

META-MAI.026/2023

November 13, 2023

Subject Report for the overall operation of the Company as of September 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. 06/2023 held on November 13, 2023, the meeting approved the separate and consolidated financial statement as of September 30, 2023, which the net loss is totaling the amount of THB 67.42 million which the net loss increased in the amount of THB 30.99 million or 85% when compared with the financial statement as of September 30, 2022.

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

Changes in performance for the three-month period ended September 30, 2023 (only for the 3rd quarter results)

Three-Month Period

Descriptions	30-SEP-23		30-SEP-22		In(de)creased for the period September, 30 2023 and 2022	
	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 refinancing loans	6,162	100%	7,663	70%	(1,501)	(20)%
Total revenues from operations	6,162	100%	10,902	100%	(4,740)	(43)%
<u>Less</u> Costs from building engineering system and construction	-	-	3,086	28%	(3,086)	(100)%
<u>Less</u> Costs from refinancing loans	1,219	20%	768	7%	451	59%
Total costs from operations	1,219	20%	3,854	35%	(2,635)	(68)%
Gross profit from operations	4,943	80%	7,048	65%	(2,105)	(30)%
<u>Add</u> Interest income	2,956	48%	1,066	10%	1,890	177%
<u>Add</u> Other income	4,810	78%	2,973	27%	1,837	62%
<u>Less</u> General and administrative expenses	(31,087)	(504)%	(33,576)	(308)%	2,489	(7)%
<u>Add</u> Reversal of allowance for expected credit losses /	(148)	(2)%	(324)	(3)%	176	(54)%
<u>Less</u> Allowance for expected credit losses						
<u>Add</u> Income tax income / <u>Less</u> Income tax income expense	(5,368)	(87)%	(3,723)	(34)%	(1,645)	44%
<u>Add</u> Other items	(220)	(4)%	1,532	14%	(1,752)	(114)%
Profit (loss) for the period	2,136	35%	3,336	31%	(1,200)	(36)%
	(21,978)	(357)%	(21,668)	(199)%	(310)	1%

Comparing the operating results for the three-month period ended September 30, 2023 with the three-month period ended September 30, 2022, the Company had a net loss increased by Baht 0.31 million or 1% by significant increases (decreases) are as follows.

1. An decrease in gross profit from operations of Baht 2.11 million or 30% 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 3.24 million or 100% since in this quarter, the Company has not delivered inventory and equipment to the work site according to the Supply Contract. In 2023, the owner of the said power plant project (namely GEP Myanmar Company Limited (“GEPM”)) sent a letter to the Company informing about amendments to the construction plans for the solar power plant project in Minbu Province, Myanmar, Phases 2 - 4 as requested by the electricity authority of Myanmar (Electric Power Generation Enterprise or “EPGE”). The Myanmar electric power authority has requested the additional installation of a Tracking System and Battery Energy Storage System for phases 2 - 4 in order to reduce the problem of fluctuations from weather conditions that affect efficiency of electricity production is reduced. The Company has considered the request and has agreed to GEPM. Currently, the Company is in the process of amending the construction drawings to add such equipment. After the installation is complete, the Company will proceed according to the plan set in order to be able to recognize installation revenue in the process of installing solar panels.
 - A decrease in interest income from loans to customers of Baht 1.50 million, or 20%, was due to lower loan approvals in this quarter as a result of tightening the credit approval process, especially for new customers to reduce the problem of bad debts in the future, causing the Company to take a longer time to consider credit and refuse to grant loans to some customers, which will continue to cause interest income from loans to decrease by a said significant amount. (However, when considering the said income as a whole for a period of 9 months, it was found that the Company still had increased interest income from loans when compared to the same quarter of the previous year as will be explained next.)
2. An increase in other income of Baht 1.84 million or 62%. The main reason for the increase (decrease) is from
 - Common service income from office space and equipment service agreement collected from an associated company increased by Baht 0.48 million because the Company has increased service rates since June 2023.
 - Service income from Engineering Service Agreement, which provides services to GEPM, increased by Baht 0.60 million because the Company has increased service rates since May 2023.
 - Other income from the reversal of employee benefit obligations from the loan service segment increased by Baht 0.55 million due to employee resignations and retirements in this quarter.
 - Gains from the sale of investments from the loan service segment increased by Baht 0.57 million.

3. A decrease in general and administrative expenses of Baht 2.49 million or 7%. The main reason for the increase (decrease) is from
 - Overall employee expenses decreased by Baht 1.23 million. This was mainly found to be a decrease in bonuses for 2023 in the amount of Baht 0.83 million. Such reduction is in line with this year's bonus payment policy.
 - A decrease in securities depository fees of Baht 0.38 million due to the number of people exercising the right to convert warrants for the third quarter of 2023, a three-month period, is a decrease compared to the same period of the previous year.
 - A decrease in consulting fees from the financial advisor and business development segment of Baht 0.48 million due to the consultants having completed their service work, including the aforementioned transactions, which were completed last year.
 - A decrease in the loss from trading in receivables from the loan service segment of Baht 0.45 million.

4. Finance costs increased by Baht 1.65 million or 44% due to for the third quarter of 2023, a three-month period, the Company's overall financial debt ratio increased compared to the same quarter of the previous year. As a result, the financial cost was increase by such amount.

Changes in performance for the nine-month period ended September 30, 2023

Nine-Month Period

Descriptions	30-SEP-23		30-SEP-22		In(de)creased for the period September, 30 2023 and 2022	
	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%	(21,497)	(100)%
Revenues from refinancing loans	22,934	100%	16,955	44%	5,979	35%
Total revenues from operations	22,934	100%	38,452	100%	(15,518)	(40)%
<u>Less</u> Costs from building engineering system and construction	-	-	20,474	53%	(20,474)	(100)%
<u>Less</u> Costs from refinancing loans	2,261	10%	1,810	5%	451	25%
Total costs from operations	2,261	10%	22,284	58%	(20,023)	(90)%
Gross profit from operations	20,673	90%	16,168	42%	4,505	28%
<u>Add</u> Interest income	4,914	21%	1,515	4%	3,399	224%
<u>Add</u> Other income	10,006	44%	38,004	99%	(27,998)	(74)%
<u>Less</u> General and administrative expenses	(96,969)	(423)%	(88,485)	(230)%	(8,484)	10%
<u>Add</u> Reversal of allowance for expected credit losses / <u>Less</u> Allowance for expected credit losses	(395)	(2)%	1,120	3%	(1,515)	(135)%
<u>Add</u> Income tax income / <u>Less</u> Income tax income expense	(13,089)	(57)%	(17,473)	(45)%	4,384	(25)%
<u>Add</u> Other items	(57)	(0)%	765	2%	(822)	(107)%
Profit (loss) for the period	7,495	33%	11,952	31%	(4,457)	(37)%
	(67,422)	(294)%	(36,434)	(95)%	(30,988)	85%

Comparing the profit (loss) from operation as of September 30, 2023, and September 30, 2022, for the nine-month period, the Company had an increase in a net loss of THB 30.99 million or 85% due to the significant causes as follows:

1. The increase in gross profit from operations of Baht 4.51 million or equivalent to 28% was due to the increase in interest income from the refinancing 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. This transaction resulted in an increase in revenue and gross profit of Baht 5.53 million as a result of additional acquisitions in the third quarter of 2022 (as mentioned above), which is the main reason. As a result, the gross profit of the loan service segment will increase by that amount.

2. An increase in interest income of Baht 3.40 million or equivalent to 224%. The main reason for the increase (decrease) is from
 - An increase in interest income of Baht 2.50 million from lending to an associate company to be used as funds for paying construction contractors for the Minbu Power Plant Project Phase 2. The Company has started recording interest income from the said loan agreement since June 2022 at a rate of approximately Baht 500,000 per month. For the third quarter of 2023, nine-month period, the Company has recognized interest income for nine months, valued at Baht 4.50 million. For the third quarter of 2022, period of nine months, the Company has recognized the amount of four months, valued at Baht 2.00 million. As a result, interest income will increase with this amount.
 - Interest income from the extension of the second advance payment period for the Minbu Power Plant Project, Phases 2 - 4 (Second Advance Payment) by GEP (Myanmar) Company Limited (“GEPM”), which is the owner of the power plant project agreed to pay interest on a reduced basis at the rate of 10% per annum. The interest payment on the outstanding advance payment amount has been made since October, 2022 until payment is due. GEPM completed paying the advance payment in April 2023, resulting in the Company recognizing such interest income for the third quarter of 2023, nine-month period, in the total amount of Baht 0.44 million.
3. A decrease in other income of Baht 28.00 million or 74%. The main reason for the increase (decrease) is from
 - A decrease in other income occurring in 2022, where the Company has other income from increasing the proportion of capital increase in an associated company in the amount of Baht 25.30 million. 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 third quarter of the year 2023 for the nine-month period, the associated company did not increase its capital in any way
4. An increase in general and administrative expenses of Baht 8.48 million or 10%. The main reason for the increase (decrease) is from
 - Various consulting fees increased by a total of Baht 2.66 million, mainly due to legal consulting fees for the termination of a subsidiary in the amount of Baht 1.02 million and legal consulting fees for the Karatsu Biomass Power Plan Project (Saga 50 MW) in Japan, amounting to Baht 0.89 million, which is in line with the need for investment in the said power plant project. The Company has approved in principle the change of deposit to investment in the said project and has also approved the hiring of a financial advisor to evaluate the value of the said project as well.

- Various fees increased by a total of Baht 1.93 million. The main reason was from loan fee increased by Baht 1.57 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
 - 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.
 - Foreign project operating expenses include overseas travel expenses and other related expenses, which increased in total to Baht 1.48 million. They were mainly found to be travel expenses for the Biliran Province solar power plant project at Philippines, which is a trip to the Philippines to negotiate with relevant agencies and banks to find funding sources for the said project. In addition, the Company has negotiated with a construction company in China to be the EPC Contractor for the said project as well. Later, the Company considered selecting a contractor from China to act as EPC Contractor as mentioned above, namely Dongfang Electric International Corporation (“DEIC”). The Company therefore traveled to China to sign the Memorandum of Understanding (MOU) to study the project and sign together the construction contract (EPC Contract).
 - Various employee expenses, which overall it was found to be an increase in personnel training and seminar expenses in the amount of Baht 0.37 million. This is because this quarter the Company sent a larger number of employees to train compared to the same quarter of the previous year. And compensation payments to employees due to retirement in the amount of Baht 0.27 million.
5. Expected credit losses increased by Baht 1.52 million, or 135%. Overall, because loan receivables that have been overdue since the second quarter of 2023 are still overdue until this quarter. Therefore, the Company sets up an increase in allowance for expected credit losses for such loan receivables in the same proportion as the overdue period increases.
6. Finance costs decreased by Baht 4.38 million or 25% due to for the third quarter of 2023, a nine-month period, the Company's overall financial debt ratio decreased compared to the same quarter of the previous year. As a result, the financial cost was decrease by such amount.

The explanations of the significant balance of asset

1. The solar power plant project in Minbu, the Republic of the Union of Myanmar for phase 2-4

As at September 30, 2023 and December 31, 2022, Vintage EPC and VTE Inter received an advance payment for construction service for phase 1 - 4 from GEPM as follow:

Phase	In Million USD						Equivalents to Million Baht	
	Vintage EPC		VTE Inter		Total		Total	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
1	-	-	-	-	-	-	-	-
2	10.8	10.8	-	-	10.8	10.8	393.9	372.3
3	10.8	10.8	2.5	2.5	13.3	13.3	484.4	458.0
4	14.5	13.8	3.3	3.3	17.9	17.1	654.1	593.2
Total	36.1	35.4	5.8	5.8	42.0	41.2	1,532.4	1,423.5

As at September 30, 2023 and December 31, 2022, VTE Inter and Vintage EPC paid the advance payment to the China Subcontractor as specified in Turnkey Contract as follow:

Phase	In Million USD						Equivalents to Million Baht	
	Vintage EPC		VTE Inter		Total		Total	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
1	12.0	12.0	6.3	6.3	18.3	18.3	669.4	632.9
2	10.0	10.0	-	-	10.0	10.0	366.5	346.4
3	10.0	10.0	2.4	2.4	12.4	12.4	452.7	428.0
4	13.6	13.6	3.1	3.1	16.7	16.7	611.3	577.9
Total	45.6	45.6	11.8	11.8	57.4	57.4	2,099.9	1,985.2

The said advance payment is in accordance with the Turnkey Engineering, Procurement and Construction Contract (“the Turnkey Contract”) which was signed with the subcontractor from China, namely China Triumph International Engineering Co., Ltd. (“CTIEC”) on July 30, 2020 to construct the Minbu Solar Power Plant Project, Myanmar, Phases 2 - 4. The project cost values for Phases 2 - 4 are as follows:

Phase 2: Value USD 42.9 million. The advance payment represents 29.14 percent of the project cost value.

Phase 3: Value USD 42.9 million. The advance payment represents 29.14 percent of the project cost value.

Phase 4: Value USD 60.1 million. The advance payments account for 28.11 percent of the project cost value.

For the remaining project value of each phase, payment is due according to the milestones of completion (Milestone Payment).

For the first phase of the power plant project, construction has been completed and power has been supplied and the power plant has been delivered to GEP on February 28, 2020. The said transaction is not considered a connected transaction. This is because CTIEC contractors are not related to the Company in any way.

In addition, the Company has no financial risk for this power plant construction project. Because the Company received advance payment in full first, and then later paid it to the subcontractor. In addition, the Company expects that after the revenue contract for the Minbu Project is completed, it will result in the Company being able to recognize income to continue growing the business continuously for 2 - 3 years.

As for the progress of the said project this quarter, GEPM, the project owner, has sent a letter to Vintage EPC and VTE Inter informing them about the amendments to the construction plans of the said phase 2 - 4 power plant project. Due to the unit Myanmar's Electric Power Generation Enterprise ("EPGE") under the Ministry of Electricity and Energy has sent a letter requesting GEPM to install Tracking System) and Battery Energy Storage System additionally in order to reduce the problem of fluctuations from weather conditions that cause the efficiency of electricity production to decrease. Currently, GEPM has responded to EPGE to confirm the corrections to the construction drawings and is currently in the process of preparing the documents as requested by EPGE to be completed for further submission.

2. Solar Power Plant project in Biliran, Philippines

Trade receivables from solar power plant projects at Billiran, Philippines as of September 30, 2023 and December 31, 2022, total amount USD 11.93 million or equivalent to Baht 436.06 million and Baht 412.25 million, respectively.

From studying the solar power plant project with a capacity of 25.6 megawatts in Billiran, Philippines, the project owner, E&P Green Energy, Inc. ("EPGEN"), has given Vintage EPC the opportunity to join in investing. The Company therefore studied the project by considering the trade receivables and the guaranteed under the sale and purchase contract (Supply Contract valued at USD 5.26 million) that was outstanding with Vintage EPC, which may be considered a part of the acquisition and direct costs in the said power plant project (consider converting debt into equity). Vintage EPC, a subsidiary of the Company, and EPGEN have signed a Memorandum of Understanding (MOU) for Vintage EPC to study the said investment. The product guarantee according to the Supply Contract in the amount of USD 5.26 million will be considered as part of the acquisition cost of the power plant project if the project is completed.

In order to study the said project, EPGEN has placed collateral in the entire amount of EPGEN shares. The Company has valued the collateral and found that the financial advisor has valued EPGEN shares at a value of PHP 1,498.66 - 1,681.13 million. This covers the value of trade receivables and collateral from outstanding product sales contracts with the Company.

For the progress of the said project this quarter. Vintage EPC, which is still interested in investing in the project, has recruited subcontractors to construct the power plant. The finding process was completed in July 2023, which is Dongfang Electric International Corporation (“DEIC”), a subcontractor from China. Later in September 2023, Vintage EPC has coordinated with DEIC as a subcontractor, and EPGEN as the project owner agreed to prepare a three-party MOU to support the contract renewal request. Providing solar power plant services of the Department of Energy of the Philippines and to agree to cooperate in the construction of the said power plant further by creating a procurement contract, and provide equipment and construction contractor (“EPC Contract”) again. This MOU comes into effect on September 22, 2023 and lasts for a period of 24 months from the date this MOU comes into effect. This period can be extended by mutual agreement in writing.

In addition, the MOU between Vintage EPC and EPGEN to study investment in EPGEN, which was previously signed, is close to expiring on December 31, 2023. The Company is considering not renewing such MOU and change it to a Memorandum of Agreement for investment in EPGEN instead (Memorandum of Agreement: MOA), which is currently in the process of drafting the said Memorandum of Agreement.

3. Deposit for investment in energy business in Japan

Deposits for investment in the energy business as of September 30, 2023 and December 31, 2022 have a total value of JPY 1,741.05 million or equivalent to Baht 427.06 million and Baht 454.26 million, respectively. Power plant projects in Japan with a total production capacity of 100.0 megawatts, three projects as follows:

1. Biomass power plant project, capacity 25.0 MW, Saga, Japan (“SAGA 25 MW”)
2. Biomass power plant project, capacity 25.0 MW, Wakayama, Japan (“WAKAYAMA 25 MW”)
3. Biomass power plant project, capacity 50.0 MW, Saga, Japan also known as Karatsu Biomass Power Plant (“SAGA 50 MW”)

** For the SAGA 25 MW and SAGA 50 MW projects, both projects are collectively called “SAGA 75 MW”.

According to Vintage Holding Japan Co., Ltd. (“VHJ” / “the Subsidiary”), a subsidiary of the Company, is interested in investing in the said project and has signed a memorandum of understanding to study the investment. (Memorandum of Understanding – MOU), receiving guaranteed value for the said deposit from the project owner including continuing to evaluate the value of collateral and deposits. In February 2023, the management appointed an independent financial advisor who was approved by the SEC and has expertise in the electric power project business to re-evaluate the collateral value (this was the second and latest collateral valuation) to assess the value of the collateral to see if it still covers the value of the deposit or not. The total collateral value can be assessed at JPY 1,743.9 million, which still covers the entire amount of the JPY 1,741.1 million deposit of the Company that was placed for investment purposes.

From the most recent trip to visit the project progress in Japan, it was found that the project progress was satisfactory and the management team considered that the project was interesting. The Company has therefore approved the extension of

the latest MOU for study of the project again, ending on December 31, 2023. The aforementioned MOU has been signed on January 1, 2023.

For the latest progress in this quarter, The Board of Directors' Meeting No. 5/2023 on August 11, 2023 resolved to approve the change of deposit to investment in the biomass power plant project in Karatsu, Japan (which is part of the SAGA 75 MW project.) by approving in principle the change of the deposit and approving the hiring of a financial advisor to evaluate the value of the said project.

In addition, for the latest MOU, which will expire on December 31, 2023. The Executive Committee Meeting No. 10/2023 on November 1, 2023 approved not renewing the said MOU by changing it to a memorandum of agreement for investment in biomass power plant projects in Japan the total production capacity is 100.0 megawatts instead (Memorandum of Agreement - MOA). Currently, a draft of the new memorandum of agreement is being prepared to present to the Executive Committee for further consideration.

Sincerely Yours

(Mr. Supasit Pokinjaruras)

Chief Executive Officer