BANPU

Banpu Public Company Limited

and Subsidiaries

Management's Discussion and Analysis

For the 1st Quarter 2021

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

Sustainability Award
Gold Class 2021
S&P Global

Banpu has been recognized as a member of Dow Jones Sustainability Indices (DJSI) since 2014.

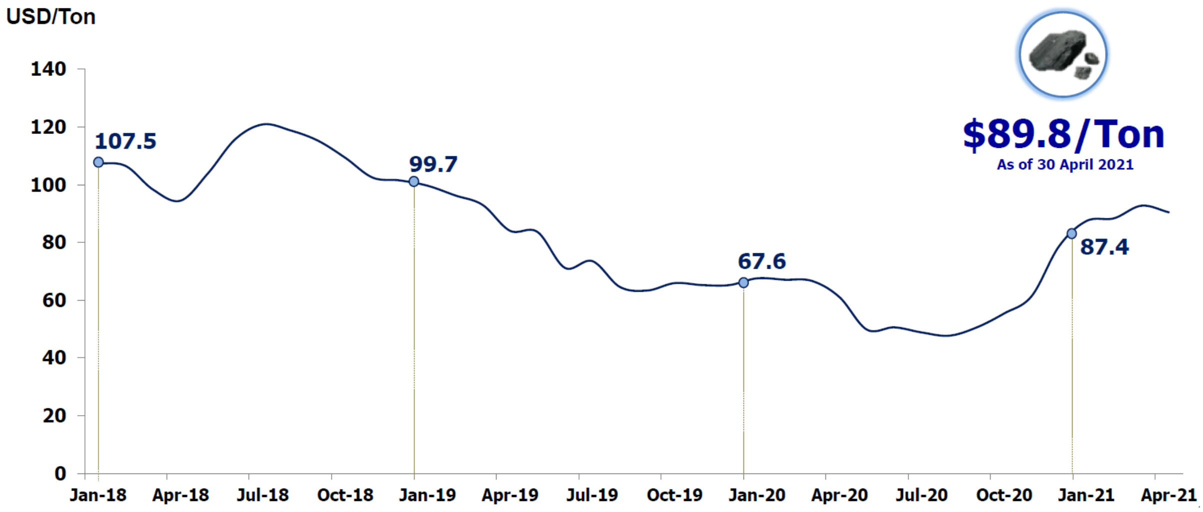
MSCI
ESG RATINGS
CCC | B | BB | BBB | A | AA | AAA

In 2020, Banpu Public Company Limited received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

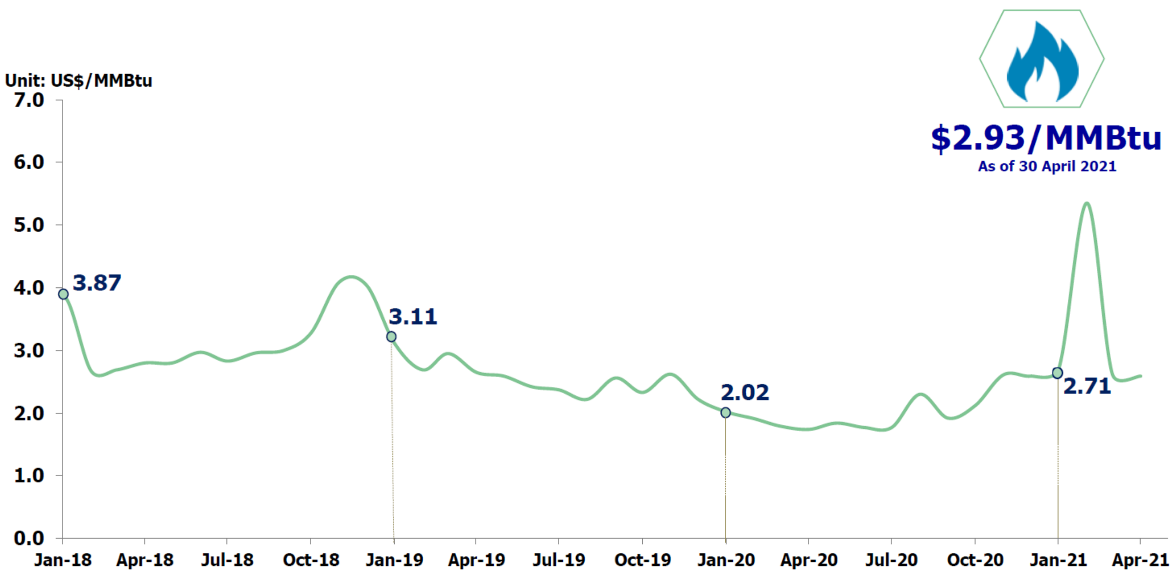
1. Energy Commodities Price Index

The market thermal coal and natural gas price since January 2018 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 2018 – April 2021



Average Henry Hub Natural Gas Price for January 2018 – April 2021



2. Management Discussion and Analysis

Banpu reported performance of 1Q21 with the net profit of USD 51 million, reflecting the capability in performing while continue transforming. Under the ongoing global economic uncertainty, the company remain cautious and focus on disciplined strategic implementation across all BUs, including productivity & efficiency improvement, adoption of digital transformation in operations and business process while strictly manage on cost control. Therefore, the 3 core businesses continue its operational excellence in delivering good performance and generate strong cash flow as the group reported its EBITDA generation of USD 274 million.

The Energy Resources business starting from Mining business in 3 countries which are Indonesia, Australia and China are performing well supported by the positive global coal market environment that reflects in the commodity price rising due to the strong coal demand but supply still tight.

Coal business in Indonesia reported sales volume of 4.1 million tons, lower 29% QoQ due to heavy rainfall affect the mine areas. However, the average selling price (ASP) was 68.4 USD/ton, improved by 30% QoQ. The cost of sale was 39 USD/ton, resulted in an improvement of Gross Profit Margin (GPM) at 42%, higher 10% QoQ. Australia coal business reported sales volume of 2.6 million tons, 15% lower QoQ due to Mandalong experienced scheduled longwall move for 4 weeks and geological challenges in Mandalong, Springvale and Myuna mine which resulted in the cost of sale at 81 AUD/ton, The ASP was reported at 80 AUD/ton, 3% higher QoQ. China coal performed well which result in profit sharing of USD 17 million due to high demand in heating season and continued Chinese economic recovery.

For Gas business in this quarter, despite unprecedented weather conditions in the US, our Gas business continued deliver strong production of 62 Billion Cubic Feet (Bcf). The average selling price was significantly improved to 2.22 USD/Mcf, 88 % increase QoQ because of high demand during winter amid low gas production period, reflect the demand and supply imbalanced that rise the natural gas price in the country.

The Energy generation business remain resilience, delivering reliable electricity and steam to the community and industrial customers. The Combined heat and Power (CHP) plants in China contributed net profit of USD 8 million. HPC reported an equity income of USD 27 million, 23% lower QoQ due to its planned maintenance of unit 2 for 28 days, but still reported an Equivalent availability factor (EAF) of 83%. BLCP reported equity income of USD 2 million, though this quarter, BLCP experienced an unplanned maintenance to repair tube leak incident, the plant still performs high reliability with EAF of 85%. Shanxi Luguang (SLG) power plant in China also continued its commissioning activities to prepared for the commercial dispatch expected by second half of the year.

Renewable business including solar power plants in China reported strong revenue of USD 7 million, 6% higher QoQ, due to the favorable weather condition resulted in average capacity factor achieved

14%. Solar business in Japan, reported higher electricity generation from additional capacity from Yamagata and Yabuki that achieved COD since previous quarter. The Vin Chau phase 1 wind project, in Soc Trang province, Vietnam completed its wind turbine generation foundation with overall construction progress reached 57%.

For Energy Technology business under Banpu NEXT, continues its development of new products and expanding its service area, such as completion of rooftop solutions for the Summer Lasalle, the first mixed-use office campus project in Bangkok, and fleet expansion of E-tuktuk business to 100 units. While Energy trading business in Japan, secured additional new contract to deliver 10 GWh of electricity for 1 year period to Inter-University Research Organization in Tokyo.

3. Group Performance Analysis

The analysis and explanation of Banpu Group performance for the year ended 31 March 2021 and 2020 as follows:

Consolidated Statement of Income for the 1st quarter ended 31 March 2021 and 2020

Consolidated financial performance (Unit: Million USD)	1Q21	1Q20	Change Inc/(Dec)	Change %
Sales and service income	735	633	102	16%
Cost of sales and services	(508)	(491)	17	3%
Gross profit	227	142	85	60%
Selling expenses	(31)	(41)	(10)	-24%
Administrative expenses	(64)	(60)	4	7%
Royalty fee	(44)	(52)	(8)	-15%
Share of profit from joint ventures and associates	43	48	(5)	-10%
Other income (expenses)	36	137	(101)	-74%
Finance cost	(45)	(47)	(2)	-4%
Profit (Loss) before income taxes	122	127	(5)	4%
Income taxes	(46)	(60)	14	-23%
Profit (Loss) for the year	76	67	9	13%
Owners of the parent	**51**	**55**	**(4)**	**-7%**
Non-controlling interests	**25**	**12**	**13**	**108%**
Earnings (Loss) per share (Unit : USD)	0.010	0.011	(0.001)	-9%

Banpu group performance for 1Q21 reported net profit at $51 million. This was due to an increase in coal and natural gas price that affected to the better group performance in overall, also the recognition of gain on foreign exchange rate caused by a depreciation of THB currency against USD currency.

Although worldwide economics have been impacted from COVID-19 pandemic and affected to the demand of global energy consumption, the group still maintain stable business operation compared to 1Q20. Furthermore, the group has focused on cost management and production efficiency to cope with the uncertainty of the global economic and volatility of energy commodities price in the future.

Sales and cost of sales

(Unit: Million USD)	Revenue 1Q21	Revenue 1Q20	Revenue Inc.(Dec.)	Cost of Sales 1Q21	Cost of Sales 1Q20	Cost of Sales Inc.(Dec.)
Coal Business	461	524	-12%	340	399	-15%
Natural Gas Business	186	18	933%	81	21	286%
Power & Steam Business	67	58	16%	51	39	31%
Others	21	33	-36%	36	32	13%
Total	**735**	**633**	**16%**	**508**	**491**	**3%**

Sales

Sales reported at $735 million (equivalent THB 22,262 million), increased by $102 million compared to 1Q20. This was a decrease of $63 million from coal businesses, an increase of $168 million from natural gas business, and an increase of power and steam business and others of $9 million. Details of revenue were described as follows:

1. Sales from coal business of $461 million or 63% of total revenue separated by source of coal as below:
    - Indonesia coal mines of $281 million
    - Australia coal mines of $162 million
    - Others of $18 million
2. Sales from natural gas business in USA of $186 million or 25% of total revenue.
3. Sales from Power and steam of $67 million or 9% of total revenue derived from Combined Heat and Power (CHP) plants and solar power plants in China.
4. Others of $21 million represented 3% of total revenue. This was mainly from energy trading business in Japan.

1.Coal Business

Coal Business		1Q21	1Q20	Inc.(Dec.)
Sales Volume	Million Tonnes	7.22	8.88	-19%
Average selling price	$/Tonne	63.86	59.58	7%
Average Cost of sales	$/Tonne	47.12	45.36	4%

Coal sales of $461 million, decreased by $63 million or 12% was a net result of a decrease in sales volume by 1.66 million tonnes and an increase in average selling price by $4.28 per tonne compared to 1Q20 as following:

Indonesia Mines		1Q21	1Q20	Inc.(Dec.)
Sales Volume	Million Tonnes	4.10	5.77	-29%
Average selling price	$/Tonne	68.43	59.32	15%
Average Cost of sales	$/Tonne	39.36	40.47	-3%

Coal Business in Indonesia

- **Sales volume**

  Coal sales volume was 4.10 million tonnes, decreased by 1.67 million tonnes compared to 1Q20. This was because the operation encountered with heavy rain and a decrease in demand impacted from COVID-19 pandemic situation.

- **Average selling price**

  Average selling price per tonne was $68.43, increased by $9.11 or 15% compared to 1Q20, in accordance with an increase of global coal market price.

- **Average cost of sales**

  Average cost of sales per tonne was $39.36, decreased by $1.11 or 3% compared to 1Q20. This was a result of 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.

  A decrease in average cost of sales was mostly from a decrease of oil price as global coal market price compared to 1Q20, also the more efficiency in fuel used for production that led to the decrease in fuel consumption rate for production, including a favor outcome from cost reduction program implemented across the group.

Australia Mines		1Q21	1Q20	Inc.(Dec.)
Sales Volume	Million Tonnes	2.63	3.09	-15%
Average selling price	A$/Tonne	80.02	86.13	-7%
Average Cost of sales	A$/Tonne	81.23	78.75	3%

Coal business in Australia

- **Sales volume**

  Coal sales volume was 2.63 million tonnes, decreased by 0.46 million tonnes or 15% compared to 1Q20. This was impact from encountering the difficulty in geology mining condition in Mandalong, Springvale and Myuna mines.

- **Average selling price**

  Average selling price per tonne was A$80.02, decreased by A$ 6.11 or 7% compared to 1Q20 as the following:

Australia Mines	Sales Volume (Unit: Million Tonnes)			Avg. Price/Tonne (A$/Tonne)		
	1Q21	1Q20	Inc.(Dec.)	1Q21	1Q20	Inc.(Dec.)
Domestic	1.85	2.29	-19%	76.45	78.12	-2%
Export	0.61	0.58	5%	88.52	108.95	-19%
Total	**2.46**	**2.87**	**-14%**	**80.02**	**86.13**	**-7%**

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

  Average domestic selling price per tonne was A$ 76.45, decreased by A$1.67. This was a result of a decrease in portion of sales from high valued domestic sales contracts. Average export selling price per ton was A$88.52 that decreased from 1Q20, despite global market price increases. This was driven by an appreciation of AUD currency against USD currency, that lessen export sales amount when convert export sales in USD currency to be AUD currency. Average exchange rate of AUD/USD for 1Q21 was USD 0.7727 (1Q20: USD 0.6348).

- **Average cost of sales**

  Average cost of sales per tonne was A$81.23, increased by A$2.48. This was mainly from a decrease in coal production volume from Mandalong, Springvale and Myuna mines that encountered the difficulty in geology mining conditions and affected to a higher of average cost of sales, offset with the favor outcome from cost reduction management program that has applied to the whole group compared to 1Q20.

2. Natural Gas Business

Natural Gas Business		1Q21	1Q20	Inc.(Dec.)
Sales Volume	Bcf	61.51	16.70	268%
Average selling price	$/Mcf	2.22	0.93	139%
Average Cost of Sales	$/Mcf	1.31	1.23	7%

Natural gas business in USA

Sales from natural gas business in 1Q21 reported at $186 million, increased by $168 million. This includes trading income under profit sharing agreement with a gas marketer of $49 million as a result of market discontinuities due to severe winter in USA which created a commodity price fly-up. Details of gas revenue were as follows:

- **Sales Volume**

  Natural gas sale volume was 61.51 billion cubic feet, increased by 268% versus 1Q20. This was because the group started consolidating sales from Barnett shale since 4Q20. For 1Q21 the group consolidated total sales volume of Barnett 47.4 Mcf.

- **Average Selling Price**

  Henry Hub index price increased by 80% compared to 1Q20, the group average selling price per Mcf was of $2.22, increased by $1.29 or 139% compared to 1Q20.Henry Hub index price was continuous higher in 1Q21 from severe winter and snowstorm in USA during Feb 2021 that impacted to an increase in natural gas consumption demand for both household section and power generation section. Moreover, during the period, there was a reclassification of gathering and processing cost from Barnett shale, from offsetting with sales to be cost of goods sold to align with revenue recognition basis, total of $0.43 per Mcf. This also caused a higher in average selling price for 1Q21.

- **Average Cost of Sale**

  Average cost of sales per Mcf was $1.31, increased by $0.08 or 7% compared to 1Q20. This was mainly from a reclassification of gathering and processing cost from Barnett shale as mentioned of $0.43 per Mcf. Excluding the mentioned reclassification, the average cost of sell per Mcf. was decreased by $0.35 from a decrease in average depletion rate from Barnett shale that impacted to a decrease in overall average cost of sales.

3. Power Business

Power Business		Combined Heat & Power Plants (CHP)			Solar Power Plants		
		1Q21	1Q20	Inc.(Dec.)	1Q21	1Q20	Inc.(Dec.)
Sales Volume	GWh	427.07	450.86	-5%	54.02	47.47	14%
Steam Volume	Million Tonnes	2.32	2.13	9%	-	-	-
Average PowerTariff	RMB/kWh	0.36	0.36	0%	0.83	0.83	0%
Average Steam Price	RMB/Tonne	122.93	122.71	0%	-	-	-

Sales from Power and Steam of $67 million or 9% of total revenue was from sales from CHP plant and solar power plant in China. Details were described as follows:

Combined Heat and Power (CHP) plants in China

Sales from power, steam and others from 3 CHP plants in China of $60 million, increased by $8 million compared to 1Q20. This was mainly from increasing in sales volume of electricity and steam as detail below:

- **Sales Volume**

  Sales volume of 427 GWh, decreased by 24 GWh compared to 1Q20.This was a result of a decrease in customer demand from Zouping power plant. Steam sales of 2.32 million tonnes, increased by 0.19 million tonnes compared to 1Q20 derived from a higher consumption demand from Luannan and Zhengding power plant.

- **Average Selling Price**

  Average power tariff was RMB 0.36 per kWh, same as 1Q20.

- **Cost of Sale**

  Average cost of sales $ 48 million, increased by $12 million. This was primaly from higher production volume, particularly from Luannan and Zhengding power plant that increased in steam production volume compared to 1Q20, and an increase of coal consumption, main fuel for power generation total 16,000 tonnes. The average coal cost per tonne in 1Q21 was RMB 721 (1Q20: RMB 593) or increased by RMB 128 per tonne or 22% compared to 1Q20.

Solar power plants in China

Sales from solar power plants in China reported at $ 6.92 million. An increase of $1.43 million compared to 1Q20 as followings:

- **Sales Volume**

  An increase in solar power sales volume was from the higher production volume due to favor weather conditions compared to 1Q20.

BANPU

- **Average Power Tariff**

  Average power tariff was RMB 0.83, same as 1Q20.

- **Cost of Sales**

  Cost of sales for 1Q21 was similar to 1Q20.

Administrative expense

Administrative expenses reported $64 million, increased by 4 million or 7 % mainly was from consulting & professional fee, also other admin expense related to business expansion in the US. However, the group has focused on cost reduction program to cope with a slowdown of global economic, that caused a decrease of consulting & professional fees and other admins, including domestic and overseas traveling expense.

Royalty fees

Royalty fees reported at $44 million, decreased by $8 million or 15% was from a decrease of royalty fees from Indonesia mines $7 million that caused by a net result of a decrease in coal sales volume and an increase in coal price compared to 1Q20. Royalty fees from Australia mines was also decreased $1 million aligned with a decrease in coal sales volume and coal price compared to 1Q20.

Profit sharing (Unit : Million USD)	**1Q21**	**1Q20**	**Inc.(Dec.)**
BLCP	2	(2)	-200%
Hongsa & Phufai Mining	27	36	-25%
Holding Company of Solar Power in Japan	(3)	(2)	-7%
Coal business in China	17	16	8%
Total	**43**	**48**	**-10%**

Share of profit from joint ventures and associates

Profit sharing from joint ventures and an associate reported $43 million, decreased by $5 million or 10% compared to 1Q20 with major details described as below:

1) Recognition of profit sharing from BLCP of $2 million, increased by $4 million. Mainly decrease was from deferred tax assets adjustments from lease receivable under power purchase agreement and foreign exchange conversion of assets from THB to USD for tax purpose of $6 million, while a decrease in operating performance of $2 million.

2) Recognition of profit sharing from Hongsa power plant and PhuFai mining in Laos of $27 million, decreased by $9 million from 1Q20. This was mainly from a decrease in operating performance from temporary stop operation for maintenance of unit no. 2 as annual plan of $9 million.

3) Recognition of shares of profit from coal business in China of $17 million, increased by $1 million from an increase of sales volume and price aligned with market price.

Other income

Other income of $36 million comprised of:

1) Net gain on foreign exchange rate of $29 million derived from a depreciation of THB currency against USD currency compared to the ending date of 2020. Average exchange rate of USD/THB as of 31 March 2021 was THB 31.34 (31 December 2020: THB 30.04).

2) Net loss from financial derivatives of $5 million comprised of:
    - Realized loss from financial derivatives of $5 million derived from coal swap contracts of $1 million, interest rate swap contracts of $5 million, natural gas swap contracts of $8 million, whereas, realized gain on fuel swap contracts of $ 1 million and foreign exchange rate forward contracts $8 million
    - Unrealized gain on fair value of financial derivatives at the end of period of $0.31 million was mainly from foreign exchange rate forward contracts.

3) Management fee income and others of $12 million was from:
    - Interest income of $3 million.
    - Dividend income of $3 million, was mainly from profit sharings of $2.46 million from solar power business in Japan under TK (TOKUMEI KUMIAI) agreement.
    - Government subsidy and steam connection fee income of $1 million from residential steam production.
    - Sales of ashes, slag and scraps from mines, power plants and others of $5 million.

Corporate income tax

Corporate income tax of $46 million, decreased by $14 million, mainly from a decrease of defer income tax expense compared to 1Q20. This was a result of Indonesian government announced a new regulation to relief an impact from COVID-19 pandemic situation by reducing corporate income tax rate from 25% to be 22% which has been effective since 1 January 2020, resulting in higher income tax expense from deferred tax asset reversal in 1Q20.

4. Statements of Consolidated Financial Position

Statements of Consolidated Financial Position as of 31 March 2021 in comparison with the Statements of Consolidated Financial Position as of 31 December 2020.

Financial Position (Unit: Million USD)	31-Mar-21	31-Dec-20	Inc.(Dec.) Amount	%
Assets	9,628	9,377	251	3%
Liabilities	6,781	6,562	219	3%
Equity	2,847	2,815	32	1%

4.1 Total assets of $9,628 million, increased by $251 million compared to total assets as of 31 December 2020 with main details described as below:

Financial Position (Unit: Million USD)	Assets		Inc.(Dec.)	
	31-Mar-21	31-Dec-20	Amount	%
Cash and Cash equivalent	936	730	206	28%
Financial assets measured at fair value through profit or loss	11	11	-	100%
Trade accounts receivable and note receivables, net	319	249	70	28%
Current portion of dividend receivables from related parties	31	26	5	100%
Other current assets	535	559	(24)	-4%
Total Current Assets	1,832	1,575	257	16%
Dividend receivables from related parties	9	10	(1)	-10%
Investments in an associate and joint ventures	1,743	1,690	53	3%
Financial assets measured at fair value through other comprehensive income	152	153	(1)	100%
Financial assets measured at fair value through profit & loss	7	-	7	100%
Property, plant and equipment, net	2,575	2,581	(6)	0%
Deferred exploration/stripping costs, net	998	1,016	(18)	-2%
Mining property rights, net	1,347	1,359	(12)	-1%
Goodwill	446	447	(1)	0%
Right of use assets	59	72	(13)	100%
Other non- current assets	460	474	(15)	-3%
Total Non-Current Assets	7,796	7,802	(7)	0%
Total Assets	9,628	9,377	251	3%

- Cash and cash equivalents of $936 million, increased by $206 million. (As explanation in no.5 Consolidated Statement of Cash Flows).
- Financial assets measured at fair value through profit or loss of $11 million was from addition of $13 million, while redemption of $13 million, and the effects from unrealized loss on foreign exchange rate translation at the end of period of $0.1 million.

- Current portion and non-current portion of dividend receivable from related parties of $31 million and $9 million, respectively, were dividend receivable from joint ventures who operates power business in Thailand which total increased by $4 million. This was a net result during the quarter of:
    1. A decrease from received dividend of $18 million.
    2. An increase from additional declared dividend of $22 million.
- Investment in joint ventures and associates of $1,743 million, increased by $53 million or 3% was from:
    1. An increase from addition of investment in associates of $78 million, was from an investment in Integrated Gasification Combined Cycle (IGCC) power plant business in Japan.
    2. An increase from recognition of profit sharing from joint ventures and associates by $43 million.
    3. A decrease from dividend received during the quarter of $23 million.
    4. A decrease from the effects of foreign exchange rate translation at end of period and others by $45 million.
- Financial assets measured at fair value through other comprehensive income (FVOCI) $152 million, decreased by $1 million. This was due to:
    1. An additional investment in HAUPCAR, car sharing services via application business of $2 million.
    2. An increase from the impact of fair value adjustment of $7 million.
    3. A decrease from the effects of foreign exchange rate translation at the end of period and others of $10 million.
- Property plant and equipment of $2,575 million, decreased by $6 million derived from:
    1. An increase from additions of machine and equipment of coal business, natural gas business and power business total of $70 million.
    2. A decrease from depreciation charges for the year of $68 million.
    3. A decrease from the effects of foreign exchange rate translation at end of period and others of $8 million.
- Right of use assets of $59, decreased by $ 13 million, or 18%. Mainly was from the additions of $2 million, offset with amortization of $6 million and depreciation of $9 million.
- Other non-current assets of $460 million, decreased by $15 million. This was due to a decrease in deferred income tax assets of $25 million, financial derivatives assets of $7 million; whereas an increase in accrued subsidy income from solar power plants in China of $8 million, prepaid tax from business in Indonesia $4 million, and from deposit of $5 million.

4.2 Total liabilities of $6,781 million, increased by $219 million compared to total liabilities as of 31 December 2020 with movement details as described below:

Financial Position (Unit: Million USD)	Liabilities		Inc.(Dec.)	
	31-Mar-21	31-Dec-20	Amount	%
Short-term loans from financial institutions	828	828	-	0%
Trade accounts payable	65	67	(2)	-3%
Current portion of long-term borrowings, net	681	675	6	1%
Current portion of debenture, net	128	133	(5)	-4%
Accrued overburden and coal transportation costs	65	60	5	8%
Financial derivative liabilities due in one year	51	21	30	143%
Other current liabilities	550	427	123	29%
Total current liabilities	2,368	2,211	157	7%
Long-term loans from other company	2,165	2,230	(65)	-3%
Debentures, net	1,643	1,517	126	8%
Financial derivative liabilities, net	29	26	3	12%
Provision for decommisioning and reserve for environment reclamation	302	301	1	0%
Other liabilities	274	277	(2)	-1%
Total non-current liabilities	4,413	4,351	63	1%
Total liabilities	6,781	6,562	219	3%

- Short-term loans from financial institutions of $828 million. The movement was addition of $147 million, repayment of $126 million, and the effects of foreign exchange rate translation at the end of period of $21 million.
- Current portions of long- term loans of $681 million, increased by $6 million was from an increase from reclassification from non-current portion of $55 million. repayment of $49 million.
- Current portions of debenture of $128 million, decreased by $5 million from the effects of foreign exchange rate translation at the end of period.
- Accrued overburden and coal transportation expenses of $65 million, increased by $5 million or 8% was mainly from mining operations of subsidiaries in Indonesia.
- Long- term loans of $2,165 million, decreased by $65 million or 3 % was a net result of:
    1. An increase from additional loan of $0.27 million.
    2. A decrease from reclassification to current portion of $55 million.
    3. A decrease from the effects of foreign exchange translation at the end of period of $10 million. Mainly was from the impact to THB currency loan due to a depreciation of THB currency against USD currency. Average exchange rate of THB/USD as of 31 March 2021 was $31.3394 (31 Dec 2020: $30.0371).

- Debenture of $1,643 million, increased by $126 million or 8% was from new additions of $189 million. Moreover, there was the effects of foreign exchange rate translation at the end of period of $63 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 $51 million and $29 million, respectively, total of $80 million. This was changes in fair value of financial derivatives at the end of period, that consisted of cross currency swap contracts of $12 million, interest rate swap contracts of $22 million, foreign exchange rate forward contracts $1 million, natural gas swap contracts of $27 million, and coal swap contracts of $18 million.

4.3 Shareholders' equity of $2,847 million, an increase of $32 million was mainly due to:

Financial Position (Unit: Million USD)	**Equity**		**Inc.(Dec.)**	
	31-Mar-21	**31-Dec-20**	**Amount**	**%**
Equity attributable to owners of the parent	2,098	2,076	22	1%
Non-controlling interests	749	739	10	1%
Total equity	2,847	2,815	32	1%

- An increase of $51 million from net profits for 1Q21.
- An increase of $33 million from fair value reserves for financial assets and cash flows hedge reserves.
- A decrease from treasury shares of a subsidiary of $2 million.
- A decrease of $ 60 million from the effects of foreign exchange rate translation of subsidiaries' financial statements and others.
- An increase of $10 million from non-controlling interest.

4.4 Net debt-to-equity ratio as of 31 March 2021 reported at 1.39 times (31 December 2020: 1.47 times).

5. Statement of Consolidated Cash Flows

Statement of consolidated cash flows for the 1st quarter ended 31 March 2021 presented an increase of net cash flow by $206 million (included the effect from unrealized loss on exchange rate translation at the end of period of $15 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	131
Net Cash flows used in investing activities	(59)
Net Cash flows from finaning activities	149
Net increase in cash and cash equivalents	**221**
Exchange loss on cash and cash equivalents	(15)
Cash and cash equivalents at the beginning of the period	730
Cash and cash equivalents at end of the period	**936**

5.1 Net cash inflow from operating activities of $131 million; with major operating items as follows:

- Collections from coal sales of $498 million.
- Payments to contractors and suppliers of $192 million.
- Interest payments of $26 million.
- Payments of corporate income tax of $11 million.
- Receives from income tax refunds of $8 million.
- Royalty fee payments of $42 million.
- Others received of $104 million.

5.2 Net cash outflow from investing activities of $59 million; with major items as follows:

- Payments for machines, equipment, project in progress and asset acquisition in USA of $43 million.
- Payments for deferred charge of mine exploration and mine development of $36 million.
- Payment for financial assets measured at fair value through profit or loss of $12 million.
- Receipts for financial assets measured at fair value through profit or loss of $12 million.
- Dividend receipts from associates and other investment of $18 million.
- Interest income and others of $2 million.

5.3 Net cash inflow from financing activities of $149 million; comprised of

- Receipts from short term and long - term loans from financial institutions and debentures of $336 million.
- Repayments of short term and long - term loans from financial institutions and others of $185 million.
- Payments for treasury shares of a subsidiary of $2 million.