



No IFEC/SorNorBor./2022/0042

May 17, 2022

Subject : Management Explanation and Analysis of the Intermim Financial Statement for the three-month period ended March 31, 2022

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 Intermim Financial Statement for the three-month period ended March 31, 2022 as follow

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

The Consolidated Financial Statements of the Company for the 3-month period ended March 31, 2022 is a financial statement in which the auditor has reviewed the interim financial information by providing a conditional conclusion to the interim financial statements in accordance with the following matters :

1. The interim financial statements, as of March 31,2022 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 March 31,2022. 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.

The auditor unable to verify whether as of March 31,2022, the carrying value of the property, plant and equipment of “Dhara Dhevi Hotel business” and the deferred income tax liabilities in the consolidated financial statement and short-term loan to subsidiaries together with the accrued interest , other receivable and advance in the separate financial statement. The auditor unable to determine whether any adjustments might have been found necessary in respect of the account.

2. The interim financial statements, as of March 31,2022 ,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.

3. The former directors of the Company received amounted 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.

Except for the effect of such adjustments, if any, that may occur in item 1 – 3 mentioned above to the interim financial information, The auditor did not find any cause to believe that the interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34,“Interim Financial Reporting”.

## The Operation Result

Unit : Million Baht

Statement of Income	Consolidated Financial Statements				Separate Financial Statements			
	For the three-month period				For the three-month period			
	Ended March 31		Increase (Decrease)		Ended March 31		Increase (Decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
Total Revenue	111.12	117.97	(6.85)	(5.81)	66.65	84.07	(17.42)	(20.72)
Total Expenses	183.32	183.62	(0.30)	(0.16)	14.74	10.62	4.12	38.79
Profit (Loss) from Operating Activities	(72.20)	(65.65)	6.55	9.98	51.91	73.45	(21.54)	(29.33)
Finance Cost	(115.17)	(125.07)	(9.90)	(7.92)	(102.45)	(101.48)	0.97	0.96
Tax income (expenses)	9.67	14.31	(4.64)	(32.42)	0.00	0.00	0.00	n/a
Profit (Loss) from discontinued operations	(6.57)	(7.81)	(1.24)	(15.88)	0.00	0.00	0.00	n/a
Profit (Loss) for the period	<b>(184.27)</b>	<b>(184.22)</b>	<b>0.05</b>	<b>0.03</b>	<b>(50.54)</b>	<b>(28.03)</b>	<b>22.51</b>	<b>80.31</b>

Operating results according to the consolidated financial statements for the three-month period ended March 31, 2022 had a loss from operations closed to the same period of the previous year. There was a slight increase in loss of 0.05 million baht or a 0.03%. Total revenue decrease of 6.85 million baht. This is because the income in the business of producing and selling of electricity from solar energy declined, due to the additional purchase price of electricity (Adder) in some projects had expired and the efficiency of the equipment began to deteriorate from the useful life. The company has gradually improved the efficiency of the equipment to be able to use it normally. In addition, the financial cost decreased by 9.90 million baht.

The operating results according to the separate financial statements for the three-month period ended March 31, 2022 had a loss from operations of 50.54 million baht, a loss increase of 22.51 million baht or 80.31% from the same period of the previous year. The reason for the increase in loss was due to the decrease in income 17.42 million baht , because the subsidiary has discontinued the use of the management service cause the revenue decrease by 6.75 million baht , foreign exchange gain from foreign exchange conversion of businesses in Cambodia decreased by 7.74 million baht and administrative expenses increased by 1.16 million baht , loss on foreign exchange increase by 2.96 million baht.

## Financial Position

Unit : Million Baht

Statement of Financial Position	Consolidated Financial Position				Separate Financial Position			
	As at March 31	As at Dec 31	Increase (Decrease)		As at March 31	As at Dec 31	Increase (Decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
Total Assets	6,469.94	6,566.59	(96.65)	(1.47)	9,090.68	9,029.19	61.49	0.68
Total Liabilities	12,389.88	12,300.19	89.69	0.73	9,175.46	9,063.45	112.01	1.24
Total Shareholders' Equity	(5,919.94)	(5,733.59)	(186.35)	(3.25)	(84.78)	(34.26)	(50.52)	(147.46)

The consolidated statement of financial position as of March 31, 2022 had total assets of 6,469.94 million baht, a decrease of 96.65 million baht from December 31, 2021, or a decrease of 1.47%. This was because of Property plant and equipment net decreased by 92.65 million baht due to an increase in accumulated depreciation and net intangible assets decreased by 17.65 million baht due to amortization of expenses for the period.

Total liabilities as of March 31, 2022 amounted to 12,389.88 million baht, increase of 89.69 million baht from December 31, 2021, or increase of 0.73% due to an increase in interest on defaulted debts liabilities. and shareholders' equity was decrease from December 31, 2021 by 186.35 million baht or decrease 3.25%, which is a result of the operating results of the 3-month period encountered a loss.

The separate statement of financial position as of March 31, 2022, there were total assets of 9,090.68 million baht, an increase of 61.49 million baht from December 31, 2021, or a 0.68% increase. It is an increase in accrued interest receivable from subsidiaries. Total liabilities increased by 112.01 million baht or 1.24% increase, due to an increase in interest on defaulted debt liabilities. And there was a decrease in shareholders' equity of 50.52 million baht from the operating results of the 3-month period result a loss.

**Cash Flows***Unit : Million Baht*

Statement of Cash Flow	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month period		For the three-month period	
	Ended March 31,		Ended March 31,	
	2022	2021	2022	2021
Net Cash provided by (used in) operating activities	39.56	50.32	(6.79)	(12.86)
Net Cash provided by (used in) investing activities	(3.01)	1.65	0.01	5.23
Net Cash provided by (used in) financing activities	(15.25)	(31.97)	10.00	4.88
Currency translation difference	(1.38)	(2.84)	-	-
Net increase (decrease) in cash and cash equivalents	19.92	17.16	3.22	(2.77)
Cash and cash equivalents, beginning of the period	113.18	127.07	0.79	2.92
Cash and cash equivalents, end of the period	133.10	146.23	4.01	0.15

Cash flow according to the consolidated financial statements for the three-month period ended March 31, 2022 had cash flow from operations of 39.56 million baht, cash flow used in investing activities of 3.01 million baht and cash used in financing activities. 15.25 million baht, resulting in the Company and its subsidiaries' cash and cash equivalents increased by 19.92 million baht. Cash and cash equivalents as of March 31, 2022 amounting to 133.10 million baht.

Cash flows according to the separate financial statements for the three-month period ended March 31, 2022 had cash flows used in operations of 6.79 million baht, cash flows from investing activities of 0.01 million baht and cash flow from financing activities 10.0 million baht. As a result, the Company's cash and cash equivalents increased by 3.22 million baht. Cash and cash equivalents as of March 31, 2022 amounting to 4.01 million baht.

Please be inform accordingly

Your faithfully

(Mr.Thavich Taychanavakul)

Chief Executive Officer