BANPU

40th

Banpu Public Company Limited and Subsidiaries

Management's Discussion and Analysis

For the 2nd Quarter 2023

40 Years & Our Way Forward to Power the Better Living for All

MSCI ESG RATINGS

V.E PART OF Moody's ESG Solutions BEST EMERGING MARKET PERFORMERS

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

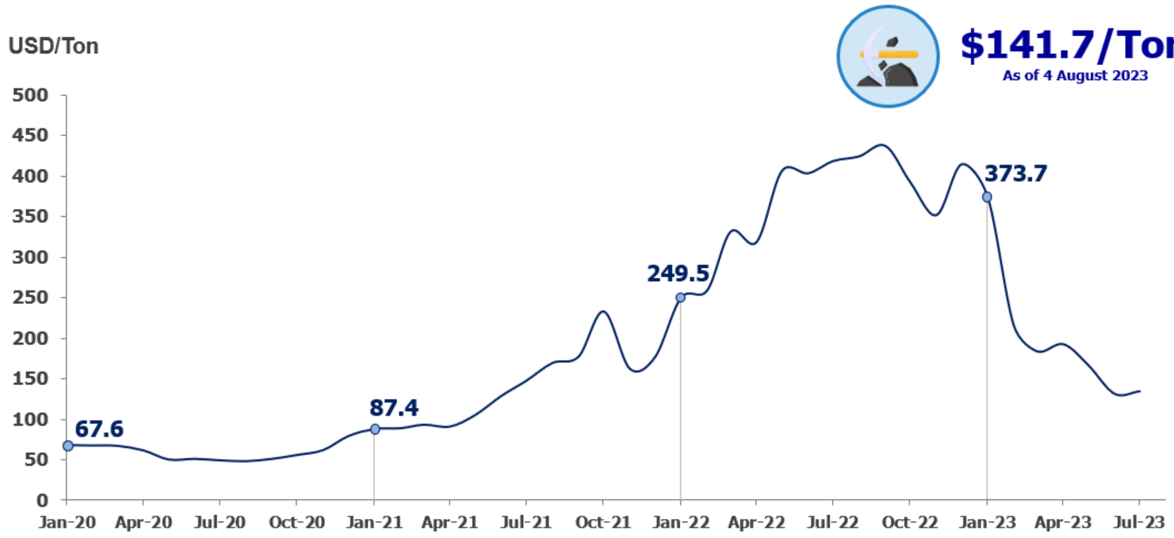
HONOR Sustainability Excellence 2022

THSI THAILAND SUSTAINABILITY INVESTMENT 2022

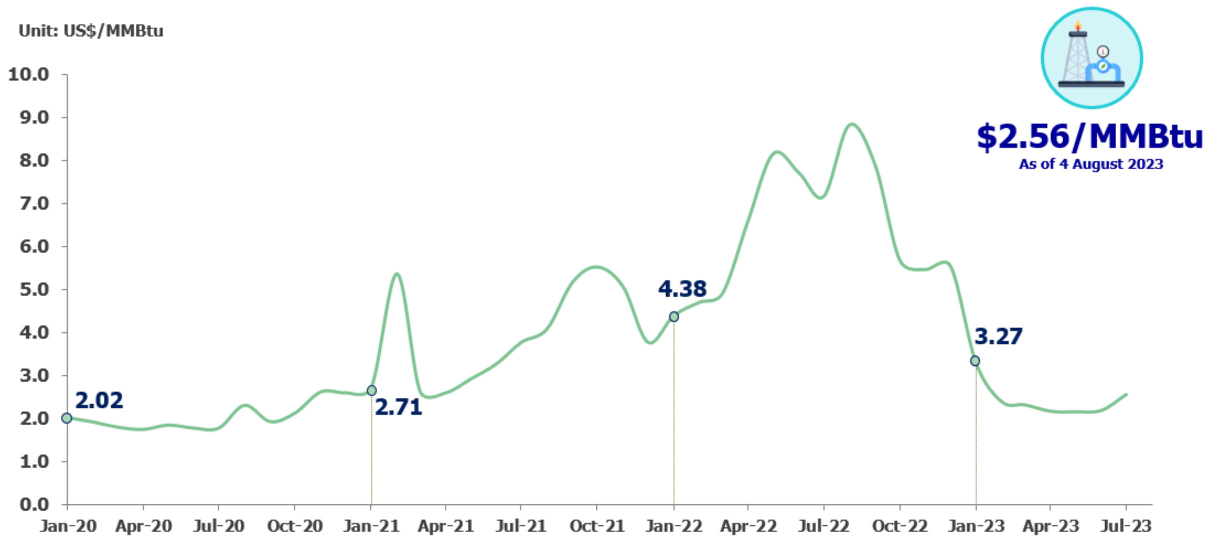
1. Energy Commodities Price Index

The market thermal coal and natural gas price since January 2020 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 2020 – August 2023



Average Henry Hub Natural Gas Price for January 2020 – August 2023



2. Management Discussion and Analysis

During the 2nd quarter of 2023, the global economy exhibited signs of slowing down from the concerns over recession. Several economic indices especially from two major countries, the United States and China that are driving the global economy, indicate slower growth than anticipated. Additionally, ongoing geopolitical tensions further impacted the declining demand for energy, leading to a decrease in commodity prices. The Newcastle Coal Index in the 2nd quarter dropped to 163 USD/ton, and Henry Hub natural gas prices also dropped to 2.2 USD/Mcf. However, the changing weather patterns resulting from the El Niño phenomenon caused significant volatility in various regions around the world. The consistent demand for electricity, particularly in households, remained strong despite these changes. Therefore, global energy price trends are expected to rebound in the latter half of the year due to the aforementioned challenges. These challenges had repercussions on business performance, as 2nd quarter Banpu reports net loss of USD 13 million. Despite these challenges, Banpu continued to implement prudent cost management, focusing on efficiency improvements, developing innovative operational approaches to enhance value creation, allowing for sustainable cash flow generation. These strategies are poised to yield positive momentum and tangible results in the coming quarters.

In this quarter, Banpu reported a consolidated EBITDA of USD 280 million. The EBITDA from coal business amounting to USD 206 million, declined by 40% compared to the previous quarter, the natural gas business reported EBITDA of USD 4 million, a decline of 95%, and the power business reported EBITDA of USD 68 million, improved by 43%. The energy technology business turnaround to generate positive EBITDA of USD 2 million.

Within the Energy Resources business, Coal mines in Indonesia, Australia, and China continued to generate sustainable cash flow. However, the Gas sector in the US faced challenges due to low domestic gas prices and an elevated inventory level.

In Indonesia, the coal business reported a sales volume of 5.4 million tons, marking a 19% increase compared to the previous quarter. This boost in production volume was supported by favorable dry conditions, particularly in the Indominco and Bharinto mines. The average selling price (ASP) was 114.2 USD/ton, down by -25% compared to the previous quarter, but the cost of sales improved to 63.2 USD/ton or reduced by 6% compared to the previous quarter. This was a result of cost control measures and lower fuel prices, ensuring that the Gross Profit Margin (GPM) remained robust at 45%.

In Australia, the coal business reported total sales of 1.6 million tons. The ASP stood at 162.4 AUD/ton. This improvement in ASP resulted from a combination of increased domestic price from repriced portions of new domestic contracts to 114.4 AUD/ton, improved by 25% compared to previous quarter while the export price was reported at 269.8 AUD/ton. However, production volume decreased by -6% due to unfavorable strata conditions and the relocation of the longwall at the Mandalong mine. This led to a higher unit cost of 184.5 AUD/ton. To address these challenges, cost-cutting measures for operating expenses were implemented, alongside a balanced approach to capital allocation across all sites.

China's coal business performs well, generating a profit share of USD 43.8 million. This was primarily due to resilient high domestic coal prices, as a result of increased domestic supply costs, despite the consistent supplies from domestic coal mines that contributed to maintaining healthy coal inventories.

The US gas business reported a total sales volume of 80 billion Cubic Feet (Bcf), showing a slight increase of 1% compared to the previous quarter. The average local price decreased to 1.92 USD/Mcf, or a decrease of 33% compared to the previous quarter. This decline was mainly driven by increased gas production contributed to higher-than-average inventory levels. The gas business remained focused on prudent capital expenditure management to align with current commodity prices and optimize cash flow generation.

In the Energy generation business, consistent cash flow contributions were driven by efficient operations at power plants, particularly the HPC and BLCP. The HPC power plant reported equity income of USD 30.5 million, achieving an Equivalent Availability Factor (EAF) of 90%. BLCP power plants generated equity income of USD 5.5 million, with an outstanding EAF of 99.8% due to uninterrupted dispatch. The Temple I Gas-fired power plant reported a profit contribution of USD 8.7 million, benefiting from an unexpected heatwave in Texas that surged electricity demand, despite planned maintenance in May 2023. In China, the 3 CHPs experienced seasonal demand, resulting in a loss impact of RMB 8 million. On the other hand, the Shanxi Lu Guang (SLG) power plant reported a share of profit of RMB 2 million, as the plant relied on long-term coal supply contract from a domestic supplier, lowering the average coal cost to 764 RMB/ton. The Nakoso IGCC power plant in Japan reported a share of profit of USD 1.4 million, accounting for expenses from planned yearly maintenance offset by compensation based on a long-term service agreement.

Within the **Renewable business portfolio**, operational performance was strong. The Solar business in China reported a net profit of RMB 15 million, the Solar business in Japan reported TK dividend distribution of JPY 317 million, and the Solar business in Australia contributed a profit of AUD 3.2 million. However, the Solar and Wind farm in Vietnam reported a net loss of USD 0.5 million.

The Energy Technology business continued its expansion, achieving notable milestones. The Solar rooftops & floating business expanded its presence throughout the Asia-Pacific region, accumulating a total capacity of 226 MW. Additionally, the Battery and ESS solution segment saw progress as Durapower launched its phase 2 target battery manufacturing capacity expansion, aiming to achieve 2GWh by the end of 2024. Another significant accomplishment involved the expansion of the energy management business, where Banpu NEXT Ecoserve has secured approximately 30 projects from customers in diverse business sectors and industries. Moreover, the Energy Trading business reported successful progress, securing contracts for up to 268 GWh for the first half of 2023 from over 500 small to medium-sized clients. As a company, Banpu remains committed to scaling up its clean energy initiatives and developing new energy solutions in response to evolving energy trends, all while supporting the transition towards a Net-Zero society.

3. Group Performance Analysis

The analysis and explanation of Banpu Group performance for the 2nd quarter ended 30 June 2023 and 2022 as follows:

Consolidated Statement of Income for the period ended 30 June 2023 and 2022

Consolidated financial performance (Unit: Million USD)	2Q2023	2Q2022	Change	
			Amount	%
Sales and service income	1,112	1,773	(661)	-37%
Cost of sales and services	(863)	(842)	(21)	-2%
Gross profit	249	931	**(682)**	**-73%**
Selling expenses	(46)	(51)	5	10%
Administrative expenses	(87)	(80)	(7)	-9%
Royalty fee	(91)	(131)	40	31%
Share of profit from joint ventures and associates	83	81	2	2%
Bargain purchase from business combination	9	164	(155)	-95%
Other income (expenses)	106	(220)	326	148%
Finance cost	(89)	(56)	(33)	-59%
Profit before income taxes	134	638	**(504)**	**-79%**
Income taxes	(97)	(165)	68	41%
Profit for the period	37	473	**(436)**	**-92%**
Owners of the parent	**(13)**	**372**	(385)	-103%
Non-controlling interests	**50**	**101**	**(51)**	**-50%**
Earnings (losses) per share (Unit : USD)	(0.001)	0.055	(0.056)	-102%
Diluted earnings (losses) per share (Unit : USD)	(0.001)	0.044	(0.045)	-102%

Banpu group performance for 2Q2023 reported net loss at $13 million, decreased by $385 million or 103% compared to 2Q2022. The primary factors involve the softening natural gas and coal prices over the course of the year. Furthermore, during the same quarter of the previous year, the group recognized bargain purchase gain from gas business combination in USA of $164 million. The group has strategically managed its cost and expense, allowing the group to navigate the uncertainties of the energy market and maintain a consistent cash flow stream.

The Group performanace for 2Q2023 were describe as details follows:

Sales and cost of sales

(Unit: Million USD)	Revenue 2Q2023	Revenue 2Q2022	Revenue Inc.(Dec.)	Cost of Sales 2Q2023	Cost of Sales 2Q2022	Cost of Sales Inc.(Dec.)
Coal Business	821	1,238	-34%	568	577	-2%
Natural Gas Business	145	387	-63%	178	132	35%
Power & Steam Business	97	139	-30%	76	120	-37%
Others	49	9	444%	41	13	215%
Total	**1,112**	**1,773**	**-37%**	**863**	**842**	**2%**

Sales

Sales reported at $1,112 million (equivalent to THB 38,330 million), decreased by $661 million compared to 2Q2022, that derived from a decrease from coal businesses $417 million, natural gas business $242 million, power and steam business $42 and an increase in other businesses $40 million. Details were described as follows:

1. Sales from coal business of $821 million or 74% of total revenue separated by source of coal as below:
    - Indonesia coal mines of $616 million
    - Australia coal mines of $175 million
    - Coal trading business of $30 million
2. Sales from natural gas business in USA of $14**5** million or 13% of total revenue.
3. Sales from power and steam of $97 million or 9% 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 and solar power plant in Vietnam and gas-fired power plant in USA.
4. Others of $49 million was mainly from energy trading business in Japan and battery business in Singapore

1. Coal Business

Coal Business		2Q2023	2Q2022	Inc.(Dec.)
Sales Volume	Million Tonnes	7.52	7.90	-5%
Average selling price	$/Tonne	109.16	156.66	-30%
Average Cost of sales	$/Tonne	75.51	73.05	3%

Coal sales of $821 million, decreased by $417 million or 34%, was a result of a decrease in average selling price by $47.50 per tonne or 30% and a decrease in sales volume by 0.38 million tonnes, while an increase in cost of sales by $2.46 per tonne or 3% compared to 2Q2022 as following details:

Indonesia Mines		2Q2023	2Q2022	Inc.(Dec.)
Sales Volume	Million Tonnes	5.39	3.86	40%
Average selling price	$/Tonne	114.23	203.33	-44%
Average Cost of sales	$/Tonne	63.24	67.54	-6%

Coal Business in Indonesia

- **Sales volume**

  Coal sales volume was 5.39 million tonnes, increased by 1.53 million tonnes or 40% compared to 2Q2022.

- **Average selling price**

  Average selling price per tonne was $114.23, decreased by $89.10, resulting from coal price decreased compared to the prior year.

- **Average cost of sales**

  Average cost of sales per tonne was $63.24, decreased by $4.30 or 6% compared to 2Q202, primarily from an increase in sales volume of 1.53 million tonne that lessened average fixed cost per unit, net with an increase in overburden expenditure. The group has been focusing on cost management to cope with volatility in global coal market price, while still maintaining coal quality, including quality development to meet customer demand and retain in the long run. Moreover, the group emphasized more efficiency in fuel used for production. This included a favor outcome from the cost reduction program that was implemented across the group.

Australia Mines		2Q2023	2Q2022	Inc.(Dec.)
Sales Volume	Million Tonnes	1.62	2.78	-42%
Average selling price	A$/Tonne	162.38	172.38	-6%
Average Cost of sales	A$/Tonne	184.52	110.95	66%

Coal business in Australia

- **Sales volume**

  Coal sales volume was 1.62 million tonnes, decreased by 1.16 million tonnes or 42% compared to 2Q2022, derived from a decrease in both domestic and export sales due to a decrease in production volume from Mandalong mine, resulting from longwall relocation, and from encountering with geological challenge and machinery problem at Springvale mine.

- **Average selling price**

  Average selling price per tonne was A$162.38, decreased by A$10 or 6% compared to 2Q2022 as the following details:

	Sales Volume (Unit: Million Tonnes)			Avg. Price/Tonne (A$/Tonne)		
Australia Mines	**2Q2023**	**2Q2022**	**Inc.(Dec.)**	**2Q2023**	**2Q2022**	**Inc.(Dec.)**
Domestic	1.12	1.84	-39%	114.38	80.19	43%
Export	0.50	0.94	-47%	269.82	353.09	-24%
Total	**1.62**	**2.78**	**-42%**			

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

  Average domestic selling price per tonne was A$114.38, increased by A$ 34.19. This was due to higher domestic selling prices according to sales contracts. The average export selling price per ton was A$269.82, decreased by A$83.27 per tonne driven by coal price decreased compared to 2Q2022 despite of a depreciation of AUD currency against USD currency that impacted to higher export sales from currency conversion. The average AUD/USD in 2Q2023 was 0.6677 (2Q2022: 0.7140).

- **Average cost of sales**

  Average cost of sales per tonne was A$184.52, increased by A$73.57. This was a result from a decrease in coal production and from an increase in amortization of deferred longwall relocation cost and deferred development cost, resulting from encountering geological challenge in Mandalong mine from the past.

2. Natural Gas Business

Natural Gas Business		2Q2023	2Q2022	Inc.(Dec.)
Sales Volume	Bcf **	79.99	59.48	34%
Average Local Price	$/Mcf	1.92	6.64	-71%
Average Cost of Gathering, processing & tran	$/Mcf	0.93	1.06	-12%
Average Cost*	$/Mcf	1.40	1.36	3%

* Avg Cost excluded Cost of Gathering, processing & transportation

** Bcf - Billion Cubic Feet

Natural Gas business in USA

Sales from natural gas business in 2Q2023 reported at $145 million, decreased by $242 million or 63% compared to 2Q2022.Details were as follows:

- **Sales Volume**

  Natural gas sale volume was 79.99 billion cubic feet, increased by 20.51 billion cubic feet or 34% compared to 2Q2022. This was mainly due to sales volume from a new shale gas business in North Texas acquired during 3Q2022.

- **Average Local Price**

  Refer to lower Henry Hub index price compared to prior year, the average local price per Mcf. in this quarter was $1.92, decreased by $4.72 per Mcf or 71%. This was a result from Henry Hub natural gas price and West Texas Intermediate (WTI) price last year was high from an increase in domestic demand of oil and natural gas while the supply became constrained. This included high level of LNGs export sales volume consequential affects from banning imports and sale of oil and natural gas from Russia.

- **Average cost of Gathering, processing & transportation**
  Average cost of Gathering, processing & transportation per Mcf was $0.93, decreased by $0.13 or 12% compared to 2Q2022, resulting from higher sales volume from the new shale gas business.

- **Average Cost of Sale**

  Average cost of sales (excluding gathering, processing & transportation cost) per Mcf was $1.40, increased by $0.04 or 3% compared to 2Q2022. This was driven by inflation, resulting to an increase in lease operating expense caused higher cost of material and cost of services.

3. Power Business

Sales from Power and Steam of $97 million or 9% of total revenue was from sales from CHP plant $33 million, solar power plant in China of $7 million, solar power plant in Australia of $3 million, wind power plant and solar power plant in Vietnam of $3 million and gas-fired power plant in USA of $51 million.

Details of sales from CHP plants, solar power plants 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		
		2Q2023	2Q2022	Inc.(Dec.)	2Q2023	2Q2022	Inc.(Dec.)	2Q2023	2Q2022	Inc.(Dec.)
Power sold Volume	GWh	141.70	198.68	-29%	61.44	67.12	-8%	952.46	1,109.05	-14%
Steam Volume	Million Tonnes	1.11	1.04	7%	-	-	-	-	-	-
Average PowerTariff	Unit/kWh	0.41	0.45	-9%	0.79	0.81	-2%	42.85	77.66	-45%
Average Steam Price	RMB/Tonne	158.59	165.78	-4%	-	-	-	-	-	-

Combined Heat and Power (CHP) plants in China

Sales from power and steam from 3 CHP plants in China of $33 million, decreased by $8 million or 18% compared to 2Q2022, was mainly from a decrease in sales volume of power and steam as details below:

- **Sales Volume**

  Sales volume of 141.70 GWh, decreased by 56.98 GWh or 29% compared to 2Q2022 was a result from a decrease in demand from key customers compared to 2Q2022.

  Steam sales volume of 1.11 million tonnes, increased by 0.07 million tonnes or 7%, mainly was from Luannan power plant due to an increase in demand from industrial customers.

- **Average Selling Price**

  Average power tariff was RMB 0.41 per kWh, decreased by 9% compared to 2Q2022, was from Zouping power plant under revision of power production plan.

  Average steam price per tonne was RMB 158.59, decreased by 4% from 2Q2022. This was because a part of steam price was adjusted aligned with coal price decreased.

- **Cost of Sale**

  Cost of sale was $33.08 million, decreased by $9.24 million due to a decrease of power production and a decrease of average coal price. Also, a decrease in average coal cost per ton by 163 RMB. The average coal cost per ton was 1,035 RMB (2Q2022: 1,198 RMB), or 14% decreased compared to 2Q2023.

Solar power plants in China	Sales from solar power plants in China reported at $7 million, decreased by $1.21 million or 15% compared to 2Q2022. Details of sales volume, average power tariff and cos of sales were as follows: • **Sales Volume** Sales volume of 61.44 GWh, decreased by 5.68 GWh compared to 2Q2022 from a decrease in production volume resulting from unfavorable weather conditions compared to 2Q2022. • **Average Power Tariff** Average power tariff was RMB 0.79, decreased by RMB 0.02 from 2Q2022. • **Cost of Sale** Cost of sale was $2 million, decreased by $0.31 million compared to 2Q2022.
Gas- fired power plant (Temple I) in USA	Sales from gas -fired power plant (Temple I) reported at $51 million, decreased by $35 million or 41% compared to 2Q2022. Details were as below: • **Sales Volume** Sales volume was 952.46 GWh, decreased by 156.59 GWh or 14% compared to 2Q2022, resulting from 24-days shut down for Spring planned maintenance. • **Average Power Tariff** Average power tariff was $42.85 per kWh, decreased by $34.81 or 45% from the warmer climate and a decrease of natural gas cost, resulting in a decrease in average sales price per MWh. • **Cost of Sale** Cost of sale was $33.29 million, decreased by $34 or 48% was mainly from cost of natural gas, resulting from a decrease in power sales volume.
Administrative expense	Administrative expenses reported $87 million, increased by $7 million or 9% was mainly administrative expense from business expansion in USA and from business acquisition in the past.
Royalty fees	Royalty fees reported at $91 million, decreased by $40 million or 31%. The fee comprised of royalty fees from Indonesia mines $80 million, decreased by $29 million and royalty fees from Australia mines that was $11 million, decreased by $11 million that was a result of a decrease in coal selling price compared to 2Q2022.

Profit sharing (Unit : Million USD)	2Q2023	2Q2022	Inc.(Dec.) Amount	%
BLCP	5	1	4	400%
Hongsa & Phufai Mining	31	38	(7)	-18%
Shanxi Luguang	0	(6)	6	104%
Coal business in China	44	50	(6)	-12%
Holding Company of Solar Power in Japan and others	3	(2)	5	250%
Total	**83**	**81**	**2**	**3%**

Share of profit from joint ventures and associates

Profit sharing from joint ventures and associates reported at $83 million, increased by $2 million or 3% compared to 2Q2022 mainly due to details described as below:

1) Recognition of profit sharing from Hongsa power plant and PhuFai mining in Laos of $31 million, decreased by $7 million from operating performance of $2 million and a decrease in gain on foreign exchange rate translation of $5 million.

2) Recognition of profit sharing from BLCP of $5 million, increased by $4 million. This was mainly due to an increase in operating profit of $1 million, a decrease in deferred tax expense recognition and loss on exchange rate translation total of $3 million.

3) Recognition of profit sharing from SLG power plant of $0.25 million, increased by $6 million from better performance resulting from higher sales volume and from entering a long-term coal supply contract with favorable price, that lower coal cost significantly by 29% compared to 2Q2022.

4) Recognition of shares of profit from coal business in China of $44 million, decreased by $6 million. This was from a decrease in coal price compared to 2Q2022.

Other income

Other income of $106 million comprised of:

1) Net gain on foreign exchange rate of $69 million was mainly from unrealized gain on foreign exchange rate translation of loan in THB currency due to a depreciation of THB currency against USD currency compared to 2Q2022. Average exchange rate of USD/THB as of 30 June 2023 was THB 35.5893 (31 Dec 2022: THB 34.5624).

2) Net gain from financial derivatives of $9 million comprised of:

   - Realized gain from financial derivatives of $55 million derived from natural gas swap contracts of $41 million, derivatives from Temple I gas-fired power plant in USA of $1 million, coal swap contract of $5 million, interest rate swap contract of $3 million, cross currency swap and interest rate swap $7 million. Whereas loss on foreign exchange rate forward contract $1 million and electricity swaption contract of $1 million.

- Unrealized loss on fair value remeasurement of financial derivatives at the end of period of $39 million comprised of natural gas swap contract of $39 million, interest rate swap and others of $1 million, whereas gain on derivatives from Temple I gas -fired in USA of $1 million.
- Loss from fair value remeasurement of investment in equity instruments and debt instruments measured fair value through profit and loss of $7 million.

3) Management fee income and others of $28 million was from:
   - Interest income of $11 million.
   - Management fee income 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.
   - Net compensation from insurance claim from Temple I gas-fired power plant in USA and mines in Indonesia of $2 million.
   - Others of $12 million. Those were 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, warehouse management fee income, tax redemption receipts and others.

Income tax

Income tax of $97 million, decreased by $68 million compared to 2Q2022 was mainly from:

1) A decrease in corporate income tax of $37 million, aligned with decrease in operating profits.
2) An increase in withholding tax of $15 million from an increase in dividend and interest receives during the period.
3) A decrease in deferred tax expense of $46 million, resulting from a decrease in deferred tax liability from a different in foreign exchange rate conversion between accounting basis and tax basis.

4. Statements of Consolidated Financial Position

Statements of Consolidated Financial Position as of 30 June 2023 in comparison with the Statements of Consolidated Financial Position as of 31 December 2022.

Financial Position (Unit: Million USD)	30-Jun-23	31-Dec-22	Inc.(Dec.) Amount	%
Assets	11,762	12,638	(876)	-7%
Liabilities	7,438	8,229	(791)	-10%
Equity	4,324	4,409	(85)	-2%

4.1 Total assets of $11,762 million, decreased by $876 million compared to total assets as of 31 December 2022 with details described as below:

Financial Position (Unit: Million USD)	Assets		Inc.(Dec.)	
	30-Jun-23	31-Dec-22	Amount	%
Cash and Cash equivalent	1,446	2,154	(708)	-33%
Investment in debt instruments measured at fair value through profit or loss	14	12	2	17%
Trade accounts receivable and note receivables, net	448	668	(220)	-33%
Inventory net	226	196	30	15%
Current portion of dividend receivables from related parties	2	28	(26)	-93%
Financial derivative assets due in one year	31	14	17	121%
Current portion of deferred exploration and development expenditures	83	131	(48)	-37%
Other current assets	328	483	(155)	-32%
Total Current Assets	2,578	3,686	(1,108)	-30%
Dividend receivables from related parties	-	3	(3)	-100%
Investments in joint ventures and associates	1,851	1,784	67	4%
Investment in debt instruments measured at FVPL	198	178	20	11%
Investment in debt instrument measured at amortised cost	60	-	60	100%
Investment in equity instrument measured at FVPL	15	7	8	114%
Investments in equity instruments measured at FVOCI	144	159	(15)	-9%
Property, plant and equipment, net	4,172	4,190	(18)	0%
Deferred exploration/stripping costs, net	759	740	19	3%
Mining property rights, net	847	876	(29)	-3%
Goodwill	511	394	117	30%
Right of use assets	62	77	(15)	-19%
Financial derivative assets	45	51	(6)	-12%
Other non- current assets	520	493	27	5%
Total Non-Current Assets	9,184	8,952	232	3%
Total Assets	11,762	12,638	(876)	-7%

- Cash and cash equivalents of $1,446 million, decreased by $708 million. (As explanation in no.5 Consolidated Statement of Cash Flows).

- Investment in debt instrument measured at fair value through profit or loss of $14 million, increased by $2 million from additions of $12 million, net with redemptions of $10 million.

- Account receivables and note receivable of $448 million, decreased by $220 million, mostly from gas business in USA of $112 million, coal business in Indonesia of $98 million, coal business in Australia of $39 million. This was due to a decrease in both sales volume and price compared to the previous year, whereas an increase in account receivable from consolidation of battery business in Singapore of $26 million that was changed from an associate to be a subsidiary during 1Q2023, and from an increase in others of $3 million.

- Current portion and non-current portion of dividend receivable from related parties total of $2 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 decreased by $29 million. This was a net result of:
    1) An increase from an additional declared dividend of $16 million.
    2) A decrease from dividend received of $45 million.

- Other current assets of $328 million, decreased by $155 million was mainly from a decrease in restricted deposit of a subsidiary in Australia of $126 million, prepaid expense (i.e., insurance, office rental) of $20 million, and from advance to account payable and suppliers of $8 million, revenue department receivable and others of $1 million.

- Investment in joint ventures and associates at equity method of $1,851 million, increased by $67 million or 4% was from:
    1) An increase from addition of investment in battery business in Singapore of $10 million.
    2) An increase from recognition of profit sharing from joint ventures and associates by $166 million.
    3) A decrease from change of investment type in battery business from an associate to a subsidiary of $17 million.
    4) An increase from recognition of other comprehensive income from investment in joint ventures and associates of $1 million.
    5) A decrease from dividend recognition during the period of $16 million.
    6) A decrease in the effects of foreign exchange rate translation at the end of period and others by $77 million.

- Current portion and non-current portion of deferred exploration and development expenditure, net of $83 million and $759 million, respectively, that total of $842 million, decreased by 29 million or 3%. This was a result of additions of $353 million, net with amortization of $370 million and the effects of foreign exchange rate translation at end of the period of $12 million.

- Investment in debt instrument measured at fair value through profit or loss of $198 million, increased by $20 million, or 11% was primary from investment in funds in USA and Singapore during the period total of $29 million, net with the effect from fair value remeasurement at the end of period of $9 million.

- Investment in debt instrument measured at amortized cost of $60 million was investment in government bond of a subsidiary.
- Investment in equity instruments measured at fair value through other comprehensive income of $144 million, decreased by $15 million. This was due to:
  1) A decrease from the impact of fair value remeasurement of investment at the end of period of $ 4 million.
  2) A decrease from the effects of foreign exchange rate translation at the end of the period and others of $11 million.
- Property plant and equipment of $4,172 million, decreased by $18 million derived from:
  1) An increase from additions of machine and equipment of coal business, natural gas business and power business total of $153 million.
  2) An increase from additions of investment in battery business in Singapore of $46 million.
  3) A decrease from fair value remeasurement of contingent liability from asset acquisition of $13 million.
  4) A decrease from sales and write-off of $18 million.
  5) A decrease from depreciation charges for the period of $203 million.
  6) An increase from the effects of foreign exchange rate translation at the end of period of $17 million.
- Mining property rights, net of $847 million, decreased by $29 million or 3%, resulting from amortization during the period of $12 million and the effects of foreign exchange rate translation at the end of the period of $17 million.
- Goodwill of $511 million, increased by $117 million or 30%. This was derived from business combination during the period of $124 million, net with the effects of foreign exchange rate translation at the end of the period of $7 million.
- Right of use assets of $62 million, decreased by $15 million or 19%. This was from additions of $5 million net with write off of $1 million, amortization of $17 million and the effects of foreign exchange rate translation at the end of period of $2 million.
- Current portion and non-current portion of financial derivative assets, net of $31 million and $45 million, respectively, total of $76 million This was a result from fair value remeasurement at the end of the period, which comprised of interest rate swap of $17 million, electricity swaption of $32 million, foreign exchange rate forward contract of $1 million, natural gas swap of $11 million and coal swap contract of $15 million.
- Other non-current assets of $520 million, increased by $27 million. This was mainly from prepaid income tax in Indonesia of $20 million, restricted deposits in Indonesia of $10 million, and others of $1 million, whereas a decrease in deposit of $2 million and vat receivable of $2 million.

4.2 Total liabilities of $7,438 million, decreased by $791 million compared to total liabilities as of 31 December 2022 with movement details as described below:

Financial Position (Unit: Million USD)	Liabilities		Inc.(Dec.)	
	30-Jun-23	31-Dec-22	Amount	%
Short-term loans from financial institutions	510	451	59	13%
Trade accounts payable	166	123	43	35%
Current portion of long-term borrowings, net	741	667	74	11%
Current portion of debenture, net	-	251	(251)	-100%
Accrued overburden and coal transportation costs	105	113	(8)	-7%
Financial derivative liabilities due in one year	37	66	(29)	-44%
Other current liabilities	617	1,112	(495)	-45%
Total current liabilities	2,176	2,783	(607)	-22%
Long-term loans from financial institutions	1,978	2,262	(284)	-13%
Debentures, net	2,535	2,372	163	7%
Financial derivative liabilities, net	14	4	10	250%
Provision for decommisioning and reserve for environment reclamation	265	263	2	1%
Other liabilities	470	545	(75)	-14%
Total non-current liabilities	5,262	5,446	(184)	-3%
Total liabilities	7,438	8,229	(791)	-10%

- Short-term loans from financial institutions of $510 million, increased by $59 million or 13%, was from additions of $1,015 million, business combination of $18 million, while repayment of $964 million and the effects of foreign exchange rate translation at the end of the period of $10 million.
- Current portions of long- term loans from financial institutions of $741 million, increased by $74 million or 11%. This was a net result from a reclassification from non-current portion of $344 million, additions of $3 million and business combination of $2 million, repayment of $272 million, an increase from amortization of deferred finance charge of $1 million, and a decrease from the effects of foreign exchange rate translation at the end of period of $4 million.
- Current portions of debenture reported at nil, decreased by $251 from fully redemption as duration.
- Accrued overburden and coal transportation expenses of $105 million, decreased by $8 million or 7% was mainly from mining operations of subsidiaries in Indonesia.
- Other current liabilities of $617 million decreased by 495 million. This was primary from a decrease in income tax payable of $202 million, withholding tax payable of $9 million, fixed asset purchase payable of $16 million, other accrued expense (i.e., small supplier services, spare parts & supplies expense, warehouse rental) of $12 million , accrued expense from derivative contracts of $55 million, contingent liabilities from acquired shale gas business in North Texas of $36 million, accrued expense related to natural gas well of $87, employee benefit obligations of $2 million, and others of $76 million.

- Long- term loans of $1,978 million, decreased by $284 million or 13%, was a net result of:
    1) An increase from additional loan during the period of $60 million.
    2) An increase from business acquisition of $12 million.
    3) A decrease from reclassification to the current portion of $347 million.
    4) An increase from deferred finance charge and its amortization of $2 million
    5) A decrease from the effects of foreign exchange translation at the end of period of $11 million, was from a depreciation of THB currency against USD currency at the end of the period. Average exchange rate of USD/THB as of 30 June 2023 was 35.5893 (31 Dec 2022: 34.5624). This included a depreciation of AUD currency against USD currency. Average exchange rate of AUD/USD as of 30 June 2023 was 0.6620 (31 Dec 2022: 0.6764).

- Debenture of $2,535 million, increased by $163 million or 7%. This was from additions of $241 million net with deferred finance charge and its amortization of $0.3 million and the effects of foreign exchange rate translation at the end of the period of $78 million due to a depreciation of THB currency against USD currency impacted to THB currency debenture.

- Current portion and non-current portion of derivative liabilities reported at $37 million and $14 million, respectively, total of $51 million. This was changes in fair value of financial derivatives at the end of the period, that consisted of cross currency swap and interest rate swap of $8 million, natural gas swap contracts of $28 million, foreign currency forward contract of $12 million, fuel swap contract of $1 million, and electricity forward contract of $2 million.

4.3 Shareholders' equity of $4,324 million decreased by $85 million compared to shareholders' equity as of 31 December 2022, with movement details as described below:

Financial Position (Unit: Million USD)	**Equity**		**Inc.(Dec.)**	
	30-Jun-23	**31-Dec-22**	**Amount**	**%**
Equity attributable to owners of the parent	3,360	3,409	(49)	-1%
Non-controlling interests	964	1,000	(36)	-4%
Total equity	4,324	4,409	(85)	-2%

- An increase of $134 million from the six- month period net profits.
- An increase of $1 million from reserve for share-based compensation to employees.
- An increase of $117 million from fair value reserves for financial assets measured at fair value to other comprehensive income, cash flows hedge reserves and net investment hedge.
- An increase of $6 million from fair value of put options over non-controlling interests.
- An increase of $112 million from non-controlling interest.
- A decrease of $100 million from the effects of foreign exchange rate translation of subsidiaries' financial statements and others.
- A decrease of $355 million from dividend payment.

4.4 Net debt-to-equity ratio as of 30 June 2023 reported at 0.84 times (31 December 2022: 0.74 times).

5. Statement of Consolidated Cash Flows

Statement of consolidated cash flows for the period ended 30 June 2023 presented a decrease of net cash flow by $709 million (included the effect from unrealized loss on exchange rate translation at the end of period of $2 million). The details of consolidated cash flows activities were as follows:

Statement of Consolidated Cash Flows (Unit: Million USD)	Amount
Net Cash flows from operating activities	48
Net Cash flows used in investing activities	(211)
Net Cash flows used in finaning activities	(544)
Net increase in cash and cash equivalents	**(707)**
Exchange gain on cash and cash equivalents	(2)
Cash and cash equivalents at the beginning of the period	2,154
Cash and cash equivalents at end of the period	**1,445**

5.1 Net cash flows from operating activities of $48 million; with major operating items as follows:

- Collections from sales of $2,447 million.
- Payments to contractors and suppliers of $1,514 million.
- Interest payments of $165 million.
- Payments of income tax of $349 million.
- Royalty fee payments of $225 million.
- Other payments of $146 million.

5.2 Net cash used in investing activities of $211 million; with major items as follows:

- Payments for machines, equipment, and project in progress of $212 million.
- Payments for business combination of $66 million.
- Payments for financial assets measured at fair value through profit and loss of $40 million.
- Payments for deferred exploration and development expenditure of $69 million.
- Receipts for placement of restricted cash of $118 million.
- Receipts from dividend from joint ventures of $46 million.
- Receipts from interest income and others of $12 million.

5.3 Net cash used in financing activities of $544 million; comprised of

- Receipts from short-term and long-term loans from financial institutions and debentures of $1,316 million.
- Repayments of short -term and long -term loans from financial institutions, debentures, and lease liabilities of $1,506 million.
- Payment for dividend of $354 million.