

No. CS015/2024

Date 14 August 2024

Subject: Management Discussion and Analysis of Financial Statements for six-month period ended 30 June 2024

To: The President of the Stock Exchange of Thailand

We, Nova Empire Public Company Limited (“the Company”), would like to report the operating results of the Company and subsidiaries (collectively as “the Group”) for the six-month period ended 30 June 2024 and clarify on the change of operational performance exceeding 20%.

**A Summary of Significant Events for the six-month period ended 30 June 2024**

The analysis of operating results and financial position detail are as follow.

<b>Summary of Operating Result</b>			Unit: Million Baht	
For the six-month period ended	Consolidated financial statement		Change	
	30 June 2024	30 June 2023 (Restated)	Increase/ (Decrease)	%
<b>Continuing operations:</b>				
Sale of electricity	28.81	32.40	(3.59)	(11%)
Operating loss	(54.91)	(9.97)	44.94	451%
Loss for the period from continuing operations	(74.64)	(24.47)	50.17	205%
<b>Discontinued operation:</b>				
Profit after tax for the period from discontinued operation	352.40	305.71	46.69	15%
Other comprehensive income for the period	295.19	276.24	18.95	7%

The Group has consolidated revenue of continued operation from sales of electricity for the six-month period ended 30 June 2024 of Baht 28.81 million, which decreased by Baht 3.59 million or 11% compared with same period last year, which had revenue of Baht 32.40 million resulting from the natural factor to operate solar power plants. For the six-month period ended 30 June 2024, the Group has Loss for the period from continuing operations Baht 74.64 million, which increased by Baht 50.17 million or 205% compared with same period last year, which had loss for the period from continuing operations of Baht 24.47 million. The Group’s Administrative expenses were significantly increased from the professional fee in relation of investment and divestment transactions. In addition, the Group has profit from discontinued operation for the six-month period ended 30

June 2024 of Baht 352.40 million, which increased by Baht 46.69 million or 15% compared to the same period last year, which had profit from discontinued operation of Baht 305.71 million. Since the Group has transferred out all business in Winchai Co., Ltd. (“Winchai”) during the current period, profit from discontinued operation reflects the performance from 1 January 2024 to 11 March 2024 and recognizes profit from the sale of investment in a subsidiary of Baht 244.54 million due to the entire business transfer during the current period. Consequently, the net profit after tax for the period from discontinued operation of Baht 46.69 million.

Summary of Financial Position

Unit: Million Baht

	Consolidated financial statement		Change	
	30 June 2024	31 December 2023 (Restated)	Increase/ (Decrease)	%
Current assets	1,288.73	5,124.99	(3,836.26)	(75%)
Non-current assets	809.26	529.76	279.50	53%
<b>Total assets</b>	<b>2,097.99</b>	<b>5,654.75</b>	<b>(3,556.76)</b>	<b>(63%)</b>
Current liabilities	54.05	3,065.04	(3,010.99)	(98%)
Non-current liabilities	122.79	125.77	(2.98)	(2%)
<b>Total liabilities</b>	<b>176.84</b>	<b>3,190.81</b>	<b>(3,013.97)</b>	<b>(94%)</b>
<b>Shareholders' equity</b>	<b>1,921.15</b>	<b>2,463.94</b>	<b>(542.79)</b>	<b>(22%)</b>

As of 30 June 2024, the Group has current assets of Baht 1,288.73 million, which decreased by Baht 3,836.26 million or 75% from 31 December 2023, and has non-current assets of Baht 809.26 million which increased by Baht 279.50 million or 53% from 31 December 2023. The Group has current liabilities of Baht 54.05 million, which decreased by Baht 3,010.99 million or 98% from 31 December 2023, and has non-current liabilities of Baht 122.79 million, which decreased by Baht 2.98 million or 2% from 31 December 2023. The significant changes are mainly the result of important transactions, as follows:

On 7 March 2024, the Group had entered into an entire business transfer agreement with a buyer for a total price of Baht 2,322 million. Consequently, on 11 March 2024, the Group transferred its entire business that is all Winchai’s shares to buyer and received a payment of Baht 2,129 million which is the price after adjust the events that had a significant impact on the share value of Winchai. The Group recorded a gain on disposal of investment in Winchai from the entire business transfer totaling Baht 244.54 million where it was presented as part of the profit for the period from discontinued operations in the consolidated statement of comprehensive income. In addition, the Group reversed a surplus from the change in the ownership interest in subsidiary (Winchai’s shares) amounting to Baht 142 million to retained earnings in the consolidated financial statements.

On 27 March 2024, the Group entered into such Nova X Co., Ltd.’s share purchase transaction and received shares transferring and made the first portion payment of Baht 213.50 million. The investment is

considered a business combination under common control, where the difference of Baht 188.58 million between the acquisition costs and the attributable net book value was recorded as “Deficit from combination of business under common control”. This amount was presented as a separate item under shareholders’ equity in the consolidated statements of financial position. The Company has recognized Nova X Co., Ltd. as its subsidiary from the first day of under common control (since 25 June 2020). Therefore, the consolidated statement of comprehensive income for the six-month period ended 30 June 2024 includes the operating results of Nova X from 1 January 2024, regardless of the date of business combination under common control (the date of acquisition of shares of the subsidiary). The operating results of Nova X Co., Ltd. for the period from 1 January 2024 to 27 March 2024 that are included in the consolidated statement of comprehensive income for the current period represent a loss of approximately Baht 0.94 million. In addition, the Company restated the consolidated statement of financial position as at 31 December 2023 and 1 January 2023, and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2023. These were presented for comparative purposes, assuming that Nova X Co., Ltd. had been the Company’s subsidiary since the beginning.

In addition, the consolidated non-current assets amounted to Baht 809.26 million as of 30 June 2024, which represents an increase of Baht 279.50 million from the increasing of construction in-progress asset-type for the project providing floating storage and offloading for crude oil to PTTEP Energy Development Company Limited.

The Group’s shareholders’ equity of Baht 1,921.15 million as at 30 June 2024 decreased by Baht 542.79 million when compared with the balance as at 31 December 2023. This resulted from the recognition of total comprehensive income for the period of Baht 295.19 Baht and the recognition of costs of business integration under common control of Baht 188.58 million and a decrease of equity attributable to non-controlling interests of the subsidiaries of Baht 627.21 million from the divestment in Winchai.

On 27 June 2024, the special meeting of the Board of Directors No. 2/2024 resolved to approve the establishment of Vista Ocean Co., Ltd. with a registered capital of 1 million baht, in which the Company holds 100 percent of the shares, in accordance with the restructuring strategy focused on businesses related to petroleum exploration and production. The newly established company has the main objective of operating a ship management business and acting as a ship agent.

Forwarded for your information,

Yours faithfully,

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Ms. Sukanya Tipmanee  
Director