



No IFEC/SorNorBor/2023/0012

February 28, 2023

Subject : Submission of Management Explanation and Analysis of the Financial Statement for the year 2022

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 December 31, 2022, as follow

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

The Company's consolidated financial statements for the year ended December 31, 2022 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 2022. The conditional issues in 2020 have been resolved regarding the money received by former directors and former executives of the Company from a subsidiary, shown under "Pending to verify expenditure" account in the consolidated and separate financial statements. The current management has examined documents presented by former directors and former executives in year 2022. and has adjusted the accounting entries to be consistent with the evidence of the documents that have already been audited. However, the Company is still in the process of pursuing legal proceedings against former directors and former executives.
2. The company is still in the process of solving problems. which may have adjustments that affect the financial statements. The auditor has conditionally expressed his opinion on the financial statements for the year ended December 31, 2022 as follows :
  - 2.1 The financial statements, as of December 31, 2022, the property, plant and equipment of "Dhara Dhevi Hotel business" were evaluated for potential impairment. The evaluation was based on the assumptions and estimates by independent expert. The results of this evaluation did not indicate any impairment in the carrying value of these assets as of December 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. On January 27, 2023 a subsidiary won the auction of assets of the Dhara Dhevi Hotel Group. which is still in the process of paying for the purchase of the property bought by auction. Due to the situation of uncertainty in various issues affecting the value of the overall assets of the Dhara Dhevi Hotel business.

Therefore, The auditor unable to verify whether as of December 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 , in the separate financial statement were properly presented or not.

2.2 The auditor cannot 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.

2.3 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 2022 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)	
	2022	2021	Amount	%	2022	2021	Amount	%
Revenues	402.38	416.59	(14.21)	(3.41)	287.59	314.68	(27.09)	(8.61)
Expenses	752.14	794.37	(42.23)	(5.32)	150.15	41.09	109.06	265.42
Profit (Loss) from Operation	(349.76)	(377.78)	(28.02)	(7.42)	137.44	273.59	(136.15)	(49.76)
Financial Cost	(480.65)	(469.67)	10.98	2.34	(432.58)	(414.93)	(17.65)	4.25
Tax income (expenses)	13.47	49.66	(36.19)	(72.88)	0.00	0.01	(0.01)	(100.00)
Profit (Loss) from discontinued operation	(27.18)	(31.50)	(4.32)	(13.71)	0.00	0.00	0.00	n/a
Profit (Loss) for the year	(844.12)	(829.29)	14.83	1.79	(295.14)	(141.33)	153.81	108.83

The consolidated operating results showed a net loss for the year ended 31 Decrmbere ,2022 amuont of 844.12 million baht, loss increase of 14.83 million baht from the previous year or loss increase of 1.79% . The reason for the increase in loss was due to a decrease in total revenue of 14.21 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 42.23 million baht, which decreased more than the reduction in income The reduced expenses consisted of The cost of services decreased by 56.31 million baht from depreciation in the solar energy group. But selling and administrative expenses increased by 17.17

million baht, mostly for litigation expenses, fines for late filing of financial statements in the past, and expenses related to the preparation of the rehabilitation plan, impairment loss on asset decrease 57.92 million baht, loss from disposal of asset decrease 15.97 million baht, Loss from auction sales 13.68 million baht, expenses adjusted from pending to verify expenditure 40.15 million baht, in addition expenses incurred by judgment increased by 30.87 million baht, this is an expense recorded according to the judgment of the Supreme Court in 2019. Financial costs increased by 10.98 million baht and tax income decrease 36.19 million baht.

The operating results of the separate financial statements showed a net loss for the year ended 31 Decmber ,2022 amount of 295.14 million baht, a loss increase of 153.81 million baht from the previous year, or a loss increase of 108.83%, with total revenues decrease from previous year 27.09 million baht from Gain on currency exchange rate. And increase in total expenses 109.06 million baht, due to Administrative expenses increase 19.48 million baht, mainly from consulting fees and litigation services, penalties for late filing of financial statements in the past, and expenses related to the preparation of the rehabilitation plan, loss from auction sales 18.57 million baht, expenses adjusted from pending to verify expenditure 40.15 million baht, and increase in expenses incurred from the court judgment of 30.87 million baht, this is an expense recorded according to the judgment of the Supreme Court in 2019. Financial costs increased by 17.65 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)	
	2022	2021	Amount	%	2022	2021	Amount	%
Total Asset	6,145.33	6,572.28	(426.95)	(6.50)	9,191.61	9,029.19	162.42	1.80
Total Liabilities	12,679.70	12,268.42	411.28	3.35	9,521.04	9,063.45	457.59	5.05
Total Shareholders' equity	(6,534.36)	(5,696.14)	(838.22)	(14.72)	(329.42)	(34.26)	(295.16)	(861.53)

### Consolidated Financial Statement

The consolidated statement of financial position as of December 31, 2022 had total assets of 6,145.33 million baht. Decrease of 426.95 million baht from the previous year or a decrease of 6.50%. This was due to a decrease in other receiveable 64.88 million baht, Property, plant and equipment, net, decreased by 340.99 million baht due to an increase in accumulated depreciation and net intangible assets decreased 55.94 million baht due to amortization of expenses for the period.

Total liabilities amounted to 12,679.70 million baht, an increase of 411.28 million baht from the previous year, or an increase of 3.35%, due to accrued interest on defaulted liabilities increase 446.16 million baht, account payable-trade and other decrease 48.20 million baht and interest on judgment liabilities in accordance with the guarantee judgment increase



47.24 million baht, Other judgment debts increase 43.84 million baht which was recorded according to the judgment of the Supreme Court in 2019.

Total shareholders' equity was negative 6,534.36 million baht, a decrease of 838.22 million baht from the previous year or decrease 14.72%, due to the company and its subsidiaries having a loss from operating for the year 2022.

#### **Separate Financial Statement**

For the separate financial statements as of December 31, 2022, total assets were 9,191.61 million baht, an increase of 164.57 million baht from the previous year or an increase of 1.82%. This was mainly due to an increase in accrued interest receivable from subsidiaries 265.19 million baht. Advance payments decreased by 64.14 million baht. Pending to verify expenditure decrease 40.15 million baht.

Total liabilities increased by 459.73 million baht or 5.07%, which was an increase in accrued interest on defaulted liabilities 404.73 million baht, account payable-trade and other decrease 419.97 million baht and loan from subsidiary and related company increase 433.14 million baht. Other judgment debts increase 43.84 million baht which was recorded according to the judgment of the Supreme Court in year 2019.

The company's shareholders' equity decrease by 295.16 million baht or a decrease of 861.53% due to the company having a loss from operating for the year 2022.

Please be informed accordingly.

Yours faithfully,

(Mr.Thavich Taychanavakul)

Chief Executive Officer

