

META-MAI.005/2023

February 28, 2023

Subject Report for the overall operation of the Company as of December 31, 2023

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. 02/2023 held on February 28, 2023, the meeting approved the separate and consolidated financial statement as of December 31, 2022, which the net loss is totaling the amount of THB 134.63 million which the net loss increased in the amount of THB 34.50 million or 34% when compared with the financial statement as of December 31, 2021.

The Company would like to report the operating results compared to the period ended December 31, 2021 due to the following reasons:

In Thousand Baht

Descriptions	31-DEC-22		31-DEC-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	21,658	46%	74,546	94%	(52,888)	(71)%
Revenues from loan services	25,438	54%	4,551	6%	20,887	459%
Total revenues from operations	47,096	100%	79,097	100%	(32,001)	(40)%
<u>Less</u> Costs from building engineering system and construction	20,627	95%	70,619	95%	(49,992)	(71)%
<u>Less</u> Costs from loan services	2,531	10%	870	19%	1,661	191%
Total costs from operations	23,158	49%	71,489	90%	(48,332)	(68)%
Gross profit from operations	23,938	51%	7,608	10%	16,330	215%
<u>Add</u> Interest income	3,550	8%	268	0%	3,282	1,227%
<u>Add</u> Other income	41,372	88%	9,748	12%	31,624	324%
<u>Less</u> General and administrative expenses	(102,327)	(217)%	(68,043)	(86)%	(34,284)	50%
<u>Add</u> Reversal of allowance for expected credit losses /	3,125	7%	1,903	2%	1,222	64%
<u>Less</u> Allowance for expected credit losses						
<u>Less</u> Finance costs	(97,075)	(206)%	(26,546)	(34)%	(70,529)	266%
<u>Add</u> Income tax income / <u>Less</u> Income tax income expense	(21,472)	(46)%	(42,584)	(54)%	21,112	(50)%
<u>Add</u> Other items	224	0%	(3)	(0)%	227	(6,915)%
Profit (loss) for the period	14,040	30%	17,522	22%	(3,483)	(20)%
	(134,625)	(286)%	(100,128)	(127)%	(34,497)	34%

Comparing the profit (loss) from operation as at December 31, 2022, and December 31, 2021, the Company had a increase in a net loss of THB 34.50 million or 34% due to the materiality causes as follows:

1. An increase in gross profit from operations of Baht 16.33 million or 215% due to the following main reasons:
 - The decrease in revenue from the solar power plant project in Minbu, Myanmar, Phase 2, which decreased by Baht 52.89 million or 71% due to the work of Phase 2, which was started in the 4th quarter in 2021, namely Land Clearance (area clearing work) and Land Grading (leveling the ground) are preliminary work with relatively high value compared to other works in the same group. In addition, the Company has almost all completed during that quarter. While the work carried out in 2022 is of lesser value and shorter time to complete, including a small amount of Land Grading from 2021, completed in January 2022, and the Road and Drainage System work (road construction and sewer system work) which the Company has almost completely completed in the first quarter of 2022 and only a small amount of work completed in September 2022. The aforementioned value of work in 2022 is relatively small compared to the value of work in 2021, causing the revenue from this work to decrease with such amount.
 - The increase in interest income from loans, which is income from the loan service segment, which is a new segment that started operations in October 2021 (with only 3 months of operating results) when compared to the year 2022 that was operated all year (12 months), causing the said segment to have an increase in revenue to Baht 20.89 million or 459%.
2. An increase in interest income of Baht 3.28 million , or 1,227%, because in June 2022, the Company entered into a Loan Agreement with an Associated Company to be used as a fund for the payment of the construction contract of the Minbu Power Plant Phase 2 . The Company started recording interest income from such loans since June 2022 at the rate of approximately Baht 500,000 /month for 7 months, totaling Baht 3.5 million. It is the main reason for the overall interest income to increase by that amount.
3. An increase in other income of Baht 31.62 million baht or equivalent to 324% 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 year 2022, 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 year 2021, the associated company has increased capital a little and the Company has been allocated shares to record other income of only Baht 0.8 million, which results in an overall increase in other income of the Company 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 4.66 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
4. An increase in administrative and general expenses of Baht 34.28 million or 50% due to:
- employee expenses for salaries and bonuses increased by a total of Baht 5.06 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 29.22 million
5. Loss on impairment of investments in associated companies increased by Baht 70.53 million or 266%. In 2022, the Company hired an independent financial advisor that was approved by the SEC and has knowledge and expertise in electric power project business to evaluate the value of associated companies, namely Green Earth Power (Thailand) Co., Ltd., in order to use the work of such experts to consider the allowance for impairment of such associated company. In summary, the appraised value decreased mainly due to the change in the weighted average cost of capital ratio (WACC) caused by fluctuations in market interest rates. As a result, the business value (GEPT) was reduced to only Baht 655.11 million, resulting in an impairment of investment in associated companies in the amount of Baht 97.08 million in the consolidated financial statements according to the said valuation report.
6. Finance costs decreased by Baht 21.11 million or 50% due to the Company's overall financial debt ratio decreased compared to the same quarter of the previous year (year 2021). As a result, the financial cost was reduced by such amount.

The explanations of the significant balance of asset

1. Trade receivables from the Solar Power Plant Project in Biliran, Philippines, as of December 31, 2022, and December 31, 2021, totaling USD 11.93 million, or equivalent to Baht 412.25 million and USD 16.03 million or equivalent to Baht 535.78 million, respectively. At the present, 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.

There are groups interested in investing in the EPGEN project, consisting of 1. Vintage EPC Company Limited (“Vintage EPC”) who intends to convert debt into equity and 2. Basic Energy Corporation (“BEC”), a company operating in the energy business and listed on the Philippine Stock Exchange. All 3 parties agreed that the investment structure and asset swap transaction should be completed before continuing to invest in EPGEN stocks in the next order.

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.

The management considered that the value of the collateral (EPGEN shares) had been appraised for 1 year, so it was appropriate to re-appraise the value of the collateral to see if it still covered the value of the outstanding debt or not. Subsequently, in December 2022, the Company has recruited and appointed an independent financial advisor who is approved by the SEC and has expertise in solar power project business to assess the project value and as an investment advisor in the said project again. (The 3rd valuation of the project). The financial advisor has estimated the share price of EPGEN in the amount of PHP 1,410.3 – 1,589.6 million. The appraised value of shares has already covered the value of trade accounts receivable and guarantees under the contract.

After BEC has withdrew 15% of its investment in Vintage EPC and VTE Inter, including the Company (Meta Corporation Public Company Limited) has completely bought back the shares of both companies from BEC on

October 17, 2022, (Closing Date) by using the Asset Swap method according to the Supplemental Agreement, BEC no longer has any interest in the Company. In addition, the original memorandum of understanding signed by 3 parties between the Company, EPGEN and BEC is about to expire on December 31, 2022. Therefore, the Company considers entering a Memorandum of Understanding to study the solar power plant project again. It is a bilateral agreement between Vintage EPC and EPGEN.

Subsequently, the Board of Directors' Meeting No. 01/2023 on February 22, 2023 resolved to approve Vintage EPC to prepare a new Memorandum of Understanding to be in line with the changes that have occurred (BEC withdrew 15% of its investment in Vintage EPC and VTE Inter), as of February 22, 2023, Vintage EPC has prepared a Memorandum of Understanding for both parties by signing with EPGEN to confirm that Vintage EPC still has interest in the project. The MOU requires Vintage EPC will conduct legal due diligence on the project within December 31, 2023.

2. Deposits for investment in the energy business, as of December 31, 2022, and December 31, 2021, totaling JPY 1,741.05 million, or equivalent to Baht 454.26 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 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 JPY 1,741.05 million with the counterparty, which can be divided into 3 projects: 1) Saga 50 MW 2) Saga 25 MW and 3) Wakayama 25 MW.

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.

Subsequently, the contractor for Saga 50 MW project informed the Company of the progress of the project that a ground breaking ceremony would be held in August 2022 to begin the construction of Plant Fortification

(preliminary work and foundation work). Subsequently, the Company then goes to Japan to visit the Saga 50 MW project in early January 2023. After the visit site found that the project was attractive for investment, it decided to convert the deposit of the project to JPY 1,741.1 million to the value of future project purchasing. But considering converting such deposits to the value of the purchase of the project, the value of the collateral received in 2022 must be considered whether it still covers the value of such deposits or not. Therefore, in mid-January 2023, the Company has begun recruiting independent financial advisors who have been approved by the SEC and who have knowledge and expertise in the electric power project business to evaluate the collateral value.

Later in February 2023, the management has appointed an independent financial advisor who is approved by the SEC and has knowledge and expertise in the electric power project business to reappraise the collateral value. time (The second appraisal of the collateral value) to assess whether the collateral value still covers the value of the deposit or not. It was found that the assessed collateral value was approximately JPY 1,743.9 million, which covered the full amount of the JPY 1,741.1 million deposit of the Company placed for investment purposes.

The Board of Directors' Meeting No. 08/2022 held on December 30, 2022, considered that the project was interesting to invest in and the construction had already started as mentioned above. Therefore, the Board of Directors resolved to approve the extension of the MOU period until December 31, 2023. And on January 1, 2023, Vintage Holdings Japan Company Limited and the parties have agreed to enter into a Memorandum of Understanding to extend the project development period until December 31, 2023.

Sincerely Yours

(Mr. Supasit Pokinjaruras)

Chief Executive Officer