metis
ENERGY

ANNUAL REPORT 2022

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CHAIRMAN'S STATEMENT

Dear Shareholders,

TRANSFORMATION INTO METIS ENERGY

With the strong support from our shareholders and colleagues, since beginning of FY2022, we began our journey to transform Metis Energy Limited ("Metis") into a leading Developer, Owner and Operator of Renewable Energy assets in the Asia Pacific region. Rebranded as Metis Energy Limited, we have achieved good progress in developing renewable energy projects in Vietnam and Australia.

EXPANDING OUR GREEN PORTFOLIO

Despite the impact and disruptions caused by the outbreak of COVID-19, the Metis Team has delivered respectable results in FY2022. We are now recognised by the various stakeholders as a trusted renewable energy player. We are now in a much stronger position to achieve our mission. The focus of the Group for 2023 to 2025 is to continue to pursue renewable energy opportunities, primarily in Australia and Vietnam, as well as projects in Indonesia, the Philippines, and Bangladesh.

Vietnam Pipelines

Currently, the Group has 30.15MW of rooftop solar facilities in operation. We delivered a 26.15MW Shundao Rooftop Solar Project in June 2022, which is the largest single-site and single-customer commercial and industrial rooftop solar project in Vietnam and one of the largest in Asia. The Shundao Rooftop Solar Project consists of 47,554 solar panels across more than 200,000 square meters of rooftop space. Another significant achievement of this project is the non-recourse project financing secured from responsAbility Investment AG, a Swiss sustainability impact fund, by meeting the stringent due diligence requirements and high standards of European financial institutions. This project will offset approximately 33,898 tons of carbon emission per year for the next twenty years, which is equivalent to displacing emission from about 8,000 cars on the road every year.

The Group has secured an additional 37MW of rooftop solar projects in FY2022 and is expected to complete by FY2023. This would further strengthen our presence in the Vietnam Renewable Energy market.

Australia Pipelines

We have acquired the Development Rights of a 111MWp DC/94 MW AC Utility Solar Project in Queensland, Australia in end 2022. All the necessary permits to commence construction have been secured for this development. We have signed a Connection Agreement with the Queensland Transmission Company, Energy Queensland in December 2022, and secured the Development Approval from the local Town Council. We strive to deliver this project within timeline and budget and will work closely with the local community to bring about benefits to the region. We have also secured a non-binding Power Purchase Agreement ("PPA") with a large electricity retail company for a tenor of 8 years. We are now embarking on the debt financing process and is expected to commence the construction in 2H 2023. The team is committed to deliver the project by 2H 2025. The completion of this project will form the foundation and cornerstone of Metis' portfolio in Australia and will further lift the profitability of our Group when the project enters into operation.

CHAIRMAN'S STATEMENT

DIVESTMENT OF NON-CORE ASSETS

Ningbo Project

Through Manhattan Resources (Ningbo) Property Limited ("MRN"), the Group has been developing the real estate project Ningbo Yinzhou Manhattan Tower ("Ningbo Project"), a mixed-use office and commercial tower, incorporating retail, SOHO and high-end office. With the approval from our shareholders in January 2023, we have divested our shares in Manhattan Property Development Pte. Ltd. to KaiYi Investment Pte. Ltd. for US$45.70 million. This has strengthened the capital position of the Group to grow the renewable energy business.

Thermal Energy

PT Kariangau Power ("PT KP") has completed the sale of two vacant land parcels to PT Dermaga Perkasapratama and the Group realised a net gain of tax of approximately S$18.51 million arising from this transaction. The fund will be deployed as capital expenditure, development costs and working capital for the pipeline projects.

The Group is actively engaging with the potential sellers to divest PT KP and will update shareholders in a timely manner.

Shipping

In line with the transformation into a renewable company, the Group has exited from the shipping business and also sold the last tug boat to a third-party.

IN APPRECIATION

Our deep appreciation to our shareholders for your support as we embark on this green journey. The Group has obtained an unsecured loan facility up to US$30 million from the majority shareholder to finance its expenditure for renewable energy projects and general working capital.

Our thanks to all our directors and employees for their dedication, commitment and hard work in this transformative journey to achieve our green vision.

We look forward to receiving your continued support through the coming years to enable us to achieve our vision to build a sustainable future for the Group and the environment. We will continue to accelerate our growth to deliver sustainable value while contributing to a net zero carbon future.

Tang Kin Fei
Non-Executive and Non-Independent Director and Board Chairman

21 March 2023

DIRECTORS' INFORMATION

TANG KIN FEI

Non-Executive Non-Independent Board Chairman, Chairman of Executive Committee, and Member of Nominating and Remuneration Committees

Mr Tang was appointed to the Board in January 2021 and is currently the Chairman of the Executive Committee of SIA Engineering Company Limited, and the Chairman of Singapore LNG Corporation Pte Ltd, a major energy infrastructure project with strategic intent. He is a Director of Summit Power International Limited, a Board Chairman of Singapore Cooperation Enterprise, and Vice Chairman of the Kwong Wai Shiu Hospital, a charitable hospital which provides care for needy patients.

Mr Tang was the Group President and Chief Executive Officer of Sembcorp Industries Ltd ("Sembcorp") from 1 May 2005 until his retirement on 31 March 2017. He then remained as an Advisor and a Non-Executive Director on the Board of Sembcorp until 31 May 2017. Mr Tang, who has been with Sembcorp for approximately 30 years, has been credited with driving its transformation into an international energy, water, marine and urban development group. He has headed Sembcorp's utilities business on Jurong Island in Singapore, which grew into a global energy and water player with a sizeable portfolio of assets and capabilities.

AJAIB HARI DASS

Lead Independent Director, Chairman of Nominating and Remuneration Committees and Member of Audit and Executive Committees

Mr Hari Dass was appointed to the Board in January 2021 and is currently an Independent Director of Sembcorp. He is a panel member of the Singapore International Arbitration Centre, the Singapore Chamber of Maritime Arbitration and the Asian International Arbitration Centre. He is also an accredited principal mediator of the Singapore Mediation Centre and a senior accredited specialist (maritime and shipping law), at the Singapore Academy of Law. He is a commissioner for oaths, a notary public and a retired justice of the peace. He is also the Lead Independent Director of Nam Cheong Limited.

DIRECTORS' INFORMATION

TUNG ZHIHONG, PAUL

Independent Director, Chairman of Audit Committee and Member of Nominating, Remuneration and Executive Committees

Mr Tung was appointed to the Board in May 2014 and is currently a Regional Finance Director with a multinational corporation. Prior to his current role, Mr Tung was an Audit Manager with PricewaterhouseCoopers.

Mr Tung holds a Bachelor of Commerce degree majoring in Financial Accounting, Corporate Finance and Investment Finance from the University of Western Australia.

LEE FOOK CHOON

Independent Director, Member of Audit, Nominating and Remuneration Committees

Mr Lee was appointed to the Board in October 2018 and is currently the Vice President of Software Sales (Asia Pacific) of Rockwell Automation Asia Pacific Business Center Pte. Ltd.

Prior to his current appointment, Mr Lee was the President (Asia) of Leica Geosystems – part of Hexagon from January 2019 to May 2020. Between May 2020 to November 2021, he was the Vice President of Hexagon PPM Division of Bricsys (Asia Pacific).

Mr Lee holds a Master in Business Administration (International Business) from RMIT Graduate Business School, a Master in Public Administration from Nanyang Technological University, and Bachelor of Engineer (Hons) from National University of Singapore.

HENRY WONG CHUEN YUEN

Independent Director, Member of Audit Committee

Dr Wong was appointed to the Board in January 2021. Dr Wong has extensive experience in power quality management and system analysis (AIbased), as well as in mechanical and electrical infrastructure management.

Dr Wong is a Chartered Engineer, and holds a PhD from the Department of Electrical and Electronics Engineering from the University of Dundee (UK). Dr Wong is currently the Director-Programmes at the National Research Foundation, Prime Minister's Office, Singapore. He was the Director of the Integrated Programme Office, National Research Foundation, Prime Minister's Office, Singapore, from November 2018 to December 2020. He worked as the Cluster Head for Smart Energy and Environment Department – Institute for Infocomm Research at A*STAR from 2016 to 2018. From 2013 to 2016, he worked as the Head for Smart Grid Department – Institute for Infocomm Research at A*STAR.

TAN TONG HAI

Non-Independent Director, Member of Audit and Executive Committees

Mr Tan was appointed to the Board in May 2022 and is currently the Chairman of Nanyang Polytechnic Board of Governors. He is a Director of Taiwan Mobile Co. Ltd, United Hampshire US REIT Management Pte Ltd (Trustee Manager of United Hampshire US Real Estate Investment Trust), SEAX Global Pte Ltd and Super Sea Cable Networks Pte Ltd, which is a wholly owned subsidiary of SEAX Global Pte Ltd.

Mr Tan held previous positions as President and CEO of StarHub, Singapore Computer Systems and Pacific Internet. He holds a Bachelor of Electrical Engineering (Honours) from the National University of Singapore.

KEY MANAGEMENT

YAU WAI HOO, ALAN

Group General Manager/ Chief Executive Officer of Athena Energy Holdings Pte. Ltd.

Mr Yau joined the Group as the Group General Manager and Chief Executive Officer of Athena Energy Holdings Pte. Ltd. ("Athena") in October 2021. Mr Yau is the co-founder of Athena and is leading the Group to achieve growth in a commercial, profitable and sustainable manner.

Mr Yau has more than 20 years of experience in China in the Infrastructure, Energy (fossil & renewable), Water/Waste-Water Treatment, Facilities Management, Township Development and Marine Engineering sectors.

Prior to founding Athena, Mr Yau was the CEO of Sembcorp China Holding Ltd from 2011 to 2015, where he was responsible for the operation of a fleet of 27 utilities companies, including wind farms, water/waste-water treatment plants and fossil power plants. He oversaw operations of water treatment capacity of > 2,700,000 cubic metres/day. Mr Yau also managed a portfolio of energy assets, including wind farms and power plants, with a total capacity of 3,327 MW. Mr Yau was previously the Principal and APAC Regional Director of Advisian, an international consultancy firm, and was credited for spearheading the expansion of Advisian's front-end advisory and consulting business in Southeast Asia and China.

Mr Yau graduated with a Master of Science (MSc), Environmental Management from National University of Singapore and Bachelor of Science (BSc), Management & Marketing from University of Oregon, United States of America.

SIVA SREEDHARAN

Chief Investment Officer

Mr Sreedharan joined the Group as the Chief Investment Officer in October 2021. Mr Sreedharan is the co-founder of Athena and is leading the fund raising, project financing and development activities for Athena Projects.

Prior to founding Athena, Mr Sreedharan was leading the advisory practice as APAC Power Director for Advisian, mainly focusing on transaction and mergers & acquisition services, completed 24 deals as an advisor. Prior to that, Mr Sreedharan was leading the management consulting practice as Head of Management Consulting for Black & Veatch in Asia, North Africa and Middle East, part of it, established presence in ASEAN, Saudi Arabia, Egypt and Algeria advising private and public infrastructure firms. Before that, Mr. Sreedharan was an asset manager with Marubeni Power previously based in Hong Kong and served as an asset manager, managing a portfolio 35,000+MW and 450+ MIGD ("Million Imperial Gallons per Day") (gross) portfolio of power and water assets with footprint in 25 countries.

Through his career, Mr Sreedharan has worked for more than 35 power and water projects with a total capacity of around 30,000+MW and 400+ MGD ("Million Gallons per Day") of water infrastructure assets, equivalent to approximately US$11 billion around the world.

Mr Sreedharan graduated with a Master of Science in Industrial & Systems Engineering from National University of Singapore and Bachelor of Engineering in Mechanical Engineering from Anna University, India.

KEY MANAGEMENT

GAO DAI YING, DIANA
Chief Development Officer

Ms Gao joined the Group as the Chief Development Officer in October 2021. Ms Gao is the co-founder of Athena and is leading the development, technical and operational activities for Athena Projects.

Ms Gao has extensive experiences in overall lifecycle of power infrastructure from early investment planning to commissioning, operations and maintenance in various technologies, including solar, wind, energy storage, gas fired combined cycle gas turbines ("CCGT"), coal fired power plant, mini-hydro project and waste-to-energy generation and transmission and distribution. Over the years, she established intensive network and relationship with key stakeholders in the power sector value chain, including local partners, equipment suppliers, and major EPC contractors.

Prior to founding Athena, Ms Gao was based in Singapore and was a key member of the team that created the Advisian SEA and China utility business portfolio. Ms Gao also worked with China Energy Engineering Group Guangdong Electric Design Institute, subsidiary of Energy China, as Director of Business Development for international projects. During this tenure, Ms Gao set up the Turkey branch Company and oversaw the 6 branches company and representative offices, in Turkey, Bangladesh, Philippines, Pakistan, Thailand and Indonesia for developing of gas-fired co-generation plant, coal-fired power plant, wind farms and renewable energy. She was the leader and key negotiator for most of major international project negotiation in the organisation.

Ms Gao graduated with a Bachelor of Engineering in Electrical Engineering from University of New South Wales, Australia.

TAN SOON YUN
Deputy Chief Financial Officer

Ms Tan joined the Group in May 2012. She oversees the Group's finance teams and is responsible for the Group's financial matters.

Ms Tan was formerly an Assurance Manager in an international public accounting firm.

Ms Tan obtained her Bachelor of Business Administration degree from the National University of Singapore and is a chartered accountant with Institute of Singapore Chartered Accountants and member of Association of Chartered Certified Accountants.

NGUYEN PHUONG DUNG
Vietnam Lead

Ms Dung joined the Group as the Vietnam Lead in October 2021. She oversees the team in Vietnam and has over 10 years of power development experience in Vietnam.

Ms Dung was previously a Country Business Development Manager at Energy China, and has developed a strong relationship with the contractors, customers and various stakeholders.

Ms Dung obtained her Bachelor of Social Pedagogy from Guangxi Normal University, China.

KEY MANAGEMENT

KARTHIK SUNDAR
Head of PT Kariangau Power

Mr Sundar joined PT Kariangau Power ("PT KP") in December 2013. He has over 12 years of experience in the power plant industry. Before joining PT KP, he had worked as project engineer in various power plant companies.

Mr Sundar graduated with a Bachelor of Engineering in Mechanical Engineering from Visvesvaraya Technological University.

WANG WENHAO
General Manager

Mr Wang joined the Group in April 2020 and is responsible for the development of the Ningbo Project.

Mr Wang has over 27 years of experience in the real estate industry. Prior to joining the Group, he was the General Manager of CapitaLand China in Hangzhou for 9 years. He has vast experience in managing commercial and residential projects during his stint with CapitaLand China.

Mr Wang holds a Master of Geotechnical Engineering and a Bachelor Degree in Building Structural Engineering from Zhejiang University.

CHAN PUI FOH, TERRENCE
Deputy General Manager/ Head of Finance

Mr Chan joined the Group in January 2015 and is responsible for the financial matters of the Ningbo Project.

Mr Chan was formerly an Assistant Assurance Manager in an international public accounting firm.

Mr Chan graduated from Sunway University College with a Bachelor of Science in Applied Accounting and is also a member of Association of Chartered Certified Accountants.

OPERATIONS AND FINANCIAL REVIEW

INCOME STATEMENT

The Group recorded a turnover of S$12.61 million in FY2022 as compared to S$9.24 million in FY2021. The increase in revenue was mainly due to the management fees received from its associate, increase in the overall sales volume of electricity in both the power plant and renewable energy segments, offset by the decrease in coal transportation income during the year.

The Group reported a net profit for FY2022 includes the following in non-operating one-off income, offset by the impairment loss incurred in the power plant segment amounting to S$9.09 million. The non-operating income includes the following:

	S$'000
Gain on sale of land parcels, net of tax	18,506
Write-back on amounts owed to creditors	4,961
Write-back of allowance for impairment of trade and other receivables	1,731
	25,198

As a whole, the Group reported a net attributable profit to equity holders of the Company of S$4.51 million for FY2022 as compared to a net attributable loss to equity holders of the Company of S$1.70 million for FY2021.

Power plant segment

The power plant segment recorded a net profit of S$7.32 million in FY2022 as compared to a net loss of S$11.22 million in FY2021. The increase in net profit was mainly due to the increase in the revenue from S$7.44 million to S$9.21 million in FY2022 and the gain on sale of land parcels. In FY2022, management performed an impairment test to determine the recoverable values of the assets in power plant segment using discounted cash flow method. The Group has recognised an impairment loss of S$9.09 million in property, plant and equipment, and intangible assets mainly due to lower budgeted revenues taking into consideration the current and future market conditions and increased coal prices.

Renewable energy segment

The renewable energy segment recorded a higher turnover of S$1.83 million as compared to S$0.11 million in FY2021, subsequent to the completion of the single largest C&I solar rooftop projects in Vietnam in June 2022. The renewable energy segment recorded a net loss of S$4.49 million in FY2022 as compared to a net loss of S$0.11 million in FY2021. The net loss incurred in FY2022 was mainly due to higher legal and other professional fees incurred in relation to corporate exercises, and due diligence costs for project financing and new projects.

Shipping segment

The shipping segment recorded a net profit of S$0.71 million in FY2022 as compared to S$3.41 million in FY2021. The shipping segment recorded lower sale during the year as the Group terminated the charter contract and disposed the remaining vessel during the year. The net profit in FY2022 was attributable to the gain from the write-back of allowance for impairment of trade and other receivables upon receipt.

Property segment

As a result of the dilution in shareholding in the property segment, the Group no longer consolidates its results, but recognised the share of results of its associates instead. The Group recorded a share of results of S$0.20 million loss in FY2022, mainly due to the statutory costs incurred in the property segment.

FINANCIAL POSITION

The Group's cash and bank deposits remain healthy at S$19.89 million in FY2022 as compared to S$20.55 million in FY2021. The movement in cash flow was mainly due to the receipt of the remaining proceeds from the sale of land parcels, receipt from trade debtors, increase in bank borrowings, offset by the capital expenditure incurred for the renewable energy segment.

As at 31 December 2022, the Group's total assets stood at S$143.51 million as compared to S$136.77 million in FY2021. At the same time, the Group's total liabilities increased from S$40.84 million in FY2021 to S$49.73 million in FY2022. The increase in the total assets and liabilities is mainly attributable to the increase in capital expenditure incurred for the Commercial & Industrial ("C&I") solar rooftop projects in Vietnam, the acquisition of 100MW solar assets in Australia, and drawdown of the US$14 million syndicated senior secured loan from two climate finance funds during the year.

Total equity attributable to owners of the Company as at 31 December 2022 for the Group was S$91.22 million and net asset value per ordinary share was 3.04 cents.

REPORT ON CORPORATE GOVERNANCE

Metis Energy Limited (formerly known as Manhattan Resources Limited) (the "Company" or "Metis") recognises the importance of good governance in establishing and maintaining an operating environment which serves the interests of all stakeholders.

Both the Board and Management of the Company are committed to achieving a high standard of corporate governance and have always been proactive to promote the spirit of good governance throughout the Company and its subsidiaries.

For the financial year ended 31 December 2022, the Company has complied in all material respects with the principles and guidelines set out in the Code of Corporate Governance ("2018 Code"). Where there have been deviations from the 2018 Code, explanations are provided. This report outlines our corporate governance framework with specific reference made to the principles and guidelines of the 2018 Code.

I. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Board's Duties and Responsibilities

The Board of Directors ("Board") oversees the business affairs of the Company and its subsidiaries (collectively, the "Group"). Each director is expected to act in good faith and objectively take decisions in the best interests of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. The principal functions of the Board include the approval of appointment of directors and succession planning process; the setting of strategic plans; the approval of material investments, divestments and funding; overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting, compliance and information technology controls; being responsible for corporate governance practices; dealing with matters such as sustainability issues like environmental and social factors as part of its strategic formulation and conflict of interest issues relating to substantial shareholders or directors or interested person transactions or those transactions or matters which require Board's approval under the provisions of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") or any applicable regulations as well as reviewing the performance of management and the financial performance of the Group. The Group has in place internal guidelines for financial authorisation and approval limits relating to capital and operating expenditure and specified transactions. All directors are expected to exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interests of the Group.

The Board has clear policies and procedures for dealing with conflicts of interest. Where a director faces a conflict of interest, he or she discloses and recuses himself or herself from meetings and decisions involving the issue. Where a director has a conflict or potentially conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is to abstain from voting in relation to the conflict related matters.

REPORT ON CORPORATE GOVERNANCE

Directors' Orientation and Training

All newly appointed directors are briefed on the business activities and strategic directions of the Group. Visits will be arranged for non-executive directors to acquaint themselves with the Group's major overseas operations. All directors are provided with a Directors' Handbook, which sets out directors' duties and responsibilities and the related requirements under the Singapore Companies Act 1967 (the "Act"), SGX-ST's Listing Manual and the latest applicable Code of Corporate Governance. On an ongoing basis, the Company updates the directors regarding developments in new laws and regulations or changes in regulatory requirements and financial reporting standards or corporate governance practices or news articles which are relevant to or may affect the businesses of the Group. In addition, the Company encourages the directors to be members of the Singapore Institute of Directors ("SID"), and for them to receive journal updates and training from SID, as well as to attend relevant courses and seminars, so that they can stay abreast and be apprised of developments in the financial, legal and regulatory requirements and the business environment.

For new directors with no prior experience of an issuer listed on SGX-ST, the Company ensures that they undergo training in the roles and responsibilities of a director of a listed company within one year from the date of his appointment to the Board as prescribed by SGX-ST.

The NC, which is responsible for making recommendations to the Board in relation to the appointment and/or re-appointment of directors, will use a variety of channels including immediate circle of contacts, third party search firms, director associations or advertisements to identify a broader range of suitable candidates.

Board Approval

The Group has adopted internal guidelines governing matters that require the Board's approval which have been clearly communicated to the Management. The Group has in place internal guidelines for financial authorisation and approval limits relating to capital and operating expenditure and specified transactions.

Matters which require Board's approval include:

- strategic plans;
- annual budgets and business plan of the Group;
- material acquisition and disposal of assets/investments;
- borrowings;
- corporate/financial restructurings or corporate exercises;
- incorporation of new entities;
- issuance of shares, dividend payout and other return to shareholders;
- risk appetite and risk tolerance for the different categories of risk;

REPORT ON CORPORATE GOVERNANCE

- matters as specified under the SGX-ST's interested person transactions rules;
- announcement of the Group's half yearly and full year results and the release of Annual Reports; and
- any other matters as prescribed under relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Delegation by the Board

To facilitate effective management, certain functions had been delegated to four board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Executive Committee ("Exco"). Each board committee has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Exco, comprising Mr Tang Kin Fei as its Chairman, Mr Tung Zhihong, Paul, Mr Ajaib Hari Dass and Mr Tan Tong Hai as its members, was established on 4 May 2022. The primary role of the Exco is to assist the Board in developing the overall strategy for the Group and to supervise on behalf of the Board, the management of the Group's business and affairs.

Composition of Board and Board Committees

As at the date of this report, the Company has six directors, namely:

Name of Director	Board	Board Committee	Date of appointment	Date of last re-election
Tang Kin Fei	Non-Executive, Non-Independent Board Chairman	Chairman of Exco, Member of NC and RC	12 January 2021	26 April 2021
Ajaib Hari Dass	Lead Independent Director	Chairman of NC and RC, Member of AC and Exco	12 January 2021	26 April 2021
Tung Zhihong, Paul	Independent Director	Chairman of AC, Member of RC, NC and Exco	2 May 2014	11 May 2020
Lee Fook Choon	Independent Director	Member of AC, RC and NC	18 October 2018	28 April 2022
Henry Wong Chuen Yuen	Independent Director	Member of AC	12 January 2021	26 April 2021
Tan Tong Hai	Non-Executive and Non-Independent Director	Member of AC and Exco	4 May 2022	–

Note: The details of directors' shareholdings in the Company and its related corporations are disclosed in the "Directors' Statement" section of this annual report.

REPORT ON
CORPORATE GOVERNANCE

Board Meetings and Attendance

The Board meets regularly and is provided with relevant updates and information. The Board and the AC meet at least twice each year. The other Board Committees meet as required, but usually at least once each year. Where necessary, Board meetings are convened to deliberate on substantive matters. In addition, directors often make themselves available and accessible to management for discussion and consultation. The Board and Board committees may also make decisions by way of circulating resolutions.

The dates of meetings of all the Board and Board Committee meetings, as well as the Annual General Meeting, are scheduled well in advance each year, in consultation with the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means.

The number of Board and Board Committees meetings and general meeting(s) held during the financial year ended 31 December 2022 and the attendance of the directors at these meetings are set out below:

	Number of meetings attended in 2022					
	Board of Directors	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**	**Executive Committee**	**General Meetings**
Meetings held in 2022	5	3	1	2	1	3
Name of Director						
Tang Kin Fei	5	NA	1	2	1	3
Ajaib Hari Dass	5	3	1	2	1	3
Henry Wong Cheun Yuen	5	3	NA	NA	NA	3
Lee Fook Choon	5	3	1	2	NA	3
Tung Zhihong, Paul	5	3	1	2	1	3
Tan Tong Hai[(1)]	2	1	NA	NA	1	0

(1) Appointed as non-executive and non-independent director and member of the AC and Exco with effect from 4 May 2022.

NA – Not applicable

Multiple Board Representations

All directors are required to declare their board representations. When a director has multiple board representation, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

The Board and NC will also consider whether a director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the director's involvement therein. The Board and NC will assess whether a director's resignation from the board of any such company casts any doubt on the director's qualification and ability to act as a director of the Company.

REPORT ON CORPORATE GOVERNANCE

The Board has prescribed that each Board member should not hold more than six board representations in public listed companies. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company. Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

Access to Information and Access to Management and Company Secretary

Management keeps the Board apprised of the Group's operations and performance through updates and reports as well as through informal discussions. Prior to the meetings of the Board or Board Committees, directors are provided, where appropriate, with management information to enable them to be prepared for the meetings. On an ongoing basis, all Board members have full and free access to management, the Company Secretary and any information the Board requires. If required, the Board has access to independent professional advice to assist them to fulfil their responsibilities and duties.

At Board meetings, the Board receives half yearly financial statements, annual budgets and explanation to material variances. The strategies and forecast for the following months are also discussed and approved as appropriate. The Board is also provided with updates on the relevant new legislation, regulations and changing commercial risks in the Group's operating environment through regular meetings.

Principle 2: Board Composition and Guidance

The Company strives to achieve an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

The NC has been delegated by the Board to review the Board's composition and effectiveness and make recommendations to the Board on all Board and Board Committee appointments. The NC considers and makes recommendations to the Board concerning its size and the need of the Board to ensure that the Board and Board Committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. As gender is an important aspect of diversity, the NC will strive to ensure that:

i. the requirement to present female candidates will be made known where external consultants are used for the search,

ii. female candidates are included for consideration whenever it seeks to identify a new Director for appointment to the Board, and

iii. there is female representation on the Board.

REPORT ON **CORPORATE GOVERNANCE**

The NC is responsible for setting the board diversity policy, including the targets, plans and timeline and has adopted such policy which addresses gender, skills and experience with effect from 1 August 2022. The NC will review the policy from time to time, as appropriate, to assess the effectiveness of this policy. The NC will recommend any revision, if required, and recommend to the Board for approval. The NC will report annually under the Corporate Governance section of the Company's Annual Report.

The Company has been actively searching for suitable candidates to ensure there is female representation on the Board. The Company hopes to achieve this by the end of 2023.

The Board has appropriate level of independence in decision-making in the best interest of the Company. The four independent directors on the Board are Mr Ajaib Hari Dass, Mr Tung Zhihong, Paul, Mr Lee Fook Choon and Dr Henry Wong Chuen Yuen, making up a majority of the Board. Taking into consideration that the Board Chairman is not independent, in addition to having a majority of independent director on the Board, the Board has also appointed Mr Ajaib Hari Dass as the lead independent director to coordinate and lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board.

The independent directors and their immediate family members have no relationship (whether familial, business, financial, employment, or otherwise) with Metis Energy Limited, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of Metis Energy Limited.

None of the independent directors have served the Company for a period exceeding nine years.

The composition of the current Board has an appropriate balance and diversity of skills, experience and knowledge of the Company. The Board comprises members who have extensive experience in Group's businesses from industrial utility, energy, shipping, engineering to accounting, financial services and legal sectors. The profiles of the directors are set out on pages 3 to 4 of this Annual Report.

The Board comprises six members, four of whom are independent. The Board is able to exercise objective judgment in the interests of the Group. No individual or group of individuals dominates the Board's decision-making process. Where a director has a conflict or potential conflict of interest in relation to any matter, he/she is to abstain from voting on the resolution. The Company has complied with the relevant provisions as a majority of the Board members are non-executive.

The views and opinions of the non-executive directors provide alternative perspectives to the Group's business and they bring independent judgment on business activities and transactions involving conflicts of interest and other complexities.

Accordingly, the above practices adopted by the Company are consistent with the intent of Principle 2 of the Code. The Company is also of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of Company.

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CORPORATE GOVERNANCE

During FY2022, the non-executive directors met without the presence of Management formally in Board Committee meetings and informally on an ad hoc basis at various times throughout the year. Formal meetings are recorded by minutes that are available to all Board members. One of the Directors who attended an ad hoc meeting will be assigned to provide feedback to the other Directors on relevant issues arising from the discussion.

Principle 3: Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer are separate persons to ensure appropriate balance of power, increased accountability, and great capacity of the Board for independent decision-making.

The Chairman chairs Board meetings and ensures that the directors receive accurate, timely and clear information, guides the Board on its discussion of substantive issues and ensures adequate time is available for such discussion. The Chairman also leads the Board to ensure its effectiveness, including the facilitation of effective contribution by non-executive directors, promotes a culture of openness and debate at the Board, ensures effective communication with shareholders, and encourages constructive relations within the Board and between the Board and management. The Chairman also promotes high standards of corporate governance.

Mr Ajaib Hari Dass, the Lead Independent Director, is able to provide leadership in situations where the Chairman is conflicted. He is available to shareholders when they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Chief Executive Officer is responsible for the execution of the Group's strategies and the day-to-day operations of the Company and the overall performance of the Group. The former Chief Executive Mr Low Yi Ngo retired at the conclusion of the last Annual General Meeting. Following the cessation of Mr Low as the Chief Executive Officer and Managing Director of the Group, the Group's General Manager ("GM"), Mr Yau Wai Hoo, who has more than 20 years of experience in China in the Infrastructure, Energy (fossil & renewable), Water/Waste-Water Treatment, Facilities Management, Township Development and Marine Engineering sectors will lead the Group in the meantime. The Company has sufficient expertise and resources at the (i) board level, which focuses on the strategic direction of the Company and (ii) management level, which focuses on the project execution.

Principle 4: Board Membership
NC Composition and Role

The members of the NC as at the date of this report are as follows:

Ajaib Hari Dass	Chairman
Tang Kin Fei	Member
Tung Zhihong, Paul	Member
Lee Fook Choon	Member

A majority of the NC members are independent, including the NC Chairman and are not related to any substantial shareholders of the Company.

REPORT ON CORPORATE GOVERNANCE

Under its terms of reference, the NC is responsible for reviewing the Board's composition and effectiveness and makes recommendations to the Board on all Board and Board Committee appointments. It is responsible for the nomination of directors for re-election and also reviews the independence of each director on an annual basis. The NC will also review the training and professional development programmes for directors as well as review Board succession plans for directors, in particular the CEO, Chairman, and key management personnel ("KMP").

The GM takes charge of the succession planning for KMP and the NC will review the plans that the GM has made for KMP succession. The NC will consider how key talent is managed within the organization by reviewing the mechanisms for identifying strong candidates and developing them to advance the career ladder.

In recommending new directors, if any, the NC relies mainly on the contacts and network of the entire Board. However, the NC may engage the services of external recruitment companies, if necessary. In nominating new directors, consideration is given to the integrity, skills and experience of the candidates and the overall composition of the Board.

In the process for selection, appointment and re-appointment of directors, the NC will also consider factors such as composition, diversity and progressive renewal of the Board and each director's competencies, commitment and performance as well as the Company's strategic priorities and the factors affecting the long-term success of the Company.

The NC will consider different time horizons as and when required for succession planning: (1) long-term planning, to identify competencies needed for the company's strategy and objectives, (2) medium-term planning, for the orderly replacement of Board members and KMP, and (3) contingency planning, for preparedness against sudden and unforeseen changes.

The NC is charged with determining the independence of the directors as set out under Principle 2 above.

The Board has prescribed that each Board member should not hold more than six board representations in public listed companies. The listed company directorship and principal commitments of each director are disclosed in pages 3 to 4 of the Annual Report. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company. Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

All directors should be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years. The Company's Constitution requires one-third, or the number nearest to but not less than one-third, of the Directors, including the person holding the office of Managing Director (or an equivalent appointment however described), to retire from office. The directors to retire every year are those who have been longest in office since their last election or appointment. No director stays in office for more than three years without being re-elected by shareholders. In addition, a newly appointed Director will hold office only until the next annual general meeting at which he/she will be eligible for re-election.

REPORT ON CORPORATE GOVERNANCE

The name and additional information of the directors who are seeking re-election at the forthcoming AGM are set out in the paragraphs below.

Each member of the NC abstains from voting on any resolution, making any recommendation and/or participating in respect of matters in which he/she is interested in.

The NC has used circular resolutions in writing to sanction decisions, as and when necessary.

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to Mr Tung Zhihong, Paul, Mr Tan Tong Hai and Mr Tang Kin Fei, the Directors seeking re-election, as set out in Appendix 7.4.1 of the Listing Manual of SGX-ST is disclosed below:

Name of Director	**Tung Zhihong, Paul**
Date of Appointment	2 May 2014
Age	43
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendations made by the Nominating Committee, the Board of Directors is of the view that based on Mr Tung's qualification, experience and overall contribution, he will be able to contribute positively to the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Audit Committee and a Member of the Nominating Committee, Remuneration Committee and Executive Committee
Professional qualifications	Bachelor of Commerce degree majoring in Financial Accounting, Corporate Finance and Investment Finance from the University of Western Australia
Working experience and occupation(s) during the past 10 years	Dec 2012 – Present: Regional Finance Director, IPG DXTRA (Singapore) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	NIL
Conflict of interest (including any competing business)	NIL

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Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships	NIL
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, as this relates to re-appointment of director
Response to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation

Name of Director	**Tan Tong Hai**
Date of Appointment	4 May 2022
Age	60
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendations made by the Nominating Committee, the Board of Directors is of the view that based on Mr Tan's qualification, experience and overall contribution, he will be able to contribute positively to the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Non-Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent director, Member of Audit Committee and Executive Committee
Professional qualifications	Bachelor of Electrical Engineering (Honours) from the National University of Singapore

REPORT ON CORPORATE GOVERNANCE

Working experience and occupation(s) during the past 10 years	From June 2020 to Present: Director of Taiwan Mobile Co. Ltd From February 2020 to present: Director of United Hampshire US REIT Management Pte Ltd (Trustee Manager of United Hampshire US Real Estate Investment Trust) From November 2019 to present: Director of SEAX Global Pte Ltd From March 2019 to present: Director of Super Sea Cable Networks Pte Ltd From April 2013 to present: Chairman of the Board of Governors of Nanyang Polytechnic From March 2013 to May 2018: President and Chief Executive Officer of Starhub Ltd From January 2009 to February 2013: Chief Operating Officer of Starhub Ltd
Shareholding interest in the listed issuer and its subsidiaries	40,000,000
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	NIL
Conflict of interest (including any competing business)	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships	
Past (for the last 5 years)	• Starhub Ltd • Starhub Cable Vision Ltd • Starhub Internet Pte Ltd • Starhub Mobile Pte Ltd • Starhub Online Pte Ltd • Starhub Shop Pte Ltd • EDC@SCCCI Pte Ltd

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Present	• SEAX Global Pte Ltd • Super Sea Cable Network Pte Ltd • United Hampshire US REIT Management Pte Ltd (Trustee Manager of United Hampshire US Real Estate Investment Trust) • Taiwan Mobile Co. Ltd • Nanyang Polytechnic
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, as this relates to re-appointment of director
Response to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation

Name of Director	**Tang Kin Fei**
Date of Appointment	12 January 2021
Age	72
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendations made by the Nominating Committee, the Board of Directors is of the view that based on Mr Tang's qualification, experience and overall contribution, he will be able to contribute positively to the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Non-Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Board Chairman, Chairman of Executive Committee, Member of Nominating Committee and Remuneration Committee
Professional qualifications	Bachelor of Mechanical Engineering (First Class Hons) from the National University of Singapore

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CORPORATE GOVERNANCE

Working experience and occupation(s) during the past 10 years	Sembcorp Utilities Private Limited – President & CEO (1 September 2001 – April 2017) Sembcorp Industries Limited – Group President & CEO (1 May 2005 – April 2017) – Advisor (1 April 2017 – 31 May 2017) Ngee Ann Polytechnic – Council Chairman and Chairman of the Administration and Investment Committees (1 July 2011 – present) National Research Foundation – Board Member, Chairman of the USS Integrated Programme Office (IPO) and member of USS Executive Committee (1 April 2017 – 31 March 2021) Singapore Chinese Chamber of Commerce & Industry – Council Member (15 March 2011 – present) Singapore Cooperation Enterprise – Chairman/Director and member of Human Resource Development Committee (1 October 2011 – present) SIA Engineering Company Limited – Chairman/Director, Chairman of Compensation & HR Committee and Executive Committee (8 May 2017 – present) Kwong Wai Shiu Hospital – Vice Chairman/Director (1 July 2017 – present) KWSH Foundation – Chairman of Investment Committee (3 March 2023 – present) Summit Power International Limited – Board Member/Director, Chairman of Strategy & Investment Committee and Member of Audit & Risk Committee (1 November 2017 – present) Singapore LNG Corporation Pte. Ltd. – Board Chairman/Director and Chairman of Executive Committee (15 May 2018 – present) Thermodynamics Technology Asia Limited – Director (14 Jan 2022 – present) Thermodynamics Technology Pte. Ltd. – Director (15 Feb 2022 – present) Mr Tang is also a director of some subsidiaries of Metis Energy Limited

REPORT ON CORPORATE GOVERNANCE

Shareholding interest in the listed issuer and its subsidiaries	25,000,000
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Low Yi Ngo's (controlling shareholder) spouse's sister's father-in-law
Conflict of interest (including any competing business)	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships	
Past (for the last 5 years)	NIL
Present	• Ngee Ann Polytechnic Council (stepping down with effect from 1 April 2023) • Singapore Cooperation Enterprise • SIA Engineering Company Limited • Kwong Wai Shiu Hospital • Summit Power International Limited • Singapore LNG Corporation Pte. Ltd.
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, as this relates to re-appointment of director
Response to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation

REPORT ON CORPORATE GOVERNANCE

Principle 5: Board Performance

The Group's activities include the renewable energy business comprising on-grid and off-grid renewable energy business segments and selective clean energy power projects, provision of coal transportation services in Indonesia, and the operations and maintenance of power plants in Indonesia. The Company has an associate company involved in property development in China with the construction of its building in Ningbo, China.

The Board believes its performance would be judged based on the Group's ability to manage the operations of the renewable energy projects, coal transportation activities and power plants in an efficient manner and to seek new investment opportunities to enhance shareholders' value. Updates on progress of projects are made at formal Board meetings. Regular discussions are also held between management and directors who offer their views and guidance on the matters.

The Board, based on the recommendation of the NC, recognises the need for regular reviews and evaluations of the effectiveness of the Board as a whole and the effectiveness of individual directors.

During the financial year, all directors are requested to complete a Board Evaluation Questionnaire which are collated and presented to the NC for review before submitting to the Board to determine actions required to improve the effectiveness of the Board and Committees of the Board as a whole. Taking into account the board size and composition, the NC is of the opinion that the evaluation of the Board as a whole and its Committees would suffice to assess the effectiveness and performance of the Board, its Committees and directors.

In evaluating the contribution and performance of the Board, its Board Committees and directors, the NC takes into consideration a number of factors including attendance, preparedness and participation in decision-making.

II. REMUNERATION MATTERS
Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration
RC Composition and Role

The members of the RC as at the date of this report are as follows:

Ajaib Hari Dass	Chairman
Tang Kin Fei	Member
Tung Zhihong, Paul	Member
Lee Fook Choon	Member

A majority of the RC members, including the RC Chairman, are independent.

REPORT ON CORPORATE GOVERNANCE

The role of the RC is to review and make recommendations to the Board on the remuneration package of each key management personnel. The RC also recommends the level of fees for directors and Board Committee members which are subject to the approval of shareholders. No director is involved in the deliberation of his own remuneration or fee level. Where necessary, independent professional advice on the framework for remuneration packages may be sought by the RC.

In recommending the remuneration packages of the key management personnel, the RC is largely guided by the financial performance of the Company and the Group. The Company believes that the current remuneration level should be competitive and sufficient to attract, retain and motivate the key management personnel. A remuneration consultant was engaged to review the remuneration package of some of the key management personnel during the year.

Having reviewed and considered the variable components of the service contracts of the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The RC has reviewed the termination clause of the key management personnel's contract of service and found them to be fair, reasonable and are in line with market practice.

The Company's remuneration policy may be amended to take into account the overall performance of the Company, the meeting of key targets, shareholders' value enhancement and individual performance.

The RC has used circular resolutions in writing to sanction decisions, as and when necessary.

Disclosure of Remuneration

Taking note of the highly competitive industry conditions and pressure in talent market and the sensitivity and confidentiality of remuneration matters, the Board decided not to disclose the remuneration of each individual director and the total remuneration of the top five key executive officers (who are not directors) of the Group, including names of the top key executives. The Board is of the view that disclosure of such information would not be in the interests of the Company as such information is confidential and sensitive due to the highly competitive industry conditions and pressure in the talent market, and could be exploited by competitors. The Company needs to maintain stability in the management team. There are no employees who are substantial shareholders of the Company.

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The remuneration of the directors and the top five executives (who are not directors), is set out below:

(a) The table below shows a breakdown (in percentage terms) of the average remuneration of directors, which fall within broad bands, for the financial year ended 31 December 2022:

Directors of the Company	Salary %	Bonus %	Allowance %	Director's Fee %
Below S$250,000:				
Ajaib Hari Dass	–	–	–	100
Henry Wong Chuen Yuen	–	–	–	100
Lee Fook Choon	–	–	–	100
Tung Zhihong, Paul	–	–	–	100
Tan Tong Hai	–	–	–	100
Low Yi Ngo(1)	100	–	–	–
Elaine Low(2)	–	–	–	100
S$250,000 to S$499,999:				
Tang Kin Fei	–	–	–	100

(1) Mr Low retired at the conclusion of the last Annual General Meeting held on 28 April 2022.

(2) Ms Low resigned with effect from 28 April 2022.

(b) The remuneration paid to the top five key executives (who are not directors) for the financial year ended 31 December 2022 is as follows:

Remuneration Band	Number
Below $250,000	5

The amounts and breakdowns of remuneration of the top five key management personnel are not disclosed for the same reasons above.

There is no immediate family member (as defined in the Listing Manual of SGX-ST) of a director or the Chief Executive Officer in the employment of the Company whose annual remuneration exceeds S$100,000 during the financial year ended 31 December 2022.

For the financial year ended 31 December 2022, there was no termination, retirement and post-employment benefits granted to directors, the Chief Executive Officer and the key management personnel other than the standard contractual notice period termination payment in lieu of service.

REPORT ON CORPORATE GOVERNANCE

III. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
Accountability

There are comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company's and Group's policies and Board's decisions, and the day-to-day management of the Group's operating units. The Board is capable in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board for review at half yearly Board meetings. This information includes disclosure documents, half yearly results, forecasts for profit and cash flow, working capital and funding levels, compared to approved budgets and the corresponding prior financial periods' results, where applicable. In addition, the Company adopts a policy which welcomes directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from management.

Principle 10:
Audit Committee

The members of the AC as at the date of this report are as follows:

Tung Zhihong, Paul	Chairman
Ajaib Hari Dass	Member
Henry Wong Chuen Yuen	Member
Lee Fook Choon	Member
Tan Tong Hai	Member

A majority of the AC members are independent. Mr Tung Zhihong, Paul, Mr Ajaib Hari Dass, Mr Lee Fook Choon, Mr Henry Wong Chuen Yuen and Mr Tan Tong Hai have the requisite expertise or experience to discharge their responsibility as members of the AC.

The duties of the AC include:

(a) reviewing the audit plans of the internal and external auditors of the Company and reviewing the internal auditor's evaluation of the adequacy of the Company's and Group's system of internal accounting controls and the assistance given by the Company's and Group's management to the internal and external auditors;

(b) reviewing the half yearly and full year financial statements before their announcements;

REPORT ON CORPORATE GOVERNANCE

(c) reviewing the annual financial statements and the external auditor's report on the annual financial statements of the Company and the Group before their submission to the Board;

(d) reviewing the effectiveness of the Company's and Group's material internal controls, including financial, operational and compliance controls, information technology controls and risk management policies and systems;

(e) meeting with the internal and external auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(f) reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(g) reviewing the effectiveness of the internal audit function;

(h) reviewing the cost effectiveness, independence and objectivity of the external auditor and the nature and extent of non-audit services provided by the external auditor;

(i) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to their financial performance;

(j) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor and reviewing the scope and results of the audit;

(k) reviewing, monitoring and advising the Board on the Company's and Group's overall risk exposures, tolerance and strategy;

(l) reviewing the Company's and Group's overall risk assessment, framework, processes and methodology;

(m) reporting actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and

(n) reviewing interested person transactions in accordance with the requirements of SGX-ST's Listing Manual.

The AC has the power to conduct investigations in accordance with the AC's written terms of reference and has full access to and co-operation from management as well as direct access to the Company's external auditor. In discharging its duties, the AC may seek independent advice at the expense of the Company.

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The AC is kept abreast by the Management and the external auditors of changes to accounting standards which have impact on the Group's consolidated financial statements.

Following discussions with management and the external auditors, significant issues that impact the financial statements for the year ended 31 December 2022 were identified and included in the Independent Auditor's Report to the Members of the Company under "Key Audit Matters". In the review of the financial statements for the year ended 31 December 2022, the AC had obtained an understanding on the work performed by external auditors and management's assessment of the various key audit matters. The AC is satisfied that these issues including the impairment assessment of power plant have been properly dealt with and concurred with management's assessment and conclusion of the key audit matters.

The AC meets with both the internal and external auditors without the presence of management at least once a year to review the overall scope of the internal and external audits and assistance given by management to both the internal and external auditors. During the financial year ended 31 December 2022, an amount of approximately S$300,000 and S$140,000 was paid/payable to the Company's external auditor for audit fee and non-audit services. In the opinion of the AC, the nature and extent of these non-audit services did not prejudice the independence and objectivity of the Company's external auditor.

The AC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as auditor at the forthcoming AGM of the Company.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

In appointing the auditing firms for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of SGX-ST.

The AC has adopted a whistle-blowing policy to encourage and to provide a channel for stakeholders to report and to raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting and other matters. An email address has been created to receive any whistle-blowing concerns and stakeholders are invited to write to ACchairman@metisenergy.com.

Internal Audit
Risk Management and Internal Controls

The Group continues to reinforce its internal controls (including financial, operational, compliance and information technology) and risk management systems designed to provide reasonable assurance with regard to the keeping of proper accounting records, integrity and reliability of its financial information and safeguarding the Group's assets. The management has further strengthened its human resources to support the internal controls and risk management systems review initiatives and to implement revised policies and procedures.

REPORT ON CORPORATE GOVERNANCE

The AC annually evaluates the findings of the internal auditor on the internal controls. In addition, it also evaluates the observations and recommendations by the external auditor on any material internal control weaknesses which have come to its attention in the course of its statutory audit. On an ad-hoc basis as warranted by particular circumstances, the AC may commission professional independent reviews of the operations of the Company and its subsidiaries and evaluates the results of such professional independent reviews. The evaluation assists the Board in developing policies that enhances the controls and operating systems of the Company and the Group.

The Board, with the assistance from the AC, is responsible for reviewing the appropriateness of framework and policies for managing risks, setting the risk appetite of the Company and the Group, reviewing key risks identified at business unit levels and their related risk treatment plans.

Management has implemented a formalised risk management framework, under the guidance of AC, for the identification, treatment, monitoring and reporting of risks. The AC shall also review and discuss risk management matters at least once a year. A risk self-assessment exercise was conducted at business unit level and a risk register with risk treatment plans was identified. Arising from these risk management activities, the Company and the Group have adopted a set of more stream-lined and comprehensive guidelines for approval limits and delegation of authorities, investment approval and documentation requirements. The AC and the Board are not aware of any matter which suggests that key risks are not being satisfactorily managed.

The Group's financial risk management objectives and policies are discussed further in Note 28 to the financial statements.

The Board has obtained a written confirmation from the GM and Deputy CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2022 give a true and fair view of the Group's operations and finances, and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Company and the Group in its current business environment.

The AC reviews the assurance from the GM and the Deputy CFO on the financial records and financial statements.

Based on the internal controls established and maintained by the Company and the Group, the work performed by the internal auditors and statutory audits by the external auditors, and reviews performed by management, Board Committees and the Board, it is the opinion of the Board and AC that the internal controls (including financial, operational, compliance and information technology) and risk management systems, are adequate and effective in meeting the current scopes of the Company's and the Group's operations in the prevailing business environment in all material aspects. However, the Board acknowledges that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

REPORT ON CORPORATE GOVERNANCE

The Board will continually review and improve the internal controls and risk management systems of the Company and the Group on an on-going basis.

The internal audit function is outsourced to Grant Thornton (Vietnam) Limited.

The primary objectives of the internal audit function are to assess if adequate systems of internal controls are in place to safeguard shareholders' investments and the Group's assets and to ensure that such control procedures are continuously complied with. The internal auditor reports to the AC. During the financial year ended 31 December 2022, the outsourced internal audit function has carried out internal audit in accordance with the internal audit plan approved by the AC. The AC has reviewed and discussed the findings from internal audit with the internal auditor.

The AC has considered the internal audit function to be independent, effective and adequately resourced.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders

The Board is mindful of its obligation to provide timely and relevant information to shareholders.

Metis treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting Metis. Metis gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Timely disclosure of material information is carried out in accordance with the requirements of the Listing Manual of the SGX-ST. The Company's results and annual reports are released on the SGXNET. The Company's Annual Report and Notice of AGM are electronically available on SGX and the Company's website.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half yearly and full year financial results are available on the Company's website – www.metisenergy.com. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. Shareholders with questions may contact the Company at 133 New Bridge Road #18-09 Chinatown Point Singapore 059413 (Contact Number: +65-6345 0777, Email Address: information@metisenergy.com).

REPORT ON CORPORATE GOVERNANCE

To minimise physical interactions and COVID-19 transmission risks, general meetings were held by electronic means. Shareholders will not be able to attend the general meetings in person. A member (whether individual or corporate) who wishes to virtually attend the general meetings must pre-register or appoint a proxy as his/her/its proxy to virtually attend, speak and vote on his/her/its behalf at the general meetings if such member wishes to exercise his/her/its voting rights at the general meetings. Shareholders can submit substantial and relevant questions to the Chairman of the general meetings, "live" at, the general meetings, or in advance of the general meetings. The attendance of directors at the general meetings held in 2022 is set out under Principle 1 above.

The Company has been actively facilitating the communication between the Board with its shareholders.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

The Company would prepare minutes of general meetings, which include substantial and relevant comments and questions raised by shareholders, together with responses from the Board and the Management, and would be available on the Company's website as soon as practicable.

Dividend policy

The Board aims to declare and pay annual dividend. The form, frequency and amount of dividends each year will take into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general global economic conditions and other factors as the Board may deem appropriate.

No dividend has been declared or recommended for FY2022 as the Company continued to record accumulated losses as at 31 December 2022.

V. MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Company maintains a corporate website at http://www.metisenergy.com to communicate and engage with stakeholders.

REPORT ON CORPORATE GOVERNANCE

VI. OTHER CORPORATE GOVERNANCE MATTERS

Sustainability Statement

The Group recognises the growing importance of sustainable growth and how such sustainability practices impact our various stakeholders. We maintain regular engagement with our key stakeholders who have significant influence on our business and to whom our business impacts most. Their needs and concerns are important in helping us understand the accountability of our business actions and improve our decision making. We focus our efforts on addressing their key interests while striving for operational efficiency in order to create long-term sustainable growth for the Group and our stakeholders.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly are able to impact the Group's business and operations.

Four stakeholders groups have been identified through an assessment of their significance to the business operations. They are namely, employees, investors, regulators and customers.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.

The FY2022 Sustainability Report will be available on the SGXnet and the Company's website by 30 April 2023. A summary of the Sustainability Report will be included in the 2022 Annual Report. Shareholders are encouraged to refer to the sustainability report for further details.

Dealing in Securities

The Group has adopted a policy to govern conduct in the dealing of the securities of the Company for directors and officers, in accordance with the Listing Manual of SGX-ST. Under this policy, directors and officers are prohibited from dealing in the securities of the Company (i) on short-term considerations, (ii) during the period commencing one month before the announcement of the Company's full-year financial results and two weeks before the release of half yearly financial results ("Blackout Period"), and (iii) when they are in possession of unpublished price-sensitive information.

In addition, two weeks before the release of the Company's half yearly financial results and one month before the release of the Company's full-year financial results, an email is sent to the Company's and Group's directors and employees reminding them of the Blackout Period; and prohibition to trade any time they are in possession of unpublished material price-sensitive information and on short-term considerations.

REPORT ON CORPORATE GOVERNANCE

Interested Person Transactions ("IPTs")

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the SGX-ST are as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all IPTs under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
	S$'000	S$'000
KaiYi Investment Pte. Ltd.[1] Lease of office premises	–	(150)
KaiYi Investment Pte. Ltd.[1] Interest expense	–	(375)
PT Dermaga Perkasapratama[2] Sale of electricity	7,309	–

Notes:

(1) KaiYi Investment Pte Ltd ("KaiYi"), a substantial shareholder, has 34.14% direct interest in the Company. In addition, Dato' Dr. Low Tuck Kwong, Low Yi Ngo, Elaine Low who are substantial shareholders of the Company, own 10.46%, 34.22% and 34.22% of KaiYi respectively and the immediate family member of Dato' Dr. Low Tuck Kwong, Low Yi Ngo and Elaine Low owns 16.16%. Accordingly, KaiYi is deemed to be an Interested Person for the purposes of Chapter 9 of the Listing Manual.

(2) PT Dermaga Perkasapratama is a subsidiary of PT Bayan Resources Tbk ("Bayan Resources"). Dato' Dr. Low Tuck Kwong and Low Yi Ngo who are substantial shareholders of the Company, own 61.00% and 0.18% of Bayan Resources respectively and are on the board of directors of Bayan Resources. Accordingly, the Bayan Group, comprising Bayan Resources and its subsidiaries are deemed to be Interested Persons for the purposes of Chapter 9 of the Listing Manual.

Use of Proceeds

The Group raised up a maximum of US$75.70 million from the disposal of shares in the capital of Manhattan Property Development Pte. Ltd. and loan from Onward Capital Pte. Ltd (collectively "Proceeds"). As disclosed in the circular dated 13 December 2022, it is intended that the Proceeds will be deployed as capital expenditure, development cost and working capital for the Renewable Energy Business. As at the date of this report, the Group has not utilised the Proceeds.

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Metis Energy Limited (formerly known as Manhattan Resources Limited) (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Tang Kin Fei
Ajaib Hari Dass
Tung Zhihong, Paul
Lee Fook Choon
Henry Wong Chuen Yuen
Tan Tong Hai (Appointed on 4 May 2022)

Arrangements to enable directors to acquire shares and debentures

Except as described in the paragraph below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company, as stated below:

	Direct Interest		
Name of directors	**1 January 2022**	**31 December 2022**	**21 January 2023**
The Company			
Ordinary shares			
Tang Kin Fei	–	25,000,000	25,000,000
Tan Tong Hai	–	40,000,000	40,000,000
Lee Fook Choon	300,900	588,800	588,800

Except as disclosed in this statement, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, either at the beginning of the financial year or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 December 2022, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Audit committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Tung Zhihong, Paul
Director

Tang Kin Fei
Director

Singapore
21 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METIS ENERGY LIMITED

Opinion

We have audited the financial statements of Metis Energy Limited (formerly known as Manhattan Resources Limited) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (the "SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METIS ENERGY LIMITED

Review of the carrying value of the power plant cash generating unit

As at 31 December 2022, the net carrying amount of the Group's power plant cash generating unit ("CGU") assets amounted to S$12,467,000 (2021: S$31,183,000) which represented 8.7% (2021: 22.8%) of the Group's total assets.

The Group's power plant segment recorded losses for the financial year ended 31 December 2022. This gives rise to indication of impairment and management performed an impairment test to determine the recoverable value of the power plant CGU and respective investment in subsidiary. Management has determined the recoverable amount of the power plant based on value in use computations. We have determined this to be a key audit matter based on the quantitative materiality of the power plant and the significant estimation required to determine the recoverable amount.

Our audit procedures included, amongst others, evaluating and assessing the assumptions used by management. We examined management's methodology used to assess the recoverable amount of the power plant. We reviewed the robustness of management's budgeting process by comparing the actual results achieved against previously forecasted budgets. We assessed and tested the assumptions which the outcome of the impairment test is most sensitive to, such as saleable electricity. We corroborated whether the forecast of saleable electricity is supported by customer contracts secured to date, taking into consideration the current and future market conditions. We also checked management's assumptions of gross margins and operating costs against historical performance of the power plant.

With the support of our internal valuation specialists, we assessed the appropriateness of the discount rate used in the calculation. This included an assessment of the specific inputs, inter alia, the risk-free rate, the equity risk premium, along with gearing and cost of debt. Such inputs were compared either against risk rates in specific markets in which the Group operates or equivalent data for peer companies.

We also assessed the adequacy of Note 2.4(a)(i), Note 3 and Note 4 to the financial statements relating to the disclosures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METIS ENERGY LIMITED

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METIS ENERGY LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METIS ENERGY LIMITED

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Huijing Amanda.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
21 March 2023

BALANCE SHEETS
AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Property, plant and equipment	3	51,858	26,735	697	236
Intangible assets	4	6,329	12,839	–	–
Right-of-use assets	24	1,301	2,198	–	55
Investment property under construction	5	–	–	–	–
Property under development	5	–	–	–	–
Prepayments	9	1,249	1,175	–	–
Interests in subsidiaries	6	–	–	54,812	80,077
Investment in associates	7	–	60,436	–	60,436
Trade and other receivables	8	–	1,701	–	–
		60,737	105,084	55,509	140,804
Current assets					
Trade and other receivables	8	5,720	4,366	136	70
Prepayments	9	235	172	59	20
Due from subsidiaries (non-trade)	10	–	–	4,336	–
Due from associate (non-trade)		509	205	509	205
Inventories	11	581	155	–	–
Cash and bank deposits	12	19,893	20,545	8,023	3,140
		26,938	25,443	13,063	3,435
Assets held for sale	25	55,831	6,244	56,323	–
		82,769	31,687	69,386	3,435
Current liabilities					
Trade and other payables	13	(18,670)	(26,374)	(7,513)	(534)
Bank borrowings	26	(1,421)	–	–	–
Due to subsidiaries (non-trade)	10	–	–	–	(15,303)
Lease liabilities	24	(5)	(451)	–	(44)
Income tax payable		(11)	(38)	–	–
		(20,107)	(26,863)	(7,513)	(15,881)
Net current assets/(liabilities)		62,662	4,824	61,873	(12,446)
Non-current liabilities					
Trade and other payables	13	(12,640)	(12,278)	(12,640)	(12,278)
Bank borrowings	26	(16,380)	–	–	–
Deferred tax liabilities	19	(410)	(1,700)	(14)	(14)
Lease liabilities	24	(196)	–	–	–
Net assets		93,773	95,930	104,728	116,066

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Equity					
Share capital	14	222,180	222,180	222,180	222,180
Accumulated losses		(123,545)	(128,057)	(116,506)	(106,336)
Capital reserves		339	339	–	–
Other reserve		(320)	(320)	–	–
Foreign currency translation reserve		(13,152)	(5,265)	(1,268)	–
Acquisition revaluation reserve		5,392	5,392	–	–
Employee share option reserve		322	222	322	222
Equity attributable to owners of the Company		91,216	94,491	104,728	116,066
Non-controlling interests		2,557	1,439	–	–
Total equity		93,773	95,930	104,728	116,066

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	15	12,609	9,237
Other income	16	25,482	14,316
Employee benefits expenses	17	(2,974)	(2,578)
Depreciation and amortisation		(5,771)	(4,974)
Operating expenses	18	(6,702)	(6,481)
Impairment losses	18	(9,092)	(12,628)
Other expenses	18	(6,449)	(1,879)
Finance costs	18	(857)	(164)
Share of results of associate, net of tax		(199)	(728)
Profit/(loss) before tax		6,047	(5,879)
Income tax credit	19	162	1,799
Profit/(loss) for the financial year		6,209	(4,080)
Profit/(loss) attributable to:			
Owners of the Company		4,512	(1,699)
Non-controlling interests		1,697	(2,381)
Profit/(loss) for the financial year		6,209	(4,080)
Earnings/(loss) per share (cents) attributable to owners of the Company	20		
– Basic		0.15	(0.06)
– Diluted		0.15	(0.06)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group	
	2022	**2021**
	$'000	**$'000**
Profit/(loss) net of tax	6,209	(4,080)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	(5,530)	2,423
Share of other comprehensive income of associates	(2,936)	1,668
Other comprehensive income for the financial year, net of tax	(8,466)	4,091
Total comprehensive income for the financial year	(2,257)	11
Total comprehensive income attributable to:		
Owners of the Company	(3,375)	1,775
Non-controlling interests	1,118	(1,764)
	(2,257)	11

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Total attributable to owners of the Company									
	Share capital $'000	Accumulated losses $'000	Capital reserve[1] $'000	Other reserve $'000	Foreign currency translation reserve[2] $'000	Acquisition revaluation reserve[3] $'000	Employee share option reserve[4],[5] $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
At 1 January 2021	221,427	(126,358)	353	(320)	(6,223)	5,392	74	94,345	53,900	148,245
Loss net of tax	–	(1,699)	–	–	–	–	–	(1,699)	(2,381)	(4,080)
Other comprehensive income										
Foreign currency translation	–	–	–	–	1,806	–	–	1,806	617	2,423
Share of other comprehensive income of associates	–	–	–	–	1,668	–	–	1,668	–	1,668
Other comprehensive income for the financial period, net of tax	–	–	–	–	3,474	–	–	3,474	617	4,091
Total comprehensive income for the financial period	–	(1,699)	–	–	3,474	–	–	1,775	(1,764)	11
Contributions by and distributions to owners										
Shares issued for acquisition of a subsidiary (Note 14)	753	–	–	–	–	–	–	753	–	753
Shares-based payments	–	–	–	–	–	–	148	148	–	148
Total contributions by and distributions to owners	753	–	–	–	–	–	148	901	–	901
Changes in ownership interests in subsidiaries										
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
Total changes in ownership interests in subsidiaries	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
Total transactions with owners in their capacity as owners	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
At 31 December 2021	222,180	(128,057)	339	(320)	(5,265)	5,392	222	94,491	1,439	95,930

(1) Capital reserve represents the capital contribution in excess of the registered capital and differences between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received.

(2) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency. It is also used to record the effect of hedging net investments in foreign operations.

(3) Acquisition revaluation reserve represents the fair value adjustments on acquisition of subsidiary in 2009 relating to previously held interest.

(4) Employee share option reserve represents the equity-settled share options granted to directors and employees. The reserve is made up of the cumulative value of services received from directors and employees recorded over the resulting period commencing from the grant dates of equity-settled share options and is reduced by the expiry of exercise of the share options.

(5) The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Total attributable to owners of the Company									
	Share capital $'000	Accumulated losses $'000	Capital reserve[1] $'000	Other reserve $'000	Foreign currency translation reserve[2] $'000	Acquisition revaluation reserve[3] $'000	Employee share option reserve[4],[5] $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
At 1 January 2022	222,180	(128,057)	339	(320)	(5,265)	5,392	222	94,491	1,439	95,930
Profit net of tax	–	4,512	–	–	–	–	–	4,512	1,697	6,209
Other comprehensive income										
Foreign currency translation	–	–	–	–	(4,951)	–	–	(4,951)	(579)	(5,530)
Share of other comprehensive income of associates	–	–	–	–	(2,936)	–	–	(2,936)	–	(2,936)
Other comprehensive income for the financial period, net of tax	–	–	–	–	(7,887)	–	–	(7,887)	(579)	(8,466)
Total comprehensive income for the financial period	–	4,512	–	–	(7,887)	–	–	(3,375)	1,118	(2,257)
Contributions by and distributions to owners										
Shares-based payments	–	–	–	–	–	–	100	100	–	100
Total contributions by and distributions to owners	–	–	–	–	–	–	100	100	–	100
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	100	100	–	100
At 31 December 2022	222,180	(123,545)	339	(320)	(13,152)	5,392	322	91,216	2,557	93,773

(1) Capital reserve represents the capital contribution in excess of the registered capital and differences between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received.

(2) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency. It is also used to record the effect of hedging net investments in foreign operations.

(3) Acquisition revaluation reserve represents the fair value adjustments on acquisition of subsidiary in 2009 relating to previously held interest.

(4) Employee share option reserve represents the equity-settled share options granted to directors and employees. The reserve is made up of the cumulative value of services received from directors and employees recorded over the resulting period commencing from the grant dates of equity-settled share options and is reduced by the expiry of exercise of the share options.

(5) The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Total attributable to owners of the Company				
Company	**Share capital $'000**	**Accumulated losses $'000**	**Foreign currency translation reserve $'000**	**Employee share option reserve $'000**	**Total $'000**
At 1 January 2021	221,427	(112,174)	–	74	109,327
Shares issued for acquisition of a subsidiary (Note 14)	753	–	–	–	753
Shares-based payments	–	–	–	148	148
Profit net of tax	–	5,838	–	–	5,838
At 31 December 2021	222,180	(106,336)	–	222	116,066
At 1 January 2022	222,180	(106,336)	–	222	116,066
Share of other comprehensive income of associates	–	–	(1,268)	–	(1,268)
Shares-based payments	–	–	–	100	100
Loss net of tax	–	(10,170)	–	–	(10,170)
At 31 December 2022	222,180	(116,506)	(1,268)	322	104,728

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit/(loss) before tax		6,047	(5,879)
Adjustments:			
Depreciation and amortisation		5,771	4,974
Impairment loss on intangible assets	18	3,806	2,681
Impairment loss on property, plant and equipment	18	5,286	9,947
Unrealised foreign exchange differences		1,173	1,474
Interest expenses		857	164
Interest income	16	(203)	(60)
Share of results of associates		199	728
Share-based payment expenses	17	100	148
Loss on issuance and allotment of shares		–	199
Gain on sale of land parcels, net of tax		(18,506)	–
Gain on changes arising from dilution of interest in subsidiary	6(c),16	–	(9,450)
Loss on disposal of property, plant and equipment		257	–
Loss on deemed disposal of associates		978	70
Write-back of allowance for impairment of trade and other receivables	16	(1,731)	(1,323)
Write-back on amounts owed to creditors	16	(4,961)	(2,698)
Operating cash flows before working capital changes		(927)	975
(Increase)/decrease in inventories		(475)	212
Increase in property under development	5	–	(2,439)
Decrease in trade and other receivables		1,750	303
Increase in prepayments		(314)	(859)
Increase/(decrease) in trade and other payables		4,422	(3,150)
Cash flows generated from/(used in) operations		4,456	(4,958)
Interest expense paid		(857)	–
Interest received		203	60
Income tax paid		(632)	(252)
Net cash flows generated from/(used in) operating activities		3,170	(5,150)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(38,008)	(1,013)
Proceeds from sale of property, plant and equipment		13,614	–
Subsequent expenditure on investment property under construction	5	–	(557)
Effect of dilution of investment on cash flows	6(c)	–	(7,239)
Net cash outflow on acquisition of subsidiaries	6(b)	–	(3,614)
Deposit received from sale of land		–	14,126
Net cash flows (used in)/generated from investing activities		(24,394)	1,703
Cash flows generated from/(used in) financing activities			
Proceeds from bank borrowings	26	19,144	–
Repayment of bank borrowings	26	(877)	–
Repayment of lease liabilities	24	(464)	(868)
Increase in amount due from associate		(304)	(205)
Net cash flows generated from/(used in) financing activities		17,499	(1,073)
Net decrease in cash and cash equivalents		(3,725)	(4,520)
Effect of exchange rate changes on cash and cash equivalents		3,073	710
Cash and cash equivalents at beginning of financial year		20,545	24,355
Cash and cash equivalents at end of financial year	12	19,893	20,545

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

Metis Energy Limited (formerly known as Manhattan Resources Limited) (the "Company") is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413.

The principal activities of the Company are those of investment holding and the provision of management services.

The principal activities and principal place of business of the subsidiaries are as shown in Note 6.

With effect from 28 April 2022, the name of the Company was changed from Manhattan Resources Limited to Metis Energy Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with the provisions of Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2022.

The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(a) ***Key sources of estimation uncertainty (cont'd)***

(i) ***Impairment of non-financial assets***

The non-financial assets of the Group include power plant, intangible assets and right-of-use assets.

Management has determined the recoverable amount based on value in use computation which involved significant estimates. Such estimates are based on valuation techniques, which require considerable judgments in forecasting future cash flows and developing other assumptions. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the expected future cash inflows from forecasted revenue. The key assumptions applied in the determination of the value in use including a sensitivity analysis are disclosed and future explained in Note 4.

The carrying amount of the Group's power plant, intangible assets and right-of-use assets at the balance sheet date are disclosed in Note 3, Note 4 and Note 24 respectively.

(ii) ***Acquisition of Athena Energy Holdings Pte Ltd and its subsidiaries***

In 2021, the Company completed the acquisition of 100% equity interest in Athena Energy Holdings Pte Ltd and its subsidiaries.

The Group is required to recognise separately, at the acquisition date, the identifiable assets, liabilities and contingent liabilities acquired or assumed in a business combination at their fair values, which involves estimates.

Such estimates are based on valuation techniques, which require considerable judgments in forecasting future cash flows and developing other assumptions as disclosed in Note 6(b) of the financial statements.

(iii) ***Dilution of equity interest in Manhattan Property Development Pte Ltd***

In 2021, the Company's 51%-owned subsidiary, Manhattan Property Development Pte. Ltd. ("MPDPL") increased its paid-up share capital by the issuance and allotment of an additional 5,000,000 ordinary shares to KaiYi Investment Pte. Ltd. ("KaiYi") for a total consideration of US$5,000,000 (approximately S$6,736,000). Accordingly, the Company's shareholding interest in MPDPL was diluted from 51% to 48.40%.

Consequently, the effective shareholding interest in Manhattan Resources (Ningbo) Property Limited ("MRN") held by the Company through MPDPL was also diluted from 51% to 48.40%. Arising from the dilution of the Group's equity interest in MPDPL, both MPDPL and MRN ceased to be subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(a) ***Key sources of estimation uncertainty (cont'd)***

(iii) ***Dilution of equity interest in Manhattan Property Development Pte Ltd (cont'd)***

The Company has recognised its investment retained in MPDPL at its fair value. In determining the fair value of its retained interest in MPDPL, management has engaged an independent valuer to perform a valuation of the underlying assets and liabilities of MPDPL and MRN. Significant judgement and estimates were made in connection with the valuation of the underlying assets and liabilities of the associates.

The details of the dilution of equity interest in MPDPL is disclosed in Note 6(c) and Note 7.

(b) ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) ***Investment in Manhattan Property Development Pte Ltd***

Arising from the dilution of the Company's equity interest in MPDPL in 2021 as disclosed in Note 2.4(a)(iii), the Company has accounted for its investment in MPDPL as an associate.

The shareholders agreement between the Company and KaiYi permitted the majority shareholder to appoint the chairman who will also have the casting vote in the event of a deadlock. As KaiYi became the majority shareholder subsequent to the capital injection, KaiYi was deemed to be able to exercise control over MPDPL.

The Company has determined that it has significant influence because it has representation on the board of directors of MPDPL.

(ii) ***Determining the lease term of contracts with renewal and termination options – Group as Lessee***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(b) ***Judgments made in applying accounting policies (cont'd)***

(ii) ***Determining the lease term of contracts with renewal and termination options – Group as Lessee (cont'd)***

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group did not include renewal periods as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

(iii) ***Business combinations***

In 2022, the Group acquired 111MWdc (94MWac) development rights of solar assets in Australia. At the time of acquisition, the Group considered whether the acquisition represented the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired. More specifically, consideration is made of the extent of which significant inputs (e.g. employees, mineral reserves and property plant and equipment) and processes (e.g. exploration and evaluation process) have been acquired to generate the outputs.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their fair values, and no goodwill or deferred tax is recognised.

The Group assessed the acquisition of the development rights to the solar assets as an asset acquisition as the development rights did not have the required inputs and/or processes typically found in a business.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries, basis of consolidation and business combinations

(a) ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries, basis of consolidation and business combinations (cont'd)

(c) ***Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint venture

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

2.8 Joint venture and associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associate and joint venture using the equity method from the date on which it becomes an associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Joint venture and associate (cont'd)

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate or joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associate or joint venture. Distributions received from joint venture or associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Foreign currency (cont'd)

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss, except for foreign exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.10 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure for additions, improvements and renewals is capitalised. Expenditure for repair and maintenance, including overhaul and dry-docking for vessels, is charged to profit or loss unless such expenditure is separately identified and assessed by management to have increased the future economic benefits derived from the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Property, plant and equipment and depreciation (cont'd)

The capitalised assets of overhaul and dry-docking are recorded as an additional cost of property, plant and equipment and the costs are depreciated over the period up to the next scheduled overhaul and dry-docking. Any remaining carrying amount of the cost of the previous overhaul and dry-docking is derecognised and charged to current year's profit or loss.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Power plant	–	25 – 26 years
Infrastructure	–	20 – 26 years
Vessels	–	15 years
Leasehold improvements	–	shorter of 10 years or lease terms
Machinery and equipment	–	4 – 26 years
Furniture, fittings and office equipment	–	3 – 5 years
Motor vehicles	–	4 – 8 years
Computers	–	1 – 3 years

Construction-in-progress for qualifying assets, includes borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.11 Intangible assets

Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Intangible assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Business licence

The business licence was acquired in a business combination. Customer contracts and customers relationships have also been included in the value of the business licence as these contracts are not separable from the business licence. The business licence together with the customer contracts are amortised on a straight-line basis over its finite useful life based on the validity of the business licence as disclosed in Note 4.

Power purchase agreements

The power purchase agreements were acquired in a business combination. The power purchase agreements are amortised on a straight-line basis over its finite useful life based on the validity of the power purchase agreement as disclosed in Note 4.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures, an asset which includes may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of non-financial assets (cont'd)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.13 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

<u>Investments in debt instruments</u>

Amortised costs

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(a) ***Financial assets (cont'd)***

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and fixed deposits, less cash at bank and fixed deposits pledged to secure banking facilities, and which are subject to an insignificant risk of changes in values.

Cash at bank and on hand and fixed deposits are classified and accounted for as financial assets under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.13.

2.16 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

The costs of development properties include:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Development properties (cont'd)

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.17 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for at purchase costs on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Employee benefits (cont'd)

(c) ***Share option plans***

Directors and employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with directors and employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The employee share option reserve is transferred to retained earnings upon expiry of the share options.

(d) ***Termination benefits***

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

2.22 Leases

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases (cont'd)

As lessee (cont'd)

(a) ***Right-of-use assets (cont'd)***

Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	–	1 – 4 years
Vessels	–	5 years
Land use rights	–	24 years
Rooftop	–	20 years

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are presented separately as "Right-of-use assets" and are subject to impairment according to the accounting policy as set out in Note 2.14.

(b) ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases (cont'd)

As lessee (cont'd)

(b) ***Lease liabilities (cont'd)***

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) ***Short-term leases and leases of low-value assets***

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Revenue (cont'd)

(a) ***Sale of electricity***

Revenue from sale of electricity is recognised when electricity is transmitted to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the power generation revenue, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(b) ***Coal transportation income***

Revenue from coal carrying activities are recognised over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(c) ***Charter hire income***

Charter hire income is recognised as operating lease income in accordance with SFRS(I) 16 *Leases*. Revenue from the operating lease component of charter hire is recognised on a time-apportioned basis over the charter hire period.

(d) ***Rental income***

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Consideration from customers in relation to sale of electricity, coal transportation income, charter hire income and rental income are billed to the customers on a monthly basis according to the terms stated in the contract and the Group's credit term policies.

(e) ***Interest income***

Interest income is recognised over time using the effective interest method.

(f) ***Dividend income***

Dividend income is recognised when the Group's right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of temporary differences associated with investments in subsidiaries, associate and interests in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(b) ***Deferred tax (cont'd)***

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associate and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.25 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.26 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Additional disclosures on each of these segments are shown in Note 23, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to compensation for expenditure, it is deferred and is set-off on a systematic basis over the periods in which the entity incurs the related costs.

2.30 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets are not depreciated or amortised once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT

Group	Power plant $'000	Infrastructure $'000	Vessels $'000	Leasehold improvements $'000	Machinery and equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Cost										
At 1 January 2021	43,931	4,043	1,725	1,072	5,739	359	400	194	–	57,463
Additions	152	190	–	11	9	1	–	43	607	1,013
Acquisition of subsidiaries (Note 6(b))	–	3,125	–	–	–	–	–	–	465	3,590
Dilution of interest in subsidiary (Note 6(c))	–	–	–	(492)	–	(162)	(140)	–	–	(794)
Exchange differences	299	28	8	1	43	44	5	–	–	428
At 31 December 2021 and 1 January 2022	44,382	7,386	1,733	592	5,791	242	265	237	1,072	61,700
Additions	112	19,280	–	40	343	17	58	11	18,147	38,008
Disposals	–	–	(1,380)	–	–	–	–	–	–	(1,380)
Exchange differences	(4,740)	(19)	(153)	(15)	(586)	(11)	(25)	(1)	–	(5,550)
At 31 December 2022	39,754	26,647	200	617	5,548	248	298	247	19,219	92,778

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Power plant $'000	Infrastructure $'000	Vessels $'000	Leasehold improvements $'000	Machinery and equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Accumulated depreciation and impairment										
At 1 January 2021	17,159	1,597	520	934	2,402	326	388	160	–	23,486
Depreciation charge for the financial year	1,420	250	93	13	398	2	–	27	–	2,203
Impairment loss	7,714	965	–	–	1,268	–	–	–	–	9,947
Dilution of interest in subsidiary (Note 6(c))	–	–	–	(491)	–	(127)	(140)	–	–	(758)
Exchange differences	46	5	18	–	8	10	–	–	–	87
At 31 December 2021 and 1 January 2022	26,339	2,817	631	456	4,076	211	248	187	–	34,965
Depreciation charge for the financial year	1,808	820	56	21	458	2	–	18	–	3,183
Impairment loss	3,187	915	–	–	1,184	–	–	–	–	5,286
Disposals	–	–	(381)	–	–	–	–	–	–	(381)
Exchange differences	(1,927)	486	(106)	(5)	(569)	(11)	–	(1)	–	(2,133)
At 31 December 2022	29,407	5,038	200	472	5,149	202	248	204	–	40,920
Net book value										
At 31 December 2022	10,347	21,609	–	145	399	46	50	43	19,219	51,858
At 31 December 2021	18,043	4,569	1,102	136	1,715	31	17	50	1,072	26,735

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Cost					
At 1 January 2021	431	56	201	–	688
Additions	–	–	43	200	243
At 31 December 2021 and 1 January 2022	431	56	244	200	931
Additions	32	14	11	426	483
At 31 December 2022	463	70	255	626	1,414
Accumulated depreciation					
At 1 January 2021	430	56	181	–	667
Depreciation charge for the financial year	1	–	27	–	28
At 31 December 2021 and 1 January 2022	431	56	208	–	695
Depreciation charge for the financial year	3	1	18	–	22
At 31 December 2022	434	57	226	–	717
Net book value					
At 31 December 2022	29	13	29	626	697
At 31 December 2021	–	–	36	200	236

Assets under construction

Included in property, plant and equipment as at 31 December 2022 was an amount of A$5,895,000 (approximately S$5,367,000) relating to the 111MWdc (94MWac) of solar assets' development rights acquired during the year in Australia.

Impairment loss

During the current financial year, the Group carried out a review of the recoverable amount of its power plant, infrastructure, machinery and equipment and business licence as there were indicators of impairment.

The power plant segment had recorded losses for both 2022 and 2021. The power plant, infrastructure, machinery and equipment, business licence and land use rights have been identified as a single cash generating unit ("CGU") which is also the power plant reportable operating segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment loss (cont'd)

An impairment loss of $5,286,000 (2021: $9,947,000) (Note 18) representing the write-down of the power plant, infrastructure, and machinery and equipment to their respective recoverable amounts were recognised in "impairment loss" line in profit or loss.

As further disclosed in Note 4, the recoverable amount of the power plant CGU was based on its value in use and the discount rate applied to the cash flow projection was 13.00% (2021: 12.00%) per annum.

4. INTANGIBLE ASSETS

	Business licence $'000	Power purchase agreements $'000	Total $'000
Group			
Cost:			
At 1 January 2021	22,386	–	22,386
Acquisition of a subsidiary (Note 6(b))	–	6,603	6,603
Exchange differences	138	–	138
At 31 December 2021 and 1 January 2022	22,524	6,603	29,127
Exchange differences	(1,989)	–	(1,989)
At 31 December 2022	20,535	6,603	27,138
Accumulated amortisation and impairment			
At 1 January 2021	12,111	–	12,111
Amortisation	1,414	10	1,424
Impairment loss	2,681	–	2,681
Exchange differences	72	–	72
At 31 December 2021 and 1 January 2022	16,278	10	16,288
Amortisation	1,222	264	1,486
Impairment loss	3,806	–	3,806
Exchange differences	(771)	–	(771)
At 31 December 2022	20,535	274	20,809
Net carrying amount:			
At 31 December 2022	–	6,329	6,329
At 31 December 2021	6,246	6,593	12,839

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. INTANGIBLE ASSETS (CONT'D)

Business Licence

Business licence relates to the business licence for the rights to supply electricity exclusively within the Kawasan Industri Kariangau ("KIK") zone, which arose from the acquisition of PT Kariangau Power ("PT KP") in 2016. Customer contracts and customer relationships have also been included in the value of the business licence as these contracts are not separable from the business licence.

The useful life of the business licence together with the customer contracts is estimated to be 12 years, with a remaining useful life of 6 years (2021: 7 years).

Power Purchase Agreements

Power Purchase Agreements ("PPAs") relates to the contractual agreements signed between the customers and Athena, which arose from the acquisition of the AEH Group in October 2021 (Note 6(b)).

The useful life of the PPAs acquired is estimated to be 20 years, with remaining useful lives ranging from 18 to 19 years (2021: 19 to 20 years) based on the commercial operation date as defined in the agreements.

The amortisation expense for both business licence and power purchase agreements is included in the "Depreciation and amortisation" line item in profit or loss.

Impairment testing of intangible assets in the power plant segment

Intangible assets acquired through business combinations have been allocated to the power plant CGU for impairment testing annually, or more frequently if impairment indicators exist.

The recoverable amount of the CGU has been determined based on value in use calculation using cashflow projections from financial budgets approved by management covering their power plant operations in Indonesia. The discount rate applied to the cash flow projections is 13.00% (2021: 12.00%) per annum.

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Budgeted revenues – Revenue forecast is based on historical power generation capacity and taking into consideration current and future customer demands.

Budgeted gross margins – Gross margins used in the value in use calculations were based on budgeted gross margins derived from past performance and management's expectations of market developments.

Discount rates – The discount rate reflects the current market assessment of the risks specific to the CGU.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. INTANGIBLE ASSETS (CONT'D)

Sensitivity to changes in assumptions

The increase in discount rate by 0.5% would in isolation lead to further impairment losses of $122,000.

Impairment loss recognised

As a result of the above impairment testing, impairment losses on business licence of $3,806,000 (2021: $2,681,000) (Note 18) was recognised to write down the carrying amount of the business licence.

The impairment losses have been recognised in the "impairment loss" line in profit or loss.

5. INVESTMENT PROPERTY UNDER CONSTRUCTION PROPERTY UNDER DEVELOPMENT

	Group	
	2022	**2021**
	$'000	**$'000**
Investment property under construction:		
At 1 January	–	21,390
Development costs capitalised	–	557
Exchange differences	–	274
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	(22,221)
At 31 December	–	–
Property under development:		
At 1 January	–	77,003
Development costs capitalised	–	2,439
Exchange differences	–	987
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	(80,429)
At 31 December	–	–

In 2011, the Group had acquired the right to use and develop a piece of land measuring 19,467 square metres, situated at South Commercial Park in Yinzhou District in Ningbo City, Zhejiang Province in the People's Republic of China ("PRC") for the development of a property.

In 2013, the Group further acquired the right to use and develop the two additional pieces of land measuring a total area of 3,914 square metres and this is adjacent to the first piece mentioned above.

The tenure of the land use term for the above lands are 40 years commencing from August 2011.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. INVESTMENT PROPERTY UNDER CONSTRUCTION (CONT'D) PROPERTY UNDER DEVELOPMENT (CONT'D)

The Group is required to complete the construction of the property within certain timelines as agreed with the local government authorities. In the event the Group is unable to complete the construction of the property, the deposits amounting to $3,603,000 placed with local government authorities in Ningbo may be forfeited. In addition, the Group is exposed to additional penalties including the withdrawal of land use rights and fines due to breaches of the agreements. The Group has filed with the local regulatory authorities with the updated construction plan after taking into consideration the design optimisation expert opinion and updated the project timeline.

Property under development is classified based on construction progress and the estimated commencement date of presale. Property under development is classified as non-current as the presale permit is expected to be granted by the local authorities beyond 12 months from the end of the reporting period.

The investment property under construction and property under development held by the Group through its associate as at 31 December 2022 is as follows:

Description and location	% owned	Site area (square metre)	Gross floor area (square metre)	Stage of completion as at date of annual report (expected year of completion)
A 56-storey integrated development with residential apartments, offices and retail components along Yinzhou District, Ningbo, People's Republic of China	30.18%	23,381	Approximately 160,000	2025

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

As at 31 December 2021, the investment property under construction and property under development were both deemed to be disposed as part of the dilution of interest in Manhattan Property Development Pte Ltd ("MPDPL") where MPDPL and Manhattan Resources (Ningbo) Property Limited ("MRN") ceased to be subsidiaries and became associates of the Company.

On 2 September 2022, the Company entered into a conditional sale and purchase agreement ("CSPA") with KaiYi Investment Pte Ltd ("KaiYi") for the sale of MPDPL ("Proposed Disposal of MPDPL") for a consideration of US$45,700,000 (approximately S$64,030,000). Accordingly, the net book value of the investment in associates have been reclassified as assets held for sale (Note 25).

On 5 January 2023, the shareholders of the Company approved the Proposed Disposal of MPDPL at an Extraordinary General Meeting. The disposal was completed on 16 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES

	Company 2022 $'000	Company 2021 $'000
Unquoted equity shares:		
At 1 January	45,545	93,209
Additions during the year	–	4,830
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	(52,494)
	45,545	45,545
Less: Impairment loss	(38,151)	(35,774)
Add: Amounts due from subsidiaries	47,418	70,306
At 31 December	54,812	80,077

Management performed impairment testing on the Company's investment in subsidiaries as certain subsidiaries have been loss making. Based on assessment of the subsidiaries historical and current performance, the Company has made an additional allowance for impairment against the respective investments amounting to S$2,377,000 during the financial year ended 31 December 2022 (2021: S$Nil).

During the current and previous year, the Company entered into arrangements with its subsidiaries whereby the repayments of the principal amount due from subsidiaries are at the sole discretion of the subsidiaries.

Accordingly, these amounts are classified as a part of the Company's net investment in subsidiaries. These comprise amounts due from SLM Holding Pte Ltd ("SLM") and PT Kariangau Power ("PT KP") of $41,590,000 (2021: $41,590,000) and $5,828,000 (2021: $28,716,000) respectively. Included in amounts due from subsidiaries is an amount of $40,014,000 (2021: $63,185,000) denominated in United States Dollars ("USD").

(a) Composition of the Group

The Company has the following subsidiaries as at 31 December 2022:

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2022 %	Proportion of ownership interest 2021 %	Cost of investment by the Company 2022 $'000	Cost of investment by the Company 2021 $'000
SLM Holding Pte Ltd[(a)]	Investment holding	Singapore	100	100	2,195	2,195
DLM Marine Pte Ltd[(a)]	Dormant	Singapore	100	100	100	100
MR Logistics Pte. Ltd.[(a)]	Investment holding	Singapore	100	100	33,879	33,879
Lian Beng Energy Pte. Ltd.[(a)]	Investment holding	Singapore	100	100	4,541	4,541
Athena Energy Holdings Pte. Ltd.[(a),(e)]	Investment holding	Singapore	100	100	4,830	4,830
					45,545	45,545

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2022 %	2021 %
Held through SLM Holding Pte Ltd				
PT Kariangau Power[c]	Power plant	Indonesia	86.11	86.11
Held through MR Logistics Pte. Ltd.				
Kaltim Alpha Shipping Pte. Ltd.[a]	Investment holding	Singapore	100	100
Epsilon Shipping Pte. Ltd.[h]	Dormant	Singapore	–	100
PT. Jaya Pesona Abadi[d]	Investment holding	Indonesia	100	100
Held through PT. Jaya Pesona Abadi				
PT. Aneka Samudera Lintas[b]	Shipping activities	Indonesia	100	100
Held through DLM Marine Pte Ltd				
PT. MR Engineering[d]	Dormant	Indonesia	100	100
Held through Lian Beng Energy Pte. Ltd.				
PT Lian Beng Energy[d]	Dormant	Indonesia	100	100
Held through Athena Energy Holdings Pte. Ltd.				
Vietrof RE Pte. Ltd.[a],[e]	Developer, owner and operator of renewable energy assets	Singapore	100	100
Vietrof PV Pte. Ltd.[a],[e]	Developer, owner and operator of renewable energy assets	Singapore	100	100
Vietrof Solar Pte. Ltd.[a],[e]	Developer, owner and operator of renewable energy assets	Singapore	100	100
Metis Solar Pte. Ltd.[a],[g]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Metis RE Pte. Ltd.[a],[g]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Metis PV Pte. Ltd.[a],[g]	Developer, owner and operator of renewable energy assets	Singapore	100	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2022 %	2021 %
Held through Athena Energy Holdings Pte. Ltd.				
Metis Australia Investment Pte. Ltd.[(a),(g)]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Athena Energy Australia (Holdings) Pty Ltd[(d),(e)]	Developer, owner and operator of renewable energy assets	Australia	100	100
Athena (Shanghai) Co., Ltd.[(d),(e)]	Dormant	People's Republic of China	100	100
Held through Metis Solar Pte. Ltd.				
Metis Solar (Vietnam) Pte. Ltd.[(a),(g)]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Metis Solar (Indonesia) Pte. Ltd.[(a),(g)]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Held through Vietrof RE Pte. Ltd.				
Vietrof Renewable Energy Co., Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	100
Held through Vietrof PV Pte. Ltd.				
Vietrof PV Vietnam Co., Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2022 %	2021 %
Held through Vietrof Solar Pte. Ltd				
Vietrof Solar Vietnam Co., Ltd[(c),(g)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–
Chesterfield Vietnam Co., Ltd[(c),(g)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–
Held through Metis Solar (Vietnam) Pte. Ltd.				
Metis Solar Vietnam Co., Ltd[(c),(g)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–
Held through Vietrof Renewable Energy Co., Ltd.				
Can Sports Green Energy Co., Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	100
Phu Luc Green Energy Co., Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	100
Held through Metis Solar (Indonesia) Pte. Ltd.				
PT Metis Solar Energi (formerly known as PT Niaga Power Kariangau)[(d)]	Operations and maintenance of electrical installation	Indonesia	95	95
PT Power Kariangau Kalimantan[(d)]	Operations and maintenance of electrical installation	Indonesia	95	95

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2022 %	2021 %
Held through Metis Australia Investment Pte. Ltd.				
Metis Gunsynd Holdings Pty Ltd[(g)]	Investment holding	Australia	100	–
Held through Metis Australia Investment Pte. Ltd.				
Progressive Renewable Development Gunsynd Pty Ltd[(f)]	Developer, owner and operator of renewable energy assets	Australia	100	–

(a) Audited by Ernst & Young LLP, Singapore
(b) Audited by member firm of Ernst & Young Global for purposes of Group consolidation
(c) Audited by member firm of Ernst & Young Global
(d) Exempted from audit in the country of incorporation
(e) Acquired during the financial year ended 31 December 2021
(f) Acquired during the financial year ended 31 December 2022
(g) Incorporated during the financial year ended 31 December 2022
(h) As at 10 March 2022, Epsilon Shipping Pte Ltd has been struck off from the register

(b) Acquisition of subsidiaries

On 28 October 2021 ("Acquisition Date"), the Company completed the acquisition of 100% equity interest in Athena. Upon the completion of the acquisition, Athena became wholly owned subsidiaries of the Group. The Group has acquired Athena to accelerate the transformation into a renewable energy company, which is in line with the Group's corporate strategy to pursue businesses which will be sustainable and provide a stable income. This business is strongly aligned with the Group's investment policy and transformation objectives.

Athena Energy Holdings Pte. Ltd. is a Singapore headquarter company with 4MW operating and approximately 30MW of committed of rooftop Commercial & Industrial Solar ("C&I") projects in Vietnam, and with pipeline renewable energy projects across Asia and Australia. Following the acquisition of Athena, the Company has also entered into the employment contracts with the management team of Athena to deliver the pipeline projects and grow its business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

The fair values of the identifiable assets and liabilities of Athena as at the acquisition date were:

	Fair values recognised on acquisition $'000
Property, plant and equipment (Note 3)	3,590
Right-of-use assets	2
Intangible assets (Note 4)	6,603
Trade and other receivables	1,058
Prepayments	14
Cash and cash equivalents	663
	11,930
Trade and other payables	(6,359)
Lease liability	(2)
Provision for tax	(30)
Deferred tax liabilities	(708)
Total identifiable net assets at fair value	4,831

	$'000
Consideration transferred for the acquisition of Athena	
Cash paid	4,277
Consideration shares issued (14,197,450 ordinary shares of Manhattan Resources Limited)	753
Shareholders' loan provided	5,169
	10,199
Effect of the acquisition of Athena on cash flows	
Total consideration transferred	10,199
Less: Shareholders' loan provided eliminated on consolidation	(5,169)
Less: Consideration shares issued (non-cash consideration)	(753)
Less: Cash and cash equivalents of subsidiary acquired	(663)
Net cash outflow on acquisition	3,614

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

At the date of completion of the acquisition, the Company has provided a shareholders' loan of an aggregate S$5,169,000 to Athena for the purpose of paying off all previously outstanding shareholders' loans and liabilities of Athena.

Transaction costs

Transaction costs related to the acquisition of approximately S$392,000 have been recognised in the "Legal and professional fees" line item (Note 18) in the Group's profit or loss for the year ended 31 December 2021.

Impact of the acquisition on profit or loss

From the acquisition date to 31 December 2021, Athena had contributed S$71,000 of revenue and S$110,000 net loss. If the business combination had taken place at the beginning of the year, the Group's revenue would have been S$508,000 and the Group's loss, net of tax would have been S$833,000.

Accounting of the acquisition of Athena

As at 31 December 2021, the acquisition was concluded to be provisional as the valuation was not completed and received as at the date of financial statements' authorisation.

The Power Purchase Agreements ("PPAs") have been identified as intangible assets arising from this acquisition. The Group has engaged an independent valuer to determine the fair values of the PPAs.

As at 31 December 2022, the valuation was completed and the resulting intangible assets (Note 4) arising from the acquisition have been recognised accordingly. There were no material changes to the fair values of assets and liabilities acquired in 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(c) Dilution of interest in subsidiary

On 4 May 2021 ("Dilution Date"), the Company's 51%-owned subsidiary, MPDPL increased its paid-up share capital by the issuance and allotment of an additional 5,000,000 ordinary shares to KaiYi for a total consideration of US$5,000,000 (approximately S$6,736,000). Accordingly, the Company's shareholding interest in MPDPL has been diluted from 51% to 48.40%. Consequently, the effective shareholding interest in MRN held by the Company through MPDPL will also be diluted from 51% to 48.40%. As a result, both MPDPL and MRN ceased as subsidiaries and became associates of the Company.

As set out in the circular dated 17 April 2020, in the event that MRN's net asset value (excluding unrealised foreign exchange differences) ("Adjusted NAV") is higher than its share capital, the relative shareholding proportions of KaiYi and MRL would be adjusted to take into account the increase in the Adjusted NAV. Where the share capital of MRN is not less than its Adjusted NAV, the further capitalisation will take place based on a dollar-to-dollar contribution basis, such that the relative shareholding percentages of the Company and KaiYi in MRN will be proportionate to their respective aggregate share capital contribution amount.

Management engaged an external valuer to determine the fair values of the identifiable assets and liabilities as at Dilution Date. As at 31 December 2021, the valuation had been completed and the resulting fair value uplift of approximately S$12,991,000 arising from the gain on fair value adjustment on the property under development, investment property under construction and property, plant and equipment have been recognised in profit or loss as gain on changes arising from dilution of interest in subsidiary in accordance to the Company's relative shareholding portion of 48.40% amounting to S$6,288,000. As MRN's Adjusted NAV is higher than its share capital as at Dilution Date, the relative shareholding proportions of KaiYi and MRL have been adjusted to take into account the increase in the Adjusted NAV in accordance with the adjustment formula set out in the 17 April 2020 Circular.

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(c) Dilution of interest in subsidiary (cont'd)

Balance sheet disclosures

The net identifiable assets and liabilities of MPDPL and its subsidiary recorded in the consolidated financial statements as at 4 May 2021, and the effects of the dilution were:

	2021
	$'000
Property, plant and equipment	36
Right-of-use assets	255
Trade and other receivables	3,805
Prepayment	5,041
Investment property under construction (Note 5)	22,221
Property under development (Note 5)	80,429
Cash and bank deposits	7,239
	119,026
Trade and other payables	(14,475)
Deferred tax liabilities	(967)
Lease liability	(241)
Carrying value of net assets	103,343
Net assets derecognised	(103,343)
Non-controlling interest derecognised	50,697
Reserves recycled to profit or loss	2,530
Fair value of retained interest	59,566
Gain on changes arising from dilution of interest in subsidiary	9,450

On the Dilution Date, the Group has derecognised the net assets, liabilities, and non-controlling interesting in MPDPL and MRN and has recognised the investment retained at its fair value.

The fair value of retained interest amounting to S$59,566,000 includes the Company's relative shareholding portion of the fair value uplift arising from the valuation of the underlying assets and liabilities of the associates as at the dilution date.

The Group has engaged an independent valuer to determine the fair value of the net identifiable assets of the MPDPL and MRN. As at 31 December 2021, the valuation has been completed and the resulting fair value uplift are approximately S$47,000, S$3,000 and S$12,941,000 to property, plant and equipment, investment property under construction and property under development respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(c) Dilution of interest in subsidiary (cont'd)

Income statement disclosures

	1 January 2021 to 4 May 2021 $'000
Other income	14
Employee benefits expenses	(183)
Depreciation and amortisation	(39)
Operating expenses	(50)
Other expenses	(165)
Finance costs	(6)
Loss before tax	(429)
Income tax	–
Loss for the period	(429)
Loss attributable to:	
Owners of the Company	(219)
Non-controlling interests	(210)
Loss for the period	(429)

Cash flow statement disclosures

	2021 $'000
Operating	(6,209)
Investing	(1,044)
Financing	14
Net cash outflow on dilution	(7,239)

Impact of the changes arising from the dilution of interest in subsidiary on profit or loss

From 1 January 2021 to the Dilution Date, MPDPL and MRN had contributed $Nil revenue and S$219,000 loss to the Group's results.

The gain on disposal attributable to measuring the retained interest amounted to S$9,450,000 was included in "Other income" line item (Note 16) in the Group's profit or loss for the year ended 31 December 2021.

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(d) Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non- controlling interest		Loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2022	2021	2022	2021	2022	2021
		%	%	$'000	$'000	$'000	$'000
Manhattan Resources (Ningbo) Property Limited	People's Republic of China	–[2]	–	–	(194)[1]	–	–
PT Kariangau Power	Indonesia	–	13.89	–	(1,904)	–	1,626

(1) During the financial year ended 31 December 2021, the Company's shareholding interest in MPDPL has been diluted from 51% to 35.44%. Consequently, the Company's effective shareholding interest in MRN held through MPDPL has also been diluted from 51% to 35.44%. As a result, both MPDPL and MRN ceased to be the subsidiaries and in turn become associates of the Group. As such, loss allocated to NCI is only for the period from 1 January 2021 to 4 May 2021, and accumulated NCI has been derecognised as at Dilution Date (Note 6(c)).

(2) On 2 September 2022, the Company entered into a CSPA with KaiYi for the sale of MPDPL for a consideration of US$45,700,000 (approximately S$64,030,000). Accordingly, the net book value of the investment in associates have been reclassified as assets held for sale (Note 25).

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(d) Interest in subsidiaries with material non-controlling interest (NCI) (cont'd)

Summarised balance sheets

	PT Kariangau Power	
	2022	2021
	$'000	$'000
Current:		
Assets	4,242	21,804
Liabilities	(2,806)	(17,065)
Net current assets	1,436	4,739
Non-current:		
Assets	13,005	30,357
Liabilities	–	(29,805)
Net non-current assets	13,005	552
Net assets	14,441	5,291

Summarised statement of comprehensive income

	PT Kariangau Power	
	2022	2021
	$'000	$'000
Revenue	9,214	7,442
Profit/(loss) before income tax	8,207	(15,785)
Income tax credit	814	2,074
Profit/(loss) after tax	9,021	(13,711)
Other comprehensive income	129	170
Total comprehensive income	9,150	(13,541)

Other summarised information

	PT Kariangau Power	
	2022	2021
	$'000	$'000
Net cash flows (used in)/from operations	(1,165)	2,717

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. INVESTMENT IN ASSOCIATES

The movement in investment in associates is summarised below:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Investment, at cost	85,714	26,148	85,714	26,148
Fair value of retained interest upon the dilution of subsidiaries to associates (Note 6(c))	–	59,566	–	59,566
Accumulated share of results, net of tax	(7,467)	(7,268)	(927)	(728)
Accumulated share of other comprehensive income of associates	(1,268)	1,668	(1,268)	1,668
Accumulated loss on deemed disposal of associates	(1,048)	(70)	(1,048)	(70)
Accumulated impairment loss	(19,608)	(19,608)	(26,148)	(26,148)
Other adjustments	(492)	–	–	–
Transfer to assets held for sale (Note 25)	(55,831)	–	(56,323)	–
At the end of year	–	60,436	–	60,436

Subsequent to the initial dilution on 4 May 2021 (Note 6(c)), MPDPL has further increased its paid up share capital on 9 July 2021, 29 October 2021 and 29 December 2021 through the issuance and allotment of 14,000,000, 9,000,000 and 10,000,000 ordinary shares for a total consideration of US$14,000,000, US$9,000,000 and US$10,000,000 respectively to KaiYi.

Further to the dilution in 2021, on 14 January 2022, 12 June 2022 and 19 August 2022, MPDPL has increased its paid-up share capital by the issuance and allotment of additional 19,000,000 ordinary shares to KaiYi for a total consideration of US$19,000,000.

As there was no further capital contribution by the Company, the Company's shareholding interest in MPDPL has been diluted from 48.40% to 42.53% to 38.49% and 35.44% in 2021, and from 35.44% to 31.38% and 30.18% in 2022 at the respective dates KaiYi had subscribed for the additional shares.

Arising from the above dilution, the Group has recognised a loss on deemed disposal of interest in associates of S$978,000 (2021: S$70,000) (Note 18).

On 2 September 2022, the Company entered into a CSPA with KaiYi for the sale of MPDPL for a consideration of US$45,700,000 (approximately S$64,030,000). Accordingly, the net book value of the investment in associates have been reclassified as assets held for sale (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. INVESTMENT IN ASSOCIATES (CONT'D)

The Group's associates comprised the following:

Name	Principal activities	Principal place of business	Proportion of ownership interest 2022 %	Proportion of ownership interest 2021 %
Giantminer Pte. Ltd.	Investment holding and other mining and quarrying	Singapore	25	25
Manhattan Property Development Pte. Ltd.	Investment holding	Singapore	–	35.44

The summarised financial information in respect of Manhattan Property Development Pte. Ltd. and its subsidiary based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Manhattan Property Development Pte. Ltd. and its subsidiary	
	2022 $'000	2021 $'000
Current assets	–	26,440
Non-current assets	–	187,554
Total assets	–	213,994
Current liabilities	–	(29,898)
Non-current liabilities	–	(14,650)
Total liabilities	–	(44,548)
Net assets	–	169,446
Proportion of the Group's ownership	–	35.44%
Group's share of net assets	–	60,052
Other adjustments	–	384
	–	60,436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. INVESTMENT IN ASSOCIATES (CONT'D)

Summarised statement of comprehensive income

	Manhattan Property Development Pte. Ltd. and its subsidiary	
	2022	**2021**
	$'000	**$'000**
Revenue	–	–
Loss after tax	–	(2,536)
Other comprehensive income	–	–
Total comprehensive income	–	–

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables (current):				
Third parties	6,042	6,699	38	38
	6,042	6,699	38	38
Less: Allowance for impairment	(4,619)	(4,687)	(38)	(38)
	1,423	2,012	–	–
Other receivables (current):				
GST receivable	2,797	51	36	51
Deposits	3,042	3,033	3,022	3,022
Due from related parties	–	568	–	–
Other receivables	7,585	4,939	101	36
Interest receivable from banks	17	2	17	1
	13,441	8,593	3,176	3,110
Less: Allowance for impairment	(9,144)	(6,239)	(3,040)	(3,040)
	4,297	2,354	136	70
Trade and other receivables (current)	5,720	4,366	136	70
Trade and other receivables (non-current):				
Other receivables	–	7,647	–	–
Less: Allowance for impairment	–	(5,946)	–	–
	–	1,701	–	–
Total trade and other receivables	5,720	6,067	136	70
Add:				
Cash and bank deposits (Note 12)	19,893	20,545	8,023	3,140
Due from subsidiaries (non-trade)	–	–	4,336	–
Due from associate (non-trade)	509	205	509	205
Total financial assets carried at amortised cost	26,122	26,817	13,004	3,415

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Trade receivables are non-interest bearing and are to be settled in cash. Trade receivables are generally on 30 to 120 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) Amounts due from related parties are unsecured, repayable upon demand and are to be settled in cash.

(iii) In 2012, the Group entered into a SPA with a shipbuilder for the purchase of vessels. The Group subsequently sold the vessels to a third-party buyer in 2013. The Group retains an unpaid seller's lien on the vessels until the consideration has been fully paid.

Included in the current and non-current other receivables is the outstanding consideration arising from the sale of the vessels of US$1,953,000 (approximately S$2,626,000) (2021: US$5,636,000 (approximately S$7,618,000), which is to be paid in equal monthly instalments over a period of 120 months.

Management had performed an impairment review and had adjusted the net impairment to $2,867,000 (2021: $4,576,000) on the other receivables due from the third-party buyer in 2015.

Expected credit losses

The movement in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL are as follows:

	Group		Company	
	Trade receivables $'000	Other receivables $'000	Trade receivables $'000	Other receivables $'000
At 1 January 2021	(4,624)	(13,295)	(38)	(3,040)
Write-back	–	1,323	–	–
Exchange differences	(63)	(213)	–	–
At 31 December 2021 and 1 January 2022	(4,687)	(12,185)	(38)	(3,040)
Write-back	–	1,731	–	–
Written off	–	1,326	–	–
Charge for the year	–	(484)	–	–
Exchange differences	68	468	–	–
At 31 December 2022	(4,619)	(9,144)	(38)	(3,040)

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. PREPAYMENTS

Included in non-current prepayments are VAT prepayment arising from the property development segment and advanced payments made for the construction of haul roads to facilitate the transportation of coal to the power plant.

The advanced payments on the road haul costs are amortised over the remaining tenure of 19 years (2021: 20 years). Included in current prepayments are prepaid taxes arising from the sale of electricity amounting to $81,000 (2021: $599,000).

Amortisation expenses of $60,000 (2021: $62,000) has been recognised in the "Depreciation and amortisation" line item of profit or loss for the financial year ended 31 December 2022.

10. DUE FROM/(TO) SUBSIDIARIES (NON-TRADE)

	Company	
	2022	**2021**
	$'000	**$'000**
Current		
Amounts due from subsidiaries	7,810	4,140
Less: Allowance for impairment	(3,474)	(4,140)
	4,336	–
Amounts due to subsidiaries	–	(15,303)

Non-trade amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

11. INVENTORIES

	Group	
	2022	**2021**
	$'000	**$'000**
Balance sheets:		
Raw materials (at cost)	581	155
Income statement:		
Inventories recognised as an expense in operating expenses	2,301	1,988

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. CASH AND BANK DEPOSITS

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash at banks and on hand	15,277	18,269	5,710	864
Short term deposits	4,616	2,276	2,313	2,276
Cash and bank deposits	19,893	20,545	8,023	3,140

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

The effective interest rates as at 31 December 2022 for the Group and the Company were 1.01% (2021: 0.36%) and 1.22% (2021: 0.74%) per annum, respectively. At the balance sheet date, cash and bank deposits denominated in USD amounted to $10,383,000 (2021: $5,494,000) and $6,140,000 (2021: $2,478,000) for the Group and Company respectively.

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade payables (current):				
Third parties	(5,136)	(4,317)	(4)	(168)
Related parties	–	(113)	–	–
	(5,136)	(4,430)	(4)	(168)
Accrued expenses	(4,342)	(2,857)	(646)	(364)
Other payables	(9,192)	(16,879)	(6,863)	(2)
Amounts due to related parties	–	(2,208)	–	–
Trade and other payables (current)	(18,670)	(26,374)	(7,513)	(534)
Trade and other payables (non-current):				
Amounts due to related parties	(12,640)	(12,278)	(12,640)	(12,278)
	(12,640)	(12,278)	(12,640)	(12,278)
Total trade and other payables	(31,310)	(38,652)	(20,153)	(12,812)
Add:				
Due to subsidiaries (non-trade) (Note 10)	–	–	–	(15,303)
Bank borrowings (Note 26)	(17,801)	–	–	–
Total financial liabilities carried at amortised cost	(49,111)	(38,652)	(20,153)	(28,115)

Trade and other payables are non-interest bearing. The credit terms of trade payables range from 30 to 120 days (2021: 30 to 120) days, while other payables have an average term of 6 (2021: 6) months.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. TRADE AND OTHER PAYABLES (CONT'D)

Amounts due to related parties

The amounts due to related parties are unsecured. At the balance sheet date, amounts due to related parties denominated in USD amounted to $2,192,000 (2021: $2,154,000)

The amounts due to related parties in 2022 included the following:

(i) The Company and KaiYi entered into a loan agreement on 5 December 2019 whereby a loan of US$1,630,000 was granted to the Company. The Company and KaiYi further entered into a supplemental agreement on 4 December 2021 for which KaiYi agreed to extend the loan to 30 June 2023.

(ii) The Company and KaiYi entered into a loan agreement on 18 October 2021 whereby a loan of S$10,000,000 bearing interest at 3.75% per annum was granted to the Company for the purpose of the acquisition of Athena.

Deposits received

On 9 December 2021, PT KP has entered into a CSPA with PT Dermaga Perkasapratama ("PT DPP" or "Buyer") for the sale of the two remaining vacant land parcels in East Kalimantan ("Proposed Disposal"). Based on the CSPA, the Buyer has made a deposit to PT KP of approximately IDR 149,200,700,000 (approximately S$14,126,000).

On 2 September 2022, the Company has entered into a CSPA with KaiYi Investment Pte. Ltd. for the sale of Manhattan Property Development Pte Ltd ("MPDPL") for a consideration of US$45,700,000 (approximately S$64,030,000). Based on the CSPA, KaiYi has made a deposit of US$5,000,000 (approximately S$6,861,000) during the year (Note 25).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. SHARE CAPITAL

	Group and Company			
	2022		2021	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares				
At 1 January	3,000,701,100	222,180	2,986,503,650	221,427
Consideration shares issued during the financial year(1)	–	–	14,197,450	753
At 31 December	3,000,701,100	222,180	3,000,701,100	222,180

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(1) On 20 October 2021, the Company entered into a sale and purchase agreement with Sandnergy Pte. Ltd. and Goldland Technology Sdn. Bhd to acquire the entire issued and paid-up share capital of Athena Energy Holdings Pte. Ltd. in which the consideration was satisfied by way of cash and shares.

Pursuant to the acquisition, an aggregate amount of 14,197,450 shares were allotted and issued to the nominees of Sandnergy Pte. Ltd on 15 December 2021. For the purpose of the financial statements, the consideration shares have been accounted for based on the market value of shares issued on 15 December 2021, being S$0.053 per share amounting to S$753,000.

15. REVENUE

	Group	
	2022	2021
	$'000	$'000
Disaggregation of revenue		
Management fees	878	–
Sales of electricity		
– Power plant segment	9,214	7,442
– Renewable energy segment	1,826	71
Coal transportation income	691	1,724
	12,609	9,237
Timing of transfer of services		
Over time	1,569	1,724
Point in time	11,040	7,513

The Group's revenue by business segment and geographical location is disclosed in Note 23.

16. OTHER INCOME

	Group 2022 $'000	Group 2021 $'000
Interest income	203	60
Gain on sale of land parcels, net of tax	18,506	–
Gain on changes arising from dilution of interest in subsidiary (Note 6(c))	–	9,450
Write-back on amounts owed to creditors	4,961	2,698
Write-back of allowance for impairment of trade and other receivables (Note 8)	1,731	1,323
Management fees from an associate (previously, a subsidiary)	–	673
Miscellaneous income	81	112
	25,482	14,316

17. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION)

	Group 2022 $'000	Group 2021 $'000
Salaries and bonuses	(2,587)	(2,092)
Central Provident Fund contributions	(239)	(177)
Share-based payments	(100)	(148)
Others	(48)	(161)
	(2,974)	(2,578)

Directors' and executive officers' remuneration are disclosed in Note 21(a).

During the year, grant income amounting to $Nil (2021: $26,000) received under the Job Support Scheme ("JSS") has been deducted against employee benefits expenses.

18. OPERATING EXPENSES, IMPAIRMENT LOSS AND OTHER EXPENSES

	Group	
	2022	2021
	$'000	$'000
Operating expenses:		
Coal and fuel	(2,620)	(2,465)
Operations and maintenance	(2,706)	(2,285)
Agent fees and port handling charges	(34)	(4)
Certificate, licence and other compliance expenses	(13)	(57)
Other expenses	(1,329)	(1,670)
	(6,702)	(6,481)
Finance costs:		
– Interest expense on lease liabilities	(12)	(85)
– Interest expense on bank borrowings	(441)	–
– Interest expense on others	(404)	(79)
	(857)	(164)
Impairment loss on:		
– Property, plant and equipment (Note 3)	(5,286)	(9,947)
– Intangible assets (Note 4)	(3,806)	(2,681)
	(9,092)	(12,628)
Other expenses included the following:		
Office and other rental expenses	(190)	(7)
Foreign exchange loss, net	(36)	(442)
Loss on deemed disposal of associate (Note 7)	(978)	(70)
Legal and professional fees	(3,273)	(886)
Included in legal and professional fees are the following:		
– Audit fees:		
Auditors of the Company	(208)	(198)
Affiliates of the auditors of the Company	(81)	(93)
– Non-audit fees:		
Auditors of the Company	(9)	(10)
Affiliates of the auditors of the Company	(129)	–

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. INCOME TAX CREDIT

Major components of income tax credit

Major components of income tax credit for the financial years ended 31 December 2022 and 2021 are:

	Group	
	2022	**2021**
	$'000	**$'000**
Income statement:		
Current income tax:		
Current income tax	(1,812)	–
Over provision in respect of previous years	–	579
Deferred income tax:		
Origination and reversal of temporary differences	1,974	1,220
	1,974	1,220
Income tax credit recognised in profit or loss	162	1,799

Relationship between income tax credit and accounting profit/(loss)

The reconciliation of the tax and the product of accounting profit/(loss) before tax multiplied by the applicable tax rate is as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Profit/(loss) before tax	6,047	(5,879)
Tax at the domestic rates applicable to profit/(loss) in the countries where the Group operates	(1,611)	1,849
Adjustments:		
Income not subject to taxation	2,273	2,969
Non-deductible expenses	(951)	(2,858)
Share of results of associate and joint venture	(34)	(124)
Benefits from unrecognised tax losses	485	–
Deferred tax assets not recognised	–	(616)
Over provision in respect of previous years	–	579
Income tax credit recognised in profit or loss	162	1,799

The corporate income tax rate applicable to Singapore companies of the Group was 17% for the year of assessment ("YA") 2023 and YA2022.

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19. INCOME TAX CREDIT (CONT'D)

Relationship between income tax credit and accounting profit/(loss) (cont'd)

The corporate income tax rate applicable to Indonesia companies of the Group was 22% for YA2023 and YA2022, except for a subsidiary's vessel charter income which is subjected to a final tax at a rate of 1.20% of revenue in YA2023 and YA2022 under the Taxation Laws of Indonesia.

The reconciliation of tax and the product of accounting profit/(loss) is prepared by aggregating separate reconciliation for each national jurisdiction.

Deferred tax

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liability:						
Differences in depreciation	(1,724)	(1,547)	(337)	(215)	(14)	(14)
Differences in amortisation	(886)	(2,388)	1,881	1,435	–	–
Sale of land	2,200	–	430	–	–	–
Transfer to assets held for sale (Note 25)	–	1,976	–	–	–	–
Dilution of interest in subsidiary (Note 6(c))	–	967	–	–	–	–
Acquisition of subsidiary (Note 6(b))	–	(708)	–	–	–	–
	(410)	(1,700)			(14)	(14)
Deferred tax credit			1,974	1,220		

Unabsorbed tax losses

As at 31 December 2022, the Group and the Company have unabsorbed tax losses of approximately $17,503,000 (2021: $17,344,000) and $6,473,000 (2021: $5,693,000), respectively, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset has been recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The unutilised tax losses of the Group's subsidiaries in Indonesia of $5,535,0000 (2021: $7,745,000) can be carried forward for a maximum period of 5 years from the year of assessment when these losses were incurred. These losses will expire between 2024 and 2027.

The unabsorbed tax losses brought forward are restated to comply with the tax returns filed in the current financial year with the Comptroller of Income Tax.

19. INCOME TAX CREDIT (CONT'D)

Unrecognised temporary differences relating to investment in subsidiaries and associates

At the end of the respective reporting periods, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries and associates as the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share from continuing operations are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2022	**2021**
	$'000	**$'000**
Profit/(loss) for the financial year, net of tax, attributable to equity holders of the Company used in the computation of basic earnings per share	4,512	(1,699)
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	3,000,701,100	2,987,164,901

NOTES TO THE FINANCIAL STATEMENTS

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21. RELATED PARTY DISCLOSURES

(a) Remuneration of directors and executive officers

	Group	
	2022	**2021**
	$'000	**$'000**
Directors' remuneration (including directors' fees):		
Salaries, bonus and directors' fees	(550)	(619)
CPF contributions	(5)	(15)
Other benefits	(5)	(7)
	(560)	(641)
Executive officers' remuneration:		
Salaries and bonus	(1,450)	(1,116)
CPF contributions	(99)	(72)
Other benefits	(42)	(56)
	(1,591)	(1,244)
	(2,151)	(1,885)

Directors' interest in share option plan

During the financial years ended 31 December 2022 and 31 December 2021, no share options were granted to the Company's directors.

(b) Sale and purchase of services and lease

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year took place at terms agreed between the parties, which were made at terms equivalent to those prevailing in arm's length transactions with third parties:

	Group	
	2022	**2021**
	$'000	**$'000**
Related parties		
– Sale of electricity	7,309	5,005
– Commercial property lease expense	(150)	(135)
– Interest expense	(375)	(75)

Related parties comprise companies which are related to a substantial shareholder and his close family members.

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22. CONTINGENT LIABILITIES

Financial support

The Company has committed to provide continuing financial support to certain of its subsidiaries to enable them to operate as going concerns.

23. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

(a) The Power Plant segment relates to the construction, acquisition, operations and maintenance of power plants and the production and sale of electric power in Indonesia;

(b) The Renewable Energy segment relates to the construction, acquisition, operations and maintenance of renewable generation facilities and the production and sale of renewable energy in Vietnam;

(c) The Shipping segment relates to shipchartering and provision of freight services in Indonesia, mainly for coal carrying activities;

(d) The Property Development segment relates to property development activities in the PRC;

(e) The Corporate and Others segment is involved in Group-level corporate services, treasury functions, investments in properties and others, including overburden removal services and equipment leasing services.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

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23. SEGMENT INFORMATION (CONT'D)

	31 December 2022							31 December 2021						
	Power Plant $'000	Renewable Energy $'000	Shipping $'000	Property Deve-lopment $'000	Corporate and Others $'000	Elimina-tions $'000	Per consolidated financial statements $'000	Power Plant $'000	Renewable Energy $'000	Shipping $'000	Property Deve-lopment $'000	Corporate and Others $'000	Elimina-tions $'000	Per consolidated financial statements $'000
Revenue														
External customers	9,214	1,826	691	–	878	–	12,609	7,442	71	1,724	–	–	–	9,237
Inter-segment	–	–	–	–	24	(24)	–	–	–	–	–	24	(24)	–
Total revenue	9,214	1,826	691	–	902	(24)	12,609	7,442	71	1,724	–	24	(24)	9,237
Results														
Interest income	120	1	14	–	68	–	203	31	4	2	13	10	–	60
Depreciation and amortisation	(4,507)	(707)	(481)	–	(76)	–	(5,771)	(4,094)	(41)	(660)	(39)	(140)	–	(4,974)
Share of results of associates	–	–	–	–	(199)	–	(199)	–	–	–	(728)	–	–	(728)
Gain on sale of land parcels, net of tax	18,506	–	–	–	–	–	18,506	–	–	–	–	–	–	–
Gain on changes arising from dilution of interest in subsidiary	–	–	–	–	–	–	–	–	–	–	–	9,450	–	9,450
Interest expenses	(4)	(465)	(13)	–	(375)	–	(857)	(4)	–	(74)	(6)	(80)	–	(164)
Impairment loss on property, plant and equipment	(5,286)	–	–	–	–	–	(5,286)	(9,947)	–	–	–	–	–	(9,947)
Impairment loss on intangible assets	(3,806)	–	–	–	–	–	(3,806)	(2,681)	–	–	–	–	–	(2,681)
Segment profit/(loss)	8,207	(4,480)	1,350	–	970	–	6,047	(15,254)	(108)	3,684	(395)	6,580	(386)	(5,879)
Income tax credit/ (expenses)	814	(13)	(639)	–	–	–	162	2,074	(2)	(273)	–	–	–	1,799

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23. SEGMENT INFORMATION (CONT'D)

	Power Plant $'000	Renewable Energy $'000	Shipping $'000	Property Development $'000	Corporate and Others $'000	Per consolidated financial statements $'000
31 December 2022						
Assets						
Additions to property, plant and equipment	534	36,933	–	–	541	38,008
Segment assets	17,247	58,933	1,811	–	65,515	143,506
Segment liabilities	(2,806)	(26,246)	(486)	–	(20,195)	(49,733)
31 December 2021						
Assets						
Additions to property, plant and equipment	215	555	–	–	243	1,013
Segment assets	52,161	11,904	8,430	–	64,276	136,771
Segment liabilities	(18,044)	(2,003)	(3,235)	–	(17,559)	(40,841)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore	878	–	10,569	291
Indonesia	9,905	9,166	13,050	33,787
China	–	–	–	60,436
Vietnam	1,826	71	30,600	9,701
Australia	–	–	6,518	869
	12,609	9,237	60,737	105,084

Information about major customers

	Renewable		Power plant		Shipping	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Revenue from a major customer	1,361	–	7,309	5,005	641	1,648

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24. LEASES

Group as lessee

The Group has lease contracts for various items of office premises, vessels and rooftop leasing used in its operations. Leases of office premise generally have lease terms between 1 to 4 years, while vessels generally have lease terms of 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from subleasing the office premises to third parties. The lease contracts do not include renewal options and variable lease payments.

The Group also has certain leases of staff accommodation and office premise with lease terms of 12 months or less and leases of photocopier machine and warehouse storage with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the period are as follows:

Group	Vessels $'000	Office premises $'000	Land use rights $'000	Rooftop $'000	Total $'000
At 1 January 2021	936	475	10,489	–	11,900
Acquisition of subsidiaries (Note 6(b))	–	2	–	–	2
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	(255)	–	–	(255)
Transfer to assets held for sale (Note 25)	–	–	(8,220)	–	(8,220)
Depreciation charge for the financial year	(535)	(166)	(584)	–	(1,285)
Exchange differences	–	–	56	–	56
At 31 December 2021 and 1 January 2022	401	56	1,741	–	2,198
Additions	–	–	–	205	205
Depreciation charge for the financial year	(401)	(56)	(581)	(4)	(1,042)
Exchange differences	–	–	(60)	–	(60)
At 31 December 2022	–	–	1,100	201	1,301

Arising from the acquisition of PT KP in 2016, the Group has land use rights over three plots of land in Indonesia, of which one plot is currently utilised by the Group's power plant. These land use rights have a lease term of 29 years with a remaining tenure of 18 years (2021: 19 years).

24. LEASES (CONT'D)

(a) *Carrying amounts of right-of-use assets (cont'd)*

Company	Office premise $'000
At 1 January 2021	184
Depreciation charge for the financial year	(129)
At 31 December 2021 and 1 January 2022	55
Depreciation charge for the financial year	(55)
At 31 December 2022	–

(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during the period are as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January	451	1,475	44	171
Additions	202	–	–	–
Accretion of interest	12	85	–*	5
Payments	(464)	(868)	(44)	(132)
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	(241)	–	–
At 31 December	201	451	–	44
Current	5	451	–	44
Non-current	196	–	–	–

* *denotes less than S$1,000*

The maturity profile of lease liabilities is disclosed in Note 28(b).

(c) *Amounts recognised in profit or loss*

The lease expenses recognised in the statement of comprehensive income are as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest expenses on lease liabilities	12	85	–*	5
Expenses related to low value assets	190	7	113	–
Total amount recognised in profit or loss	202	92	113	5

* *denotes less than S$1,000*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. LEASES (CONT'D)

(d) Total cash outflow

The Group and Company had total cash outflows for leases of $654,000 (2021: $875,000) and $157,000 (2021: $132,000) respectively.

25. ASSETS HELD FOR SALE

(a) On 9 December 2021, the Company's indirect subsidiary, PT KP, entered into a conditional land sale and purchase agreement with PT DPP for the sale of the two remaining vacant land parcels in East Kalimantan ("Proposed Disposal"). Accordingly, the net book value of the two vacant land parcels has been reclassified as assets held for sale as at 31 December 2021.

On 9 March 2022, the shareholders of the Company approved the Proposed Disposal at an Extraordinary General Meeting. The disposal was completed on 15 March 2022.

(b) On 2 September 2022, the Company entered into a conditional sale and purchase agreement with KaiYi Investment Pte Ltd for the sale of Manhattan Property Development Pte Ltd ("MPDPL") for a consideration of US$45,700,000 (approximately S$64,030,000). Accordingly, the net book value of the investment in associates have been reclassified as assets held for sale.

On 5 January 2023, the shareholders of the Company approved the Proposed Disposal of MPDPL at an Extraordinary General Meeting. The disposal was completed on 16 January 2023.

The assets and liabilities relating to the assets held for sale as at 31 December 2022 and 2021 are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Right-of-use assets (Note 24)	–	8,220	–	–
Deferred tax liabilities (Note 19)	–	(1,976)	–	–
Transfer from investment in associates (Note 7)	55,831	–	56,323	–
Assets held for sale	55,831	6,244	56,323	–

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. BANK BORROWINGS

		Group		Company	
	Maturity	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**
Current:					
U$14,000,000 bank loan	2023	(1,421)	–	–	–
		(1,421)	–	–	–
Non-current:					
U$14,000,000 bank loan	2024 – 2029	(16,380)	–	–	–
		(16,380)	–	–	–
Total bank borrowings		(17,801)	–	–	–

The bank borrowings are denominated in United States Dollar, bear interest at SOFR + margin per annum ranging from 4.87% to 9.19%, and are secured by (i) charge on the ownership interest in the borrower entity is granted; and (ii) charge on all present and future assets.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

			Non-cash changes			
	1 January 2022 $'000	**Cash flows $'000**	**Additions $'000**	**Accretion of interests $'000**	**Foreign exchange movement $'000**	**31 December 2022 $'000**
Lease liabilities	451	(464)	202	12	–	201
Bank borrowings	–	18,267	–	441	(907)	17,801
Total	451	17,803	202	453	(907)	18,002

			Non-cash changes			
	1 January 2021 $'000	**Cash flows $'000**	**Additions $'000**	**Accretion of interests $'000**	**Changes arising from dilution of interest in subsidiary $'000**	**31 December 2021 $'000**
Lease liabilities	1,475	(868)	–	85	(241)	451
Total	1,475	(868)	–	85	(241)	451

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. COMMITMENTS

(a) *Power purchase agreements*

Subsidiaries of the Group have signed power purchase agreements to supply electric power and renewable energy to various customers on an actual, "take or pay" or "take and pay" basis at a pre-determined minimum amount per month and at pre-determined rates. These agreements are valid for a period of 1 to 20 years and can be extended upon the written approvals of the parties.

Future minimum sale of electricity as at 31 December are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Not later than one year	9,097	3,579
Later than one year but not later than five years	35,695	17,279
More than five years	60,534	64,304
	105,326	85,162

These amounts exclude a power purchase agreement with a major customer as the agreement is on an excess power purchase basis.

PT KP has an on-going power purchase agreement with a related party to supply electricity on a take or pay basis, subject to any amendments as may be agreed by the parties. The rate may be adjusted every month based on a pre-determined formula. PT KP expects the potential sales volume to be approximately $4,669,000 annually. This agreement has a remaining period of 62 months (2021: 2 months).

(b) *Coal sales and purchase agreement*

PT KP has an on-going Coal Sales and Purchase Agreement ("Agreement") with a party to purchase coal at a fixed price. This Agreement has been renewed on 5 April 2022 and will expire on 15 May 2023, subject to any extensions that may be agreed to by the parties.

(c) *Capital commitments*

Capital expenditure contracted for as at the end of reporting period but not recognised in the financial statements are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Capital commitments in respect of property, plant and equipment	5,463	–
Total amount recognised in profit or loss	5,463	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Deputy Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Foreign currency risk

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily Singapore Dollars ("SGD"), Indonesian Rupiah ("IDR") and Vietnamese Dong ("VND"). The foreign currencies in which these transactions are mainly denominated are United States Dollars ("USD"). Approximately 10% (2021: 4%) of the Group's costs and expenses, excluding impairment losses, are denominated in USD (2021: USD). The Group's trade payable balances as at the balance sheet date have similar exposures.

The Group and Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances are mainly denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to a reasonably possible change in the SGD, USD and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Group	
			Profit before tax decrease/ (increase) 2022 $'000	**Loss before tax (increase)/ decrease 2021 $'000**
SGD/USD	–	strengthened 3% (2021: 3%)	(580)	77
	–	weakened 3% (2021: 3%)	580	(77)
USD/IDR	–	strengthened 3% (2021: 3%)	(2)	18
	–	weakened 3% (2021: 3%)	2	(18)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the balance sheet date, the Group's and the Company's financial liabilities and financial assets are based on the carrying amounts reflected in the financial statements. The table in Note 28(b) summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and amounts due from subsidiaries. For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade and other receivables

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on business operating units. The expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade and other receivables using provision matrix, grouped by business units:

(i) Shipping

At 31 December 2022	**Gross carrying amount $'000**	**Loss allowance provision $'000**
Current	–	–
Past due:		
Within 30 days	–	–
31 to 60 days	–	–
61 to 90 days	–	–
More than 90 days	6,567	(5,796)
	6,567	(5,796)

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Trade and other receivables (cont'd)

(i) Shipping (cont'd)

At 31 December 2021	Gross carrying amount $'000	Loss allowance provision $'000
Current	109	–
Past due:		
Within 30 days	330	–
31 to 60 days	223	–
61 to 90 days	59	–
More than 90 days	3,046	(1,370)
	3,767	(1,370)

(ii) Power plant

At 31 December 2022	Gross carrying amount $'000	Loss allowance provision $'000
Current	980	–
Past due:	–	
Within 30 days	58	
31 to 60 days	56	–
More than 90 days	547	(394)
	1,641	(394)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Trade and other receivables (cont'd)

(ii) Power plant (cont'd)

At 31 December 2021	Gross carrying amount $'000	Loss allowance provision $'000
Current	1,301	–
Past due:		
31 to 60 days	25	–
More than 90 days	457	(432)
	1,783	(432)

(iii) Renewable energy

At 31 December 2022	Gross carrying amount $'000	Loss allowance provision $'000
Current	3,495	–
Past due:		
More than 90 days	71	–
	3,566	–

At 31 December 2021	Gross carrying amount $'000	Loss allowance provision $'000
Current	421	–
Past due:		
Within 30 days	19	–
31 to 60 days	18	–
61 to 90 days	9	–
More than 90 days	81	–
	548	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Company provides for expected credit loss ("ECL") on loans to subsidiary and amounts due from subsidiaries based on the general approach and the extent of loss allowance is dependent on the extent of credit deterioration since initial recognition.

In assessing whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on amounts due from subsidiaries and loan to subsidiary as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supporting information, which includes any significant changes in the expected performance and behaviour of these subsidiaries and joint ventures, including changes in the payment status, financial position and operating results, forward-looking information and market data.

The Company computes expected credit loss using the probability of default approach. In calculating the expected credit loss rates, the Company considers implied probability of default from external rating agency.

A significant increase in credit risk is presumed when there is a significant deterioration in the financial position of these subsidiaries.

A default occurs when these subsidiaries and joint ventures fail to make contractual payments within 90 days of when they fall due. The amounts due from subsidiaries and joint ventures are only written off when the respective subsidiary is liquidated or disposed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Category	Definition of category	Basis for recognition of expected credit loss provision	Gross carrying amount as at 31 December 2022 $'000	Loss allowance provision $'000
Stage 1	Subsidiaries that have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit loss	–	–
Stage 2	Amounts due from subsidiaries which have a significant increase in credit risk.	Lifetime expected credit loss	–	–
Stage 3	Amounts due from subsidiaries that are 90 days past due.	Lifetime expected credit loss	8,476	(4,140)

Category	Definition of category	Basis for recognition of expected credit loss provision	Gross carrying amount as at 31 December 2021 $'000	Loss allowance provision $'000
Stage 1	Subsidiaries that have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit loss	–	–
Stage 2	Amounts due from subsidiaries which have a significant increase in credit risk.	Lifetime expected credit loss	–	–
Stage 3	Amounts due from subsidiaries that are 90 days past due.	Lifetime expected credit loss	14,091	(14,091)

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approval and monitoring procedures.

No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Group's trade receivables at balance sheet date are mainly due from customers in the coal mining and electricity industries in the Indonesia market, and customers in the renewable energy industry in the Vietnam market.

The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2022		**2021**	
	$'000	**% of total**	**$'000**	**% of total**
By country:				
Indonesia	1,141	80%	1,910	95%
Vietnam	282	20%	102	5%
	1,423	100%	2,012	100%

At the end of the reporting period, approximately Nil% (2021: Nil%) of the Group's trade receivables were due from related parties.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 8.

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification and maturity profile of financial instruments

At the balance sheet date, the Group's and the Company's financial liabilities and financial assets are based on the carrying amounts reflected in the financial statements. The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group		
	One year or less $'000	**One to five years $'000**	**Total $'000**
2022			
Financial assets:			
Trade and other receivables	5,720	–	5,720
Due from associate (non-trade)	509	–	509
Cash and bank deposits	19,893	–	19,893
Total undiscounted financial assets	26,122	–	26,122
Financial liabilities:			
Trade and other payables	(18,670)	(12,640)	(31,310)
Bank borrowings	(1,421)	(16,380)	(17,801)
Lease liabilities	(5)	(196)	(201)
Total undiscounted financial liabilities	(20,096)	(29,216)	(49,312)
Total net undiscounted financial assets/(liabilities)	6,026	(29,216)	(23,190)
2021			
Financial assets:			
Trade and other receivables	4,366	1,701	6,067
Due from associate (non-trade)	205	–	205
Cash and bank deposits	20,545	–	20,545
Total undiscounted financial assets	25,116	1,701	26,817
Financial liabilities:			
Trade and other payables	(26,374)	(12,278)	(38,652)
Lease liabilities	(463)	–	(463)
Total undiscounted financial liabilities	(26,837)	(12,278)	(39,115)
Total net undiscounted financial liabilities	(1,721)	(10,577)	(12,298)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification and maturity profile of financial instruments (cont'd)

	Company		
	One year or less $'000	One to five years $'000	Total $'000
2022			
Financial assets:			
Trade and other receivables	136	–	136
Due from subsidiaries (non-trade)	4,336	–	4,336
Due from associate (non-trade)	509	–	509
Cash and bank deposits	8,023	–	8,023
Total undiscounted financial assets	13,004	–	13,004
Financial liabilities:			
Trade and other payables	(7,513)	(12,640)	(20,153)
Total undiscounted financial liabilities	(7,513)	(12,640)	(20,153)
Total net undiscounted financial assets/(liabilities)	5,491	(12,640)	(7,149)
2021			
Financial assets:			
Trade and other receivables	70	–	70
Due from associate (non-trade)	205	–	205
Cash and bank deposits	3,140	–	3,140
Total undiscounted financial assets	3,415	–	3,415
Financial liabilities:			
Trade and other payables	(534)	(12,278)	(12,812)
Due to subsidiaries (non-trade)	(15,303)	–	(15,303)
Lease liabilities	(44)	–	(44)
Total undiscounted financial liabilities	(15,881)	(12,278)	(28,159)
Total net undiscounted financial liabilities	(12,466)	(12,278)	(24,744)

29. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

During the current financial year, there have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3.

<u>Valuation policies and procedures</u>

The Group's Deputy Chief Financial Officer who is assisted by the team (collectively referred to as the "Finance Team"), oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the Finance Team reports to the Group's audit committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 1-13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of inputs (including those developed internally by the Group) used in the valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value hierarchy (cont'd)

Valuation policies and procedures (cont'd)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(b) Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, amounts due from/to subsidiaries and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

30. CAPITAL MANAGEMENT

The Group's capital management is dependent on capital requirements of projects or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Group's structure.

The Group seeks to maintain healthy capital ratios to support its business and maximise shareholder value. The Group would also consider dividend payment to shareholders, return of capital to shareholders, issuance of new shares or borrowings whenever it is in the best interest of the shareholders to do so.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. CAPITAL MANAGEMENT (CONT'D)

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021. The Group monitors capital by monitoring equity attributable to owners of the Company.

	Group	
	2022	**2021**
	$'000	**$'000**
Equity		
Share capital	222,180	222,180
Accumulated losses	(123,545)	(128,057)
Capital reserves	339	339
Other reserve	(320)	(320)
Foreign currency translation reserve	(13,152)	(5,265)
Acquisition revaluation reserve	5,392	5,392
Employee share option reserve	322	222
Equity attributable to owners of the Company	91,216	94,491

31. SUBSEQUENT EVENTS

On 2 September 2022, the Company entered into a conditional sale and purchase agreement with KaiYi Investment Pte Ltd for the sale of Manhattan Property Development Pte Ltd ("MPDPL") for a consideration of US$45,700,000 (approximately S$64,030,000). Accordingly, the net book value of the investment in associates have been reclassified as assets held for sale (Note 25).

On 5 January 2023, the shareholders of the Company approved the Proposed Disposal of MPDPL at an Extraordinary General Meeting. The disposal was completed on 16 January 2023.

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 21 March 2023.

STATISTICS OF **SHAREHOLDINGS**

ANALYSIS OF SHAREHOLDINGS AS AT 21 MARCH 2023

SHARE CAPITAL	:	$254,950,965.29
NUMBER OF SHARES	:	3,000,701,100
CLASS OF SHARES	:	ORDINARY SHARE
VOTING RIGHTS	:	ONE VOTE PER SHARE
NUMBER OF TREASURY SHARES	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	6	0.50	225	0.00
100 – 1,000	115	9.62	97,754	0.00
1,001 – 10,000	427	35.73	2,391,074	0.08
10,001 – 1,000,000	595	49.79	58,909,446	1.96
1,000,001 & ABOVE	52	4.36	2,939,302,601	97.96
TOTAL	**1,195**	**100.00**	**3,000,701,100**	**100.00**

	TWENTY LARGEST SHAREHOLDERS AS AT 21 MARCH 2023	NO. OF SHARES	%
1	KAIYI INVESTMENT PTE LTD	1,019,475,000	33.97
2	ENERGY RESOURCE INVESTMENT PTE LTD	830,046,700	27.66
3	RAFFLES NOMINEES (PTE) LIMITED	568,362,743	18.94
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	106,032,600	3.53
5	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	81,097,392	2.70
6	DBS NOMINEES PTE LTD	51,069,625	1.70
7	CITIBANK NOMINEES SINGAPORE PTE LTD	48,581,306	1.62
8	DB NOMINEES (SINGAPORE) PTE LTD	35,069,907	1.17
9	TANG KIN FEI	25,000,000	0.83
10	PHILLIP SECURITIES PTE LTD	20,326,795	0.68
11	MAYBANK SECURITIES PTE. LTD.	13,991,700	0.47
12	YUAN RUIDUO	13,676,600	0.46
13	UOB KAY HIAN PTE LTD	8,896,600	0.30
14	CHENG YIN MUI OR HO SING MING	8,147,208	0.27
15	ONG SEE BENG	7,540,000	0.25
16	GAO DAIYING	7,098,725	0.24
17	OCBC SECURITIES PRIVATE LTD	6,951,400	0.23
18	LOW YI NGO	5,980,200	0.20
19	LEE DEBORAH CHEUNG	5,970,000	0.20
20	CHAU WUN	5,660,600	0.19
		2,868,975,101	**95.61**

STATISTICS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 March 2023)

		DIRECT INTEREST	%	DEEMED INTEREST	%
1	LOW YI NGO(1)	5,980,200	0.20%	1,849,521,700	61.64%
2	ELAINE LOW(2)	–	–	1,849,521,700	61.64%
3	DATO' DR. LOW TUCK KWONG(3)	373,637	0.01%	2,400,639,590	80.00%
4	WONG KAI LAI(4)	–	–	831,736,700	27.72%
5	ENERGY RESOURCE INVESTMENT PTE LTD	830,046,700	27.66%	–	–
6	KAIYI INVESTMENT PTE LTD	1,019,475,000	33.97%	–	–

(1) Mr Low Yi Ngo is deemed interested in (i) the 830,046,700 shares held by Energy Resource Investment Pte Ltd ("ERI") through his 33.3% shareholding interest in ERI; and (ii) the 1,019,475,000 shares held by KaiYi Investment Pte Ltd ("KaiYi") through his 34.22% shareholding interest in KaiYi.

(2) Ms Elaine Low is deemed interested in (i) the 830,046,700 shares held by ERI through her 33.3% shareholding interest in ERI; and (ii) the 1,019,475,000 shares held by KaiYi through her 34.22% shareholding interest in KaiYi.

(3) Dato' Dr. Low Tuck Kwong is deemed interested in 2,400,639,590 shares, of which (i) 549,427,890 shares are registered in the name of Raffles Nominees (Pte) Limited, (ii) 1,690,000 shares are held by his spouse, registered in the name of Citibank Nominees Singapore Pte Ltd, (iii) 830,046,700 shares which are held by ERI through the 33.3% shareholding interest in ERI held by his spouse, and (iv) 1,019,475,000 shares held by KaiYi through his 10.46% shareholding interest in KaiYi and 16.16% shareholding interest in KaiYi held by his spouse.

(4) Mdm Wong Kai Lai is the spouse of Dato' Dr. Low Tuck Kwong. She is deemed interested in 831,736,700 shares of which (i) 1,690,000 shares are registered in the name of Citibank Nominees Singapore Pte Ltd and (ii) 830,046,700 shares which are held by ERI through her 33.3% shareholding interest in ERI.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

Approximately, 17.50% of the Company's shares are held in the hands of the public. Accordingly, the Company has compiled with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Metis Energy Limited ("Company") will be convened and held by electronic means on Thursday, 27 April 2023 at 9.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the directors' statement and the audited financial statements for the financial year ended 31 December 2022, together with the independent auditors' report thereon. **(Resolution 1)**

2. To re-elect Mr Tan Tong Hai, a Director retiring under regulation 105 of the Company's Constitution. **(Resolution 2)**

3. To re-elect Mr Tang Kin Fei, a Director retiring under regulation 101 of the Company's Constitution. **(Resolution 3)**

4. To re-elect Mr Tung Zhihong, Paul, a Director retiring under regulation 101 of the Company's Constitution. **(Resolution 4)**

5. To approve directors' fees of S$600,000 for the financial year ending 31 December 2023 payable half-yearly in arrears (2022: S$600,000). **(Resolution 5)**

6. To re-appoint Ernst & Young LLP as auditors of the Company for the financial year ending 31 December 2023, and to authorise the directors to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business that may properly be transacted at an annual general meeting.

As Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

8. **Share Issue Mandate** **(Resolution 7)**

   That, under section 161 of the Companies Act 1967 ("Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be given to the directors of the Company to:

   (a) (i) issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements, or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

NOTICE OF
ANNUAL GENERAL MEETING

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued under this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted under this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted under this Resolution) does not exceed 20 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, at the time of the passing of this Resolution, after adjusting for:

  (a) new Shares arising from the conversion or exercise of convertible securities;

  (b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

  (c) any subsequent bonus issue, consolidation or subdivision of Shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

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9. **Authority to offer and grant options and issue shares under the Metis Energy Share Option Scheme 2022** **(Resolution 8)**

   That approval be given to the directors:

   (a) to offer and grant options from time to time in accordance with the rules of the Metis Energy Share Option Scheme 2022 ("MESOS 2022"); and

   (b) under section 161 of the Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued under the exercise of options under the MESOS 2022, provided that the aggregate number of new shares to be issued under the MESOS 2022, and any share-based schemes of the Company, shall not exceed 15 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.

10. **Authority to grant awards and issue shares under the Metis Energy Performance Share Scheme 2022** **(Resolution 9)**

    That approval be given to the directors:

    (a) to grant awards from time to time in accordance with the rules of the Metis Energy Performance Share Scheme 2022 ("MEPSS 2022"); and

    (b) under section 161 of the Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued under the vesting of awards under the MEPSS 2022, provided that the aggregate number of new shares to be issued under the MEPSS 2022, and any share-based schemes of the Company, shall not exceed 15 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.

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ANNUAL GENERAL MEETING

11. **Renewal of Shareholders' Mandate for Interested Person Transactions** **(Resolution 10)**

That:

(a) for purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be given for the Company, its subsidiaries and associated companies or any of them, to enter into, amend and/or renew any of the transactions falling within the types of interested person transactions described in the addendum to the Annual Report 2022 ("Addendum") with any party who is of the class of interested persons described in the Addendum, provided that such transactions are on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for such interested person transactions as set out in the Addendum ("Shareholders' Mandate");

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors of the Company and each of them be authorised to complete and to do all acts and things (including without limitation to making such arrangements, entering into all such transactions, arrangements and agreements and executing all such documents as may be required or as they (or he/she) may from time to time consider necessary, desirable or expedient, or in the interests of the Company), to give effect to the Shareholders' Mandate and/or this Resolution as they (or he/she) may deem fit (including without limitation to the foregoing, to affix the Common Seal of the Company to any such documents, if required.).

By Order of the Board

Madelyn Kwang
Company Secretary
12 April 2023
Singapore

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes

Resolution 2
If re-elected, Mr Tan Tong Hai, a Non-Executive and Non-Independent Director of the Company, will remain as a member of the Audit Committee and Executive Committee.

Resolution 3
If re-elected, Mr Tang Kin Fei, a Non-Executive and Non-Independent Director of the Company, will remain as the Chairman of the Board and Executive Committee, and a member of the Nominating Committee and Remuneration Committee.

Resolution 4
If re-elected, Mr Tung Zhihong, Paul, an Independent Director of the Company, will remain as the Chairman of the Audit Committee and a member of the Remuneration Committee, Nominating Committee and Executive Committee.

Resolution 7
The proposed Resolution 7, if passed, will empower the directors, from the date of the Annual General Meeting until the next annual general meeting of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 50 per cent of the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, with a sub-limit of 20 per cent for Shares issued other than on a *pro rata* basis to Shareholders.

Resolution 8
The proposed Resolution 8, if passed, will empower the directors to offer and grant options under the MESOS 2022 (which was approved at the Extraordinary General Meeting of the Company held on 28 April 2022) and to allot and issue shares in the capital of the Company, under the exercise of options under the MESOS 2022, provided that the aggregate number of shares to be issued under the MESOS 2022 and any share-based schemes of the Company does not exceed 15 per cent of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) for the time being.

Resolution 9
The proposed Resolution 9, if passed, will empower the directors to grant awards under the MEPSS 2022 (which was approved at the Extraordinary General Meeting of the Company held on 28 April 2022) and to allot and issue shares in the capital of the Company, under the vesting of awards under the MEPSS 2022, provided that the aggregate number of shares to be issued under the MEPSS 2022 and any share-based schemes of the Company does not exceed 15 per cent of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) for the time being.

Resolution 10
The proposed Resolution 10, if passed, will renew the Shareholders' Mandate (which was approved at the annual general meeting held on 28 April 2022) and empower the Company, its subsidiaries and associated companies or any of them, to enter into, amend and/or renew any of the Interested Person Transactions as described in the Addendum to this Notice of Annual General Meeting and to do all acts necessary to give effect to the Shareholders' Mandate. The authority under the renewed Shareholders' Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held, whichever is earlier. In accordance with the requirements of Chapter 9 of the Listing Manual, Dato' Dr Low Tuck Kwong, Madam Wong Kai Lai, Mr Low Yi Ngo, Ms Elaine Low, Energy Resources Investment Pte Ltd, KaiYi Investment Pte Ltd will abstain, and will ensure that their associates will abstain from voting on this Ordinary Resolution 10 in relation to the renewal of the Shareholders' Mandate.

Notes in relation to conduct of AGM/Proxy Forms/Questions and Answers

(1) The AGM is being convened, and will be held, by electronic means pursuant to (i) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020; and (ii) the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore, and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020). Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL (http://www.metisenergy.com), and will also be made available on SGXNet at the URL (https://www.sgx.com/securities/company-announcements).

(2) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM or submitting questions "live" at the AGM, addressing of substantial and relevant questions at the AGM and voting "live" at the AGM or by appointing the Chairman of the AGM or such other person(s) as proxy(ies) to vote at the AGM are set out in the Notice of AGM dated 12 April 2023, which has been uploaded on SGXNet at the URL (http://www2.sgx.com/securities/company-announcements) and the Company's website at the URL (http://www.metisenergy.com).

NOTICE OF
ANNUAL GENERAL MEETING

(3) If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must: (a) except in the case of a member who is a relevant intermediary as defined in Section 181 of the Companies Act 1967 ("Companies Act"), pre-register to vote "live" at the AGM by electronic means; (b) or submit a Proxy Form to appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. The accompanying Proxy Form for the AGM may be accessed at the Company's website at the URL (http://www.metisenergy.com) and will also be made available on SGXNet at the URL (http://www2.sgx.com/securities/company-announcements).

(4) **Pre-registration**. Members must pre-register at the pre-registration website at https://globalmeeting.bigbangdesign.co/metis2023 from the date of the Notice till **9:30 a.m. on 25 April 2023** ("Pre-Registration Deadline") to enable the Company to verify their status as members.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act (other than investors who have purchased shares (a) using their Central Provident Fund contributions pursuant to the Central Provident Fund Investment Scheme ("CPFIS Investors") and/or (b) pursuant to the Supplementary Retirement Scheme ("SRS Investors")) will not be able to pre-register at the foregoing website, for the "live" audio-video webcast or "live" audio-only stream of the AGM. An investor (other than CPFIS Investors and/or SRS Investors) who wishes to participate in the "live" audio-video webcast or "live" audio-only stream of the AGM should instead approach his/her/its relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her/its name, email address and NRIC/Passport/UEN number) to the Share Registrar, B.A.C.S. Private Limited, via email to main@zicoholdings.com no later than **9:30 a.m. on 25 April 2023**.

Following the verification, authenticated members will receive an email by **9:30 a.m. on 26 April 2023** containing login credentials and the link to access the "live" audio-video webcast or "live" audio-only stream of the AGM (the "Confirmation Email"). As this is a private meeting, members must not disclose such details to others. Members who have pre-registered by the Pre-Registration Deadline but have not received the Confirmation Email by **9:30 a.m. on 26 April 2023**, should contact the Company's webcast vendor, Big Bang Design Pte Ltd, by email at webcast@bigbangdesign.co for assistance. The Company advises all members to pre-register as early as possible.

Members who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act, such as CPFIS Investors and SRS Investors, should approach their CPF Agent Banks or SRS Agent Banks, to participate in the "live" audio-video webcast or "live" audio-only stream of the AGM.

(5) **Submission of Questions**. Members, including CPFIS Investors and SRS Investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, "live" at, the AGM, or in advance of the AGM in the following manner:

(a) **Via the pre-registration website**. Members who have pre-registered to observe and/or listen to the AGM proceedings may submit their questions via the pre-registration website at the URL: https://globalmeeting.bigbangdesign.co/metis2023.

(b) **Via email**. Members may submit their questions via email to investor.relations@metisenergy.com.

(c) **By post**: Members may also submit their questions by post to the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413. When sending in your questions by post, members should provide the Company with the following details:

(i) their full name;

(ii) their address; and

(iii) the manner in which they hold Shares in the Company (e.g., via CDP, CPFIS or SRS).

Deadline to submit questions. All questions must be submitted by the Pre-Registration Deadline. Members must pre-register to ask substantial and relevant questions "live" at the AGM. Verified members (including CPFIS Investors and SRS Investors) can also ask substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, "live" at the AGM, by typing in and submitting their questions via electronic means at the live-streaming platform.

(6) **Live voting**. Members (except a relevant intermediary (as defined in Section 181 of the Companies Act)) may cast their votes for each resolution "live" at the AGM. Unique access details for "live" voting will be provided to members who have pre-registered at https://globalmeeting.bigbangdesign.co/metis2023 and who have been verified to attend the AGM.

(7) **Voting via the appointment of the Chairman of the AGM or such other person(s)**. As an alternative to "live" voting, a member (whether individual or corporate and including a relevant intermediary as defined in Section 181 of the Companies Act, which includes CPFIS Investors and/or SRS Investors) may appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(8) In appointing the Chairman of the AGM or such other person(s) as his/her/its proxy(ies), a member (whether individual or corporate and including a relevant intermediary as defined in Section 181 of the Companies Act, which includes CPFIS Investors and/or the SRS Investors) must submit his/her/its instrument appointing the Chairman of the AGM or such other person(s) (i.e. the Proxy Form) together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, to vote on his/her/its behalf. A member should give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the proxy will vote at his/her/its own discretion.

(9) The Chairman of the AGM or such other person(s), as proxy(ies), need not be a member of the Company.

(10) The instrument appointing the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) must be submitted to the Company in the following manner:

(a) if submitted in hard copy and sent by post, the Proxy Form must be lodged at the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or

(b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at investor.relations@metisenergy.com.

in either case, at least 48 hours before the time for holding the AGM, by no later than **9:30 a.m. on 25 April 2023** ("Proxy Deadline").

Members who wish to submit an instrument of proxy must first download, complete and sign the Proxy Forms, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed Proxy Forms electronically via email.

(11) Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Agent Banks) to submit their voting instructions by **9:30 a.m. on 18 April 2023** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM or such other person(s) to vote on their behalf **no later than the Proxy Deadline**.

(12) A member may withdraw an instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) or by sending an email to the Company at investor.relations@metisenergy.com to notify the Company of the withdrawal, **no later than the Proxy Deadline**.

(13) Submission by a member of a valid instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) **by the Proxy Deadline** will supersede any previous instrument appointing a proxy(ies) submitted by that member.

(14) The Annual Report has been uploaded on SGXNet on 12 April 2023 and may be accessed on SGXNet at the URL (http://www2.sgx.com/securities/company-announcements) or at the Company's website at the URL (http://www.metisenergy.com).

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

METIS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199006289K)

PROXY FORM
ANNUAL GENERAL MEETING

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.metisenergy.com.

A printed copy of this form of proxy will NOT be despatched to members.

IMPORTANT

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to (i) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020; and (ii) the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore, and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020).
2. Alternative arrangements relating to amongst others, (i) pre-registration and attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions to the Chairman of the AGM in advance of the AGM or "live" at the AGM; (iii) addressing of substantial and relevant questions at the AGM; and (iv) voting "live" at the AGM or by appointing the Chairman of the AGM or such other person(s) as proxy(ies) to vote at the AGM, are set out in the Notice of AGM dated 12 April 2023, which has been uploaded on SGXNet at the URL http://www2.sgx.com/securities/company-announcements and the Company's website at the URL http://www.metisenergy.com.
3. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must pre-register to vote "live" at the AGM by electronic means (excluding relevant intermediaries as defined in Section 181 of the Companies Act 1967 ("Companies Act")) or submit this Proxy Form to appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM or such other person(s) as proxy(ies), a member (whether individual or corporate) should give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the proxy will vote at his/her/its discretion.
4. CPFIS Investors or SRS Investors who wish to appoint the Chairman of the AGM or such other person(s) as proxy(ies) should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 9:30 a.m. on 25 April 2023.
5. By submitting an instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM or such other person(s) as a member's proxy(ies) to vote on his/her/its behalf at the AGM.**

I/We ______________________ (NRIC/Passport No./Company Registration No.) ______________

of ____ (Address)
being a member/members of Metis Energy Limited ("Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Email Address**	Proportion of Shareholdings (%)	
				No. of Shares	%

and/or*

Name	Address	NRIC/Passport Number	Email Address**	Proportion of Shareholdings (%)	
				No. of Shares	%

and/or the Chairman of the AGM* as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be convened and held by way of electronic means on **Thursday, 27 April 2023** at 9:30 a.m. and any adjournment thereof. *I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder.

(Voting will be conducted by poll. Please indicate with a "✓" in the space provided within the relevant box to vote for or against or abstain from voting, in respect of the resolutions to be proposed at the AGM as indicated hereunder. Alternatively, please indicate the number of shares that your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions in respect of a resolution, the proxy will vote at his/her/its own discretion.)**

No.	Resolutions	No. of votes For	No. of votes Against	No. of votes Abstained
	Ordinary Business			
1.	To adopt Directors' Statement and Audited Financial Statements for the year ended 31 December 2022, together with the independent auditors' report.			
2.	To re-elect Mr Tan Tong Hai as a director.			
3.	To re-elect Mr Tang Kin Fei as a director.			
4.	To re-elect Mr Tung Zhihong, Paul as a director.			
5.	To approve directors' fees for the financial year ending 31 December 2023.			
6.	To re-appoint Ernst & Young LLP as auditors and to authorise Directors to fix their remuneration.			
	Special Business			
7.	To authorise directors to issue shares and/or Instruments under Section 161 of the Companies Act 1967.			
8.	To authorise directors to offer and grant options and to issue shares under the Metis Energy Share Option Scheme 2022.			
9.	To authorise directors to grant awards and to issue shares under the Metis Energy Performance Share Scheme 2022.			
10.	To approve renewal of Shareholders' Mandate.			

Dated this __________ day of April 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

____
Signature(s) of member(s)/
Common Seal of corporate member

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must: (a) except in the case of a member who is a relevant intermediary as defined in Section 181 of the Companies Act, pre-register to vote "live" at the AGM by electronic means; (b) or submit this Proxy Form to appoint the Chairman of the AGM or such other person(s) as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM or such other person(s) as proxy(ies), a member (whether individual or corporate) should give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the proxy will vote at his/her/its discretion.

3. The Chairman of the AGM or such other person(s), as a proxy(ies), need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted in hard copy and sent by post, the Proxy Form must be lodged at the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or

   (b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at investor.relations@metisenergy.com,

   in either case, at least 48 hours before the time for holding the AGM, by no later than **9.30 a.m. on 25 April 2023** ("Proxy Deadline").

   Members who wish to submit an instrument of proxy must first download, complete and sign the Proxy Forms, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies), failing which the instrument may be treated as invalid.

6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing the Chairman of the AGM or such other person(s) as proxy(ies) should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Agent Banks) to submit their voting instructions by **9:30 a.m. on 18 April 2023** in order to allow sufficient time for their respective relevant intermediaries to in turn submit the Proxy Forms to appoint the Chairman of the AGM or such other person(s) to vote on their behalf **no later than the Proxy Deadline**.

7. The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) which was delivered before **9:30 a.m. on 25 April 2023** as a valid instrument appointing the Chairman of the AGM or such other person(s) as the member's proxy(ies) to vote at the AGM if:

   (a) the member had indicated how he/she/it wished to vote for or against or abstain from voting on each resolution; and

   (b) the member has not withdrawn the appointment. A member may withdraw an instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) by sending an email to the Company at investor.relations@metisenergy.com to notify the Company of the withdrawal, **no later than the Proxy Deadline**.

8. Submission by a member of a valid instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) by **the Proxy Deadline** will supersede any previous instrument appointing a proxy(ies) submitted by that member.

9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM or such other person(s) as proxy(ies)). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

   Personal Data Privacy

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tang Kin Fei (Non-Executive and Non-Independent)
Ajaib Hari Dass (Independent)
Tung Zhihong, Paul (Independent)
Lee Fook Choon (Independent)
Henry Wong Chuen Yuen (Independent)
Tan Tong Hai (Non-Executive and Non-Independent)

Audit Committee

Tung Zhihong, Paul (Chairman)
Ajaib Hari Dass
Lee Fook Choon
Henry Wong Chuen Yuen
Tan Tong Hai

Nominating Committee

Ajaib Hari Dass (Chairman)
Tang Kin Fei
Tung Zhihong, Paul
Lee Fook Choon

Remuneration Committee

Ajaib Hari Dass (Chairman)
Tang Kin Fei
Tung Zhihong, Paul
Lee Fook Choon

Executive Committee

Tang Kin Fei (Chairman)
Ajaib Hari Dass
Tung Zhihong, Paul
Tan Tong Hai

COMPANY SECRETARY

Madelyn Kwang Yeit Lam

REGISTERED OFFICE

133 New Bridge Road
#18-09 Chinatown Point
Singapore 059413

SHARE REGISTRAR

B.A.C.S PRIVATE LIMITED
77 Robinson Road
#06-03, Robinson 77,
SINGAPORE 068896
Telephone No.: (65) 6593 4848

AUDITORS

Ernst & Young LLP,
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Lim Huijing Amanda
(since the financial year ended 31 December 2021)

METIS ENERGY LIMITED
CO. Reg. No. 199006289K

133 New Bridge Road
#18-09 Chinatown Point
Singapore 059413

Tel: (65) 6345 0777
Fax: (65) 6342 0777