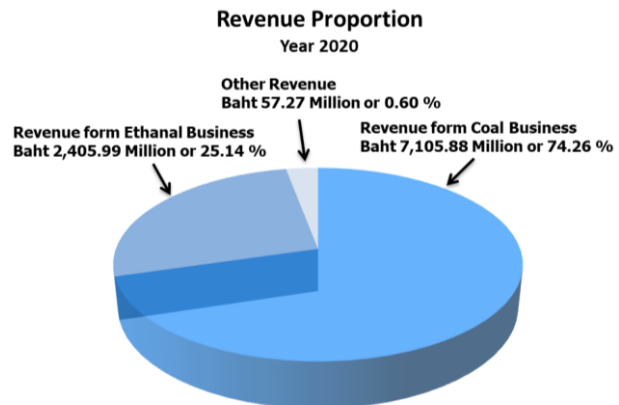
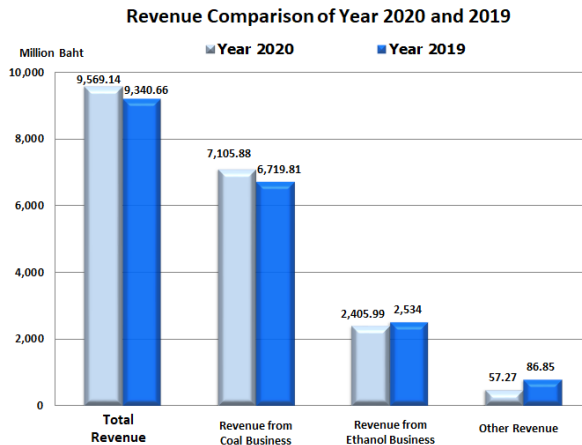


MANAGEMENT DISCUSSION AND ANALYSIS

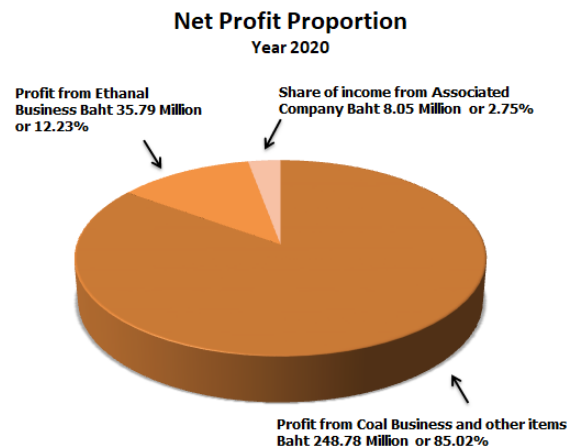
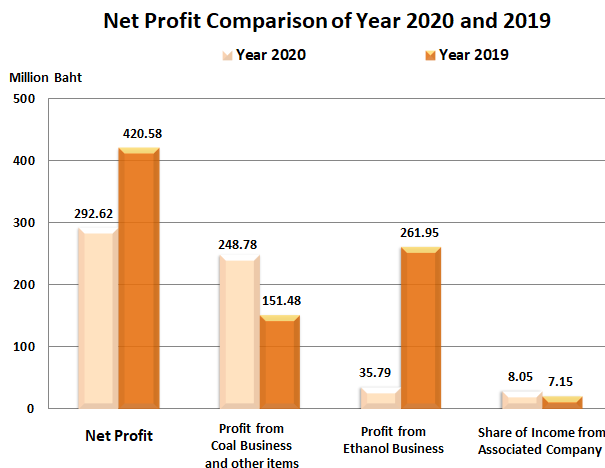
(For the Consolidated Financial Statements of year 2020)

OVERALL OPERATING RESULTS

Due to the coronavirus disease 2019 ("COVID-19") pandemic situation causing the reduction of energy demand, the total revenue of the Company and subsidiary companies in year 2020 was Baht 9,569.14 million, which increased from the previous year by Baht 228.48 million or 2.45 percent. The revenue proportion from coal business, ethanol business and other revenue accounted for 74.26, 25.14 and 0.60 percent, respectively.



The Company and subsidiary companies had total net profit in year 2020 of Baht 292.62 million or 0.56 per share, which decreased from the previous year by Baht 127.96 million or 0.24 per share, accounted for 30.42 percent. The net profit proportion from coal business, ethanol business, and share of income from associated company accounted for 85.02, 12.23 and 2.75 percent, respectively, with the net profit margin of 4.30 percent, the EBITDA margin of 15.11 percent, and the return on equity of 6.67 percent.



The overall financial position and liquidity of the Company and subsidiary companies as at the end of year 2020 were considered in good standing. The current ratio was as high as 1.74 times and the quick ratio was at 1.07 times and the total debt to total assets ratio was at the low level of only 34.86 percent with debt to equity ratio of only 53.51 percent.

Operating Results of the Coal Business or the Core Business: The Company and subsidiary companies had total revenue from coal business in year 2020 of Baht 7,105.88 million, which increased from the previous year by Baht 386.07 million or 5.75 percent, due to the increase in coal sales volume from the previous year of 11.27 percent but the average coal selling price decreased from the previous year by 4.99 percent. The net profit derived from shareholding proportion of the Company was Baht 248.78 million, which increased from the previous year by Baht 97.30 million or 64.23 percent.

Operating Results of the Ethanol-for-Fuel Business or the Secondary Core Business: The Company and subsidiary company had total revenue in the year 2020 of Baht 2,405.99 million, which decreased from the previous year by Baht 128.01 million or 5.05 percent, due to the decrease in ethanol sales volume from the previous year of 10.80 percent but the average ethanol selling price increased from the previous year by 6.42 percent. The net profit derived from shareholding proportion of the Company was Baht 35.79 million, which decreased from the previous year by Baht 226.16 million, or 86.34 percent.

Operating Results Analysis

| Revenue | Year 2020 | | Year 2019 | | Increase (Decrease) | |
|----------------------------|-----------------|---------------|-----------------|---------------|---------------------|-------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Revenue from Coal Sales | 7,105.88 | 74.26 | 6,719.81 | 71.94 | 386.07 | 5.75 |
| Revenue from Ethanol Sales | 2,405.99 | 25.14 | 2,534.00 | 27.13 | (128.01) | (5.05) |
| Other Revenue | 57.27 | 0.60 | 86.85 | 0.93 | (29.58) | (34.06) |
| Total Revenue | 9,569.14 | 100.00 | 9,340.66 | 100.00 | 228.48 | 2.45 |

REVENUE:

Revenue of the Company and subsidiary companies in year 2020 totaled Baht 9,569.14 million, which increased from the previous year by Baht 228.48 million or 2.45 percent due to the following reasons:

(1) Revenue from coal business, which is the core business, was Baht 7,105.88 million, which increased from the previous year by Baht 386.07 million or 5.75 percent. This was due to the increase in coal sales volume from the previous year of 11.27 percent but the average coal selling price decreased from the previous year by 4.99 percent.

(2) Revenue from ethanol business, which is the secondary core business, was Baht 2,405.99 million, which decreased from the previous year by Baht 128.01 million or 5.05 percent. This was due to the decrease in ethanol sales volume from the previous year of 10.80 percent but the average ethanol selling price increased from the previous year by 6.42 percent.

(3) Other revenue totaled Baht 57.27 million, which decreased from the previous year by Baht 29.58 million or 34.06 percent. This was due to the subsidiary company having received insurance compensation of Baht 40 million in year 2019 for damage from flooding incident.

| Expenses | Year 2020 | | Year 2019 | | Increase (Decrease) | |
|-------------------------------------|--------------|---------|--------------|---------|---------------------|---------|
| | Million Baht | % Sales | Million Baht | % Sales | Million Baht | % Sales |
| Coal Business | | | | | | |
| Cost of Sales | 4,433.71 | 62.39 | 4,163.84 | 61.96 | 269.87 | 6.48 |
| Selling and Administrative Expenses | 2,218.43 | 31.22 | 2,135.67 | 31.78 | 82.76 | 3.88 |
| Financial Expense | 4.52 | 0.06 | 16.70 | 0.25 | (12.18) | (72.93) |
| Corporate Income Tax | 170.54 | 2.40 | 176.85 | 2.63 | (6.31) | (3.57) |
| Ethanol Business | | | | | | |
| Cost of Sales | 2,206.71 | 91.72 | 1,924.47 | 75.95 | 282.24 | 14.67 |
| Selling and Administrative Expenses | 85.64 | 3.56 | 86.22 | 3.40 | (0.58) | (0.67) |
| Financial Expense | 40.01 | 1.66 | 36.79 | 1.45 | 3.22 | 8.75 |
| Corporate Income Tax | 6.07 | 0.25 | 16.12 | 0.64 | (10.05) | (62.34) |

COAL BUSINESS EXPENSES

Coal business expenses of the Company and subsidiary companies in year 2020 totaled Baht 6,827.20 million, which increased from the previous year by Baht 334.14 million or 5.15 percent, due to the following reasons:

(1) Cost of coal sales increased from the previous year by Baht 269.87 million or 6.48 percent, due to the increase in coal sales volume of 11.27 percent.

(2) Selling and administrative expenses increased from the previous year by Baht 82.76 million or 3.88 percent in line with the increase in coal sales volume as described above.

(3) Financial expense decreased from the previous year by Baht 12.18 million or 72.93 percent due to the decrease in interest expense; and

(4) Corporate income tax decreased from the previous year by Baht 6.31 million or 3.57 percent due to the decrease in withholding tax on dividends received from subsidiary companies.

ETHANOL BUSINESS EXPENSES

Ethanol business expenses of the subsidiary company in year 2020 totaled Baht 2,338.43 million, which increased from the previous year by Baht 274.83 million or 13.32 percent, due to the following reasons:

(1) Cost of ethanol sales increased from the previous year by Baht 282.24 million or 14.67 percent due to 27.77 percent increase in the molasses price, which is the raw material and a major cost of ethanol production.

(2) Selling and administrative expenses decreased from the previous year by Baht 0.58 million or 0.67 percent.

(3) Financial expense increased from the previous year by Baht 3.22 million or 8.75 percent due to the increase in interest expenses; and

(4) The corporate income tax decreased from the previous year by Baht 10.05 million or 62.34 percent due to the decreased in profit.

| Gross Profit | Coal Business | | Ethanol Business | | Total | |
|---------------------|-----------------|--------------|------------------|--------------|-----------------|--------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Year 2020 | | | | | | |
| Revenues from sales | 7,105.88 | 100.00 | 2,405.99 | 100.00 | 9,511.87 | 100.00 |
| Less Cost of sales | 4,433.71 | 62.39 | 2,206.71 | 91.72 | 6,640.42 | 69.81 |
| Gross Profit | 2,672.17 | 37.61 | 199.28 | 8.28 | 2,871.45 | 30.19 |
| Year 2019 | | | | | | |
| Revenues from sales | 6,719.81 | 100.00 | 2,534.00 | 100.00 | 9,253.81 | 100.00 |
| Less Cost of sales | 4,163.84 | 61.96 | 1,924.47 | 75.95 | 6,088.31 | 65.79 |
| Gross Profit | 2,555.97 | 38.04 | 609.53 | 24.05 | 3,165.50 | 34.21 |

GROSS PROFIT

Gross profit of the Company and subsidiary companies in year 2020 totaled Baht 2,871.45 million or 30.19 percent of the sales revenue, which decreased from the previous year with the gross profit of Baht 3,165.50 million or 34.21 percent of the sales revenue, due to the following reasons:

(1) Gross profit from coal business was 37.61 percent of the sales revenue, which slightly decreased from the previous year with gross profit of 38.04 percent of the sales revenue. This was due to the decrease in average coal selling price of 4.99 percent.

(2) Gross profit from ethanol business was 8.28 percent of the sales revenue, which decreased from the previous year with gross profit of 24.05 percent of the sales revenue. This was due to the average ethanol selling price slightly increased by 6.42 percent but the average cost of ethanol sales increased by 28.51 percent due to the increase in molasses price, which is the raw material and a major cost of ethanol production as described above.

| Net Profit | Year 2020 | | Year 2019 | | Increase (Decrease) | |
|---|---------------|---------------|---------------|---------------|---------------------|----------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Profit (Loss) from Coal Business and Wood Pallet Business | 248.78 | 85.02 | 151.48 | 36.02 | 97.30 | 64.23 |
| Profit form Ethanol Business | 35.79 | 12.23 | 261.95 | 62.28 | (226.16) | (86.34) |
| Share of Income from Associated Company | 8.05 | 2.75 | 7.15 | 1.70 | 0.90 | 12.59 |
| Net Profit | 292.62 | 100.00 | 420.58 | 100.00 | (127.96) | (30.42) |
| Net Earnings per share (Baht per share) | 0.56 | | 0.80 | | (0.24) | (30.42) |
| Remarks: Registered par value of Baht 1 per share | | | | | | |

NET PROFIT

The net profit of the Company and subsidiary companies in year 2020 totaled Baht 292.62 million, which decreased from the previous year by Baht 127.96 million and net earnings per share was Baht 0.56 per share, which decreased from the previous year by Baht 0.24 per share or 30.42 percent due to the following reasons:

(1) Net profit from coal business and wood pellet business derived from shareholding proportion of the Company was Baht 248.78 million, which increased from the previous year by Baht 97.30 million or 64.23 percent. This was due to the increase in coal sales volume of 11.27 percent.

(2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 35.79 million, which decreased from the previous year by Baht 226.16 million or 86.34 percent due to the increase in molasses price, which is the raw material and a major cost of ethanol production, as well as having received insurance compensation of Baht 40 million in year 2019 for damage from flooding incident.

(3) Share of income from associated company was Baht 8.05 million, which slightly increased from the previous year by Baht 0.90 million or 12.59 percent.

EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation and amortization) of the Company and subsidiary companies in year 2020 was Baht 1,445.95 million, which decreased from the previous year by Baht 314.19 million or 17.85 percent and EBITDA margin was at 15.11 percent, which decreased from the previous year by 19.67 percent.

(2) Net profit margin of the Company and subsidiary companies in year 2020 was at 4.30 percent, which decreased from the previous year by 49.13 percent.

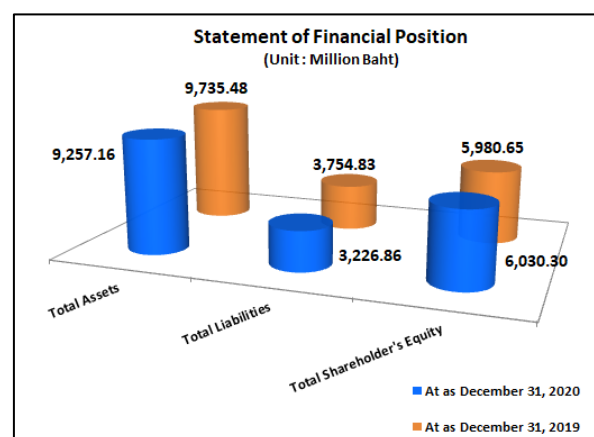
(3) Return on equity of the Company and subsidiary companies in year 2020 was at 6.67 percent, which decreased from the previous year by 30.75 percent.

(4) Return on total assets of the Company and subsidiary companies in year 2020 was at 4.33 percent, which decreased from the previous year by 46.92 percent. The return on fixed assets in year 2020 was at 28.04 percent, which decreased from the previous year by 19.71 percent.

STATEMENTS OF FINANCIAL POSITION

| Description | Unit: Million Baht | | Increase (Decrease) | |
|---|-------------------------|-------------------------|---------------------|-------------|
| | As at December 31, 2020 | As at December 31, 2019 | Million Baht | % |
| Total Assets | 9,257.16 | 9,735.48 | (478.32) | (4.91) |
| Total Liabilities | 3,226.86 | 3,754.83 | (527.97) | (14.06) |
| Total Shareholders' Equity | 6,030.30 | 5,980.65 | 49.65 | 0.83 |
| Book Value-Baht per Share | 8.39 | 8.31 | 0.08 | 0.96 |
| Remark: Registered par value of Baht 1 per share | | | | |

ASSETS: The total assets of the Company and subsidiary companies as at the end of year 2020 was Baht 9,257.16 million, which decreased from the end of year 2019 by Baht 478.32 million or 4.91 percent, due to (1) current assets decreased by Baht 550.62 million or 12.89 percent, consisting of: (A) cash and cash equivalent increased by Baht 294.57 million or 27.04 percent; (B) trade accounts receivable and other accounts receivable increased by Baht 229.68 million or 32.53 percent; (C) inventories decreased by Baht 427.03 million or 58.55 percent; and (D) other current assets most of which were prepaid corporate income tax, advance payment for goods, etc., decreased by Baht 647.84 million or 37.05 percent; and (2) non-current assets increased by Baht 72.30 million or 1.32 percent.



LIABILITIES: The total liabilities of the Company and subsidiary companies as at the end of year 2020 was Baht 3,226.86 million, which decreased from the end of year 2019 by Baht 527.97 million or 14.06 percent, due to (1) trade accounts payable and other accounts payable decreased by Baht 37.91 million or 7.30 percent (2) short-term loan and long-term loan of the subsidiary companies decreased by Baht 699.44 million or 29.63 percent (3) accrued expenses, most of which were overburden removal expenses and freight cost, etc., increased by Baht 84.95 million or 23.48 percent; and (4) other liabilities, most of which were the lease agreement on coal loading jetty acquisition and provision for mine rehabilitation of the subsidiary companies and allowance for long-term benefits of employees, etc., increased by Baht 124.43 million or 24.24 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company and subsidiary companies as at the end of year 2020 was Baht 6,030.30 million, which increased from the end of year 2019 by Baht 49.65 million or 0.83 percent, resulting in an increase of the share's book value from Baht 8.31 per share to Baht 8.39 per share, an increase of Baht 0.08 per share or 0.96 percent. This was due to (1) an increase in retained earnings of Baht 51.92 million or 1.62 percent due to the net profit of Baht 292.62 million in year 2020, but there was a dividend payment of Baht 236.25 million and miscellaneous items of Baht 4.45 million (2) a decrease in translation adjustment in financial of Baht 11.09 million or 20.57 percent; and (3) an increase in minority shareholders' equity of Baht 8.82 million or 0.55 percent.

CASH FLOWS

| Description | Unit: Million Baht | |
|--|--------------------|---------------|
| | Year 2020 | Year 2019 |
| Cash Flows from (used in) Operating Activities | 2,217.74 | 1,122.32 |
| Cash Flows from (used in) Investing Activities | (686.33) | (935.18) |
| Cash Flows from (used in) Financing Activities | (1,173.64) | (346.95) |
| Increase (Decrease) in Translation Adjustments in Financial Statements | (2.69) | 32.07 |
| Net Increase (Decrease) in Cash | 355.08 | (127.74) |
| Cash at the beginning of the period | 477.62 | 605.36 |
| Cash at the end of the period | 832.70 | 477.62 |

(1) The net cash from operating activities of the Company and subsidiary companies in year 2020 totaled Baht 2,217.74 million, consisting of (A) income before corporate income tax and interest expense of Baht 588.18 million; (B) transactions that did not affect the cash such as depreciation and amortization of assets, most of which were mostly transactions concerning coal mining operations of the subsidiary companies in Indonesia of Baht 930.38 million; (C) a decrease in operating assets of Baht 846.26 million; (D) a decrease in operating liabilities of Baht 8.47 million; (E) an increase in interest received of Baht 13.90 million; and (F) an increase in interest expense and taxes of Baht 152.51 million.

(2) The net cash used in investing activities of the Company and subsidiary companies in year of 2020 totaled Baht 686.33 million, consisting of (A) properties, buildings and equipment, most of which were wood pellet production plant of the subsidiary company increased by Baht 255.49 million (B) an increase in expenses of coal mine projects of subsidiary companies in Indonesia of Baht 388.13 million; (C) investment in subsidiary companies' ordinary shares increased by Baht 74.71 million; (D) dividend income of Baht 6.87 million; and (D) short-term capital investment and other items decreased by Baht 25.13 million.

(3) The net cash used in financing activities of the Company and subsidiary companies in year 2020 totaled Baht 1,173.64 million, consisting of (A) a decrease in loan of Baht 829.63 million (B) dividend payment of Baht 336.71 million; and (C) a decrease in minority shareholders' equity of Baht 7.30 million.

ASSET MANAGEMENT CAPABILITY

(1) The trade accounts receivable and other accounts receivable of the Company and subsidiary companies as at the end of year 2020 were 10.11 percent of total assets. The provisions of doubtful debts are considered based on review of receivable period and assessment of past debt collection experience. Accordingly, there was no provision of doubtful debt in year 2020.

(2) Inventory of the Company and subsidiary companies as at the end of year 2020 was 3.27 percent of total assets without deterioration or impairment of the products. Therefore, there was no allowance for impairment loss of inventory in year 2020.

(3) The Company's goodwill incurred from investment in the subsidiary company as at the end of year 2020 was accounted for 2.54 percent of total assets, by which the Company considered financial projection and impact in various aspects and found that it was not yet necessary for provision of goodwill impairment from investment in year 2020.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The total debt-to-equity ratio of the Company and subsidiary companies as at the end of year 2020 was as low as 0.54:1 with appropriate capital structure. The Company has cash generation and credit facilities sufficient for future investment projects.

(2) The current ratio of the Company and subsidiary companies as at the end of year 2020 was as high as 1.74 times despite the quick ratio was only 1.07 times but there was no liquidity problem. The Company and subsidiary companies have credit facilities sufficient for future investment projects.

(3) The cash cycle of the Company and subsidiary companies in year 2020 was 35 days, which decrease from the previous year by 3 days. The average debt collection period was at 30 days, which decreased from the previous year by 4 days. The average inventory turnover was at 28 days, which decreased from the previous year by 4 days but the average debt repayment period was at 23 days, which decreased from the previous year by 5 days.

DEBT OBLIGATION

(1) 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:

(1.1) 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. The abovementioned subsidiary company is able to maintain the D/E ratio and DSCR as required by the contractual obligation of the loan without any default.

(1.2) 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.

(1.3) 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, DSCR, 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.

(2) The subsidiary company in a business of wood pellet production and distribution has obligation according to the terms and conditions of the loan agreement with a local commercial bank, which is the lender as follows:

(2.1) The subsidiary company must maintain its DSCR (Debt Service Coverage Ratio) not exceeding 1.1 times and IBDE (Interest Bearing Debt to EBITDA) not exceeding 1.5 times. The abovementioned subsidiary company was unable to maintain the DSCR ratio and IBDE as required by the contractual obligation of the loan. Nevertheless, on December 30, 2020, the lending bank has already issued a letter of consent and made exception regarding the conditions on the maintenance of such ratios.

(2.2) The Company must maintain its shareholding proportion in the abovementioned subsidiary company of no less than 80 percent of the total number of registered capital.

FUTURE TREND

Coal Business: The operating results in year 2021 are expected to improve as global coal prices began to rise. Nevertheless, the COVID-19 pandemic situation has to be closely monitored. Although the situation in China has improved, but in India, which is another main customer, continues to have a severe outbreak of COVID-19. In this regard, the Company and subsidiary companies will endeavor to manage and resolve problems with prudence in order to reduce costs and various expenses as much as possible in order to maintain good operating results.

Ethanol Business: The molasses price outlook in year 2021 is expected to increase as the molasses is a by-product of sugarcane production, which has been reduced due to drought, and molasses is the main raw material for the ethanol production. Nevertheless, the subsidiary company has made strategic adjustment by procuring other raw materials to substitute the molasses. It is expected that the crude oil price in the global market in 2021 will increase as the COVID-19 pandemic situation tends to improve and the economy is expected to recover, the ethanol selling price in 2021 is therefore likely to increase.

Overall Business: The COVID-19 pandemic situation is expected to have significant impact on the global economy including Thailand, affecting the performance of the Company and subsidiary companies in year 2021. Nevertheless, the overall operating results of the Company and subsidiary companies in year 2021 are expected to continue to be profitable and enable the Company to proceed with regular dividend payments to shareholders according to the established policy.