

META-MAI.003/2022

February 25, 2022

Subject Report for the overall operation of the Company as of December 31, 2021, which was changed over 20%

To The Committee and Manager of The Stock Exchange of Thailand

According to the resolution of the Board of Directors Meeting of Meta Corporation Public Co., Ltd. (“the Company”) No. 01/2022 held on February 25, 2022, the meeting approved the separate and consolidated financial statement as of December 31, 2021, which the net loss is totaling the amount of THB 100.13 million which the net loss decreased in the amount of THB 17.85 million or 15% when compared with the financial statement as of December 31, 2020.

The Company would like to report the operating results that result in a change of more than 20% compared to the operating results for the year ended December 31, 2020 due to the following reasons:

Descriptions	31-DEC-21		31-DEC-20		In(de)creased for the period	
	Amount (Thousand Baht)	Proportion (%) of revenues	Amount (Thousand Baht)	Proportion (%) of revenues	Amount (Thousand Baht)	%
Revenues from operations	79,097	100%	8,193	100%	70,904	865%
Less Costs from operations	(71,489)	(90)%	(7,957)	(97)%	(63,532)	798%
Gross profit from operations	7,608	10%	235	3%	7,373	3,137%
Add Reversal of allowance for expected credit losses	2,033	3%	51	1%	1,982	3,886%
Add Interest income	268	0%	29,689	362%	(29,421)	(99)%
Add Other income	9,748	12%	161,627	1,973%	(151,879)	(94)%
Less General and administrative expenses	(68,043)	(86)%	(101,115)	(1,234)%	33,072	(33)%
Less Expected credit loss	(130)	(0)%	(67,721)	(827)%	67,591	(100)%
Less Loss on impairment of investment in associate	(26,546)	(34)%	(129,547)	(1,581)%	103,001	(80)%
Profit (loss) for the period	(100,128)	(127)%	(117,979)	(1,440)%	17,851	(15)%

Comparing the profit (loss) from operation as at December 31, 2021, and December 31, 2020, the Company had decrease in a net loss of THB 17.85 million or 15% due to the materiality causes as follows :

1. An increase in gross profit from operations of Baht 7.37 million or 3,137% due to the following main reasons:
 - An increase in construction revenue for the solar power plant project in Minbu, Myanmar, Phase 2, which can start operating in the 4th quarter of 2021. Due to the epidemic of COVID-19 outbreak, the government of Myanmar has announced the closure of entry and exit from March 29, 2020 until the present, which has resulted in the implementation of the project being overdue for a long time of period. However, the management submitted documents requesting to perform construction work of the said project as a special case to the government agencies of Myanmar and received a letter of approval to enter the country in a special case at the beginning of the 4th quarter of 2021. Therefore, the Company notified the subcontractor from China to travel to Myanmar to start the work. At the end of the year, start working on site improvement, soil filling and site preparation for Phase 2. As a result, in the 4th quarter of 2021, the Company has revenue and gross profit from performing such works in Phase 2 amounting to Baht 71.96 million and Baht 3.43 million, respectively.
 - The increase in interest income from loans to customers was derived from the new credit services segment that commenced operations in October 2021. Due to the resolution of the Company's management committee meeting No. 12/2021, dated October 1, 2021, the Company has resolved to approve a subsidiary, Nova Asia Company Limited (“NOVA”), to purchase ordinary shares of Pico Solutions (Thailand) Company Limited (“PICO”) in proportion of 85%. The Company has signed the share purchase agreement on October 1, 2021, resulting the Company has control over the financial and operating policies of PICO from October 1, 2021. For the year ended December 31, 2021, the Company's revenue and gross profit from the said segment were Baht 4.55 million and Baht 3.68 million, respectively.
2. An increase in the expected credit loss reversal of Baht 1.98 million or 3,926%. Due to a judgment debtor has contacted the court to request a compromise of debt according to the judgment of the court, which has decided to pay the principal amount to the Company of Baht 2.03 million, plus interest at 7.5% per annum from November 1, 2013 onwards until payment is finish. In this regard, the Company has considered appropriate and approved to settle the judgment debt in this case because it will be able to settle the dispute quickly and without causing any obligations and able to reduce the expenses in the legal execution which are excessive inappropriate including such debt reconciliation also resulted in the Company having more working capital. For that reason, the Company has a resolution to approve the compromise of debt and consequently results in an increase in this portion of revenue with the said amount.

3. The decrease in interest income amounted to Baht 29.42 million or 99%, mainly due to the current 25.6 MW Solar Power Plant Project in Billiran, Philippines (“Billiran Project”), the Company is interested in participating in the investment, which is still in the process of due diligence to acquire the project and the owner of the project has sent a letter requesting a 7.5% interest exemption. As it is in the process of due diligence between each other, the Company has waived the said interest charge on September 30, 2020, the Company ceased to recognize the interest income recording. And directly resulting in a decrease in overall interest income in this quarter.
4. The decrease in other income was Baht 151.88 million or 94%, mainly due to the decrease in other income arising from the increase in the proportion of the capital increase in an associated company. The other income is derived from the acquisition of capital increase shares under the joint venture agreement in order to maintain the original 12% stake and the counterparty must pay for the shares from the increase instead of the Company. Overall, it was found that in 2020, the said associated company increased its registered capital in a very high proportion, and as a result, the Company had other income according to the agreement, which remained in the same proportion of investment as high as Baht 157.4 million. However, in 2021, the aforementioned associate company had a few capital increase and the Company was allocated shares to record as other income of only Baht 0.8 million, resulting in a decrease in overall other income from the previous year according to such proportion.
5. The decrease in administrative and general expenses increased amounting to Baht 33.07 million or 33%, mainly due to the decrease in brokerage fee in the amount of Baht 43.98 million which is considered as One-time Expenses. In December 2017, the Company entered into a Brokerage Agreement in the amount of USD 1.80 million. (Recognized as advance payment and amortized according to the capacity upon signing of subcontracting agreements for each phase) with a financing company in China to provide funding and financial support for the Company in the construction of a solar power plant in Minbu, Myanmar, Phase 1 to Phase 4, has a total capacity of 220 MWDC. Such financial support is in the form of negotiations to determine the conditions for payment of the contract value of Turnkey Engineering, Procurement, and Construction Contract (“Subcontracting Contract”) to have a longer repayment period than the normal credit term. After the negotiation for a successful extension of the repayment period, including the completion of the signing of the Phase 1 Subcontracting Contract with a capacity of 50 MWDC, the Company, therefore, amortized the said advance payment as a total cost of USD 0.41 million. Later in the third quarter of 2020, the Company has completed the signing of phase 2 to phase 4 with the subcontractors from China. And overall, the said financing company negotiated with the project owner (GEP (Myanmar) Company Limited “GEPM”) to amend the

construction service contract in the same direction. After the amendment of the construction service contract, the Company's subsidiaries, Vintage EPC Co., Ltd. and VTE International Construction Co., Ltd., are not required to provide financing assistance any further to the Employer ("GEPM") which results such service has completed. The Company, therefore, amortizes the remaining advance payment amounting to USD 1.39 million or equivalent to Baht 43.97 million in the 3rd quarter of 2020 (while this year, the Company does not have such a transaction because it is considered as One-time Expenses as mentioned above.) From the above, which is the main reason that resulted in administrative and general expenses decreased by such amount.

6. The expected credit loss is decreased by Baht 67.59 million, or 100%, mainly due to the Company has already recorded the expected credit loss for the entire amount of accrued interest received on Billiran in the year 2020 due to the high uncertainty that the Company will receive the repayment of the accrued interest, it was found that in 2021, the Company ceased to recognize this interest income as described above. Therefore, in the current accounting period, the Company has no expected credit losses, resulting in a reduction of this expense in such amount from the previous year.
7. Loss on impairment of investments in associated decreased by Baht 103.00 million or 80%. In 2020, the Company hired an independent financial advisor who was approved by the Securities and Exchange Commission (SEC) and with knowledge and expertise in the electric power project business to evaluate the associated company, which is Green Earth Power (Thailand) Company Limited, to use the report of such experts in determining the allowance for impairment of the associated company. Which in summary the appraised value was Baht 685.43 million, resulting in impairment of investment in associates of Baht 129.55 million in the consolidated financial statements. The main reasons which resulted in the impairment occurred due to the company has already recognized other income according to the terms of the Shareholder Agreement for year 2020 in the amount of Baht 157.4 million, resulting in a decrease in the other income that the Company will be entitled in the future under this agreement. While in 2021, the value that the former independent financial advisor appraised was Baht 704.04 million. During the year 2021, the Company only recognized the share of profit from the investment in the associated company and did not recognize other income as high as in the previous year (2020) as discussed above. As a result, the difference in adjusting the value of such investment to be equal to the value that the independent financial advisor has appraised is only Baht 26.55 million. And consequently, the overall impairment of such impairment decreased from the previous year according to such proportion.

The explanations of the significant balance of asset

1. For the receivables balance from the Solar Power Plant Projects, Minbu, Myanmar, Phase 1 it was found that the Company had net outstanding balance (trade receivables and unbilled receivables less advances received for construction) as of December 31, 2021, and December 31, 2020, totaling USD 42.9 million or equivalent to Baht 1,432.3 million and USD 46.9 million or equivalent to Baht 1,407.5 million, respectively. According to the construction contract in Phase 1, the Company must deliver the work and receive certification from the lender's technical advisor in terms of performance testing (Performance Ratio Test or PR Test) to meet the requirements before the Company be able to collect the payment from the client (GEPM). However, from the event of the COVID-19 outbreak and the Myanmar government shutdown as mentioned above resulting in the Company and China Subcontractor unable to enter to the power plant to perform corrections and PR Test. Such events are considered as Force Majeure. Therefore, the Company negotiates with the China Subcontractor to extend the payment period, which the China Subcontractor has considered and deems appropriate as the Company proposes and agrees to extend the payment period for pay off debt. As such result, it affects the repayment period between GEPM and the Company was extended as well. Originally, the payment period was set by 120 days since February 28, 2020, which the due date is on June 28, 2020. And after the extension is due within March 1, 2022, (the Myanmar government has issued the latest announcement extending the lockdown for entry and exit until February 28, 2022) which includes the period when the government of Myanmar has announced the closure of entry and exit. As mentioned above, the Company has a high amount of outstanding debt from such project. Due to such financial institutions are still unable to send staff to do PR Test due to the closure of the said country.
2. Trade receivables from the Solar Power Plant Project in Biliran, Philippines, as of December 31, 2021, and December 31, 2020, totaling USD 16.03 million, or equivalent to Baht 535.78 million and Baht 481.55 million, respectively. In 2020, the project owner gives an opportunity for Vintage EPC to have the opportunity to jointly invest with a group of new investors. The Board of Directors of Vintage EPC has considered that the project is attractive for investment and can create many business opportunities, therefore, appointed representatives of Vintage EPC Company Limited to attend the meeting with counterparties ("EPGEN"/"Buyer") and new investors who are interested in investing in a 25.6 megawatt Solar Power Plant Project in Billiran, Philippines. At the aforementioned meeting, all three parties have already signed a Memorandum of Understanding for participating in the investment in the said project and allowing each party to study the project and extend the period of debt collection due to the process of considering due diligence in considering the conversion of

debtors to equity by extending the period to study the project until December 31, 2021. Later, it found that at the Board of Directors' Meeting No. 2/2021 on February 25, 2021, the management presented to the meeting that the Company has appointed another independent financial advisor approved by the Securities and Exchange Commission (SEC) and such independent financial advisor has knowledge and expertise in the solar power project business to perform the project valuation and as an investment advisor in the project again (this is the second valuation of the project), which the financial advisor has preliminarily assessed EPGEN's share value and found that EPGEN's share value is USD 28.2 - 29.8 million. The Board of Directors' meeting, therefore, approved authorizing the Chief Executive Officer to appoint a legal advisor to negotiate for co-investment with the BEC group and continue investing in the said project.

At present, it was found that the Board of Directors Meeting No. 15/2021, held on December 22, 2021, resolved to extend the period of the Memorandum of Understanding (the Amended MOU) between Vintage EPC Company Limited ("the Subsidiary"), Basic Energy Corporation ("BEC") and E&P Green Energy Inc. ("EPGEN") will expire on December 31, 2022 due to the situation of the COVID-19 epidemic that continues to spread and suspension of cross-country travel. As a result, teams such as financial advisors (FA) appointed by the company to help coordinate the investment in such projects, including the company's management team, are unable to travel to the Birilan project. There is a limitation in meeting to negotiate the details of the project together with all 3 parties. Therefore, the management and the other two parties agreed that the period of the MOU should be extended. (the Amended MOU) for 1 year in order to complete the structure and form of investment in the project.

On January 31, 2022, Vintage EPC Company Limited ("the Subsidiary"), Basic Energy Corporation ("BEC") and E&P Green Energy Inc. ("EPGEN") completely signed a renewal of the Memorandum of Understanding (the Amended MOU) extended until December 31, 2022.

3. Deposits for investment in the energy business, as of December 31, 2021, and December 31, 2020, totaling JPY 1,741.05 million, or equivalent to Baht 506.02 million and Baht 506.09 million, respectively, as the deposit for the feasibility of a solar power plant project, biomass power plant with the total capacity of 100.0 megawatts consisted of 1) The Saga Project with a capacity of 50 MW in Saga City, Japan 2) the Saga Project with a capacity of 25 MW in Saga City, Japan, and 3) the Wakayama Project with a capacity of 25 MW in Wakayama City, Japan.

The Board of Directors Meeting No. 15/2021, dated December 22, 2021, reported that the management has considered the investment method from 3 investment plans, consisting of 1. Direct invest in Innocent, or 2. Direct investment in such projects, or 3. Preparing Management Service Agreement with Innocent as presented by JETRO, which is a consultant for investment in Japan.

In this regard, the Company's Board of Directors has considered and appointed Nishimura & Asahi as legal advisors and supervises the legal and related contracts for the investment in the Karatsu Biomass Power Plant (Saga 50 MW) project. And the legal advisors (Nishimura & Asahi) advise that the Company should consider investing in the GK-TK Structure, where the deposit is Baht 506.0 million with the counterparty, which can be divided into 3 projects: 1) Saga 50 MW 2) Saga 25 MW and 3) Wakayama 25 MW. Currently, the Company is collecting information and relevant legal requirements, including details of the return on such investment models, and in order to comply with the compilation of information on considering new investment guidelines, the Company should extend the period of the MOU until December 31, 2022 and on January 4, 2022, Vintage Holding Japan Company Limited and the contracting parties have agreed to enter into a Memorandum of Understanding to extend the project development period until December 2022.

On February 14, 2022, Vintage Holding Japan Company Limited and the counterparties entered into a collateral agreement in respect of project deposits, whereby the parties pledged securities, namely the concession in the Saga 25 MW and Wakayama 25 MW projects to secure the deposit in the said project. The management has appointed another independent financial advisor who is approved by the SEC and who has expertise in the electric power project business to assess the value of such collateral. It was found that the appraised collateral value was approximately JPY 2,053.6 million, which covered the entire amount of the company's deposits placed for investment purposes which is JPY 1,741.1 million.

Sincerely Yours

(Mr. Supasit Pokinjaruras)

Chief Executive Officer