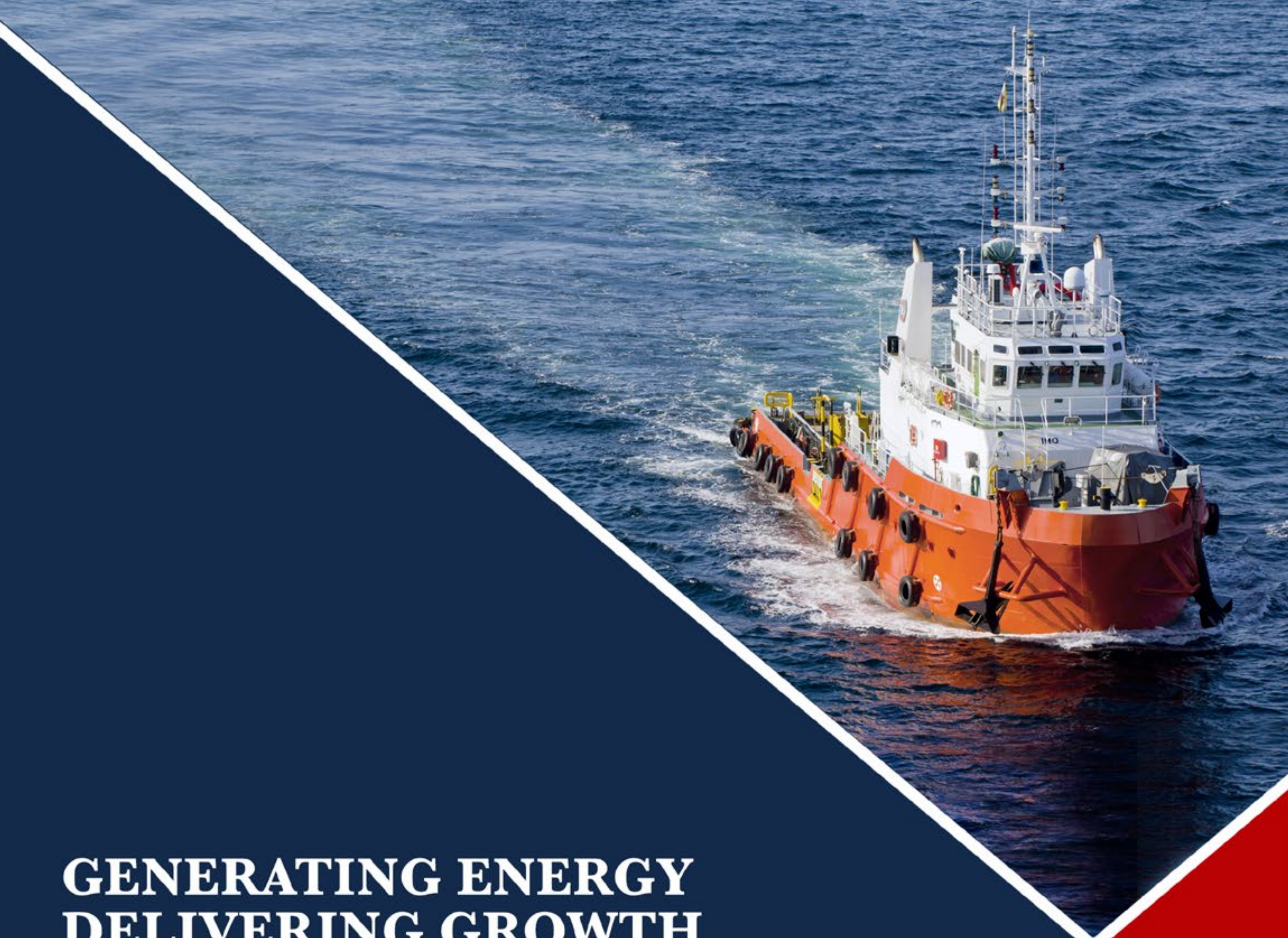
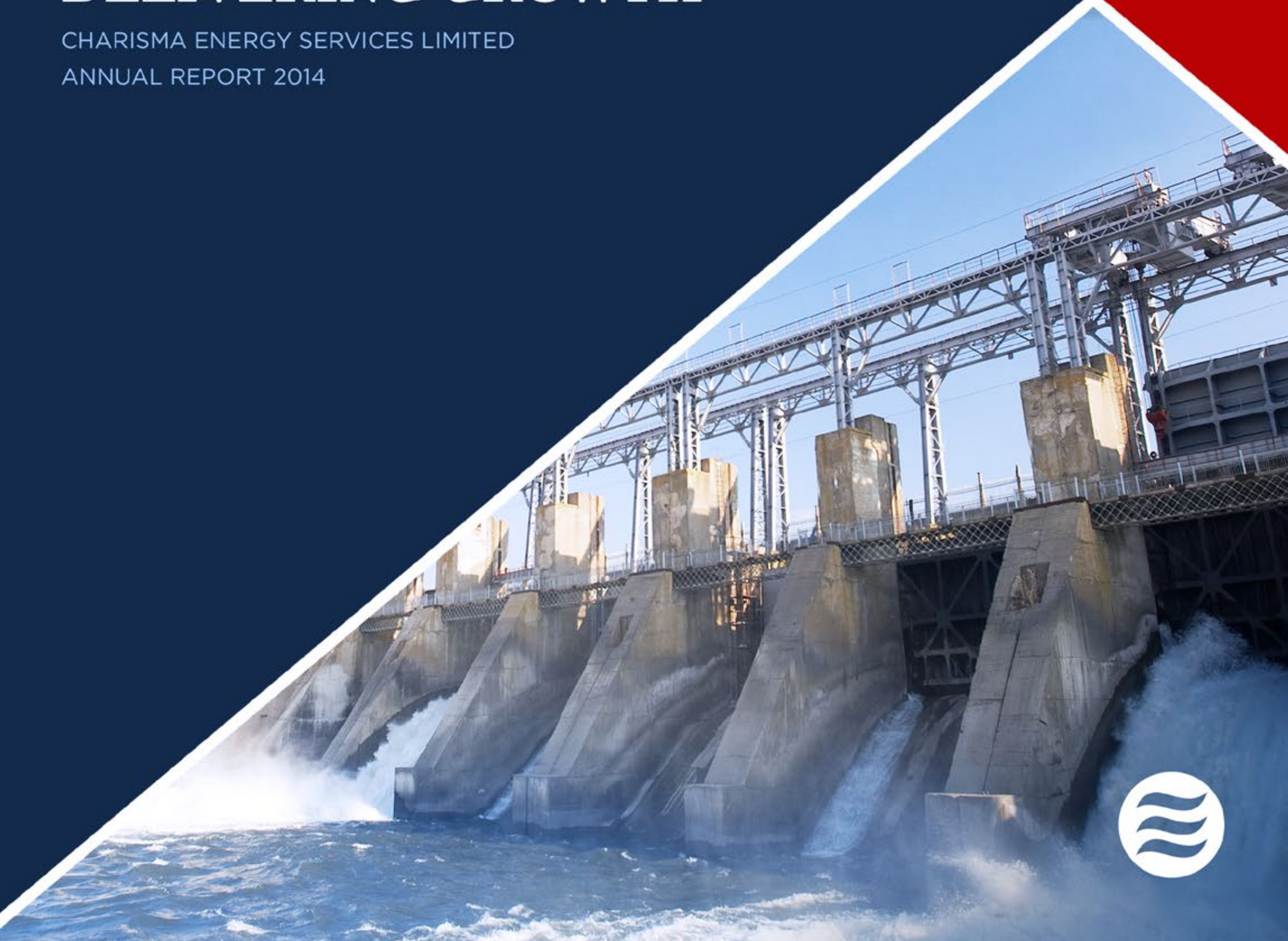


GENERATING ENERGY DELIVERING GROWTH

CHARISMA ENERGY SERVICES LIMITED

ANNUAL REPORT 2014



GENERATING ENERGY DELIVERING GROWTH

When we first diversified into the energy industry, we revealed our ambition to tap into new markets, and into a new phase for the Company. Today, it is apparent that our strategy is starting to deliver.

We are proud to report this year's record revenue as a result of our continuous commitment towards achieving greater growth.

Dear Shareholders,
On behalf of the Board of Directors, we are pleased to present to you the annual report for Charisma Energy Services Limited (the "Company") for the financial year ended 31 December 2014 ("FY2014")

On 7 May 2014, the Company had successfully divested its 51% interest in Yew Hock Marine Engineering Pte Ltd for a consideration of S$300,000. The divestment of the scaffolding business had allowed the Company to focus its resources on growing the energy and power generation business, as well as selected onshore and offshore oil and gas and marine related projects.

In FY2014, the Company and its subsidiaries (the "Group") commenced the leasing of hydro-electric power generation equipment for power supply to a national utility board in South Asia. This foray into the renewable energy sector marks an important milestone in the Company's corporate history. In addition, the Group also witnessed the successful deployment of an offshore support vessel along with the conclusion of several trading activities of oil and gas related products during the year. As a result, the Group generated US$173.3 million of revenue and US$9.7 million of net profit during FY2014. The Group had also grown its asset base and had US$85.7 million of plant and equipment as at 31 December 2014.

Looking forward, we are witnessing strong demand and interest in the renewable energy sector. Through the experience gained from earlier projects, the synergy and close collaboration with our major shareholder and the Group's improved balance sheet, we believe that the Group is well poised to capture the business opportunities in this growing sector.

In addition, the Group also expects to realise the full benefits of the projects that had commenced in the second half of FY2014 together with the commencement of the charter of more offshore support vessels in early 2015.

We thank God for His providence and would also like to express our sincere gratitude to our fellow Directors for their advice, guidance and time and to all our colleagues for their dedication and hard work during the year. We thank our bankers, business associates and partners for their continuous invaluable support. We thank you for your faith in us as we continue to endeavor to add value to your investment.

MR. CHEW THIAM KENG
Chairman

MR. TAN SER KO
Chief Executive Officer
& Executive Director

This foray into the renewable energy sector marks an important milestone in the Company's corporate history. Looking forward, we are witnessing strong demand and interest in the renewable energy sector.

CHEW THIAM KENG

Non-Executive Chairman
& Non-Executive Director

Mr. Chew Thiam Keng was appointed to the Board as Non-Executive Chairman on 20 February 2013 and was last re-elected on 24 April 2013. Mr. Chew is currently the Chief Executive Officer ('CEO') and Executive Director of Ezion Holdings Limited ('Ezion') and he was appointed to the Board of Ezion on 1 March 2007. Prior to this, he was the Managing Director and Chief Executive Officer of KS Energy Services Limited for about five years. Mr Chew was an Executive Director of Kian Ann Engineering Limited between 1996 and November 2001. Before that, he was with the Development Bank of Singapore Limited for nine years working in areas of banking such as corporate finance and retail banking. Mr. Chew holds a Master Degree in Business Administration from the University of Hull and a Bachelor Degree (Honours) in Mechanical Engineering from the National University of Singapore. Mr. Chew is currently a Non-Executive, Independent Director of Pharmesis International Limited, a company listed on the SGX-ST.

TAN SER KO

Chief Executive Officer
& Executive Director

Mr. Tan Ser Ko was first appointed to the Board as Non-Executive and Independent Director of the Company on 29 July 2011 and was re-designated as Executive Director on 1 March 2012. Mr. Tan was re-elected as Executive Director on 21 April 2014 and appointed Chief Executive Officer of the Company on 1 October 2014. As Chief Executive Officer, he is responsible for overseeing the strategic planning, corporate management, daily operations, business development and performance of the Group. Mr. Tan is also a non-executive director of Alpha Energy Holdings Limited. Mr. Tan has 16 years of experience in banking, finance and investment. After serving his scholarship bond with the Singapore Armed Forces, he started his banking career in consumer and enterprise banking. His past directorships in companies listed on the SGX-ST include Contel Corporation Limited, M Development Limited and Surface Mount Technology (Holdings) Limited. Mr. Tan holds a Bachelor of Engineering Degree from the National University of Singapore.

WONG BHEET HUAN

Executive Director

Mr. Wong Bheet Huan was appointed as Executive Director of the Company on 1 October 2014. He is responsible for the Group's strategic planning and project evaluation and implementation. He has more than 46 years of experience in marine engineering, power generation and ship and rig construction. He served 32 years at Lloyd's Register and was the Country Manager for Singapore. He was also the Technical director of Ezra Holdings and Chief Executive Officer of Triyards Holdings from 2004 to 2012. Mr. Wong is a registered Professional Engineer, Singapore, and a Fellow of the Institute of Marine Engineers, London. He received tertiary education at the Liverpool College of Technology and is a certified Chief Engineer by the British Board of Trade. He has a honours degree in law from the University of London.

CHENG YEE SENG
Non-Executive & Independent Director

Mr. Cheng Yee Seng was appointed as Non-Executive Chairman of the Board and Independent Director of the Company on 16 May 2011. He stepped down as the Chairman of the Board on 20 February 2013 and remains on the Board as an Independent Director and Chairman of the Audit Committee, and member of Nominating Committee and Remuneration Committee. He was last re-elected on 24 April 2013. Prior to joining the Group, he was an executive director of Penguin International Ltd and non-executive chairman and an independent director of Enzer Corporation Ltd. He is currently a director of Modz Pte Ltd. Mr. Cheng has varied experience working in the areas of investment, mergers and acquisitions, finance, company secretarial work, contracts and legal matters. Currently, he is a businessman having his main operations based in China. Mr. Cheng holds a Bachelor of Laws (Honours) degree from the University of London, a Bachelor of Accountancy degree from the Singapore University, and a Master degree in Business Administration from the University of Hull.

LIM CHEN YANG
Non-Executive & Independent Director

Mr. Lim Chen Yang was appointed as a Non-Executive and Independent Director of the Company on 26 July 2011 and was last re-elected on 21 April 2014. He currently serves as Chairman of the Nominating Committee, Chairman of the Remuneration Committee and is a member of the Audit Committee. Mr. Lim is also a director of Urban Harvest Pte Ltd. Mr. Lim has more than 15 years of experience in banking and administration. He started his banking career with Maybank Singapore after graduation. Mr. Lim holds a Bachelor of Arts Degree from the National University of Singapore.

SIMON DEVILLIERS RUDOLPH
Non-Executive & Independent Director

Mr. Simon deVilliers Rudolph was appointed as Non-Executive and Independent Director of the Company on 1 July 2013 and was re-elected on 21 April 2014. He is a member of the Audit Committee, the Remuneration Committee and Nominating Committee. He is an independent non-executive director of Giordano International Limited, a company listed on the Hong Kong Stock Exchange, since 28 June 2013. Mr. Rudolph recently retired from the asset manager, Franklin Templeton, having worked as a portfolio manager for nearly 18 years. He has nearly 30 years of extensive knowledge and experience of business across the world, notably in Asia Pacific, Middle East and North Africa in particular, with specific focus on fund management. Mr. Rudolph holds a degree in Economic History from the University of Durham in the United Kingdom and is a Chartered Accountant and member of the Institute of Chartered Accountants in England and Wales (ICAEW).

BOARD OF DIRECTORS

Mr Chew Thiam Keng

Mr Tan Ser Ko

Mr Wong Bheet Huan

Mr Cheng Yee Seng

Mr Lim Chen Yang

Mr Simon deVilliers Rudolph

AUDIT COMMITTEE

Mr Cheng Yee Seng
(Chairman)

Mr Lim Chen Yang

Mr Simon deVilliers Rudolph

REMUNERATION COMMITTEE

Mr Lim Chen Yang
(Chairman)

Mr Cheng Yee Seng

Mr Simon deVilliers Rudolph

NOMINATING COMMITTEE

Mr Lim Chen Yang
(Chairman)

Mr Cheng Yee Seng

Mr Simon deVilliers Rudolph

COMPANY SECRETARIES

Ms Lim Ka Bee

Mr Goon Fook Wye Paul

REGISTERED OFFICE

15 Hoe Chiang Road #12-05
Tower Fifteen
Singapore 089316
Tel: (65) 6535 4248
Fax: (65) 6535 0553

SHARE REGISTRAR AND SHARE TRANSFER AGENT

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Partner-in-charge: Mr Koh Wei Peng
(Appointed since financial year ended 31 December 2013)

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318
Registered Professional: Mr Lance Tan
Tel: (65) 6229 8088

PRINCIPAL BANKERS

DBS Bank Limited

Oversea-Chinese Banking Corporation Limited

CIMB Bank Berhad

Malayan Banking Berhad

FINANCIALS

Charisma Energy Services Limited (the "Company") and its subsidiaries (the "Group") are committed to a high standard of corporate governance to ensure effective self-regulation practices are in place to enhance corporate performance and accountability.

This report outlines the Company's main corporate governance practices that were in place during the financial year ended 31 December 2014 ("FY2014") with references to the principles of the Code of Corporate Governance 2012 (the "Code"). The Company has complied with the principles and guidelines as set out in the Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Effective Board to lead and control the Company

The Company is led by an effective Board of Directors (the "Board") comprising a majority of Non-Executive Directors. Each Director brings to the Board his skills, experience and insights, which together with strategic networking relationships, serves to further the interests of the Company. At all times, the Directors are collectively and individually obliged to act in good faith and consider the best interests of the Company.

The Board oversees the business affairs of the Group and works with the Management to achieve the objectives set for the Group. To ensure smooth operation and facilitate decision-making, and at the same time ensure proper controls, the Board has delegated some of its powers to the board committees and the Management. The committees and the Management remain accountable to the Board.

The Board has six members and comprises the following:

Name of Director	Designation
Mr Chew Thiam Keng	Non-Executive Chairman
Mr Tan Ser Ko	Executive Director and Chief Executive Officer
Mr Wong Bheet Huan	Executive Director
Mr Cheng Yee Seng	Independent Non-Executive Director
Mr Lim Chen Yang	Independent Non-Executive Director
Mr Simon deVilliers Rudolph	Independent Non-Executive Director

The main responsibilities of the Board are to:

(i) provide entrepreneurial leadership and guidance and put in place an effective management team;

(ii) approve broad policies, set strategies and objectives of the Group;

(iii) approve business plans and annual budgets, major funding including capital management proposals, major investment and disposal proposals;

(iv) reviewing at least annually the adequacy and effectiveness of the Group's risk management and internal control system;

(v) review and monitor Group's financial performance; and

(vi) set the Company's values and standards.

The approval of the Board is required for matters as follows:

(i) matters in relation to the overall strategy and management of the Group;

(ii) material changes to the Group's management and control structure;

(iii) matters involving financial reporting and dividends;

(iv) major/strategic acquisitions and disposal of investments not in the ordinary course of business; and

(v) matters which require Board approval as specified under Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of the Catalist ("Catalist Rules"), Companies Act, Cap. 50 or other relevant laws and regulations.

The Board is supported by three board committees, namely the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC"), (collectively, the "Board Committees"). These committees function within clearly defined terms of reference and operating procedures, which were approved by the Board.

The Board conducts regular scheduled meetings. Adhoc meetings are convened as and when circumstances require. The Articles of Association of the Company provides for the meetings to be held via telephone conference and other electronic or telegraphic means; and also for matters requiring decisions of the Board to be approved by way of written resolutions of the Board. The attendance of the Directors at Board and Board Committee meetings held in FY2014 is as follows:

Type of Meetings	Board	AC	NC	RC
Total No. Held	4	4	1	1
Name of Director	**No. of Meetings Attended**			
Mr Chew Thiam Keng	4	N.A.	N.A.	N.A.
Mr Woo Peng Kong[1]	3	N.A.	N.A.	N.A.
Mr Tan Ser Ko[2]	4	N.A.	N.A.	N.A.
Mr Wong Bheet Huan[3]	1	N.A.	N.A.	N.A.
Mr Cheng Yee Seng	4	4	1	1
Mr Lim Chen Yang	4	4	1	1
Mr Simon deVilliers Rudolph	4	4	1	1

[1] Resigned as Executive Director and Chief Executive Officer ("CEO") on 30 September 2014.
[2] Appointed as CEO on 1 October 2014.
[3] Appointed as Executive Director on 1 October 2014

A formal letter of appointment setting out, among other things, a Director's duties and obligations is provided to all new Directors.

New Directors will be briefed on the business activities, strategic directions, policies and corporate governance practices of the Group. Directors are provided with briefings and updates from time to time by professional advisors, auditors and Management on relevant practices, new laws, rules and regulations, directors' duties and responsibilities, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors. The CEO updates the Board at each meeting on business and strategic developments of the Group and industry. Informal meetings are held for Management to brief Directors on prospective deals and potential developments in the early stages before formal Board approval is sought.

Directors are also informed and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors and may suggest training topics, the funding of which will be provided by the Company.

Board Composition and Guidance
Principle 2: Strong and independent element on the Board

The Board comprise of six members, four of whom are Non-Executive Directors, of which three are independent. The Directors come from different background and possess different core competencies, qualifications and skills. They bring with them a wealth of experience that enhances the overall quality of the Board. Key information regarding the Directors, including directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments are set out in pages 04 to 05 of this Annual Report.

The NC reviews the size and composition of the Board and the Board Committees annually. The NC considers the present board size and composition appropriate taking into account the business and scale of operations. It is of the view that the Board and Board Committees, comprises Directors who have the relevant skills and knowledge, expertise and experiences as a group for discharging the Board's duties.

The NC had reviewed the declaration of independence provided by each of the Non-Executive Director in accordance with the Code's guidelines. The NC and Board consider a Director as independent if he has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere or reasonably perceived to interfere with the exercise of the Director's independent business judgement with a view to the best interests of the Company.

The NC, taking into consideration the above, determined that Mr Cheng Yee Seng, Mr Lim Chen Yang and Mr Simon deVilliers Rudolph be considered independent and noted that at least half of the Board comprises Independent Directors.

The Board and Management engage in open and constructive debate for the furtherance and achieving strategic objectives. All Board members are provided with relevant and sufficient information on a timely basis and Non-Executive Directors may challenge Management's assumptions and also extend guidance to Management, in the best interest of the Group.

The Independent Directors meet at least once annually without the presence of Management.

None of the Directors have served on the Board for a period exceeding nine years since the date of his first appointment.

Chairman and Chief Executive Officer
Principle 3: Clear division of responsibilities and balance of power and authority

The offices of the Chairman and CEO are separate. The Chairman, Mr Chew Thiam Keng, is a Non-Executive Director. Mr Chew leads the Board and ensures that the Board members engage the Management in constructive discussions on various strategic issues. The CEO, Mr Tan Ser Ko, is an Executive Director. Mr Tan is responsible for the business directions and operational decisions of the Group. The Chairman and the CEO are not related to each other.

The responsibilities of the Chairman are as follow:

(i) ensures that Board meetings are held as and when necessary;

(ii) leads the Board to ensure the effectiveness of each Board meeting;

(iii) prepares the agenda for Board meetings in consultation with the CEO/Executive Director;

(iv) monitors communications and relations between the Company and its shareholders, between the Board and Management, and between Executive and Non-Executive Directors, with a view to encourage constructive relations and dialogue among them;

(v) works to facilitate the effective contribution of Non-Executive Directors; and

(vi) assists to ensure proper procedures are introduced to comply with the Code.

Board Membership

Principle 4: Formal and transparent process for the appointment and re-appointment of Directors to the Board

The NC comprises the following Non-Executive Independent Directors:

Mr Lim Chen Yang	Chairman
Mr Cheng Yee Seng	Member
Mr Simon deVilliers Rudolph	Member

The principal duties of the NC, as set out in its terms of reference include:

(i) identifying candidates and making recommendations for all Board appointments and re-nomination or continuation in office of any Director;

(ii) reviewing the Board structure, size and composition, and making recommendations to the Board with regards to any adjustments that are deemed necessary;

(iii) determining annually the independence status of the Directors;

(iv) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations, and proposing internal guidelines in relation to multiple board representations;

(v) deciding how the performance of the Board may be evaluated and propose objective performance criteria; and

(vi) recommending procedures for assessing the effectiveness of the Board as a whole, its Board Committees and the contributions by each individual Director to the effectiveness of the Board.

The search and nomination process for new Directors will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. The NC will review and recommend the selected candidate to the Board for consideration and approval. Newly appointed Directors during the year shall hold office only until the next annual general meeting of the Company ("AGM") and shall be eligible for re-election.

The existing Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to Article 95 of the Company's Articles of Association, one third of the Board are to retire from office by rotation and be subject to re-election at the AGM.

Mr Chew Thiam Keng, the Non-Executive Chairman and Mr Cheng Yee Seng, an Independent Director will be retiring at the forthcoming AGM pursuant to Article 95. Mr Chew and Mr Cheng, both being eligible, had consented to re-election as Director at the forthcoming AGM. Mr Wong Bheet Huan, the Executive Director who was appointed on 1 October 2014 and being aged over 70, will be due for re-appointment at the forthcoming AGM pursuant to Section 153(6) of the Companies Act, Chapter 50. Mr Wong, being eligible, had offered himself for re-appointment as Director at the forthcoming AGM. The NC has recommended that the above mentioned three Directors be nominated for re-election and re-appointment at the forthcoming AGM. In making the recommendation for the three Directors, the NC had considered the Directors' overall contributions and performance.

Mr Cheng Yee Seng will, upon re-election as Director, remain as the Chairman of AC, and as a member of NC and RC. The Board considers Mr Cheng Yee Seng to be independent for the purpose of Rules 704(7) of the Catalist Rules.

The dates of initial appointment and last re-election of each director are set out as follows:

Name of Director	Appointment	Date of initial appointment	Date of last re-election
Mr Chew Thiam Keng	Non-Executive Chairman	20 February 2013	24 April 2013
Mr Tan Ser Ko	Executive Director and CEO	29 July 2011	21 April 2014
Mr Wong Bheet Huan	Executive Director	1 October 2014	N.A.
Mr Cheng Yee Seng	Independent Non-Executive Director	16 May 2011	24 April 2013
Mr Lim Chen Yang	Independent Non-Executive Director	26 July 2011	21 April 2014
Mr Simon deVilliers Rudolph	Independent Non-Executive Director	1 July 2013	21 April 2014

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company, the NC is satisfied that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. The Board has not capped the maximum number of listed company board representations each Director may hold. The NC and the Board are of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC will assess each Director relative to his abilities and known commitments and responsibilities.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The performance of the Board is ultimately reflected in the long term performance of the Company.

The Board, through the delegation of its authority to the NC, had made its best efforts to ensure each Director possesses the experience, knowledge and skills critical to the Group's business. This is necessary to enable the Board to make sound and well-considered decisions. The NC, in considering the nomination of any Director for re-election, will evaluate the performance of the Director involved. Renewal or replacement of Directors does not necessarily reflect their contribution to date, but may be driven by the need to position and shape the Board in line with the needs of the Group and its business.

The NC has adopted a formal process of evaluating the performance of the Board as a whole, its Board Committees, and the contribution by each Director to the effectiveness of the Board. This process involves the completion of a questionnaire by Board members seeking their views on various aspects of board performance such as Board composition, information, Board process, internal controls and risk management and accountability. A summary of the findings is prepared based on the completed questionnaire and is reviewed and deliberated by the NC and Board.

The Chairman of the NC confers with the Chairman of the Board on the findings and ensures appropriate follow-up actions are taken as necessary. The Board is satisfied that all Directors have discharged their duties adequately in FY2014.

Access to Information

Principle 6: Board members should be provided with adequate and timely information

Proposals to the Board for decision or mandate sought by the Management are in the form of memos that give Board members complete, adequate and timely information, and are distributed prior to Board meetings. Staff who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. Notices of Board and Board Committees meetings are circulated to the Directors in advance of the meetings, in order for the Directors to be adequately prepared for the meetings.

Board members have separate and independent access to the Company's senior Management and the Company Secretaries. At least one of the Company Secretaries attends the meetings of the Board and Board Committees and assists in ensuring that board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretaries is subject to approval by the Board as a whole.

Should Directors, whether as a group or individually, need independent professional advice to enable them to discharge their duties, the Company, subject to the approval of the Board, will appoint a professional advisor to render advice at the expense of the Company.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: Formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors

The RC comprises the following Non-Executive Independent Directors:

Mr Lim Chen Yang	Chairman
Mr Cheng Yee Seng	Member
Mr Simon deVilliers Rudolph	Member

The principal duties of the RC, as set out in its terms of reference include:

(i) reviewing and recommending a framework of remuneration for the Directors and key management personnel, determining specific remuneration packages for each Executive Director, the CEO, key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;

(ii) reviewing the remuneration packages of employees in the Company or any of its principal subsidiaries who are related to any of the Directors or the CEO;

(iii) administering the Charisma Energy Employee Share Option Scheme (the "Share Option Scheme"); and

(iv) administering and recommending to the Board the performance share plan or any long term incentive schemes which may be set up from time to time.

The RC reviews the terms of compensation and employment for Executive Directors and key management personnel at the time of their respective employment or renewal (where applicable) including considering the Company's obligations in the event of termination of services to ensure such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC's review covers all aspects of remuneration, including salaries, fees, allowances, bonuses and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board. The RC has access to external professional advice on remuneration matters, if required.

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

Level and Mix of Remuneration

Principle 8: Level of remuneration should be appropriate and not excessive

The Company adopts a remuneration policy for its employees which comprises of a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual.

The Non-Executive Directors receive Directors' fees. The Directors' fee policy is based on a scale of fees divided into basic retainer fees as Director and additional fees for serving on Board Committees, taking into account factors such as effort, time spent, responsibilities of the directors and the performance of the Company. Directors' fees are recommended by the Board for approval by the shareholders at the AGM.

The RC is the committee administering the Share Option Scheme. The Share Option Scheme recognises the fact that the services of the Group's employees, including the Group's Executive and Non-Executive Directors are important to the success and continued well-being of the Group. By implementing the Share Option Scheme, the Company hopes to inculcate in all participants a stronger and more lasting sense of identification with the Group.

To date, the Company has yet to grant options pursuant to the Share Option Scheme.

Disclosure in Remuneration

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration, and the procedure for setting remuneration

Taking note of the competitive pressures in the industry and the talent market, the Board had, on review decided to disclose the remuneration of the Directors and key management personnel in bands with a breakdown of the components in percentage. The total remuneration paid to the key management personnel was also not disclosed due to the above reason. Information on the remuneration of Directors in FY2014 is as follows:-

Remuneration Bands and Name of Directors	Salary %	Bonus %	Other benefits %	Fees %	Total %
S$250,000 to S$500,000					
Woo Peng Kong[1]	89	8	3	–	100
Below S$250,000					
Tan Ser Ko	92	8	–	–	100
Wong Bheet Huan[2]	92	8	–	–	100
Chew Thiam Keng	–	–	–	100	100
Cheng Yee Seng	–	–	–	100	100
Lim Chen Yang	–	–	–	100	100
Simon deVilliers Rudolph	–	–	–	100	100

[1] Resigned as Executive Director and CEO on 1 December 2014
[2] Appointed as Executive Director on 1 October 2014

Information on the remuneration of key management personnel in FY2014 is as follows:-

Remuneration Bands and Name of key management personnel	Salary %	Bonus %	Other benefits %	Fees %	Total %
Below S$250,000					
Goon Fook Wye Paul[3]	93	7	–	–	100
Dave Yak Thian Huat[4]	100	–	–	–	100

[3] Appointed as Chief Financial Officer (“CFO”) on 1 December 2014
[4] Resigned as CFO on 30 November 2014

In FY2014, there were only two key management personnel in the Company.

The Executive Directors and the CFO were not paid any variable bonus, only their base salary, AWS and other benefits. There were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel other than the payment in lieu of notice in the event of termination in their respective employment contracts in FY2014.

There were no employees within the Group who were immediate family members of a Director or the CEO whose remuneration exceeded S$50,000 in FY2014.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Presentation of a balanced and understandable assessment of the Company's performance, position and prospects

The Board, through its announcements of the Group financial results to shareholders, aims to present a balanced and understandable assessment of the Group's position and prospects.

In preparing the financial statements, the Directors have:

(i) selected suitable accounting policies and applied them consistently;

(ii) made judgments and estimates that are reasonable and prudent;

(iii) ensured that all applicable accounting standards have been followed; and

(iv) prepared financial statements on the basis that the Directors have reasonable expectations, having made enquires, that the Group and Company have adequate resources to continue operations for the foreseeable future.

The Management provides the Board with Management accounts and such explanation and information on a regular basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Risk Management and Internal Controls

Principle 11: Maintains a sound system of risk management and internal controls

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

The AC oversees risk governance and the related roles and responsibilities of the AC include the following:

(i) proposes the risk governance approach and risk policies for the Group to the Board;

(ii) reviews the risk management methodology adopted by the Group;

(iii) reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by Management; and

(iv) reviews Management's assessment of risks and Management's action plans to mitigate such risks.

To facilitate the governance of risks and monitoring the effectiveness of internal controls, the Group has in place a formal Enterprise Risk Management policy. Management reports annually to the AC and the Board on the Group's risk profile, the risk mitigation action plans and the results of various assurance activities carried out on the adequacy of Group's internal controls including financial, operational, compliance and information technology controls. Such assurance activities include control self-assessments performed by Management, internal, external audits and external certifications conducted by various external professional service firms.

In respect of FY2014, the Board has received assurance from the CEO and CFO:

(i) that financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) that the Company's risk management and internal control systems are adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board (with concurrence of the AC) are of the opinion that the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risk, were adequate and effective as at 31 December 2014.

The Board notes that system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12: Establishment of Audit Committee with written terms of reference, which clearly set out its authority and duties.

The AC comprises the following Non-Executive Independent Directors:

Mr Cheng Yee Seng	Chairman
Mr Lim Chen Yang	Member
Mr Simon deVilliers Rudolph	Member

The AC members have the relevant accounting or related financial management expertise and experience to discharge their duties.

The AC meets at least four times a year to perform the duties as set out in its terms of reference which include:

(i) review with the external auditors the scope and results of the audit, their evaluation of the system of internal accounting controls, their Management letter and Management's response;

(ii) review the financial statements including annual budget and any forecast, before submission to the Board for approval;

(iii) review the adequacy and effectiveness of and the procedures for the internal audit function, including the staffing of and resources made available for the internal audit function, and to make such recommendations as it may think fit;

(iv) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls system including financial, operational, compliance and information technology controls;

(v) review and make recommendations to the Board on the appointment and re-appointment of the external auditors;

(vi) review the scope and results of the external audit, the independence and objectivity of the external auditors and the cost-effectiveness of the audit;

(vii) review significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the company and any formal announcements relating to the Company's financial performance;

(viii) review interested person transactions, if any; and

(ix) to oversee risk governance (refer to detailed disclosure under Principle 11).

The AC has full access and obtained the co-operation of the Management. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors without the presence of the Management at least once annually.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of KPMG LLP as the external auditors of the Company and its subsidiaries.

The AC has reviewed the non-audit services provided by the external auditors in FY2014 and the AC is of the view that the provision of non-audit service does not compromise the independence of the external auditors. Details of the aggregate amount of fees paid to the external auditors in FY2014 and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 62 of this Annual Report. The AC has recommended the re-appointment of KPMG LLP as the external auditors at the forthcoming AGM.

The Company has put in place a whistle blowing policy, details of which have been made available to all employees. This policy provides well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group directly to either any of the Executive Directors or the AC Chairman, as appropriate.

During FY2014, the AC reviewed the quarterly and full-year financial statements prior to approving or recommending their release to the Board; the external audit plan and the results of the external audit performed; the internal audit report of the Group; non-audit services rendered by the external auditors as well as the independence and objectivity of the external auditors.

During FY2014, the AC and the Board were briefed by the external auditors on the developments in financial reporting and governance standards.

Internal Audit

Principle 13: Establish an effective internal audit function that is adequately resourced and independent of the activities it audits

The Group outsources its internal audit function to Yang Lee & Associates ("IA"). Internal control weaknesses identified during the internal audit reviews and the implementation status of the recommended corrective actions are reported to the AC periodically.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

The AC annually reviews the adequacy of the internal audit function to ensure that the internal audits are performed effectively. The AC is satisfied that the IA is staffed by qualified and experienced personnel and the IA reports directly to the AC.

The IA completed one review in FY2014 in accordance with the internal audit plan approved by the AC.

(D) COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should treat all shareholders fairly and equitably
Principle 15: Communication with shareholders
Principle 16: Conduct of shareholder meetings

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, quarterly and full-year financial results. The Company does not practise selective disclosures and releases its financial results and other material information to the shareholders on a timely basis in accordance with the requirements of the Catalist Rules, via the SGXNET.

Shareholders are encouraged to attend the AGM of the Company to ensure a greater level of shareholder participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the annual report, the notice of AGM and circulars and notices pertaining to any extraordinary general meeting of the Company. The notice is also advertised in a newspaper and available on the SGX-ST's website.

To facilitate participation by the shareholders, the Company's Articles of Association allow a shareholder to appoint not more than two proxies to attend and vote at general meetings. Currently, the Company's Articles of Association do not allow a shareholder to vote in absentia.

Shareholders who hold shares through nominees such as the Central Provident Fund and custodian banks may vote through their nominee or custodian banks. Such shareholders may also, upon presentation of official letters issued by their nominees attend the general meeting as observers.

At the general meetings, the external auditor as well as the Directors are in attendance to answer queries from shareholders. Shareholders are given the opportunity at general meetings to air their views and query the Directors and Management on matters relating to the Group and its operations.

All resolutions are put to vote by poll and the voting results of all votes cast for, or against, each resolution are announced at the meeting and via SGXNET after the meeting.

The Company does not have a fixed dividend policy. Nonetheless, Management will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. The Board has not declared or recommended dividend for FY2014, as the Management is of the view that it can better use the cash to invest in new business opportunities to grow the Group at this juncture.

DEALINGS IN SECURITIES

The Company has adopted an internal code with regard to dealings in securities to provide guidance for its Directors and employees.

The internal code provides that the Company, its Directors and employees are prohibited from dealing in securities of the Company when they are in possession of any unpublished material price-sensitive information of the Group. The internal code also prohibits the Company and its Directors and employees from dealing in the Company's securities during the period commencing one month and two weeks before the date of announcement of the Company's full-year or quarterly financial results respectively and ending on the date of announcement of the relevant results.

Directors and employees are also required to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Directors and employees are expected not to deal in the Company's securities for short-term considerations.

DISCLOSURE OF MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of FY2014 or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established procedures to ensure that transactions with interested persons are properly reviewed and approved and are conducted at arm's length basis.

The Group had on 21 April 2014 obtained a general mandate from shareholders for IPTs.

There were no IPTs with value more than S$100,000 transacted during FY2014.

NON-SPONSOR FEES

The Continuing Sponsor of the Company was changed from CNP Compliance Pte. Ltd. ("CNPC") to PrimePartners Corporate Finance Pte. Ltd. ("PPCF") with effect from 1 July 2014.

There were no non-sponsor fees paid to CNPC and PPCF in FY2014.

USE OF PROCEEDS

	Proceeds from the exercise of share options issued pursuant to the Options Agreements entered into on 25 October 2012 S$'000	Proceeds from the issuance of convertible perpetual capital securities completed on 28 March 2013 S$'000	Proceeds from the placement of 1,000,000,000 warrants completed on 4 November 2013 S$'000
Balance of proceeds as at 1 January 2014	1,226	29,716	24,540
Net proceeds raised in FY2014	2,394	–	–
Use of proceeds:			
Acquisition of plant and equipment	(2,688)	(29,261)	(23,923)
Operating expenses	(514)	(80)	–
Administrative expenses	(418)	(375)	–
Financing cost	–	–	(617)
Balance of proceeds as at 12 March 2015	–	–	–

The above use of proceeds are in accordance with the stated use as previously disclosed in the Company's announcements for the respective offerings pursuant to Chapter 8 of the Catalist Rules.

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

DIRECTORS

The directors in office at the date of this report are as follows:

Chew Thiam Keng	
Tan Ser Ko	
Wong Bheet Huan	(Appointed on 1 October 2014)
Cheng Yee Seng	
Lim Chen Yang	
Simon deVilliers Rudolph	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at date of appointment	Holdings at end of the year
Wong Bheet Huan		
Charisma Energy Services Limited		
- ordinary shares fully paid		
- interest held	30,800	30,800

By virtue of Section 7 of the Act, Wong Bheet Huan is deemed to have interests in the other subsidiaries of Charisma Energy Services Limited, all of which are wholly-owned, at the date of appointment and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2015.

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 27 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

Option Agreements

On 25 October 2012, the Company announced that it had entered into option agreements (the "Option Agreements") with each of Ezion Holding Limited ("Ezion"), Sunshine Capital Group Pte Ltd ("Sunshine Capital") and Mr. Woo Peng Kong (collectively, the "Option Subscribers"), pursuant to which the Company shall issue to the Option Subscribers an aggregate of 4,550,000,000 share options (the "Options"), with each Options carrying the right to subscribe for one new ordinary share in the capital of the Company at the issue price of S$0.0018 per share, as follows:

Subject to the terms and conditions of the Option Agreements:

(a) the Company shall grant, and Ezion shall acquire, 3,960,000,000 Options for the cash consideration of S$1.00, with each Options carrying the right to subscribe for one new share for the issue price of S$0.0018 per share (the "First Option Share");

(b) the Company shall grant, and Sunshine Capital shall acquire, 383,000,000 Options for the cash consideration of S$1.00, with each Options carrying the right to subscribe for one new share for the issue price of S$0.0018 per share (the "Second Option Share"); and

(c) the Company shall grant, and Mr. Woo Peng Kong shall acquire, 207,000,000 Options for the cash consideration of S$1.00, with each Options carrying the right to subscribe for one new share for the issue price of S$0.0018 per share (the "Third Option Share").

During the financial year, details of the options granted under Option Agreements on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share S$	Options outstanding as at 1 January 2014 '000	Options exercised '000	Options outstanding as at 31 December 2014 '000	Exercise period
20/12/2012	0.0018	3,533,200	1,200,932	2,332,268	20/12/2012 to 20/12/2015

The Options granted by the Company do not entitle the holders of the Options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Employee Share Option Scheme

The Company's Employee Share Option Scheme (the "Scheme") was approved and adopted by its members at an Extraordinary General Meeting held on 24 April 2013. As at 31 December 2014, the Company has not granted any option under the Scheme.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three non-executive directors and at the date of this report are:

Cheng Yee Seng (Chairman)
Lim Chen Yang
Simon deVilliers Rudolph

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last report of the directors' report. In performing its functions, the Audit Committee met with the Company's external auditors and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- Assistance provided by the Company's officers to the internal and external auditors;
- Quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Tan Ser Ko
Director

Wong Bheet Huan
Director

24 March 2015

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 29 to 76 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Tan Ser Ko
Director

Wong Bheet Huan
Director

24 March 2015

Members of the Company
Charisma Energy Services Limited and its subsidiaries

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Charisma Energy Services Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 76.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
24 March 2015

	Note	Group 2014 US$'000	Group 2013 US$'000*	Group 2012 US$'000*	Company 2014 US$'000	Company 2013 US$'000*	Company 2012 US$'000*
			Re-presented*			Re-presented*	
Non-current assets							
Plant and equipment	4	85,730	1,122	859	27	2	1
Subsidiaries	5	–	–	–	43,220	–	–
Joint ventures	6	1,249	–	–	273	–	–
Available-for-sale financial assets	7	5,645	9,738	6,177	5,645	9,738	6,177
		92,624	10,860	7,036	49,165	9,740	6,178
Current assets							
Trade and other receivables	8	14,258	1,662	1,853	8,799	151	29
Cash and cash equivalents	9	13,920	44,118	927	5,605	44,111	825
		28,178	45,780	2,780	14,404	44,262	854
Total assets		120,802	56,640	9,816	63,569	54,002	7,032
Equity							
Share capital	10	266,103	247,714	246,428	266,103	247,714	246,428
Perpetual securities	11	6,811	23,486	–	6,811	23,486	–
Warrants	12	19,394	19,394	–	19,394	19,394	–
Other reserves	13	1,083	5,186	1,626	1,093	5,186	1,625
Accumulated losses		(233,572)	(242,626)	(241,400)	(237,539)	(242,896)	(241,272)
Equity attributable to owners of the Company		59,819	53,154	6,654	55,862	52,884	6,781
Non-controlling interests		–	263	254	–	–	–
Total equity		59,819	53,417	6,908	55,862	52,884	6,781
Non-current liabilities							
Deferred tax liabilities	14	–	15	4	–	–	–
Deferred revenue		3,239	–	–	–	–	–
Financial liabilities	15	38,172	–	–	–	–	–
Amounts due to subsidiaries	16	–	–	–	209	–	–
		41,411	15	4	209	–	–
Current liabilities							
Trade and other payables	17	4,431	1,794	1,879	846	1,118	251
Deferred revenue		571	–	–	–	–	–
Provision for tax		20	–	–	–	–	–
Financial liabilities	15	14,550	1,414	1,025	6,652	–	–
		19,572	3,208	2,904	7,498	1,118	251
Total liabilities		60,983	3,223	2,908	7,707	1,118	251
Total equity and liabilities		120,802	56,640	9,816	63,569	54,002	7,032

* These balances have been represented in US$'000. See note 2.3 – change in functional and presentation currency from S$ to US$.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss
Year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
			Re-presented*
Continuing operations			
Revenue	18	173,326	–
Cost of sales		(161,051)	–
Gross profit		12,275	–
Other operating income		27	395
Administrative and marketing expenses		(2,027)	(812)
Result from operating activities		10,275	(417)
Finance income		98	71
Finance costs		(602)	(1)
Net finance (cost)/income	19	(504)	70
Share of results of jointly controlled entities, net of tax		(24)	–
Profit/(Loss) before income tax	20	9,747	(347)
Tax expense	21	(20)	–
Profit/(Loss) for the year from continuing operations		9,727	(347)
Discontinued operation			
(Loss)/Profit for the year from discontinued operation	22	(52)	19
Profit/(Loss) for the year		9,675	(328)
Profit/(Loss) attributable to:			
Owners of the Company		9,689	(337)
Non-controlling interests		(14)	9
Profit/(Loss) for the year		9,675	(328)
Profit/(Loss) from discontinued operation attributable to:			
Owners of the Company		(38)	10
Non-controlling interests		(14)	9
(Loss)/Profit for the year		(52)	19
Earnings per share – continuing operations			
Basic earnings per share (US cents)	23	0.10	(0.00)
Diluted earnings per share (US cents)	23	0.07	(0.00)

** Earnings per share from discontinued operation are less than 0.01 US cent.

* These balances have been represented in US$'000. See note 2.3 – change in functional and presentation currency from S$ to US$.

Consolidated Statement of Comprehensive Income
Year ended 31 December 2014

	2014 US$'000	2013 US$'000
		Re-presented*
Profit/(Loss) for the year	9,675	(328)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Net change in fair value of available-for-sale financial assets	(4,093)	3,560
Foreign currency translation differences due to foreign operation	(10)	–
Other comprehensive income for the year, net of tax	(4,103)	3,560
Total comprehensive income for the year	5,572	3,232
Total comprehensive income attributable to:		
Owners of the Company	5,586	3,223
Non-controlling interests	(14)	9
Total comprehensive income for the year	5,572	3,232

Consolidated Statement of Changes in Equity
Year ended 31 December 2014

	Note	Attributable to owners of 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	Non-controlling interests US$'000	Total equity US$'000
Group									
At 1 January 2013 (Re-presented)		246,428	–	–	1,626	(241,400)	6,654	254	6,908
Total comprehensive income for the year									
Loss for the year		–	–	–	–	(337)	(337)	9	(328)
Other comprehensive income									
Net change in fair value of available-for-sale financial assets		–	–	–	3,560	–	3,560	–	3,560
Total comprehensive income for the year		–	–	–	3,560	(337)	3,223	9	3,232
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issuance of ordinary shares	10	1,286	–	–	–	–	1,286	–	1,286
Issuance of perpetual securities	11	–	23,486	–	–	–	23,486	–	23,486
Accrued perpetual securities distributions	11	–	–	–	–	(889)	(889)	–	(889)
Issuance of warrants		–	–	19,394	–	–	19,394	–	19,394
Total transactions with owners		1,286	23,486	19,394	–	(889)	43,277	–	43,277
At 31 December 2013 (Re-presented)		247,714	23,486	19,394	5,186	(242,626)	53,154	263	53,417

The accompanying notes form an integral part of these financial statements.

	Note	Attributable to owners of the Company								
		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 US$'000	Non-controlling interests US$'000	Total equity US$'000
Group										
At 1 January 2014		247,714	23,486	19,394	–	5,186	(242,626)	53,154	263	53,417
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	9,689	9,689	(14)	9,675
Other comprehensive income										
Net change in fair value of available-for-sale financial assets		–	–	–	–	(4,093)	–	(4,093)	–	(4,093)
Foreign currency translation differences due to foreign operation		–	–	–	(10)	–	–	(10)	–	(10)
Total comprehensive income for the year		–	–	–	(10)	(4,093)	9,689	5,586	(14)	5,572
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of ordinary shares	10	1,714	–	–	–	–	–	1,714	–	1,714
Conversion of perpetual securities	11	16,675	(16,675)	–	–	–	–	–	–	–
Accrued perpetual securities distributions	11	–	–	–	–	–	(635)	(635)	–	(635)
Disposal of a subsidiary	22	–	–	–	–	–	–	–	(249)	(249)
Total transactions with owners		18,389	(16,675)	–	–	–	(635)	1,079	(249)	830
At 31 December 2014		266,103	6,811	19,394	(10)	1,093	(233,572)	59,819	–	59,819

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
			Re-presented*
Cash flows from operating activities			
Profit/(Loss) before income tax		9,747	(347)
Adjustments for:			
Amortisation of deferred revenue		(190)	–
Depreciation of plant and equipment	4	1,947	–
Interest income	19	(98)	(71)
Interest expense	19	602	1
Share of results of jointly controlled entities, net of tax		24	–
Operating profit/(loss) before changes in working capital		12,032	(417)
Changes in working capital:			
Trade and other receivables		(14,110)	(119)
Trade and other payables		2,694	(428)
Net cash generated from/(used in) operating activities from continuing operation		616	(964)
Net cash used in operating activities from discontinued operation	22	(31)	(248)
Net cash generated from/(used in) operating activities		585	(1,212)
Cash flows from investing activities			
Purchase of plant and equipment	4	(83,674)	(2)
Investment in joint ventures		(1,273)	–
Interest income received		98	71
Net cash (used in)/generated from investing activities from continuing operation		(84,849)	69
Net cash generated from/(used in) investing activities from discontinued operation	22	232	(432)
Net cash used in investing activities		(84,617)	(363)
Cash flows from financing activities			
Proceeds from borrowings		54,036	–
Repayment of borrowings		(1,314)	–
Proceeds from issuance of shares		1,714	1,292
Interest expense paid		(602)	(1)
Proceeds from issuance of convertible perpetual capital securities, net of transaction cost	11	–	23,486
Proceeds from issuance of warrants		–	19,394
Net cash generated from financing activities from continuing operation		53,834	44,171
Net cash generated from financing activities from discontinued operation		–	594
Net cash generated from financing activities		53,834	44,765
Net (decrease)/increase in cash and cash equivalents		(30,198)	43,190
Cash and cash equivalents at 1 January		44,118	928
Cash and cash equivalents at 31 December	9	13,920	44,118

Significant non-cash transaction includes an amount of US$4,000,000 for the purchase of a vessel which was offset against an advance payment to be made by the vendor who entered into a sales and leaseback transaction with the Group.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 March 2015.

1 DOMICILE AND ACTIVITIES

Charisma Energy Services Limited (the "Company") is incorporated in Singapore. The address of the Company's registered office is 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316.

The financial statements of the Group as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in jointly controlled entities.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the significant subsidiaries are set out in note 5 to the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies set out in note 3.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars, which is the Company's functional currency. All financial information presented in United States dollars has been rounded to the nearest thousand, unless otherwise stated.

Change in functional currency and presentation currency

With effect from 1 January 2014, as a result of a change in underlying transactions, events and conditions relevant to the Company, the functional currency of the Company was changed from Singapore dollars to United States dollars. The current year presentation has also been changed to United States dollars. The comparative information has been re-presented in United States dollars to conform with current year's presentation.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgments (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed as follows:

Impairment of available-for-sale financial assets

At the end of each financial year, an assessment is made on whether there is objective evidence that an available-for-sale equity instrument is impaired. A significant or prolonged decline in the fair value of the instrument below its cost is considered in determining whether the asset is impaired. Judgment is used in determining what a significant or prolonged decline is. As a Group policy, available-for-sale investments in equity instrument are assessed for impairment when the market value as at the end of the financial year is significantly below cost, or the market value remained below cost for the previous 12 months or longer.

Impairment of trade and other receivables

Trade and other receivables are recorded at the invoiced amount and do not bear interest. The allowance for doubtful receivables is the Group's best estimate of the amount of probable credit losses in the Group's existing trade and other receivables.

Management uses judgment to determine the allowance for doubtful receivables which are supported by historical write-off, credit history of the customers and repayment records. The Group reviews its allowance for doubtful receivables monthly. Balances which are past due for more than 60 days are reviewed individually or collectability. Accounts balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Actual results could differ from estimates.

Useful lives and depreciation of plant and equipment

The Group depreciates the plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economic, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

Impairment of plant and equipment

The Group assesses the impairment of plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Extended periods of idle time;
- Inability to contract the plant and equipment; and
- Significant adverse industry or economic trends.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgments (cont'd)

Impairment of plant and equipment (cont'd)

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Company's accounting estimates in relation to the plant and equipment affect the amounts reported in the financial statements, especially the estimates of the expected useful economic life and the carrying value of the plant and equipment. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Company's financial statements.

2.5 Changes in accounting policies

Subsidiaries

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

The adoption of the FRS 110 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

Joint arrangements

As a result of FRS 111 *Joint Arrangements*, the Group has changed its accounting policy for its interests in joint arrangements. Under FRS 111, the Group has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The adoption of the FRS 111 has been no impact on the recognised assets, liabilities and comprehensive income of the Group and the Group's investment in joint ventures continues to be recognised by applying the equity method.

Offsetting of financial assets and financial liabilities

Under the Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The Group has presented the respective receivables and payables on a gross basis prior to the amendment as the right to set-off is not enforceable in the event of bankruptcy of the counterparty. The amendment of the FRS 32 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iv) Investments in joint ventures (equity-accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Accounting for subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to US$ at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to US$ at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

(iii) Net investment in foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to other comprehensive income in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss arising on disposal.

3.3 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that plant and equipment are completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Power generation equipment	5 - 30 years
Vessels	15 years
Furniture and computer equipment	3 - 5 years
Plant and scaffolding equipment	10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, amount due from subsidiaries and trade and other receivables (excluding prepayments).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3.5) is recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(ii) Non-derivative financial liabilities (con'td)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise financial liabilities and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issue and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.5 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment (con'td)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment (con'td)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.8 Government grants

An unconditional government grant is recognised in profit or loss as other income when the grant becomes receivable.

3.9 Revenue recognition

Lease income

Revenue generated from the leasing of the Group's assets is recognised in profit or loss on a straight-line basis over the term of the lease. Lease income which has been received upfront at the start of the charter period is recognised as deferred revenue in the balance sheet. Such amount is recognised as revenue on a straight line basis over the entire leasing period of the Group's asset.

Rendering of services

Revenue from rendering of services is recognised when the related services have been rendered to customers.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Revenue recognition (cont'd)

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Dividend income

Dividend income is recognised in profit or loss when the shareholders' rights to receive payment is established.

3.10 Leases

(i) When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(ii) When entities within the Group are lessors of an operating lease

Where the Group leases out assets under operating leases, the leased assets are included in statement of financial position according to their nature and, where applicable, are depreciated in accordance with Group's depreciation policies. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies.

3.11 Finance income and costs

Finance income comprises interest income on bank deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on borrowings are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.13 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Discontinued operation (cont'd)

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise redeemable exchangeable preference shares and share options granted to employees.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

3.16 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. The Group is currently assessing the impact to the financial statements and does not plan to early adopt these new standards, amendments to standards and interpretations.

4 PLANT AND EQUIPMENT

	Power generation equipment US$'000	Vessels US$'000	Furniture and computer equipment US$'000	Plant and scaffolding equipment US$'000	Motor vehicles US$'000	Total US$'000
Group						
Cost						
At 1 January 2012	–	–	13	2,657	106	2,776
Additions	–	–	3	420	–	423
At 31 December 2012	–	–	16	3,077	106	3,199
Additions	–	–	3	434	–	437
At 31 December 2013	–	–	19	3,511	106	3,636
Additions	73,638	14,002	34	–	–	87,674
Foreign exchange translation	–	–	1	25	–	26
Disposals	–	–	(15)	(3,536)	(106)	(3,657)
At 31 December 2014	73,638	14,002	39	–	–	87,679
Accumulated depreciation						
At 1 January 2012	–	–	12	2,139	74	2,225
Depreciation from continuing operations	–	–	2	–	–	2
Depreciation from discontinued operations	–	–	–	92	21	113
At 31 December 2012	–	–	14	2,231	95	2,340
Depreciation from continuing operations	–	–	2	–	–	2
Depreciation from discontinued operations	–	–	–	161	11	172
At 31 December 2013	–	–	16	2,392	106	2,514
Depreciation from continuing operations	1,604	333	10	–	–	1,947
Depreciation from discontinued operations	–	–	–	42	–	42
Foreign exchange translation	–	–	–	6	–	6
Disposals	–	–	(14)	(2,440)	(106)	(2,560)
At 31 December 2014	1,604	333	12	–	–	1,949
Carrying amounts						
At 1 January 2012	–	–	1	518	32	551
At 31 December 2012	–	–	2	846	11	859
At 31 December 2013	–	–	3	1,119	–	1,122
At 31 December 2014	72,034	13,669	27	–	–	85,730

4 PLANT AND EQUIPMENT (CONT'D)

	Computer equipment US$'000	Total US$'000
Company		
Cost		
At 1 January 2012	–	–
Additions	2	2
At 31 December 2012	2	2
Additions	3	3
At 31 December 2013	5	5
Additions	33	33
At 31 December 2014	38	38
Accumulated depreciation		
At 1 January 2012	–	–
Depreciation	1	1
At 31 December 2012	1	1
Depreciation	2	2
At 31 December 2013	3	3
Depreciation	8	8
At 31 December 2014	11	11
Carrying amounts		
At 1 January 2012	–	–
At 31 December 2012	1	1
At 31 December 2013	2	2
At 31 December 2014	27	27

Security

As at 31 December 2014, plant and equipment of the Group with carrying amounts of US$77,385,000 (2013: nil) are pledged as security to secure bank loans (see note 15).

5 SUBSIDIARIES

	Company		
	2014 US$'000	2013 US$'000	2012 US$'000
Unquoted equity investments, at cost	10,007	2,640	2,640
Impairment losses	–	(2,640)	(2,640)
	10,007	–	–
Loans to subsidiaries	33,213	–	–
	43,220	–	–

5 SUBSIDIARIES (CONT'D)

The loans to subsidiaries are interest-free, unsecured and settlement is neither planned nor likely to happen in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the subsidiaries, they are stated at cost.

Impairment losses to subsidiaries amounting to US$2,640,000 in 2013 and 2012 were written off in the current financial year.

A subsidiary is considered significant if its net tangible assets represents 2% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 2% or more than the Group's consolidated pre-tax profits.

Details of the significant subsidiaries are as follows:

Name of significant subsidiary	Principal activities	Place of business/ country of incorporation	Equity held by the Group		
			2014 %	2013 %	2012 %
Held by the Company					
Anchor Marine Inc[1]	Ship owner and provision of ship chartering services	Mauritius	100	–	–
Kingpost International Limited[2]	Trading of oil and gas related products	British Virgin Islands	100	–	–
Held through Subsidiary					
CES Hydro Power (SL) Limited[3]	Owning and leasing of power generation equipment	Malaysia	100	–	–
Yew Hock Marine Engineering Pte Ltd[4]	Scaffolding contractor in refinery, petro-chemical, construction and marine industries	Singapore	–	51	51

1 Incorporated in 2014. Audited by KPMG Mauritius

2 Incorporated in 2014. Not required to be audited in accordance with the law of the country of incorporation.

3 Incorporated in 2014. Audited by PKF, Malaysia.

4 The Group divested 51% interest in Yew Hock Marine Engineering Pte Ltd with effect from 1 April 2014 (see note 23).

6 JOINT VENTURES

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Interests in joint ventures	976	–	–	#	–	–
Loans to joint ventures	273	–	–	273	–	–
	1,249	–	–	273	–	–

The Company's interest in joint venture is less than US$1,000.

The loans to joint ventures are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the joint ventures, they are stated at cost.

A joint venture is considered material if its net tangible assets represent 2% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 2% or more than the Group's consolidated pre-tax profits. The Group does not have any material joint ventures.

The Group has no joint ventures which are material, individually or in aggregate.

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company		
	2014 US$'000	2013 US$'000	2012 US$'000
Quoted equity securities, at fair value	5,645	9,738	6,177

The Group's exposure to credit and market risks and the fair value information related to the available-for-sale financial assets are disclosed in note 28.

8 TRADE AND OTHER RECEIVABLES

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Trade receivables	12,930	1,603	2,376	–	–	–
Impairment losses	–	(156)	(606)	–	–	–
Net trade receivables	12,930	1,447	1,770	–	–	–
Tax recoverable	–	34	29	–	34	29
Deposits	15	29	25	15	–	–
Prepayments	298	146	29	79	114	–
	313	209	83	94	148	29
Non-trade amounts due from subsidiaries	–	–	–	8,691	–	–
Other receivables	1,015	10,490	10,484	14	7,001	6,998
Impairment losses	–	(10,484)	(10,484)	–	(6,998)	(6,998)
Net other receivables	1,015	6	–	8,705	3	–
	14,258	1,662	1,853	8,799	151	29

The change in impairment of trade receivables during the year was as follows:

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
At 1 January	156	606	243	–	–	–
Reversal of impairment losses for discontinued operations	(156)	(450)	363	–	–	–
At 31 December	–	156	606	–	–	–

Included in the Group's trade receivables are amounts of US$Nil (2013: US$790,000) that are subject to factoring by a finance company on a recourse basis.

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Impairment losses of other receivables amounting to US$10,484,000 in 2013 and 2012 were written off in the current year.

9 CASH AND CASH EQUIVALENTS

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Cash at bank and in hand	13,920	44,118	927	5,605	44,111	825

10 SHARE CAPITAL

	Group and Company	
	2014 No. of shares '000	2013 No. of shares '000
Issued and fully paid, with no par value		
At 1 January	8,265,234	7,248,434
Conversion of perpetual capital securities (see note 11)	840,000	–
Exercise of share options	1,200,932	1,016,800
At 31 December	10,306,166	8,265,234

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Issuance of ordinary shares

(i) On 25 October 2012, the Company announced that it had entered into option agreements (the "Option Agreements") with each of Ezion, Sunshine Capital and Mr. Woo Peng Kong (collectively, the "Option Subscribers"), pursuant to which the Company shall issue to the Option Subscribers an aggregate of 4,550,000,000 share options (the "Options"), with each Option carrying the right to subscribe for one new ordinary share in the capital of the Company at the issue price of S$0.0018 per share, as follows:

Subject to the terms and conditions of the Option Agreements:

(a) the Company shall grant, and Ezion shall acquire, 3,960,000,000 Options for the cash consideration of S$1.00, with each Option carrying the right to subscribe for one new Share for the issue price of S$0.0018 per share (the "First Option Share");

(b) the Company shall grant, and Sunshine Capital shall acquire, 383,000,000 Options for the cash consideration of S$1.00, with each Option carrying the right to subscribe for one new Share for the issue price of S$0.0018 per share (the "Second Option Share"); and

(c) the Company shall grant, and Mr. Woo Peng Kong shall acquire, 207,000,000 Options for the cash consideration of S$1.00, with each Option carrying the right to subscribe for one new share for the issue price of S$0.0018 per share (the "Third Option Share").

10 SHARE CAPITAL (CONT'D)

During the financial year, details of the options granted under Option Agreements on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share S$	Options outstanding as at 1 January 2014 '000	Options exercised '000	Options outstanding as at 31 December 2014 '000	Exercise period
20/12/2012	0.0018	3,533,200	1,200,932	2,332,268	20/12/2012 to 20/12/2015

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Employee Share Option Scheme

The Company's Employee Share Option Scheme (the "Scheme") was approved and adopted by its members at an Extraordinary General Meeting held on 24 April 2013. As at 31 December 2014 and 31 December 2013, the Company has not granted any option under the Scheme.

Capital management

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as financial liabilities less cash and cash equivalents. Total capital includes issued capital, perpetual securities, reserves and retained earnings.

The Group's management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014.

11 PERPETUAL SECURITIES

On 28 March 2013, the Company completed the placement of S$30,000,000 (equivalent to US$23,710,000) 5% convertible perpetual capital securities at an issue price of 100 per cent (the "Capital Securities").

The securities are perpetual, subordinated and the distribution interest of 5% per annum may be deferred at the sole discretion of the Company. These perpetual securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. Transaction costs incurred in connection with the issuance of perpetual securities amounted to US$224,000.

11 PERPETUAL SECURITIES (CONT'D)

Each Capital Securities will, at the option of the holders of the Capital Securities, be converted into fully paid shares of the Company at a conversion price of S$0.025 per share. For the period from 1 January 2014 to 31 December 2014, the Company allotted and issued 840,000,000 new ordinary shares in the capital of the Company pursuant to the conversion of 840,000,000 convertible perpetual capital securities by various Capital Securities holders.

There are no perpetual securities issued for the year ended 31 December 2014. As at 31 December 2014, the Group has accrued perpetual securities distribution of US$635,000 (2013: US$889,000).

12 WARRANTS

On 4 November 2013, the Company completed the placement of 1,000,000,000 new listed warrants at an issue price of S$0.025 per warrant, with each warrant entitling the holder to subscribe for one new ordinary share in the capital of the Company at the exercise price of S$0.025 per warrant. These warrants are classified as equity instruments and recorded in equity in the consolidated statement of financial position. Transaction costs incurred in connection with the issuance of warrants amounted to S$460,000 (equivalent to US$363,000).

There are no warrants issued for the year ended 31 December 2014.

13 OTHER RESERVES

The reserves of the Group and the Company comprise the following balances:

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Fair value reserve	1,093	5,186	1,626	1,093	5,186	1,625
Foreign currency translation reserves	(10)	–	–	–	–	–
	1,083	5,186	1,626	1,093	5,186	1,625

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Foreign currency translation reserves

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

14 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities during the year are as follows:

	At 31 December 2012 US$'000	Recognised in profit or loss US$'000	At 31 December 2013 US$'000	Discontinued operations 2014 US$'000	At 31 December 2014 US$'000
				(note 22)	
Group					
Deferred tax liabilities					
Plant and equipment	4	15	19	(19)	–
Tax value of unutilised tax losses carried forward	–	(4)	(4)	4	–
Net deferred tax liabilities	4	11	15	(15)	–

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal tax authority.

15 FINANCIAL LIABILITIES

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Non-current						
Secured bank loans	38,172	–	–	–	–	–
Current						
Secured bank loans	14,550	711	62	6,652	–	–
Loan from a third party	–	–	228	–	–	–
Loans from a related party	–	703	735	–	–	–
	14,550	1,414	1,025	6,652	–	–
	52,722	1,414	1,025	6,652	–	–

Secured bank loans

All bank loans are secured by corporate guarantees from the Company, first legal charge on the Group's assets with a carrying amount of US$77,385,000 (2013: nil), legal assignment of the rental proceeds from the Group's assets, assignment of insurances in respect of the Group's asset in the bank's favour and all monies standing to the credit of the Group's receiving operating account in respect of the Group's asset maintained by the Group with the bank.

As at 31 December 2013, secured bank loans related to an amount of cash received by the Group from the bank less the amount of trade receivables actually collected by the bank from the factoring of the Group's receivables.

15 FINANCIAL LIABILITIES (CONT'D)

Secured bank loans (cont'd)

The loans from a related party are non-trade in nature, unsecured and repayable on demand.

Both the secured bank loans and the loans from a related party relate to the discontinued operations (note 22).

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Carrying amount 2014 US$'000	2013 US$'000	2012 US$'000
Group					
US$ secured floating rate loans	3.40	2015 - 2020	52,722	–	–
S$ secured fixed rate loans	2.00	Within 1 year	–	711	62
S$ unsecured fixed rate loan	10.00	Within 1 year	–	–	228
S$ loan from a related party	0.00-6.50	Within 1 year	–	703	735
			52,722	1,414	1,025
Company					
US$ secured floating rate loans	3.00	2015	6,652	–	–

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount US$'000	Cash flows: Contractual cash flows US$'000	Within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Group					
2014					
Non-derivative financial liabilities					
Secured bank loans	52,722	(57,368)	(16,061)	(34,807)	(6,500)
Trade payables	3,212	(3,212)	(3,212)	–	–
Other payables	1,219	(1,219)	(1,219)	–	–
	57,153	(61,799)	(20,492)	(34,807)	(6,500)

15 FINANCIAL LIABILITIES (CONT'D)

Terms and debt repayment schedule (cont'd)

	Carrying amount US$'000	Cash flows			
		Contractual cash flows US$'000	Within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Group					
2013					
Non-derivative financial liabilities					
Secured bank loans	711	(725)	(725)	–	–
Loan from a related party	703	(713)	(713)	–	–
Trade payables	179	(179)	(179)	–	–
Other payables	1,615	(1,615)	(1,615)	–	–
	3,208	(3,232)	(3,232)	–	–
2012					
Non-derivative financial liabilities					
Secured bank loans	62	(63)	(63)	–	–
Unsecured fixed rate loan	228	(251)	(251)	–	–
Loan from a related party	735	(745)	(745)	–	–
Trade payables	1,286	(1,286)	(1,286)	–	–
Other payables	593	(593)	(593)	–	–
	2,904	(2,938)	(2,938)	–	–
Company					
2014					
Non-derivative financial liabilities					
Secured bank loans	6,652	(6,685)	(6,685)	–	–
Other payables	846	(846)	(846)	–	–
	7,498	(7,531)	(7,531)	–	–
2013					
Non-derivative financial liabilities					
Other payables	1,118	(1,118)	(1,118)	–	–
2012					
Non-derivative financial liabilities					
Trade payables	148	(148)	(148)	–	–
Other payables	103	(103)	(103)	–	–
	251	(251)	(251)	–	–

16 AMOUNTS DUE TO SUBSIDIARIES

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Non-trade amounts due to subsidiaries	–	–	–	209	–	–

Non-trade amounts due to subsidiaries are unsecured, interest-free and not repayable within the next 12 months.

17 TRADE AND OTHER PAYABLES

	Group			Company		
	2014 US$'000	2013 US$'000	2012 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
Trade payables	3,212	179	1,286	–	–	148
Accrued operating expenses	621	528	532	639	75	73
Other payables	598	1,087	61	207	1,043	30
	4,431	1,794	1,879	846	1,118	251

18 REVENUE

	Group	
	2014 US$'000	2013 US$'000
Continuing operations		
Sales of goods	166,439	–
Rendering of services	1,348	–
Lease income	5,539	–
	173,326	–

19 NET FINANCE (COST)/INCOME

	Group	
	2014 US$'000	2013 US$'000
Continuing operations		
Finance income		
Interest income from bank deposits	98	71
Finance cost		
Interest expense on borrowings	(602)	(1)
Net finance (cost)/income	(504)	70

20 PROFIT/(LOSS) BEFORE INCOME TAX

The following items have been included in arriving at profit/(loss) before income tax:

	Note	Group	
		2014 US$'000	2013 US$'000
Continuing operations			
Depreciation of plant and equipment	4	1,947	3
Audit fee paid/payable to the auditors of the Company		86	40
Non-audit fee paid/payable to the auditors of the Company		63	–
Staff costs		852	385
Contributions to defined contribution plans, included in staff costs		37	18
Foreign exchange loss		88	1
Write-off of liabilities		–	(390)

Staff costs include key management personnel compensation as disclosed in note 27.

21 INCOME TAX EXPENSE

	Group	
	2014 US$'000	2013 US$'000
Continuing operations		
Current tax expense		
Current year and total income tax expense	20	–
Reconciliation of effective tax rate		
Profit/(Loss) before income tax	9,747	(347)
Share of results of joint ventures (net of tax)	24	–
Profit/(Loss) before income tax excluding share of results of joint ventures	9,771	(347)
Tax calculated using Singapore tax rate of 17% (2013: 17%)	1,661	(59)
Income not subjected to tax	(1,458)	–
Different tax rate in other countries	(425)	–
Tax losses not recognised	242	59
	20	–

The Group has unrecognised tax losses of US$3,321,000 (2013: US$2,979,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. Tax losses have not been recognised because those companies do not currently have sufficient objective information to determine whether future taxable profits is available for offsetting.

22 DISCONTINUED OPERATION

On 7 May 2014, the Group divested its entire 51% interest in Yew Hock Marine Engineering Pte Ltd for a consideration of S$300,000 (equivalent to US$238,000).

	Group	
	2014 US$'000	2013 US$'000
Results of discontinued operation		
Revenue	922	4,102
Expenses	(951)	(4,073)
Results from operating activities	(29)	29
Tax	–	(10)
Results from operating activities, net of tax	(29)	19
Loss on sale of discontinued operation	(23)	–
(Loss)/Profit for the year	(52)	19

The loss from discontinued operations is attributable to owners of the Company is US$38,000 for the year ended 31 December (2013: US$10,000) and non controlling interest is US$14,000 (2013: US$9,000) respectively.

Cash flows from discontinued operation:

	2014 US$'000	2013 US$'000
Net cash flows used in operating activities	(31)	(248)
Net cash flows from investing activities	232	(432)
Net cash flows for the year	201	(680)

The effects of the disposal of interests in the subsidiary is set out below:

	Note	2014 US$'000
Plant and equipment	4	(1,097)
Trade and other receivables		(965)
Cash and cash equivalents		(6)
Deferred tax liabilities	14	15
Financial liabilities		218
Other payables		1,326
Net identifiable assets		(509)
Less: Non-controlling interests		249
Net assets and liabilities		(260)
Sale consideration		238
Net cash and cash equivalents disposed		(6)
Net cash inflow		232

23 EARNINGS PER SHARE

Continuing operations

Basic earnings per share

	Group	
	2014 US$'000	2013 US$'000
Profit/(loss) attributable to equity holders of the Company	9,727	(347)

Weighted average number of ordinary shares

	No. of shares 2014 '000	No. of shares 2013 '000
Weighted average number of ordinary shares at 31 December	9,705	8,053
Basic earning per share (cents)	0.10	(0.00)

Diluted earnings per share

	Group	
	2014 US$'000	2013 US$'000
Profit/(Loss) attributable to equity holders (diluted)	9,727	(347)

Weighted average number of ordinary shares (diluted)

	No. of shares 2014 '000	No. of shares 2013 '000
Weighted average number of ordinary shares at 31 December	13,998	8,053*
Diluted earning per share (cents)	0.07	(0.00)

* As FY 2013 was in a loss position, share options, perpetual securities and warrants were not included in the computation of the diluted earnings per share because these potential ordinary shares were anti-dilutive.

24 OPERATING SEGMENTS

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's Chief Executive Officer ("CEO') who is the chief operating decision maker, reviews internal management reports of each division at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Industry segments

(a) Power and energy services: engaged in the owning, chartering and management of power generation equipment and in the owning, chartering and management of oil and gas related vessels and equipment

(b) Engineering: engaged in the provision of scaffolding services. This segment was disposed in May 2014.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The reportable segment profit and loss has been determined using the same accounting policy of the Group.

24 OPERATING SEGMENTS (CONT'D)

31 December 2014

	Power and energy services 2014 US$'000	Engineering (discontinued) 2014 US$'000	Total 2014 US$'000
REVENUE			
External revenue	173,326	922	174,248
Inter-segment revenue	–	–	–
Consolidated revenue	173,326	922	174,248
RESULT			
Reportable segment results from operating activities	12,275	(42)	12,233
Finance costs	(602)	(10)	(612)
Share of results of JCE	(24)	–	(24)
Unallocated other operating income			27
Unallocated finance income			98
Unallocated expenses			(2,027)
Profit before income tax			9,695
Tax expense	(20)	–	(20)
Profit for the year			9,675
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	100,529	–	100,529
Unallocated assets			20,273
Total assets			120,802
Reportable segment liabilities	59,927	–	59,927
Unallocated liabilities			1,056
Total liabilities			60,983
Capital expenditure	87,600	–	87,600
Unallocated capital expenditure			74
Total capital expenditure			87,674
Depreciation expenses	1,938	42	1,980
Unallocated depreciation expenses			9
Total depreciation expenses			1,989

24 OPERATING SEGMENTS (CONT'D)

31 December 2013

	Engineering (discontinued) 2013 US$'000	Total 2013 US$'000
REVENUE		
External revenue	4,102	4,102
Inter-segment revenue	–	–
Consolidated revenue	4,102	4,102
RESULT		
Reportable segment results from operating activities	19	19
Finance costs	(65)	(65)
Unallocated finance costs		(1)
Unallocated finance income		71
Unallocated other operating income		395
Unallocated expenses		(737)
Loss before income tax		(318)
Tax expense		(10)
Loss for the year		(328)
OTHER SEGMENTAL INFORMATION		
Reportable segment assets	2,637	2,637
Unallocated assets		54,003
Total assets		56,640
Reportable segment liabilities	2,104	2,104
Unallocated liabilities		1,119
Total liabilities		3,223
Capital expenditure	434	434
Unallocated capital expenditure		3
Total capital expenditure		437
Depreciation expenses	172	172
Unallocated depreciation expenses		2
Total depreciation expenses		174

24 OPERATING SEGMENTS (CONT'D)

Geographical segments

South Asia is a major market for the provision of power generation, oil and gas support and engineering services.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO.

Analysis by geographical location

The Group's reportable segments operate in South Asia (2013: South East Asia).

Major customers

During the financial year, the Group had one customer in the power and energy services segment that individually contributed 96% of the Group's revenue.

In 2013, the Group had three customers in the engineering segment that contributed 98% of the Group's revenue.

25 OPERATING LEASES

Leases as lessor

The Group leases out its power generation equipment and vessel. The future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2014 US$'000	2013 US$'000
Within 1 year	14,788	–
After 1 year but within 5 years	59,152	–
After 5 years	62,460	–
	136,400	–

The future minimum lease payments under non-cancellable operating leases for office premises are as follows:

	Group	
	2014 US$'000	2013 US$'000
Within 1 year	–	66

26 CAPITAL COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2014 US$'000	2013 US$'000
Plant and equipment	56,000	–

27 RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	Group	
	2014 US$'000	2013 US$'000
Interest expense on loan from a former director	–	10

Key management personnel compensation

Key management personnel compensation comprised:

	Group	
	2014 US$'000	2013 US$'000
Short-term employee benefits	528	741
Post-employment benefits	–	25
	528	766

28 FINANCIAL RISK MANAGEMENT

Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Overview (cont'd)

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments comprise cash and cash equivalents and bank loans. The main purpose of these financial instruments is to finance the Group's operations. The other financial instruments such as trade and other payables are directly from its operations.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group has established credit limits for customers and monitors their balances. It is the Group's policy to conduct credit reviews on new customers and credit terms are only extended to creditworthy customers. These debts are continually monitored and therefore the Group does not expect to incur material credit losses.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2014 US$'000	2013 US$'000	2012 US$'000
Group			
Trade and other receivables (excluding prepayments)	13,960	1,516	1,824
Cash and cash equivalents	13,920	44,118	927
Loans and receivables	27,880	45,634	2,751
Company			
Trade and other receivables (excluding prepayments)	8,720	37	29
Cash and cash equivalents	5,605	44,111	825
Loans and receivables	14,325	44,148	854

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for collective impairment was made based on past experience.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

The ageing of trade and other receivables (excluding prepayments) at the reporting date was:

	2014		2013		2012	
	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000
Group						
Not past due or less than 60 days overdue	13,960	–	513	–	846	–
Past due 61 – 120 days	–	–	743	–	35	–
Past due more than 120 days	–	–	10,900	10,640	12,033	11,090
	13,960	–	12,156	10,640	12,914	11,090
Company						
Not past due or less than 60 days overdue	8,720	–	37	–	29	–
Past due 61 – 120 days	–	–	–	–	–	–
Past due more than 120 days	–	–	6,998	6,998	6,998	6,998
	8,720	–	7,035	6,998	7,027	6,998

The impaired trade receivables amounting to US$ Nil (2013: US$10,640,000) arose mainly due to long overdue amounts owing by the customers.

At 31 December 2014, trade receivables from 2 customers (2013: 3 customers) accounted for 98% (2013: 98%) of net trade receivables of the Group.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risks

The Group incurs foreign currency risk on available-for-sale financial assets, cash and cash equivalents, borrowings and expenditures that are denominated in currencies other than the US$. The currency giving rise to this risk is primarily the Singapore dollars ("SGD") and Australian dollars ("AUD").

There is no formal hedging policy with respect to foreign currency exposures. Exposures to foreign currency risk are monitored on an on-going basis and the Group endeavours to keep the net exposures at acceptable levels by buying currencies at spot rates, where necessary, to address short term imbalances.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risks (cont'd)

The Group's and Company's net exposure to foreign currencies are as follows:

	AUD US$'000	SGD US$'000	Total US$'000
Group			
2014			
Available-for-sale financial assets	–	5,645	5,645
Cash and bank balances	–	5,168	5,168
Trade and other payables	(3,205)	(633)	(3,838)
Net exposure	(3,205)	10,180	6,975
Company			
2014			
Available-for-sale financial assets	–	5,645	5,645
Cash and bank balances	–	5,168	5,168
Trade and other payables	–	(631)	(631)
Net exposure	–	10,182	10,182

The Group and the Company were not exposed to foreign currency risks as all of its transactions and balances were denominated in Singapore dollar as at 31 December 2013.

Sensitivity analysis

A 10% strengthening of the USD against the following currencies at the reporting date would increase/(decrease) results before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rate, remain constant.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risks (cont'd)

Sensitivity analysis (cont'd)

	2014	
	Equity US$'000	Profit or loss US$'000
Group		
AUD	–	321
SGD	(565)	(454)
Company		
SGD	(565)	(454)

A 10% weakening of the USD against the above currencies would have had an equal but opposite effect on the amounts shown above.

Interest rate risks

The Group's and Company's exposure to changes in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group is not exposed to significant interest rate risk through the impact of interest rate changes on interest-bearing liabilities.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Analysis of financial instruments by contractual maturities

The contractual undiscounted cash flows of the Group's and the Company's non-derivative financial liabilities are due within 12 months and approximate their carrying amounts.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classification and fair values

Fair values versus carrying amounts

The carrying amounts of the Group and the Company's financial instruments other than available-for-sale financial assets carried at cost or amortised cost are not materially different from their fair value as at 31 December 2014 and 2013 and 2012.

	Note	Loans and receivables US$'000	Liabilities at amortised cost US$'000	Total carrying amount US$'000	Fair value US$'000
Group					
31 December 2014					
Assets					
Trade and other receivables[1]	8	13,960	–	13,960	13,960
Cash and cash equivalents	9	13,920	–	13,920	13,920
Liabilities					
Financial liabilities	15	–	(52,722)	(52,722)	(52,722)
Trade and other payables	17	–	(4,431)	(4,431)	(4,431)
31 December 2013					
Assets					
Trade and other receivables[1]	8	1,516	–	1,516	1,516
Cash and cash equivalents	9	44,118	–	44,118	44,118
Liabilities					
Financial liabilities	15	–	(1,414)	(1,414)	(1,414)
Trade and other payables	17	–	(1,794)	(1,794)	(1,794)
31 December 2012					
Assets					
Trade and other receivables[1]	8	1,824	–	1,824	1,824
Cash and cash equivalents	9	927	–	927	927
Liabilities					
Financial liabilities	15	–	(1,025)	(1,025)	(1,025)
Trade and other payables	17	–	(1,879)	(1,879)	(1,879)

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Loans and receivables US$'000	Liabilities at amortised cost US$'000	Total carrying amount US$'000	Fair value US$'000
Company					
31 December 2014					
Assets					
Trade and other receivables[1]	8	8,720	–	8,720	8,720
Cash and cash equivalents	9	5,605	–	5,605	5,605
Liabilities					
Amount due to subsidiaries	16	–	(209)	(209)	(209)
Trade and other payables	17	–	(846)	(846)	(846)
31 December 2013					
Assets					
Trade and other receivables[1]	8	37	–	37	37
Cash and cash equivalents	9	44,111	–	44,111	44,111
Liabilities					
Trade and other payables	17	–	(1,118)	(1,118)	(1,118)
31 December 2012					
Assets					
Trade and other receivables[1]	8	29	–	29	29
Cash and cash equivalents	9	825	–	825	825
Liabilities					
Trade and other payables	17	–	(251)	(251)	(251)

(1) Excludes prepayments.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classification and fair values (cont'd)

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- *Level 2:* inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* unobservable inputs for the asset or liability.

	Note	2014 US$'000	2013 US$'000	2012 US$'000
Group and Company				
Level 1				
Assets				
Available-for-sale financial assets				
- Quoted equity securities	7	5,645	9,738	6,177

29 COMPARATIVE INFORMATION

Comparative figures have been presented as United States dollars as a result of the change in functional currency and presentation currency from Singapore dollars to United States dollars as stated in note 2.3.

GENERAL INFORMATION ON SHARE CAPITAL

Total no. of issued shares	:	10,306,165,710
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	185	1.87	8,815	0.00
100 - 1,000	1,577	15.94	845,973	0.01
1,001 - 10,000	3,170	32.05	11,955,143	0.11
10,001 - 1,000,000	4,433	44.82	986,139,021	9.57
1,000,001 and above	526	5.32	9,307,216,758	90.31
	9,891	**100.00**	**10,306,165,710**	**100.00**

TOP 20 SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	Ezion Holdings Limited	5,091,932,000	49.41
2	Patrick Tan Choon Hock	364,483,100	3.54
3	Sunshine Capital Group Pte Ltd	280,222,667	2.72
4	DBS Nominees Pte Ltd	257,592,095	2.50
5	Raffles Nominees (Pte) Ltd	161,299,218	1.57
6	Seah Soi Chena	147,800,000	1.43
7	Er Choon Huat	119,800,000	1.16
8	Phillip Securities Pte Ltd	110,868,746	1.08
9	Maybank Kim Eng Securities Pte Ltd	96,634,759	0.94
10	Citibank Nominees Singapore Pte Ltd	91,009,934	0.88
11	Phillip Ventures Enterprise Fund 2 Ltd	80,070,000	0.78
12	Terry Tan Soon Lee @ Huiri Amita	76,800,000	0.75
13	Chow Joo Ming	70,000,000	0.68
14	Thomas Tan Soon Seng (Thomas Chen Shuncheng)	68,330,000	0.66
15	Tan Fuh Gih	60,000,000	0.58
16	Yiap Moi Hiang	57,980,000	0.56
17	DBS Vickers Securities (Singapore) Pte Ltd	56,223,429	0.55
18	Lee Kon Meng	47,900,000	0.46
19	United Overseas Bank Nominees (Private) Limited	44,950,673	0.44
20	Tay Swee Sze	42,083,961	0.41
	Total:	**7,325,980,582**	**71.10**

SUBSTANTIAL SHAREHOLDERS

As per Register of Substantial Shareholders:

	Direct Interest	%	Deemed Interest	%
Ezion Holdings Limited	5,091,932,000	49.41	–	–

PERCENTAGE OF SHAREHOLDING HELD IN PUBLIC'S HANDS

Based on information made available to the Company as at 12 March 2015, approximately 50.59% of the Company's shares were held in the hands of the public, and accordingly, Rule 723 of the Catalist Rules is complied with.

Statistics of Warrant Holdings
As at 12 March 2015

CHARISMA W161103

No. of Warrants Outstanding : 1,000,000,000

Each Warrant entitles the holder to subscribe for one (1) ordinary share at an exercise price of S$0.025 each.

DISTRIBUTION OF WARRANT HOLDINGS

Range of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1 - 99	0	0.00	0	0.00
100 – 1,000	2	0.57	2,000	0.00
1,001 - 10,000	1	0.28	10,000	0.00
10,001 - 1,000,000	247	69.97	90,859,900	9.09
1,000,001 and above	103	29.18	909,128,100	90.91
	353	**100.00**	**1,000,000,000**	**100.00**

TOP 20 WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1	Maybank Kim Eng Securities Pte Ltd	128,842,000	12.88
2	UOB Kay Hian Pte Ltd	78,000,000	7.80
3	Raffles Nominees (Pte) Ltd	70,000,000	7.00
4	Patrick Tan Choon Hock	60,000,000	6.00
5	Phillip Securities Pte Ltd	54,147,000	5.41
6	DBSN Services Pte Ltd	54,000,000	5.40
7	Tan Keng Sin Patrick	24,000,000	2.40
8	OCBC Securities Private Ltd	23,250,000	2.33
9	DBS Nominees Pte Ltd	23,222,000	2.32
10	Sunshine Capital Group Pte Ltd	22,500,000	2.25
11	Ang Yew Jin Eugene	19,000,000	1.90
12	United Overseas Bank Nominees (Private) Limited	14,500,000	1.45
13	Ng Kim Teck	14,460,000	1.45
14	HL Bank Nominees (Singapore) Pte Ltd	12,000,000	1.20
15	Goh Leng Thong	11,571,000	1.16
16	Ong Bee Hoo	11,000,000	1.10
17	Lim & Tan Securities Pte Ltd	10,800,000	1.08
18	Low Hon-Yu (Liu Hongyao)	10,151,000	1.02
19	IFS Capital Limited	10,000,000	1.00
20	Tay Piak Juay	9,500,000	0.95
	Total:	**660,943,000**	**66.10**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Charisma Energy Services Limited (the "Company") will be held at Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774 on Tuesday 21 April 2015 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 95 of the Articles of Association of the Company:

   Mr Chew Thiam Keng (See Explanatory Note (i)) **(Resolution 2)**
   Mr Cheng Yee Seng (See Explanatory Note (ii)) **(Resolution 3)**

3. To re-appoint Mr Wong Bheet Huan, a Director of the Company retiring under Section 153(6) of the Companies Act, Chapter 50. (See Explanatory Note (iii)) **(Resolution 4)**

4. To approve the payment of Directors' fees of S$148,000 for the year ending 31 December 2015 to be paid quarterly in arrears. (2014: S$148,000) **(Resolution 5)**

5. To re-appoint Messrs KPMG LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules"), authority be and hereby given to the Directors of the Company ("Directors") to:-

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new shares arising from the conversion or exercise of the Instruments;
    (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
    (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Meeting of the Company is required by law to be held, whichever is earlier.
(See Explanatory Note (iv)) **(Resolution 7)**

8. Authority to issue shares under the Employee Share Option Scheme

That the Directors of the Company be hereby authorised and empowered to offer and grant options in accordance with the rules of the Employee Share Option Scheme ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme, when added to the number of shares issued and issuable in respect of such Scheme and other shares issued and/or issuable under other share-based incentive schemes or share plans of the Company, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares or share plans) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next General Meeting of the Company is required by law to be held, whichever is earlier.
(See Explanatory Note (v)) **(Resolution 8)**

By Order of the Board

Lim Ka Bee
Secretary
Singapore, 6 April 2015

Explanatory Notes:

(i) Mr Chew Thiam Keng will, upon re-election as a Director of the Company, remain as the Non-Executive Chairman of the Company. The detailed information of Mr Chew can be found under the section entitled 'Board of Directors' in page 04 of the Annual Report.

(ii) Mr Cheng Yee Seng will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee, member of the Nominating and Remuneration Committees. The Board considers Mr Cheng Yee Seng to be independent for the purpose of Rule 704(7) of the Catalist Rules. The detailed information of Mr Cheng can be found under the section entitled 'Board of Directors' in page 05 of the Annual Report.

(iii) The effect of the Ordinary Resolution (4) proposed in item (3) above, is to re-appoint a director of the Company who is over 70 years of age and if passed, he will hold office until the next Annual General Meeting. Such re-appointment of a director will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act, Chapter 50 as repealed when the Companies (Amendment) Act 2014 comes into force. The director will then be subject to retirement by rotation under the Company's Articles of Association.

Mr Wong Bheet Huan will, upon re-appointment as a Director of the Company, remain as an Executive Director of the Company. The detailed information of Mr Wong can be found under the section entitled 'Board of Directors' in page 04 of the Annual Report.

(iv) The Ordinary Resolution (7) in item (7) above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(v) The Ordinary Resolution (8) in item (8) above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate, when added to the number of shares issued and issuable in respect of such Scheme and other shares issued and/or issuable under other share-based incentive schemes or share plans of the Company, fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

1. A Member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy needs not be a member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen Singapore 089316 not less than forty-eight (48) hours before the time appointed for holding the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CHARISMA ENERGY SERVICES LIMITED
(Company Registration No. 199706776D)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy Charisma Energy Services Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ... (Name) .... (NRIC/Passport No.)

of .... (Address)

being a member/members of Charisma Energy Services Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting of the Company ("AGM") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held at Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774 on Tuesday 21 April 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

No.	Resolutions relating to:	No. of Votes For*	No. of Votes Against*
1	Adoption of the Directors' Report, Audited Accounts and Independent Auditors' Report for the financial year ended 31 December 2014		
2	Re-election of Mr Chew Thiam Keng as a Director of the Company		
3	Re-election of Mr Cheng Yee Seng as a Director of the Company		
4	Re-appointment of Mr Wong Bheet Huan as a Director of the Company		
5	Approval of payment of Directors' fees amounting to S$148,000 for year ending 31 December 2015		
6	Re-appointment of Messrs KPMG LLP as Auditor of the Company and to authorise the Directors to fix their remuneration		
7	Authority to issue new shares in the capital of the Company		
8	Authority to issue shares under the Employee Share Option Scheme		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

....

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen Singapore 089316 not less than forty-eight (48) hours before the time appointed for the AGM.

Affix
Postage
Stamp

The Company Secretary
Charisma Energy Services Limited
15 Hoe Chiang Road, #12-05
Tower Fifteen Singapore 089316

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6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 April 2015.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

CHARISMA ENERGY SERVICES LIMITED

Co. Reg. No. 199706776D
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Tower Fifteen, Singapore 089316
Telephone : +65 6535 4248
Facsimile : +65 6535 0553