6
Future mortality (1% movement)	(1)	1	(1)	1
Other long-term employee benefits				
Discount rate (1% movement)	(19)	22	(9)	10
Employee turnover (1% movement)	(2)	2	(1)	1
Future mortality (1% movement)	-	-	-	-
At 31 December 2017				
Post-employment benefits				
Discount rate (1% movement)	(165)	193	(135)	157
Future salary growth (1% movement)	182	(159)	150	(132)
Employee turnover (1% movement)	(7)	9	(6)	8
Future mortality (1% movement)	(1)	1	(1)	1

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	(in thousand Baht)			
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 (in Baht)	2018		2017	
		Number	Baht	Number	Baht
		(thousand shares/ thousand Baht)			
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.

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 (in thousand Baht)	2017
At 1 January	416,356	416,356
Increase of new shares	49,719	-
At 31 December	466,075	416,356

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.

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	<u>204,302</u>	<u>44,841</u>	<u>-</u>	<u>249,143</u>
Depreciation and amortization	<u>26,407</u>	<u>8,737</u>	<u>(210)</u>	<u>34,934</u>
Reversal of impairment loss on assets	<u>-</u>	<u>12,160</u>	<u>-</u>	<u>12,160</u>
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	<u>(82,191)</u>	<u>17,936</u>	<u>268</u>	<u>(63,987)</u>

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	<u>813,699</u>	<u>176,959</u>	<u>(144,815)</u>	<u>845,843</u>
Total liabilities	<u>747,983</u>	<u>4,118</u>	<u>(10,689)</u>	<u>741,412</u>

Consolidated financial statements
For the year ended 31 December 2017

	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>

Consolidated financial statements
As at 31 December 2017

	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>

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 devaluation	(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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
<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
	(in thousand Baht)			
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	-	-

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	(3)	<u>2,151</u>	(4)	<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>

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)

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:

Consolidated financial statements					
	Interest rates (% per annum)	Within 1 year	After 1 year But within 5 years	After 5 years	Total
			<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	645,000	-	-	645,000
Total		687,575	-	-	687,575

Consolidated financial statements

	Interest rates (% per annum)	Within 1 year	After 1 year But within 5 years	After 5 years	Total
			(in thousand Baht)		
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

Separate financial statements

	Interest rates (% per annum)	Within 1 year	After 1 year But within 5 years	After 5 years	Total
			(in thousand Baht)		
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

Separate financial statements

	Interest rates (% per annum)	Within 1 year	After 1 year But within 5 years	After 5 years	Total
			(in thousand Baht)		
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.

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.

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.

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.



Unique Mining Services Public Company Limited

26/23 Orakarn Building, 7th Floor,
Soi Chidlom, Ploenchit Road,
Kwaeng Lumpinee, Khet Pathumwan,
Bangkok 10330
Tel. (+662) 655-7501-2
Fax. (+662) 655-7503-4
www.umspcl.com