

August 13, 2024

Subject: Clarification on the Operating Results in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results in the 2<sup>nd</sup> quarter 2024, having details as follows:

(1) Net profit of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 totaled Baht 481.95 million, which decreased from the same period last year by Baht 159.48 million, and net earnings per share was Baht 0.92 per share, which decreased from the same period last year by Baht 0.30 per share or 24.86 percent, due to the following reasons:

(1.1) Net profit from coal business derived from shareholding proportion of the Company in the 2<sup>nd</sup> quarter 2024 was Baht 451.27 million, which decreased from the same period last year by Baht 135.38 million or 23.08 percent. This was due to the decrease in average coal selling price from the same period last year of 12.43 percent, but the coal sales volume increased from the same period last year by 10.79 percent.

(1.2) Net profit from ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in the 2<sup>nd</sup> quarter 2024 was Baht 12.78 million, which increased from the same period last year by Baht 10.64 million or 497.20 percent. This was due to the increase in average ethanol selling price from the same period last year of 5.10 percent, but the ethanol sales volume decreased from the same period last year by 7.52 percent; and

(1.3) Share of income from the associated companies in the 2<sup>nd</sup> quarter 2024 totaled Baht 17.90 million, which decreased from the same period last year by Baht 34.74 million or 66.00 percent due to the decrease in profit of the associated companies.

(2) Net profit of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 1,065.94 million, which decreased from the same period last year by Baht 356.17 million, and net earnings per share was Baht 2.03 per share, which decreased from the same period last year by Baht 0.68 per share or 25.05 percent, due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company in the first 6-month period of 2024 was Baht 1,022.82 million, which decreased from the same period last year by Baht 278.13 million or 21.38 percent. This was due to the decrease in average coal selling price from the same period last year of 16.12 percent, but the coal sales volume increased from the same period last year by 9.10 percent.

(2.2) Net profit from ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in the first 6-month period of 2024 was Baht 10.54 million, which decreased from the same period last year by Baht 19.63 million or 65.06 percent. This was due to the decrease in ethanol sales volume from the same period last year of 14.20 percent and there was a net damage due to the fire incident on cassava chips, despite the increase in average ethanol selling price from the same period last year of 5.16 percent; and

(2.3) Share of income from the associated companies totaled Baht 32.58 million, which decreased from the same period last year by Baht 58.41 million or 64.19 percent due to the decrease in profit of the associated companies.

Details of the changes or impacts that occurred have been described in the Management Discussion and Analysis (MD&A).

Please be informed accordingly.

Yours faithfully,  
For and on behalf of  
Lanna Resources Public Company Limited

(Mrs. Petcharat Chayanon)  
Chief Officer – Accounting and Finance

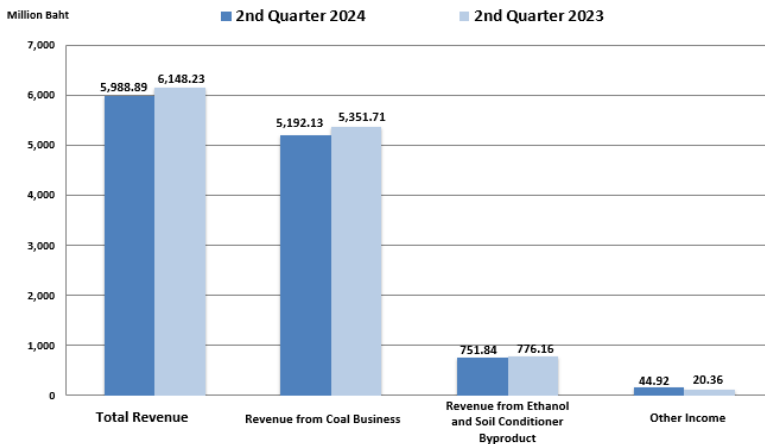
## MANAGEMENT DISCUSSION AND ANALYSIS

(For the Consolidated Financial Statements of the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024)

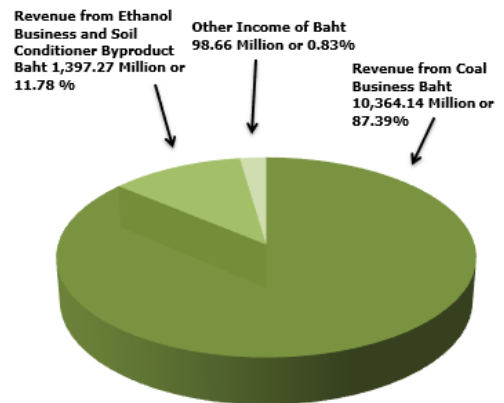
### OVERALL OPERATING RESULTS

The total revenue of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 was Baht 5,988.89 million, which decreased from the same period last year by Baht 159.34 million or 2.59 percent and the total revenue in the first 6-month period of 2024 was Baht 11,860.07 million, which decreased from the same period last year by Baht 1,109.11 million or 8.55 percent. The revenue proportion from coal business, ethanol business and other income accounted for 87.39 percent, 11.78 percent, and 0.83 percent, respectively.

Revenue Comparison of 2nd Quarter 2024 and 2nd Quarter 2023

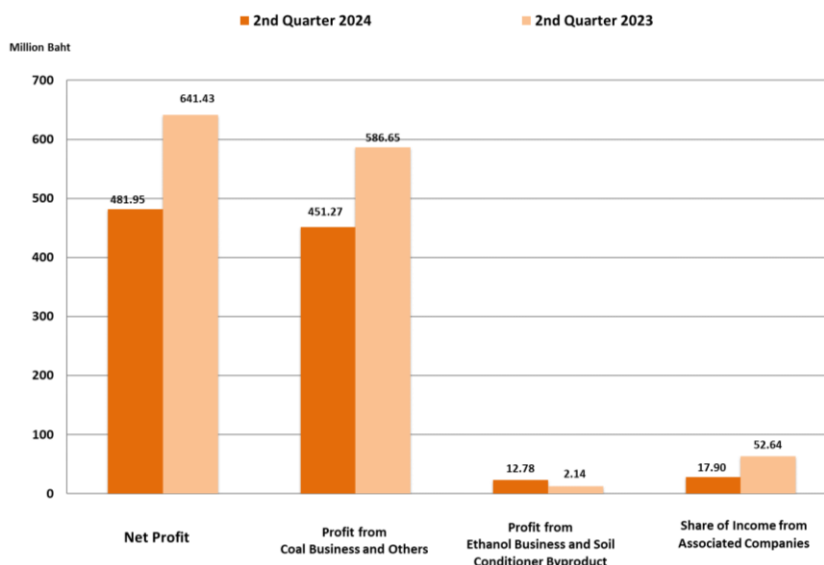


Revenue Proportion First 6-Month Period of 2024



The net profit of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 totaled Baht 481.95 million and Baht 1,065.94 million or Baht 0.92 and Baht 2.03 per share, which decreased from the same period last year by Baht 159.48 million and Baht 356.17 million or 24.86 percent and 25.05 percent, respectively. The net profit proportion from coal business, ethanol business and other income in the first 6-month period of 2024 accounted for 95.95 percent, 0.99 percent, and 3.06 percent, respectively, with the net profit margin of 14.52 percent, the EBITDA margin of 28.58 percent, and the return on equity of 12.63 percent.

Net Profit Comparison of 2nd Quarter 2024 and 2nd Quarter 2023



The overall financial position and liquidity of the Company and subsidiary companies as at June 30, 2024, were considered excellent. The current ratio was as high as 3.09 times and the quick ratio was as high as 2.16 times and the total debt to total assets ratio was only 26.91 percent, with debt-to-equity ratio of only 36.82 percent.

**Operating Results of the Coal Business or the Core Business:** The Company and subsidiary companies had total revenue from coal business in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 of Baht 5,192.13 million and Baht 10,364.14 million, which decreased from the same period last year by Baht 159.58 million and Baht 961.67 million or 2.98 percent and 8.49 percent. This was due to the decrease in average coal selling price in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 from the same period last year of 12.43 percent and 16.12 percent, but coal sales volume increased from the same period last year by 10.79 percent and 9.10 percent. The net profit derived from shareholding proportion of the Company in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 were Baht 451.27 million and Baht 1,022.82 million, which decreased from the same period last year by Baht 135.38 million and Baht 278.13 million or 23.08 percent and 21.38 percent, respectively. This was due to a decline in coal prices, a reduction in China's coal imports resulting from the economic slowdown, and a reduction in energy consumption due to the arrival of the summer season.

**Operating Results of the Ethanol-for-Fuel Business and Soil Conditioner Byproduct or the Secondary Core Business:** The Company and subsidiary company had total revenue from ethanol business and soil conditioner byproduct in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 of Baht 751.84 million and Baht 1,397.27 million, which decreased from from the same period last year by Baht 24.32 million and Baht 160.39 million or 3.13 percent and 10.30 percent, respectively. This was due to the decrease in ethanol sales volume in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 from the same period last year of 7.52 percent and 14.20 percent, respectively, despite the increase in average ethanol selling price in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 from the same period last year of 5.10 percent and 5.16 percent. The net profit derived from shareholding proportion of the Company in the first 6-month period of 2024 was Baht 10.54 million, which decreased from the same period last year by Baht 19.63 million or 65.06 percent. This was due to the decrease in ethanol sales volume and there was incurred damage of Baht 49.49 million due to a fire incident on cassava chips, the raw material for ethanol production, which is currently under insurance claiming process.

### Operating Results Analysis

Revenue (Unit: Million Baht)	2 <sup>nd</sup> Quarter (Apr.-Jun.)		Increase (Decrease) (%)	First 6-Month Period (Jan. – Jun.)		Increase (Decrease) (%)
	2024	2023		2024	2023	
Revenue from Coal Sales	5,192.13	5,351.71	(2.98)	10,364.14	11,325.81	(8.49)
Revenue from Ethanol Sales	751.84	776.16	(3.13)	1,397.27	1,557.66	(10.30)
Other Income	44.92	20.36	120.63	98.66	85.71	15.11
<b>Total Revenue</b>	<b>5,988.89</b>	<b>6,148.23</b>	<b>(2.59)</b>	<b>11,860.07</b>	<b>12,969.18</b>	<b>(8.55)</b>

### REVENUE

(1) Revenue of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 totaled Baht 5,988.89 million, which decreased from the same period last year by Baht 159.34 million or 2.59 percent due to the following reasons:

(1.1) Revenue from coal business, the core business, was Baht 5,192.13 million, which decreased from the same period last year by Baht 159.58 million or 2.98 percent. This was due to the decrease in average coal selling price as described above.

(1.2) Revenue from ethanol business and soil conditioner byproduct, the secondary core business, was Baht 751.84 million, which decreased from the same period last year by Baht 24.32 million or 3.13 percent. This was due to the decrease in ethanol sales volume as described above; and

(1.3) Other income totaled Baht 44.92 million, which increased from the same period last year by Baht 24.56 million or 120.63 percent. This was due to an income of Baht 12.81 million from the sale of the remains of cassava raw material that was damaged in a fire incident, and an income of Baht 6.30 million from the sale of cassava pulp.

(2) Revenue of the Company and subsidiary companies in the first 6-month period 2024 totaled Baht 11,860.07 million, which decreased from the same period last year by Baht 1,109.11 million or 8.55 percent due to the following reasons:

(2.1) Revenue from coal business, the core business, was Baht 10,364.14 million, which decreased from the same period last year by Baht 961.67 million or 8.49 percent. This was due to the decrease in average coal selling price as described above.

(2.2) Revenue from ethanol business and soil conditioner byproduct, the secondary core business, was Baht 1,397.27 million, which decreased from the same period last year by Baht 160.39 million or 10.30 percent. This was due to the decrease in ethanol sales volume as described above; and

(2.3) Other income totaled Baht 98.66 million, which increased from the same period last year by Baht 12.95 million or 15.11 percent. This was due to an income of Baht 24.49 million from the sale of the remains of cassava raw material that was damaged in a fire incident.

## EXPENSES

Expenses (Unit: Million Baht)	2 <sup>nd</sup> Quarter (Apr.- Jun.)		Increase (Decrease) (%)	First 6-Month Period (Jan. – Jun.)		Increase (Decrease) (%)
	2024	2023		2024	2023	
<b>Coal Business</b>						
Cost of sales	2,517.35	2,299.13	9.49	4,929.75	4,607.82	6.99
Selling and administrative expenses	1,555.04	1,547.47	0.49	2,929.46	3,300.28	(11.24)
Corporate income tax	430.40	571.66	(24.17)	945.07	1,322.05	(28.51)
<b>Ethanol Business</b>						
Cost of sales	661.50	707.89	(6.55)	1,234.90	1,390.28	(11.18)
Selling and administrative expenses	61.66	45.90	34.34	139.68	87.12	60.33
Corporate income tax	6.37	1.52	319.08	5.48	14.81	(63.00)

### COAL BUSINESS EXPENSES

(1) Coal business expenses of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 totaled Baht 4,502.79 million, which increased from the same period last year by Baht 84.53 million or 1.91 percent, due to the following reasons:

(1.1) Cost of coal sales increased from the same period last year by Baht 218.22 million or 9.49 percent, due to the increase in the coal sales volume of 10.79 percent, while the cost of coal sales per metric ton decreased by only 1.17 percent.

(1.2) Selling and administrative expenses increased from the same period last year by Baht 7.57 million or 0.49 percent due to an increase in foreign exchange losses; and

(1.3) Corporate income tax decreased from the same period last year by Baht 141.26 million or 24.71 percent due to the decrease in profit.

(2) Coal business expenses of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 8,804.28 million, which decreased from the same period last year by Baht 425.87 million or 4.61 percent, due to the following reasons:

(2.1) Cost of coal sales increased from the same period last year by Baht 321.93 million or 6.99 percent, due to the increase in the coal sales volume of 9.10 percent, while the cost of coal sales per metric ton decreased by only 1.94 percent.

(2.2) Selling and administrative expenses decreased from the same period last year by Baht 370.82 million or 11.24 percent due to the decrease in royalty fee payment to the government in accordance with the decrease in average coal selling price; and

(2.3) Corporate income tax decreased from the same period last year by Baht 376.98 million or 28.51 percent due to the decrease in profit.

### ETHANOL BUSINESS AND SOIL CONDITIONER BYPRODUCT EXPENSES

(1) Ethanol business and soil conditioner byproduct expenses of the Company and subsidiary company in the 2<sup>nd</sup> quarter 2024 totaled Baht 729.53 million, which decreased from the same period last year by Baht 25.78 million or 3.41 percent, due to the following reasons:

(1.1) Cost of sales decreased from the same period last year by Baht 46.39 million or 6.55 percent due to the decrease in ethanol sales volume of 7.52 percent, despite the increase in average cost of ethanol sales of 1.07 percent.

(1.2) Selling and administrative expenses increased from the same period last year by Baht 15.76 million or 34.34 percent due to the incurred damage resulting from a fire incident on cassava chips as described above; and

(1.3) Corporate income tax increased from the same period last year by Baht 4.85 million due to the increase in profit.

(2) Ethanol business and soil conditioner byproduct expenses of the Company and subsidiary company in the first 6-month period of 2024 totaled Baht 1,380.06 million, which decreased from the same period last year by Baht 112.15 million or 7.52 percent, due to the following reasons:

(2.1) Cost of sales decreased from the same period last year by Baht 155.38 million or 11.18 percent due to the decrease in ethanol sales volume of 14.20 percent, despite the increase in average cost of ethanol sales of 3.52 percent.

(2.2) Selling and administrative expenses increased from the same period last year by Baht 52.56 million or 60.33 percent due to the incurred damage resulting from the fire incident on cassava chips as described above; and

(2.3) Corporate income tax decreased from the same period last year by Baht 9.33 million due to the decrease in profit.

### FINANCIAL INCOME AND FINANCIAL EXPENSE

Description	Unit: Million Baht						Increase (Decrease) (%)	
	Year 2024			Year 2023				
	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total		
<b>2<sup>nd</sup> Quarter 2024</b>								
Financial income	30.70	0.06	30.76	15.34	1.19	16.53	14.23	86.09
Financial expense	4.99	16.97	21.96	4.62	18.39	23.01	(1.05)	(4.56)
<b>First 6-Month Period of 2024</b>								
Financial income	60.16	0.12	60.28	28.50	1.22	29.72	30.56	102.83
Financial expense	11.55	34.38	45.93	8.29	35.47	43.76	2.17	4.96

(1) The Company and subsidiary companies had financial income in the 2<sup>nd</sup> quarter 2024 and the first 6-month period of 2024 of Baht 30.76 million and Baht 60.28 million, which increased from the same period last year by Baht 14.23 million and Baht 30.56 million, accounted for 86.09 percent and 102.83 percent, respectively. This was due to an increase in interest received; and

(2) The Company and subsidiary companies had financial expenses in the 2<sup>nd</sup> quarter 2024 of Baht 21.96 million, which decreased from the same period last year by Baht 1.05 million or 4.56 percent, due to the decrease in loan. The financial expenses in the first 6-month period of 2024 were Baht 45.93 million, which increased from the same period last year by Baht 2.17 million or 4.96 percent, due to an increase in interest received.

Gross Profit	Coal Business		Ethanol Business and Soil Conditioner Byproduct		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>2<sup>nd</sup> Quarter 2024</b>						
Revenues from sales	5,192.13	100.00	751.87	100.00	5,943.97	100.00
<b>Less</b> Cost of sales	2,517.35	48.48	661.50	87.98	3,178.85	53.48
<b>Gross Profit</b>	<b>2,674.35</b>	<b>51.52</b>	<b>90.34</b>	<b>12.02</b>	<b>2,765.12</b>	<b>46.52</b>
<b>2<sup>nd</sup> Quarter 2023</b>						
Revenues from sales	5,351.71	100.00	776.16	100.00	6,127.87	100.00
<b>Less</b> Cost of sales	2,299.13	42.96	707.89	91.20	3,007.02	49.07
<b>Gross Profit</b>	<b>3,052.58</b>	<b>57.04</b>	<b>68.27</b>	<b>8.80</b>	<b>3,120.85</b>	<b>50.93</b>
<b>First 6-Month Period of 2024</b>						
Revenues from sales	10,364.14	100.00	1,397.27	100.00	11,761.41	100.00
<b>Less</b> Cost of sales	4,929.75	47.57	1,234.90	88.38	6,164.65	52.41
<b>Gross Profit</b>	<b>5,434.39</b>	<b>52.43</b>	<b>162.37</b>	<b>11.62</b>	<b>5,596.76</b>	<b>47.59</b>
<b>First 6-Month Period of 2023</b>						
Revenues from sales	11,325.81	100.00	1,557.66	100.00	12,883.47	100.00
<b>Less</b> Cost of sales	4,607.82	40.68	1,390.28	89.25	5,998.10	46.56
<b>Gross Profit</b>	<b>6,717.99</b>	<b>59.32</b>	<b>167.38</b>	<b>10.75</b>	<b>6,885.37</b>	<b>53.44</b>

## GROSS PROFIT

(1) Gross profit of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 totaled Baht 2,765.12 million or 46.52 percent of the sales revenue, which decreased from the 2<sup>nd</sup> quarter 2023 with the gross profit of Baht 3,120.85 million or 50.93 percent of the sales revenue, due to the following reasons:

(1.1) Gross profit from coal business in the 2<sup>nd</sup> quarter 2024 totaled Baht 2,674.78 million or 51.52 percent of the sales revenue, which decreased from the 2<sup>nd</sup> quarter 2023 with gross profit of Baht 3,052.58 million or 57.04 percent of the sales revenue. This was due to the decrease in average coal selling price of 12.43 percent, but the average cost of coal sales decreased by only 1.17 percent; and

(1.2) Gross profit from ethanol business and soil conditioner byproduct in the 2<sup>nd</sup> quarter 2024 totaled Baht 90.34 million or 12.02 percent of the sales revenue, which increased from the 2<sup>nd</sup> quarter 2023 with gross profit of Baht 68.27 million or 8.80 percent of the sales revenue. This was due to the increase in average ethanol selling price of 5.10 percent, but the average cost of ethanol sales increased by only 1.07 percent.

(2) Gross profit of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 5,596.76 million or 47.59 percent of the sales revenue, which decreased from the first 6-month period of 2023 with the gross profit of Baht 6,885.37 million or 53.44 percent of the sales revenue, due to the following reasons:

(2.1) Gross profit from coal business in the first 6-month period of 2024 totaled Baht 5,434.39 million or 52.43 percent of the sales revenue, which decreased from the first 6-month period of 2023 with gross profit of Baht 6,717.99 million or 59.32 percent of the sales revenue. This was due to the decrease in average coal selling price of 16.12 percent, but the average cost of coal sales decreased by only 1.94 percent; and

(2.2) Gross profit from ethanol business and soil conditioner byproduct in the first 6-month period of 2024 totaled Baht 162.37 million or 11.62 percent of the sales revenue, which decreased from the first 6-month period of 2023 with gross profit of Baht 167.38 million or 10.75 percent of the sales revenue. This was due to the increase in average ethanol selling price of 5.16 percent, but the average cost of ethanol sales increased by over 3.52 percent.

Net Profit	Unit	2 <sup>nd</sup> Quarter (Apr. – Jun.)		Increase (Decrease) (%)	First 6-Month Period (Jan. – Jun.)		Increase (Decrease) (%)
		2024	2023		2024	2023	
Profit from Coal Business	Million Baht	451.27	586.65	(23.08)	1,022.82	1,300.95	(21.38)
Profit (Loss) from Ethanol Business and Soil Conditioner Byproduct	Million Baht	12.78	2.14	497.20	10.54	30.17	(65.06)
Share of income from associated companies	Million Baht	17.90	52.64	(66.00)	32.58	90.99	(64.19)
<b>Net Profit</b>	Million Baht	<b>481.95</b>	<b>641.43</b>	<b>(24.86)</b>	<b>1,065.94</b>	<b>1,422.11</b>	<b>(25.05)</b>
<b>Net Earnings per Share (Baht per Share)</b>	Baht per Share	<b>0.92</b>	<b>1.22</b>	<b>(24.86)</b>	<b>2.03</b>	<b>2.71</b>	<b>(25.05)</b>
<b>Remark: Registered par value of Baht 1 per share</b>							

## NET PROFIT

(1) The net profit of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2024 totaled Baht 481.95 million, which decreased from the same period last year by Baht 159.48 million, and net earnings per share was Baht 0.92 per share, which decreased from the same period last year by Baht 0.30 per share or 24.86 percent, due to the following reasons:

(1.1) Net profit from coal business derived from shareholding proportion of the Company in the 2<sup>nd</sup> quarter 2024 was Baht 451.27 million, which decreased from the same period last year by Baht 135.38 million or 23.08 percent. This was due to the decrease in average coal selling price as described above.

(1.2) Net profit from ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in the 2<sup>nd</sup> quarter 2024 was Baht 12.78 million, which increased from the same period last year by Baht 10.64 million or 497.20 percent. This was due to the increase in the average ethanol selling price as described above; and

(1.3) Share of income from associated companies totaled Baht 17.90 million, which decreased from the same period last year by Baht 34.74 million or 66.00 percent due to the decrease in profit of the associated companies.

(2) The net profit of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 1,065.94 million, which decreased from the same period last year by Baht 356.17 million, and net earnings per share was Baht 2.03 per share, which decreased from the same period last year by Baht 0.68 per share or 25.05 percent, due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company in the first 6-month period of 2024 was Baht 1,022.82 million, which decreased from the same period last year by Baht 278.13 million or 21.38 percent. This was due to the decrease in average coal selling price as described above.

(2.2) Net profit from ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in the first 6-month period of 2024 was Baht 10.54 million, which decreased from the same period last year by Baht 19.63 million or 65.06 percent. This was due to the decrease in ethanol sales volume and the cost of damage from the fire incident as described above; and

(2.3) Share of income from associated companies totaled Baht 32.58 million, which decreased from the same period last year by Baht 58.41 million or 64.19 percent due to the decrease in profit of the associated companies.

## EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation and amortization) of the Company and subsidiary companies in the first 6-month period of 2024 was Baht 3,390.12 million, which decreased from the same period last year by Baht 1,101.83 million or 24.53 percent, and EBITDA margin was at 28.58 percent, which decreased from the same period last year by 17.28 percent.

(2) Net profit margin of the Company and subsidiary companies in the first 6-month period of 2024 was 14.52 percent, which decreased from the same period last year by 18.75 percent.

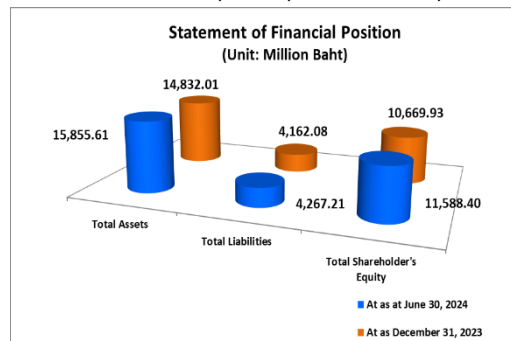
(3) Return on equity of the Company and subsidiary companies in the first 6-month period of 2024 was 12.63 percent, which decreased from the same period last year by 30.87 percent.

(4) Return on total assets and return on fixed assets of the Company and subsidiary companies in the first 6-month period of 2024 were 11.23 percent and 59.39 percent, which decreased from the same period last year by 26.16 percent and 21.08 percent, respectively.

## STATEMENTS OF FINANCIAL POSITION

Description	Unit	As at June 30, 2024	As at December 31, 2023	Increase (Decrease)	%
Total Assets	Million Baht	15,855.61	14,832.01	1,023.60	6.90
Total Liabilities	Million Baht	4,267.21	4,162.08	105.13	2.53
Total Shareholders' Equity	Million Baht	11,588.40	10,669.93	918.47	8.61
<b>Book Value</b>	<b>Baht per Share</b>	<b>16.71</b>	<b>15.44</b>	<b>1.27</b>	<b>8.23</b>
<b>Remark: Registered par value of Baht 1 per share</b>					

**ASSETS:** The total assets of the Company and subsidiary companies as at June 30, 2024, was Baht 15,855.61 million, which increased from the end of year 2023 by Baht 1,023.60 million or 6.90 percent, due to (1) current assets increased by Baht 1,115.65 million or 12.92 percent, consisting of: (A) cash and cash equivalent increased by Baht 1,165.68 million or 27.03 percent; (B) trade accounts receivable and other accounts receivable increased by Baht 328.56 million or 15.47 percent; (C) inventories decreased by Baht 102.66 million or 18.01 percent; and (D) other current assets most of which were corporate income tax, advance payment for goods, etc., decreased by Baht 275.93 million or 16.97 percent; and (2) non-current assets decreased by Baht 92.05 million or 1.48 percent.



**LIABILITIES:** The total liabilities of the Company and subsidiary companies as at June 30, 2024, was Baht 4,267.21 million, which increased from the end of year 2023 by Baht 105.13 million or 2.53 percent, due to (1) trade accounts payable and other accounts payable increased by Baht 240.93 million or 41.71 percent (2) accrued expenses, most of which were overburden removal expenses and freight cost, etc., increased by Baht 286.63 million or 30.99 percent (3) other liabilities, most of which were deferred tax, provision for mine rehabilitation of the subsidiary companies, and allowance for long-term benefits of employees, etc., decreased by Baht 5.99 million or 0.66 percent; and (4) short-term loan and long-term loan of the subsidiary companies decreased by Baht 416.44 million or 23.81 percent.

**TOTAL SHAREHOLDERS' EQUITY:** The total shareholders' equity of the Company and subsidiary companies as at June 30, 2024, was Baht 11,588.40 million, which increased from the end of year 2023 by Baht 918.47 million or 8.61 percent, resulting in an increase of the share's book value from Baht 15.44 per share to Baht 16.71 per share, an increase of Baht 1.27 per share or 8.23 percent. This was due to (1) an increase in retained earnings from net profit in the 2<sup>nd</sup> quarter 2024 of Baht 435.94 million or 6.47 percent, resulting from an increase in a net profit of Baht 1,065.94 million, but the dividend payment was only Baht 630 million (2) an increase in translation adjustment in financial of Baht 228.94 million or 142.52 percent; and (3) an increase in minority shareholders' equity of Baht 253.59 million or 9.89 percent.



## CASH FLOWS

Description	Unit: Million Baht	
	First 6-month Period of 2024	First 6-month Period of 2023
Cash Flows from (used in) Operating Activities	2,965.20	2,275.80
Cash Flows from (used in) Investing Activities	(626.58)	(786.55)
Cash Flows from (used in) Financing Activities	(1,500.15)	(1,718.80)
Increase (Decrease) in Translation Adjustments in Financial Statements	(11.33)	100.94
Net Increase (Decrease) in Cash	827.14	(128.61)
Cash at the beginning of the period	1,701.75	3,028.67
<b>Cash at the end of the period</b>	<b>2,528.89</b>	<b>2,900.06</b>

(1) The net cash from operating activities of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 2,965.20 million, consisting of (A) income before corporate income tax and interest expense of Baht 2,673.22 million (B) transactions that did not affect the cash such as depreciation and amortization of assets, most of which were transactions concerning coal mining operations of the subsidiary companies in Indonesia of Baht 718.27 million (C) a decrease in operating assets of Baht 73.54 million (D) an increase in operating liabilities of Baht 594.04 million (E) interest received of Baht 57.32 million; and (F) interest expenses and income tax of Baht 1,106.19 million.

(2) The net cash used in investing activities of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 626.58 million, consisting of (A) an increase in properties, buildings and equipment, most of which were the construction cost and the expansion of the port and jetty of the subsidiary company in Indonesia, of Baht 133.47 million (B) an increase in expenses of coal mine projects of the subsidiary companies in Indonesia of Baht 302.68 million (C) an increase in short-term capital investment and other items of Baht 226.08 million (D) a decrease in loans to related parties of Baht 24.33 million; and (E) dividend received from the associated companies of Baht 11.32 million.

(3) The net cash used in financing activities of the Company and subsidiary companies in the first 6-month period of 2024 totaled Baht 1,500.15 million, consisting of (A) a decrease in loans of Baht 467.02 million (B) dividend payment of Baht 1,177.42 million; and (C) an increase in minority shareholders' equity of Baht 144.29 million.

### ASSET MANAGEMENT CAPABILITY

(1) The trade accounts receivable and other accounts receivable of the Company and subsidiary companies as at June 30, 2024, were 8.02 percent of total assets.

(2) Inventory of the Company and subsidiary companies as at June 30, 2024, was 23.30 percent of total assets.

(3) The Company's goodwill incurred from investment in the subsidiary company as at June 30, 2024, accounted for 6.46 percent of total assets.

### LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The current ratio and the quick ratio of the Company and subsidiary companies as at June 30, 2024, were as high as 3.09 times and 2.16 times, respectively. In addition, the Company and subsidiary companies have sufficient credit facilities for future working capital.

(2) The total debt-to-equity ratio of the Company and subsidiary companies as at June 30, 2024, was as low as 0.37:1 with appropriate capital structure. The Company has cash generation and credit facilities sufficient for future investment projects.

(3) The cash cycle of the Company and subsidiary companies in the first 6-month period of 2024 was at 34 days, an increase from the same period last year of 2 days. The average debt collection period was at 34 days, an increase from the same period last year of 6 days. The average inventory turnover was at 15 days, a decrease from the same period last year of 9 days, but the average debt repayment period was at 15 days, a decrease from the same period last year of 5 days.

### DEBT OBLIGATION

The subsidiary company in a business of ethanol production and distribution for fuel purpose has obligation according to the terms and conditions of the loan agreement with a local commercial bank, which is the lender as follows:

(1) The subsidiary company must maintain its D/E ratio (Debt to Equity Ratio) not exceeding 2.5 times and DSCR (Debt Service Coverage Ratio) of no less than 1.1 times until the expiration of the loan agreement. As at June 30, 2024, the subsidiary company is able to maintain the D/E ratio and DSCR as required by the contractual obligation of the loan without any default.

(2) The lending bank has stipulated that the Company must maintain its shareholding proportion in the subsidiary company of no less than 50 percent of the total number of shares during the whole duration of the loan agreement. Accordingly, the Company has no plan to sell or decrease its shareholding proportion in the subsidiary company to below 50 percent of the total number of shares.

(3) The lending bank has stipulated that the subsidiary company cannot pay dividend to its shareholders, including the Company, if the subsidiary company cannot comply with the conditions as stipulated within the loan agreement, such as the maintenance of D/E ratio (Debt to Equity Ratio), DSCR (Debt Service Coverage Ratio), and shareholding proportion of the Company in the abovementioned subsidiary company, etc. Accordingly, the subsidiary company has never breached the conditions of loan agreements and has been provided with good financial support from lending banks.

#### **FUTURE TREND**

**Coal Business:** Coal prices in the 3<sup>rd</sup> quarter 2024 and the second half of 2024 are anticipated to decline with the transition from winter to summer and rainy season. However, factors such as a natural disaster causing a reduction in hydroelectric power generation could support an increase in coal prices in short term. Additionally, several countries are shifting towards renewable energy sources for electricity generation instead of coal, and the global economic slowdown, particularly in China, have led to a reduction in coal demand. In this regard, the Company and subsidiary companies have given importance to the Environmental, Social, and Governance (“ESG”), and continuously aim for sustainable development on renewable energy to mitigate environmental impacts and greenhouse gas emissions, ensuring sustainable growth of the Company and subsidiary companies in long term. It is expected that coal business will remain profitable and continue to generate satisfactory operating results in 2024.

**Ethanol Business:** The ethanol demand in the second half of 2024 is anticipated to increase as the government considers liberalizing ethanol sale for purposes other than fuel production, thereby expanding distribution channels for ethanol.

**Overall Business:** The global economic outlook for 2024 is anticipated to decline due to ongoing slowdown in the Chinese economy. Nevertheless, the overall operating results of the Company and subsidiary companies in year 2024 are expected to remain profitable with satisfactory performance.

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