

**METIS ENERGY LIMITED**  
(Company Registration No. 199006289K)

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**FURTHER INFORMATION ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENT  
ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2022 ("ANNOUNCEMENT")**

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The Directors of Metis Energy Limited ("**Metis**" or "**the Company**") refer to the Announcement made on 5 August 2022 and the further information requested by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 23 August 2022 relating to the Announcement.

SGX-ST's questions and Metis' corresponding responses are listed below to enable investors to understand the matters raised by SGX-ST:

SGX-ST's Question

1. **It is noted that both Manhattan Property Development Ptd. Ltd. ("MPDPL") and Manhattan Resources (Ningbo) Property Limited ("MRN") had ceased as subsidiaries and became associates of the Group on 4 May 2021 and that the purchase price allocation exercise had been completed as at 31 December 2021. On 28 October 2021, the Company completed the acquisition of 100% equity interest in Athena Energy Holdings Pte. Ltd. and its subsidiaries ("Athena"). Upon the completion of the acquisition, Athena became a wholly owned subsidiary of the Group. The aforementioned were completed prior to 31 December 2021. As such, please provide explanations for the following:**
  - (i) **the increase of \$18.869 million in property, plant and equipment of the Group from \$26.735 million as at 31 December 2021 to \$45.604 million as at 30 June 2022. Please disclose a breakdown of the property, plant and equipment (that is, the additions, disposals, depreciations and amortisations) from 31 December 2021 to 30 June 2022, with detailed reasons for the increase.**

Company's Response

As reported in 1H2022 Condensed Interim Financial Statements, Note 4, the increase of \$18.869 million in property, plant and equipment of the Group from \$26.735 million as at 31 December 2021 to \$45.604 million was mainly due to the capital expenditure incurred for the solar projects, which includes the 26.15MW Commercial & Industrial ("C&I") project completed in mid-June 2022.

The breakdown of the property, plant and equipment of the Group from 31 December 2021 to 30 June 2022 is as follows:

	<b>\$'000</b>
Opening net book amount as at 31 December 2021	26,735
Additions	22,215
Depreciation charge for the period	(1,316)
Transferred to assets held for sale <sup>(1)</sup>	(725)
Exchange differences	(1,305)
Closing net book amount as at 30 June 2022	<u>45,604</u>

Note:

- (1) The Group entered into a sale and purchase agreement for the sale of the remaining tug and reclassified the net book value of the tug amounting to \$725,000 to assets held for sale.

SGX-ST's Question

**1(ii) the decrease of \$1.424 million in intangible assets of the Group from \$12.839 million as at 31 December 2021 to \$11.415 million as at 30 June 2022.**

Company's Response

As reported in 1H2022 Condensed Interim Financial Statements, Note 5, the breakdown of the intangible assets of the Group is as follows:

	<b>Business Licence <sup>(1)</sup></b>	<b>Power Purchase Agreements <sup>(2)</sup></b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>			
<b>6 months ended 30 June 2022</b>			
Opening net book amount at 1 January 2022	6,246	6,593	12,839
Amortisation	(713)	(50)	(763)
Exchange differences	(661)	–	(661)
Closing net book amount at 30 June 2022	<u>4,872</u>	<u>6,543</u>	<u>11,415</u>

Notes:

- (1) Business licence refers 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.
- (2) Power Purchase Agreements ("PPAs") relates to the contractual agreements signed between the customers and Athena, which arose from the acquisition of Athena in October 2021.

SGX-ST's Question

**1(iii) the decrease of \$3.785 million in investment in associates of the Group from \$60.436 million as at 31 December 2021 to \$56.651 million as at 30 June 2022.**

Company's Response

The decrease in investment in associates of the Group is shown as follows:

	<b>2021</b>
	<b>\$'000</b>
At 1 January 2022	60,436
Share of results of associates, net of tax	(202)
Loss on deemed disposal of associates <sup>(1)</sup>	(907)
Share of other comprehensive income of associates <sup>(2)</sup>	(2,676)
At 30 June 2022	<u><u>56,651</u></u>

Notes:

- (1) On 14 January 2022 and 12 June 2022, Manhattan Property Development Pte Ltd ("MPDPL") had further increased its share capital by the issuance and the allotment of additional 14,000,000 ordinary shares to Kaiyi Investment Pte Ltd ("Kaiyi") for a total consideration of US\$14,000,000. Consequently, the Company's

shareholding interest in MPDPL has been diluted from 35.44% to 31.38%. Arising from the dilution, the Group has recognised a loss on deemed disposal of interest in associates of \$907,000.

- (2) The decrease in the share of other comprehensive income of associates arose mainly due to the dilution of the Company's shareholding interest in MPDPL from 35.44% to 31.38% during the period.

SGX-ST's Question

- 1(iv) the decrease of \$1.701 million in non-current trade and other receivables of the Group from \$1.701 million as at 31 December 2021 to \$nil as at 30 June 2022.**

Company's Response

The decrease of \$1.701 million in non-current trade and other receivables of the Group from \$1.701 million as at 31 December 2021 to \$nil as at 30 June 2022 was mainly due to receipts during the period.

SGX-ST's Question

- 1(v) the increase of \$1.377 million in current trade and other receivables of the Group from \$4.366 million as at 31 December 2021 to \$5.743 million as at 30 June 2022.**

Company's Response

The increase of \$1.377 million in current trade and other receivables of the Group from \$4.366 million as at 31 December 2021 to \$5.743 million as at 30 June 2022 was mainly due to the increase of \$1.703 million of value-added tax paid to the engineering, procurement and construction ("EPC") contractors for the construction of the C&I solar rooftop projects in Vietnam. The increase was offset by receipts from trade receivables.

SGX-ST's Question

- 1(vi) the increase of \$0.246 million in current prepayments of the Group from \$0.172 million as at 31 December 2021 to \$0.418 million as at 30 June 2022.**

Company's Response

The increase of \$0.246 million in current prepayments of the Group from \$0.172 million as at 31 December 2021 to \$0.418 million as at 30 June 2022 was mainly due to insurance premiums incurred by PT Kariangau Power ("PT KP") for its coal-fired steam power plants.

#### SGX-ST's Question

**1(vii) the increase of \$0.866 million in due from associates (non-trade) of the Group from \$0.205 million as at 31 December 2021 to \$1.071 million as at 30 June 2022.**

#### Company's Response

The increase of \$0.866 million in due from associates (non-trade) of the Group from \$0.205 million as at 31 December 2021 to \$1.071 million as at 30 June 2022 was mainly due to management fees receivable during the period.

#### SGX-ST's Question

**1(viii) the decrease of \$7.637 million in current trade and other payables of the Group from \$26.374 million as at 31 December 2021 to \$18.737 million as at 30 June 2022.**

**Please also explain why current trade and other payables amounted to \$18.737 million as at 30 June 2022 when revenue for 1HFY2022 amounted to only \$4.651 million. Please disclose a breakdown of trade and other payables amounting to \$18.737 million as at 30 June 2022. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.**

#### Company's Response

The decrease of \$7.637 million in current trade and other payables of the Group from \$26.374 million as at 31 December 2021 to \$18.737 million as at 30 June 2022 was mainly due to:

- (i) the reversal of deposits received from the sale of land parcels of \$14.126 million in December 2021.

On 9 December 2021, PT KP has entered into a conditional land sale and purchase agreement ("CSPA") with PT Dermaga Perkasapratama ("Buyer") for the sale of the two remaining vacant land parcels in East Kalimantan ("Disposal"). Based on the CSPA, the Buyer has made an advance payment to PT KP of approximately IDR 149.200 million (approximately S\$14.126 million). The deposit received was recorded as current trade and other payables as at 31 December 2021 which was subsequently reversed upon the completion of the disposal on 15 March 2022; and

- (ii) it is offset by the amount payable to the EPC contractors for the construction of the C&I rooftop solar project.

The breakdown of trade and other payables amounting to \$18.737 million as at 30 June 2022 is as follows:

<b>Group</b>	<b>30 June 2022 \$'000</b>
<b>Trade and other payables (current):</b>	
Trade payables	13,775
Accrued expenses	1,439
Deposits received	861
Other payables	2,662
	<hr/>
	18,737
	<hr/>

The breakdown and nature of other payables are as follows:

	<b>30 June 2022</b>	<b>Note</b>
	<b>\$'000</b>	
<b>Other payables (current):</b>		
Leasing of heavy equipment	2,270	(a)
Provision of employee benefits	201	
VAT output	30	
Others	161	
	<u>2,662</u>	

(a) The Company's subsidiary, PT Lian Beng Energy ("PT LBE") provided contractor services for general mining and has been dormant since 2011. The amount relates to the leasing of heavy equipment from PT Nirmala Matranusa in the prior years, a company related to the substantial shareholder of the Company, Dato' Dr. Low Tuck Kwong.

Apart from the above amount, no other counterparties are related parties.

The aging profile of the Group's other payables is as follows:

	<b>30 June 2022</b>
	<b>\$'000</b>
Current	392
> 120 days	2,270
	<u>2,662</u>

#### SGX-ST's Question

**1(ix) the decrease of \$0.316 million in current lease liabilities of the Group from \$0.451 million as at 31 December 2021 to \$0.135 million as at 30 June 2022.**

#### Company's Response

The decrease of \$0.316 million in current lease liabilities of the Group from \$0.451 million as at 31 December 2021 to \$0.135 million as at 30 June 2022 was mainly due to the amortisation of the lease liabilities, offset by the increase in lease liabilities due to the renewal of the Company's tenancy agreement for its office premises.

#### SGX-ST's Question

**1(x) the decrease of \$0.539 million in deferred tax liabilities of the Group from \$1.700 million as at 31 December 2021 to \$1.161 million as at 30 June 2022.**

#### Company's Response

The deferred tax liabilities arose mainly due to the purchase price allocation exercise from the acquisition of (i) PT Kariangau Power in 2016; and (ii) Athena Energy Holdings Pte Ltd and its subsidiaries in 2021. 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. The decrease of \$0.539 million in deferred tax liabilities of the Group from \$1.700 million as at 31 December 2021 to \$1.161 million as at 30 June 2022 was mainly due to temporary differences in depreciation and amortization of the assets acquired.

SGX-ST's Question

**1(xi) the increase of \$0.129 million in non-current lease liability of the Group from \$0.129 million as at 31 December 2021 to \$nil as at 30 June 2022.**

Company's Response

The increase of \$0.129 million in non-current lease liability of the Group from \$nil as at 31 December 2021 to \$0.129 million as at 30 June 2022 was mainly due to the increase in lease liabilities arising from the renewal of the Company's tenancy agreement for its office premises

SGX-ST's Question

**2. Please explain why interest income amounted to only \$0.104 million during the financial period ended 30 June 2022 when the Company has significant cash and bank balance amounting to \$16.321 million.**

Company's Response

The cash and bank deposits, interest income on cash and bank deposits and the effective interest rates for the Group is as follows:

	<b>30 June 2022</b>
	<b>\$'000</b>
Cash and bank deposits	16,321
Interest income on cash and bank deposits	104
Effective interest rates	0.84%

The Group places short term deposits to earn interest income from time to time. 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 respective short term deposit rates.

**BY ORDER OF THE BOARD**

Tang Kin Fei  
Board Chairman  
25 August 2022