

**META-MAI.020/2022**

**November 14, 2022**

**Subject Report for the overall operation of the Company as of September 30, 2022**

**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. 07/2022 held on November 14, 2022, the meeting approved the separate and consolidated financial statement as of September 30, 2022, which the net loss is totaling the amount of THB 36.43 million which the net loss decreased in the amount of THB 39.86 million or 52% when compared with the financial statement as of September 30, 2021.

The Company would like to report the operating results compared to the period ended September 30, 2021 due to the following reasons:

**Three-Month Period**

Descriptions	30-SEP-22		30-SEP-21		In(de)creased for the period	
	Amount (Thousand Baht)	Proportion (%) of revenues	Amount (Thousand Baht)	Proportion (%) of revenues	Amount (Thousand Baht)	%
Revenues from building engineering system and construction	3,239	30%	-	-	3,239	100%
Revenues from loan services	7,663	70%	-	-	7,663	100%
Total revenues from operations	10,902	100%	-	-	10,902	100%
<u>Less</u> Costs from building engineering system and construction	3,085	95%	-	-	3,085	100%
<u>Less</u> Costs from loan services	769	10%	-	-	769	100%
Total costs from operations	3,854	35%	-	-	3,854	100%
Gross profit from operations	7,048	65%	-	-	7,048	100%
<u>Add</u> Interest income	1,066	10%	-	-	1,066	100%
<u>Add</u> Other income	2,973	27%	3,084	-	(111)	(4)%
<u>Less</u> General and administrative expenses	(33,576)	(308)%	(17,709)	-	(15,867)	90%
<u>Add</u> Reversal of allowance for expected credit losses /	(324)	(3)%	(3)	-	(321)	10,700%
<u>Less</u> llowance for expected credit losses						
<u>Less</u> Finance costs	(3,723)	(34)%	(9,614)	-	5,891	(61)%
<u>Less</u> Income tax (income) expense	1,532	14%	(121)	-	1,653	(1,366)%
<u>Add</u> Other items	3,336	31%	3,014	-	322	11%
<b>Profit (loss) for the period</b>	<b>(21,668)</b>	<b>(199)%</b>	<b>(21,349)</b>	<b>-</b>	<b>(319)</b>	<b>1%</b>

Comparing the profit (loss) from operation as at September 30, 2022, and September 30, 2021, for the 3-month period, the Company had a increase in a net loss of THB 0.32 million or 1% due to the materiality causes as follows:

1. An increase in gross profit from operations of Baht 7.05 million or 100% 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 and continues to the present (working on site improvement, soil filling and site preparation for Phase 2). As a result, in the third quarter of 2022, the Company has revenue from construction in phase 2 of Baht 3.24 million.
  - The increase in interest income from loans to customers was derived from the new credit services segment that commenced operations in October 2021. The Company's revenue from the said segment increased to Baht 7.66 million.
2. An increase in administrative and general expenses of Baht 15.87 million or 90%, the overall increase was due to the administrative expenses of the loan service segment. (New segments that started operations in late 2021 as mentioned above).
3. Finance costs decreased by Baht 5.89 million or 61% due to the Company's overall financial debt ratio decreased compared to the same quarter of the previous year. As a result, the financial cost was reduced by such amount.

**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 September 30 2022, and December 31, 2021, totaling USD 42.9 million or equivalent to Baht 1,624.7 million and USD 42.9 million or equivalent to Baht 1,432.3 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). Later after the COVID-19 event, the term of payment is divided into two new payment periods. Starting from February 29, 2020, to March 29, 2020, considered as the first payment period and start counting again after April 17, 2022, or as the government of Myanmar announced the closure of entry-exit until April 16, 2022). Counting the second period of repayment starting from the China Subcontractor has issued a travel notice letter to initiate

corrections and PR Test on June 15, 2022. Therefore, the repayment period will begin from such date and the GEPM debtor will be due on September 12, 2022.

For the amount of such debt, the Board of Directors Meeting No. 5/2022, held on September 9, 2022, the Board of Directors resolved to approve the Subsidiaries of the Company, namely Vintage EPC Company Limited (Vintage EPC) and VTE International Construction Co., Ltd. (VTE Inter) can sign a transaction in a debt sale and purchase agreement for the Minbu Solar Power Plant Project, Republic of the Union of Myanmar, Phase 1 (Debt Assignment Agreement). The Company, GEPM and the Chinese subcontractor discussed the transfer of trade accounts receivable of its subsidiary, GEPM. GEPM will pay the outstanding receivables directly to a subcontractor from China, which will make the Company's subsidiaries, Vintage EPC and VTE Inter, free from such debt.

Subsequently, on November 3, 2022, the representatives of Vintage EPC and VTE Inter signed a debt sale and purchase agreement for the Minbu Solar Power Plant project, Republic of the Union of Myanmar Phase 1 (Debt Assignment Agreement) with a subcontractor from China and GEPM. Consisting of sales value of trade accounts receivable phase 1 of VTE Inter amounting to USD 16.3 million after deducting the advance payment for the construction of Phase 1 amounting to USD 3.7 million, the balance of trade accounts receivable of Phase 1 net amounted to USD 12.6 million. The sales value of the trade receivable phase 1 of Vintage EPC amounted to USD 30.3 million. The total sale and purchase value of such trade accounts receivable is USD 42.9 million (Purchase Price). In this regard, Vintage EPC and VTE Inter will transfer all rights, titles and interests of trade receivables, not limited to claims for repayment to the Chinese Subcontractor. In addition, according to the terms of the Master Coordination Agreement, which is a cooperation agreement between Vintage EPC, VTE Inter, GEPM and a subcontractor from China has determined that the transfer of trade accounts receivable as mentioned above can be carried out.

2. Trade receivables from the Solar Power Plant Project in Biliran, Philippines, as of September 30, 2022, and December 31, 2021, totaling USD 16.03 million, or equivalent to Baht 607.71 million and Baht 535.78 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”/“the 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.

Subsequently, 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.

At the Board of Directors Meeting No. 4/2022 on August 15, 2022, the management reported the progress of the asset swap transaction between the Company's subsidiary and the Basic Energy Corporation (“BEC”). BEC wants to withdraw 15% of its investment in Vintage EPC Company Limited (“Vintage EPC”) and VTE International Construction Company Limited (“VTE Inter”) due to BEC wants to run a business that they have more expertise. Therefore, BEC offers the option of appraisal of all panels and equipment in front of the Biliran

project construction. It is expected to be worth at least USD 3 million which is close to the investment value as of the date that BEC invested with Vintage EPC and VTE Inter. The Company can purchase shares of Vintage EPC and VTE Inter, which BEC holds 15 percent, back to the Company by means of swapping such panels and equipment (Asset Swap). BEC agreed to do asset swap only for PV Modules and PV Connectors. The total value of the asset swap transaction was USD 4,103,946 which considered as the total sale and purchase shares value of the total repurchased shares of Vintage EPC and VTE Inter.

Later, the parties have made mutually memorandum of understanding to prepare and sign relevant documents. As of July 28, 2022, EPGEN and BEC have signed a preliminary memorandum of understanding on the transfer of ownership of solar equipment (Deed of Transfer of Ownership of Solar Equipment), which requires EPGEN, a debtor of Vintage EPC, to transfer ownership and any interest in Solar Equipment to BEC totaling USD 4,103,946. Subsequently, on August 25, 2022, BEC and the Company signed a preliminary memorandum of understanding on the transfer of shares (Deed of Assignment of Shares of Stock), which stipulated that BEC had to transfer the Vintage EPC and VTE Inter shares back to the Company with a total value of USD 4,103,946.

At the Board of Directors Meeting No. 5/2022 on September 9, 2022, the Board of Directors resolved to approve Meta Corporation Public Company Limited to enter into a share repurchase agreement using the asset swap method (Supplemental Agreement) signed with BEC, Vintage EPC and EPGEN

Subsequently, on October 12, 2022, representatives of Meta Corporation Public Company Limited signed an share repurchase agreement using the asset swap method (Supplemental Agreement) with BEC, Vintage EPC and EPGEN with the following key contents:

1. The date of all transactions under the Deed of Transfer of Ownership of Solar Equipment and the Deed of Assignment of Shares of Stock was completed on October 17, 2022 (Closing Date) and the said date is the date for recording asset swap transactions for parties.
2. For purposes of booking the transfer to BEC of the solar equipment under the Deed of Transfer of Ownership of Solar Equipment and the assignment to the Company of the Vintage EPC and VTE Inter under the Deed of Assignment of Shares of Stock equivalent to USD 4,103,946 in each memorandum.

3. Upon booking by EPGEN of the transfer of the solar equipment to BEC, EPGEN shall use the proceeds under the Deed of Transfer of Ownership of Solar Equipment to settle its obligations to Vintage EPC, and Vintage EPC shall use these proceeds to settle its intercompany loan to of Meta Corporation Public Company Limited and Vintage EPC.

4. For purpose of the Deed of Transfer of Ownership of Solar Equipment, legal title to and ownership of the PV Modules and PV Connectors shall be deemed vested upon BEC by constructive delivery effective on October 17, 2022 which is Closing Date.

At present, the Company has appointed an independent financial advisor to evaluate the new project after META and BEC have entered into the asset swap transaction as mentioned above. The objective is to provide information for the next investment in the said project.

3. Deposits for investment in the energy business, as of September 30, 2022, and December 31, 2021, totaling JPY 1,741.05 million, or equivalent to Baht 456.88 million and Baht 506.02 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 16, 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.

### Nine-Month Period

Descriptions	30-SEP-22		30-SEP-21		In(de)creased for the period	
	Amount (Thousand Baht)	Proportion (%) of revenues	Amount (Thousand Baht)	Proportion (%) of revenues	Amount (Thousand Baht)	%
Revenues from building engineering system and construction	21,497	56%	451	100%	21,046	4,670%
Revenues from loan services	16,955	44%	-	-	16,955	100%
Total revenues from operations	38,452	100%	451	100%	38,001	8,431%
<u>Less</u> Costs from building engineering system and construction	20,474	95%	332	74%	20,142	6,071%
<u>Less</u> Costs from loan services	1,811	11%	-	-	1,811	100%
Total costs from operations	22,284	58%	332	74%	21,953	6,617%
Gross profit from operations	16,168	42%	119	26%	16,049	13,493%
<u>Add</u> Interest income	1,515	4%	265	59%	1,250	472%
<u>Add</u> Other income	38,004	99%	5,459	1,211%	32,545	596%
<u>Less</u> General and administrative expenses	(88,485)	(230)%	(61,566)	(13,660)%	(26,919)	44%
<u>Add</u> Reversal of allowance for expected credit losses /	1,120	3%	(126)	(28)%	1,246	(989)%
<u>Less</u> llowance for expected credit losses						
<u>Less</u> Finance costs	(17,473)	(45)%	(31,640)	(7,020)%	14,167	(45)%
<u>Less</u> Income tax (income) expense	765	2%	(232)	(51)%	997	(430)%
<u>Add</u> Other items	11,952	31%	11,427	2,535%	525	5%
<b>Profit (loss) for the period</b>	<b>(36,434)</b>	<b>(95)%</b>	<b>(76,294)</b>	<b>(16,927)%</b>	<b>39,860</b>	<b>(52)%</b>

Comparing the profit (loss) from operation as of September 30, 2022, and September 30, 2021, for the nine-month period, the Company had a decrease in a net loss of THB 39.86 million or 52% due to the significant causes as follows:

1. The increase in gross profit from operations of Baht 16.05 million or equivalent to 13,493% was due to an increase in revenue from the contract for the solar power plant project in Minbu, Myanmar, Phase 2 and an increase in interest income from loans is income from the loan service segment as mentioned above.
2. An increase in other income of Baht 32.55 million baht or equivalent to 596% overall increased from:

- 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 3rd quarter of 2022 for 9-month period, the said associated company increased its registered capital 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 25.30 million. While in the same quarter of the previous year, the said associated company did not increase its capital in any way. As a result, the overall other income of the business increased from the previous year according to such proportion.
  - other income from the loan service segment consisted of income from transfers from sales of accounts receivable, income from credit management services, and income from credit services totaling Baht 3.74 million
  - other income from the reversal of the accrued retention deposit of a contracting project in the country to other income amounting to Baht 1.66 million due to such retention were accrued more than 2 years after the delivery of the project
3. An increase in administrative and general expenses of Baht 26.92 million or 44% due to:
- employee expenses for salaries and bonuses increased by a total of Baht 4.48 million. The increase in such expenses was in line with the expansion of the credit service business and the increase in the number of personnel in the said segment which started operating in October 2021.
  - administrative expenses of the loan service segment (new segments that started operations in late 2021 as mentioned above) increased by Baht 23.04 million
4. Finance costs decreased by Baht 14.17 million or 45% due to the Company's overall financial debt ratio decreased compared to the same quarter of the previous year. As a result, the financial cost was reduced by such amount.

**Sincerely Yours**

**(Mr. Supasit Pokinjaruras)**

**Chief Executive Officer**