

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

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**THE PROPOSED DISPOSAL OF SHARES IN THE CAPITAL OF PT KARIANGAU POWER**

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**A. OVERVIEW**

**1. INTRODUCTION**

The board of directors (the “**Directors**” or the “**Board**”) of Metis Energy Limited (“**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary SLM Holding Pte Ltd (“**SLM Holding**”) has on 26 June 2023 entered into a conditional sale and purchase agreement (“**SPA**”) with PT Bayan Resources Tbk (“**Bayan Resources**”), PT Bayan Energy, Gallant Power Pte. Ltd. (“**Gallant Power**”) and Dato’ Low Tuck Kwong (“**Dato’ Low**”) and PT Kariangau Power (“**PT KP**”), pursuant to which, among others, SLM Holding has agreed to sell, and Bayan Resources and PT Bayan Energy (each a “**Buyer**” and collectively, the “**Buyers**”) have agreed to purchase, certain shares in the issued and paid-up share capital of PT KP, details of which are set out below (“**Proposed Disposal**”):

<b>Seller</b>	<b>Buyers</b>	<b>No. of Shares</b>	<b>As a percentage of the total issued share capital of PT KP</b>
SLM Holding	Bayan Resources and PT Bayan Energy	397,785 (such shares, the “ <b>Sale Shares</b> ”)	86.11%
Gallant Power		30,408	6.58%
Dato’ Low		33,750	7.31%

The Sale Shares amount to approximately 86.11% of the issued share capital of PT KP, and comprise the whole of the Company’s indirect shareholding in the issued share capital of PT KP. PT KP will cease to be an indirect subsidiary of the Company on completion of the Proposed Disposal.

**B. PROPOSED DISPOSAL**

**2. INFORMATION ON PT KP AND THE BUYERS**

**2.1 Information on PT KP**

PT KP is a limited liability company duly established under the laws of the Republic of Indonesia in 2007, and has an issued and paid-up share capital of IDR 461,943,000,000 comprising 461,943 ordinary shares. The principal business activities of PT KP relate to the operations of a coal-fired steam power plant in the Kariangau industry area, Balikpapan, East Kalimantan, Indonesia.

As at the date of this announcement, PT KP is an indirect subsidiary of the Company and the Company indirectly holds 86.11% of the issued share capital of PT KP.

Dato' Low and Gallant Power, who each holds 7.31% and 6.58% shareholding interest in PT KP respectively, have also agreed to sell his and its respective shareholding interest in PT KP to the Buyers (each of SLM Holding, Dato' Low and Gallant Power a **"Seller"**, and collectively, the **"Sellers"**).

## 2.2 Information on the Buyers

### (a) Information on the Bayan Group

Bayan Resources, is a limited liability company incorporated in Indonesia and is listed on the Indonesia stock exchange. Bayan Resources and its subsidiaries (collectively, the **"Bayan Group"**) are engaged in open cut mining of various coal quality from mines located primarily in East and South Kalimantan. As an integrated coal producer in Indonesia, the Bayan Group through its various mines, produces coal ranging from semi-soft coking coal to environmentally friendly low sulphur, sub-bituminous coal.

The Company's controlling shareholder, Dato' Low, is also a controlling shareholder of Bayan Resources. Bayan Resources is deemed to be an "interested person" under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (**"Listing Manual"**). Please see paragraphs 7.1 and 7.2 for further details.

### (b) Information on PT Bayan Energy

PT Bayan Energy, is a limited liability company incorporated in Indonesia and its principal business activity is investment holding.

Bayan Resources holds 99.99% shareholding interest in PT Bayan Energy. The Company's controlling shareholder, Dato' Low, is also a controlling shareholder of Bayan Resources. Accordingly, PT Bayan Energy is deemed to be an "interested person" under Chapter 9 of the Listing Manual. Please see paragraphs 7.1 and 7.2 for further details.

## 2.3 Value of the Sale Shares

Based on the latest consolidated audited financial statements of the Group for the financial year ended 31 December 2022 (**"FY2022"**):

- (a) the book value of the Sale Shares is approximately IDR 132,088,474,000 (which is approximately S\$11,884,000<sup>1</sup>); and
- (b) the net tangible asset value attributable to the Sale Shares is approximately IDR 132,088,474,000 (which is approximately S\$11,884,000).

In connection with the Proposed Disposal, the Company had appointed the valuer, KJPP Jimmy Prasetyo & Rekan (**"Valuer"**), as an independent valuer to assess the market value of the shares in the capital of PT KP (**"PT KP Shares"**). The valuation conducted by the Valuer was based on a market value approach. Based on the Valuer's indicative valuation report (**"Valuation Report"**), the indicative value of the PT KP Shares as at 2 May 2023 was estimated to be approximately IDR 162,040,000,000 (which is approximately S\$14,579,000).

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<sup>1</sup> For the purposes of this announcement, the foreign exchange rate between IDR and S\$ is based on a foreign exchange rate of IDR 11,114.8160: S\$1 as at 23 June 2023 as extracted from the website of the Monetary Authority of Singapore (**"Exchange Rate"**).

Consequently, based on the assessed value of the PT KP Shares as at 2 May 2023 as set out in the Valuation Report, the valuation of the Sale Shares as at 2 May 2023 is estimated to be approximately IDR 139,534,708,000 (which is approximately S\$12,554,000).

### **3. SALIENT TERMS OF THE SPA**

#### **3.1 Conditions Precedent**

The Proposed Disposal is conditional upon:

- (a) each of the Sellers and PT KP obtaining all approvals, consents and permits required to enter into and complete the transaction contemplated in the SPA:
  - (i) based on their deed of establishment, articles of association, articles of incorporation, or other corporate documents and any amendments or modifications to them; and
  - (ii) from any government (or any political or administrative subdivision thereof), whether national, provincial, or local, and any department, ministry, agency, office, commissioner, delegate, instrumentality, board, court, central bank, or other authority thereof, including without limitation any entity directly or indirectly owned or controlled thereby or any regulatory body, including the obtainment of the approval of the Company to the sale of the Sale Shares by SLM Holding to the Buyers as required under the Listing Manual;
- (b) PT KP passing a unanimous written resolution of shareholders resolving to approve:
  - (i) the sale and purchase of the PT KP Shares from the Sellers to the Buyers;
  - (ii) the change of compositions of the board of directors and board of commissioners of PT KP to appoint the person nominated by the Buyers; and
  - (iii) waivers of pre-emptive rights from the other shareholders of PT KP in relation with the transfer of PT KP Shares to the Buyers; and
- (c) as required by Article 127 of the Indonesian Company Law, PT KP announcing:
  - (i) in a nationally circulated newspaper; and
  - (ii) to the employees of PT KP,that the Buyers will acquire the PT KP Shares.

(collectively, the “**Conditions Precedent**”).

The Sellers and PT KP shall use reasonable endeavours to ensure the satisfaction of the Conditions Precedent as soon as reasonably practicable and, in any event, before or on the Completion Date (as defined below). Subject to the fulfilment or waiver of the Conditions Precedent in accordance with the SPA, the parties to the SPA shall proceed to completion of the Proposed Disposal on 29 September 2023 or at such other time or date as may be agreed in writing amongst the parties to the SPA (“**Completion Date**”).

In the event that:

- (i) any of the Conditions Precedent shall not have been fulfilled or validly waived before or on the Completion Date;
- (ii) there is any material breach of the Sellers' or PT KP's material obligations under the SPA (including pre-completion obligations contained or referred to in Schedule 3 of the SPA, and the completion obligations contained or referred to in Schedule 4 of the SPA) based on the Buyers' determination of materiality;
- (iii) any fact, matter, or event (whether existing or occurring on or before the date of the SPA or arising or occurring afterwards) comes to the notice of the Buyers at the completion or any time prior to the completion which would constitute a material breach of any of the warranties based on the Buyers' determination of materiality; or
- (iv) any fact, matter or event comes to the notice of the Buyers which affects or is likely to affect in a materially adverse manner the business, financial position, or prospects of PT KP;

then:

- (A) the Buyers shall not be bound and shall have no further obligation to proceed with the purchase of the Sale Shares, and the Buyers may issue a notice of termination in writing to the Sellers and PT KP; and
- (B) upon the issuance of the termination notice referred to in paragraph 3.1(A) above, the SPA shall cease to be of any effect, save for those clauses which are expressed to survive its termination or expiry, or which from their nature or context it is contemplated that they are to survive termination and any provision of the SPA necessary for its interpretation or enforcement (which shall remain in force) and save in respect of claims arising out of any antecedent breach of the SPA.

### 3.2 Condition Subsequent

Upon completion on the Proposed Disposal, Bayan Resources and PT KP shall enter into a loan agreement for an amount of US\$3,260,996 (which is approximately S\$4,397,000 <sup>2</sup>) which shall be advanced by Bayan Resources to PT KP solely for the purpose of repaying the outstanding loan/debt due from PT KP to the Company on or immediately after completion of the Proposed Disposal.

### 3.3 Purchase Price

On completion of the Proposed Disposal, the purchase price to be paid by the Buyers to SLM Holding for the sale of the Sale Shares under the SPA is IDR 151,629,092,135 (which is approximately S\$13,642,000) (the "**Purchase Price**").

The Purchase Price was arrived at on a willing-buyer, willing-seller basis, after taking into account prevailing market conditions, the value of the Sale Shares as disclosed in paragraph 2.3 and the rationale for the Proposed Disposal as disclosed in paragraph 4.1.

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<sup>2</sup> For the purposes of this announcement, the foreign exchange rate between US\$ and S\$ is based on a foreign exchange rate of US\$1 : S\$1.3483 as at 23 June 2023 as extracted from the website of the Monetary Authority of Singapore.

#### 4. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

4.1 The Board is of the view that the Proposed Disposal is in the best interests of the Company and its shareholders as PT KP is in the coal-fired power plant business and the Proposed Disposal is in line with the Company's intention to diversify into the renewable energy business comprising on-grid and off-grid renewable energy business segments and selective clean energy power projects, with a focus on the Asia (primarily in Vietnam, Indonesia, the Philippines and Bangladesh) and Australia in the initial years between 2022 and 2025 (the **"Renewable Energy Business"**).

#### 4.2 Use of Proceeds

It is intended that the proceeds from the Proposed Disposal will be deployed as capital expenditure, development cost, and working capital for the Renewable Energy Business

#### 5. CHAPTER 10 OF THE LISTING MANUAL

##### 5.1 Relative figures

The relative figures for the Proposed Disposal, computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's latest announced consolidated financial statements, being the audited financial statements for the financial year ended 31 December 2022 are set out below:

Rule 1006	Bases	Relative Figures (%) <sup>(1)</sup>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	15.8%
(b)	Net loss attributable to the assets disposed of, compared with the Group's net loss	79.9% <sup>(2)</sup>
(c)	Aggregate value of the consideration <sup>(3)</sup> received compared with the Company's market capitalisation <sup>(4)</sup> of approximately S\$153,130,000 based on the total number of issued shares in the Company, excluding treasury shares.	9.0%
(d)	Number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in issue	Not applicable <sup>(5)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable <sup>(6)</sup>

##### Notes:

(1) Percentage figures are rounded to the nearest one (1) decimal place.

(2) PT KP had on 9 December 2021 entered into a conditional land sale and purchase agreement with PT Dermaga Perkasapratama (**"PT DPP"**), a subsidiary of Bayan Resources, for the sale of two remaining vacant land parcels in East Kalimantan (**"Land Disposal"**). On 9 March 2022, the shareholders of the Company approved the Land Disposal at an extraordinary general meeting. The Land Disposal was completed on 15 March 2022 and the Group recognised a gain on sale of land parcels, net of tax of

approximately S\$18,506,000 (“**gain on land**”). The gain on land has not been included in the computation of the relevant figures for the Proposed Disposal. Accordingly, the adjusted net loss attributable to the assets to be disposed and the adjusted Group’s net loss as at 31 December 2022 were S\$11,181,000 and S\$13,994,000 respectively.

- (3) The Purchase Price is approximately S\$13,642,000 based on the Exchange Rate.
- (4) “**market capitalisation**” is calculated by the number of ordinary shares in the capital of the Company (excluding treasury shares) multiplied by the volume weighted average market price of S\$0.051 per share as at 23 June 2023, being the market day immediately preceding the date of the SPA.
- (5) Not applicable, as the Company is not issuing any equity securities as consideration.
- (6) Not applicable, as the Company is not a mineral, oil and gas company.

As one of the relative figures computed based on Rule 1006(a) of the Listing Manual for the Proposed Disposal exceeds 20%, the Proposed Disposal would constitute a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the approval of shareholders is required in respect of the Proposed Disposal.

## 6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

### 6.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the net tangible assets (“**NTA**”) per share and earnings per share (“**EPS**”) of the Company have been prepared based on the Group’s audited financial statements for FY2022. The financial effects below are purely for illustrative purposes and are not intended to reflect the actual future financial performance or position of the Group after completion of the Proposed Disposal.

### 6.2 NTA

Assuming that the Proposed Disposal had been effected on 31 December 2022 (being the end of the most recently completed financial year of the Group), the effects on the NTA per share of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$ million)	87.44	86.65
Number of ordinary shares (million)	3,001	3,001
NTA per ordinary share (cents)	2.91	2.89

### 6.3 EPS

Assuming that the Proposed Disposal had been effected on 1 January 2022 (being the beginning of the most recently completed financial year of the Group), the effects of the Proposed Disposal on the EPS of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to shareholders (S\$ million)	4.51	6.61
Weighted average no. of ordinary shares – Basic (million)	3,001	3,001
EPS (cents) – Basic	0.15	0.22

### 6.4 Profit on the Proposed Disposal

Based on the audited consolidated financial statements of the Group for FY2022, the net loss attributable to the Sale Shares for FY2022 is S\$11,181,000<sup>3</sup>.

The Purchase Price constitutes a gain of approximately S\$1,758,000 over the book value of the Sale Shares as at 31 December 2022.

The Proposed Disposal will result in a gain on disposal of approximately S\$1,758,000.

## 7. THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

### 7.1 Details of the Interested Persons

#### (a) Dato' Low

As at the date of this announcement, Dato' Low has a total interest (direct and deemed) of 80.01% of the total issued share capital of the Company, and is therefore considered a “controlling shareholder” of the Company under the Listing Manual and hence an “interested person” under Chapter 9 of the Listing Manual.

#### (b) Gallant Power

As at the date of this announcement, Elaine Low (who is the daughter of Dato' Low) has a total interest (direct and deemed) of 100% of the total issued share capital of Gallant Power. As a result of Elaine Low's interest in Gallant Power, Gallant Power is considered an “associate” of Dato' Low (being a controlling shareholder of the Company), and consequently, an “interested person” under Chapter 9 of the Listing Manual.

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<sup>3</sup> Please refer to note (2) to the table set out in paragraph 5.1 above.

(c) **Bayan Resources**

As at the date of this announcement:

- (i) Dato' Low has a total interest (direct and deemed) of 80.01% of the total issued share capital of the Company;
- (ii) Low Yi Ngo (who is the son of Dato' Low) a total interest (direct and deemed) of 61.84% of the total issued share capital of the Company;
- (iii) Dato' Low and Low Yi Ngo own 60.98% and 0.18% of Bayan Resources respectively and are on the board of Bayan Resources; and
- (iv) accordingly, Bayan Resources is considered an "associate" of Dato' Low, and consequently, an "interested person" under Chapter 9 of the Listing Manual.

(d) **PT Bayan Energy**

As at the date of this announcement:

- (i) Dato' Low has a total interest (direct and deemed) of 80.01% of the total issued share capital of the Company;
- (ii) Low Yi Ngo (who is the son of Dato' Low) a total interest (direct and deemed) of 61.84% of the total issued share capital of the Company;
- (iii) Dato' Low and Low Yi Ngo own 60.98% and 0.18% of Bayan Resources respectively and are on the board of Bayan Resources;
- (iv) Bayan Resources owns 99.99% of PT Bayan Energy; and
- (v) accordingly, PT Bayan Energy is considered an "associate" of Dato' Low, and consequently, an "interested person" under Chapter 9 of the Listing Manual.

## 7.2 Interested Person Transaction

Accordingly, the Proposed Disposal, which is a transaction amongst Bayan Resources, PT Bayan Energy, Dato' Low and Gallant Power (each an "interested person") and SLM Holding (being an "entity at risk"), constitutes an "interested person transaction" under Chapter 9 of the Listing Manual.

The value of the Proposed Disposal, being the amount at risk to the Company, is the Purchase Price of IDR 151,629,092,135 (which is approximately S\$13,642,000), represents approximately 16% of the Group's latest audited NTA as at 31 December 2022. As the value of the Proposed Disposal exceeds 5% of the Group's latest audited NTA, the Proposed Disposal is, pursuant to Rule 906 of the Listing Manual, subject to the approval of the independent shareholders being obtained at an extraordinary general meeting of the Company to be convened.



### 7.3 Total Value of All Interested Person Transactions for the Current Financial Year

(a) **Dato' Low**

The total value of all interested person transactions entered into by the Group with Dato' Low (excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the date of this announcement is NIL.

(b) **Gallant Power**

The total value of all interested person transactions entered into by the Group with Gallant Power (excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the date of this announcement is NIL.

(c) **Bayan Resources**

The total value of all interested person transactions entered into by the Group with Bayan Resources (including those transactions within the general mandate as had been approved by the shareholders of the Company but excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the date of this announcement is nil.

(d) **PT Bayan Energy**

The total value of all interested person transactions entered into by the Group with PT Bayan Energy (including those transactions within the general mandate as had been approved by the shareholders of the Company but excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the date of this announcement is nil.

(e) **All**

The total value of all interested person transactions entered into by the Group (including those transactions within the general mandate as had been approved by the shareholders of the Company but excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the date of this announcement is approximately S\$4,256,000.

### 8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal

### C. OTHER MATTERS

### 9. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed W Capital Markets Pte. Ltd. as its independent financial adviser ("IFA") to advise the Directors of the Board who are independent for the purposes of the Proposed Disposal (the "**Independent Directors**") and the audit committee of the Company (the "**Audit Committee**") on the Proposed Disposal as an interested person transaction.

A copy of the letter from the IFA to the Independent Directors will be included in the Circular (as defined below).

**10. AUDIT COMMITTEE STATEMENT**

The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Proposed Disposal as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

**11. CIRCULAR TO SHAREHOLDERS**

A circular to shareholders containing further information on, amongst others, the Proposed Disposal as a major transaction and an interested person transaction ("**Circular**"), together with a notice of extraordinary general meeting of the Company, will be despatched or disseminated (as the case may be) to shareholders in due course.

**12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors or the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Proposed Disposal, otherwise than through their respective shareholdings (if any) in the Company.

**13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the SPA and the Valuation Report are available for inspection at the registered office of the Company at 133 New Bridge Road, #18-09, Chinatown Point, Singapore 059413, during normal business hours on any weekday for three (3) months from the date of this announcement.

Shareholders should provide their name, contact number, proposed date and time of inspection to the receptionist at 6345 0777 at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the SPA and/or the Valuation Report.

**14. CAUTIONARY STATEMENT**

Shareholders should note that there is no certainty or assurance that the Proposed Disposal will be completed. Accordingly, shareholders are advised to exercise caution when trading in the shares of the Company. The Company will make the necessary announcements when there are further material developments on the Proposed Disposal. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

**BY ORDER OF THE BOARD**

Tang Kin Fei  
Board Chairman  
26 June 2023