METIS ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

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. ("**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;

(c) 2 December 2022, in relation to among others, the letter received by the Company from SGX RegCo informing the Company that SGX RegCo had no objection to the Company's application for an extension of time till 4 December 2023 with regard to compliance with Rule 1315 of the Listing Manual;

(d) 20 November 2023, in relation to among others, the letter received by the Company from SGX RegCo informing the Company that SGX RegCo had no objection to the Company's application (the "**Previous Application**") for an extension of time till 4 December 2024 with regard to compliance with Rule 1315 of the Listing Manual; and

(e) 11 November 2024, in relation to among others, the Company's application to SGX RegCo on 4 November 2024, 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 SGX REGCO TO COMPLY WITH RULE 1315 OF THE LISTING MANUAL

2.1 The Board wishes to update the shareholders of the Company (the "**Shareholders**") that SGX RegCo has, on 29 November 2024, in relation to the Extension Application, informed the Company that SGX RegCo has no objection to the Company's application for further extension of time till 4 December 2025 (the "**Waiver**") with regard to compliance with Rule 1315 of the Listing Manual, subject to 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.

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

2.3 In addition, the Board wishes to highlight that:

(a) SGX RegCo reserves the right to amend and/or vary its decision and such decision is subject to changes in the policies of 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.

2.4 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 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:

(a) records consolidated pre-tax profit for the most recently completed financial year (based on its audited full year consolidated accounts) (the "**Profit Criteria**"); and

(b) has an average daily market capitalisation of S$40 million or more over the last 6 months (the "**Market Cap Criteria**"),

and has 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**").

3.2 The Company had sought the Waiver on the following basis:

(a) 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 capitalisation[1] of approximately S$105 million (which is approximately S$65 million (or approximately 162%) above the S$40 million criteria) over the last six (6) months. Additionally, the Company's average daily market capitalisation has consistently exceeded S$40 million since its first application dated 16 November 2021 for an extension of time with regard to compliance with Rule 1315 of the Listing Manual;

(b) the cash flow used in operating activities for the financial year ended 31 December 2023 ("**FY2023**") (based on its audited full year consolidated accounts) and in the first half of 2024 ("**1HFY2024**") (based on the unaudited financial statements for the six-month period ended 30 June 2024) is S$8,935,000 and S$10,909,000 respectively, and this is mainly attributable to the following reasons:

[1] Computed based on the 6-month volume weighted average price multiplied by the total number of shares in the capital of the Company.

(i) Discontinuance of Project Gio

The Company refers to the proposed acquisition of a 100 MW of utility-scale wind project in Vietnam ("**Project Gio**"), being a project consisting of 28 wind turbines, with no construction risk and no requirement for lead time.

Since the Previous Application, the Company had incurred additional expenses to carry out further due diligence on the target company which stretched until the end of the fourth quarter of 2023. However, Project Gio was eventually aborted in December 2023 as the Company and the vendor were not able to agree on the relevant acquisition consideration.

(ii) Incurring of capital expenditure for the Company's transition to the renewable energy business ("**Renewable Energy Business**")

In FY2023, the Group incurred the following capital expenditure and one-off expenses, which contributed to the cash flow used in operating activities:

	S$'000
Cashflow paid for capital expenditure under renewable segment (Vietnam)	2,589
Non-recurring professional fee paid in relation to potential project acquisition and financing (including Project Gio)	4,907[2]
Total	7,495

In the current financial year so far, as at the date of the Extension Application, the Group has incurred the following capital expenditure and one-off expenses, which contributed to the cash flow used in operating activities:

	S$'000
Cashflow paid for capital expenditure under renewable segment (Australia)	6,675
Cashflow paid for financing fee in relation to the project finance secured for Project Gunsynd	1,653
Non-recurring professional fee paid in relation to potential project acquisition and financing	648
Total	8,976

Notwithstanding the foregoing, the Company's independent auditors did not report any material uncertainty relating to the Company's operation as a going concern for FY2023.

In FY2023, the Company had 30.15MW of commercial and industrial ("**C&I**") rooftop solar projects generating a full year of revenue and cashflow. Subsequently in July 2023 and September 2023, the Company delivered additional 10MW and 2.4MW of C&I rooftop solar projects respectively,

[2] The breakdown is as follows: (a) S$1,117,000 mainly due to the advance payment made in relation to the project finance secured for C&I rooftop solar projects; (b) S$801,000, being legal and professional fees incurred in the ordinary course of business; and (c) S$2,989,000, being non-recurring legal and professional fees.

generating additional revenue and cashflow. While the Company was actively seeking to build and scale up projects, the associated operating costs were higher than the existing revenue. Hence, there was a net operating cash outflow for FY2023 and 1HFY2024;

(c) since the Previous Application, the Company has made further positive inroads in its transition to the Renewable Energy Business and the Company reasonably believes it is possible to fulfil the Profit Criteria for the financial year ended 31 December 2025, for the following reasons:

(i) in Vietnam, further to the acquisition of the Athena Group in October 2021, the landmark C&I rooftop solar project (the "**Rooftop Solar Project**"), developed by the Athena Group, was delivered ahead of schedule in Long An Province, Vietnam on 15 June 2022. The Rooftop Solar Project produces an average of 34 million kWh of renewable energy annually which will offset about 33,898 tons of carbon emissions and displace at least 8,000 cars on the road every year, for the next 20 years.

The Company now has in operation 47.15 MW of solar energy projects, 8.40 MW of solar energy projects under construction and has secured more than 25 MW of solar energy projects in its pipeline, including a 20-year power purchase agreement ("**PPA**") to supply renewable energy to Shundao (Vietnam) Industrial Company Ltd, a leading international yarn manufacturer in Vietnam.

On 4 May 2023, the Vietnamese Government first raised the power tariff since 2019 by approximately 3.00%, effective from 4 May 2023 onwards. On 8 November 2023, the Vietnamese Government released regulation of increasing power tariff by a range of 4.10% - 4.50%, effective from 9 November 2024 onwards. On 11 October 2024, the power tariff was further increased by approximately 4.80%, effective from 11 October 2024. The majority of the PPAs in relation to the Company's operational Vietnam rooftop solar energy projects, approximately 43.15 MW, are levied at a discounted price based on the current power tariff.

The Company believes that the increase in power tariffs will have a significant impact on the Group's net income from the financial year beginning 1 January 2025;

(ii) in Australia, the Company's 111 MW DC Gunsynd Solar Farm in Goondiwindi, ("**Project Gunsynd**") has achieved financial close on 18 March 2024 and is estimated to be completed by the fourth quarter of 2025.

As part of Project Gunsynd, the Group has secured a 8-year offtake PPA with SmartestEnergy Australia. Please refer to the Company's media releases on 18 March 2024 and 2 April 2024 for more details.

Project Gunsynd will serve as the cornerstone of the Company's expanding Australian portfolio and the experience gained during its execution will be instrumental as the Company gears up to embark on the Bendemeer Renewable Energy Hub Project, encompassing solar, wind and battery energy storage solutions.

Similarly, the Company believes that this will have a significant impact on the Group's net income from the financial year beginning 1 January 2025;

(iii) alongside Project Gunsynd, the Company has an option to develop a Battery Energy Storage System Project ("**Project Gunsynd BESS**"). There has been increased interest in BESS projects in Queensland, Australia due to the price volatility of the spot market in the state. With a BESS facility, project owners will be able to capitalise on the arbitrage opportunities arising from the price swings. Alternatively, as Project Gunsynd BESS is currently the only Battery Energy Storage System on the transmission line, it will be a good candidate to qualify for the Australian Federal Government's Capacity Investment Scheme, which will provide the project with a long-term revenue floor, securing stable cashflows for the project.

In addition, the Company is progressing the development applications for the Bendemeer Renewable Energy Hub Projects, comprising of a 250 MW solar project with 150 MW Batter Energy Storage System Project ("**Bendemeer Solar & BESS Project**") and a 360 MW wind project ("**Bendemeer Wind Project**"). In parallel, the Company is also progressing the grid connection approval with the local grid operator.

For the Bendemeer Wind Project, the Company has been working with consultants to prepare the environment impact statement, which is a key component for the submission of the development approval application. The Company has also started to engage with wind turbine manufacturers to determine suitable models to use for the location.

The land lease options for both Bendemeer Solar & BESS Project and Bendemeer Wind Project have been secured. Both projects will provide significant generation and storage capacity, which will attract both private off-takers and retailers to sign PPAs with the Company;

(iv) in the Philippines, the Company is currently renewing a memorandum of understanding with the local government in relation to the development of a solar project while also considering possible land parcels which have been identified for the solar project.

The Philippines is becoming a popular destination for renewable energy developers as it now allows one hundred percent foreign ownership. In addition to this, there are also multiple off-take options in the country including the following:

(A) selling to private commercial and industrial off-takers;

(B) bidding for the Green Energy Auction Programme organised by the Department of Energy Philippines;

(C) selling to the local electricity cooperatives; and

(D) selling directly to the spot market;

(v) the Company has secured financing on relatively favourable terms to fund the capital expenditure and to be incurred in relation to on-grid and off-grid renewable energy business segments and selective clean energy power projects, which will enable the Company to speed up the development of its pipeline of C&I solar projects in Vietnam and Indonesia. Some of these financing include the following:

(A) project finance from responsAbility Investments AG, a Swiss sustainability impact fund of up to principal amount of US$14 million;

(B) loan facilities from Kaiyi Investment Pte. Ltd. of up to principal amount of S$15 million and US$1.63 million respectively (collectively, the "**Kaiyi Loans**");

(C) a loan facility from Onward Capital Pte. Ltd. ("**OCPL**") of up to a maximum principal amount of US$13 million ("**OCPL Loan 2**"), to finance the Group's capital expenditure for the Renewable Energy Business and general working capital requirements, to be disbursed in one or more tranches;

(D) a loan facility from OCPL of up to a maximum principal amount of US$30 million ("**OCPL Loan**"); and

(E) project finance from a lending group consisting of DBS Bank Ltd., Australia Branch, Sumitomo Mitsui Banking Corporation and Siemens Bank GmbH Singapore Branch of up to a principal amount of A$123 million, to finance the Project Gunsynd.

In addition to the foregoing, the Group is exploring securing additional credit facilities to further support the Renewable Energy Business. The Board believes that the foregoing demonstrates the confidence that investors, bankers and the majority shareholder of the Company alike have in the future prospects of the Group and the Renewable Energy Business, and the ability of the Board and the Group to turn things around; and

(vi) the Company has disposed of the assets which are not in line with the Renewable Energy Business, the proceeds of which will be another source of funds for capital expenditure, development cost, and working capital for the Renewable Energy Business. For example, other than the disposal of the Company's remaining shareholding interest in Manhattan Property Development Pte. Ltd. which was completed on 16 January 2023, the Company completed the disposal of the coal-fired steam power plant in East Kalimantan through the sale of all the Company's indirect shareholding in the issued and paid-up share capital of PT Kariangau Power on 30 November 2023.

The nature of renewable energy projects is that they tend to be more capital intensive in the initial stages and the projects typically take a period of time from the date of entering into the PPAs before the renewable projects can commence commercial operations and start generating profits.

Nonetheless, the Group is committed to its new direction into the renewable energy sector and will dedicate resources that will evolve the Group into a sustainable and profitable business over the next few years.

In light of the above, the Board is of the view that the Proposed Extension is necessary as it would provide the Company with "sufficient runway" for the PPAs (including Project Gunsynd) to be entered into by the Group to turn profitable, so as to allow the Company to meet the Profit Criteria;

(d) further, the Company believes in the underlying prospects and viability of the Group's Renewable Energy Business and that it would be in the interests of the Company and the Shareholders for the shares in the Company, being a company which has been listed on the Mainboard of the SGX-ST for more than 20 years, to continue to be publicly listed and traded; and

(e) if the Proposed Extension is not granted, the trading of the securities of the Company may be suspended, which may be detrimental to the interests of the minority Shareholders.

The reason is because if the Company's securities is suspended or if the Company is delisted, these constitute events of default under the Kaiyi Loans, OCPL Loan and OCPL Loan 2 which will oblige the Company to immediately repay the loans.

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.

In addition, the minority Shareholders will be adversely affected by the Company's suspension 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 fifth 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
1 December 2024