



No. SorNorBor.2021/0094

22 December 2021

Subject : Management Explanation and Analysis of the Interrim Financial Statement for the six-month period ended 30 June 2020

To : President
The Stock Exchange of Thailand

Inter Far East Energy Corporation Public Company Limited (the "Company") would like to submit the Management Discussion and Analysis of the Interrim Financial Statement for the six-month period ended 30 June 2020 as follow

Summary of the Management's Opinions on Financial Statements

The Consolidated Financial Statements of the Company for the six-month period ended 30 June 2020 is a financial statement in which the auditor had provided a conditional conclusion on the interim financial statements in accordance with the following matters :

1. The interim financial statements, as of 30 June 2020, the lands, buildings and equipment of “Dhara Dhevi Hotel business” were evaluated for potential impairment. The evaluation was based on the Group’s assumptions and estimates for the potential impairment and the result of this analysis did not indicate any impairment in the carrying value of these assets as of 30 June 2020. However, during the year 2017 until present, Dhara Dhevi Hotel has been temporarily closed some excess service buildings following the notice from local authorities. As a result, the revenue from the “Dhara Dhevi Hotel business” decreased significantly and affected the operating of the “Dhara Dhevi Hotel business”. Moreover, during the year 2020 until present, the Group has been decided to temporary discontinue the hotel business due to the COVID-19 pandemic. In view of the significant uncertainties over the Group’s operation, there were pervasive uncertainties concerning the validity of the assumptions underlying the impairment analysis.

Therefore, the auditor was unable to verify whether as of 30 June 2020, the carrying value of the lands, buildings and equipment of “Dhara Dhevi Hotel business” and the deferred income tax liabilities in the consolidated financial statement and short-term loan to subsidiaries with its accrued interests, other receivable and advance in the separate financial statement were properly presented or not.

2. The interim financial statements, as of 30 June 2020, lands, buildings and equipment of “power generation and distribution from solar business” in Cambodia which is under the appraisal process. Therefore, the auditor was unable to verify whether as of 30 June 2020, the carrying value of the assets in the consolidated financial statement and a carrying value of investment in subsidiaries, short-term loan to subsidiaries and accrued interest, other receivable and advance in the separate financial statement were properly presented or not.



3. The interim financial statements, as of 30 June 2020, the auditor unable to verify whether the equipment of a subsidiary in the consolidated financial statement were existent and properly presented or not. Currently, the subsidiary is verifying the accuracy of the counted equipment.

4. The Company's former directors had received amount of Baht 40.15 million from a subsidiary, shown under "Pending to verify expenditure" account in the consolidated and separate financial statements. Currently, the current management is examining documents acquired from the former directors whether they paid for the company's business or not. However, under current circumstances, the auditor unable to determine whether any adjustments might have been found necessary in respect of the account.

Unless the effect of adjustments which may caused on the interim financial information pursuant to the item 1-4 mentioned above, the auditor did not discover any cause to believe that the interim financial information was not prepared in all material respects, under Accounting Standard 34, "Interim Financial Reporting".

Operation Result

Unit : Million Baht

Statement of Income	Consolidated Financial Statements				Separate Financial Statements			
	For the six-month period				For the six-month period			
	Ended June30		Increase (Decrease)		Ended June30		Increase (Decrease)	
	2020	2019	Amount	%	2020	2019	Amount	%
Total Revenue	296.63	<i>Restated</i> 370.82	(74.19)	(20.01)	167.17	<i>Restated</i> 160.57	6.60	4.11
Total Expenses	598.21	638.33	(40.12)	(6.29)	98.78	49.95	48.83	97.76
Profit (Loss) from Operating Activities	(301.58)	(267.51)	34.07	12.74	68.39	110.62	(42.23)	(38.18)
Finance Cost	242.44	241.34	1.10	0.46	211.39	203.59	7.80	3.83
Profit (Loss) for the period	(531.13)	(506.19)	24.94	4.93	(154.15)	(108.04)	46.11	42.68

Operating results according to the consolidated financial statements for the six-month period ended 30 June 2020 had a loss from operations of 531.13 million baht, an increase of 24.94 million baht or 4.93% from the same period of the previous year. The increase in loss was majorly from the decrease in the total revenue, by 74.19 million baht, which was resulted from the decrease in revenues of the hotel business, due to temporarily close of some excess service buildings following the notice from local authorities as well as the hotel has been temporarily suspended since April 2020 due to the coronavirus 2019 pandemic. However, the total costs decreased by Baht 40.12 million or 6.29% from the same period of the previous year due to decrease in service costs, sales and administrative expenses.

The operating results according to the separate financial statements for the six-month period ended 30 June 2020 had a loss from operations of 154.15 million baht, an increase of 46.11 million baht or 42.68% from the same period of the previous year. This was caused by expenses incurred under a compromise agreement from a guarantee of a subsidiary.

Financial Position

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Statement of Financial Position	Consolidated Financial Position				Separate Financial Position			
	As at June 30	As at Dec 31	Increase (Decrease)		As at June 30	As at Dec 31	Increase (Decrease)	
	2020	2019	Amount	%	2020	2019	Amount	%
Total Assets	7,340.79	<i>Restated</i> 7,775.56	(434.77)	(5.59)	8,652.83	<i>Restated</i> 8,595.32	57.51	0.67
Total Liabilities	11,833.32	11,739.11	94.21	0.80	8,456.66	8,244.80	211.86	2.57
Total Shareholders' Equity	(4,492.53)	(3,963.55)	528.98	13.35	196.17	350.52	(154.35)	(44.03)

The consolidated statement of financial position as of 30 June 2020 had the total assets of 7,340.79 million baht, decrease by 434.77 million baht or 5.59% from 31 December 2019 due to decrease in net inventories from allowance for obsolescent and loss increased by 29.34 million baht. Lands, buildings and equipment decrease of 366.44 million baht due to additional depreciation, and net intangible assets or decreased by 46.75 million baht due to the amortization of expenses for the period.

Total liabilities as of 30 June 2020 amounted to 11,833.32 million baht which slightly increased from the statements ended 31 December 2019. The shareholders' equity was negative of 4,492.53 million baht, decreased from the statements ended 31 December 2019 by 528.98 million baht or 13.35%, which majorly caused the operating results for the six-month period encountered a loss.

The separate statement of financial position as of 30 June 2020, the Company had the total assets of 8,652.83 million baht, increased by 57.51 million baht or a 0.67% from 31 December 2019. Total liabilities increased by 211.86 million baht or 2.57% , due to an increase in interest on defaulted debt liabilities. And the Company's shareholders' equity decreased by 154.35 million baht from the operating results of the six-month period result a loss.

Cash Flows

Unit : Million Baht

Statement of Cash Flow	Consolidated Financial Statements		Separate Financial Statements	
	For the six-month period		For the six-month period	
	Ended June 30,		Ended June 30,	
	2020	2019	2020	2019
Net Cash provided by (used in) operating activities	103.78	<i>Restated</i> 130.80	(23.47)	<i>Restated</i> 5.87
Net Cash provided by (used in) investing activities	47.46	(22.34)	24.46	3.89
Net Cash provided by (used in) financing activities	(157.22)	(122.61)	-	(0.07)
Net increase (decrease) in cash and cash equivalent	1.70	5.36	0.99	9.70
Cash and cash equivalents, beginning of the period	157.57	159.96	0.54	0.19
Cash and cash equivalents, end of the period	159.27	165.32	1.53	9.89



Cash flow according to the consolidated financial statements for the six-month period ended 30 June 2020 had cash flow from operations of 103.78 million baht, cash flow from investing activities of 47.46 million baht and cash used in financing activities of 157.22 million baht, which resulted in the Company and its subsidiaries' cash and cash equivalents to increase by 1.7 million baht. Cash and cash equivalents as of 30 June 2020 was amounted to 159.27 million baht.

In accordance with the separate financial statements for the six-month period ended 30 June 2020, the Company had cash flow used in operations of 23.47 million baht, cash flow from investing activities of 24.46 million baht and no cash was required or used in financing activities. As a result, the Company's had cash and cash equivalents increased by 0.99 million baht and as of 30 June 2020 the Company's cash and cash equivalents was amounted to 1.53 million baht.

Please be inform accordingly

Your faithfully

(Mr.Thavich Taychanavakul)

Chief Executive Officer