

CHARISMA ENERGY SERVICES LIMITED
(Company Registration No. 199706776D)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note ¹	Group			Group		
		3Q 2017 US\$'000	3Q 2016 US\$'000	Change %	9M 2017 US\$'000	9M 2016 US\$'000	Change %
Revenue	(1)	4,771	6,028	(21%)	14,244	18,638	(24%)
Cost of sales	(1)	(2,172)	(2,309)	(6%)	(6,500)	(6,916)	(6%)
Gross profit	(1)	2,599	3,719	(30%)	7,744	11,722	(34%)
Other operating (expenses)/income, net	(2)	(225)	(92)	n.m.	(1,032)	58	n.m.
Administrative and marketing expenses	(3)	(481)	(608)	(21%)	(1,497)	(1,646)	(9%)
Profit from operating activities		1,893	3,019	(37%)	5,215	10,134	(49%)
Finance income		76	5	n.m.	228	9	n.m.
Finance costs	(4)	(725)	(681)	6%	(2,052)	(1,979)	4%
Net finance cost		(649)	(676)	(4%)	(1,824)	(1,970)	(7%)
Share of results of jointly controlled entities (net of tax)	(5)	(220)	(79)	n.m.	(105)	(159)	(34%)
Profit before taxation		1,024	2,264	(55%)	3,286	8,005	(59%)
Taxation		(1)	(2)	(50%)	(2)	(3)	(33%)
Profit after income tax		1,023	2,262	(55%)	3,284	8,002	(59%)
Non-controlling interests		-	5	n.m.	26	5	n.m.
Profit for the period		1,023	2,267	(55%)	3,310	8,007	(59%)

Profit for the period is arrived at after crediting/(charging) the following:-

	Group			Group		
	3Q 2017 US\$'000	3Q 2016 US\$'000	Change %	9M 2017 US\$'000	9M 2016 US\$'000	Change %
- Net finance cost	(649)	(676)	(4%)	(1,824)	(1,970)	(7%)
- Depreciation and amortisation	(2,150)	(2,316)	(7%)	(6,446)	(6,933)	(7%)
- Foreign exchange (loss)/gain	(6)	(87)	(93%)	31	(25)	n.m.
- Impairment of available-for-sale financial assets	(222)	-	n.m.	(1,029)	-	n.m.

n.m. = not meaningful

¹ Please refer to Paragraph 8 for review of Income Statement.

1(b)(i) Statements of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note ²	Group		Company	
		30/09/2017	31/12/2016	30/09/2017	31/12/2016
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	(1)	125,293	123,192	23	38
Subsidiaries		-	-	83,337	75,895
Joint ventures	(2)	14,852	13,287	22,482	13,287
Investment in quoted shares	(3)	1,256	2,305	1,256	2,305
Intangible assets	(4)	1,306	1,306	-	-
Other receivables	(5)	1,492	1,138	-	-
		144,199	141,228	107,098	91,525
CURRENT ASSETS					
Trade and other receivables	(5)	15,853	7,392	1,083	346
Amounts due from subsidiaries		-	-	1,434	1,200
Amounts due from joint ventures	(6)	8,009	341	-	341
Cash and cash equivalents		2,404	4,112	1,610	1,776
		26,266	11,845	4,127	3,663
TOTAL ASSETS		170,465	153,073	111,225	95,188
EQUITY					
Share capital		272,670	272,373	272,670	272,373
Convertible perpetual capital securities		6,811	6,811	6,811	6,811
Redeemable exchangeable preference shares		7,042	7,042	-	-
Warrants		2,384	2,514	2,384	2,514
Other reserves	(7)	(4)	(845)	-	-
Accumulated losses		(201,459)	(204,703)	(219,102)	(216,532)
Equity attributable to owners of the Company		87,444	83,192	62,763	65,166
Non-controlling interests		1,924	1,950	-	-
TOTAL EQUITY		89,368	85,142	62,763	65,166
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred revenue	(8)	-	1,264	-	-
Other payables		29	40	-	-
Amounts due to subsidiaries		-	-	20,397	18,165
Amounts due to related parties	(9)	23,842	7,797	23,842	7,797
Financial liabilities	(10)	35,472	39,755	889	1,325
		59,343	48,856	45,128	27,287
CURRENT LIABILITIES					
Deferred revenue	(8)	-	1,059	-	-
Trade and other payables		7,360	3,738	1,994	1,478
Amounts due to related parties	(9)	772	593	735	558
Amounts due to joint venture		24	24	24	24
Financial liabilities	(10)	13,598	13,661	581	675
		21,754	19,075	3,334	2,735
TOTAL LIABILITIES		81,097	67,931	48,462	30,022
TOTAL EQUITY AND LIABILITIES		170,465	153,073	111,225	95,188

² Please refer to Paragraph 8 for review of Statement of Financial Position.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	Group	
	As at 30/09/2017 US\$'000	As at 31/12/2016 US\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	13,598	13,661
<u>Amount repayable after one year:-</u>		
Secured	35,472	39,755
Unsecured	23,842	7,797

Details of any collateral

Secured borrowings as at 30 September 2017 and 31 December 2016 were secured by mortgages on the respective hydro-electric power generation equipment, solar power generation equipment, offshore support vessels and onshore accommodation module.

1(b)(iii) Statement of comprehensive income for the period ended 30 September 2017

	Group					
	3Q 2017 US\$'000	3Q 2016 US\$'000	Change %	9M 2017 US\$'000	9M 2016 US\$'000	Change %
Profit for the period	1,023	2,262	(55%)	3,284	8,002	(59%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit and loss</u>						
Net loss on fair value changes of available-for-sale financial assets	-	(1,253)	n.m.	-	(1,559)	n.m.
Effective portion of changes in fair value of cash flow hedge	10	21	n.m.	24	(79)	n.m.
Translation differences relating to financial statements of foreign operations	12	(21)	n.m.	21	(37)	n.m.
Foreign currency translation differences due to foreign operations	231	188	n.m.	796	308	n.m.
Other comprehensive income for the period	253	(1,065)	n.m.	841	(1,367)	n.m.
Total comprehensive income for the period	1,276	1,197	7%	4,125	6,635	(38%)
Attributable to:						
Owners of the Company	1,286	1,202	7%	4,151	6,640	(37%)
Non-controlling interests	(10)	(5)	n.m.	(26)	(5)	n.m.
	1,276	1,197	7%	4,125	6,635	(38%)

n.m. = not meaningful

1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3Q 2017 US\$'000	3Q 2016 US\$'000	9M 2017 US\$'000	9M 2016 US\$'000
Note ³				
Cash flows from operating activities				
Profit before taxation	1,024	2,264	3,286	8,005
Adjustments for:-				
Amortisation of deferred income	-	(328)	-	(1,219)
Depreciation of property, plant and equipment	2,150	2,316	6,446	6,933
Fair value loss/(gain) on derivative assets	3	92	48	(58)
Interest income	(76)	(5)	(228)	(9)
Interest expense	725	681	2,052	1,979
Equity-settled share-based payment transaction	85	51	187	103
Share of results of jointly controlled entities, net of tax	220	79	105	159
Impairment loss on available-for-sale financial assets	222	-	1,049	-
Operating profit before working capital changes	4,353	5,150	12,945	15,893
Changes in working capital:				
Trade and other receivables	(2,899)	(1,336)	(10,386)	(5,829)
Trade and other payables	(168)	(514)	(208)	(511)
Income tax paid	(1)	-	(2)	(10)
Net cash generated from operating activities	(1) 1,285	3,300	2,349	9,543
Cash flows from investing activities				
Purchase of plant and equipment	(202)	(2,328)	(4,861)	(2,328)
Prepayment for land use rights	(1)	(748)	(147)	(748)
Advances to suppliers	(469)	(749)	(469)	(749)
Acquisition of subsidiary, net of cash acquired	-	-	-	(1,045)
Loans to joint ventures	(712)	(72)	(9,588)	(81)
Investment in quoted shares	-	(429)	-	(429)
Interest income received	76	4	228	8
Net cash used in investing activities	(2) (1,308)	(4,322)	(14,837)	(5,372)
Cash flows from financing activities				
Capital contribution by non-controlling interests of subsidiary	-	511	-	815
Loans from related parties	1,248	4,331	16,043	4,331
Proceeds from borrowings	2,836	-	2,836	-
Repayment of borrowings	(3,022)	(3,462)	(7,181)	(9,708)
Proceeds from issuance of shares by the company	38	-	167	-
Distribution on redeemable exchangeable preference shares	-	(124)	-	(124)
Interest expense paid	(502)	(619)	(1,298)	(1,881)
Net cash generated from/(used in) financing activities	(3) 598	637	10,567	(6,567)
Net increase/(decrease) in cash and cash equivalents	575	(385)	(1,921)	(2,396)
Cash and cash equivalents at beginning of period	1,798	6,229	4,112	8,110
Effect of exchange rate fluctuations on cash held	31	7	213	137
Cash and cash equivalents at end of period	2,404	5,851	2,404	5,851

³ Please refer to Paragraph 8 for review of Statement of Cash Flows.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Redeemable Exchangeable Preference Shares US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Hedging Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total Equity US\$'000
Balance as at 1 January 2017	272,373	6,811	7,042	2,514	(803)	-	(42)	(204,703)	83,192	1,950	85,142
Total comprehensive income for the Year	-	-	-	-	817	-	24	3,310	4,151	(26)	4,125
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Issuance of ordinary shares	167	-	-	-	-	-	-	-	167	-	167
Conversion of warrants to ordinary shares	130	-	-	(130)	-	-	-	-	-	-	-
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(253)	(253)	-	(253)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	187	187	-	187
Total transactions with owners	297	-	-	(130)	-	-	-	(66)	101	-	101
Balance as at 30 September 2017	272,670	6,811	7,042	2,384	14	-	(18)	(201,459)	87,444	1,924	89,368

1(d)(i) Continued

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Redeemable Exchangeable Preference Shares US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Hedging Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total Equity US\$'000
Balance as at 1 January 2016	270,718	6,811	7,042	19,394	(482)	-	(71)	(224,802)	78,610	-	78,610
Total comprehensive income for the period	-	-	-	-	271	(1,559)	(79)	8,007	6,640	(5)	6,635
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Issuance of ordinary shares	1,541	-	-	-	-	-	-	-	1,541	-	1,541
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(246)	(246)	-	(246)
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	815	815
Distribution on redeemable exchangeable preference shares	-	-	-	-	-	-	-	(368)	(368)	-	(368)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	103	103	-	103
Total transactions with owners	1,541	-	-	-	-	-	-	(511)	1,030	815	1,845
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	261	261
Balance as at 30 September 2016	272,259	6,811	7,042	19,394	(211)	(1,559)	(150)	(217,306)	86,280	1,071	87,351

1(d)(i) Continued

The Company	Share Capital US\$'000	Perpetual Securities US\$'000	Warrants US\$'000	Fair value Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2017	272,373	6,811	2,514	-	(216,532)	65,166
Total comprehensive income for the period	-	-	-	-	(2,504)	(2,504)
Transactions with owners, recognised directly in equity Contributions by and distribution to owners						
Issuance of ordinary shares	167	-	-	-	-	167
Conversion of warrants to ordinary shares	130	-	(130)	-	-	-
Accrued convertible perpetual capital securities distributions	-	-	-	-	(253)	(253)
Equity-settled share-based payment transaction	-	-	-	-	187	187
Total transaction with owners	297	-	(130)	-	(66)	101
Balance as at 30 September 2017	272,670	6,811	2,384	-	(219,102)	62,763
Balance as at 1 January 2016	270,718	6,811	19,394	-	(235,256)	61,667
Total comprehensive income for the period	-	-	-	(1,559)	(485)	(2,044)
Transactions with owners, recognised directly in equity Contributions by and distribution to owners						
Issuance of ordinary shares	1,541	-	-	-	-	1,541
Accrued convertible perpetual capital securities distributions	-	-	-	-	(246)	(246)
Equity-settled share-based payment transaction	-	-	-	-	103	103
Total transaction with owners	1,541	-	-	-	(143)	1,398
Balance as at 30 September 2016	272,259	6,811	19,394	(1,559)	(235,884)	61,021

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the third quarter of 2017, the Company allotted and issued 27,000,000 new ordinary shares pursuant to the exercise of 27,000,000 warrants by various warrant holders.

As at 30 September 2017, the Company had 13,166,385,035 ordinary shares issued and 3,084,660,568 outstanding convertibles. As at 30 September 2016, the Company had 13,010,308,855 ordinary shares issued and 1,425,700,000 outstanding convertibles.

As at 30 September 2017, there were 7,299,270 redeemable exchangeable preference shares (30 September 2016: 7,299,270) in a subsidiary available for exchange to 523,620,516 ordinary shares of the Company.

The Company did not hold any treasury shares as at 30 September 2017 and 30 September 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2017, the issued and paid up share capital (excluding treasury shares) of the Company comprised 13,166,385,035 (31 December 2016: 13,050,963,935) ordinary shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company did not hold any treasury shares as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed under item 5 below, the Group has consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2017 as follows:

Amendments to FRS 7 *Statement of Cash Flows*
 Amendments to FRS 12 *Income Taxes*
 Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRSs.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share (“EPS”) after deducting any provisions for preference dividends:

		Group			
		3Q 2017	3Q 2016	9M 2017	9M 2016
(a)	EPS based on weighted average number of ordinary shares in issue (in US cents)	0.01	0.02	0.03	0.06
	Weighted average number of ordinary shares (in million)	13,146	13,010	13,129	12,980
(b)	EPS based on fully diluted basis (in US cents)	0.01	0.02	0.02	0.06
	Weighted average number of ordinary shares (in million)	15,208	13,010	15,235	12,980
		Group			
		3Q 2017	3Q 2016	9M 2017	9M 2016
(a)	EPS based on weighted average number of ordinary shares in issue (in SGD cents)	0.01 [^]	0.03 [^]	0.03 [#]	0.08 [#]
	Weighted average number of ordinary shares (in million)	13,146	13,010	13,129	12,980
(b)	EPS based on fully diluted basis (in SGD cents)	0.01 [^]	0.03 [^]	0.03 [#]	0.08 [#]
	Weighted average number of ordinary shares (in million)	15,208 [*]	13,010	15,235 [*]	12,980

* Perpetual capital securities, share options, warrants and redeemable exchangeable preference shares were not included in the computation of the diluted earnings per share because these potential shares were anti-dilutive.

[^] Conversion to SGD were based on 3Q 2017 average exchange rate of USD 1 : SGD 1.3582 (3Q 2016: USD1 : SGD 1.3587).

[#] Conversion to SGD were based on 9M 2017 average exchange rate of USD 1 : SGD 1.3838 (9M 2016: USD1 : SGD 1.3707).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>30/09/2017</u>	<u>31/12/2016</u>	<u>30/09/2017</u>	<u>31/12/2016</u>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on (in US cents)	0.66	0.65	0.48	0.50

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2017</u>	<u>31/12/2016</u>	<u>30/06/2017</u>	<u>31/12/2016</u>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on (in SGD^ cents)	0.90	0.94	0.65	0.72

^ Conversion to SGD were based on 30 September 2017 exchange rate of USD 1: SGD 1.3584 (31 December 2016: USD 1: SGD 1.4463).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement Review

3Q 2017

1. The Group's revenue recognised in 3Q 2017 decreased by approximately US\$1,257,000 to US\$4,771,000 as compared to 3Q 2016 mainly due to reduction in the charter rates of the Group's vessels.

Cost of sales comprised mainly depreciation and amortisation expenses. The cost of sales for 3Q 2017 decreased by approximately US\$137,000 to US\$2,172,000 as compared to 3Q 2016 due to lower depreciation from existing plant and equipment.

As a result of the above, the Group's gross profit for 3Q 2017 decreased by US\$1,120,000 to US\$2,599,000 as compared to 3Q 2016.

2. Other operating expenses in 3Q 2017 of US\$225,000 was mainly due to impairment on available-for-sale financial assets.
3. The decrease in administrative and marketing expenses in 3Q 2017 was mainly due to the lower foreign exchange loss, travelling costs and professional fees incurred as compared to 3Q 2016.
4. The increase in finance costs in 3Q 2017 as compared to 3Q 2016 was mainly due to the increase in loan from a related party during the period.
5. The increase in share of losses of jointly controlled entities in 3Q 2017 as compared to 3Q 2016 was mainly due to contribution from the Group's joint venture.

9M 2017

1. The Group's revenue for 9M 2017 decreased by US\$4,394,000 to US\$14,244,000 million as compared to 9M 2016 mainly due to reduction in the charter rates of the Group's vessels.

Cost of sales in 9M 2017 comprised mainly depreciation and amortisation expenses. The cost of sales in 9M 2017 decreased by US\$416,000 to US\$6,500,000 as compared to 9M 2016 due to lower depreciation from existing acquired plant and equipment.

As a result of the above, the Group's gross profit for 9M 2017 decreased by US\$3,978,000 to US\$7,744,000 as compared to US\$11,722,000 in 9M 2016.

2. The other operating expense in 9M 2017 of US\$1,032,000 was mainly due to impairment on available-for-sale financial assets.
3. The decrease in administrative and marketing expenses in 9M 2017 were mainly due to the absence of foreign exchange loss and lower professional fees incurred as compared to 9M 2016.
4. Finance costs in 9M 2017 increased by US\$73,000 to US\$2,052,000 as compared to 9M 2016 mainly due to increase in loan from a related party during the period.
5. The decrease in share of losses of jointly controlled entities in 9M 2017 as compared to 9M 2016 was mainly due to contribution from the Group's joint venture.

Statement of Financial Position Review

1. The increase in property, plant and equipment was mainly due to capital expenditure incurred for the PV Solar plant in China, offset by the depreciation of the Group's plant and equipment.
2. The increase in joint ventures as at 30 September 2017 as compared to 31 December 2016 was due to additional capital contribution to a joint venture developing PV Solar projects in South Asia.
3. The decrease in the investment in quoted shares was due to the revaluation of these shares as at 30 September 2017 as compared to 31 December 2016.
4. Intangible assets relates to the approvals and permits for the development of the solar photovoltaic power plant and sales of electricity from the power plant.
5. The increase in trade and other receivables was mainly due to advances made to suppliers for development of solar photovoltaic power plant.
6. The increase in amounts due from joint ventures was due to a reclassification of approximately US\$7.5 million from non-current amount due from joint venture as the amount is repayable in 2Q 2018.
7. Other reserves mainly relate to relate to the currency translation arising translation differences relating to financial statements of foreign operations..
8. The decrease in deferred revenue (non-refundable deposits) as at 30 September 2017 as compared to 31 December 2016 was due to offset of the non-refundable deposits against trade receivables.
9. Amount due to a related party relates to loan from a shareholder of the Group. Increase is due to additional loans obtained in 2Q 2017.
10. The decrease in financial liabilities as at 30 September 2017 was mainly due to the repayment of bank loans.

Statement of Cash Flows Review

3Q 2017

1. Net cash generated from operating activities in 3Q 2017 was approximately US\$1,285,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in 3Q 2017 was approximately US\$1,308,000. This was mainly due to the capital expenditure incurred for the PV Solar plant in China .
3. Net cash generated from financing activities in 3Q 2017 was approximately US\$598,000. This was mainly due to the proceeds from a new loan to finance the Group's capital expenditure incurred for the PV Solar plant in China, which was offset by repayment of principal and interest on borrowings in 3Q 2017.

9M 2017

1. The Group's net cash generated from operating activities in 9M 2017 was approximately US\$2,349,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in 9M 2017 was approximately US\$14,837,000. This was mainly due to the additional capital investment in a joint venture and the construction of solar photovoltaic power plant.
3. Net cash generated from financing activities in 9M 2017 was approximately US\$10,567,000. This was mainly due to the proceeds from loan from a related party and a new loan to finance the Group's capital expenditure incurred for the PV Solar plant in China, partially offset by repayment of principal and interest on borrowings in 9M 2017.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's continued focus will be on the development, ownership and operation in the renewable energy sector.

The operating environment in the marine and offshore oil and gas industry remains very challenging and the charter rates on the Group's oil and gas assets look likely to be depressed for the foreseeable future. Furthermore, collection of receivables on the oil and gas assets continue to be slow. As such, the Group is currently in discussion with its lenders to refinance the oil and gas assets. In view of this, the Group is in the process of assessing impairment losses on its oil and gas assets and will make the necessary updates once the values of the impairment losses can be determined.

11. Use of Proceeds

Proceeds from warrants issued in 2016

Description	US\$'000
Balance of proceeds as at 1 July 2017	-
Add: Proceeds from the exercise of warrants in 3Q 2017	40
Less: Use of proceeds in 3Q 2017 for administrative expenses	(40)
Balance of proceeds as at 30 September 2017	-

The above utilisation is in line with the intended uses of the net proceeds stated in the Company's announcement dated 30 September 2016. As at the date of this announcement, the net proceeds have been fully utilised.

12. If a decision regarding dividend has been made:

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
None.
- (b) (i) **Amount per share (cents)**
Not applicable.
- (ii) **Previous corresponding period (cents)**
None.
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not applicable.
- (d) **The date the dividend is payable.**
Not applicable.
- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**
Not applicable.

13. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for 3Q 2017.

14. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group had on 25 April 2017, obtained a general mandate from shareholders for interested person transactions ("IPTs").

For details, please refer to the Appendix to Annual Report 2016 dated 10 April 2017.

Particulars of IPTs for the period 1 January 2017 to 30 September 2017 are as follows:

Name of interested person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US\$	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$
<u>Management fee paid/payable to</u> Ezion Holdings Limited	NIL	165,583
<u>Interest paid/payable to</u> Ezion Holdings Limited	352,930	NIL

15. Confirmation of undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
7 November 2017

Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the period ended 30 September 2017 to be false or misleading in any material aspect.

On behalf of the Board of directors

.....
 Tan Ser Ko
 Executive Director / CEO

.....
 Wong Bheet Huan
 Executive Director

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).