



No IFEC/SorNorBor./2022/0079

August 11, 2022

Subject : Management Explanation and Analysis of the Interrim Financial Statement for the three-month and six-month period ended June 30, 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 Interrim Financial Statement for the three-month and six-month period ended June 30, 2022 as follow

Summary of the Management's Opinions on Financial Statements

1 The Consolidated Financial Statements of the Company for the three-month and six-month period ended June, 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 June 30, 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 the result of this analysis did not indicate any impairment in the carrying value of these assets as of June 30, 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.

Therefore, The auditor unable to verify whether as of June 30, 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 were properly presented or not.

2. The interim financial statements, as of June 30, 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 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.

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

Consolidated Financial Statements

Unit : Million Baht

Statement of Income	Consolidated Financial Statements For the three-month period				Consolidated Financial Statements For the six-month period			
	Ended June30		Increase (Decrease)		Ended June30		Increase (Decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
Total Revenue	91.30	95.39	(4.09)	(4.29)	202.42	213.36	(10.94)	(5.13)
Total Expenses	164.67	173.48	(8.81)	(5.08)	348.00	357.10	(9.10)	(2.55)
Profit (Loss) from Operating Activities	(73.37)	(78.09)	(4.72)	(6.04)	(145.58)	(143.74)	(1.84)	1.28
Finance Cost	(116.26)	(109.77)	6.49	5.91	(231.43)	(234.84)	(3.41)	(1.45)
Tax income (expenses)	7.36	13.19	(5.83)	(44.20)	17.04	27.50	(10.46)	(38.04)
Profit (Loss) from discontinued operations	(6.79)	(7.07)	(0.28)	(3.96)	(13.36)	(14.88)	(1.52)	(10.22)
Profit (Loss) for the period	(189.06)	(181.74)	7.32	4.03	(373.33)	(365.96)	7.37	2.01

Operating results according to the consolidated financial statements for the three-month period ended June 30, 2022 had a loss from operations of 189.06 million baht, loss increase of 7.32 million baht or increase of 4.03% from the same period of the previous year. The reason for the increase in loss was due to a decrease in total revenue of 4.09 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 wind energy group's income has also decreased. Total expenses decrease 8.81 million baht, due to Cost of sales and services decreased by 18.24 million baht. This was due to a decrease in depreciation in the solar energy group. However, administrative expenses increased by 5.55 million

baht, mostly for litigation expenses. There was an increase in employee salaries due to the organization restructuring, and expenses incurred according to the judgment from labor cases increased by 7.0 million baht, financial costs increased by 6.49 million baht and tax income decrease 5.83 million baht.

Operating results according to the consolidated financial statements for the six-month period ended June 30, 2022 had a loss from operations of 373.33 million baht, loss increase of 7.73 million baht or increase of 2.01% from the same period of the previous year. The reason for the increase in loss was due to a decrease in total revenue of 10.94 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 wind energy group's income has also decreased. Total expenses decrease 9.10 million baht, due to Cost of sales and services decreased by 23.89 million baht. This was due to a decrease in depreciation in the solar energy group. However, administrative expenses increased by 7.15 million baht, mostly for litigation expenses. There was an increase in employee salaries due to the organization restructuring, and expenses incurred according to the judgment from labor cases increased by 7.0 million baht, financial costs decreased by 3.41 million baht and tax income decrease 10.46 million baht.

Separate Financial Statements

Unit : Million Baht

Statement of Income	Separate Financial Statements				Separate Financial Statements			
	For the three-month period				For the six-month period			
	Ended June30		Increase (Decrease)		Ended June30		Increase (Decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
Total Revenue	88.72	80.18	8.54	10.65	152.41	164.25	(11.84)	(7.21)
Total Expenses	19.16	6.22	12.94	208.04	30.94	16.85	14.09	83.62
Profit (Loss) from Operating Activities	69.56	73.96	4.40	(5.95)	121.47	147.40	(25.93)	(17.59)
Finance Cost	(103.66)	(105.40)	(1.74)	(1.65)	(206.11)	(206.87)	(0.76)	(0.37)
Profit (Loss) for the period	(34.10)	(31.44)	2.66	8.46	(84.64)	(59.47)	25.17	42.32

The operating results according to the separate financial statements for the three-month period ended June 30, 2022 had a loss from operations of 34.10 million baht, a loss increase of 2.66 million baht or 8.46% from the same period of the previous year. The reason for the increase in loss was due to the increase in total expenses 12.94 million baht, because the Administrative expenses increased by 5.93 million baht, mainly from consulting fees and litigation services. and employee salaries increased due to organizational restructuring. in addition expenses incurred according to the judgment from labor cases increased by 7.0 million baht.

The operating results according to the separate financial statements for the six-month period ended June 30, 2022 had a loss from operations of 84.64 million baht, a loss increase of 25.17 million baht or 43.32% from the same period of the previous year. The reason for the increase in loss was due to decrease in total revenue 11.84 million baht t As a result of the Affiliate's cancellation of the management service. And total expenses increase 14.09 million baht , because the Administrative expenses increased by 7.09 million baht, mainly from consulting fees and litigation services. and employee salaries increased due to organizational restructuring. in addition expenses incurred according to the judgment from labor cases increased by 7.0 million baht.

Financial Position

Unit : Million Baht

Statement of Financial Position	Consolidated Financial Statements				Separate Financial Statements			
	As at June 30	As at Dec 31	Increase (Decrease)		As at June 30	As at Dec 31	Increase (Decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
Total Assets	6,372.84	6,566.59	(193.75)	(2.95)	9,166.16	9,029.19	136.97	1.52
Total Liabilities	12,468.66	12,300.18	168.48	1.37	9,285.16	9,063.45	221.71	2.45
Total Shareholders' Equity	(6,095.82)	(5,733.59)	(362.23)	(6.32)	(118.99)	(34.26)	(84.73)	(247.31)

Consolidated Financial Statements

The consolidated statement of financial position as of June 30, 2022 had total assets of 6,372.84 million baht, a decrease of 193.75 million baht or a decrease of 2.95% from December 31, 2021, This was due to Property plant and equipment net decreased 158.92 million baht due to an increase in accumulated depreciation and net intangible assets decreased by 35.51 million baht due to amortization of expenses for the period.

Total liabilities as of June 30, 2022 amounted to 12,468.66 million baht, increase of 168.48 million or increase of 1.37% baht from December 31, 2021, due to an increase in interest on defaulted debts liabilities and judged liability from guarantee.

Shareholders' equity was negative 6,095.82 million baht, decrease from December 31, 2021 by 362.23 million baht or decrease 6.32%, which is a result of the operating results of the 6-month period encountered a loss.

Separate Financial Statements

The separate statement of financial position as of June 30, 2022 had total assets of 9,166.16 million baht, a increase of 136.97 million baht or a increase of 1.52% from December 31, 2021, This was due to an increase in accrued interest receivable from subsidiaries 133.36 million baht and loan to the subsidiaries increase 11.31 million baht.



Total liabilities as of June 30, 2022 amounted to 9285.16 million baht, increase of 221.71 million baht or increase of 2.45% from December 31, 2021, due to an increase in accrued interest on defaulted debts liabilities 196.88 million baht, account payable-trade and other increase by 7.44 million baht and judged liability from labor cases increased by 7.0 million baht.

Shareholders' equity was negative 118.99 million baht, decrease from December 31, 2021 by 84.73 million baht or decrease 247.31%, which is a result of the operating results of the 6-month period encountered 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,	
	2022	2021	2022	2021
Net Cash provided by (used in) operating activities	81.54	66.85	(8.95)	(13.45)
Net Cash provided by (used in) investing activities	(5.81)	27.73	5.23	5.79
Net Cash provided by (used in) financing activities	(35.14)	(83.62)	5.00	4.88
Net increase (decrease) in cash and cash equivalents	39.36	8.33	1.28	(2.77)
Cash and cash equivalents, beginning of the period	113.18	129.07	0.79	2.92
Cash and cash equivalents, end of the period	152.54	137.40	2.06	0.15

Cash flow according to the consolidated financial statements for the six-month period ended June 30, 2022 had cash flow from operations of 81.54 million baht, cash flow used in investing activities of 5.81 million baht and cash used in financing activities. 35.14 million baht, resulting in the Company and its subsidiaries' cash and cash equivalents increased by 39.36 million baht. Cash and cash equivalents as of June 30, 2022 amounting to 152.54 million baht.

Cash flows according to the separate financial statements for the six-month period ended June 30, 2022 had cash flows used in operations of 8.95 million baht, cash flows from investing activities of 5.23 million baht and cash from financing activities 5.0 million baht. As a result, the Company's cash and cash equivalents increased by 1.28 million baht. Cash and cash equivalents as of June 30, 2022 amounting to 2.06 million baht.

Please be inform accordingly

Your faithfully

(Mr.Thavich Taychanavakul)

Chief Executive Officer

