

**APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULE 1315 OF THE LISTING
MANUAL**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Metis Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcements made by the Company dated:

- (a) 4 December 2018, in relation to the notification of the Company’s inclusion on the watch-list of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with effect from 5 December 2018, due to the financial entry criteria pursuant to Rule 1311 of the Listing Manual of the SGX-ST (the “**Listing Manual**”);
- (b) 8 March 2022, in relation to among others, the letter received by the Company from the Singapore Exchange Regulation Pte. Ltd. (the “**SGX RegCo**”) informing the Company that SGX RegCo had no objection to the Company’s application for an extension of time till 4 December 2022 with regard to compliance with Rule 1315 of the Listing Manual; and
- (c) 14 November 2022, in relation to among others, the Company’s application to the SGX RegCo on 28 October 2022, for a 12-month extension to satisfy the requirements for the Company’s removal from the watch-list (the “**Extension Application**”).

2. EXTENSION OF TIME GRANTED BY THE SGX REGCO TO COMPLY WITH RULE 1315 OF THE LISTING MANUAL

2.1 The Board wishes to update its shareholders that the SGX RegCo has, on 1 December 2022, in relation to the Extension Application, informed the Company that SGX RegCo has no objection to an extension of time till 4 December 2023 (the “**Waiver**”) with regard to compliance with Rule 1315 of the Listing Manual, subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

Shareholders should note that the Waiver will not be effective if the above condition has not been fulfilled.

2.2 In addition, the Board wishes to highlight that:

- (a) the SGX RegCo reserves the right to amend and/or vary its decision and such decision is subject to changes in the policies of the SGX RegCo; and
- (b) the Company is required to make an immediate disclosure via SGXNet if it is/will be in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver.

2.3 Following the release of this announcement, the Company has complied with the condition of the Waiver above.

3. REASONS FOR SEEKING THE WAIVER

3.1 The Company's market capitalisation and cash flow

- (a) Pursuant to paragraph 4.2(1) of Practice Note 13.2 of the Listing Manual, an issuer may be granted an extension to the 36-month cure period, of up to 12 months if it satisfies at least one of the following requirements under Rule 1314 of the Listing Manual:
- (i) records consolidated pre-tax profit for the most recently completed financial year (based on its audited full year consolidated accounts) (the "**Profit Criteria**"); and
 - (ii) has an average daily market capitalisation of S\$40 million or more over the last 6 months (the "**Market Cap Criteria**").

Additionally, the issuer must also have achieved healthy cash flow from its operating activities (based on its audited full year consolidated accounts for the most recently completed financial year) (the "**Cash Flow Criteria**").

- (b) As at the date of the Extension Application, while the Company has not satisfied the Profit Criteria, it has satisfied the Market Cap Criteria. This is because the Company had an average daily market capitalisation¹ of approximately S\$179 million (which is approximately S\$139 million (or approximately 350%) above the S\$40 million criteria) over the last six (6) months. Additionally, the Company's average daily market capitalisation exceeded S\$40 million over the last 24 months.
- (c) In relation to the Cash Flow Criteria, the Company has achieved healthy cash flow from its operating activities for the second half of 2021 and the first half of 2022 ("**1FHY2022**") (based on the unaudited financial statements for the six-month ended 30 June 2022). If the Company were to disregard the property development segment, the Company would have achieved healthy cash flow from its operating activities for the financial year ended 31 December 2019 ("**FY2019**") (based on its audited full year consolidated accounts), for the financial year ended 31 December 2020 ("**FY2020**") (based on its audited full year consolidated accounts) and for the financial year ended 31 December 2021 ("**FY2021**") (based on its audited full year consolidated accounts). This is because the net cash flows used in FY2020 and FY2021 were mainly attributable to the capital expenditure incurred for the property development segment. As a result of the dilution in the equity interest of the property segment, the property segment entities ceased to be subsidiaries of the Company and instead became associates of the Company with effect from May 2021. In addition, the Company has announced on 4 September 2022 the proposed disposal of the Company's remaining shareholding interest in Manhattan Property Development Pte. Ltd. ("**MPDPL**"), being the Group's last remaining business interest in the property development segment (the "**Proposed MPDPL Disposal**"). If approved by the shareholders of the Company (the "**Shareholders**"), the proceeds from the Proposed MPDPL Disposal will also be another source of capital expenditure, development cost, and working capital for the renewable energy projects.

3.2 The Company has taken active steps to return to profitability

The Company has taken active steps since being placed on the watch-list and made concerted efforts to increase its profitability and for the Group to return to profitability. Some of these steps include the following:

- (a) The Group has explored the viability of diversifying into new businesses

¹ Computed based on the 6-month volume weighted average price x total no. of shares in the capital of the Company.

Some of the steps taken the Group has taken include the following:

- (i) the Group is currently undergoing a strategic business transformation to accelerate its growth into a renewable energy company (the “**Proposed Diversification**”). As part of the initial step of the diversification into the renewal energy business, the Company on 28 October 2021, completed the acquisition of Athena Energy Holdings Pte. Ltd. (“**Athena**”), a company in the principal business of developing, financing, constructing, owning and operating renewable energy assets in Asia and Australia;
- (ii) as announced by the Company on 9 December 2021, PT Kariangau Power (“**PT KP**”), an indirect subsidiary of the Company, had on 9 December 2021, entered into a conditional land sale and purchase agreement with PT Dermaga Perkasapratama (the “**Buyer**”), pursuant to which PT KP has agreed to sell, and the Buyer has agreed to purchase, two vacant land parcels in East Kalimantan (the “**Proposed Disposal**”), the proceeds of which are intended to be deployed as capital expenditure, development cost, and working capital with respect to certain pipeline projects for the renewal energy business in relation to the Proposed Diversification;
- (iii) in connection with the Proposed Diversification, as announced by the Company on 14 January 2022, Vietrof Renewal Energy Vietnam Company Limited (“**Vietrof RE**”), a wholly owned, indirect subsidiary of Athena had on (I) 11 December 2021, entered into a long-term conditional power purchase agreement with Huaфу (Vietnam) Industrial Co., Ltd. (“**Huaфу Vietnam**”) (the “**Huaфу PPA**”), pursuant to which Vietrof RE has agreed to sell, and Huaфу Vietnam has agreed to purchase, all the net electrical output of the rooftop photovoltaic power system according to the terms and conditions of the Huaфу PPA; and (II) on 14 January 2022, entered into an engineering, procurement and construction contract with PowerChina Sichuan Engineering Corporation Limited (“**PowerChina**”), pursuant to which PowerChina has agreed to construct the rooftop photovoltaic power system which will be used to supply power to Huaфу Vietnam (the “**Proposed Huaфу EPC**”);
- (iv) at the extraordinary general meeting held on 9 March 2022, the Shareholders approved the Proposed Diversification, Proposed Disposal and Proposed Huaфу EPC;
- (v) as set out in the media release on 30 March 2022, responsAbility Investments AG (“**responsAbility**”), a Swiss sustainable asset manager focusing exclusively on impact investing, had provided a USD\$14 million syndicated senior secured loan (the “**responsAbility Loan**”) to Athena to finance projects that reduce carbon emissions in Vietnam. The responsAbility Loan will allow Athena to develop its pipeline of Commercial and Industrial (“**C&I**”) solar PV projects to enable a more sustainable economic development. The responsAbility Loan will be disbursed via two climate finance funds managed by responsAbility. The funding is anticipated to save around 14,000 tons of CO2 per annum from entering the atmosphere;
- (vi) the Company has also conducted a leadership renewal exercise in 2022, to further strengthen the management team of Athena so as to execute Athena’s pipeline of projects and grow its business. In particular, (i) Mr. Low Yi Ngo retired as chief executive officer and managing director of the Company at the Company’s annual general meeting on 28 April 2022 (the “**AGM**”) while Ms. Elaine Low resigned as the non-executive and non-independent director with effect from the conclusion of the AGM; and (ii) Mr. Tan Tong Hai was appointed as a non-independent and non-executive director of the Company on 4 May 2022 while Mr. Chin Mun Kiat was appointed as the Chief Asset Management Officer of the Company on 19 September 2022;

- (vii) as set out in the Company's press release dated 15 June 2022, Athena has successfully delivered the largest C&I rooftop solar project in Vietnam;
- (viii) as announced by the Company on 4 September 2022, the Company had on 2 September, entered into: (I) a conditional sale and purchase in relation to the Proposed MPDPL Disposal; and (II) a loan agreement with Onward Capital Pte. Ltd. ("**OCPL**"), pursuant to which OCPL has agreed to extend to the Company a loan facility up to a maximum principal amount of US\$30 million to finance the Group's capital expenditure for the Renewal Energy Business and general working capital requirements, to be disbursed in one or more tranches;
- (ix) as set out in the Company's media release dated 16 September 2022,
 - (A) Athena has entered into a conditional sale and purchase agreement to acquire 100% of the equity interest in a solar farm (111 MWp DC/ 94 MW AC) utility-scale project in Australia which is in the final stage of development completion (the "**Proposed Acquisition**"). The target company has secured a 30-year land lease and enjoys strong support from the local government, industry and the surrounding community. The completion of the Proposed Acquisition will provide the Company with another key milestone in driving further growth in Australia ("**Project Gunsynd**"); and
 - (B) as set out in the media release on 16 September 2022, the Group is actively engaged in discussions to acquire a 100MW of utility-scale wind project in Vietnam. This wind project is an operating project with no construction risk and no requirement for lead time. It also has the capability to generate immediate cash and contribute positively to the Group's earnings before interest, taxes, depreciation, and amortisation and net profit. The Company is in the process of carrying out due diligence on the target company and will release an announcement to update the Shareholders when there are further material developments relating to the acquisition ("**Project Gio**").
- (b) The Group has reviewed the operations and viability of the Group's existing business and assets in energy, real estate and shipping sectors

Some of the steps taken after such review include the following:

- (i) the seeking of a full exit from the Company's investment in MPDPL given that onshore project financing in the People's Republic of China has been delayed; and
- (ii) in line with the transformation into a renewable energy company, the disposal of the Group's last tug and termination of the charter agreements for coal transportation services in September 2022.

For more information, please refer to the Company's announcement dated 4 September 2022.

3.3 Market perception and confidence in the prospects of the Group

Notwithstanding the Company's status as a company on the watch-list, the Company Group is finalising the loans with the financial institutions to support the growth of the renewable energy business, including the following:

- (a) Portfolio funding for the C&I projects in Vietnam and Indonesia

The Group has signed a mandate letter with certain banks (collectively, the "**Lenders**") to fund the Commercial & Industrial ("**C&I**") Solar Power Projects in

Vietnam and/or Indonesia which are to be developed by the Group. The debt facilities include (i) a committed revolving facility for construction; (ii) a committed term loan facility; and (iii) an uncommitted term loan facility. The Lenders are in the process of completing the due diligence exercise on the Group and the Company is currently working with the Lenders to finalise the relevant financing agreement(s) by December 2022.

(b) Advisory services for renewable energy projects

The Company is in the process of appointing certain banks to provide advisory services for Project Gunsynd and Project Gio.

The Board believes that the foregoing demonstrates the confidence that investors, bankers and shareholders alike have in the future prospects of the Group and the renewable energy business that the Group is proposing to enter into, and the ability of the Board and the Group to turn things around.

3.4 A trading suspension may be detrimental to the interests of the minority shareholders of the Company

With reference to facilities or loans that may be extended by financial institutions and/or shareholders of the Company, it is quite common that the relevant lender may, as a condition to the granting of the financing facilities or loan, impose that the trading of the shares of the Company must not be suspended and the shares must continue to be listed and quoted on the SGX-ST.

In the event that the trading in the Company's securities is suspended or if the Company is delisted, such events will typically be regarded as events of default which will oblige the Company to immediately repay the loans and such financing facilities and/or loans may also be withdrawn or not extended to the Group. In such an event, there is no assurance that the Group will be able to obtain alternative funding on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet its financial obligations relating to both the Group's existing businesses and the new renewal energy business that the Group is proposing to enter into. Further, minority shareholders may feel the impact of the Company's suspension or delisting adversely as the Company's shares become illiquid and it will be difficult for the minority shareholders to realise their investment in the Company.

4. GENERAL

It is anticipated that with the grant of the Waiver, the Company will be on course to return to profitability and if and where required, the Company may re-apply for a third extension of 12 months in order to meet the requirements under Rule 1314 of the Listing Manual, including the Profit Criteria. The Board will update its shareholders if there are any material developments in this regard.

BY ORDER OF THE BOARD

Tang Kin Fei
Board Chairman
2 December 2022