

No. SorNorBor. 2022/0023

18 March 2022

Subject : Submission of Management Explanation and Analysis of the Financial Statement for the year 2021

To The 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 for Financial Statement of Year ended 31 December 2021, as follows:

### Summary of the Management's Opinions on Financial Statements

The Company's consolidated financial statements for the year ended 31 December 2021 are the financial statements in which the auditor has audited the financial information for the year by giving a conditional conclusion to the audited financial statements. according to the following criteria

1. The consolidated and separate financial statements for the year 2021, resolved a conditional issue in 2020 concernings the valuation of property, plants and equipment of "Power generation and distribution from solar business" in Cambodia. The Group received the valuation result which there is no impact to the value of the asset presented in the consolidated financial satatement and also no impact to the value of related transactions presented in the separate financial statement. There are still have some issues that the company is in the process of solving problems, which may have adjustments that affect the financial statements. Therefore the auditor has conditionally expressed his opinion on the financial statements ended 31 December 2021.

2. At present, the assets of the Company and its subsidiaries that have been seized under the legal execution. There are common shares of the subsidiaries and other assets of the Company and its subsidiaries. Investors can study details in Note 29 to the financial statements

3. The issues that are conditional on the auditor's opinion are as follows:

3.1 The financial statements, as of 31 December 2021, the property, plant 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 theresult of this analysis did not indicate any impairment in the carrying value of these assets as of 31 December 2021. However, during the year 2017 until present, Dhara Dhevi Hotel has been temporary 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 operation 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 31 December 2021, the carrying value of the property, plants and equipment of “Dhara Dhevi Hotel business” and the deferred income tax liabilities in the consolidated financial statements and short-term loans to subsidiaries together with the accrued interest, other receivable and advance in the separate financial statement were properly presented or not.

3.2 The auditor could not verify the existence of the equipment of a subsidiary company and could not determine whether the value was correct. The subsidiary is currently validating the counting results of such equipment.

3.3 The former directors of the Company received amount of Bath 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 reviewing documents received from the former directors whether they paid for the company’s business or not. However, Moreover, the former directors and managements have been sued criminal case by the Company and have been accused to Economic Crime Suppression Division (ECD) by the Securities and Exchange Commission (SEC). Currently, the cases are in the process of preliminary examination. In current circumstance, The auditor unable to determine whether any adjustments might have been found necessary in respect of the account.

3.4 Uncertainty material associated to the continuing operations of the Company.

The Company's management acknowledged issues that led the auditor to express his opinion conditionally on the consolidated and separate financial statements of the Company for the year ended 31 December 2021. and will use the best efforts to resolve the issues as mentioned by the auditor.

## The Operation Result

Unit : Million Baht

Statement of Comprehensive Income	Consolidate Financial Statement				Separate Financial Statement			
	For the year ended December 31,		Increase/(Decrease)		For the year ended December 31,		Increase/(Decrease)	
	2021	2020	Amount	%	2021	2020	Amount	%
Revenues	416.59	543.00	(126.41)	(23.28)	326.10	324.05	2.05	0.63
Expenses	793.14	1,039.78	(246.64)	(23.72)	41.09	132.38	(91.29)	(68.96)
Profit (Loss) from Operation	(376.55)	(496.78)	(120.23)	(24.20)	285.01	191.67	93.34	48.70
Financial Cost	(469.67)	(485.45)	(15.78)	(3.25)	(414.93)	(420.50)	5.57	(1.32)
Reversal of impairment loss	(1.24)	7.97	9.21	115.56	(11.42)	(18.44)	7.02	(38.07)
Tax income (expenses)	49.66	39.82	9.84	24.71	0.01	0.61	(0.60)	(98.36)
Profit (Loss) from discontinued operation	(31.50)	(29.70)	1.80	6.06	0.00	0.00	0.00	n/a
Profit (Loss) for the year	(829.30)	(964.14)	(134.84)	(13.99)	(141.33)	(246.66)	(105.33)	(42.70)

The consolidated operating results showed a net loss for the year of 829.30 million baht, an decrease loss of 134.84 million baht from the previous year or an decrease in loss of 13.99% . Although total revenues decreased by 126.41 million baht, but total expenses decreased by 246.64 million baht, which was greater than the decrease in revenue. The reduced expenses consisted of Cost of services decreased by 59.27 million baht and selling and administrative expenses

decreased by 78.94 million baht as a result of the temporary cessation of the hotel business due to the Covid-19 epidemic situation. In addition, losses from impairment of assets decreased by 70.75 million baht and compensation from employee termination decreased by Baht 27.68 million.

The operating results of the separate financial statements showed a net loss for the year of 141.33 million baht, a decrease of 105.33 million baht from the previous year, or a decrease loss of 42.70%, with revenues close to the previous year. And the expenses decreased by 91.29 million baht. The reduced expenses consisted of administrative expenses decreased by 23.27 million baht, losses from impairment of assets decreased by 30.96 million baht and expenses incurred under a compromise agreement from a guarantee of a subsidiary decrease by 40.0 million baht.

### Financial Position

Unit : Millon Baht

Statement of Financial Position	Consolidated Financial Statement				Separate Financial Statement			
	As at December 31,		Increase/(Decrease)		As at December 31,		Increase/(Decrease)	
	2021	2020	Amount	%	2021	2020	Amount	%
Total Asset	6,566.59	7,081.52	(514.93)	(7.27)	9,029.19	8,913.53	115.66	1.30
Total Liabilities	12,300.19	12,008.57	291.62	2.43	9,063.45	8,809.72	253.73	2.88
Total Shareholders' equity	(5,733.59)	(4,927.04)	(806.55)	(16.37)	(34.26)	103.81	(138.07)	(133.00)

The consolidated statement of financial position as of 31 December 2021 had total assets of 6,566.59 million baht. Decrease of 514.93 million baht from the previous year or a decrease of 7.27%. This was due to a decrease in cash and cash equivalents of 15.89 million baht, Property, plant and equipment, net, decreased by 439.18 million baht due to an increase in accumulated depreciation and impairment loss on asset increase, net intangible assets decreased by 76.76 million baht due to amortization of expenses for the period. In addition, there was an increase in the auction deposit by 110.00 million baht due to the subsidiary's deposit in the auction of assets from the Legal Execution Department.

Total liabilities amounted to 12,300.19 million baht, an increase of 291.62 million baht from the previous year, or an increase of 2.43%, due to an increase in accrued interest on defaulted liabilities and judgment liabilities in accordance with the guarantee judgment, and there was a money received in advance for joint investment of the subsidiary amount of 110.0 million baht.

Total shareholders' equity was negative 5,733.59 million baht, a decrease of 806.55 million baht from the previous year or a 16.37% decrease, due to the company and its subsidiaries having a loss from operations for the year 2021 amounting to 829.30 million baht.

For the separate financial statements as of December 31, 2021, total assets were 9,029.19 million baht, an increase of 115.66 million baht from the previous year or an increase of 1.30%. This was mainly due to an increase in accrued interest receivable from subsidiaries. Total liabilities increased by 253.73 million baht or 2.88%, which was an increase in

accrued interest on defaulted liabilities, and the company's shareholders' equity decrease by 138.07 million baht or a decrease of 133.0% due to the company's operating loss for the year 2021 amounting to 141.33 million baht.

### Cash Flows

Unit : Million Baht

Statement of Cash Flow	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December		For the year ended December	
	2021	2020	2021	2020
Cash flows from operating activities	83.11	137.72	(12.52)	(44.09)
Cash flows provided by investing activities	30.10	63.82	4.00	42.47
Cash flows use in financing activities	(125.85)	(231.15)	6.38	4.00
Currency translation differences	(3.25)	1.11	0.00	0.00
Net increase (decrease) in cash and cash equivalents	(15.89)	(28.50)	(2.14)	2.38
Cash and cash equivalents ,beginning of the year	129.07	157.57	2.92	0.54
Cash and cash equivalents , end of the year	113.18	129.07	0.78	2.92

In 2021, the consolidated financial statements of Company and Subsidiaries has cash flow from operating activities of 83.11 million baht, net cash flow from investing activities of 30.10 million baht. This is because the Company and its subsidiaries have used deposits pledged as collateral for borrowings in the power plant project to pay off loans in the power plant project. Net cash flow used in financing activities was 125.85 million baht, due to repaid on long-term loan from financial institutions. As a result, the company and its subsidiaries' cash and cash equivalents decreased by 15.89 million baht and cash and cash equivalents at the end of the year 113.18 million baht.

For the cash flow year 2021 of the separate financial statements There was cash used in operating activities of 12.52 million baht, net cash from investing activities of 4.0 million baht, and cash flow from financing activities of 6.38 million baht due to cash received from short-term loans from subsidiaries As a result, the company's cash and cash equivalents decreased by 2.14 million baht and cash and cash equivalents at the end of the year 0.78 million baht.

Please be informed accordingly.

Sincerely yours,

(Mr.Thavich Taychanavakul)

Chief Executive Officer