Banpu Public Company Limited

and Subsidiaries

Management's Discussion and Analysis

The Group Performance

For the 1st Quarter Ended 31 March 2020

SAM Sustainability Award Gold Class 2019

Member of Dow Jones Sustainability Indices In Collaboration with RobecoSAM

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

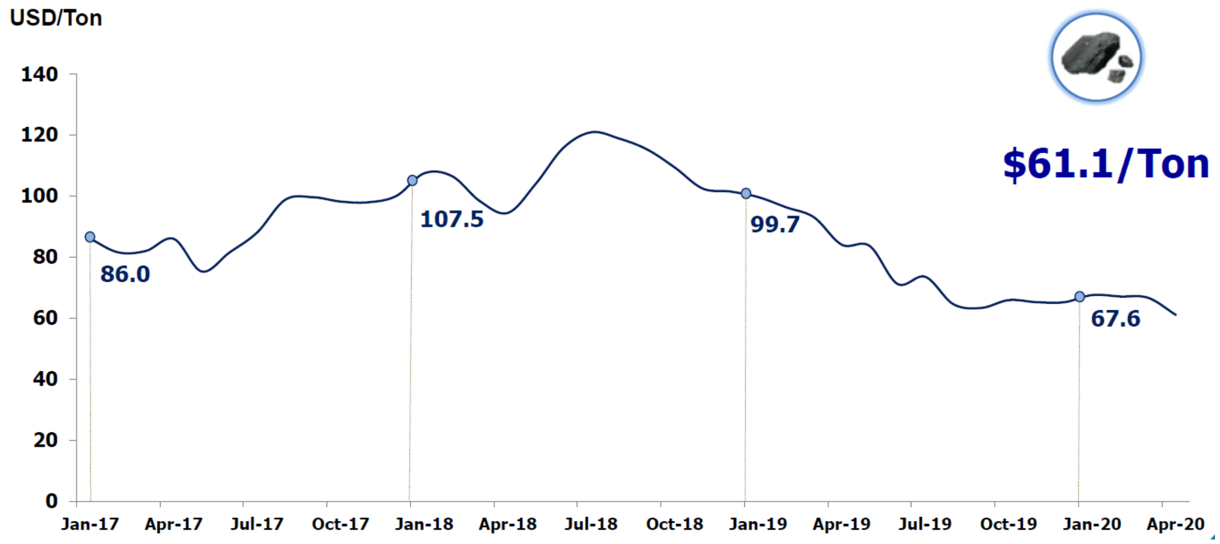
MSCI ESG RATINGS A

In 2019, Banpu Public Company Limited received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

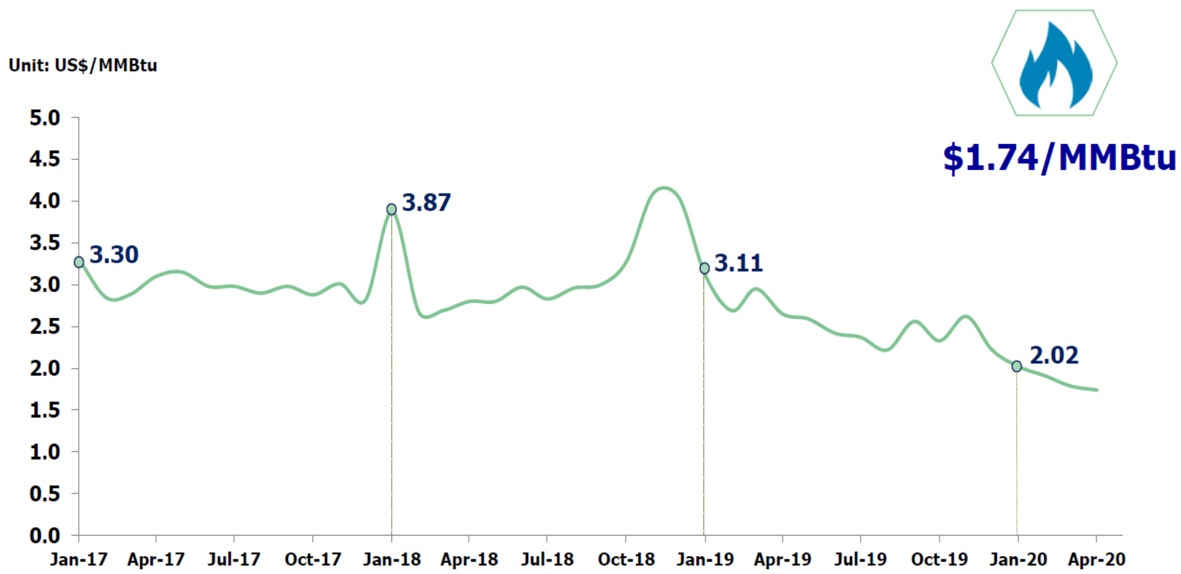
1. Energy Commodities Price Index

The market thermal coal and natural gas price since January 2017 as per below graphs that illustrate the coal and gas price indexes. The following presentations illustrate the coal price index.

Coal Price Index: The Newcastle Export Index (NEX) for January 2017 – April 2020



Average Henry Hub Natural Gas Price for January 2017 –April 2020



2. Management Discussion and Analysis

The business performance in 1Q20 continued to weather through unfavorable market condition caused by relatively mild winter season and persistent oversupply in key commodities products namely coal and gas. In this quarter, the strong contribution from power business helps to sustain earnings for the group.

Group EBITDA for 1Q20 was USD 134 million (+2% QoQ), including EBITDA from coal of USD 77 million (-29% QoQ), EBITDA from gas of USD 1.4 million (-89% QoQ) and EBITDA from power of USD 55 million (+485% QoQ).

The rapid depreciation of Thai Baht against US Dollar resulted in a substantial foreign exchange gain of USD 112 million. The consolidated net profit in this quarter was concluded at USD 55 million.

Indonesia coal achieved coal sale of 5.77 million tonnes, decreasing 9% QoQ due to seasonal rainy weather. The partial fixing of contract price since late last year supported the Average Selling Price (ASP) to be resilient at 59.32 USD per tonne despite the softening market prices during this quarter. Cost of sale maintained at USD 40.47 per tonne with healthy Gross Profit Margin (GPM) of 32%. Continued emphasis on cost cutting and falling diesel price would push down cost of sale further in few quarters ahead.

Australia reported sound operation performance with coal sale volume of 3.09 million tonnes, higher 6% QoQ. This was attributed to an early completion of Longwall move at Mandalong and better mining condition at Springvale. The ASP remained firm at AUD 86.13 per tonne with cost of sale of unchanged at AUD 78.75 per tonne. Gross profit margin was at 9%.

China coal started this year with a strong performance. The equity income doubled from previous quarter to USD 16 million due to resilient coal sale and cost normalization. The outbreak of COVID-19 did not significantly impacted coal mining operation as coal is considered a critical product for livelihood of residents particularly during winter.

In gas business, the mild winter in USA combined with oversupply of gas caused volatility in gas prices and impacted operation performance for this period. The unit reported a 7% QoQ lower sale volume of 16.7 Billion Cubic Feet (Bcf) on a 23% QoQ drop in ASP to USD 0.93 per million BTU (MMBtu) with GPM of a negative 16%.

In power business, the Combined Heat and Power (CHP) plants in China contributed net profit of USD 16 million. BLCP achieved 100% electricity dispatch rate. However, the scheduled decline in tariff for this year and depreciation in Thai Baht resulted in an equity loss of USD 2.2 million. Hongsa reported a surge in equity income to USD 34 million as all 3 units fully recovered from earthquake incident in November last year.

3. Group Performance Analysis

The analysis and explanation of Banpu Group performance for the 1st quarter ended 31 March 2020 and 2019 as follows:

Consolidated Statement of Income for the 1st quarter ended 31 March 2020 and 2019

Consolidated financial performance (Unit: Million USD)	1Q20	1Q19	Change Amount	Change %
		Restated		
Sales and service income	633	699	(66)	-9%
Cost of sales and services	(491)	(506)	(15)	-3%
Gross profit	142	193	(51)	-26%
Selling expenses	(41)	(44)	(3)	-8%
Administrative expenses	(60)	(42)	18	43%
Royalty fee	(52)	(61)	(9)	-15%
Share of profit from joint ventures and associates	48	62	(14)	-23%
Other income	137	36	101	283%
Finance cost	(47)	(47)	(0)	-1%
Profit before income taxes	127	97	30	31%
Income taxes	(60)	(47)	(13)	-27%
Profit for the period	67	50	17	34%
Owners of the parent	**55**	**29**	**26**	**90%**
Non-controlling interests	**12**	**21**	**(9)**	**-43%**
Earnings per share (Unit : USD)	0.011	0.006	0.005	96%

In order to manage risks caused by the coronavirus (COVID-19) pandemic that has a significant impact on worldwide economic, the group focused on cost management and efficient coal production improvement to cope with the uncertainty of the global economic and the vitality of the energy commodities price in the future.

The energy commodities price index of coal and natural gas was slightly decrease since the end of 2019 whereas revenue from power business continued strong and also a depreciation of THB currency against USD currency; thus, the group performance in 1Q2020 reported net profit at $55 million, increased by $26 million compared to 1Q2019. Details were described as follows:

(Unit: Million USD)	Revenue 1Q20	Revenue 1Q19	Revenue Inc.(Dec.)	Cost of Sales 1Q20	Cost of Sales 1Q19	Cost of Sales Inc.(Dec.)
Coal Business	524	575	-9%	399	417	-4%
Natural Gas Business	18	36	-50%	21	17	24%
Power & Steam Business	58	56	4%	40	43	-7%
Others	33	32	2%	31	29	7%
Total	**633**	**699**	**-9%**	**491**	**506**	**-3%**

Sales

Sales reported at $633 million (equivalent THB 19,797 million), decreased by $66 million compared to 1Q2019.This was a decrease of $51 million from coal businesses, a decrease of $18 million from natural gas business, while an increase of $2 million from power and steam business. Details of revenue were described as follows:

1. Sales from coal business of $524 million or 83% of total revenue separated by source of coal as below:
   - From Indonesia coal mines of $342 million
   - From Australia coal mines of $176 million
   - From others of $6 million
2. Sales from natural gas business in USA of $18 million or 3% of total revenue.
3. Sales from Power and steam of $58 million or 9% of total revenue derived from Combined Heat and Power (CHP) plants, solar power plants in China and energy trading business in Japan that started operation in 4Q19.
4. Others of $33 million represented 5% of total revenue. An increase of $1 million was mainly from fuel trading business of a subsidiary in Indonesia.

1. Coal Business

Coal Business		1Q20	1Q19	Inc.(Dec.)
Sales Volume	Million Tonnes	8.80	7.89	12%
Average selling price	$/Tonne	59.58	71.92	-17%
Average Cost of sales	$/Tonne	45.36	52.00	-13%

Coal sales of $ 524 million, decreased by $51 million or 9%. This was a net result of a decrease of average selling price by $12.34 per tonne and an increase of sales volume by 0.91 million tonne and compared to prior year as following details:

Indonesia Mines		1Q20	1Q19	Inc.(Dec.)
Sales Volume	Million Tonnes	5.77	5.88	-2%
Average selling price	$/Tonne	59.32	71.00	-16%
Average Cost of sales	$/Tonne	40.47	46.66	-13%

Coal Business in Indonesia

- **Sales volume**

  Coal sales volume was 5.77 million tonnes, decreased by 0.11 million tonnes compared to 1Q2019.

- **Average selling price**

  Average selling price per tonne was $59.32, decreased by $11.68 or 16% compared to 1Q2019, in accordance with a fall of global coal market price.

- **Average cost of sales**

  Average cost of sales per tonne was $40.47, decreased by $6.19 or 13% compared to 1Q2019. This was due to cost management to cope with a decrease of global coal market price, while maintain quality standards of coal, including quality development to meet customer demand and retain in the long term. Decrease was mostly from a decrease in stripping ratios from 13.20 to 10.67 and a decrease of oil price as global coal market price during the quarter which the average cost per liter of oil price per was $0.57 (1Q2019 : $0.61 per liter), also a favor outcome from cost reduction program implemented across the group.

Australia Mines		1Q20	1Q19	Inc.(Dec.)
Sales Volume	Million Tonnes	3.09	2.01	54%
Average selling price	A$/Tonne	86.13	99.08	-13%
Average Cost of sales	A$/Tonne	78.75	92.26	-15%

Coal business in Australia

- **Sales volume**

Coal sales volume was 3.09 million tonnes, increased by 1.08 million tonnes or 54% compared to 1Q2019. This was because a difficulty geographical mining conditions in 1Q2019 that caused long period in relocation of longwall machine at Mandalong mine than usual. Moreover, in 4Q2019 the group acquired remaining interest in Springvale mine, resulted higher percentage of shareholdings from 50% to be 100% shareholdings resulted an increase in sales volume in 1Q2020.

- **Average selling price**

Average selling price per tonne was A$86.13, decreased by A$12.95 or 13% compared to 1Q2019 as the following:

Australia Mines	Sales Volume (Unit: Million Tonnes)			Avg. Price/Tonne (A$/Tonne)		
	1Q20	1Q19	Inc.(Dec.)	1Q20	1Q19	Inc.(Dec.)
Domestic	2.29	1.18	94%	78.12	79.10	-1%
Export	0.80	0.83	-4%	108.95	129.24	-16%
Total	**3.09**	**2.01**	**54%**	**86.13**	**99.08**	**-13%**

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

Average domestic selling price per tonne was A$ 78.12, decreased by A$0.98 due to a less portion of sales from high valued contracts as result of coal production volume. Average export selling price per ton was A$108.95 that decrease from 1Q2019 driven by a decline of global coal market price. Whereas, a depreciation of AUD currency against USD currency promoted higher revenue in AUD currency when converted from USD export sales, then higher average selling price. Average exchange rate of AUD/USD was $0.6583 (1Q2019: $0.7118).

- **Average cost of sales**

Average cost of sales per tonne was A$78.75, decreased by A$13.51 from higher production volume compared to 1Q2019. Coal production volume was 3.2 milion tonnes (1Q2019: 2.0 million tonnes). In 1Q2019 coal production encountered the difficulty mining conditions in relocation of longwall machine at Mandalong mine, thus, relocation period was longer than usual.

2. Natural Gas Business

Natural Gas Business		1Q20	1Q19	Inc.(Dec.)
Sales Volume	Bcf	16.70	16.20	3%
Average selling price	$/Mcf	0.93	2.10	-56%
Average Cost of Sales	$/Mcf	1.23	1.08	14%

Natural gas business in USA

Sales from natural gas business of 1Q2020 reported at $18 million, decreased by $18 million or 50% as following details:

- **Sales Volume**

  Natural gas sale volume was 16.70 billion cubic feet, increased by 3% compared to 1Q2019. This aligned with higher production volume from development of operating management and promoting innovations for improving production efficiency.

- **Average Selling Price**

  Average selling price was $0.93 per thousand cubic feet, decreased by 56 % from 1Q2019. This was an impact from over natural gas volume in US market from new projects operated from certain sources and from natural gas tied with associated gas. In addition, the selling price was affected by the high stock reserves, whereas consumption growth was unable to keep up with such supply, including winter time in USA this year was not cold as usual.

- **Average Cost of Sale**

  Average cost of sales was $1.23 per Mcf, increased by 14% compared to 1Q2019 from an increase of depletion during the period. According to the nature of gas business in US, the depletion rate is derived from the gas reserve, which is calculated by using the last 1 year average gas price. Therefore, decreasing in gas price would result in lower gas reserves and the depletion rate per unit would be higher. used for gas reserves calculation derived from one year earlier, thus, if the price was lower, gas reserves would be smaller, then the depletion rate would be higher. However, the depletion was non- cash transaction, thus there was no impact to cash flows in the gas business.

3. Power Business

Sales from Power and Steam of $58 million or 9% of total revenue was from sales from CHP plant and solar power plant in China. Details were described as follows:

Power Business		ımbined Heat & Power Plants (CH		Solar Power Plants		
		1Q20	1Q19	1Q20	1Q19	Inc.(Dec.)
Sales Volume	GWh	450.86	435.83	47.47	42.96	10%
Steam Volume	Million Tonnes	2.13	1.94	N/A	N/A	N/A
Average PowerTariff	RMB/kWh	0.36	0.35	0.83	0.81	2%
Average Steam Price	RMB/Tonne	100.78	101.79	N/A	N/A	N/A

Combined Heat and Power (CHP) plants in China

Sales from power, steam, and others from 3 CHP plants in China $52.05 million, increased by $1.31 million compared to 1Q2019 was mainly from increasing in sales volume of electricity and steam as detail below:

- **Sales Volume**

  Sales volume of 450.86 GWh, increased by 15.03 GWh from prior year, whereas steam sales of 2.13 tonne million, increased by 0.19 tonne million compared to 1Q2019 from a higher demand of electricity and steam consumption from Zouping power plant.

- **Average Selling Price**

  An increase of average power tariff by RMB 0.01 per kWh caused by an increase of residential steam and hot water sales volume from Zhengding power plant compared to 1Q2019.

- **Cost of Sale**

  Average cost of sales $37 million, decreased by $3.30 million was from a decrease of coal cost that was main fuel by RMB 26 per tonne compared to 1Q2019. Average coal cost was RMB 593 per tonne (1Q2019: RMB 619 per tonne).

Solar power plants in China

Sales from solar power plants in China reported at $5.49 million an increase of $0.46 million compared to 1Q2019.

- **Sales Volume**

  An increase of solar power plant sales volume was from a solar power plant (Jixin) that operated since July 2019. However, most of solar power plant faced lower operating performance from weather conditions and higher curtailment from the government compared to 1Q2019.

- **Average Power Tariff**

  Average power tariff was RMB 0.83, that higher than 1Q2019. This was from a decrease of value added tax from 16% to be 13% that was effective since 1 April 2019.

- **Cost of Sales**

  An increase of cost of sales was align with higher sales volume from a solar power plant that started operation since 4Q2019.

Administrative expense

Administrative expenses reported at $60 million, an increase of 18 million or 43% was mainly from professional fees and others from business expansion to Vietnam and natural gas business in USA.

Royalty fees

Royalty fees reported at $52 million, decreased by $9 million or 15% was from a decrease of royalty fees from Indonesia mines of $12 million. Whereas, an increase of royalty fees from Australia mines by $3 million caused by an increase of coal sales price and volume compared to 1Q2019.

Profit sharing (Unit : Million USD)	**1Q20**	**1Q19**	**Inc.(Dec.)**
BLCP	(2)	12	-116%
Hongsa & Phufai Mining	36	23	53%
Holding Company of Solar Power in Japan	(3)	1	-312%
Coal business in China	16	26	-37%
Total	**47**	**62**	**-24%**

Share of profit from joint ventures and associates

Profit sharing from joint ventures and an associate reported $47 million, decreased by $15 million or 24 % compared to 1Q2019 with major details described as below:

1) Recognition of loss sharing from BLCP of $2 million, decreased by $14 million according to its revenue structure under a power purchase agreement, including an increase of interest expense and corporate income tax rate.

2) Recognition of profit sharing from Hongsa power and PhuFai mining in Laos of $36 million, increased by $12 million from operating performance of $31 million and the effects from foreign exchange rate translation of $5 million.

3) Recognition of shares of profit from coal business in China of $16 million, decreased by $10 million from a decrease of selling price aligned with market price compared to the prior year.

Other income

Other income of $137 million comprised of :

1) Gain on foreign exchange rate of $112 million was mainly from unrealized gain on foreign exchange rate translation on THB currency borrowings, as result of a depreciation of THB currency against USD currency compared to prior year. Average exchange rate of USD/THB as of 31 March 2020 was 32.67 (31 December 2019: THB 30.15).
2) Net loss from financial derivatives of $6 million comprised of:
   - Realized loss from financial derivatives of $8 million derived from loss on fuel swap contracts of $2 million, realized loss from interest rate swap contracts of $2 million and foreign exchange rate forward contracts total of $6 million. Whereas, gain on coal swap contracts $2 and gain from cross currency swap contracts of $0.3 million
   - Unrealized gain on fair value of financial derivatives at the end of period of $2 million was mainly from foreign exchange rate forward contracts.
3) Management fee income and others of $31 million was from:
   - Interest income of $2 million.
   - Government subsidy of $2 million from residential steam.
   - Sales of ashes, slag and scraps from mines, power plants and others of $1 million
   - Interest income of prepaid income tax of subsidiaries in Indonesia that win the court case and receive such interest income of $23 million.
   - Other income of $3 million.

Corporate income tax

Corporate income tax of $60 million, increased by $13 million or 31% was mainly from:

1) A decrease of $11 million was from a decrease of operating profits compared to 1Q2019.
2) A decrease of withholding tax of $11 million caused by a decrease of dividend income during the period.
3) An increase of income tax of $20 million was from reversal of net deferred income tax asset that is a timing different of recognition period between tax and accounting basis on foreign exchange rate translation of financial statement.

4) An increase of income tax of $15 million was from a reversal entry of deferred tax assets of subsidiaries in Indonesia to align with business support plans from government during Covid-19 pandemic situation in Indonesia that announced to reduce corporate income tax rate from 25% to be 22 % in 2020 and 2021 and 20% in 2022.

4. Statements of Consolidated Financial Position

Statements of Consolidated Financial Position as of 31 March 2020 in comparison with the Statements of Consolidated Financial Position as of 31 December 2019.

Financial Position (Unit: Million USD)	31-Mar-20	31-Dec-19	Inc.(Dec.) Amount	%
		Restated		
Assets	7,799	8,069	(270)	-3%
Liabilities	5,467	5,434	33	1%
Equity	2,332	2,635	(303)	-11%

4.1 Total assets of $7,799 million, a decrease of $270 million compared to total assets as of 31 December 2019 with main details described as below:

Financial Position (Unit: Million USD)	Assets		Inc.(Dec.)	
	31-Mar-20	31-Dec-19	Amount	%
		Restated		
Cash and Cash equivalent	545	433	112	26%
Short-term investments	-	110	(110)	-100%
Financial assets measured at fair value through profit or loss	5	-	5	100%
Financial assets measured at fair value at amortised cost	95	-	95	100%
Trade accounts receivable and note receivables, net	199	246	(47)	-19%
Current portion of dividend receivables from related parties	7	-	7	100%
Other current assets	529	573	(44)	-8%
Total Current Assets	1,380	1,362	17	1%
Dividend receivables from related parties	18	21	(3)	-14%
Investments in an associate and joint ventures	1,510	1,485	25	2%
Other investments, net	-	144	(144)	-100%
Financial assets measured at fair value through other comprehensive income	152	-	152	100%
Property, plant and equipment, net	1,821	1,950	(129)	-7%
Deferred exploration/stripping costs, net	882	920	(38)	-4%
Mining property rights, net	1,201	1,318	(117)	-9%
Goodwill	359	398	(39)	-10%
Right of use assets	76	-	76	100%
Other non- current assets	399	471	(72)	-15%
Total Non-Current Assets	6,418	6,707	(289)	-4%
Total Assets	7,799	8,069	(270)	-3%

- Cash and cash equivalents of $545 million, an increase of $112 million (Refer to the explanation in no.5 Consolidated Statement of Cash Flows)
- Financial assets measured at fair value through profit or loss and financial assets measured at amortised cost of $5 million and $95 million, respectively. Those were fixed deposits with local bank and in China.
- Current portion and non-current portion of dividend receivable from related parties of $7 million and $18 million, respectively, increased by $4 million were dividend receivable from joint ventures who operates power business in Thailand and coal business in China. This was a net results of:
  1. A decrease from received dividend during the period of $10 million.
  2. An increase from additional declared dividend during the period of $16 million.
  3. A decrease from the effects of foreign exchange rate translation at the end of the period of $2 million.
- Investment in joint ventures and associates of $1,510 million, increased by $25 million or 2% was from:
  1. An increase from addition of investments in an associate company in Singapore of $85 million.
  2. An increase from recognition of profit sharing recognized by $47 million.
  3. A decrease from dividend received during the period of $16 million.
  4. A decrease from the effects of foreign exchange rate translation at end of period by $90 million.
  5. A decrease from the adoption of new Thai Financial Reporting Standard No.9 (TFRS 9) “Financial instruments” that was effective in 2020 resulted in accounting entry adjustment of $1 million.
- Financial assets measured at fair value through other comprehensive income (FVOCI) or other investment (as presented in statement of financial position of 2019) $152 million, increased by $8 million. This was due to additional investment in solar power plant in Japan under form of TK(Tokumai Kumiai) agreement of $5 million, including an increase from the impact of fair value adjustment of $12 million under new accounting standard no.9 (TFRS 9). Moreover, capital refund of $9 million from Goudou Kaisha Okei Photovoltaic Generation Plant (Aizu Wakamatsu Project) because the counter party was unable to follow conditions under the agreement.
- Property plant and equipment of $1,821 million, a decrease of $129 million derived from:
  1. An increase from additions of machine and equipment of coal business, natural gas business and power business total of $31 million.
  2. A decrease from depreciation charges for the period of $53 million.
  3. A decrease from the effects of foreign exchange rate translation at end of period and others of $95 million.

4. A decrease from reclassification to be right-of-use asset of $12 million according to new Thai Financial Reporting Standard No. 16 (TFRS 16) "Leases" that was effective in 2020.

- Right-of- use assets of $76 was recognized from applying TFRS 16 "Leases" that was effective in 2020.
- Other non-current assets of $399 million, decreased by $72 million. This was from a decrease of deferred income tax assets of $36 million, a decrease from financial derivatives of $11 million, while an increase from accrued subsidy income from solar power plants in China of $3 million. Moreover, a decrease was from a reclassification of land used right to be right of use assets of $10 million, a decrease from warrants excercised that was reclassified to be an investment of $9 million and others of$9 million.

4.2 Total liabilities of $5,467 million, increased by $33 million compared to total liabilities as of 31 December 2019 with movement details as described below:

Financial Position (Unit: Million USD)	**Liabilities**		**Inc.(Dec.)**	
	31-Mar-20	**31-Dec-19**	**Amount**	**%**
		Restated		
Short-term loans from financial institutions	688	455	233	51%
Trade accounts payable	61	60	1	2%
Current portion of long-term borrowings, net	300	363	(63)	-17%
Current portion of debenture, net	162	176	(14)	-8%
Accrued overburden and coal transportation costs	79	74	5	7%
Financial derivative liabilities due in one year	37	2	35	1750%
Other current liabilities	429	430	(1)	0%
Total current liabilities	1,756	1,560	196	13%
Long-term loans from other company	1,729	1,796	(67)	-4%
Debentures, net	1,533	1,644	(111)	-7%
Financial derivative liabilities, net	62	21	41	195%
Other liabilities	387	413	(26)	-6%
Total non-current liabilities	3,711	3,874	(163)	-4%
Total liabilities	5,467	5,434	33	1%

- Short-term loans from financial institutions of $688 million, increased by $233 million was additional loans of $327 million, repayment of $66 million, and the effects of foreign exchange rate translation at the end of period of $28 million.

- Current portions of long- term loans of $300 million, decreased by $63 million was due to a decrease from repayment of $92 million and the effects of foreign exchange rate translation at the end of period of $16 million, while an increase from reclassification from non-current portion of $45 million.

- Current portions of debenture of $162 million, decreased by $14 million from the effects of foreign exchange rate translation at the end of period.

- Accrued overburden and coal transportation expenses of $79 million, increased by $5 million or 48% was mainly from mining operations of subsidiaries in Indonesia.

- Long- term loans of $1,729 million, decreased by $68 million or 9% was a net results of:

  1. An increase from additional loan of $18 million
  2. A decrease from reclassification to current portion of $45 million
  3. A decrease from the effects of foreign exchange translation at the end of period of $41 million. Mainly was from AUD currency loan due to a depreciation of AUD currency against USD currency. Average exchange rate of AUD/USD as of 31 Mar 2020 was 0.6169 (31 Dec 2019: 0.6981).

  - Debenture of $1,533 million, decreased by $111 million or 7% from the effects of foreign exchange rate translation at the end of period.

- Current portion and non-current portion of derivative liabilities reported at $43 million and $57 million, respectively, total of $100 million. This was changes in fair value of financial derivatives at the end of period. These consisted of cross currency swap contracts of $26 million, interest rate swap contracts of $39 million, fuel swap contracts $28 and foreign exchange rate forward contracts of $7 million.

4.3 Shareholders ‘equity of $2,332 million, a decrease of $303 million was mainly due to;

Financial Position (Unit: Million USD)	**Equity**		**Inc.(Dec.)**	
	31-Mar-20	**31-Dec-19**	**Amount**	**%**
		Restated		
Equity attributable to owners of the parent	1,760	2,028	(268)	-13%
Non-controlling interests	572	607	(35)	-6%
Total equity	2,332	2,635	(303)	-11%

- An increase of $55 million from net profit of 1Q2020.
- A decrease of $19 million from non-controlling interests.
- A decrease of $312 million from the effects of foreign exchange rate translation of subsidiaries' financial statements and others.
- A decrease of $69 miilion from fair value reserves for financial assets (other investment) and cash flows hedge reserves.
- An increase of $42 million from impact of new Thai Financial Reporting Standard No. 9 "Financial instrument" that was effective in 2020.

4.4 Net debt-to-equity ratio as of 31 March 2020 reported at 1.19 times (31 December 1.23 times).

5. Statement of Consolidated Cash Flow

Statement of consolidated cash flows for the 1st quarter ended 31 March 2020 presented a decrease of net cash flow by $112 million (included the effect from unrealized loss on exchange rate translation of $332 million). The consolidated cash flows were divided into:

Statement of Cash Flows (Unit: Million USD)	**Amount**
Cash flows from operating activities	373
Cash flows from investing activities	(107)
Cash flows from finaning activities	178
Net decrease in cash and cash equivalents	**444**
Exchange gains on cash and cash equivalents	(332)
Cash and cash equivalents at the beginning of period	433
Cash and cash equivalents at end of period	**545**

5.1 Net cash inflow from operating activities of $373 million; with major operating items as follows;

- Collections from coal sales of $723 million
- Payments to contractors and suppliers of $302 million
- Interest payments of $39 million
- Payments of corporate income tax of $20 million
- Royalty fee payments of $43 million
- Others received of $54 million

5.2 Net cash outflow from investing activities of $107 million; with major items as follows;

- Payments for machines, equipment and project in progress of $27 million
- Payments for investment in electric vehicle (EV) development business and solar power business in Japan $90 million
- Payments for deferred charge of mine exploration, mine development and overburden of $9 million
- Receipts for short-term investment of $2 million
- Dividend receipts from joint ventures of $10 million
- Interest income and others of $7 million

5.3 Net cash inflow from financing activities of $178 million; comprised of

- Receipts from short term and long - term loans from financial institutions and others of $345 million
- Repayments of short term and long - term loans from financial institutions and others of $ 167 million

6. Coal Reserves

The quantity of sales and remaining of coal reserves for the 1st quarter ended 31 March 2020:

Source (Unit: Million Tons)	Quantity of Coal Sales and Reserves		
	Reserves as of 31-Dec-19	Sales 1Q2020	Reserves as of 31-Mar-20
1. Indonesia			
1.1 Jorong	10.25	0.45	9.80
1.2 Indominco	46.84	2.45	44.39
1.3 Kitadin	3.05	0.20	2.85
1.4 Trubaindo	43.89	1.33	42.56
1.5 Bharinto	149.34	0.90	148.44
1.6 NPR Project	77.40	0.00	77.40
2. Australia	299.09	3.09	296.00
3. China			
3.1 Gaohe	125.55	1.73	123.82
3.2 Hebi Zhongtai	15.64	0.27	15.37
Total	**771.05**	**10.43**	**760.62**

7. Natural Gas Reserves

The quantity of sales and remaining of natural gas reserves for the 1st quarter ended 31 March 2020:

Item (Unit: Million Cubic Feet)	Quantity of Natural Gas Sales and Reserves		
	Reserves as of 31-Dec-19	Sales 1Q2020	Reserves as of 31-Mar-20
Natural Gas	1,185,029	16,697	1,168,331
Total	**1,185,029**	**16,697**	**1,168,331**

8. Addition

In addition, the Company would like to inform that the Board of Directors' Meeting No. 2/2020 which was held on 20 February 2020, has the opinion that it is appropriate to propose the Annual General Meeting of Shareholders for the Year 2020 to approve the appointment of the 4 auditors from PricewaterhouseCoopers ABAS with the audit remuneration for the year 2020 at Baht 2,580,900, the name of the auditors are as follows:

1. Ms. Rodjanart Banyatananusard C.P.A. (Thailand) No. 8435 and/or
2. Ms. Amornrat Pearmpoonvatanasuk C.P.A. (Thailand) No. 4599 and/or
3. Mr. Pongthavee Ratanakoses C.P.A. (Thailand) No. 7795 and/or
4. Mr. Vichien Khingmontri C.P.A. (Thailand) No. 3977