

META-MAI.013/2023

August 11, 2023

**Subject Report for the overall operation of the Company as of June 30, 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. 05/2023 held on August 11, 2023, the meeting approved the separate and consolidated financial statement as of June 30, 2023, which the net loss is totaling the amount of THB 45.44 million which the net loss increased in the amount of THB 30.68 million or 208% when compared with the financial statement as of June 30, 2022.

The Company would like to report the operating results compared to the period ended June 30, 2022 due to the following reasons:

**Changes in performance for the three-month period ended June 30, 2023 (only for the 2nd quarter results)**

**Three-Month Period**

Descriptions	30-JUN-23		30-JUN-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	-	-	3,492	41%	(3,492)	(100)%
Revenues from refinancing loans	8,937	100%	5,001	59%	3,936	79%
Total revenues from operations	8,937	100%	8,493	100%	444	5%
<u>Less</u> Costs from building engineering system and construction	-	-	3,325	95%	(3,325)	(100)%
<u>Less</u> Costs from refinancing loans	524	6%	509	10%	15	3%
Total costs from operations	524	6%	3,834	45%	(3,310)	(86)%
Gross profit from operations	8,413	94%	4,659	55%	3,754	81%
<u>Add</u> Interest income	67	1%	449	5%	(382)	(85)%
<u>Add</u> Other income	2,475	28%	28,145	331%	(25,670)	(91)%
<u>Less</u> General and administrative expenses	(35,388)	(396)%	(25,973)	(306)%	(9,415)	36%
<u>Add</u> Reversal of allowance for expected credit losses /	(123)	(1)%	1,444	17%	(1,567)	(109)%
<u>Less</u> Allowance for expected credit losses						
<u>Add</u> Income tax income / <u>Less</u> Income tax income expense	(4,016)	(45)%	(5,914)	(70)%	1,898	(32)%
<u>Add</u> Other items	113	1%	(301)	(4)%	414	(138)%
<b>Profit (loss) for the period</b>	2,847	32%	3,338	39%	(491)	(15)%
	<b>(25,612)</b>	<b>(287)%</b>	<b>5,847</b>	<b>69%</b>	<b>(31,459)</b>	<b>(538)%</b>

Comparing the operating results for the three-month period ended June 30, 2023 with the three-month period ended June 30, 2022, the Company had a net loss increased by Baht 31.46 million or 538% by significant increases (decreases) are as follows.

1. An increase in gross profit from operations of Baht 3.75 million or 81% 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 3.49 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 3.94 million or 79%, which is the revenue from the refinance loan segment, which is a new segment that has started operations in October 2021. In addition to the increase in the customer base expansion and business growth, also caused by the acquisition of new businesses as well. That is, according to the resolution of the Company's management committee meeting No.7/2022, dated July 27, 2022, the Company has resolved to approve a subsidiary, Pico Solutions (Thailand) Company Limited (“PICO”), to purchase ordinary shares of NP PICO Company Limited (“NP PICO”) in proportion of 99.99%. The Company has signed the share purchase agreement on August 1, 2022, resulting the Company has control over the financial and operating policies of NP PICO from August 1, 2022. Considering only in the 2<sup>nd</sup> quarter of 2023, for the three-month period, NP PICO had revenue and gross profit of Baht 3.74 million and Baht 2.64 million, respectively, as a result of new acquisitions made in the 3<sup>rd</sup> quarter of 2022 (as mentioned above), it was the main reason for the gross profit margin of the credit service segment to increase accordingly.
  
2. A decrease in other income of Baht 25.67 million or 91%, mainly due to a decrease in other income arising from an increase in the proportion of capital increase in an associated company. The other income is derived from the Company receiving additional shares according to the joint venture agreement in order to maintain the shareholding percentage at the original 12% and the counterparty must pay for the shares from the increase such capital was given instead of the Company, which in the second quarter of the year 2023 for the 3-month period, the associated company did not increase its capital in any way. While in the same quarter of the previous year, the associated company had increased its registered capital and resulted in the Company having other income according to the agreement, which was maintained in the original investment proportion of Baht 25.30 million, resulting in overall income of the Company decreased from the previous year according to the said proportion.

3. An increase in administrative and general expenses of Baht 9.42 million or 36% due to:
  - Loss from sale of investment property in the amount of Baht 1.77 million, it is the sale of land and buildings to third parties. The management considers that such land and buildings are deteriorated and not used anymore. In addition, the auction has been opened and bidders have come to ask for purchase for many years and still cannot sell the property. Therefore, consider reducing the price of such real estate in order to use the cash flow from the sale of assets to be used as working capital within the Company.
  - Loan fee increased by Baht 0.46 million, this arises from fees for managing loans and debts of the Group that are due and to find new sources of borrowing funds to prevent the Company from losing liquidity.
  - The amortization of withholding income tax was increased by Baht 0.95 million. Such withholding income tax was more than 1 year old and the management considered that it did not wish to refund.
  - Administrative expenses of refinancing loan segment (new segments that started operations in late 2021, including new business acquisitions in August 2022 as mentioned above) increased by As a result of the addition of such new segments, the proportion of administrative expenses increased in the overall amount of Baht 2.71 million.
  - Legal advisory fee and financial advisory fee increase of Baht 0.93 million as a result of the refinancing loan business expansion as mentioned above.
  - Expenses for international coordination increased by Baht 0.33 million because in the 2<sup>nd</sup> quarter of 2023 for the three-month period, the Company sent executives to travel to coordinate abroad.
  
4. Finance costs decreased by Baht 1.90 million or 32% 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. Trade receivables from the Solar Power Plant Project in Biliran, Philippines, as of June 30, 2023, and December 31, 2022, totaling USD 11.93 million, or equivalent to Baht 424.50 million and Baht 412.25 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.

In entering the investment study, EPGEN has used 100% of its shares that have been granted concessions in the power plant project as collateral during the investment study process in the said project.

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.

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.

According to Vintage EPC, there is still interest in the said project. Subsequently, the Executive Committee Meeting No. 3/2023 held on March 1, 2023 resolved to approve the Company (Meta Corporation Public Company Limited), as the parent company, to sign the Financial Arrangement Agreement to engage B Energy Holding Company Limited (“B Energy”) to act as a source of financing for the said power plant project in the form of Engineering, Procurement, Construction and Financing. (“EPC+F”). Currently, the advisor is in the

process of collecting information from the Company in order to coordinate with the bank to provide funding sources for EPGEN for the construction of such power plant project.

Subsequently, at the Executive Board Meeting No. 6/2023 on July 6, 2023, the meeting resolved for the management to enter into a Memorandum of Understanding (MOU) with Dongfang Electric Corporation (“Dongfang”) to agree on cooperation in construction of a solar power plant at Biliran Province Philippines Capacity of 25.6 megawatts in the future. And later the parties will mutually agree to enter the engineering, procurement and construction contract officially (“EPC Contract”) once again. VINTAGE EPC has already signed on July 19, 2023 and MOU has a period of 24 months

2. Deposits for investment in the energy business, as of June 30, 2023, and December 31, 2022, totaling JPY 1,741.05 million, or equivalent to Baht 428.40 million and Baht 454.26 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.

**Changes in performance for the six-month period ended June 30, 2023**

**Six-Month Period**

Descriptions	30-JUN-23		30-JUN-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	-	-	18,258	66%	(18,258)	(100)%
Revenues from refinancing loans	16,772	100%	9,292	34%	7,480	80%
Total revenues from operations	16,772	100%	27,550	100%	(10,778)	(39)%
<u>Less</u> Costs from building engineering system and construction	-	-	17,388	95%	(17,388)	(100)%
<u>Less</u> Costs from refinancing loans	1,042	6%	1,042	11%	-	-
Total costs from operations	1,042	6%	18,430	67%	(17,388)	(94)%
Gross profit from operations	15,730	94%	9,120	33%	6,610	72%
<u>Add</u> Interest income	1,958	12%	449	2%	1,509	336%
<u>Add</u> Other income	5,196	31%	35,031	127%	(29,835)	(85)%
<u>Less</u> General and administrative expenses	(65,882)	(393)%	(54,909)	(199)%	(10,973)	20%
<u>Add</u> Reversal of allowance for expected credit losses /	(247)	(1)%	1,444	5%	(1,691)	(117)%
<u>Less</u> Allowance for expected credit losses						
<u>Add</u> Income tax income / <u>Less</u> Income tax income expense	(7,721)	(46)%	(13,750)	(50)%	6,029	(44)%
<u>Add</u> Other items	163	1%	(767)	(3)%	930	(121)%
<b>Profit (loss) for the period</b>	5,359	32%	8,616	31%	(3,257)	(38)%
	<b>(45,444)</b>	<b>(271)%</b>	<b>(14,766)</b>	<b>(54)%</b>	<b>(30,678)</b>	<b>208%</b>

Comparing the profit (loss) from operation as of June 30, 2023, and June 30, 2022, for the six-month period, the Company had a increase in a net loss of THB 30.68 million or 208% due to the significant causes as follows:

1. The increase in gross profit from operations of Baht 6.61 million or equivalent to 72% was due to the increase in interest income from loans is income from the refinancing loan segment as mentioned above. The aforementioned transaction resulted in an increase in revenue and gross profit of Baht 7.48 million.
2. A decrease in other income of Baht 29.84 million or 85%, mainly due to a decrease in other income arising from an increase in the proportion of capital increase in an associated company as mentioned above. amount Baht 25.30 million.
3. An increase in administrative and general expenses in the amount of Baht 10.97 million or 20%. The overall is still increasing from the reasons mentioned above, including loss from sale of investment property in the amount of Baht 1.77 million, loan fee amount of Baht 0.84 million, withholding tax amortization, which exceeds 1 year and do not wish to return in the amount of Baht 0.95 million and administrative expenses of the refinancing loan segment in the amount of Baht 7.06 million.

4. Finance costs decreased by Baht 6.03 million or 44% 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**