



# Banpu Public Company Limited and Subsidiaries

Management's Discussion and Analysis

For the 2<sup>nd</sup> Quarter 2022

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**“A leading international versatile energy provider”**



**Energy resources**

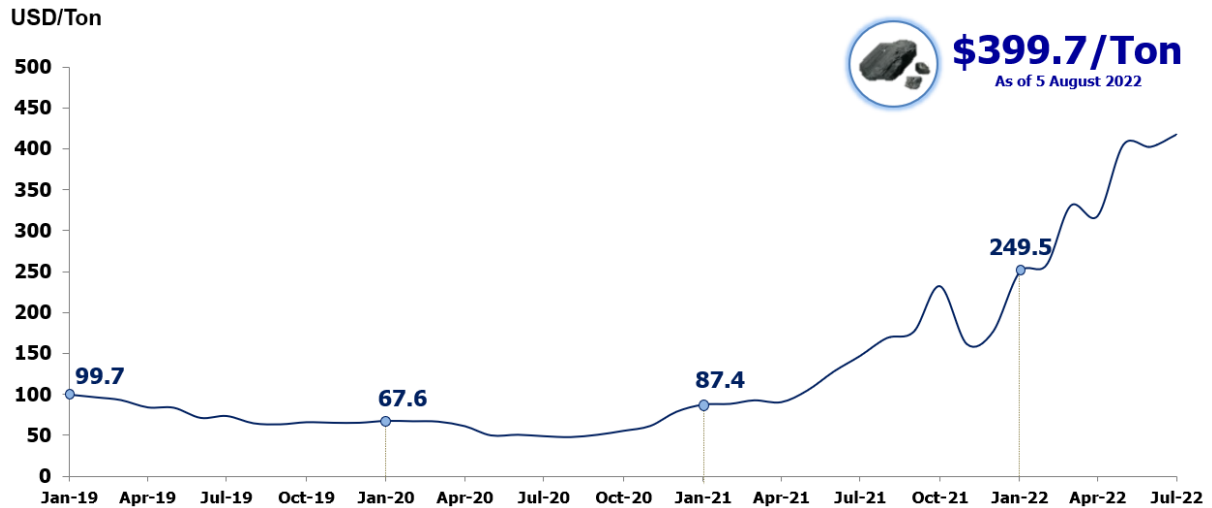
**Energy generation**

**Energy technology**

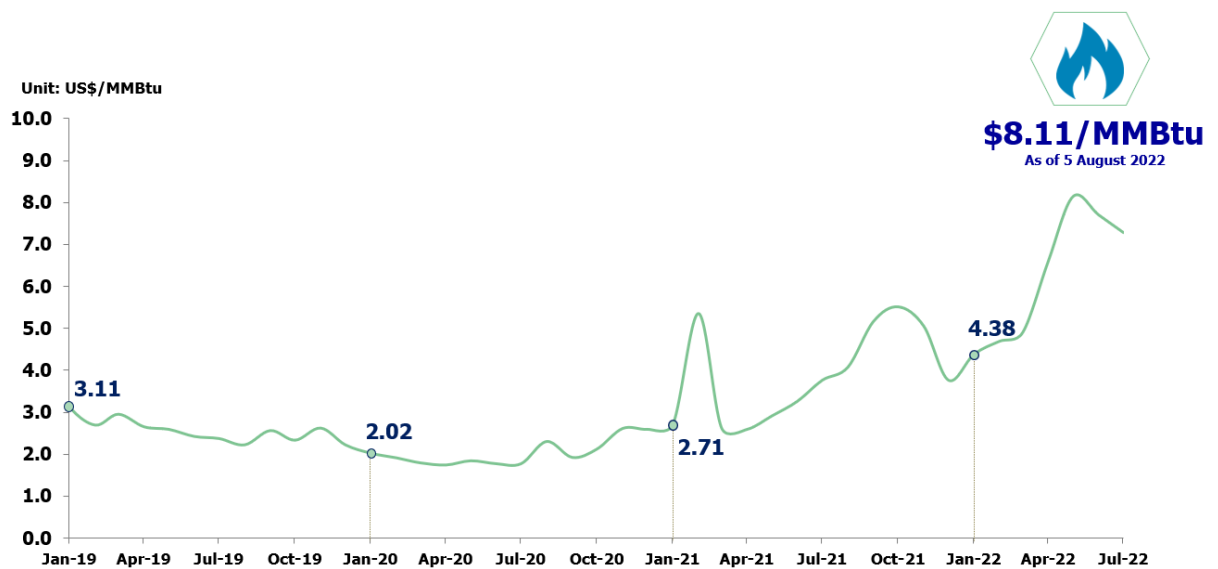
# 1. Energy Commodities Price Index

The market thermal coal and natural gas price since January 2019 as per below graphs that illustrate the coal and gas price indexes in the past periods.

Coal Price Index: The Newcastle Export Index (NEX) for January 2019 – August 2022



Average Henry Hub Natural Gas Price for January 2019 – August 2022



## 2. Management Discussion and Analysis

Despite global economic uncertainties and vulnerabilities caused by ongoing geopolitical tensions of Russian-Ukraine war, includes volatility in energy prices, Banpu continue to be resilience and pursue its growth strategy carefully and sustainably, pursuing its 3As strategy, by Accelerate its greener portfolio through the successful acquisition of new XTO Barnett Gas asset in the US, having operational resilience through Antifragile portfolio, with priority given to the improvement in operational performance to consistently generate strong cash flow and lastly exploring new S-curve opportunity as part of Augmentation strategy by investing in US Healthcare fund.

The performance of 2Q2022 supported by the rising global commodity prices both coal and natural gas uplifting Banpu earning result. Coal average selling price (ASP) increase by 20% QoQ to 156.66 USD/ton while sales volume also increases especially significant improvement from Australia operation. The local price of US Natural gas increase to average of 6.64 USD/Mcf, up by 38% compared to previous quarter. Therefore, Banpu reported outstanding 2Q2022 financial results with net profit of USD 372 million (up by 20% QoQ), which already included one-time gain from the investment in XTO gas asset in the US of USD 164 million and the impact from derivatives loss from both coal & natural gas hedging.

The report EBITDA of USD 948 million, 59% improve from previous quarter which consists of Coal business reported EBITDA of USD 630 million (up by 58% QoQ), Gas business reported EBITDA of USD 264 million (up by 58% QoQ), Power business reported EBITDA of USD 58 million (up by 46% QoQ), and Energy Technology business reported EBITDA of USD (-4) million.

**The Energy resources business** deliver strong performance as a result of marketing and production plan improvement for both coal & gas to capture opportunity during high commodities prices.

**Coal businesses** generate strong operational result, reflected in an increase of total coal sales volume of 7.9 million tons up by 25% compared to previous quarter. The group ASP also improved to USD 156.66/ ton, up by 20% compared to previous quarter which reported ASP of USD 130.49/ton. This result in an average gross margin from coal business up to 53%.

Indonesia coal business reported sales volume of 3.86 million tons, down by 9%, compared to previous quarter, mainly due to the impact from higher-than-expected rainfall during the quarter and Kitadin-Embalut mine closure, however the average selling price was significantly improved to 203.33 USD/ton, up by 35% from 151.14 USD/ton in previous quarter. The cost of sale was 67.54 USD/ton, the main impact was from higher diesel price. The gross profit margin remains strong at 67%.

Australia coal business reported sales volume of 2.78 million tons, increased nearly double from previous quarter, as longwall equipment of both Springvale and Mandalong mine operated smoothly though geological conditions still remain challenge, result in a reduction in cost of sale at AUD 110.95/ton, improved by 12% compared to previous quarter. The ASP was also improved to AUD 172.38/ton, supported from the strong export price that reach to average of AUD 353.09/ton. The gross profit margin therefore reported at 36%.

China coal business reported strong share of profit of USD 50 million, up by 5% compared to previous quarter, the strong domestic coal price environment continues to support its earnings performance.

**Gas business** in the US reported stable production volume of 59.48 billion Cubic Feet (Bcf). The average local price was 6.64 USD/Mcf, increased by 38% compared to 4.80 USD/Mcf in the previous quarter, driven by continued surge in gas demand especially from Europe while global supply remain tight and US gas producers being more cautious with discipline in utilizing its capital expenditure to increase the new production wells. US natural gas inventory level therefore remains low, resulting in rising of the domestic natural gas price.

**The Energy generation business** consistently generate strong cash flow stream. The thermal power business emphasizes on ensuring the plant reliability while continue to implement several measures to lessen impact from the high fuel cost. The major IPPs which are HPC power plant reported strong operational result with EAF reached 91%, generate an equity income of USD 37.5 million, nearly double compared to previous quarter. BLCP maintain its smooth operation with EAF of 95%, reported an equity income of USD 1.0 million. CHPs plants in China reported net loss of USD 1.5 million, due to seasonality of demand during summer, and high Chinese domestic coal cost that reported an average of RMB 1,198/ton. Shanxi Lu Guang (SLG) power plant in China, also experiences high domestic Chinese coal cost, so it reported loss sharing of USD 6.19 million. The 2 major High Efficiency, Low Emission “HELE” power plants, consists of Nakoso power plant in Japan reported profit sharing of USD 2.19 million and Temple I Gas-fired in US reported net loss of USD 20.7 Million, which include the impact from unrealized derivative loss of USD 31.9 million.

The renewable business portfolio mostly reported improvement in operational performance. The 2 Solar farm in Australia reported revenue of USD 2 million, Solar business in China reported net profit of RMB 17.8 million, Solar business in Japan reported TK dividend distribution of JPY 232 million. However, El Wind Mui Dinh wind farm reported decreasing in average capacity factor due to unfavorable weather condition, therefore results in net loss of USD 1.4 million while 30 MW Vin Chau wind project is under pre-commissioning to be ready for commercial dispatch as requested by the EVN, an Offtaker.

**For Energy Technology business**, through Banpu NEXT, continues to expand its ecosystem with variety of business & services covering several growing geographies, including expansion in solar rooftop business by penetrating to Indonesia market, in which PT. ITM Bhinneka Power (IBP), the Indonesian subsidiary can secure installation agreement of up to 7.27 MWp, and also the recent announcement in JV partnership to expand the Energy Storage system business among Banpu Next (30%) Durapower (30%) and Cherdchai motors (40%), to set up lithium-Ion battery plant in Thailand, expected to started the operation in 2023, this new battery assembly plant will produce high quality, high safety standard, enabling fast charging of high energy density battery systems for Cherdchai’ s e-Buses and will capture opportunities in the growing market for electric vehicles (EVs) across Asia-Pacific with a plan to expand its production capacity to 1 GWh by 2026. This is another major development milestone that reflecting Banpu commitment toward decarbonization along with the government support to achieve the lower-carbon society.

### 3. Group Performance Analysis

The analysis and explanation of Banpu Group performance for the 2<sup>nd</sup> quarter ended 30 June 2022 and 2021 as follows:

#### Consolidated Statement of Income for the 2<sup>nd</sup> quarter ended 30 June 2022 and 2021

Consolidated financial performance (Unit: Million USD)	2Q2022	2Q2021	Change	
			Amount	%
Sales and service income	1,773	799	974	122%
Cost of sales and services	(842)	(530)	(312)	59%
<b>Gross profit</b>	<b>931</b>	<b>269</b>	<b>662</b>	<b>246%</b>
Selling expenses	(51)	(34)	(17)	50%
Administrative expenses	(80)	(65)	(15)	23%
Royalty fee	(131)	(57)	(74)	130%
Share of profit from joint ventures and associates	81	63	18	29%
Other income (expenses)	(56)	(23)	(33)	143%
Finance cost	(56)	(43)	(13)	30%
<b>Profit before income taxes</b>	<b>638</b>	<b>110</b>	<b>528</b>	<b>480%</b>
Income taxes	(165)	(32)	(133)	416%
<b>Profit for the period</b>	<b>473</b>	<b>78</b>	<b>395</b>	<b>506%</b>
<b>Owners of the parent</b>	<b>372</b>	<b>42</b>	<b>330</b>	<b>786%</b>
<b>Non-controlling interests</b>	<b>101</b>	<b>36</b>	<b>65</b>	<b>181%</b>
Earnings per share (Unit : USD)	0.055	0.007	0.048	685%
Diluted earnings per share (Unit : USD)	0.044	0.007	0.037	532%

Banpu group performance for 2Q22 reported net profit at \$372 million, increased by \$330 million or 786% compared to 2Q21. This was mainly due to an increase in coal and natural gas price that supported overall group performance. In 2Q22, the group also recognized bargain purchase from gas business acquisition in USA of \$164 million, resulting from excess of fair value of net asset acquired over consideration paid. Moreover, the group consolidated performance from new power plants invested during 2021, those were Temple I gas-fired power plant in USA, solar power plants in Australia and wind power plant in Vietnam.

The Group performance for 2Q2022 were describe as details follows:

### Sales and cost of sales

(Unit: Million USD)	Revenue			Cost of Sales		
	2Q2022	2Q2021	Inc.(Dec.)	2Q2022	2Q2021	Inc.(Dec.)
Coal Business	1,238	587	111%	577	377	53%
Natural Gas Business	387	160	142%	132	105	26%
Power & Steam Business	139	36	286%	120	33	264%
Others	9	16	-44%	13	15	-13%
<b>Total</b>	<b>1,773</b>	<b>799</b>	<b>122%</b>	<b>842</b>	<b>530</b>	<b>59%</b>

#### Sales

Sales reported at \$1,773 million (equivalent to THB 60,986 million), increased by \$974 million compared to 2Q21. An increase of sales \$651 million derived from coal businesses, \$227 million from natural gas business, and \$96 from power and steam business and others. Details were described as follows:

1. Sales from coal business of \$1,238 million or 70% of total revenue separated by source of coal as below:
  - Indonesia coal mines of \$785 million
  - Australia coal mines of \$343 million
  - Coal trading business of \$110 million
2. Sales from natural gas business in USA of \$387 million or 22% of total revenue.
3. Sales from power and steam of \$139 million or 8% of total revenue derived from Combined Heat and Power (CHP) plants and solar power plants in China, solar power plant in Australia, wind power plant in Vietnam and gas-fired power plant in USA.
4. Others of \$9 million was mainly from energy trading business in Japan.

## 1.Coal Business

Coal Business		2Q2022	2Q2021	Inc.(Dec.)
Sales Volume	Million Tonnes	7.90	7.84	1%
Average selling price	\$/Tonne	156.66	74.84	109%
Average Cost of sales	\$/Tonne	73.05	48.05	52%

Coal sales of \$1,238 million, increased by \$651 million or 111%, was a result of an increase in average selling price by \$81.82 per tonne or 109%, an increase in sales volume by 0.06 million tonnes, and an increase in cost of sales by 52% compared to 2Q21 as following details:

Indonesia Mines		2Q2022	2Q2021	Inc.(Dec.)
Sales Volume	Million Tonnes	3.86	4.88	-21%
Average selling price	\$/Tonne	203.33	81.05	151%
Average Cost of sales	\$/Tonne	67.54	41.62	62%

### **Coal Business in Indonesia**

- **Sales volume**

Coal sales volume was 3.86 million tonnes, decreased by 1.02 million tonnes or 21% compared to 2Q21, from Kitadin – Embalut mine closure and postponement of coal shipment to the next month.

- **Average selling price**

Average selling price per tonne was \$203.33, increased by \$122.28 or 151% compared to 2Q21, in accordance with an increase of global coal market price.

- **Average cost of sales**

Average cost of sales per tonne was \$67.54, increased by \$25.92 or 62% compared to 2Q21, due to an impact from sharply increase in global fuel market price, higher overburden expenditure, higher coal cost purchased from other sources. However, the group has focused on cost management to cope with a volatility in global coal market price, while still maintain coal quality, including quality development to meet customer demand and retain in the long run. Moreover, the group emphasized on more efficiency in fuel used for production that led to a decrease in fuel consumption rate for production. This included a favor outcome from cost reduction program that implemented across the group.



Australia Mines		2Q2022	2Q2021	Inc.(Dec.)
Sales Volume	Million Tonnes	2.78	2.49	12%
Average selling price	A\$/Tonne	172.38	89.77	92%
Average Cost of sales	A\$/Tonne	110.95	81.72	36%

### Coal business in Australia

- **Sales volume**

Coal sales volume was 2.78 million tonnes, increased by 0.29 million tonnes or 12% compared to 2Q21 due to higher production from Springvale and Mandalong mines.

- **Average selling price**

Average selling price per tonne was A\$172.38, increased by A\$ 82.61 or 92% compared to 2Q21 as the following details:

Australia Mines	Sales Volume (Unit: Million Tonnes)			Avg. Price/Tonne (A\$/Tonne)		
	2Q2022	2Q2021	Inc.(Dec.)	2Q2022	2Q2021	Inc.(Dec.)
Domestic	1.84	1.59	16%	80.19	74.09	8%
Export	0.94	0.90	4%	336.19	115.46	191%
<b>Total</b>	<b>2.78</b>	<b>2.49</b>	<b>12%</b>	<b>172.38</b>	<b>89.77</b>	<b>92%</b>

- **Average selling price of domestic and export sales**

Average domestic selling price per tonne was A\$80.19, increased by A\$6.10. This caused by an increase in domestic sales price from higher quality coal compared to 2Q21. The average export selling price per ton was A\$336.19, increased by A\$220.73 per tonne compared to 2Q21. This included a depreciation of AUD currency against USD currency, that impacted to export sales conversion. The average AUD/USD in this quarter was 0.7140 (2Q21: 0.7702)

- **Average cost of sales**

Average cost of sales per tonne was A\$110.95, increased by A\$29.23. This was because an increase in amortization of deferred longwall changeover cost and deferred development cost, as a result of impacts from encountering geological challenges in Mandalong and Springvale mines since the past period. This was included higher repair and maintenance costs resulting from an increase in production volume in 2Q22 and an increase in coal purchase price from other sources resulted to a higher average cost of sales.



## 2. Natural Gas Business

Natural Gas Business		2Q2022	2Q2021	Inc.(Dec.)
Sales Volume	Bcf **	59.48	60.23	-1%
Average Local Price	\$/Mcf	6.64	2.76	141%
Average selling price	\$/Mcf	6.44	2.57	151%
Average Cost of Gathering, processing & transp	\$/Mcf	1.06	1.00	6%
Average Cost*	\$/Mcf	1.36	0.88	55%

\* Avg Cost excluded Cost of Gathering, processing & transportation

\*\* Bcf - Billion Cubic Feet

### Natural Gas business in USA

Sales from natural gas business in 2Q22 reported at \$387 million, increased by \$227 million or 142% compared to 2Q21. Details were as follows:

- **Sales Volume**

Natural gas sale volume was 59.48 billion cubic feet, decreased by 0.75 billion cubic feet or 1% compared to 2Q21. This was due to a natural decline in production from gas wells.

- **Average Local Price**

Refer to higher Henry Hub index price compared to prior year, the average local selling price per Mcf. in this quarter was \$6.64, increased by \$3.88 per Mcf or 141% compared to 2Q21. Henry Hub natural gas price and West Texas Intermediate (WTI) price was become higher from an increase in domestic demand of oil and natural gas while the supply became constrained as gas producers carefully monitored on their investment budget. This included consequential affects from banning imports and sale of oil and natural gas from Russia that caused high level of LNGs export sales volume compared to historical data.

- **Average cost of Gathering, processing & transportation**

Average cost of Gathering, processing & transportation per Mcf was \$1.06, increased by \$0.06 or 6% compared to 2Q21. This was an impact from higher inflation that caused service providers increased their service charges for gathering processing & transportation. However, the group has also continuously focused on manage this cost to cope with the volatility of market price.

- **Average Cost of Sale**

Average cost of sales (excluding gathering, processing & transportation cost) per Mcf was \$1.36, increased by \$0.48 or 55% compared to 2Q21. This was an increase in production tax that directly correlated to revenue, and a higher inflation that affected to an increase in cost of services and materials.

### 3. Power Business

Sales from Power and Steam of \$139 million or 8% of total revenue was from sales from CHP plant \$41 million, solar power plant in China of \$8 million, solar power plant in Australia of \$2 million, wind power plant in Vietnam of \$2 million and gas-fired power plant in USA of \$86 million. The power plants in Australia, Vietnam, and USA were acquired by the group in 2021.

Details of sales from CHP plant, solar power plant in China and gas -fired power plant in USA were described as follows:

Power Business		Combined Heat & Power Plants (CHP)			Solar Power Plants			Gas-fired power plant		
		2Q2022	2Q2021	Inc.(Dec.)	2Q2022	2Q2021	Inc.(Dec.)	2Q2022	2Q2021	nc.(Dec.)
Power sold Volume	GWh	198.68	224.59	-12%	67.12	63.50	6%	1,109.00	-	100%
Steam Volume	Million Tonnes	1.04	0.86	21%	-	-	-	-	-	-
Average PowerTariff	Unit/kWh	0.45	0.37	22%	0.81	0.83	-2%	77.66	-	100%
Average Steam Price	RMB/Tonne	165.78	109.92	51%	-	-	-	-	-	-

#### ***Combined Heat and Power (CHP) plants in China***

Sales from power, steam, and others from 3 CHP plants in China of \$41 million, increased by \$13 million or 49% compared to 2Q21, was mainly from increasing in sales volume of electricity and steam as detail below:

- **Sales Volume**

Sales volume of 198.68 GWh, decreased by 25.91 GWh or 12% compared to 2Q21 was from a decrease in consumption from both residential and industrial section.

Steam sales of 1.04 million tonnes, increased by 0.18 million tonnes or 21%, mainly from higher demand from Zouping CHP plant from industrial customers.

- **Average Selling Price**

Average power tariff was RMB 0.45 per kWh, increased by 22% compared to 2Q21. This was because Luannan CHP plant and Zhengding CHP plant were entered into Power Trading Market resulting in higher average tariff that aligned with the market price.

Average steam price per tonne was RMB 165.78, increased by 51% from 2Q21. This was because a part of steam price was adjusted aligned with an increase in coal price and some was adjusted due to new purchase and sales agreements.

- **Cost of Sale**

Cost of sale was \$42 million, increased by \$12 million. This was primarily from the higher coal cost, main fuel for power plants. The average coal cost per tonne in 2Q22 was RMB 1,198 (2Q21: RMB 733), increased by RMB 465 per tonne or 63% compared to 2Q21.

### **Solar power plants in China**

Sales from solar power plants in China reported at \$8 million, decreased by \$2 million or 29% compared to 2Q21. Details of sales volume, average power tariff and cos of sales were as follows:

- **Sales Volume**

Sales volume of 67.12 GWh., increased by 3.62 GWh compared to 2Q21 from an increase in production volume caused by favorable weather conditions compared to 2Q21.

- **Average Power Tariff**

Average power tariff was RMB 0.81 or decreased when compared to 2Q21. This was because 10% of power production were traded in Power Trading Market under government regulation, that the tariff was lower than former contract tariff.

- **Cost of Sale**

Cost of sale remained unchanged from 2Q21.

### **Gas-fired power plant (Temple I) in USA**

Sales from gas -fired power plant (Temple I) reported at \$86 million, that was invested since 4Q21. Details were as follows:

- **Sales Volume**

Sales volume from 2Q22 was 1,109.05 GWh, that was considerably high. This was because of favorable weather conditions from starting of summertime which electricity demands was generally at its highest level of the year.

- **Average Power Tariff**

Average power tariff was \$77.66 per kWh.

- **Cost of Sale**

Cost of sale was \$71 million, mainly from cost of natural gas.

**Administrative expense**

Administrative expenses reported \$81 million, increased by \$18 million or 29% was mainly from professional & consulting fee related to business expansion in USA and administrative expense from the power plants that were acquired by the group in 2021.

**Royalty fees**

Royalty fees reported at \$131 million, increased by \$74 million or 130%. The fee comprised of royalty fees from Indonesia mines \$109 million, increased by \$63 million and royalty fees from Australia mines that was \$22 million, increased by \$11 million compared to 2Q21. This was due to an increase in coal price versus 2Q21.

Profit sharing (Unit : Million USD)	2Q2022	2Q2021	Inc.(Dec.)	
			Amount	%
BLCP	1	2	(1)	-50%
Hongsa & Phufai Mining	38	36	2	6%
Shanxi Luguang	(6)	(1)	(5)	n/a
Coal business in China	50	28	22	79%
Holding Company of Solar Power in Japan and others	(2)	(2)	-	0%
<b>Total</b>	<b>81</b>	<b>63</b>	<b>18</b>	<b>29%</b>

**Share of profit from joint ventures and associates**

Profit sharing from joint ventures and associates reported at \$81 million, increased by \$18 million or 29% compared to 2Q21 due to details described as below:

- 1) Recognition of profit sharing from Hongsa power plant and PhuFai mining in Laos of \$38 million, increased by \$2 million from 2Q21. This was from an increase in gain on foreign exchange rate translation of \$2 million and from operating performance of \$2 million. While, there was an effect from a depreciation of THB currency against USD currency that average exchange rate of USD/THB for 2Q22 was THB 34.3970 (2Q21: THB 31.3552) caused a decrease in profit sharing of \$2 million.
- 2) Recognition of loss sharing from BLCP of \$1 million, or profit decreased by \$1 million. This was mainly due to deferred tax asset recognition and unrealized loss on exchange rate translation of \$3 million, net with operating performance of \$2 million.
- 3) Recognition of loss sharing from SLG power plant of \$6 million. This was due to an impact from high domestic coal cost situation.
- 4) Recognition of shares of profit from coal business in China of \$50 million, increased by \$22 million. This was a result of higher sales price aligned with coal market price.

## **Other expense**

Other expense of \$56 million comprised of:

- 1) Net gain on foreign exchange rate of \$53 million was mainly from realized gain on foreign exchange rate of \$5 million from cash received from THB loan receivable during the period and unrealized gain on foreign exchange rate translation at the end of period of \$48 million. This was due to a depreciation of THB currency against USD currency compared to the prior quarter. Average exchange rate of USD/THB for 2Q22 was THB 34.3970 (1Q22: THB 33.0529) and average exchange rate of THB/USD as of 30 June 2022 was THB 35.2970 (31 Mar 2022: THB 33.2973)
- 2) Net loss from financial derivatives of \$293 million comprised of:
  - Realized loss from financial derivatives of \$228 million derived from coal swap contracts of \$71 million, natural gas swap contracts of \$160 million, foreign exchange rate forward contracts was \$1 million, and cross currency and interest rate swap of \$2 million, whereas gain from interest rate swap contracts of \$3 million, also electricity swaption and electricity call option of \$3 million.
  - Unrealized loss on fair value of financial derivatives at the end of the period of \$65 million was loss from natural gas swap contract of \$11 million, electricity swaption of \$21 million and electricity call option from Temple I Gas-fired in USA of \$32 million, foreign exchange rate forward contracts of \$2 million, whereas unrealized gain on interest rate swap of \$1 million.
- 3) Management fee income and others of \$184 million was from:
  - Interest income of \$3 million.
  - Management fee charged to related parties and joint ventures of \$1 million.
  - Dividend income of \$2 million, was mainly from profit sharing from solar power business in Japan under TK (TOKUMEI KUMIAI) agreement.
  - Gain from gas business acquisition in USA \$164 million.
  - Others of \$ 14 million. Those are steam connection fee income from new residential steam customers from CHP plants in China, sales of ashes, slag and scraps from mines and power plants, insurance claims, warehouse management fee income, tax redemption receipts and others.

### Corporate income tax

Corporate income tax of \$165 million, increased by \$133 million was mainly from:

- 1) An increase in corporate income tax of \$53 million, aligned with higher operating profits compared to prior year.
- 2) An increase in withholding tax of \$15 million from dividend receives during the period.
- 3) A decrease in deferred tax expense of \$65 million. This was due to an increase of deferred tax assets primary from a different in foreign exchange rate conversion in accounting basis versus tax basis, which impacted from a depreciation of THB currency.

## 4. Statements of Consolidated Financial Position

Statements of Consolidated Financial Position as of 30 June 2022 in comparison with the Statements of Consolidated Financial Position as of 31 December 2021.

Financial Position (Unit: Million USD)	30-Jun-22	31-Dec-21	Inc.(Dec.)	
			Amount	%
Assets	12,241	10,946	1,295	12%
Liabilities	8,740	7,843	897	11%
Equity	3,501	3,103	398	13%

4.1 Total assets of \$12,241 million, increased by \$1,295 million compared to total assets as of 31 December 2021 with details described as below:

Financial Position (Unit: Million USD)	Assets		Inc.(Dec.)	
	30-Jun-22	31-Dec-21	Amount	%
Cash and Cash equivalent	1,493	1,184	309	26%
Investment in debt instruments measured at fair value through profit or loss	9	16	(7)	-44%
Trade accounts receivable and note receivables, net	636	473	163	34%
Inventory net	202	158	44	28%
Current portion of dividend receivables from related parties	65	24	41	171%
Non-current assets held-for-sale	-	172	(172)	-100%
Other current assets	564	529	35	7%
<b>Total Current Assets</b>	<b>2,969</b>	<b>2,556</b>	<b>413</b>	<b>16%</b>
Dividend receivables from related parties	5	7	(2)	-29%
Investments in joint ventures and associates accounted for using the equity method	1,618	1,645	(27)	-2%
Investment in debt instruments measured at fair value through profit or loss	150	-	150	100%
Investment in equity instrument measured at fair value through profit or loss	7	8	(1)	-13%
Investments in equity instruments measured at fair value through other comprehensive income	157	164	(7)	-4%
Property, plant and equipment, net	4,268	3,416	852	25%
Deferred exploration/stripping costs, net	857	889	(32)	-4%
Mining property rights, net	1,213	1,276	(63)	-5%
Goodwill	429	432	(3)	-1%
Right of use assets	97	66	31	47%
Other non- current assets	471	487	(16)	-3%
<b>Total Non-Current Assets</b>	<b>9,272</b>	<b>8,390</b>	<b>882</b>	<b>11%</b>
<b>Total Assets</b>	<b>12,241</b>	<b>10,946</b>	<b>1,295</b>	<b>12%</b>

- Cash and cash equivalents of \$1,493 million, increased by \$309 million. (As explanation in no.5 Consolidated Statement of Cash Flows).
- Investment in debt instrument measured at fair value through profit or loss of \$9 million, decreased by \$7 million was from additions of \$36 million, net with redemptions of \$42 million, and from effects of foreign exchange rate translation at the end of period and others of \$1 million.
- Current portion and non-current portion of dividend receivable from related parties of \$65 million and \$5 million, respectively, were dividend receivable from joint ventures who operates power business in Thailand and joint ventures who operates CHP plant business in China, which total increased by \$39 million. This was a net result of:
  1. An increase from additional declared dividend of \$91 million.
  2. A decrease from received dividend of \$44 million.
  3. A decrease from foreign exchange rate translation at the end of periods and others of \$8 million.
- No balance of non-current assets held for sales \$172 million in this quarter because the sales of investment in a joint venture of the group was completed during the first quarter of this year.
- Investment in joint ventures and associates of \$1,618 million, decreased by \$27 million or 2% was from:
  1. An increase from recognition of profit sharing from joint ventures and associates by \$144 million.
  2. A decrease from dividend recognition during the period of \$91 million.
  3. A decrease from the effects of foreign exchange rate translation at end of the period and others by \$80 million.
- Investment in debt instrument measured at fair value through profit or loss of \$150 million was from new investment in US healthcare investment fund during 2Q22.
- Investment in equity instrument measured at fair value through other comprehensive income (FVOCI) of \$157 million, decreased by \$7 million. This was due to:
  1. An additional investment in solar power business in Japan of \$12 million.
  2. An increase from the impact of fair value adjustment of \$5 million.
  3. A decrease from the effects of foreign exchange rate translation at the end of the period and others of \$24 million.



- Property plant and equipment of \$4,268 million, increased by \$852 million derived from:
  1. An increase from additions of machine and equipment of coal business, natural gas business and power business total of \$104 million.
  2. An increase from acquisition of natural gas business in USA and solar power plant in Vietnam total of \$956 million.
  3. An increase from fair value adjustment of contingent liability from asset acquisition of \$31 million.
  4. An increase from asset reclassification of \$8 million.
  5. A decrease from sales and write-off of \$2 million.
  6. A decrease from depreciation charges for the period of \$173 million.
  7. A decrease from the effects of foreign exchange rate translation at end of the period and others of \$72 million.
- Right of use assets of \$97 million increased by \$31 million, or 47%, was from additions of \$54 million, offset with write-off of \$1 million and depreciation of \$19 million, and from the effects of foreign exchange rate translation at the end of period of \$3 million.
- Other non-current assets of \$471 million, decreased by \$16 million. This was due to a decrease in deferred income tax assets in Indonesia of \$7 million, prepaid income tax in Indonesia of \$29 million, deposit of \$5 million, reclassification of asset under development to be fixed assets and others of 25 million, whereas an increase in purchase vat receivable of \$42 million and right to operate of power plant business from business acquisition of solar power plant in Vietnam of \$ 8 million.

4.2 Total liabilities of \$8,740 million, increased by \$897 million compared to total liabilities as of 31 December 2021 with movement details as described below:

Financial Position (Unit: Million USD)	Liabilities		Inc.(Dec.)	
	30-Jun-22	31-Dec-21	Amount	%
Short-term loans from financial institutions	841	1,174	(333)	-28%
Trade accounts payable	115	99	16	16%
Current portion of long-term borrowings, net	668	517	151	29%
Current portion of debenture, net	277	120	157	131%
Accrued overburden and coal transportation costs	87	77	10	13%
Financial derivative liabilities due in one year	392	128	264	206%
Other current liabilities	802	793	9	1%
<b>Total current liabilities</b>	<b>3,182</b>	<b>2,908</b>	<b>274</b>	<b>9%</b>
Long-term loans from other company	2,597	2,270	327	14%
Debentures, net	2,066	1,911	155	8%
Financial derivative liabilities, net	74	53	21	40%
Provision for decommissioning and reserve for environment reclamation	327	340	(13)	-4%
Other liabilities	494	361	133	37%
<b>Total non-current liabilities</b>	<b>5,558</b>	<b>4,935</b>	<b>623</b>	<b>13%</b>
<b>Total liabilities</b>	<b>8,740</b>	<b>7,843</b>	<b>897</b>	<b>11%</b>

- Short-term loans from financial institutions of \$841 million, decreased by \$333 million or 28%, was from addition of \$689 million, repayment of \$991 million, and a decrease from the effects of foreign exchange rate translation at the end of the period of \$31 million.
- Current portions of long- term loans of \$668 million, increased by \$151 million or 29%, was from an increase from reclassification from non-current portion of \$344 million, offset with repayment of \$157 million, deferred finance charge of \$4 million, and the effects of foreign exchange rate translation at the end of period of \$32 million.
- Current portions of debenture of \$277 million, increased by \$157 million or 131% was from an increase from reclassification from non-current part of \$255 million, offset with redemption of \$89 million, deferred finance charge of \$1 million, and the effects of foreign exchange rate translation at the end of period of \$8 million.
- Accrued overburden and coal transportation expenses of \$87 million, increased by \$10 million or 13% was mainly from mining operations of subsidiaries in Indonesia.
- Long- term loans of \$2,597 million, increased by \$327 million or 14 %, was a net result of:
  1. An increase from additional loan during the period of \$674 million.
  2. An increase from business acquisition of \$22 million.
  3. A decrease from reclassification to current portion of \$344 million.
  4. A decrease from deferred finance charge and its amortization of \$1 million
  5. A decrease from the effects of foreign exchange translation at the end of the period of \$24 million, was mainly from a depreciation of THB currency against USD currency that affected to THB currency loan. Average exchange rate of THB/USD as of 30 June 2022 was THB 35.2970 (31 Dec 2021: THB 33.4199). Also, a decrease was from a depreciation of AUD currency against USD currency at the end of period. Average exchange rate of AUD/USD was 0.6878 (31 Dec 2021: 0.7260).
- Debenture of \$2,066 million, increased by \$155 million or 8%. There were new additions of \$520 million, reclassification to current portion of \$255 million, and decrease from the effects of foreign exchange rate translation at the end of the period of \$110 million from a depreciation of THB currency against USD currency, impacted to THB currency debenture.
- Current portion and non-current portion of derivative liabilities reported at \$392 million and \$74 million, respectively, total of \$466 million. This was changes in fair value of financial derivatives at the end of period, that consisted of cross currency swap contracts of \$39 million, interest rate swap contracts of \$1 million, natural gas swap contracts of \$363 million, and coal swap contracts of \$35 million, and electricity swaption and electricity call option of \$28 million.

4.3 Shareholders' equity of \$3,501 million increased by \$398 million, was mainly due to:

Financial Position (Unit: Million USD)	Equity		Inc.(Dec.)	
	30-Jun-22	31-Dec-21	Amount	%
Equity attributable to owners of the parent	2,681	2,372	309	13%
Non-controlling interests	820	731	89	12%
Total equity	3,501	3,103	398	13%

- An increase of \$682 million from net profits for six months period
- An increase of \$13 million from reserve for share-based compensation to employees.
- A decrease of \$82 million from fair value reserves for financial assets measured at fair value to other comprehensive income, cash flows hedge reserves and net investment hedge.
- A decrease of \$20 million from fair value of put options over non-controlling interests.
- A decrease of \$271 million from the effects of foreign exchange rate translation of subsidiaries' financial statements and others.
- An increase of \$154 million from non-controlling interest.
- An increase of \$63 million from disposal of treasury shares of a subsidiary.
- A decrease of \$141 million from dividend payment.

4.4 Net debt-to-equity ratio as of 30 June 2022 reported at 1.13 times (31 December 2021: 1.31 times).

## 5. Statement of Consolidated Cash Flows

Statement of consolidated cash flows for the six months period ended 30 June 2022 presented an increase of net cash flow by \$308 million (included the effect from unrealized gain on exchange rate translation at the end of period of \$41 million). The details of consolidated cash flows activities were as follows:

<b>Statement of Consolidated Cash Flows</b> (Unit: Million USD)	<b>Amount</b>
Net Cash flows from operating activities	481
Net Cash flows used in investing activities	(687)
Net Cash flows from financing activities	555
<b>Net increase in cash and cash equivalents</b>	<b>349</b>
Exchange gain on cash and cash equivalents	(41)
Cash and cash equivalents at the beginning of the period	1,184
<b>Cash and cash equivalents at end of the period</b>	<b>1,492</b>

5.1 Net cash inflow from operating activities of \$481 million; with major operating items as follows:

- Collections from coal sales of \$2,230 million.
- Payments to contractors and suppliers of \$1,097 million.
- Interest payments of \$109 million.
- Payments of corporate income tax of \$167 million.
- Receipts from tax refund of \$26 million.
- Royalty fee payments of \$240 million.
- Other payments of \$162 million.

5.2 Net cash used in investing activities of \$687 million; with major items as follows:

- Payments for machines, equipment and project in progress of \$119 million.
- Payment for business acquisition of \$648 million.
- Payments for financial assets measured at fair value through profit and loss of \$144 million.
- Payments for financial assets measured at fair value through other comprehensive income of \$12 million.
- Payments for deferred exploration and development expenditure of \$106 million.
- Payment for placement of restricted cash of \$61 million.

- Receipts from dividend from joint ventures and other investments of \$48 million.
- Receipts from sales of investment in joint venture of \$348 million.
- Receipts from interest income and others of \$7 million.

5.3 Net cash inflow from financing activities of \$555 million; comprised of

- Receipts from short term and long - term loans from financial institutions and debentures of \$1,883 million.
- Repayments of short term and long - term loans from financial institutions, debentures, and lease liabilities of \$1,252 million.
- Receipts from disposal of treasury shares of a subsidiary of \$64 million.
- Payment for dividend of \$141 million.
- Receipts from increase in share capital of a subsidiary from non-controlling interest of \$1 million.