

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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

	<b>Group</b>		
	<b>3 months ended</b>		
	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>Change</b>
	<b>(1Q 2021)</b>	<b>(1Q 2020)</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Revenue	2,627	1,256	n.m.
Cost of sales	(1,123)	(1,022)	10
<b>Gross profit</b>	<b>1,504</b>	<b>234</b>	<b>n.m.</b>
Administrative and marketing expenses	(821)	(948)	(13)
<b>Profit/(Loss) from operating activities</b>	<b>683</b>	<b>(714)</b>	<b>n.m.</b>
Finance income	23	29	(21)
Finance costs	(1,326)	(1,441)	(8)
<b>Net finance cost</b>	<b>(1,303)</b>	<b>(1,412)</b>	<b>(8)</b>
Share of results of jointly controlled entities (net of tax)	-	(20)	n.m.
<b>Loss before taxation</b>	<b>(620)</b>	<b>(2,146)</b>	<b>(71)</b>
Taxation	(106)	(453)	n.m.
<b>Loss after taxation</b>	<b>(726)</b>	<b>(2,599)</b>	<b>(72)</b>
Non-controlling interests	(4)	(36)	(89)
<b>Loss for the period</b>	<b>(730)</b>	<b>(2,635)</b>	<b>(72)</b>

Loss for the period is arrived at after charging the following:-

	<b>Group</b>		
	<b>3 months ended</b>		
	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>Change</b>
	<b>(1Q 2021)</b>	<b>(1Q 2020)</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
- Net finance cost	(1,303)	(1,412)	(8)
- Depreciation	(563)	(624)	(10)

n.m. = not meaningful

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

	Group		Company	
	31.03.2021 US\$'000	31.12.2020 US\$'000	31.03.2021 US\$'000	31.12.2020 US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	25,325	25,971	2	3
Right-of-use assets	16,101	16,675	-	-
Subsidiaries	-	-	30,996	30,938
Joint ventures	-	-	-	-
Other investments	-	-	-	-
Deferred tax assets	840	840	-	-
Other receivables	596	603	-	-
	<b>42,862</b>	<b>44,089</b>	<b>30,998</b>	<b>30,941</b>
<b>Current assets</b>				
Inventories	560	547	-	-
Assets held for sale	7,109	7,186	-	-
Trade and other receivables	18,270	18,480	3,636	3,594
Amounts due from subsidiaries	-	-	2,773	2,763
Amounts due from joint ventures	59	59	59	59
Cash and cash equivalents	3,101	3,315	60	114
	<b>29,099</b>	<b>29,587</b>	<b>6,528</b>	<b>6,530</b>
<b>Total assets</b>	<b>71,961</b>	<b>73,676</b>	<b>37,526</b>	<b>37,471</b>
<b>Equity</b>				
Share capital	274,545	274,545	274,545	274,545
Convertible perpetual capital securities	6,811	6,811	6,811	6,811
Redeemable exchangeable preference shares	7,042	7,042	-	-
Warrants	2,384	2,384	2,384	2,384
Other reserves	(7,062)	(6,428)	(1,276)	(1,276)
Accumulated losses	(308,358)	(307,543)	(326,235)	(325,245)
<b>Equity attributable to owners of the Company</b>	<b>(24,638)</b>	<b>(23,189)</b>	<b>(43,771)</b>	<b>(42,781)</b>
Non-controlling interests	1,124	1,122	-	-
<b>Total equity</b>	<b>(23,514)</b>	<b>(22,067)</b>	<b>(43,771)</b>	<b>(42,781)</b>
<b>Non-current liabilities</b>				
Other payables	157	186	-	-
Financial liabilities	16,962	17,590	3,064	3,064
Deferred tax liabilities	2,307	2,486	-	-
	<b>19,426</b>	<b>20,262</b>	<b>3,064</b>	<b>3,064</b>
<b>Current liabilities</b>				
Trade and other payables	18,587	16,389	8,855	8,293
Amounts due to joint ventures	117	119	117	119
Amounts due to related parties	27,699	27,394	27,661	27,357
Amounts due to subsidiaries	-	-	24,254	24,073
Financial liabilities	29,391	31,072	17,346	17,346
Provision for tax	255	507	-	-
	<b>76,049</b>	<b>75,481</b>	<b>78,233</b>	<b>77,188</b>
<b>Total liabilities</b>	<b>95,475</b>	<b>95,743</b>	<b>81,297</b>	<b>80,252</b>
<b>Total equity and liabilities</b>	<b>71,961</b>	<b>73,676</b>	<b>37,526</b>	<b>37,471</b>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group			
	As at 31.03.2021		As at 31.12.2020	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Amount repayable in one year or less, or on demand</b>	29,391	27,699	31,072	27,394
<b>Amount repayable after one year</b>	16,962	-	17,590	-

**Details of any collateral**

Secured borrowings as at 31 March 2021 and 31 December 2020 were secured by mortgages on the respective hydro-electric power plants, solar photovoltaic power plant, offshore support vessels and onshore accommodation module.

Included in cash and cash equivalents an amount of US\$3,052,000 (31 December 2020: US\$3,211,000) being restricted or earmarked by the banks for various facilities granted.

1(b)(iii) Statement of comprehensive income for the period ended 31 March 2021

	Group		
	3 months ended		
	31.03.2021	31.03.2020	Change %
	(1Q 2021)	(1Q 2020)	
	US\$'000	US\$'000	
<b>Loss for the period</b>	<b>(726)</b>	<b>(2,599)</b>	<b>(72)</b>
<b>Other comprehensive income/(loss)</b>			
<b><u>Items that may be reclassified subsequently to profit and loss:</u></b>			
Effective portion of changes in fair value of cash flow hedge	-	2	n.m.
Exchange differences on monetary items forming part of net investment in foreign operations	-	(771)	(100)
Foreign currency translation differences relating to financial statements of foreign operations	(635)	291	n.m.
	<u>(635)</u>	<u>(478)</u>	33
<b><u>Items that will not be reclassified to profit and loss:</u></b>			
Net change in fair value of financial assets at fair value through other comprehensive income (FVOCI)	-	-	n.m.
Net change in fair value of actuarial gain or loss	8	-	n.m.
<b>Other comprehensive loss for the period</b>	<b><u>(627)</u></b>	<b><u>(478)</u></b>	<b>31</b>
<b>Total comprehensive loss for the period</b>	<b><u>(1,353)</u></b>	<b><u>(3,077)</u></b>	<b>(56)</b>
<b>Attributable to:</b>			
Owners of the Company	(1,355)	(3,107)	(56)
Non-controlling interests	2	30	(93)
	<u>(1,353)</u>	<u>(3,077)</u>	<u>(56)</u>

n.m. = not meaningful

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

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>(1Q 2021)</b>	<b>(1Q 2020)</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(620)	(2,146)
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	331	460
Depreciation of right-of-use assets	232	164
Interest income	(23)	(29)
Interest expense	1,326	1,441
Share of results of jointly controlled entities, net of tax	-	20
<b>Operating profit/(loss) before working capital changes</b>	<b>1,246</b>	<b>(90)</b>
<b>Changes in working capital:</b>		
Inventories	(13)	49
Trade and other receivables	222	932
Trade and other payables	(162)	(186)
Income tax paid	(367)	(248)
<b>Net cash from operating activities</b>	<b>926</b>	<b>457</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(5)	(59)
Advances received for assets held for sale	1,169	120
Interest income received	23	29
<b>Net cash from investing activities</b>	<b>1,187</b>	<b>90</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	25
Repayment of borrowings	(1,742)	(1,199)
Decrease in restricted cash	160	1,053
Payment of lease liabilities	(17)	(13)
Interest expense paid	(569)	(558)
<b>Net cash used in financing activities</b>	<b>(2,168)</b>	<b>(692)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(55)</b>	<b>(145)</b>
Cash and cash equivalents at beginning of period	104	590
Effect of exchange rate fluctuations on cash held	-	(92)
<b>Cash and cash equivalents at end of period</b>	<b>49</b>	<b>353</b>
<b>Cash and cash equivalent comprise:</b>		
	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>(1Q 2021)</b>	<b>(1Q 2020)</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash and cash equivalents as per statement of financial position	3,101	3,955
Less: Restricted cash	(3,052)	(3,602)
Cash and cash equivalents as per consolidated statement of cash flows	<b>49</b>	<b>353</b>

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

Statements of Changes in Equity

The Group	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Warrants US\$'000	Foreign currency translation reserves US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2021	274,545	6,811	7,042	2,384	(2,457)	(3,961)	(10)	(307,543)	(23,189)	1,122	(22,067)
Total comprehensive income/ (loss) for the year	-	-	-	-	(633)	(1)	-	(721)	(1,355)	2	(1,353)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(94)	(94)	-	(94)
Total transactions with owners	-	-	-	-	-	-	-	(94)	(94)	-	(94)
Balance as at 31 March 2021	274,545	6,811	7,042	2,384	(3,090)	(3,962)	(10)	(308,358)	(24,638)	1,124	(23,514)

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

Statements of Changes in Equity

The Group	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Warrants US\$'000	Foreign currency translation reserves US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2020	274,545	6,811	7,042	2,384	(2,500)	(3,961)	(19)	(304,807)	(20,505)	705	(19,800)
Total comprehensive income/(loss) for the period	-	-	-	-	(474)	-	2	(2,635)	(3,107)	30	(3,077)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(56)	(56)	-	(56)
Total transactions with owners	-	-	-	-	-	-	-	(56)	(56)	-	(56)
Balance as at 31 March 2020	274,545	6,811	7,042	2,384	(2,974)	(3,961)	(17)	(307,498)	(23,668)	735	(22,933)

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

**Statements of Changes in Equity**

The Company	Share capital US\$'000	Perpetual securities US\$'000	Warrants US\$'000	Fair value reserves US\$'000	Accumulated losses US\$'000	Total US\$'000
<b>Balance as at 1 January 2021</b>	<b>274,545</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,276)</b>	<b>(325,245)</b>	<b>(42,781)</b>
Total comprehensive loss for the year	-	-	-	-	(896)	(896)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distribution to owners</b>						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(94)	(94)
Total transaction with owners	-	-	-	-	(94)	(94)
<b>Balance as at 31 March 2021</b>	<b>274,545</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,276)</b>	<b>(326,235)</b>	<b>(43,771)</b>

The Company	Share capital US\$'000	Perpetual securities US\$'000	Warrants US\$'000	Fair value reserves US\$'000	Accumulated losses US\$'000	Total US\$'000
<b>Balance at 1 January 2020</b>	<b>274,545</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,276)</b>	<b>(290,352)</b>	<b>(7,888)</b>
Total comprehensive loss for the year	-	-	-	-	(315)	(315)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distribution to owners</b>						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(56)	(56)
Total transaction with owners	-	-	-	-	(56)	(56)
<b>Balance as at 31 March 2020</b>	<b>274,545</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,276)</b>	<b>(290,723)</b>	<b>(8,259)</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the first quarter of 2021, there was no allotment and issuance of new ordinary shares.

As at 31 March 2021 and 31 March 2020, the Company had 13,656,697,535 ordinary shares in issue and 3,084,660,568 outstanding convertibles convertible into one ordinary share each.

Out of the above-said, as at 31 March 2021 and 31 March 2020, there were 7,299,270 redeemable exchangeable preference shares in a subsidiary available for exchange into 523,620,516 ordinary shares of the Company.

The Company did not hold any treasury shares and subsidiary holdings as at 31 March 2021 and 31 March 2020.

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

As at 31 March 2021, the issued and paid-up share capital excluding treasury shares of the Company comprised 13,656,697,535 (31 December 2020: 13,656,697,535) ordinary shares.

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

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

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

Not applicable as the Company did not hold subsidiary holdings as at the end of the current financial period reported on.

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

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

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

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Update on the efforts taken to resolve each outstanding audit issue**

The auditors have issued a disclaimer of opinion on page 35 of the Company's annual report for the financial year ended 31 December 2020 due to:-

(1) Loans with lenders and shareholders, potential equity investor and deficiencies in shareholders' equity

The Group was able to successfully restructure the borrowings for one of its renewable energy projects and fully repaid one of the loans relating to its non-core oil and gas assets. Furthermore, the Group used substantial portion of the sale proceeds (approximately US\$12.4 million) from the 140MW Solar Plant in India ("India Solar") to further reduce the borrowings with the lenders. The Company continues to engage in on-going discussions with the lenders and will be looking into restructuring the Group's remaining debt. The Company sorted continuous support from the shareholders, to-date, the shareholders have not demanded for immediate repayment of the shareholders' loans.

The Company, with the support from its consultant, is in initial discussion with an interested investor ("**Potential Investor**") to secure new cash funding for the Group. Once the discussion with the Potential Investor materialises, the Company will be looking into restructuring the Group's remaining debt based on the terms that can be mutually agreed with the Potential Investor (the "**Proposed Debt Restructuring Exercise**") and seek shareholders' approval for the contemplated transactions.

Prior to debt restructuring and securing a new investor, Management expects the Group's net working capital and shareholders' equity to remain negative as the forecast operating cashflows are insufficient to address the deficiencies due to default interest charged for some of the loans and borrowings. As updated in our monthly announcements, the Group continues to engage in on-going discussions with the lenders and creditors to formalise their commitment to provide continued support on the Group's financial restructuring process.

#### (2) Financial guarantee issued by the Company

The Company has assessed that it has complied with the terms of the financial guarantee, and the Company's assessment has been supported by an external legal advice. The Company continues to assess that there is no invocation of this financial guarantee according to local laws and business practices and intent of the terms and conditions as included in the financial guarantee agreement.

#### (3) Asset divestment plan

The Group is in discussions with interested parties to further divest certain assets. The Group believes that the divestment of these assets would bring in the further funding to meet part of its debt obligations with the lenders. From FY2020 to date, the Group was able to divest the India Solar, the four vessels and entered into a settlement agreement with the buyer of the accommodation module. In relation to the divestment plan for the Group's remaining solar asset, the Group is still in discussion with interested parties and an update will be provided when there is material development on the discussion.

#### (4) Cash flows from operating activities

With current COVID-19 pandemic together with the economic challenges and regulatory delays encountered in the Group's energy and power services segment, there are material uncertainties about the level of operating cash flows to be generated from the Group's continuing businesses. The Group has continuously engaged with its customers and strived to reduce the receivable balances from the customers. Meanwhile, the Group is still working on the following two items:

- (a) the Group has commenced the process to renew the purchase power agreement (the "PPA") and generating license for one of its mini-hydro power plants (the "MHPP") expiring 2H2021; and
- (b) the receipt of the government subsidies in relation to the China photovoltaic power plant. The Group had submitted its claims and received the first payment of the National Subsidy for electricity sold for the month of July 2017.

#### **(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2020.

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

The Group and the Company have applied same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2020, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2021 as follows:

##### *SFRS(I) 17 Insurance Contracts*

*Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*

*Covid-19 Related Rent Concessions (Amendment to SFRS(I) 16)*

*Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)*

*Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*

*Property, Plant and Equipment - Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*

*Onerous Contracts - Costs of Fulfilling a Contract (Amendments to SFRS(I) 1-37)*

*Annual Improvements to SFRS(I)s 2018-2020*

The above new SFRS(I)s, interpretations and amendments to SFRS(I)s do not have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

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

	Group	
	1Q 2021	1Q 2020
(in US\$ cents)		
(a) Based on the weighted average number of ordinary shares on issue; and	(0.006)	(0.02)
(b) On a fully diluted basis *	(0.006)	(0.02)
Note:		
Weighted average number of ordinary shares (in million):		
- Basic earnings per share	13,657	13,657
- Diluted earnings per share *	13,657	13,657

\* The outstanding convertibles (including warrants, perpetual securities and redeemable exchangeable preference shares) were excluded in the computation of the diluted earnings per share because these convertibles were anti-dilutive for the respective financial periods.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
(in US\$ cents)				
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the year reported on	(0.18)	(0.17)	(0.32)	(0.31)

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Income Statement Review**

**1Q 2021 vs 1Q 2020**

The Group's revenue for the three months ended 31 March 2021 ("1Q 2021") increased by US\$1,371,000 from US\$1,256,000 to US\$2,627,000 as compared to the corresponding three months ended 31 March 2020 ("1Q 2020") mainly due to increase in generation output for the Sri Lanka Mini Hydro Power Plants ("MHPP") as a result of more rainfall compared to 1Q 2020.

The Group's cost of sales for 1Q 2021 increase by US\$101,000 to US\$1,123,000 as compared to 1Q 2020. The increase in cost of sales was mainly due to the increased in maintenance costs for both MHPPs and PRC Solar Plants and slight increase in the staffs cost for the MHPPs as compared to 1Q2020.

As a result of the above, the Group's gross profit for 1Q 2021 increased by US\$1,270,000 to US\$1,504,000 as compared to 1Q 2020.

Administrative and marketing expenses in 1Q 2021 decreased by US\$127,000 to US\$821,000 as compared to 1Q 2020 mainly due to the Group's on-going effort in reducing costs.

Finance costs in 1Q 2021 decreased by US\$115,000 to US\$1,326,000 as compared to 1Q 2020 mainly due to repayment of principal to lenders.

## **Statement of Financial Position Review**

### **Non-current Assets**

The Group's Non-current Assets amounted to US\$42,862,000 as at 31 March 2021. The decrease of US\$1,227,000 was mainly due to depreciation charge for the 1Q 2021 period.

### **Current Assets**

The Group's Current Assets amounted to US\$29,099,000 as at 31 March 2021. The decrease of US\$488,000 was mainly due to utilisation of cash to repay the monthly loan obligations and collection of trade receivables for MHPPs.

### **Total Liabilities**

The Group's Total Liabilities decreased by US\$268,000 to US\$95,475,000 as at 31 March 2021 as compared to 31 December 2020. This was mainly due to repayment of borrowings to financial institutions in 1Q 2021 and it was partially off-set by the increase in trade and other payables as a result of advance received from asset held for sale and accrual of interest expense for the 1Q 2021 period.

## **Statement of Cash Flows Review**

### **Cash Flow from Operating Activities**

The Group's net cash from operating activities in 1Q 2021 was US\$926,000. This was mainly due to cash collection from trade receivables.

### **Cash Flow from Investing Activities**

The Group's net cash from investing activities in 1Q 2021 was US\$1,187,000. This was mainly due to the advances received for the asset held for sale.

### **Cash Flow from Financing Activities**

The Group's net cash used in financing activities in 1Q 2021 was US\$2,168,000. This was mainly due to the net repayment of borrowings and interest expense.

## **Going concern assessment**

The Group had net liabilities of US\$23,514,000 as at 31 March 2021. Higher net liabilities as compared to 31 December 2020 is mainly due to the losses incurred for the 1Q 2021 period. In addition, the Group had net current liabilities of US\$46,950,000 as at 31 March 2021. The net current liabilities is a result of certain liabilities being reclassified from non-current to current liabilities as the Group did not meet the repayment schedule, financial covenants and the general undertaking imposed by the lenders.

The Company is involved and engaged in discussions with the Potential Investor in relation to the investment terms and structure of the new equity investment to provide funding for the Group (the "New Investment"). The Company will be looking into Proposed Debt Restructuring Exercise when there is certainty on the new cash funding from the New Investment. The directors will be able to make a more informed assessment/decision of the Group's ability to carry on as a going concern when there is more certainty on the New Investment and Proposed Debt Restructuring Exercise, which the Company expects to materialise in the fourth quarter of the financial year ending 31 December 2021.

The directors' believe that the use of going concern assumption in the preparation of the financial statements would be appropriate if the Group is able to complete the New Investment and Proposed Debt Restructuring Exercise, contingent upon the following:

- (a) outcome of the discussions with the Potential Investor;
- (b) the continual support from the relevant parties which is critical for achieving success in the Proposed Debt Restructuring Exercise;
- (c) realisation of the forecasted positive operating cashflow from the Group's continuing businesses; and
- (d) the successful planned divestment of some of the Group's assets.

These conditions may affect the Group's ability to meet debts as and when they fall due, at least in the next 12 months from the reporting date. If for any reason the Group and Company are unable to continue as a going concern, it could have an impact on the Group's and Company's classification of assets and liabilities and the ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

In view of the above uncertainties faced by the Group, the Board and the Audit Committee is of the view that the Company's shares should remain suspended under Rule 1303(3)(c) of the Catalist Rules.

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

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

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

As at the date of this announcement, the Group would like to update that:

1) The Group has received the first payment in June 2021 for part of the government subsidies (National Subsidy) in relation to the China photovoltaic power plant ("PRC Solar"). As part of the Company's divestment strategy, the Company remains in preliminary talks with potential buyers for the PRC Solar.

2) In relation to the settlement agreement with Whitesea Shipping & Supply (LLC) FZC ("WSS") pursuant to which, the Group will dispose of four vessels ("Vessels") to WSS for a total consideration of US\$4,000,000 over twenty instalments, the Group is expected to receive the first instalment payment by early July 2021.

3) In relation to the completed disposal of all the Company's effective interest of 48.45% in the issued and paid-up share capital of Rising Sun Energy Private Limited, the Company remains committed to working towards satisfying the remaining post-completion conditions to receive the remaining 6% of the consideration. However, it is expected that progress will be further delayed due to the current COVID situation in India.

As previously disclosed, the Company has identified three stages of restructuring to turnaround the Group, and would like to provide an update as follows:

**1) Stabilisation of the Company's via debt restructuring**

Subsequent to the certain debt restructuring exercises that were completed as previously mentioned in the Company's monthly update announcement dated 16 April 2021, the Group's remaining two renewable energy projects are currently generating positive EBITDA and generating positive operating cash flows.

**2) Asset Divestment to raise funds to settle some of the outstanding debts**

The Group has since divested its entire non-core oil and gas portfolio and the India Solar plant, generating aggregate sales proceeds in excess of US\$20 million. Since FY2019, the Group was able to successfully restructure the loan for one of its renewable energy projects and fully settled one of its loans relating to its non-core assets. With the proceeds received from the asset divestments and cashflow from the Group's continuing business, the Group has made repayment of borrowings including interest amounting to approximately US\$17.8 million and US\$4.4 million in FY2020 and FY2019 respectively.

**3) Restructuring of debts and Recapitalisation of the Group**

The Company, with the support from its consultant, is in initial discussion with the Potential Investor to secure new cash funding for the Group. Once the discussion with the Potential Investor materialises, the Company will be looking into the Proposed Debt Restructuring Exercise and the Company will seek shareholders' approval for the contemplated transactions. There is another potential investor who has expressed preliminary interest to invest in the Group, which the Group is concurrently in discussion. The Company will be reviewing the terms and conditions of any proposal put forth by any of the potential investors.

Since 17 June 2020, trading in the Company's shares has been suspended under Rule 1303(3)(c) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX") (the "Catalist Rules") in view of the uncertainties faced by the Company to continue as going concern (the "Trading Suspension"). The Company has on 14 June 2021, through its sponsor submitted an application to the SGX to extend the submission date of the proposal to resume trading in its securities (the "Resumption Proposals") from 17 June 2021 to 31 December 2021. The Company had received the letter of no objection for the Company's extension of time application on 29 June 2021 and a separate announcement will be made. Once the definitive agreements with the Potential Investor and the Proposed Debt Restructuring Exercise are executed, the Group will submit the Resumption Proposals to SGX.

**11 Dividend**

**(a) Current Financial Period Reported On**

No dividend was declared for the current financial period reported on.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

No dividend was declared for the corresponding period of the immediately preceding financial year.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

As the Company incurred losses for 1Q 2021, no dividend has been declared or recommended for the financial period.

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

The Group had on 22 June 2020, obtained a general and specific mandate from shareholders for interested person transactions ("IPTs").

Particulars of IPTs for the period 1 January 2021 to 31 March 2021 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US\$	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$
<u>Management fee expenses</u>			
Ezion Holdings Limited	A controlling shareholder of the Company	NIL	46,544
<u>Interest expenses</u>			
Ezion Holdings Limited	A controlling shareholder of the Company	NIL	263,648

- 14 **Additional information required pursuant to Rule 706A**

Not applicable. The Company did not acquire and dispose any shares in any companies during 1Q 2021.

- 15 **Confirmation of undertakings from Directors and Executive Officers**

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

**BY ORDER OF THE BOARD**

\_\_\_\_\_  
**Tan Wee Sin**  
**Company Secretary**  
**29 June 2021**

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

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the period ended 31 March 2021 to be false or misleading in any material aspect.

On behalf of the Board of directors

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

.....  
Eng Chiaw Koon  
Non-Executive Director

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*