



Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst, Charisma Energy Services Limited is required by SGX-ST to announce its quarterly financial statements.

**Charisma Energy Services Limited  
and its Subsidiaries**

**Registration Number: 199706776D**

Condensed Interim Financial Statements  
For the six months ended 30 June 2021

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## Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Period Ended 30 June 2021

### Consolidated statement of profit or loss

	Note	3 months ended			6 months ended		
		30.06.2021	30.06.2020	Change	30.06.2021	30.06.2020	Change
		(2Q 2021)	(2Q 2020)		(1H 2021)	(1H 2020)	
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	5	3,943	2,483	59	6,570	3,739	76
Cost of sales		(1,232)	(1,158)	6	(2,355)	(2,180)	8
<b>Gross profit</b>		<b>2,711</b>	<b>1,325</b>	<b>105</b>	<b>4,215</b>	<b>1,559</b>	<b>n.m.</b>
Administrative and marketing expenses		(860)	(927)	(7)	(1,681)	(1,875)	(10)
<b>Result from operating activities</b>		<b>1,851</b>	<b>398</b>	<b>n.m.</b>	<b>2,534</b>	<b>(316)</b>	<b>n.m.</b>
Finance income		19	27	(30)	42	56	(25)
Finance cost		(1,505)	(1,268)	19	(2,831)	(2,709)	5
<b>Net finance cost</b>		<b>(1,486)</b>	<b>(1,241)</b>	<b>20</b>	<b>(2,789)</b>	<b>(2,653)</b>	<b>5</b>
Share of results of joint ventures, net of tax		–	303	(100)	–	283	(100)
<b>Profit/(Loss) before income tax</b>	7	<b>365</b>	<b>(540)</b>	<b>n.m.</b>	<b>(255)</b>	<b>(2,686)</b>	<b>(91)</b>
Income tax expense	8	(350)	(66)	n.m.	(456)	(519)	(12)
<b>Profit/(Loss) for the period</b>		<b>15</b>	<b>(606)</b>	<b>n.m.</b>	<b>(711)</b>	<b>(3,205)</b>	<b>(78)</b>
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		23	(704)	n.m.	(715)	(3,339)	(79)
Non-controlling interests		(8)	98	n.m.	4	134	(97)
<b>Profit/(Loss) for the period</b>		<b>15</b>	<b>(606)</b>	<b>n.m.</b>	<b>(711)</b>	<b>(3,205)</b>	<b>(78)</b>
<b>Earnings/ (Loss) per share for profit/ (loss) for the period attributable to the owners of the Company during the year:</b>							
Basic (US cents)		0.0001	(0.01)		(0.006)	(0.02)	
Diluted (US cents)		0.0001	(0.01)		(0.006)	(0.02)	
<i>Note:</i>							
Weighted average number of ordinary shares (in million):							
Basic		13,657	13,657		13,657	13,657	
Diluted*		13,657	13,657		13,657	13,657	

\* The outstanding convertibles (including perpetual securities, share options 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.

## Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

Period Ended 30 June 2021

### Consolidated statement of comprehensive income

	3 months ended			6 months ended		
	30.06.2021	30.06.2020	Change %	30.06.2021	30.06.2020	Change %
	(2Q 2021)	(2Q 2020)		(1H 2021)	(1H 2020)	
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit/(Loss) for the period	15	(606)	n.m.	(711)	(3,205)	(78)
<b>Other comprehensive income/ (loss)</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
Net change in fair value of actuarial gain or loss	–	–	n.m.	8	–	n.m.
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Exchange differences on monetary items forming part of net investment in foreign operations	–	414	n.m.	–	(357)	n.m.
Foreign currency translation differences relating to financial statements of foreign operations	(135)	(306)	(56)	(770)	(15)	n.m.
Effective portion of changes in fair value of cash flow hedges	–	2	n.m.	–	4	n.m.
<b>Other comprehensive (loss)/ income for the period</b>	<b>(135)</b>	<b>110</b>	<b>n.m.</b>	<b>(762)</b>	<b>(368)</b>	<b>n.m.</b>
<b>Total comprehensive loss for the period</b>	<b>(120)</b>	<b>(496)</b>	<b>(76)</b>	<b>(1,473)</b>	<b>(3,573)</b>	<b>(59)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>						
Owners of the Company	(84)	(596)	(86)	(1,439)	(3,703)	(61)
Non-controlling interests	(36)	100	n.m.	(34)	130	n.m.
<b>Total comprehensive loss for the period</b>	<b>(120)</b>	<b>(496)</b>	<b>(76)</b>	<b>(1,473)</b>	<b>(3,573)</b>	<b>(59)</b>

## Condensed Interim Statements of Financial Position

As at 30 June 2021

	Note	Group		Company	
		30.06.2021 US\$'000	31.12.2020 US\$'000	30.06.2021 US\$'000	31.12.2020 US\$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	24,552	25,971	2	3
Right-of-use assets		16,517	16,675	–	–
Intangible assets	10	–	–	–	–
Subsidiaries		–	–	32,446	30,938
Joint ventures		–	–	–	–
Other investments		–	–	–	–
Deferred tax assets		840	840	–	–
Trade and other receivables	12	586	603	–	–
		<b>42,495</b>	<b>44,089</b>	<b>32,448</b>	<b>30,941</b>
<b>Current assets</b>					
Inventories		556	547	–	–
Assets held for sale		7,042	7,186	–	–
Trade and other receivables	12	16,671	18,480	2,250	3,594
Amounts due from subsidiaries	12	–	–	2,774	2,763
Amounts due from joint ventures	12	62	59	62	59
Cash and cash equivalents		3,523	3,315	37	114
		<b>27,854</b>	<b>29,587</b>	<b>5,123</b>	<b>6,530</b>
<b>Total assets</b>		<b>70,349</b>	<b>73,676</b>	<b>37,571</b>	<b>37,471</b>
<b>Equity</b>					
Share capital	15	274,545	274,545	274,545	274,545
Perpetual 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		(7,169)	(6,428)	(1,276)	(1,276)
Accumulated losses		(308,425)	(307,543)	(326,870)	(325,245)
<b>Deficit in equity attributable to owners of the Company</b>		<b>(24,812)</b>	<b>(23,189)</b>	<b>(44,406)</b>	<b>(42,781)</b>
Non-controlling interests		1,088	1,122	–	–
<b>Net deficit in equity</b>		<b>(23,724)</b>	<b>(22,067)</b>	<b>(44,406)</b>	<b>(42,781)</b>
<b>Non-current liabilities</b>					
Trade and other payables	13	161	186	–	–
Financial liabilities	14	14,809	17,590	3,064	3,064
Deferred tax liabilities		2,320	2,486	–	–
		<b>17,290</b>	<b>20,262</b>	<b>3,064</b>	<b>3,064</b>
<b>Current liabilities</b>					
Trade and other payables	13	19,478	16,389	8,847	8,293
Amounts due to joint ventures	13	124	119	124	119
Amounts due to related parties	13	28,015	27,394	27,978	27,357
Amounts due to subsidiaries	13	–	–	24,618	24,073
Financial liabilities	14	28,829	31,072	17,346	17,346
Provision for tax		337	507	–	–
		<b>76,783</b>	<b>75,481</b>	<b>78,913</b>	<b>77,188</b>
<b>Total liabilities</b>		<b>94,073</b>	<b>95,743</b>	<b>81,977</b>	<b>80,252</b>
<b>Total equity and liabilities</b>		<b>70,349</b>	<b>73,676</b>	<b>37,571</b>	<b>37,471</b>

## Condensed Interim Consolidated Statement of Cash Flows

### Period Ended 30 June 2021

	Note	3 months ended		6 months ended	
		30.06.2021 (2Q 2021) US\$'000	30.06.2020 (2Q 2020) US\$'000	30.06.2021 (1H 2021) US\$'000	30.06.2020 (1H 2020) US\$'000
<b>Cash flows from operating activities</b>					
Profit/ (Loss) before income tax		365	(540)	(255)	(2,686)
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	7	430	600	761	1,060
Depreciation of right-of-use assets	7	289	188	521	352
Interest income		(19)	(27)	(42)	(56)
Interest expense		1,505	1,268	2,831	2,709
Share of results of joint ventures, net of tax		–	(303)	–	(283)
		<b>2,570</b>	<b>1,186</b>	<b>3,816</b>	<b>1,096</b>
<b>Changes in:</b>					
- inventories		4	(1)	(9)	48
- trade and other receivables		298	343	520	1,275
- trade and other payables		(40)	12	(202)	(174)
Income tax paid		(265)	(278)	(632)	(526)
<b>Net cash from operating activities</b>		<b>2,567</b>	<b>1,262</b>	<b>3,493</b>	<b>1,719</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	11	(20)	(3)	(25)	(62)
Advances received for assets held for sale		327	390	1,496	510
Proceeds from disposal of joint ventures		1,304	–	1,304	–
Interest income received		19	27	42	56
<b>Net cash from investing activities</b>		<b>1,630</b>	<b>414</b>	<b>2,817</b>	<b>504</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		–	–	–	25
Repayment of borrowings		(3,027)	(1,647)	(4,769)	(2,846)
Decrease in restricted cash		(446)	(9)	(286)	1,044
Payment of lease liabilities		(15)	(15)	(32)	(28)
Interest expense paid		(733)	(492)	(1,302)	(1,050)
<b>Net cash used in financing activities</b>		<b>(4,221)</b>	<b>(2,163)</b>	<b>(6,389)</b>	<b>(2,855)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(24)</b>	<b>(487)</b>	<b>(79)</b>	<b>(632)</b>
Cash and cash equivalents at beginning of period		49	590	104	589
Effect of exchange rate fluctuations on cash held		–	(86)	–	60
<b>Cash and cash equivalents at end of period</b>		<b>25</b>	<b>17</b>	<b>25</b>	<b>17</b>
<b>Cash and cash equivalents comprise:</b>					
Cash and cash equivalents at per statements of financial position		3,523	3,629	3,523	3,629
Less: Restricted cash		(3,498)	(3,612)	(3,498)	(3,612)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>		<b>25</b>	<b>17</b>	<b>25</b>	<b>17</b>

## Condensed Interim Statements of Changes in Equity

Period Ended 30 June 2021

Group	Note	Attributable to owners of the Company										
		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 April 2021		274,545	6,811	7,042	2,384	(3,090)	(3,962)	(10)	(308,358)	(24,638)	1,124	(23,514)
Total comprehensive income/ (loss) for the period		–	–	–	–	(107)	–	–	23	(84)	(36)	(120)
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners												
Issue of ordinary shares	15	–*	–	–	–	–	–	–	–	–	–	–
Conversion of warrants to ordinary shares	15	–*	–	–	–*	–	–	–	–	–	–	–
Accrued perpetual securities distributions		–	–	–	–	–	–	–	(90)	(90)	–	(90)
<b>Total transactions with owners</b>		–	–	–	–	–	–	–	(90)	(90)	–	(90)
<b>Balance as at 30 June 2021</b>		<b>274,545</b>	<b>6,811</b>	<b>7,042</b>	<b>2,384</b>	<b>(3,197)</b>	<b>(3,962)</b>	<b>(10)</b>	<b>(308,425)</b>	<b>(24,812)</b>	<b>1,088</b>	<b>(23,724)</b>

\* Amount below US\$1,000

## Condensed Interim Statements of Changes in Equity (cont'd)

Period Ended 30 June 2021

Group	Attributable to owners of the Company										
	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 April 2020	274,545	6,811	7,042	2,384	(2,974)	(3,961)	(17)	(307,498)	(23,668)	735	(22,933)
Total comprehensive income/ (loss) for the period	–	–	–	–	106	–	2	(704)	(596)	100	(496)
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners											
Accrued perpetual securities distributions	–	–	–	–	–	–	–	(66)	(66)	–	(66)
Total transactions with owners	–	–	–	–	–	–	–	(66)	(66)	–	(66)
Balance as at 30 June 2020	274,545	6,811	7,042	2,384	(2,868)	(3,961)	(15)	(308,268)	(24,330)	835	(23,495)



## Condensed Interim Statements of Changes in Equity (cont'd)

### Period Ended 30 June 2021

Company	Note	Share capital US\$'000	Perpetual securities US\$'000	Warrants US\$'000	Fair value reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2021		274,545	6,811	2,384	(1,276)	(326,235)	(43,771)
Total comprehensive income/ (loss) for the period		–	–	–	–	(545)	(545)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	15	–*	–	–	–	–	–
Conversion of warrants to ordinary shares	15	–*	–	–*	–	–	–
Accrued perpetual securities distributions		–	–	–	–	(90)	(90)
<b>Total transactions with owners</b>		–	–	–	–	(90)	(90)
<b>Balance as at 30 June 2021</b>		<b>274,545</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,276)</b>	<b>(326,870)</b>	<b>(44,406)</b>

\* Amount below US\$1,000

Company	Share capital US\$'000	Perpetual securities US\$'000	Warrants US\$'000	Fair value reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2020	274,545	6,811	2,384	(1,276)	(290,723)	(8,259)
Total comprehensive income/ (loss) for the period	–	–	–	–	(1,874)	(1,874)
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners						
Accrued perpetual securities distributions	–	–	–	–	(66)	(66)
<b>Total transactions with owners</b>	–	–	–	–	(66)	(66)
<b>Balance as at 30 June 2020</b>	<b>274,545</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,276)</b>	<b>(292,663)</b>	<b>(10,199)</b>

## Notes to the Condensed Interim Financial Statements

### 1 Corporate information

Charisma Energy Services Limited (the “Company”) is incorporated in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange.

These condensed interim consolidated financial statements of the Group as at and for the period ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in joint ventures.

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 Group are mainly generating and sale of energy and power generation services.

### 2 Going concern

The Group had net liabilities of US\$23,724,000 as at 30 June 2021. In addition, the Group had net current liabilities of US\$48,929,000 as at 30 June 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.

In the assessment of the appropriateness of going concern assumption used in the preparation of the financial statements, the directors of the Company have considered existing re-financing arrangements reached with lenders, other restructuring plans to be negotiated with lenders, continuous financial support from shareholders, fresh investment funds from potential investor as well as the expected cash flows from the Group’s continuing operations and asset divestment plans.

The Company is involved and engaged in discussions with potential investors (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 restructuring the Group’s remaining debt based on the terms that can be mutually agreed with the Potential Investor (the “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 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 divestment planned for some of the Group’s assets.

Development of 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.

### 3 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 3.1.

The condensed interim financial statements are presented in United States dollar ("US\$"), which is the Company's functional currency. All financial information presented in United States dollars have been rounded to the nearest thousand, unless otherwise stated.

#### 3.1 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The new SFRS(I)s, interpretations and amendments to SFRS(I)s are 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 an 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 Group is currently assessing the impact of the new SFRS(I)s, interpretations and amendments to SFRS(I)s and plans to adopt the new standards on the recognised effective date.

#### 3.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial interim period are discussed as follows:

### **3.2 Use of estimates and judgements (cont'd)**

#### *Cash flow forecast*

The Group reviews its forecasts of future cash flows in the foreseeable future and the availability of positive cash flows to repay its lenders in the next 12 months. Such an assessment requires the Group to review its operations, including future market demand for its services and its cash deployment in different locations. Significant judgement is required in deriving the Group's forecasts.

#### *Valuation of non-financial assets*

The Group assesses the impairment of non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets, 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 (but are not limited) to the following:

- Extended periods of idle capacity;
- Significant decline in market prices;
- Inability to renew contracts upon expiry; and
- Significant adverse industry, regulatory or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to the non-financial assets could affect the amounts reported in the financial statements. 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 Group's financial statements.

#### *Valuation of investments in subsidiaries*

The Company determines whether there is impairment on the investments in subsidiaries where events or changes in circumstances indicate that the carrying amount of the investments may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities, and market estimates in order to calculate the present value of the future cash flows. The valuation of the investments in subsidiaries are dependent on the outcome of these factors affecting management's forecasts of future cash flows. Actual events that result in deviations from management's estimation may result in higher impairment losses on the investments.

## **4 Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **5 Segment and revenue information**

The Group's revenue, capital expenditure, assets and liabilities were mainly derived from one single business segment in the business of generating and sale of energy and power generation services.

Other operations include management services, which are not individually material reportable segments.

Information regarding the results of the 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 Chief Executive Officer (the Chief Operating Decision Maker). 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.

**5.1 Reportable segments**

<b>3 months ended 30 June 2021</b>	<b>Energy and power services US\$'000</b>	<b>Others US\$'000</b>	<b>Total US\$'000</b>
<b>REVENUE</b>			
External revenue	3,943	–	3,943
<b>RESULT</b>			
Reportable segment results from operating activities	2,711	–	2,711
Finance cost	(733)	(537)	(1,270)
Share of results of joint ventures	–	–	–
Reportable segment income/(loss) before income tax	<u>1,978</u>	<u>(537)</u>	<u>1,441</u>
Tax expense	(350)	–	(350)
Reportable segment income/(loss) for the period	<u>1,628</u>	<u>(537)</u>	<u>1,091</u>
Unallocated finance cost			(235)
Unallocated finance income			19
Unallocated expenses			<u>(860)</u>
Loss for the period			<u>15</u>
<b>OTHER SEGMENTAL INFORMATION</b>			
Reportable segment assets	<u>59,959</u>	<u>3,438</u>	<u>63,397</u>
Unallocated assets			<u>6,952</u>
Total assets			<u>70,349</u>
Reportable segment liabilities	<u>36,790</u>	<u>39,286</u>	<u>76,076</u>
Unallocated liabilities			<u>17,997</u>
Total liabilities			<u>94,073</u>
Capital expenditure	<u>20</u>	<u>–</u>	<u>20</u>
Depreciation expenses	<u>691</u>	<u>–</u>	<u>691</u>
Unallocated depreciation expenses			<u>28</u>
Total depreciation expenses			<u>719</u>

**5.1 Reportable segments (cont'd)**

<b>3 months ended 30 June 2020</b>	<b>Energy and power services US\$'000</b>	<b>Others US\$'000</b>	<b>Total US\$'000</b>
<b>REVENUE</b>			
External revenue	2,483	–	2,483
<b>RESULT</b>			
Reportable segment results from operating activities	1,325	–	1,325
Finance cost	(446)	(531)	(977)
Share of results of joint ventures	303	–	303
Reportable segment profit/(loss) before income tax	<u>1,182</u>	<u>(531)</u>	<u>651</u>
Tax expenses	(66)	–	(66)
Reportable segment profit/(loss) for the period	<u>1,116</u>	<u>(531)</u>	<u>585</u>
Unallocated finance cost			(291)
Unallocated finance income			27
Unallocated expenses			<u>(927)</u>
Loss for the period			<u><u>606</u></u>
<b>OTHER SEGMENTAL INFORMATION</b>			
Reportable segment assets	<u>55,927</u>	<u>7,789</u>	<u>63,716</u>
Unallocated assets			<u>14,640</u>
Total assets			<u><u>78,356</u></u>
Reportable segment liabilities	<u>36,810</u>	<u>37,438</u>	<u>74,248</u>
Unallocated liabilities			<u>27,603</u>
Total liabilities			<u><u>101,851</u></u>
Capital expenditure	<u>3</u>	<u>–</u>	<u>3</u>
Depreciation expenses	<u>776</u>	<u>–</u>	<u>776</u>
Unallocated depreciation expenses			<u>12</u>
Total depreciation expenses			<u><u>788</u></u>

**5.1 Reportable segments (cont'd)**

<b>6 months ended 30 June 2021</b>	<b>Energy and power services US\$'000</b>	<b>Others US\$'000</b>	<b>Total US\$'000</b>
<b>REVENUE</b>			
External revenue	6,570	–	6,570
<b>RESULT</b>			
Reportable segment results from operating activities	4,215	–	4,215
Finance cost	(1,287)	(1,071)	(2,358)
Share of results of joint ventures	–	–	–
Reportable segment income/(loss) before income tax	2,928	(1,071)	1,857
Tax expense	(456)	–	(456)
Reportable segment income/(loss) for the period	<u>2,472</u>	<u>(1,071)</u>	<u>1,401</u>
Unallocated finance cost			(473)
Unallocated finance income			42
Unallocated expenses			<u>(1,681)</u>
Loss for the period			<u><u>(711)</u></u>
<b>OTHER SEGMENTAL INFORMATION</b>			
Reportable segment assets	<u>59,959</u>	<u>3,438</u>	<u>63,397</u>
Unallocated assets			<u>6,952</u>
Total assets			<u><u>70,349</u></u>
Reportable segment liabilities	<u>36,790</u>	<u>39,286</u>	<u>76,076</u>
Unallocated liabilities			<u>17,997</u>
Total liabilities			<u><u>94,073</u></u>
Capital expenditure	<u>25</u>	<u>–</u>	<u>25</u>
Depreciation expenses	<u>1,230</u>	<u>–</u>	<u>1,230</u>
Unallocated depreciation expenses			<u>52</u>
Total depreciation expenses			<u><u>1,282</u></u>

**5.1 Reportable segments (cont'd)**

<b>6 months ended 30 June 2020</b>	<b>Energy and power services US\$'000</b>	<b>Others US\$'000</b>	<b>Total US\$'000</b>
<b>REVENUE</b>			
External revenue	3,739	–	3,739
<b>RESULT</b>			
Reportable segment results from operating activities	1,635	–	1,635
Finance cost	(960)	(1,111)	(2,071)
Share of results of joint ventures	283	–	283
Reportable segment profit/(loss) before income tax	<u>958</u>	<u>(1,111)</u>	<u>(153)</u>
Tax expenses	(519)	–	(519)
Reportable segment profit/(loss) for the period	<u>439</u>	<u>(1,111)</u>	<u>(672)</u>
Unallocated finance cost			(638)
Unallocated finance income			56
Unallocated expenses			<u>(1,951)</u>
Loss for the period			<u><u>(3,205)</u></u>
<b>OTHER SEGMENTAL INFORMATION</b>			
Reportable segment assets	<u>55,927</u>	<u>7,789</u>	63,716
Unallocated assets			<u>14,640</u>
Total assets			<u><u>78,356</u></u>
Reportable segment liabilities	<u>36,810</u>	<u>37,438</u>	74,248
Unallocated liabilities			<u>27,603</u>
Total liabilities			<u><u>101,851</u></u>
Capital expenditure	<u>62</u>	–	<u>62</u>
Depreciation expenses	<u>1,387</u>	–	1,387
Unallocated depreciation expenses			<u>25</u>
Total depreciation expenses			<u><u>1,412</u></u>



## 5.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	<u>Energy and power services</u>		<u>Others</u>		<u>Total</u>	
	3 months ended		3 months ended		3 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Primary geographical markets</b>						
Singapore	–	–	–	–	–	–
Sri Lanka	3,020	1,454	–	–	3,020	1,454
China	923	1,029	–	–	923	1,029
	<u>3,943</u>	<u>2,483</u>	<u>–</u>	<u>–</u>	<u>3,943</u>	<u>2,483</u>
<b>Major products/service line</b>						
Sale of energy and power generation services	3,943	2,483	–	–	3,943	2,483
Rendering of services	–	–	–	–	–	–
	<u>3,943</u>	<u>2,483</u>	<u>–</u>	<u>–</u>	<u>3,943</u>	<u>2,483</u>
<b>Timing of revenue recognition</b>						
At a point in time	3,943	2,483	–	–	3,943	2,483
Over time	–	–	–	–	–	–
	<u>3,943</u>	<u>2,483</u>	<u>–</u>	<u>–</u>	<u>3,943</u>	<u>2,483</u>

	<u>Energy and power services</u>		<u>Others</u>		<u>Total</u>	
	6 months ended		6 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Primary geographical markets</b>						
Singapore	–	–	–	–	–	–
Sri Lanka	4,915	2,044	–	–	4,915	2,044
China	1,655	1,695	–	–	1,655	1,695
	<u>6,570</u>	<u>3,739</u>	<u>–</u>	<u>–</u>	<u>6,570</u>	<u>3,739</u>
<b>Major products/service line</b>						
Sale of energy and power generation services	6,570	3,739	–	–	6,570	3,739
Rendering of services	–	–	–	–	–	–
	<u>6,570</u>	<u>3,739</u>	<u>–</u>	<u>–</u>	<u>6,570</u>	<u>3,739</u>
<b>Timing of revenue recognition</b>						
At a point in time	6,570	3,739	–	–	6,570	3,739
Over time	–	–	–	–	–	–
	<u>6,570</u>	<u>3,739</u>	<u>–</u>	<u>–</u>	<u>6,570</u>	<u>3,739</u>

## 6 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the group as at 30 June 2021 and 31 December 2020:

	Fair value – hedging instruments US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>Group</b>					
<b>30 June 2021</b>					
<b>Financial assets not measured at fair value</b>					
Trade and other receivables <sup>(1)</sup>	–	15,895	–	15,895	
Cash and cash equivalents	–	3,523	–	3,523	
<b>Financial liabilities not measured at fair value</b>					
Trade and other payables	–	–	(47,778)	(47,778)	
Secured bank loans	–	–	(25,967)	(25,967)	
<b>31 December 2020</b>					
<b>Financial assets not measured at fair value</b>					
Trade and other receivables <sup>(1)</sup>	–	17,180	–	17,180	
Cash and cash equivalents	–	3,315	–	3,315	
<b>Financial liabilities measured at fair value</b>					
Interest rate swaps used for hedging	(10)	–	–	(10)	(10)
<b>Financial liabilities not measured at fair value</b>					
Trade and other payables <sup>(2)</sup>	–	–	(44,078)	(44,078)	
Secured bank loans	–	–	(30,699)	(30,699)	

<sup>(1)</sup> Excludes tax recoverable and prepayments

<sup>(2)</sup> Excludes interest rate swaps used for hedging

	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>Company</b>				
<b>30 June 2021</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables <sup>(1)</sup>	5,064	–	5,064	
Cash and cash equivalents	37	–	37	
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	–	(36,949)	(36,949)	
Amounts due to subsidiaries	–	(24,618)	(24,618)	
Financial liabilities	–	(20,410)	(20,410)	

<sup>(1)</sup> Excludes tax recoverable and prepayments

## 6 Financial assets and financial liabilities (cont'd)

Company	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>31 December 2020</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables <sup>(1)</sup>	6,369	–	6,369	
Cash and cash equivalents	114	–	114	
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	–	(35,769)	(35,769)	
Amounts due to subsidiaries	–	(24,073)	(24,073)	
Financial liabilities	–	(20,410)	(20,410)	

<sup>(1)</sup> Excludes prepayments.

## 7 Profit/(Loss) before income tax

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

	Group			
	3 months ended		6 months ended	
	30.06.2021 (2Q 2021) US\$'000	30.06.2020 (2Q 2020) US\$'000	30.06.2021 (1H 2021) US\$'000	30.06.2020 (1H 2020) US\$'000
Net finance cost	1,486	1,241	2,789	2,653
Depreciation of property, plant and equipment	430	600	761	1,060
Depreciation of right-of-use assets	289	188	521	352

### 7.1 Related party transactions

	Group			
	3 months ended		6 months ended	
	30.06.2021 (2Q 2021) US\$'000	30.06.2020 (2Q 2020) US\$'000	30.06.2021 (1H 2021) US\$'000	30.06.2020 (1H 2020) US\$'000
<b>Transactions with shareholders</b>				
Management fees paid/payable	47	50	93	158
Interest paid/payable	267	270	530	536

## 8 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>(2Q 2021)</b>	<b>(2Q 2020)</b>	<b>(1H 2021)</b>	<b>(1H 2020)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax expense	350	66	462	519
Deferred income tax expense relating to origination and reversal of temporary differences	–	–	(6)	–
	<u>350</u>	<u>66</u>	<u>456</u>	<u>519</u>

## 9 Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2021</b>	<b>31.12.2020</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>US\$ cents</b>	<b>US\$ cents</b>	<b>US\$ cents</b>	<b>US\$ cents</b>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	(0.18)	(0.17)	(0.33)	(0.31)

## 10 Intangible assets

	<b>Goodwill</b>
	<b>US\$'000</b>
<b>Group</b>	
<b>Cost</b>	
At 30 June 2021 and 31 December 2020	<u>1,306</u>
<b>Accumulated amortisation and impairment loss</b>	
At 30 June 2021 and 31 December 2020	<u>1,306</u>
<b>Carrying amounts</b>	
At 31 December 2020	<u>–</u>
At 30 June 2021	<u>–</u>

## 11 Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired plant and equipment amounting to US\$25,000 (30 June 2020: US\$62,000) and disposed of plant and equipment amounting to US\$Nil (30 June 2020: US\$Nil).

## 12 Trade and other receivables

	----- Group -----		----- Company -----	
	30.06.2021 US\$'000	31.12.2020 US\$'000	30.06.2021 US\$'000	31.12.2020 US\$'000
<b>Non-current</b>				
Prepayments	586	574	–	–
Other receivables	–	29	–	–
	<u>586</u>	<u>603</u>	<u>–</u>	<u>–</u>
<b>Current</b>				
Trade receivables – third parties	7,346	8,318	–	–
Trade receivables – amounts due from subsidiaries	–	–	3,864	3,853
Allowance for impairment loss	<u>(2,306)</u>	<u>(2,306)</u>	<u>(1,090)</u>	<u>(1,090)</u>
Net trade receivables	5,040	6,012	2,774	2,763
Accrued trade receivables	8,496	7,362	–	–
Amounts due from joint ventures (non-trade)	62	59	62	59
Prepayments	525	652	22	7
Tax recoverable	313	736	–	–
Deferred consideration receivable	419	1,048	419	1,048
Other receivables	<u>1,878</u>	<u>2,670</u>	<u>1,809</u>	<u>2,539</u>
	<u>16,733</u>	<u>18,539</u>	<u>5,086</u>	<u>6,416</u>
	<u>17,319</u>	<u>19,142</u>	<u>5,086</u>	<u>6,416</u>

On 24 December 2020, the Group sold its entire direct interest in Rising Sun Energy Pvt. Ltd. (“RSE”) of US\$5,559,000 to third party investor (“RSE Investor”) for a net cash consideration of US\$6,401,000, which is payable as follows:

- US\$5,353,000 upon completion of sale of RSE, which was received on 24 December 2020; and
- US\$1,048,000 upon satisfying all post-completion obligations, where management assessed this as deferred consideration receivable from RSE Investor as at 31 December 2020.

As at 30 June 2021, the amount of US\$1,754,000 (31 December 2020: US\$2,429,000) is recognised in other receivables as follows:

- US\$450,000 (31 December 2020: US\$1,125,000), which will be receivable from former joint venture partners of RSE Group; and
- US\$1,304,000 (31 December 2020: US\$1,304,000), which will be receivable from RSE Group.

Deferred consideration receivable relates to an amount of US\$419,000 (31 December 2020: US\$1,048,000), which is due from RSE Investor upon the satisfaction of all post-completion obligations by the Group.

Non-trade amounts due from joint ventures of US\$62,000 (31 December 2020: US\$59,000) are unsecured, interest-free and repayable on demand.

### 13 Trade and other payables

	----- Group -----		----- Company -----	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current</b>				
Derivative financial liabilities –				
Interest rate swaps used				
for hedging	–	10	–	–
Staff retirement liabilities	161	176	–	–
	<u>161</u>	<u>186</u>	<u>–</u>	<u>–</u>
<b>Current</b>				
Trade payables	378	16	–	–
Loans from shareholders	26,245	25,723	26,245	25,723
Non-trade amounts due to:				
- subsidiaries	–	–	24,618	24,073
- a related party	1,770	1,671	1,733	1,634
- joint ventures	124	119	124	119
Accrued operating expenses	1,053	1,513	223	598
Accrued interest payable	9,973	9,048	7,525	6,908
Other payables	8,074	5,812	1,099	787
	<u>47,617</u>	<u>43,902</u>	<u>61,567</u>	<u>59,842</u>
Total trade and other payables	<u>47,778</u>	<u>44,088</u>	<u>61,567</u>	<u>59,842</u>

Loan from a shareholder of the Group, amounting to US\$25,845,000 (31 December 2020: US\$25,323,000), is unsecured and bears principal interest at a fixed rate of 5.0% (31 December 2020: 5.0%) per annum.

The remaining loan from another shareholder of the Group, amounting to US\$400,000 (31 December 2020: US\$400,000), bears interest at 2.5% (31 December 2020: 2.5%) per month during the loan tenure and 20% (31 December 2020: 20%) per month on overdue balances. The loan is secured against the Group's investment in a subsidiary.

In 2019, the Group classified the entire loan obligations as “current liabilities” having breached covenants imposed by the shareholders.

The Group continues to negotiate with the shareholders to refinance these loans. The shareholders had not issued any notice of statutory demand for repayments at the date of issuance of these financial statements.

Non-trade amounts due to a related party and joint ventures are unsecured, interest-free and are repayable on demand.

Included in other payables are advances of US\$5,160,000 (31 December 2020: US\$3,664,000) received from Accommodation Module Buyer for the accommodation module that is classified as assets held for sale.

**14 Financial liabilities**

	----- Group -----		----- Company -----	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current</b>				
Secured bank loans	235	380	–	–
Secured lease liabilities	14,574	17,210	–	–
Intra-group financial guarantees	–	–	3,064	3,064
	<u>14,809</u>	<u>17,590</u>	<u>3,064</u>	<u>3,064</u>
<b>Current</b>				
Secured bank loans	25,732	30,319	2,165	2,165
Secured lease liabilities	3,097	753	–	–
Intra-group financial guarantees	–	–	15,181	15,181
	<u>28,829</u>	<u>31,072</u>	<u>17,346</u>	<u>17,346</u>
<b>Total financial liabilities</b>	<u>43,638</u>	<u>48,662</u>	<u>20,410</u>	<u>20,410</u>

All the bank loans and lease liabilities as at 30 June 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 is an amount of US\$3,498,000 (31 December 2020: US\$3,211,000) being restricted or earmarked by the banks for various facilities granted.

***Default of secured bank loans and financial guarantees and breach of loan covenants***

In prior years, the Group had not met its loan obligations and/or breached its loan covenants for certain secured term loans. As the affected loans can be called for repayment upon notification by the banks, those term loans were classified to current liabilities. As at 30 June 2021, the Group remains in default for these secured term loans. As at the date of this report, there were no notifications from banks for the affected loans to be settled on demand basis. The Group had secured extended loan repayment schedule for an existing loan facility and/or is in negotiation with other lenders to revise repayment and maturity terms for other financial obligations.

On 31 October 2020, a standstill agreement in relation to the obligations for a financial guarantee amounting to US\$2,165,000 (31 December 2020: US\$2,165,000) issued by a financial institution expired and remained unpaid. The financial institution did not extend the standstill agreement which expired on 31 October 2020. Accordingly, the financial guarantee obligation remains classified as current liabilities as at 30 June 2021.

## 15 Share capital

	Group and Company			
	30.06.2021		31.12.2020	
	No. of shares '000	Amount US\$'000	No. of shares '000	Amount US\$'000
<b>Issued and fully paid, with no par value</b>				
At 1 January	13,656,698	274,545	13,656,698	274,545
Shares issued during the year	90	—*	—	—
At 30 June / 31 December	13,656,788	274,545	13,656,698	274,545

\*Amount below US\$1,000

During the second quarter of 2021, the Company had issued 90,000 new ordinary shares upon the exercise and conversion of 90,000 warrants into the share capital of the Company.

As at 30 June 2021, the Company had 13,656,787,535 ordinary shares in issue and 3,084,570,568 outstanding convertibles convertible into one ordinary share each.

As at 30 June 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 30 June 2021 and 30 June 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 30 June 2021 and 30 June 2020.

As at 30 June 2021, the issued and paid-up share capital excluding treasury shares of the Company comprised 13,656,787,535 (31 December 2020: 13,656,697,535) ordinary shares.

## 16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.



## Other Information Required by Listing Rule Appendix 7C

### 1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed statements of financial position of Charisma Energy Services Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

#### 3(a) Updates 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 ("FY2020") 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, remains in discussions with several interested investors ("**Potential Investors**") to secure new cash funding for the Group. Once the discussion with the Potential Investors materialises, the Company will be looking into 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. The Group continues to engage in ongoing 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 had assessed that it has complied with the terms of the financial guarantee, and the Company's assessment had been supported by an external legal advice. As at the date of this announcement, there is no invocation of this financial guarantee.

**3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (cont'd):-**

(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 power purchase agreement (the "PPA") and generating license for one of its mini-hydro power plants (the "MHPP") expiring 4Q2021; and
- (b) the receipt of the remaining government subsidies in relation to the China photovoltaic power plant.

**3(b) Confirmation from the Board that the impact of all outstanding audit issued 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 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**

**2Q 2021 vs 2Q 2020**

The Group's revenue for the three months ended 30 June 2021 ("2Q 2021") increased by US\$1,460,000 from US\$2,483,000 to US\$3,943,000 as compared to the corresponding three months ended 30 June 2020 ("2Q 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 2Q 2020.

The Group's cost of sales for 2Q 2021 increased by US\$74,000 to US\$1,232,000 as compared to 2Q 2020. The increase in cost of sales was mainly due to the increased maintenance costs for both MHPPs and PRC Solar Plants as compared to 2Q2020. The increase is off-set by the decrease in the depreciation of assets as compared to 2Q2020 due to the impairment recognised over the past years.

As a result of the above, the Group's gross profit for 2Q 2021 increased by US\$1,386,000 to US\$2,711,000 as compared to 2Q 2020.

**4 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 (cont'd):**

Administrative and marketing expenses in 2Q 2021 decreased by US\$67,000 to US\$860,000 as compared to 2Q 2020 mainly due to the Group's on-going effort in reducing costs.

Finance costs in 2Q 2021 increased by US\$237,000 to US\$1,505,000 as compared to 2Q 2020 mainly due to the under provision of finance costs arising from the negotiated deferment of principal repayment. The increase is off-set by the reduction in interest due to repayment of principal to lenders.

**1H 2021 vs 1H 2020**

The Group's revenue for the six months ended 30 June 2021 ("1H 2021") increased by US\$2,831,000 from US\$3,739,000 to US\$6,570,000 as compared to the corresponding six months ended 30 June 2020 ("1H 2020") mainly due to increase in generation output for the MHPP as a result of more rainfall compared to 1H 2020.

The Group's cost of sales for 1H 2021 increased by US\$74,000 to US\$1,232,000 as compared to 1H 2020. The increase in cost of sales was mainly due to the increased maintenance costs for both MHPPs and PRC Solar Plants, and staff costs in MHPPs as compared to 1H 2020. The increase is off-set by the decrease in the depreciation as compared to 1H 2020 due to the impairment recognised over the past years. As a result of the above, the Group's gross profit for 1H 2021 increased by US\$2,656,000 to US\$4,215,000 as compared to 1H 2020.

Administrative and marketing expenses in 1H 2021 decreased by US\$194,000 to US\$1,681,000 as compared to 1H 2020 mainly due to the Group's on-going effort in reducing costs.

Finance costs in 1H 2021 increased by US\$122,000 to US\$2,831,000 as compared to 1H 2020 mainly due to the under provision of finance costs arising from the negotiated deferment of principal repayment. The increase is off-set by the reduction in interest due to repayment of principal to lenders.

**Statement of Financial Position Review**

**Non-current Assets**

The Group's Non-current Assets amounted to US\$42,495,000 as at 30 June 2021. The decrease of US\$1,594,000 was mainly due to depreciation charge for the 1H 2021 period.

**Current Assets**

The Group's Current Assets amounted to US\$27,854,000 as at 30 June 2021. The decrease of US\$1,733,000 was mainly due to the receipt of first retention obligation from the disposal of India Solar and collection of trade receivables from MHPPs. Cash collected was utilised to repay the loan obligations.

**Total Liabilities**

The Group's Total Liabilities decreased by US\$1,670,000 to US\$94,073,000 as at 30 June 2021 as compared to 31 December 2020. This was mainly due to repayment of borrowings to financial institutions in 1H 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 1H 2021 period.

**Statement of Cash Flows Review**

**Cash Flow from Operating Activities**

The Group's net cash from operating activities in 2Q 2021 was US\$2,567,000. This was mainly due to cash collection from trade receivables.

**Cash Flow from Investing Activities**

The Group's net cash from investing activities in 2Q 2021 was US\$1,630,000. This was mainly due to the advances received for the asset held for sale and the receipt of first retention obligation from the disposal of India Solar.

**Cash Flow from Financing Activities**

The Group's net cash used in financing activities in 2Q 2021 was US\$4,221,000. This was mainly due to the net repayment of borrowings and interest expense.

**5 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.

**6 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:

- a) The Group has commenced the process to renew the power purchase agreement (the "PPA") and generating license for a 2MW mini-hydro power plant (the "MHPP") expiring in 4Q2021. This is the only 2MW MHPP, out of the entire portfolio of 13 MHPPs (total installed capacity of 43MW). The Group has submitted a formal application on the renewal in July 2021, four months before the expiry date. However, the approval process for the renewal is expected to be delayed due to the COVID-19 situation in Sri Lanka, relying on past experiences. The Group will provide updates as and when there are material developments on the renewal process.
- b) The Group is following up closely on the remaining government subsidies receivable. As part of the Company's divestment strategy, the Company remains in preliminary talks with potential buyers for the PRC Solar.
- c) 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 was expected to receive the first instalment payment of US\$200,000 by early July 2021. However, there has been a delay in the receipt of the first instalment due to the delay in removing the attachment order for one of WSS's bank accounts required to perform the payment. The Group continues to remain in discussion with WSS to finalise the first instalment due date. In the event the Group is unable to reach an agreement with WSS, the Group will seek legal action to enforce its rights under the settlement agreement.
- d) 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-19 situation in India.
- e) In relation to the sale of accommodation module, the buyer had defaulted on the instalment payment. The Group is close to finalising the revision of instalment payment terms with the buyer. The Group will make further announcement when the revision of terms are agreed by both parties.

As previously disclosed, the Company would like to provide an update on the debt restructuring and recapitalisation of the Group as follows:

- 1) The Company, together with the support from its corporate consultant, remains in discussion with several Potential Investors to secure new cash funding for the Group (the "New Investments"). Once the discussion with any one of the Potential Investors materialises, the Company will be looking into the Proposed Debt Restructuring Exercise and the Company will seek shareholders' approval for the contemplated transactions. The Company will be reviewing the terms and conditions of any proposal put forth by any of the Potential Investors.
- 2) There is also a need to engage in further discussions with the relevant lenders and creditors to obtain their support in satisfying the relevant terms of New Investments as well as to understand the requirement of these lenders and creditors. Once the discussion with any of the Potential Investors materialises, the Company will be looking into the Proposed Debt Restructuring Exercise to achieve a positive net assets value upon completion of the debt restructuring and recapitalisation exercise and strive towards trading resumption of the Company's shares. At the appropriate time, the aforementioned proposed transactions, including any potential shareholding dilution, will be tabled to all relevant stakeholders for their approval.

**6 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 (cont'd)**

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 Singapore Exchange Regulation Pte Ltd (the "SGX RegCo") 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. 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 RegCo.

2016 Warrants Update

Notwithstanding that trading in the Company's shares was suspended under Rule 1303(3)(c) of the Catalist Rules in view of the Trading Suspension, the Company would like to remind that:

- (a) holders of the 2016 Warrants remain able to exercise the 2016 Warrants at the exercise price of S\$0.0020 until the Expiry Date (being 5.00 p.m. of 28 November 2021); and
- (b) the procedure for the exercise of the 2016 Warrants remain unchanged as set out in Paragraph 4 of the terms and conditions of the 2016 Warrants as set out in Appendix I and Appendix II, as the case may be, of the Offer Information Statement dated 3 November 2016.

Shareholders are to note that:

- (a) holders of the 2016 Warrants who have exercised the 2016 Warrants will be issued shares in the Company;
- (b) the 2016 Warrants which have not been exercised after the Expiry Date shall lapse and cease to be valid for any purpose; and
- (c) due to the Trading Suspension, the trading of the Company's shares and the 2016 Warrants on SGX under the book-entry (scripless) settlement system remains suspended.

**7 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.

**8 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 1H 2021, no dividend has been declared or recommended for the financial period.

**9 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 April 2021 to 30 June 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	46,587
<u>Interest expenses</u> Ezion Holdings Limited	A controlling shareholder of the Company	NIL	266,578

**10 Additional information required pursuant to Rule 706A**

Not applicable. The Company did not acquire and dispose any shares in any companies during 2Q 2021.

**11 Confirmation of undertakings from Directors and Executive Officers**

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

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

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the period ended 30 June 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

### BY ORDER OF THE BOARD

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**Tan Wee Sin**  
Company Secretary  
14 August 2021

*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.*