

META-MAI.011/2023

May 12, 2023

Subject Report for the overall operation of the Company as of March 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. 04/2023 held on May 12, 2023, the meeting approved the separate and consolidated financial statement as of March 31, 2023, which the net loss is totaling the amount of THB 19.83 million which the net loss decreased in the amount of THB 0.78 million or 4% when compared with the financial statement as of March 31, 2022.

The Company would like to report the operating results compared to the period ended March 31, 2022 due to the following reasons:

In Thousand Baht

Descriptions	31-MAR-23		31-MAR-22		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	-	-	14,766	77%	(14,766)	(100)%
Revenues from refinancing loans	7,835	100%	4,291	23%	3,544	83%
Total revenues from operations	7,835	100%	19,057	100%	(11,222)	(59)%
<u>Less</u> Costs from building engineering system and construction	-	-	14,063	95%	(14,063)	(100)%
<u>Less</u> Costs from refinancing loans	518	7%	533	12%	(15)	(3)%
Total costs from operations	518	7%	14,596	77%	(14,078)	(96)%
Gross profit from operations	7,317	93%	4,461	23%	2,856	64%
<u>Add</u> Interest income	1,891	24%	-	-	1,891	100%
<u>Add</u> Other income	2,721	35%	6,886	36%	(4,165)	(60)%
<u>Less</u> General and administrative expenses	(30,494)	(389)%	(28,936)	(152)%	(1,558)	5%
<u>Add</u> Reversal of allowance for expected credit losses /	(124)	(2)%	-	-	(124)	(100)%
<u>Less</u> Allowance for expected credit losses						
<u>Less</u> Finance costs	-	-	-	-	-	-
<u>Add</u> Income tax income / <u>Less</u> Income tax income expense	(3,705)	(47)%	(7,836)	(41)%	4,131	(53)%
<u>Add</u> Other items	50	1%	(466)	(2)%	516	(111)%
Profit (loss) for the period	2,512	32%	5,278	28%	(2,766)	(52)%
	(19,832)	(253)%	(20,613)	(108)%	781	(4)%

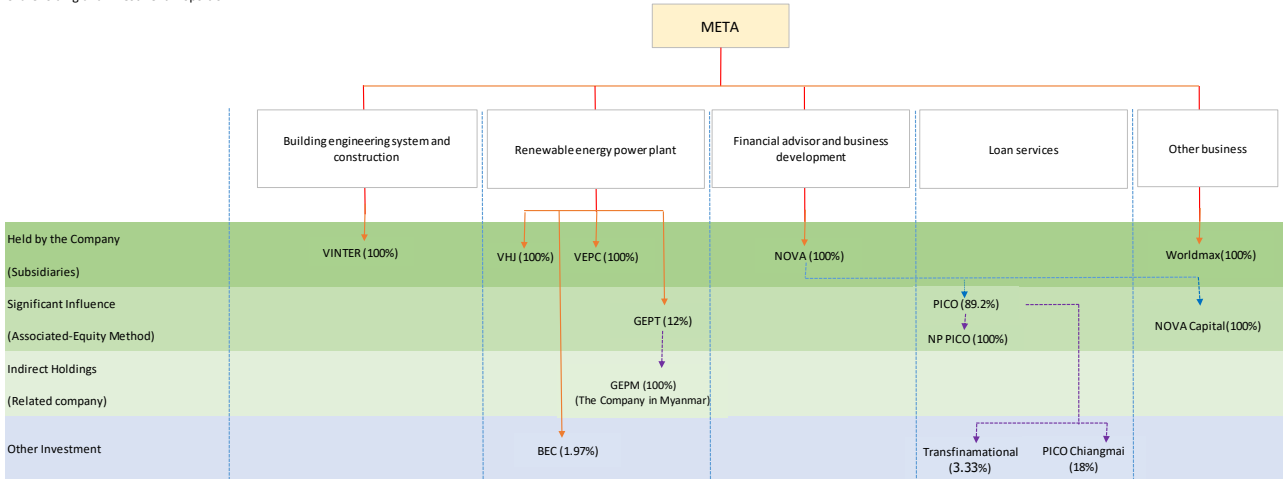
Comparing the operating results for the period ended March 31, 2023 with the period ended March 31, 2022, the Company had a net loss decreased by Baht 0.78 million or 4% by significant increases (decreases) are as follows.

1. An increase in gross profit from operations of Baht 2.86 million or 64% 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 14.77 million or 100% since in this quarter, the Company has not delivered inventory and equipment to the work site according to the Supply Contract, resulting in the Company not being able to recognize revenue in the solar panel installation process.
 - An increase in interest income from loans in the amount of Baht 3.54 million or 83%, which is the revenue from the loan services segment, which is a new segment that has started operations in October 2021, which is the 1st quarter of 2022 still in the early stages of business operations, this segment has not yet fully expanded compared to the 1st quarter of 2023 with customer base expansion and business growth. Therefore, when compared, the Company's income proportion has increased as mentioned above.
2. An increase in interest income of Baht 1.89 million , or 100%, 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. As at the end of this quarter, the Company recognized interest income from such loans in the amount of Baht 1.46 million, which was the main reason for the overall interest income increasing by such amount.
3. A decrease in other income of Baht 4.17 million or 60%, mainly due to the decrease of extraordinary items (one-time occurrence) such as other income from adjusting retention payables for domestic contractors in the amount of Baht 1.66 million and the transfer of debt sales in the amount of 1.90 Baht million (loan service segment transactions).
4. Finance costs decreased by Baht 4.13 million or 53% 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.

Clarification of additional information for the 2022 financial statements

META Group

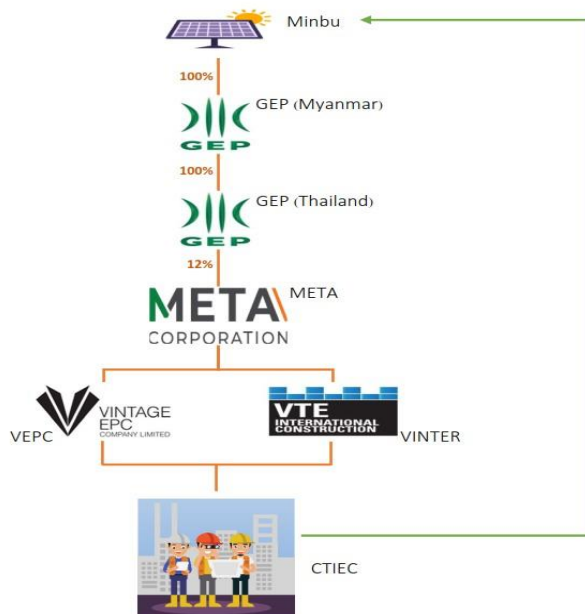
Shareholding and Investment Proportion



1. Solar Power Plant, Minbu, Myanmar

1.1 VEPC&VINTER sold trade accounts receivable GEPM Minbu Phase 1 worth USD 42.90 million (Baht 1,481 million deducted the advance receipt for construction of USD 3.7 million) to CTIEC by offsetting CTIEC trade accounts payable Baht 1,398 million (Debt Assignment Agreement).

Ans



Vintage EPC Company Limited (“VEPC”) signed a Supply Contract and VTE International Construction Company Limited (“VINTER”) signed a Construction Contract. (Construction Service Contract) which VEPC and VINTER as (“Contractor”) to GEP (Myanmar) Company Limited (“GEPM”) (“Employer”) for construction Minbu Solar Power Plant Project Myanmar, 4 phases, total capacity of 220MW (Minbu Power Plant Project)

VEPC and VINTER signed a Turnkey Engineering, Procurement and Construction Contract (“Subcontract”) as (“Employer”) with subcontractors from China (“CTIEC”).

From the BOD meeting No. 5/2022 held on September 9, 2022, it was resolved to approve the Debt Purchase Agreement of Minbu Power Plant Project Phase 1 (Debt Assignment Agreement) dated November 3, 2022. Jointly signed by 3 parties, GEPM will pay the outstanding value directly to CTIEC, which will free VEPC and VINTER from such debts.

MUSD			
	AR GEPM	AP CTIEC	Net
VEPC	(30.3)	47.0	16.7
VINTER	(12.6)	14.3	1.7
Net	(42.9)	61.3	18.4

**VEPC and VINTER transfer AR GEPM rights to CTIEC in Nov'22

** The difference of USD 18.4 million VEPC and VINTER is deducted from the ADV ph1 paid on the contract date.

From the table above, VEPC and VINTER have trade accounts payable and accrued costs of the power plant project Phase 1 equal to USD 61.3 million. Of this debt, GEPM will pay directly to CTIEC in full amount, while VEPC and VINTER have trade accounts receivable. Accrued amount USD 42.9 million, the difference occurred USD 18.4 million. The subsidiary has advance payment for the construction phase 1 equal to USD 18.3 million will be deducted with the cost of equipment and construction cost of phase 2-4 that is currently under construction, this

1.2 Advance payments to CTIEC contractors USD 57.4 million (Baht 1,985.2 million) while in 2019-2022, Covid and the coup in Myanmar made CTIEC unable to follow the milestone? And the shareholders in GEPT paid in advance for the construction according to their shareholding proportion or not? How?

Ans

Advance payment to CTIEC					
Phase	Amount per contract	Paid in full in 2020			Outstanding Balance
		VEPC	VINTER	Total	
Phase 2	12.4	(10.0)	(2.4)	(12.4)	-
Phase 3	12.4	(10.0)	(2.4)	(12.4)	-
Phase 4	16.7	(13.6)	(3.1)	(16.7)	-
	41.5	(33.6)	(7.9)	(41.5)	-

Advance payment to CTIEC construction contractor USD 57.4 million is an advance payment under the Turnkey Engineering, Procurement and Construction Contract (“Subcontract”) divided into 3 phases as follows: Phase 2 = USD 12.4 million which is 29.14% of project cost value // Phase 3 =USD 12.4 million which is 29.14% of project cost value // Phase 4 =USD 16.7 million which is 28.11% of project cost total Phase 2-4 advance payments to contractors equal to USD 41.5 million. In other words, it is a transaction that occurred before the outbreak of the corona virus 2019. The company has paid in full. And in the part of advance payment to the contractor Phase 1 = USD 18.3 million which is META will be deducted with the cost of equipment and construction costs in Phase 2-4 that are currently under construction.

Advance Received from GEPM				Unit : USD						
VINTER	Total	Receive in 2020	Outstanding Balance	VEPC	1st Part	2nd Part	Total	Receive until	Outstanding Balance	
Phase 2	2.5	(2.5)	-	Phase 2	5.5	5.2	10.7	(10.7)	-	
Phase 3	2.5	(2.5)	-	Phase 3	5.5	5.2	10.7	(10.7)	-	
Phase 4	3.3	(3.3)	-	Phase 4	7.7	6.8	14.5	(13.8)	0.7	
	8.3	(8.3)	-		18.7	17.2	35.9	(35.2)	0.7	

At the same time receiving advance for equipment and construction from GEPM, divided into 3 phases as follows: Phase 2 = USD 13.2 million which is 29.14% of the project value // Phase 3 = USD 13.2 million which is 29.14% of the project value // Phase 4 = USD 17.8 million 28.11% of the total project value Phase 2-4 Received advance payment for equipment and construction costs equal to USD 44.2 million. Currently received in full amount.

However, the sub-contractor has started work for Phase 2 in October 2021, resulting in META having service income in the consolidated financial statements of Baht 74.55 million in 2021 and service revenue of Baht 21.66 million in 2022.

1.3 GEPT 12% BV according to equity Baht 940 million, impaired to Baht 655 million. Why?

Ans

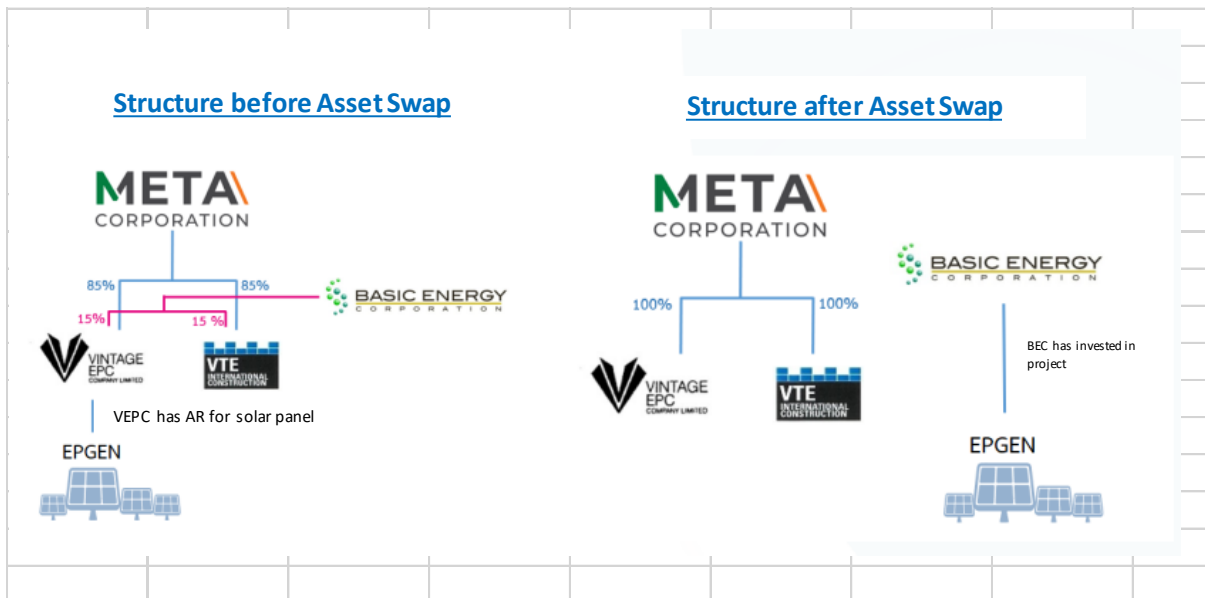
	In million Baht
Book value as of January 1, 2022	704.0
Share of profit	14.5
Dividend income	(2.4)
Exchange difference on translation of financial statements in foreign currency	10.7
Received share capital Q3/22	25.3
	752.1
Allowance for impairment loss	(97.0)
Book value as of December 31, 2022	655.1

META has hired Capital Advantage Co., Ltd. (“CapAd”) as an independent financial advisor to evaluate the stock value of Green Earth Power (Thailand) Co., Ltd. (“GEPT”) to consider the impairment of investment every year. Independent Financial Advisor Valuation of GEPT shares found that the estimated recoverable value is *lower* than the book value (investment in GEPT), therefore adjusting the allowance for impairment of investment in GEPT in the financial statements has been prepared, consisting of a discount rate (Discount Rate), calculating the net present value of cash flows. Derived from the calculation of the weighted average cost of capital (WACC) from the weighted average cost of debt. and the cost of capital in summary, the discount rate or WACC – solar power plant is equal to 7.04 per year in 2022.

If including the appraised GEPT value and other income that META will receive from GEPT's shareholders increase capital GEPT instead of META where META still has the same shareholding percentage in GEPT which is 12% equal to Baht 594.24 million and other income that META will received a projection for the year 2023 equal to Baht 60.87 million including the fair value of GEPT equal to Baht 655.11 million in 2022.

2. Solar power plant project Billiran City Philippines EPGEN debtor USD 11.93 million (Baht 412.25 million), decreased from the previous year by Baht 123.53 million because EPGEN transferred Solar equipment USD 4.10 million (Baht 123.53 million) to offset VEPC? By asset swap with BEC, can get VEPC & VINTER 15% per baht back in full amount?

[Ans](#)



Vintage EPC Co., Ltd. (“VEPC”) signed a contract to supply equipment for a solar power plant project. Billiran City Philippines, capacity of 25.6 MW (“Billiran Power Plant Project”) with E&P Green Energy, Inc. (“EPGEN”/“Purchaser”). EPGEN must pay for solar panels (PV Modules) and connected equipment. (PV Connectors) to VEPC

On August 15, 2022, Basic Energy Corporation (“BEC”) wants to withdraw 15% of its investment in both VEPC and VINTER because it wants to operate a business that has more expertise. All equipment at the construction site of the Billiran Power Plant Project To be close to the investment that BEC holds 15 percent, returned to VEPC and VINTER in full amount by means of panel swap and connected equipment (Asset Swap). The total value of such asset swap transaction is USD 4,103,946.

Later, BEC and EPGEN entered into a preliminary memorandum of agreement to transfer ownership of solar equipment (Deed of Transfer of Ownership of Solar Equipment) dated July 28, 2022, requiring EPGEN, a VEPC debtor, to transfer ownership and any benefits in solar equipment (Solar Equipment) to BEC and require BEC to enter into a memorandum of agreement on the preliminary transfer of shares (Deed of Assignment of Shares of Stock) to VEPC and VINTER, totaling USD 4,103,946

Preliminary memorandum of agreement on the transfer of ownership of solar equipment title and legal ownership of the solar panels and connected equipment vests with BEC upon delivery on October 17, 2022 as the Closing Date and on February 22, 2023 by VEPC prepare new Memorandum of Understanding in order to be consistent with the changes that have occurred (BEC withdrew 15% of its investment in VEPC and VINTER), VEPC has prepared a bilateral memorandum of understanding signed with EPGEN stating that it is still interested in such projects. The legal due diligence of this project must be completed by December 31, 2023.

3. Biomass power plants Saga 25 MW, Wakayama 25 MW and Karatsu 49.9 MW

[Ans](#) Vintage Holdings Japan Co., Ltd. (“VHJ”/“Company”) placed a deposit to study investment in a biomass power plant project. Entered an Amended Investment Term Sheet with Nugen Power Company Limited (“Nugen”) as the project seller. There are 3 projects under the biomass power plant investment contract.

- | | | |
|----------------------------------------------|---|----------------------------------------------------|
| 1. SAGA has a capacity of 25 megawatts. | } | Total JPY 1,741 million
(Completed around 2024) |
| 2. WAGAYAMA has a capacity of 25 megawatts. | | |
| 3. KARATSU has a capacity of 49.9 megawatts. | | |

The company has already examined the relevant documents as follows:

1. METI Application
2. Grid Application
3. Grid Connection Reply

At the end of 2021, the company has appointed Nishimura & Asahi (N&A) as legal and tax advisor. It is a company that has knowledge and expertise in Japanese and Thai law, which has a head office in Japan as well for investing in the KARATSU 49.9MW project by N&A, offering a TK Structure investment. Some project deposits are used as investments in the KARATSU 49.9MW project, whereby the project owner has pledged the securities as collateral for such investments.

The Company signed a Financial Advisory Agreement to appoint Welcap Advisory Co., Ltd. (“Welcap”) to act as an IFA to assess the value of such collateral whether it covers the value of the project deposit of JPY 1,741 million or not. The concession collateral for the SAGA 25MW and WAGAYAMA 25MW projects totals JPY 2,053.59 million in 2022 and JPY 1,743.88 million in 2023, which fully covers the deposit value of JPY 1,741 million that the Company has placed for investment purposes.

During the year 2021, the KARATSU 49.9MW biomass power plant project entered into an EPC contract with Toyo Engineering Corporation (“TOYO”) in June 2022. Toyo has carried out the work. Fortifications 100% completed, including preliminary work and foundation work, such as tree clearing, land filling, soil leveling, road construction, staff accommodation, etc.

The management has considered that the KARATSU 49.9MW Project in terms of construction and COD is highly likely to be completed on schedule. In addition, the electricity revenue from the said project can be recognized at the end of 2024. Therefore, the management will decide to convert the KARATSU 49.9MW project deposit because the project has just begun construction and may take some time before being able to invest. In such projects In addition, the value of the collateral is quite high, so the company needs current information to confirm the value of the collateral whether it still covers the value of the project deposit or not. therefore proceeding with the MOU on January 4, 2023, with a study period for investing in the project for 1 year ending on December 31, 2023

4. Ceasing doing coal business in Indonesia

Any The said transaction is a business of procurement for sales of stones in Indonesia from the former Board of Directors of the Company, which the management of the current Board of Directors has no policy to conduct business in Indonesia. Such deposits are therefore demanded. request a refund from the counterparty But it was found that the parties ignored. and tend not to repay which the business assesses the tendency to repay by considering the financial reports of the parties to the contract. It was found that there were very few assets. If hiring a lawyer to fight the case, it is expected that the repayment is not worth the cost. Because the cost of international legal proceedings is very high. In addition, the debtor has almost no assets and has almost no potential to repay. The Company therefore set aside the full amount of the allowance for doubtful accounts from the former management team of the Company. However, at present, the Company is working with legal counsel to close WM and request for approval to write off the items that have already been set aside 100. % continue in the next order

3. There is no income in the separate financial statements. Does META operate a holding business? How?

Ans META is still the main business in the construction business but because of the current the Company wants to complete and complete the construction of the Solar Electric Power Project (Minbu) Phase 2-Phase 4. If the construction of the big project in Minbu is completed will continue to accept contract work on behalf of META in the next project. In this Minbu project, the construction supervision engineers are still META personnel who are sent to help the affiliated companies to control the construction of the project to ensure compliance. according to the standards of the business The Company's business is a contractor business with high potential, good company profile and diverse customers. The management's policy direction is still concentrating on construction as the main business. There is no change whatsoever.

Sincerely Yours

(Mr. Supasit Pokinjaruras)

Chief Executive Officer