

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

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		Change %
		1Q 2015 US\$'000	1Q 2014 US\$'000	
Continuing operations				
Revenue	(1)	5,658	627	n.m.
Cost of sales	(1)	(2,045)	(433)	n.m.
Gross profit	(1)	3,613	194	n.m.
Administrative and marketing expenses	(2)	(630)	(27)	n.m.
Profit from operating activities		2,983	167	n.m.
Finance income		5	40	(88%)
Finance costs	(3)	(547)	(2)	n.m.
Net finance (cost)/income		(542)	38	n.m.
Share of results of jointly controlled entities (net of tax)		(2)	-	n.m.
Profit before taxation		2,439	205	n.m.
Taxation		-	-	n.m.
Profit for the period from continuing operations		2,439	205	n.m.
Discontinued operations				
Loss for the period from discontinued operations ² , net of tax		-	(52)	(100%)
Profit for the period		2,439	153	n.m.
Profit for the period attributable to:				
Equity holders of the Company		2,439	167	n.m.
Continuing operations		2,439	205	n.m.
Discontinued operations		-	(38)	(100%)
Non-controlling interest from discontinued operations		-	(14)	(100%)
Profit for the period		2,439	153	n.m.

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

	Group		Change %
	1Q 2015 US\$'000	1Q 2014 US\$'000	
Continuing Operations			
- Net finance (cost)/income	(542)	38	n.m.
- Depreciation and amortisation	(2,048)	(74)	n.m.
- Foreign exchange gain	40	40	-
Discontinued Operations			
- Interest on borrowings	-	(10)	n.m.
- Depreciation and amortisation	-	(42)	n.m.

n.m. = not meaningful

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

² This relates to the Company's announcement made on 7 May 2014 in relation to the disposal of 127,500 ordinary shares in Yew Hock Marine Engineering Pte Ltd ("YHME"), representing 51% of the issued and paid-up ordinary shares in YHME.

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 ³	Group		Company		
	31/03/2015	31/12/2014	31/03/2015	31/12/2014	
	US\$'000	US\$'000	US\$'000	US\$'000	
ASSETS					
NON-CURRENT ASSETS					
	(1)	125,703	85,730	24	27
	(2)	5,201	5,645	5,201	5,645
		-	-	37,104	43,220
	(3)	4,449	1,249	3,476	273
		135,353	92,624	45,805	49,165
CURRENT ASSETS					
	(4)	8,823	14,258	278	108
		-	-	719	8,691
		11,987	13,920	10,018	5,605
		20,810	28,178	11,015	14,404
TOTAL ASSETS					
		156,163	120,802	56,820	63,569
		266,103	266,103	266,103	266,103
		6,811	6,811	6,811	6,811
		19,394	19,394	19,394	19,394
		(17)	(10)	-	-
	(2)	649	1,093	649	1,093
		(231,211)	(233,572)	(237,977)	(237,539)
TOTAL EQUITY					
		61,729	59,819	54,980	55,862
LIABILITIES					
NON-CURRENT LIABILITIES					
	(5)	12,983	3,239	-	-
	(6)	65,308	38,172	-	-
		-	-	953	209
		78,291	41,411	953	209
CURRENT LIABILITIES					
	(7)	2,164	4,431	887	846
	(5)	2,286	571	-	-
		15	20	-	-
	(6)	11,678	14,550	-	6,652
		16,143	19,572	887	7,498
TOTAL LIABILITIES					
		94,434	60,983	1,840	7,707
TOTAL EQUITY AND LIABILITIES					
		156,163	120,802	56,820	63,569

³ 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 31/03/2015 US\$'000	As at 31/12/2014 US\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	11,678	14,550
<u>Amount repayable after one year:-</u>		
Secured	65,308	38,172

As at 31 March 2015 and 31 December 2014, the Group has no unsecured borrowings and debt securities.

Details of any collateral

Secured borrowings as at 31 March 2015 and 31 December 2014 were secured by mortgages on the respective hydro-electric power generation equipment and offshore support vessels.

1(b)(iii) Statement of comprehensive income for the period ended 31 March 2015

	Group		
	1Q 2015 US\$'000	1Q 2014 US\$'000	Change %
Profit for the period	2,439	153	n.m.
- Continuing operations	2,439	205	n.m.
- Discontinued operations	-	(52)	(100%)
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 from continuing operations	(444)	(263)	69%
Foreign currency translation differences due to foreign operations	(7)	-	n.m.
Other comprehensive income for the period from continuing operations	(451)	(263)	71%
Total comprehensive income for the period	1,988	(110)	n.m.
- Continuing operations	1,988	(58)	n.m.
- Discontinued operations	-	(52)	(100%)
Total comprehensive income for the period attributable to:			
Equity holders of the Company	1,988	(96)	n.m.
- Continuing operations	1,988	(58)	n.m.
- Discontinued operations	-	(38)	(100%)
Non-controlling interest from discontinued operations	-	(14)	(100%)
Total comprehensive income for the period	1,988	(110)	n.m.

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	
	1Q 2015 US\$'000	1Q 2014 US\$'000
Cash flows from operating activities		
Profit before taxation from continuing operations	2,439	205
Adjustments for:-		
Amortisation of deferred income	(541)	-
Depreciation of property, plant and equipment	2,048	74
Interest income	(5)	(40)
Interest expense	547	2
Share of results of jointly controlled entities, net of tax	2	-
Operating profit before working capital changes	4,490	241
Changes in working capital:		
Trade and other receivables	5,435	(24,183)
Trade and other payables	(2,422)	4,218
Deferred revenue	12,000	-
Income tax paid	(5)	-
Net cash generated from/(used in) operating activities from continuing operations	19,498	(19,724)
Net cash generated from operating activities from discontinued operations	-	472
Net cash generated from/(used in) operating activities	19,498	(19,252)
Cash flows from investing activities		
Purchase of plant and equipment	(42,021)	(5,630)
Loans to joint ventures	(3,202)	-
Interest income received	5	40
Net cash used in investing activities from continuing operations	(45,218)	(5,590)
Net cash generated from investing activities from discontinued operations	-	18
Net cash used in investing activities	(45,218)	(5,572)
Cash flows from financing activities		
Proceeds from borrowings	32,900	-
Repayment of borrowings	(8,636)	-
Proceeds from issuance of shares by the company	-	369
Interest expense paid	(477)	(2)
Net cash generated from financing activities from continuing operations	23,787	367
Net cash used in financing activities from discontinued operations	-	(492)
Net cash generated from/(used in) financing activities	23,787	(125)
Net decrease in cash and cash equivalents	(1,933)	(24,949)
Cash and cash equivalents at beginning of period	13,920	44,118
Cash and cash equivalents at end of period	11,987	19,169

⁴ 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	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 January 2015	266,103	6,811	19,394	(10)	1,093	(233,572)	59,819
Profit for the period	-	-	-	-	-	2,439	2,439
Other comprehensive income							
Net loss on fair value changes of available-for sale financial assets	-	-	-	-	(444)	-	(444)
Foreign currency translation differences due to foreign operations	-	-	-	(7)	-	-	(7)
Total comprehensive income for the period	-	-	-	(7)	(444)	2,439	1,988
Transactions with owners, recognised directly in equity							
Contributions by and distribution to owners							
Accrued perpetual securities distributions	-	-	-	-	-	(78)	(78)
Total transactions with owners	-	-	-	-	-	(78)	(78)
Balance as at 31 March 2015	266,103	6,811	19,394	(17)	649	(231,211)	61,729

1(d)(i) Continued

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Warrants US\$'000	Fair value Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non- controlling Interest US\$'000	Total Equity US\$'000
Balance as at 1 January 2014	247,714	23,486	19,394	5,186	(242,626)	53,154	263	53,417
Profit for the period	-	-	-	-	167	167	(14)	153
Other comprehensive income								
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(263)	-	(263)	-	(263)
Total comprehensive loss for the period	-	-	-	(263)	167	(96)	(14)	(110)
Transactions with owners, recognised directly in equity								
Contributions by and distribution to owners								
Issuance of ordinary shares	369	-	-	-	-	369	-	369
Accrued convertible perpetual capital securities distributions	-	-	-	-	(308)	(308)	-	(308)
Total transactions with owners	369	-	-	-	(308)	61	-	61
Balance as at 31 March 2014	248,083	23,486	19,394	4,923	(242,767)	53,119	249	53,368

1(d)(i) Continued

The Company	Share Capital US\$'000	Perpetual Securities US\$'000	Fair value Reserve US\$'000	Warrants US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2015	266,103	6,811	1,093	19,394	(237,539)	55,862
Loss for the period	-	-	-	-	(360)	(360)
Other comprehensive income						
Net loss on fair value changes of available-for-sale financial assets	-	-	(444)	-	-	(444)
Total comprehensive income for the period	-	-	(444)	-	(360)	(804)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(78)	(78)
Total transaction with owners	-	-	-	-	(78)	(78)
Balance as at 31 March 2015	266,103	6,811	649	19,394	(237,977)	54,980
The Company	Share Capital US\$'000	Perpetual Securities US\$'000	Fair value Reserve US\$'000	Warrants US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2014	247,714	23,486	5,186	19,394	(242,896)	52,884
Loss for the period	-	-	-	-	(96)	(96)
Other comprehensive income						
Net loss on fair value changes of available-for-sale financial assets	-	-	(263)	-	-	(263)
Total comprehensive income for the period	-	-	(263)	-	(96)	(359)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issue of ordinary shares	369	-	-	-	-	369
Accrued convertible perpetual capital securities distributions	-	-	-	-	(308)	(308)
Total transaction with owners	369	-	-	-	(308)	61
Balance as at 31 March 2014	248,083	23,486	4,923	19,394	(243,300)	52,586

- 1(d)(ii) Details of any changes in the company's share capital arising from rights 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

For the period of 1 January 2015 to 31 March 2015, the Company did not allot and issue any new ordinary shares. There were no changes to the Company's share capital since 31 December 2014.

As at 31 March 2015, the Company had 10,306,165,710 ordinary shares issued and 3,692,268,000 outstanding convertibles. As at 31 March 2014, the Company had 8,523,765,710 ordinary shares issued and 5,474,668,000 outstanding convertibles.

The Company did not hold any treasury shares as at 31 March 2015 and 31 March 2014.

- 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 31 March 2015, the issued and paid up share capital (excluding ordinary shares) of the Company comprised 10,306,165,710 (31 December 2014: 10,306,165,710) 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. The Company did not hold any treasury shares as at the end of the current financial period reported on.

- 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 2014.

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 2014, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2015 as follows:

Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*
 Improvements to FRSs (January 2014)
 Improvements to FRSs (February 2014)

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	
	1Q 2015	1Q 2014
(a) EPS based on weighted average number of ordinary shares in issue (in US cents)		
- Continuing operations	0.02	0.00
- Discontinued operations	-	(0.00)
Weighted average number of ordinary shares (in million)	10,306	8,416
(b) EPS based on fully diluted basis (in US cents)		
- Continuing operations	0.02	0.00
- Discontinued operations	-	(0.00)*
Weighted average number of ordinary shares (in million)	13,998	12,691

* Convertibles were not included in the computation of the diluted EPS for discontinued operations as the potential ordinary shares were anti-dilutive.

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.

	Group		Company	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
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)	0.60	0.58	0.53	0.54

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

1. The Group's revenue recognised in 1Q 2015 increased by US\$5.0 million to US\$5.7 million compared to 1Q 2014 due to the following:
 - (i) commencement of lease income from the leasing of hydro-electric power generation equipment in 3Q 2014; and
 - (ii) commencement of charter income from the deployment of one offshore support vessel in 4Q 2014 and three offshore support vessels in 1Q 2015.

Cost of sales comprised mainly depreciation and amortisation expenses. The cost of sales for 1Q 2015 increased by US\$1.6 million to US\$2.0 million as compared to 1Q 2014 due to depreciation from newly acquired plant and equipment. The increase correspond to the increase in business activities.

As a result of the above, the Group's gross profit for 1Q 2015 improved by US\$3.4 million to US\$3.6 million as compared to 1Q 2014.

2. The increase in administrative and marketing expenses in 1Q 2015 is in line with the increase in activities from the new business.
3. The increase in finance costs in 1Q 2015 was due to interest expense on loans drawn down for the acquisition of the Group's property, plant and equipment.

Statement of Financial Position Review

1. The increase in property, plant and equipment as at 31 March 2015 as compared to 31 December 2014 was mainly due to the acquisition of additional offshore support vessels in 1Q 2015.
2. The investment in quoted shares comprises 6,660,029 ordinary shares in the capital of Ezion Holdings Limited ("Ezion"). The decrease in the investment in quoted shares and the fair value reserve was due to the revaluation based on the lower closing price of Ezion shares as at 31 March 2015 as compared to 31 December 2014.
3. Increase in joint ventures for 1Q 2015 relates to loans to a jointly controlled entity for the construction of a modular crude oil processing facility.
4. The decrease in trade and other receivables for as at 31 March 2015 as compared to 31 December 2014 was mainly due to collection of receivables relating to trading activities of oil and gas related products in December 2014, partially offset by the increase in receivables due to the commencement of charter for the newly acquired offshore support vessels in 1Q 2015 .
5. The increase in deferred revenue was due to charter payments received in advance from a customer pertaining to the chartering of additional offshore support vessels in 1Q 2015.
6. The increase in borrowings was due to the bank loan drawn down for the acquisition of property, plant and equipment in 1Q 2015.
7. The decrease for trade and other payables as at 31 March 2015 as compared to 31 December 2014 was mainly due to repayment to suppliers in 1Q 2015 for trading activities for oil and gas products in 4Q 2014.

Statement of Cash Flows Review

1. The Group's net cash generated from operating activities in 1Q 2015 was approximately US\$19,498,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in 1Q 2015 was approximately US\$45,218,000. This was mainly due to acquisition of offshore support vessels in 1Q 2015.
3. Net cash generated from financing activities in 1Q 2015 was approximately US\$23,787,000. This was mainly due to the proceeds from new bank loan secured, partially offset by the repayment of bank loans in 1Q 2015.

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

The current results are in line with the Company's discussion presented in Note 10 of the unaudited full year results announcement dated 12 February 2015.

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 will continue to focus on growing its power and energy assets and expects to deploy more of these assets in FY 2015.

11. Use of Proceeds

The proceeds from share options, convertible perpetual capital securities and warrants placement had been fully utilised in line with their intended use as previously disclosed in the unaudited full year results announcement dated 12 February 2015. No new proceeds were raised in 1Q 2015.

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 1Q 2015.

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 21 April 2015, obtained a general mandate from shareholders for IPTs.

For details, please refer to the circular dated 6 April 2015.

There were no IPTs in 1Q 2015 requiring disclosure pursuant to Rule 920(1)(a)(ii).

Lim Ka Bee
Company Secretary
11 May 2015

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 31 March 2015 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 Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.