



No SorNorBor/2023/0037

August 11, 2023

Subject : Management Explanation and Analysis of the Interrim Financial Statement for the three-month and six-month period ended June 30, 2023

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, 2023 as follow

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

The Consolidated Financial Statements of the Company for the three-month and six-month period ended June, 2023 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, 2023, 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 result of the evaluation did not indicate any impairment in the carrying value of these assets as of June 30, 2023. 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 June 30, 2023, 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 require any necessary adjustment or not.

2. As of June 30, 2023 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 under the process of verifying the accuracy of the counted equipment.





Except for the effect of such adjustments, if any, that may occur in item 1 – 2 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)	
	2023	2022	Amount	%	2023	2022	Amount	%
Total Revenue	84.77	91.30	(6.53)	(7.15)	186.88	202.42	(15.54)	(7.68)
Total Expenses	157.10	164.67	(7.57)	(4.60)	316.12	348.00	(31.88)	(9.16)
Profit (Loss) from Operating Activities	(72.33)	(73.37)	(1.04)	(1.42)	(129.24)	(145.58)	16.34	(11.22)
Finance Cost	(116.99)	(116.26)	0.73	0.63	(232.84)	(231.43)	1.41	0.61
Tax income (expenses)	5.56	7.36	(1.80)	(24.46)	10.87	17.04	(6.17)	(36.21)
Profit (Loss) from discontinued operations	(6.69)	(6.79)	(0.10)	(1.47)	(13.14)	(13.36)	(0.22)	(1.65)
Profit (Loss) for the period	<b>(190.45)</b>	<b>(189.06)</b>	<b>1.39</b>	<b>0.74</b>	<b>(364.35)</b>	<b>(373.33)</b>	<b>(8.98)</b>	<b>(2.41)</b>

Operating results according to the consolidated financial statements for the three-month period ended June 30, 2023 had a loss from operations of 190.45 million baht, loss increase of 1.39 million baht or increase of 0.74% from the same period of the previous year. The reason for the increase in loss was due to a decrease in total revenue of 6.53 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. Total expenses decreased by 7.57 million baht, with lower cost of sales from depreciation and amortization expenses, financial costs slightly increased and tax income decrease 1.80 million baht. As a result, the net loss for the period decreased.

Operating results according to the consolidated financial statements for the six-month period ended June 30, 2023 had a loss from operations of 364.35 million baht, loss decrease of 8.98 million baht or increase of 2.41% from the same period of the previous year. Although total revenue decreased by 15.54 million baht, but total expenses decreased by 31.88 million baht, which decreased more than the decrease in revenue. This was due to lower depreciation and amortization expenses. There is a slight increase in financial costs and tax income decrease 6.17 million baht. As a result, the net loss for the six-month period decreased.





### Separate Financial Statements

Unit : Million Baht

Statement of Income	Separate Financial Statements For the three-month period				Separate Financial Statements For the six-month period			
	Ended June30		Increase (Decrease)		Ended June30		Increase (Decrease)	
	2023	2022	Amount	%	2023	2022	Amount	%
	Total Revenue	79.44	88.72	(9.28)	(10.46)	145.20	152.41	(7.21)
Total Expenses	15.08	19.16	(4.08)	(21.29)	28.44	30.94	(2.50)	(8.08)
Profit (Loss) from Operating Activities	64.36	69.56	5.20	(7.48)	116.76	121.47	(4.71)	(3.88)
Finance Cost	(106.57)	(103.66)	2.91	2.81	(211.38)	(206.11)	5.27	2.56
Reversal of impairment loss	25.57	0.00	25.57		25.57	0.00	(25.57)	
Profit (Loss) for the period	<b>(16.64)</b>	<b>(34.10)</b>	<b>(17.46)</b>	<b>(51.20)</b>	<b>(69.05)</b>	<b>(84.64)</b>	<b>(15.59)</b>	<b>(18.42)</b>

The operating results according to the separate financial statements for the three-month period ended June 30, 2023 had a loss from operations of 16.64 million baht, a loss decrease of 17.46 million baht or 51.20% from the same period of the previous year. The reason for the decrease in loss was due to the reversal of impairment of 25.57 million baht. Because the loan and accrued interest receivable from the subsidiary were received in the second quarter, which has recorded the allowance for impairment in the financial statements of the previous period, therefore contributed to the reduction of the loss from the same period of last year.

The operating results according to the separate financial statements for the six-month period ended June 30, 2023 had a loss from operations of 69.05 million baht, a loss decrease of 15.59 million baht or 18.42% from the same period of the previous year. The reason for the decrease in loss was due to the reversal of impairment of 25.57 million baht. Because the loan and accrued interest receivable from the subsidiary were received in the second quarter, which has recorded the allowance for impairment in the financial statements of the previous period, therefore contributing to reducing the loss.

### 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)	
	2023	2022	Amount	%	2023	2022	Amount	%
	Total Assets	6,379.59	6,145.33	234.26	3.81	9,330.63	9,191.61	139.02
Total Liabilities	13,270.92	12,679.69	591.23	4.66	9,729.24	9,521.03	208.21	2.19
Total Shareholders' Equity	(6,891.34)	(6,534.36)	(356.98)	(5.46)	(398.61)	(329.42)	(69.19)	(21.00)





### **The consolidated statement of financial position**

The consolidated statement of financial position as of June 30, 2023 had total assets of 6,379.59 million baht, a increase of 234.26 million baht or a increase of 3.81% from December 31, 2022, This was due to an increase in Cash and cash equivalents 36.51 million baht, Property plant and equipment net decreased 160.52 million baht due to an increase in accumulated depreciation. And there was an increase in the deposit from the auction of the Dhara Dhevi Hotel by 378.64 million baht.

Total liabilities as of June 30, 2023 amounted to 13,270.92 million baht, increase of 591.23 million baht or increase of 4.66% from December 31, 2022, due to an increase in interest on defaulted debts liabilities 230.59 million baht and Advance received for joint invest in the Dhara Dhevi Hotel increased by 378.64 million baht and Long-term loans from financial institutions decrease 27.66 million baht.

Shareholders' equity was negative 6,891.34 million baht, decrease from December 31, 2022 by 356.98 million baht or decrease 5.46%, which is a result of the operating results of the 6-month period encountered a loss.

### **The separate statement of financial position**

The separate statement of financial position as of June 30, 2023 had total assets of 9,330.63 million baht, a increase of 139.02 million baht or a increase of 1.51% from December 31, 2022, This was due to an increase in accrued interest receivable from subsidiaries 133.83 million baht and loan to the subsidiaries increase 6.85 million baht.

Total liabilities as of June 30, 2023 amounted to 9,729.24 million baht, increase of 208.21 million baht or increase of 2.19% from December 31, 2022, due to an increase in accrued interest on defaulted debts liabilities 201.10 million baht, Accrued interest expenses to subsidiaries increase by 8.51 million baht.

Shareholders' equity was negative 398.61 million baht, decrease from December 31, 2022 by 69.19 million baht or decrease 21.0%, which is a result of the operating results of the 6-month period encountered a loss.

Please be inform accordingly

Your faithfully

(Mr.Thavich Taychanavakul)

Chief Executive Officer

