

**META-MAI.014/2024**

**May 15, 2024**

**Subject Report the Company's operating results for the period ending March 31, 2024**

**To Managing Director 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. 3/2024 held on May 15, 2024, the meeting approved the separate and consolidated financial statement as of March 31, 2024, which the net loss is totaling the amount of THB 19.03 million which the net loss decreased in the amount of THB 0.81 million or 4% when compared with the financial statement as of March 31, 2023.

The Company would like to report the operating results compared to the period ended March 31, 2023 due to the following reasons:

**Unit: Thousand Baht**

| Descriptions   | 31-MAR-24                    |                               | 31-MAR-23                    |                               | In(de)creased for the period March, 31 2024 and 2023 |             |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|--|-------------|
|  | Amount<br>(Thousand<br>Baht) | Proportion (%)<br>of revenues | Amount<br>(Thousand<br>Baht) | Proportion (%)<br>of revenues | Amount<br>(Thousand<br>Baht)                         | %           |
| Revenues from refinancing loans                                      | 11,655                       | 100%                          | 7,835                        | 100%                          | 3,820  | 49%         |
| Total revenues from operations                                       | 11,655                       | 100%                          | 7,835                        | 100%                          | 3,820  | 49%         |
| <u>Less</u> Costs from refinancing loans                             | 795                          | 7%                            | 518                          | 7%                            | 277  | 53%         |
| Total costs from operations  | 795                          | 7%                            | 518                          | 7%                            | 277  | 53%         |
| Gross profit from operations   | 10,860                       | 93%                           | 7,317                        | 93%                           | 3,543  | 48%         |
| <u>Add</u> Interest income   | 3,070                        | 26%                           | 1,891                        | 24%                           | 1,179  | 62%         |
| <u>Add</u> Other income  | 3,199                        | 27%                           | 2,721                        | 35%                           | 478  | 18%         |
| <u>Less</u> General and administrative expenses                      | (36,477)                     | (313)%                        | (30,494)                     | (389)%                        | (5,983)  | 20%         |
| <u>Add</u> Reversal of allowance for expected credit losses /        | 428                          | 4%                            | (124)                        | (2)%                          | 552  | (445)%      |
| <u>Less</u> Allowance for expected credit losses                     |                              |                               |                              |                               |  |             |
| <u>Less</u> Finance costs  | (4,886)                      | (42)%                         | (3,705)                      | (47)%                         | (1,181)  | 32%         |
| <u>Add</u> Income tax income / <u>Less</u> Income tax income expense | (345)                        | (3)%                          | 50                           | 1%                            | (395)  | (790)%      |
| <u>Add</u> Other items   | 5,126                        | 44%                           | 2,512                        | 32%                           | 2,614  | 104%        |
| <b>Profit (loss) for the period</b>                                  | <b>(19,025)</b>              | <b>(163)%</b>                 | <b>(19,832)</b>              | <b>(253)%</b>                 | <b>807</b>   | <b>(4)%</b> |

Comparing the operating results for the period ended March 31, 2024 with the period ended March 31, 2023, the Company had a net loss decreased by Baht 0.81 million or 4% by significant increases (decreases) are as follows.

1. An increase in gross profit from operations of Baht 3.54 million or 48% due to the following main reasons:
  - An increase in interest income from loans of Baht 3.82 million, or 49%, is income from the loan service segment, which is a new segment that has started operations and acquired new businesses at the end of 2022. This increase is a result of the expansion of the customer base and the growth of the Company's business in the loan service segment. Therefore, it is the main reason that the gross profit of the loan service segment has increased by this amount.
  
2. An increase in interest income of Baht 1.18 million or equivalent to 62%. The main reason for the increase (decrease) is from:
  - An increase in interest income of Baht 0.29 million. This is due to a subsidiary from the financial advisor and business development segment signing a loan agreement with juristic person which is not related. The Company has started to recognize interest income from such transactions since September 2023. As a result, interest income has increased by this amount.
  - An increase in interest income of Baht 0.90 million from loan agreement entered into on November 10, 2023, as part of the trilateral contract for the Billiran Project (Financial Arrangement Agreement for the solar power plant project capacity of 25.6 megawatts at Billiran, Philippines (“Billiran Project”) in the form of Engineering, Procurement, Construction and Financing (“EPC+F”)), in which the Company has advanced a fee for sourcing funding sources on behalf of EPGEN (the project owner) in the total amount of Baht 30.00 million. EPGEN is scheduled to repay the said reserve within 1 year at an interest rate of 12 percent per year.
  
3. An increase in general and administrative expenses of Baht 5.98 million or 20%. The main reason for the increase (decrease) is from:
  - Borrowing fees increased by Baht 1.90 million due to fees for managing loans and debts of the Group that are due for payment and to find new sources of borrowing funds to prevent the business from losing liquidity.
  - Employee expenses which significantly increased include salaries and welfare expenses. The total increase was Baht 1.95 million, resulting from preparation and recruitment of additional personnel to support a new subsidiary which was established in February 2024, namely Meta S Company Limited, which operates land allocation and real estate development business.
  - Losses from trading in receivables increased by Baht 1.78 million. This was a transaction arising from the operations of a subsidiary company from the loan service segment. It involves selling loan debtors whose debts are difficult to track down and are risky out of the Company group.

- The securities depository center fee increased by Baht 0.56 million due to the Company selling warrants to purchase common shares of Meta Corporation Public Company Limited No. 7 (META-W7) in January 2024, resulting in related expenses include fees for calculating conversion rights, fees for capital increase or conversion work, fees for printing and sending rights specifications documents to shareholders, fees for compiling lists of security owners, etc.
  
- 4. Finance costs increased by Baht 1.18 million or 32% due to in this quarter, the Company's overall financial debt ratio increased compared to the same quarter of the previous year (year 2023). As a result, the financial cost was increase 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 March 31, 2024 and December 31, 2023, Vintage EPC Co., Ltd. (“Vintage EPC”) and VTE International Construction Co., Ltd. (“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                       |                      |
|              | March 31,<br>2024 | December<br>31, 2023 | March 31,<br>2024 | December<br>31, 2023 | March 31,<br>2024 | December<br>31, 2023 | March 31,<br>2024           | December<br>31, 2023 |
| 1            | -                 | -                    | -                 | -                    | -                 | -                    | -                           | -                    |
| 2            | 10.8              | 10.8                 | -                 | -                    | 10.8              | 10.8                 | 392.9                       | 368.7                |
| 3            | 10.8              | 10.8                 | 2.5               | 2.5                  | 13.3              | 13.3                 | 483.2                       | 453.5                |
| 4            | 14.5              | 14.5                 | 3.3               | 3.3                  | 17.8              | 17.8                 | 652.4                       | 612.3                |
| <b>Total</b> | <b>36.1</b>       | <b>36.1</b>          | <b>5.8</b>        | <b>5.8</b>           | <b>41.9</b>       | <b>41.9</b>          | <b>1,528.5</b>              | <b>1,434.5</b>       |

As at March 31, 2024 and December 31, 2023, Vintage EPC and VTE Inter 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                       |                      |
|              | March 31,<br>2024 | December<br>31, 2023 | March 31,<br>2024 | December<br>31, 2023 | March 31,<br>2024 | December<br>31, 2023 | March 31,<br>2024           | December<br>31, 2023 |
| 1            | 12.0              | 12.0                 | 6.3               | 6.3                  | 18.3              | 18.3                 | 667.7                       | 626.7                |
| 2            | 10.0              | 10.0                 | -                 | -                    | 10.0              | 10.0                 | 365.5                       | 343.1                |
| 3            | 10.0              | 10.0                 | 2.4               | 2.4                  | 12.4              | 12.4                 | 451.5                       | 423.8                |
| 4            | 13.6              | 13.6                 | 3.1               | 3.1                  | 16.7              | 16.7                 | 609.8                       | 572.1                |
| <b>Total</b> | <b>45.6</b>       | <b>45.6</b>          | <b>11.8</b>       | <b>11.8</b>          | <b>57.4</b>       | <b>57.4</b>          | <b>2,094.5</b>              | <b>1,965.7</b>       |

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 in year 2023, 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 March 31, 2024 and December 31, 2023, total amount USD 11.93 million or equivalent to Baht 434.95 million and Baht 408.21 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.

In order to study the said project, EPGEN has placed collateral in the entire amount of EPGEN shares. In December 2022, the Company has hired and appointed an independent financial advisor who has been approved by the SEC and has

expertise in the solar power project business to evaluate the project value and as an investment advisor in the said project again (this is the 3<sup>rd</sup> time valuing the project). The said financial advisor has initially assessed the value of EPGEN's shares and found that they are worth Philippine Peso 1,498.66 - 1,681.13 million. The estimated share value already covers the value of trade receivables and contractual guarantees.

For progress in 2023, the Executive Committee Meeting No. 6/2023 on July 6, 2023 resolved to have the management enter into negotiations to make a memorandum of understanding (“MOU”) with Dongfang Electric International Corporation (“DEIC”) to agree to cooperate in the construction of a solar power plant, Billiran Province, Philippines with the capacity of 25 megawatts in the future, and will prepare purchase and supply and construction contract officially (EPC Contract”) in later. Vintage EPC and DEIC have signed an MOU on July 19, 2023. The MOU has a period of 24 months from the date of signing the memorandum of understanding. The time period can be extended by both parties by agreement in writing.

Later, the Executive Committee Meeting No. 9/2023 on October 4, 2023 resolved to approve the cancellation of the said MOU between Vintage EPC and DEIC and ratify a new MOU between Vintage EPC, DEIC, and EPGEN issue dated September 22, 2023. Due to Vintage, EPC, and DEIC have agreed to jointly invite EPGEN, the owner and developer of the project, to join as a party in the MOU in order to submit a request to renew the solar power plant service contract of the Department of Energy of the Philippines, which still has the objective of agreeing to cooperate in the construction of the said power plant as before. This adds to the framework and responsibilities of EPGEN. This new MOU comes into effect on September 22, 2023 and has a period of 24 months from the date this MOU comes into effect. This period can be extended by mutual agreement in writing.

The management considered that the value of the collateral (EPGEN shares) had already been appraised for 1 year. Therefore, it was deemed appropriate to have the said collateral value re-evaluated to see whether it still covered the value of the outstanding debt or not. Later in the month December 2023, the Company has therefore hired and appointed an independent financial advisor who has been approved by the SEC and has expertise in the solar power project business to evaluate the project value and act as consulting regarding investment in the said project again (this is the 4<sup>th</sup> time reviewing the collateral value of the project) which the said financial advisor has initially assessed the value of EPGEN's shares and found to be worth Philippine Peso 1,424.09 - 1,838.42 million. The estimated share value already covers the value of trade receivables and contractual guarantees.

Currently, the MOU between Vintage EPC and EPGEN for study the investment in EPGEN has expired on December 31, 2023. The Board of Director Meeting No. 6/2023 on November 13, 2023 has resolved to approve not renewing the MOU and has been changed to a memorandum of agreement for investment in EPGEN (Memorandum of Agreement “MOA”) instead. Such MOA has been completed and comes into effect on February 7, 2024 (the “Effective Date”) and will end when agreements to be entered into after this MOA come into effect. The purpose of preparing the MOA is to confirm that Vintage EPC has the intention to take control of EPGEN. And to confirm that intention, this MOA stipulates that

Vintage EPC must carry out legal and accounting due diligence within a period of 270 days from the effective date of this MOA or such longer period as may be mutually agreed upon by the parties.

### **3. Deposit for investment in energy business in Japan**

Deposits for investment in the energy business as of March 31, 2024 and December 31, 2023 have a total value of JPY 1,741.05 million or equivalent to Baht 419.63 million and Baht 421.85 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 site visit in January 2023, 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.

After the extension of such MOU. 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.

Later, the Board of Director Meeting No. 6/2023 on November 13, 2023 has resolved to approve not renewing the memorandum of understanding for studying and reviewing the status and feasibility (Memorandum of Understanding “MOU”) of the Japanese biomass power plant project with a total production capacity of 100 megawatts due on December 31, 2023. It will be changed to a memorandum of agreement for investment in Japanese biomass power plant project with a total production capacity of 100 megawatts (Memorandum of Agreement “MOA”). Such MOA has been

completed and comes into effect on January 1, 2024 (“Effective Date”). This MOA is effective from the Effective Date and ends on December 31, 2024 or later mutually agreed date.

For the current progress in February 2024, 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 value of the said collateral (this is the 3<sup>rd</sup> collateral valuation) to assess whether the collateral value still covers the deposit value or not. It was found that the estimated value of the collateral was approximately JPY 3,071.43 million, which covered the entire amount of the JPY 1,741.05 million deposit of the Company that had been placed for investment purposes.

**Sincerely Yours**

**(Mr. Supatat Chindavanich)**

**Chief Executive Officer**