



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 twelve months ended 31 December 2021

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

Year Ended 31 December 2021

Consolidated statement of profit or loss

	Note	3 months ended			12 months ended		
		31.12.2021	31.12.2020	Change	31.12.2021	31.12.2020	Change
		(4Q 2021)	(4Q 2020)		(12M 2021)	(12M 2020)	
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	5	3,788	3,157	20	13,579	12,262	11
Cost of sales		(705)	(619)	14	(4,164)	(4,033)	3
Gross profit		3,083	2,538	21	9,415	8,229	14
Other operating income		334	–	n.m.	334	–	n.m.
Administrative and marketing expenses		(442)	(363)	22	(2,840)	(3,142)	(10)
Other operating expenses		(2,141)	(657)	n.m.	(5,841)	(657)	n.m.
Result from operating activities		834	1,518	(45)	1,068	4,430	(76)
Finance income		55	22	n.m.	131	102	28
Finance cost		(194)	(1,388)	(86)	(4,126)	(5,448)	(24)
Net finance cost		(139)	(1,366)	(90)	(3,995)	(5,346)	(25)
Share of results of joint ventures, net of tax		138	277	(50)	138	667	(79)
Profit/(Loss) before income tax	7	833	429	94	(2,789)	(249)	n.m.
Income tax expense	8	532	(791)	n.m.	(303)	(1,772)	(83)
Profit/(Loss) for the period		1,365	(362)	n.m.	(3,092)	(2,021)	53
Profit/(Loss) attributable to:							
Owners of the Company		1,196	(460)	n.m.	(3,102)	(2,365)	31
Non-controlling interests		169	98	72	10	344	(97)
Profit/(Loss) for the period		1,365	(362)	n.m.	(3,092)	(2,021)	53
Earnings/ (Loss) per share for profit/ (loss) for the period attributable to the owners of the Company during the year:							
Basic (US cents)		0.009	(0.004)		(0.025)	(0.017)	
Diluted (US cents)		0.009	(0.004)		(0.025)	(0.017)	
<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.

n.m. = not meaningful

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

Year Ended 31 December 2021

Consolidated statement of comprehensive income

	3 months ended			12 months ended		
	31.12.2021	31.12.2020	Change	31.12.2021	31.12.2020	Change
	(4Q 2021)	(4Q 2020)		(12M 2021)	(12M 2020)	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit/(Loss) for the period	1,365	(362)	n.m.	(3,092)	(2,021)	53
Other comprehensive income/ (loss)						
Items that will not be reclassified to profit or loss:						
Net change in fair value of financial assets at fair value through other comprehensive income (FVOCI)	–	(11)	n.m.	–	(11)	n.m.
Net change in fair value of actuarial gain or loss	3	–	n.m.	12	–	n.m.
Items that are or may be reclassified subsequently to profit or loss:						
Exchange differences on monetary items forming part of net investment in foreign operations	(250)	77	n.m.	(130)	116	n.m.
Foreign currency translation differences relating to financial statements of foreign operations	(77)	22	n.m.	(125)	–	n.m.
Effective portion of changes in fair value of cash flow hedges	–	2	n.m.	–	9	n.m.
Other comprehensive (loss)/income for the period	(324)	90	n.m.	(243)	114	n.m.
Total comprehensive income/ (loss) for the period	1,041	(272)	n.m.	(3,335)	(1,907)	75
Total comprehensive income/ (loss) attributable to:						
Owners of the Company	888	(423)	n.m.	(3,321)	(2,324)	43
Non-controlling interests	153	151	1	(14)	417	n.m.
Total comprehensive income/(loss) for the period	1,041	(272)	n.m.	(3,335)	(1,907)	75

n.m. = not meaningful

Condensed Interim Statements of Financial Position

As at 31 December 2021

	Note	----- Group -----		----- Company -----	
		31.12.2021 US\$'000	31.12.2020 US\$'000	31.12.2021 US\$'000	31.12.2020 US\$'000
Non-current assets					
Property, plant and equipment	11	19,641	25,971	1	3
Right-of-use assets		15,304	16,675	–	–
Intangible assets	10	–	–	–	–
Subsidiaries		–	–	26,104	30,938
Joint ventures		138	–	–	–
Other investments		–	–	–	–
Deferred tax assets		824	840	–	–
Trade and other receivables	12	726	603	–	–
		36,633	44,089	26,105	30,941
Current assets					
Inventories		622	547	–	–
Assets held for sale		6,821	7,186	–	–
Trade and other receivables	12	16,715	18,480	916	3,594
Amounts due from subsidiaries	12	–	–	4,169	2,763
Amounts due from joint ventures	12	126	59	126	59
Cash and cash equivalents		5,279	3,315	60	114
		29,563	29,587	5,271	6,530
Total assets		66,196	73,676	31,376	37,471
Equity					
Share capital	15	274,553	274,545	274,553	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
Other reserves		(6,558)	(6,428)	(1,276)	(1,276)
Accumulated losses		(309,014)	(307,543)	(329,571)	(325,245)
Deficit in equity attributable to owners of the Company		(27,166)	(23,189)	(49,483)	(42,781)
Non-controlling interests		1,108	1,122	–	–
Net deficit in equity		(26,058)	(22,067)	(49,483)	(42,781)
Non-current liabilities					
Trade and other payables	13	176	186	–	–
Financial liabilities	14	41	17,590	–	3,064
Deferred tax liabilities		1,125	2,486	–	–
		1,342	20,262	–	3,064
Current liabilities					
Trade and other payables	13	20,553	16,389	8,905	8,293
Amounts due to joint ventures	13	128	119	128	119
Amounts due to related parties	13	28,239	27,394	28,201	27,357
Amounts due to subsidiaries	13	–	–	25,560	24,073
Financial liabilities	14	41,609	31,072	18,065	17,346
Provision for tax		383	507	–	–
		90,912	75,481	80,859	77,188
Total liabilities		92,254	95,743	80,859	80,252
Total equity and liabilities		66,196	73,676	31,376	37,471

Condensed Interim Consolidated Statement of Cash Flows

Year Ended 31 December 2021

	Note	3 months ended		12 months ended	
		31.12.2021 (4Q 2021) US\$'000	31.12.2020 (4Q 2020) US\$'000	31.12.2021 (12M 2021) US\$'000	31.12.2020 (12M 2020) US\$'000
Cash flows from operating activities					
Profit/(Loss) before income tax		833	429	(2,789)	(249)
Adjustments for:					
Depreciation of property, plant and equipment	7	306	(94)	1,508	1,690
Depreciation of right-of-use assets	7	(47)	173	719	722
Gain on disposal of investment in joint venture	7	–	(75)	–	(75)
Gain on disposal of investment in subsidiary	7	(294)	–	(294)	–
Gain on disposal of property, plant and equipment	7	(17)	–	(17)	–
Impairment loss on property, plant and equipment	7	2,000	550	4,650	550
Impairment loss on right of use asset	7	–	–	1,050	–
Impairment loss on trade and other receivables	7	16	–	16	–
Amounts due from joint ventures written-off	7	125	655	125	655
Interest income	7	(55)	(22)	(131)	(102)
Interest expense	7	194	1,351	4,126	5,411
Share of results of joint ventures, net of tax		(138)	(277)	(138)	(667)
		2,923	2,690	8,825	7,935
Changes in:					
- Inventories		(38)	(2)	(76)	18
- Trade and other receivables		(1,738)	4,762	38	2,406
- Trade and other payables		817	(2,224)	409	(961)
Income tax paid		(230)	(374)	(1,164)	(1,054)
Net cash from operating activities		1,734	4,852	8,032	8,344
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(6)	(15)	(33)	(126)
Advances received for assets held for sale		569	1,549	2,225	1,549
Proceeds from disposal of joint ventures		–	5,353	1,304	5,353
Proceeds from disposal of investment in subsidiary		50	–	50	–
Proceeds from disposal of property, plant and equipment		17	–	17	–
Interest income received		55	22	131	102
Net cash from investing activities		685	6,909	3,694	6,878
Cash flows from financing activities					
Proceeds from borrowings		–	711	–	736
Repayment of borrowings		(1,075)	(11,066)	(6,709)	(14,846)
(Increase)/ Decrease in restricted cash		(123)	124	(2,009)	1,445
Payment of lease liabilities		(591)	(17)	(642)	(45)
Interest expense paid		(662)	(1,492)	(2,411)	(3,000)
Net cash used in financing activities		(2,451)	(11,740)	(11,771)	(15,710)
Net (decrease)/increase in cash and cash equivalents		(32)	21	(45)	(488)
Cash and cash equivalents at beginning of period		91	52	104	590
Effect of exchange rate fluctuations on cash held		–	31	–	2
Cash and cash equivalents at end of period		59	104	59	104
Cash and cash equivalents comprise:					
Cash and cash equivalents as per statement of financial position		5,279	3,315	5,279	3,315
Less: Restricted cash		(5,220)	(3,211)	(5,220)	(3,211)
Cash and cash equivalents as per consolidated statement of cash flows		59	104	59	104

Condensed Interim Statements of Changes in Equity

Period Ended 31 December 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 October 2021		274,545	6,811	7,042	2,384	(2,337)	(3,961)	(10)	(312,115)	(27,641)	955	(26,686)
Total comprehensive (loss)/ income for the year		–	–	–	–	(250)	–	–	1,138	888	153	1,041
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners												
Issue of ordinary shares	15	4	–	–	–	–	–	–	–	4	–	4
Conversion of warrants to ordinary shares	15	4	–	–	(4)	–	–	–	–	–	–	–
Expired warrants	15	–	–	–	(2,380)	–	–	–	2,380	–	–	–
Accrued perpetual securities distributions		–	–	–	–	–	–	–	(53)	(53)	–	(53)
Accrued redeemable exchangeable preference shares distributions		–	–	–	–	–	–	–	(364)	(364)	–	(364)
Total transactions with owners		8	–	–	(2,384)	–	–	–	1,963	(413)	–	(413)
Balance as at 31 December 2021		274,553	6,811	7,042	–	(2,587)	(3,961)	(10)	(309,014)	(27,166)	1,108	(26,058)

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

Period Ended 31 December 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 October 2020	274,545	6,811	7,042	2,384	(2,513)	(3,961)	(12)	(306,957)	(22,661)	971	(21,690)
Total comprehensive income/ (loss) for the year	-	-	-	-	56	-	2	(481)	(423)	151	(272)
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(105)	(105)	-	(105)
Total transactions with owners	-	-	-	-	-	-	-	(105)	(105)	-	(105)
Balance as at 31 December 2020	274,545	6,811	7,042	2,384	(2,457)	(3,961)	(10)	(307,543)	(23,189)	1,122	(22,067)

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

Period Ended 31 December 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 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 loss for the year		–	–	–	–	(130)	–	–	(3,191)	(3,321)	(14)	(3,335)
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners												
Issue of ordinary shares	15	4	–	–	–	–	–	–	–	4	–	4
Conversion of warrants to ordinary shares	15	4	–	–	(4)	–	–	–	–	–	–	–
Expired warrants	15	–	–	–	(2,380)	–	–	–	2,380	–	–	–
Accrued perpetual securities distributions		–	–	–	–	–	–	–	(296)	(296)	–	(296)
Accrued redeemable exchangeable preference shares distributions		–	–	–	–	–	–	–	(364)	(364)	–	(364)
Total transactions with owners		8	–	–	(2,384)	–	–	–	1,720	(656)	–	(656)
Balance as at 31 December 2021		274,553	6,811	7,042	–	(2,587)	(3,961)	(10)	(309,014)	(27,166)	1,108	(26,058)

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

Period Ended 31 December 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 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 year	–	–	–	–	43	–	9	(2,376)	(2,324)	417	(1,907)
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners											
Accrued perpetual securities distributions	–	–	–	–	–	–	–	(360)	(360)	–	(360)
Total transactions with owners	–	–	–	–	–	–	–	(360)	(360)	–	(360)
Balance as at 31 December 2020	274,545	6,811	7,042	2,384	(2,457)	(3,961)	(10)	(307,543)	(23,189)	1,122	(22,067)

Condensed Interim Statements of Changes in Equity

Period Ended 31 December 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 October 2021		274,545	6,811	2,384	(1,276)	(327,274)	(44,810)
Total comprehensive loss for the year		–	–	–	–	(4,624)	(4,624)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	15	4	–	–	–	–	4
Conversion of warrants to ordinary shares	15	4	–	(4)	–	–	–
Expiry of warrants	15	–	–	(2,380)	–	2,380	–
Accrued perpetual securities distributions		–	–	–	–	(53)	(53)
Total transactions with owners		8	–	(2,384)	–	2,327	(49)
Balance as at 31 December 2021		274,553	6,811	–	(1,276)	(329,571)	(49,483)

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 October 2020	274,545	6,811	2,384	(1,276)	(294,195)	(11,731)
Total comprehensive loss for the year	–	–	–	–	(30,940)	(30,940)
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners						
Accrued perpetual securities distributions	–	–	–	–	(110)	(110)
Total transactions with owners	–	–	–	–	(110)	(110)
Balance as at 31 December 2020	274,545	6,811	2,384	(1,276)	(325,245)	(42,781)

Condensed Interim Statements of Changes in Equity

Period Ended 31 December 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 January 2021		274,545	6,811	2,384	(1,276)	(325,245)	(42,781)
Total comprehensive loss for the year		-	-	-	-	(6,410)	(6,410)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	15	4	-	-	-	-	4
Conversion of warrants to ordinary shares	15	4	-	(4)	-	-	-
Expired of warrants	15	-	-	(2,380)	-	2,380	-
Accrued perpetual securities distributions		-	-	-	-	(296)	(296)
Total transactions with owners		8	-	(2,384)	-	2,084	(292)
Balance as at 31 December 2021		274,553	6,811	-	(1,276)	(329,571)	(49,483)

* 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 January 2020		274,545	6,811	2,384	(1,276)	(290,352)	(7,888)
Total comprehensive loss for the year		-	-	-	-	(34,528)	(34,528)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Accrued perpetual securities distributions		-	-	-	-	(365)	(365)
Total transactions with owners		-	-	-	-	(365)	(365)
Balance as at 31 December 2020		274,545	6,811	2,384	(1,276)	(325,245)	(42,781)

Notes to the Condensed Interim Financial Statements

1 Corporate information

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

These condensed interim consolidated financial statements of the Group as at and for the year ended 31 December 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

As at 31 December 2021, the Group had net liabilities of US\$26,058,000 and net current liabilities of US\$61,349,000 respectively. 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 fresh investment funds from the conditional subscription agreement with an investor, restructuring plans to be agreed with creditors and lenders, continuous support from shareholders, as well as the expected cash flows from the Group’s continuing operations and asset divestment plans.

The Company has entered into a conditional subscription agreement (the “**New Investment**”) with an investor (the “**Investor**”) for the subscription of new ordinary shares amounting to S\$16,080,000 and share options amounting to S\$16,080,000. Please refer to the Company’s announcement dated 10 January 2022 for more details.

The Company will undertake the following:

- (a) propose a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of certain of its creditors, in accordance with Section 210 of the Companies Act 1967 of Singapore or the Insolvency, Restructuring and Dissolution Act 2018 of Singapore or under any applicable law(s) of Singapore, to compromise certain of the Company’s debt (the “**Past Liabilities**”) with such settlement being a combination of cash and issues of new ordinary shares in the Company (the “**Scheme of Arrangement**”);
- (b) restructure certain of the Company’s secured debts with certain existing lenders (the “**Continuing Lenders**”) which shall remain in the Company (the “**Loan Restructuring**”);
- (c) agree on a settlement with holders of the redeemable exchangeable preference shares (the “**Bilateral Settlement**”)

the Scheme of Arrangement, Loan Restructuring together with the Bilateral Settlement, collectively the “**Proposed Debt Restructuring**”).

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, contingent upon the following:

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

These conditions may affect the Group's ability to meet its debts obligations 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 twelve months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("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 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 dollars ("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 2022 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:

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 dependent on the weather conditions in Sri Lanka and China during the financial period where the mini hydro power plants and solar photovoltaic power plant are located respectively.

5 Segment and revenue information

The Group's revenue, capital expenditure, assets and liabilities were mainly derived from one single business segment of the 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

3 months ended 31 December 2021	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	3,752	36	3,788
RESULT			
Reportable segment results from operating activities	3,047	36	3,083
Finance cost	(315)	121	(194)
Impairment of property plant and equipment	(2,000)	–	(2,000)
Impairment of trade and other receivables	–	(16)	(16)
Amounts due from joint ventures written-off	–	(125)	(125)
Gain on disposal of property, plant and equipment	17	–	17
Gain on disposal of investment in subsidiary	294	–	294
Share of results of joint ventures	–	138	138
Reportable segment income before income tax	1,043	154	1,197
Tax credit	528	4	532
Reportable segment income for the period	1,571	158	1,729
Unallocated finance income			55
Unallocated expenses			(419)
Profit for the period			1,365
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	57,155	2,212	59,367
Unallocated assets			6,829
Total assets			66,196
Reportable segment liabilities	34,327	47,485	81,812
Unallocated liabilities			10,442
Total liabilities			92,254
Capital expenditure	6	–	6
Depreciation expenses	236	–	236
Unallocated depreciation expenses			23
Total depreciation expenses			259

5.1 Reportable segments (cont'd)

3 months ended 31 December 2020	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	3,121	36	3,157
RESULT			
Reportable segment results from operating activities	2,502	36	2,538
Finance cost	(541)	(470)	(1,011)
Share of results of joint ventures	–	277	277
Amounts due from joint ventures written-off	–	(655)	(655)
Reportable segment profit/(loss) before income tax	<u>1,961</u>	<u>(812)</u>	<u>1,149</u>
Tax expenses	(791)	–	(791)
Reportable segment profit/(loss) for the period	<u>1,170</u>	<u>(812)</u>	<u>358</u>
Unallocated finance cost			(377)
Unallocated finance income			22
Unallocated expenses			(365)
Loss for the period			<u>(362)</u>
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	<u>62,471</u>	<u>3,769</u>	66,240
Unallocated assets			<u>7,436</u>
Total assets			<u><u>73,676</u></u>
Reportable segment liabilities	<u>38,814</u>	<u>38,832</u>	77,646
Unallocated liabilities			<u>18,097</u>
Total liabilities			<u><u>95,743</u></u>
Capital expenditure	<u>12</u>	<u>3</u>	<u>15</u>
Depreciation expenses	<u>25</u>	<u>1</u>	26
Unallocated depreciation expenses			<u>53</u>
Total depreciation expenses			<u><u>79</u></u>

5.1 Reportable segments (cont'd)

12 months ended 31 December 2021	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	13,543	36	13,579
RESULT			
Reportable segment results from operating activities	9,379	36	9,415
Finance cost	(2,045)	(1,432)	(3,477)
Impairment of property plant and equipment	(4,650)	–	(4,650)
Impairment of right-of-use assets	(1,050)	–	(1,050)
Impairment of trade and other receivables	–	(16)	(16)
Amounts due from joint ventures written-off	–	(125)	(125)
Gain on disposal of property, plant and equipment	17	–	17
Gain on disposal of investment in subsidiary	294	–	294
Share of results of joint ventures	–	138	138
Reportable segment profit/(loss) before income tax	1,945	(1,399)	546
Tax (expenses)/credit	(307)	4	(303)
Reportable segment profit/(loss) for the period	1,638	(1,395)	243
Unallocated finance cost			(649)
Unallocated finance income			131
Unallocated expenses			(2,817)
Loss for the year			(3,092)
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	57,155	2,212	59,367
Unallocated assets			6,829
Total assets			66,196
Reportable segment liabilities	34,327	47,485	81,812
Unallocated liabilities			10,442
Total liabilities			92,254
Capital expenditure	33	–	33
Depreciation expenses	2,132	–	2,132
Unallocated depreciation expenses			95
Total depreciation expenses			2,227

5.1 Reportable segments (cont'd)

12 months ended 31 December 2020	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	12,226	36	12,262
RESULT			
Reportable segment results from operating activities	8,193	36	8,229
Finance cost	(1,827)	(2,234)	(4,061)
Share of results of joint ventures	–	667	667
Impairment losses on property, plant and equipment	(550)	–	(550)
Amounts due from joint ventures written-off	–	(655)	(655)
Reportable segment profit/(loss) before income tax	<u>5,816</u>	<u>(2,186)</u>	<u>3,630</u>
Tax expenses	(1,772)	–	(1,772)
Reportable segment profit/(loss) for the period	<u>4,044</u>	<u>(2,186)</u>	1,858
Unallocated finance cost			(1,387)
Unallocated finance income			102
Unallocated expenses			<u>(2,594)</u>
Loss for the year			<u><u>(2,021)</u></u>
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	<u>62,471</u>	<u>3,769</u>	66,240
Unallocated assets			<u>7,436</u>
Total assets			<u><u>73,676</u></u>
Reportable segment liabilities	<u>38,814</u>	<u>38,832</u>	77,646
Unallocated liabilities			<u>18,097</u>
Total liabilities			<u><u>95,743</u></u>
Capital expenditure	<u>123</u>	<u>3</u>	126
Depreciation expenses	<u>2,320</u>	<u>1</u>	2,321
Unallocated depreciation expenses			<u>91</u>
Total depreciation expenses			<u><u>2,412</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.

	Energy and power services		Others		Total	
	3 months ended		3 months ended		3 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Primary geographical markets						
Singapore	–	–	36	36	36	36
Sri Lanka	2,849	2,544	–	–	2,849	2,544
China	903	577	–	–	903	577
	<u>3,752</u>	<u>3,121</u>	<u>36</u>	<u>36</u>	<u>3,788</u>	<u>3,157</u>
Major products/service line						
Sale of energy and power generation services	3,752	3,121	–	–	3,752	3,121
Rendering of services	–	–	36	36	36	36
	<u>3,752</u>	<u>3,121</u>	<u>36</u>	<u>36</u>	<u>3,788</u>	<u>3,157</u>
Timing of revenue recognition						
At a point in time	3,752	3,121	–	–	3,752	3,121
Over time	–	–	36	36	36	36
	<u>3,752</u>	<u>3,121</u>	<u>36</u>	<u>36</u>	<u>3,788</u>	<u>3,157</u>

	Energy and power services		Others		Total	
	12 months ended		12 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Primary geographical markets						
Singapore	–	–	36	36	36	36
Sri Lanka	10,017	8,923	–	–	10,017	8,923
China	3,526	3,303	–	–	3,526	3,303
	<u>13,543</u>	<u>12,226</u>	<u>36</u>	<u>36</u>	<u>13,579</u>	<u>12,262</u>
Major products/service line						
Sale of energy and power generation services	13,543	12,226	–	–	13,543	12,226
Rendering of services	–	–	36	36	36	36
	<u>13,543</u>	<u>12,226</u>	<u>36</u>	<u>36</u>	<u>13,579</u>	<u>12,262</u>
Timing of revenue recognition						
At a point in time	13,543	12,226	–	–	13,543	12,226
Over time	–	–	36	36	36	36
	<u>13,543</u>	<u>12,226</u>	<u>36</u>	<u>36</u>	<u>13,579</u>	<u>12,262</u>

5.2 Disaggregation of revenue from contracts with customers (cont'd)

A breakdown of sales:

	Group 12 months ended		Change %
	31.12.2021 US\$'000	31.12.2020 US\$'000	
Sales reported for the			
- first half year	6,570	3,739	76
- second half year	7,009	8,523	(18)
	<u>13,579</u>	<u>12,262</u>	11
Operating profit/(loss) after tax before deducting non-controlling interests reported for			
- first half year	(715)	(3,339)	(79)
- second half year	(2,377)	1,318	n.m.
	<u>(3,092)</u>	<u>(2,021)</u>	53

n.m. = not meaningful

6 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the group as at 31 December 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
Group					
31 December 2021					
Financial assets not measured at fair value					
Trade and other receivables ⁽¹⁾	–	15,653	–	15,653	
Cash and cash equivalents	–	5,279	–	5,279	
Financial liabilities not measured at fair value					
Trade and other payables	–	–	(49,096)	(49,096)	
Secured bank loans	–	–	(24,390)	(24,390)	
31 December 2020					
Financial assets not measured at fair value					
Trade and other receivables ⁽¹⁾	–	17,180	–	17,180	
Cash and cash equivalents	–	3,315	–	3,315	
Financial liabilities measured at fair value					
Interest rate swaps used for hedging	(10)	–	–	(10)	(10)
Financial liabilities not measured at fair value					
Trade and other payables ⁽²⁾	–	–	(44,078)	(44,078)	
Secured bank loans	–	–	(30,699)	(30,699)	

⁽¹⁾ Excludes tax recoverable and prepayments

⁽²⁾ Excludes interest rate swaps used for hedging

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
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables ⁽¹⁾	5,316	–	5,316	
Cash and cash equivalents	60	–	60	
Financial liabilities not measured at fair value				
Trade and other payables	–	(37,234)	(37,234)	
Amounts due to subsidiaries	–	(25,560)	(25,560)	
Financial liabilities	–	(18,065)	(18,065)	
31 December 2020				
Financial assets not measured at fair value				
Trade and other receivables ⁽¹⁾	6,369	–	6,369	
Cash and cash equivalents	114	–	114	
Financial liabilities not measured at fair value				
Trade and other payables	–	(35,769)	(35,769)	
Amounts due to subsidiaries	–	(24,073)	(24,073)	
Financial liabilities	–	(20,410)	(20,410)	

⁽¹⁾ Excludes tax recoverable and prepayments

7 Loss/(Profit) before income tax

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

	Group			
	3 months ended		12 months ended	
	31.12.2021 (4Q 2021) US\$'000	31.12.2020 (4Q 2020) US\$'000	31.12.2021 (12M 2021) US\$'000	31.12.2020 (12M 2020) US\$'000
Net finance cost	139	1,366	3,995	5,346
Depreciation of property, plant and equipment	306	(94)	1,508	1,690
Depreciation of right-of-use assets	(47)	173	719	722
Gain on disposal of investment in joint venture	–	(75)	–	(75)
Gain on disposal of investment in subsidiary	(294)	–	(294)	–
Gain on disposal of property, plant and equipment	(17)	–	(17)	–
Amount due from joint ventures written-off	125	655	125	655
Impairment loss on:				
- property, plant and equipment	2,000	550	4,650	550
- right of use asset	–	–	1,050	–
- trade and other receivables	16	–	16	–

7.1 Related party transactions

	Group			
	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(4Q 2021)	(4Q 2020)	(12M 2021)	(12M 2020)
	US\$'000	US\$'000	US\$'000	US\$'000
Transactions with shareholders				
Management fees paid/payable	33	46	184	208
Interest paid/payable	270	1,229	1,671	2,032

8 Income tax (credit)/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:

	Group			
	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(4Q 2021)	(4Q 2020)	(4Q 2021)	(4Q 2020)
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax expense	543	540	1,378	1,307
Deferred income tax (credit)/expense relating to origination and reversal of temporary differences	(1,075)	251	(1,075)	465
	(532)	791	303	1,772

9 Net asset value

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	US\$ cents	US\$ cents	US\$ cents	US\$ cents
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	(0.19)	(0.17)	(0.36)	(0.31)

10 Intangible assets

	Goodwill US\$'000
Group	
Cost	
At 31 December 2021 and 31 December 2020	1,306
Accumulated amortisation and impairment loss	
At 31 December 2021 and 31 December 2020	1,306
Carrying amounts	
At 31 December 2020	-
At 31 December 2021	-

11 Property, plant and equipment

During the twelve months ended 31 December 2021, the Group acquired plant and equipment amounting to US\$33,000 (31 December 2020: US\$126,000) and disposed of plant and equipment with carrying value amounting to US\$Nil (31 December 2020: US\$Nil).

Impairment Loss

The Group continues to face challenging market conditions and uncertain financial performances in the Energy and Power Services segment and had identified indicators of impairment on the following cash-generating units that belong to the Energy and Power Services segment:

- Mini hydro power plants (“Hydro Plants CGUs”); and
- Solar Photovoltaic power plant (“Solar Plant CGU”)

The Hydro Plants CGUs and Solar Plant CGU belong to the Group entities operating in Sri Lanka and China, respectively. There are 13 mini hydro power plants and 1 solar photovoltaic power plant (collectively “power generation equipment”) in the Hydro Plants CGUs and Solar Plant CGU, respectively. For the purpose of impairment assessment, each individual hydro power plant is identified as a stand-alone CGU and the non-financial assets (before impairment loss) allocated to the Hydro Plants CGUs and the Solar Plant CGU are as follows:

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2021 US\$'000	31.12.2020 US\$'000	31.12.2021 US\$'000	31.12.2020 US\$'000
Property, plant and equipment	18,530	25,258	469	480
Rights of use assets – power generation equipment	–	–	13,259	14,464
Rights of use assets – land use rights	–	–	2,045	2,211
Rights of use assets – office premises	–	–	–	–
Goodwill	–	–	–	–
	18,530	25,258	15,773	17,155

Management has estimated the recoverable amounts based on the value-in-use of respective CGUs.

The value-in-use calculation for the respective CGUs was based on cash flow projections comprising the following key assumptions:

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Projection period	23 years	24 years	22 years	23 years
Tariff rates				
- During existing contracted period	Actual FY2021 tariff rates with an average annual upward revision of 5%	Actual FY2020 tariff rates with an average annual upward revision of 5%	Actual contracted tariff rates	Actual contracted tariff rates
- Post-contractual renewal period	Renewal tariff rate recommended by authority	Renewal tariff rate recommended by authority	Actual industry tariff rates	Actual industry tariff rates

11 Property, plant and equipment (cont'd)

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Projected utilisation rate	Average of past 7 years historical plant factor	Average of past 7 years historical plant factor	N.A.	N.A.
Timing of receipt of subsidies	N.A.	N.A.	Estimated to receive progressively from 2022	Estimated to receive in 2023
Projected efficiency rate	N.A.	N.A.	Average 22 years projected efficiency rate	Average 23 years projected efficiency rate
Pre-tax discount rate	18%	21%	14%	14%

The cash flow projections were based on forecasts prepared by the management taking into account past experience, current and expected weather conditions and legislation affecting the operation of the business. The discount rates applied to the cash flow projections were estimated based on weighted average cost of capital with inputs from market comparables.

Based on the recoverable amounts, the impairment losses were identified and allocated to the individual assets of the Hydro Plants CGUs and Solar Plant CGU as follows:

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2021 US\$'000	31.12.2020 US\$'000	31.12.2021 US\$'000	31.12.2020 US\$'000
Property, plant and equipment	4,650	550	–	–
Right-of use assets	–	–	1,050	–
	<u>4,650</u>	<u>550</u>	<u>1,050</u>	<u>–</u>

In estimating the recoverable amounts of the mini-hydro power plants, the Group assumed the concessions to continue beyond the existing contract periods. However, the assumed tariff rates as well as the plant factor are subject to estimation uncertainties that may result in material adjustments on the mini-hydro power plants' recoverable amounts in future periods.

In estimating the recoverable amounts of the solar photovoltaic power plant, the tariff rates include the Group's entitlement to government subsidies which account for a major portion of total tariff. The timing of settlement of tariff premium, and the collection of government subsidies are subject to the timing of such disbursements from the relevant local government. The assumed tariff rates, timing of receipt of subsidies as well as the efficiency rate are therefore subject to estimation uncertainties that may result in material adjustments on the solar photovoltaic power plant's recoverable amount in future periods.

The impairment charge of US\$5.7 million is derived based on the value-in-use of the CGUs.

12 Trade and other receivables

	Group		Company	
	31.12.2021 US\$'000	31.12.2020 US\$'000	31.12.2021 US\$'000	31.12.2020 US\$'000
Non-current				
Prepayments	726	603	–	–
	<u>726</u>	<u>603</u>	<u>–</u>	<u>–</u>
Current				
Trade receivables – third parties	7,299	8,318	–	–
Trade receivables – amounts due from subsidiaries	–	–	6,957	3,853
Allowance for impairment loss	(2,306)	(2,306)	(2,788)	(1,090)
Net trade receivables	<u>4,993</u>	<u>6,012</u>	<u>4,169</u>	<u>2,763</u>
Accrued trade receivables	9,290	7,362	–	–
Amounts due from joint ventures (non-trade)	126	59	126	59
Prepayments	511	652	7	7
Tax recoverable	677	736	–	–
Deferred consideration receivable	419	1,048	419	1,048
Other receivables	<u>825</u>	<u>2,670</u>	<u>490</u>	<u>2,539</u>
	<u>16,841</u>	<u>18,539</u>	<u>5,211</u>	<u>6,416</u>
	<u>17,567</u>	<u>19,142</u>	<u>5,211</u>	<u>6,416</u>

On 24 December 2020, the Group sold its entire direct interest in Rising Sun Energy Pvt. Ltd. (“RSE”) of the carrying amount of US\$5,559,000 to a 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 31 December 2021, the amount of US\$450,000 (31 December 2020: US\$2,429,000) is recognised in other receivables as follows:

- Receivable of US\$450,000 (31 December 2020: US\$1,125,000) due from former joint venture partners of RSE Group; and
- Receivable of US\$Nil (31 December 2020: US\$1,304,000) due from RSE Group. The Group had received the amount of US\$1,304,000 in July 2021.

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

Non-trade amounts due from joint ventures of US\$126,000 (31 December 2020: US\$59,000) are unsecured, interest-free and repayable on demand.

13 Trade and other payables

	Group		Company	
	31.12.2021 US\$'000	31.12.2020 US\$'000	31.12.2021 US\$'000	31.12.2020 US\$'000
Non-current				
Derivative financial liabilities –				
Interest rate swaps used				
for hedging	–	10	–	–
Staff retirement liabilities	176	176	–	–
	<u>176</u>	<u>186</u>	<u>–</u>	<u>–</u>
Current				
Trade payables	28	16	–	–
Loans from shareholders	26,634	25,723	26,634	25,723
Non-trade amounts due to:				
- subsidiaries	–	–	25,560	24,073
- a related party	1,605	1,671	1,567	1,634
- joint ventures	128	119	128	119
Accrued operating expenses	1,619	1,513	241	598
Accrued interest payable	10,417	9,048	7,818	6,908
Other payables	8,489	5,812	846	787
	<u>48,920</u>	<u>43,902</u>	<u>62,794</u>	<u>59,842</u>
Total trade and other payables	<u>49,096</u>	<u>44,088</u>	<u>62,794</u>	<u>59,842</u>

Loan from a shareholder of the Company, amounting to US\$26,364,000 (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 Company, amounting to US\$Nil (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 Company'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.

As at 31 December 2021, the amount of US\$5,889,000 (31 December 2020: US\$3,664,000) is recognised in other payables as follows:

- a) US\$5,489,000 (31 December 2020: US\$3,664,000) received in advance from a buyer in relation to the sale of the accommodation module that is classified as assets held for sale.
- b) US\$200,000 (31 December 2020: US\$Nil) received in advance from a buyer in relation to the sale of the AHTS vessels.

14 Financial liabilities

	Group		Company	
	31.12.2021 US\$'000	31.12.2020 US\$'000	31.12.2021 US\$'000	31.12.2020 US\$'000
Non-current				
Secured bank loans	41	380	–	–
Secured lease liabilities	–	17,210	–	–
Intra-group financial guarantees	–	–	–	3,064
	<u>41</u>	<u>17,590</u>	<u>–</u>	<u>3,064</u>
Current				
Secured bank loans	24,349	30,319	2,165	2,165
Secured lease liabilities	17,260	753	–	–
Intra-group financial guarantees	–	–	15,900	15,181
	<u>41,609</u>	<u>31,072</u>	<u>18,065</u>	<u>17,346</u>
Total financial liabilities	<u>41,650</u>	<u>48,662</u>	<u>18,065</u>	<u>20,410</u>

All the bank loans and lease liabilities as at 31 December 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\$5,220,000 (31 December 2020: US\$3,211,000) being restricted or earmarked by the banks for various facilities granted.

Default of secured lease liabilities

As at 31 December 2021, the Group had not met its obligation to maintain sufficient fund for the next two instalment payments. As the lease liabilities can be called for repayment upon notification by the lessor, the lease liabilities are classified to current liabilities. As at the date of this condensed interim financial statements, there were no notifications from the lessor for the lease to be settled on demand basis.

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 31 December 2021, the Group remains in default for these secured term loans. As at the date of this condensed interim financial statements, there were no notifications from banks for the affected loans to be settled on demand basis.

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 had 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 31 December 2021.

The Group is in negotiation with lenders as part of the Proposed Debt Restructuring.

15 Share capital

	Group and Company			
	31.12.2021		31.12.2020	
	No. of shares '000	Amount US\$'000	No. of shares '000	Amount US\$'000
Issued and fully paid, with no par value				
At 1 January	13,656,698	274,545	13,656,698	274,545
Conversion of warrants to ordinary shares	2,631	8	–	–
At 31 December	<u>13,659,329</u>	<u>274,553</u>	<u>13,656,698</u>	<u>274,545</u>

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.

During the fourth quarter of 2021, the Company had issued 2,541,000 new ordinary shares upon the exercise and conversion of 2,541,000 warrants into the share capital of the Company.

The remaining 2,037,704,705 outstanding warrants have expired on 26 November 2021.

As at 31 December 2021, the Company had 13,659,328,535 ordinary shares in issue and 1,044,324,863 outstanding convertibles convertible into one ordinary share each.

As at 31 December 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 December 2021 and 31 December 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 December 2021 and 31 December 2020.

As at 31 December 2021, the issued and paid-up share capital excluding treasury shares of the Company comprised 13,659,328,535 (31 December 2020: 13,656,697,535) ordinary shares.

16 Subsequent events

In relation to the sale of the accommodation module, the Group has received the total principal amount of AUD2,330,000 as the final balance payment on 3 February 2022, and accordingly, the disposal has been completed.

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 consolidated statement of financial position of Charisma Energy Services Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-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.

However, as announced on 14 October 2021, the Group continues to face issues with the repatriation of US Dollars out of Sri Lanka to service its bank loan repayment obligation and it defaulted on the September instalment for the bank loan ("**Loan**"). The lending bank had issued a notice letter ("**Notice**") stating the breaches by the Group in accordance with the facility agreement for the Loan ("**Facility Agreement**"). Consequently, the lending bank had declared in the Notice that such failure constitutes events of default under the Facility Agreement and that the Loan is recalled and cancelled with immediate effect, with the lending bank reserving its rights to take such steps under the Facility Agreement which it deems fit and at the appropriate time. Save for the Notice, the Group has not received any other formal notices from the lending bank.

The Group continues to face issues with the repatriation of US Dollars ("**US\$**") out of Sri Lanka to service the Loan repayment obligation and has yet to make payments for monthly instalments from January 2022 onwards. For the avoidance of doubt, the Sri Lanka bank account has sufficient funds to service the instalments required under the Loan. The Group continues to maintain communications with the bank, specifically to seek forbearance in the meantime as the continued delay in payment of the overdue instalments is due to the foreign currency crisis in Sri Lanka. Concurrently, the Company is in discussion with the bank to restructure the Loan. The Group remains committed to the exploration of several avenues to remit the US Dollars amount.

In relation to the extension of standstill agreement in relation to the maturity of US\$7,299,270 Redeemable Exchangeable Preference Shares ("**REPS**") in CES Hydro Power Group Pte Ltd ("**CES HPG**"), the Group have announced on 5 October 2021, that the Company, CES HPG and the investors had entered into the twelfth variation agreement dated 31 December 2021 to further extend the standstill period from 31 December 2021 up to and including 31 March 2022. As at the date of announcement, the standstill has lapsed and there was no further extension agreed. The Company is in discussion with REPS holders as part of the Proposed Debt Restructuring.

As announced on 10 January 2022, the Company has entered into a conditional subscription agreement (the “**New Investment**”) with Yin Khing Investments Limited (the “**Investor**”) for subscription of new ordinary shares amounting to S\$16,080,000 and share options amounting to S\$16,080,000.

It is contemplated that the Company will also intend to undertake the following:

- (a) propose a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of certain of its creditors, in accordance with Section 210 of the Companies Act 1967 of Singapore or the Insolvency, Restructuring and Dissolution Act 2018 of Singapore or under any applicable law(s) of Singapore, to compromise certain of the Company’s debt (the “**Past Liabilities**”) with such settlement being a combination of cash and issue of new Shares (the “**Scheme of Arrangement**”);
- (b) restructure certain of the Company’s secured debts with certain existing lenders (the “**Continuing Lenders**”) which shall remain in the Company (the “**Loan Restructuring**”);
- (c) agree on a settlement with holders of the redeemable exchangeable preference shares (the “**Bilateral Settlement**”)

(the Scheme of Arrangement, Loan Restructuring together with the Bilateral Settlement, collectively the “**Proposed Debt Restructuring**”).

The Company is still in the midst of discussion with its lenders and creditors to obtain their support on the Proposed Debt Restructuring, with the intention to achieve a positive net assets value upon completion of the New Investment and Proposed Debt Restructuring Exercise and strive towards trading resumption of the Company’s shares.

As at the date of this announcement, the Company has yet to obtain the support from the major lenders and creditors. The Company is working towards completing the formal negotiation and finalisation of the terms of the Proposed Debt Restructuring with the relevant lenders and creditors by May 2022. There had been a delay in the finalisation due to protracted discussions with the relevant creditors and lenders in pursuance of the Proposed Debt Restructuring.

Further, the Company had announced on 7 April 2022 in relation to the Group’s update on its 13 mini-hydro power plants (“MHPPs”) operation in Sri Lanka. The Company expects the current worsening economic crisis in Sri Lanka to have potential detrimental impact to the New Investment and the Proposed Debt Restructuring as the investor reviews the situation in Sri Lanka and the weakening of LKR.

At the appropriate time, the aforementioned proposed transactions, including any potential shareholding dilution, will be tabled to all relevant stakeholders for their approval.

(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) Asset divestment plan

The Group is in discussions with interested parties to further divest certain assets owned by the Group. 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 completed the sale 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 will provide an update when there is material development on the discussion.

(4) Cash flows from operating activities

With the current COVID-19 pandemic situation, 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.

As announced on 7 April 2022, Sri Lanka (the “Country”), has been facing an economic crisis since the COVID-19 pandemic. In 2021, the Country had a foreign currency crisis resulting in tightening of the foreign currency exchange controls. The Country has been further impacted by rising inflation costs and is currently going through political turmoil and violent protests over the Country's current economic crisis, as reported in the news.

The Group's 13 mini-hydro power plant (“MHPP”) in the Country are still in operation and generating electricity to a government owned electricity corporation in the Country. However, the Company expects the current situation of the Country to have the following impact on the Group's cash flow from operating activities:

- (a) severe slowdown in collection of receivables from the sale of electricity; and
- (b) further increase in the costs of operating the MHPPs due to the rising inflation costs and weakening of LKR.

The Group has continuously engaged with its customers and strived to expedite the collection of such receivables. Meanwhile, the Group is still working on the following items:

- (a) The Group is exploring several avenues to repatriate funds from the Sri Lanka bank accounts that is currently restricted due to the ongoing economic crisis in Sri Lanka;
- (b) In March 2022, the Group had managed to secure a five (5) year extension of the power purchase agreement (the “PPA”) for the 2MW mini-hydro power plant (“MHPP”) that expired in 4Q2021. The Group is in the process of obtaining the necessary qualification from the relevant authorities to qualify the Group for payments; and
- (c) The collection 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

4Q 2021 vs 4Q 2020

The Group’s revenue for the three months ended 31 December 2021 (“**4Q 2021**”) increased by US\$631,000 from US\$3,157,000 to US\$3,788,000 as compared to the corresponding three months ended 31 December 2020 (“**4Q 2020**”) mainly due to increase in generation output for the Sri Lanka Mini Hydro Power Plants (“**MHPP**”) from the higher rainfall as compared to 4Q 2020.

The Group’s cost of sales for 4Q 2021 increased by US\$86,000 to US\$705,000 as compared to 4Q 2020. The increase in cost of sales was mainly due to the increase of maintenance cost incurred on MHPPs and China Solar Plant.

As a result of the above, the Group’s gross profit for 4Q 2021 increased by US\$545,000 to US\$3,083,000 as compared to 4Q 2020.

Other operating income in 4Q 2021 increased by US\$334,000 as compared to 4Q 2020 mainly due to the gain on disposal of a subsidiary in Sri Lanka amounting to US\$294,000.

Administrative and marketing expenses in 4Q 2021 increased by US\$79,000 to US\$442,000 as compared to 4Q 2020 mainly due to the increase in professional fees.

Other operating expenses increased by US\$1,484,000 to US\$2,141,000 as compared to 4Q 2020 mainly due to the impairment of US\$2,141,000 recognised in 4Q 2021 as compared to US\$655,000 recognised in 4Q 2020.

Finance costs in 4Q 2021 decreased by US\$1,194,000 to US\$194,000 as compared to 4Q 2020 mainly due to the reduction in interest due to repayment of principal to lenders.

The Group recorded tax credit of US\$532,000 in 4Q2021 as compared to tax expenses of US\$791,000 in 4Q2020 mainly due to the reversal of deferred tax expenses amounting to US\$1,075,000 in 4Q 2021.

12M 2021 vs 12M 2020

The Group’s revenue for the twelve months ended 31 December 2021 (“**12M 2021**”) increased by US\$1,317,000 from US\$12,262,000 to US\$13,579,000 as compared to the corresponding year ended 31 December 2020 (“**12M 2020**”) mainly due to increase in generation output for the MHPPs as a result of more rainfall compared to 12M 2020.

The Group’s cost of sales for 12M 2021 increased by US\$131,000 to US\$4,164,000 as compared to 12M 2020. The increased in cost of sales was mainly due to the increase of maintenance cost incurred on MHPPs and China Solar Plant.

As a result of the above, the Group’s gross profit for 12M 2021 increased by US\$1,186,000 to US\$9,415,000 as compared to 12M 2020.

Administrative and marketing expenses in 12M 2021 decreased by US\$302,000 to US\$2,840,000 as compared to 12M 2020 mainly due to the Group's on-going effort in reducing costs.

Other operating expenses in 12M 2021 increased by US\$5,184,000 to US\$5,841,000 as compared to 12M 2020 mainly due to the impairment loss of US\$4,650,000, US\$1,050,000 and US\$16,000 recognised in 12M 2021 for hydro plants' property, plant and equipment, solar plant's right of use assets, and trade and other receivables respectively.

Finance costs in 12M 2021 decreased by US\$1,322,000 to US\$4,126,000 as compared to 12M 2020 mainly due to the reduction in interest due to repayment of principal to lenders.

The Group recorded tax expenses of US\$303,000 in 12M 2021 as compared to tax expenses of US\$1,772,000 in 12M 2020 mainly due to the reversal of deferred tax expenses amounting to US\$1,075,000 in 4Q 2021.

Statement of Financial Position Review

Non-current Assets

The Group's Non-Current Assets amounted to US\$36,633,000 as at 31 December 2021. The decrease of US\$7,456,000 was mainly due to impairment loss recognised of US\$ 4,650,000 and US\$ 1,050,000 for property plant and equipment and right of use asset respectively, as elaborated in Note 11 above, and depreciation charge for the 12M 2021 period.

Current Assets

The Group's Current Assets amounted to US\$29,563,000 as at 31 December 2021. The decrease of US\$24,000 was mainly due to the collection of trade and other receivables during the financial year. Cash collected was utilised to repay the loan obligations. This was partially offset by the increase in cash and cash equivalents due to the Group facing issues repatriating USD from subsidiaries in Sri Lanka.

Total Liabilities

The Group's Total Liabilities decreased by US\$3,489,000 to US\$92,254,000 as at 31 December 2021 as compared to 31 December 2020. This was mainly due to repayment of borrowings to lenders in 12M2021 and it was partially offset 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 12M 2021 period.

Statement of Cash Flows Review

Cash Flow from Operating Activities

The Group's net cash from operating activities in 4Q 2021 was US\$1,734,000. This was mainly due to cash collection from trade and other receivables.

Cash Flow from Investing Activities

The Group's net cash from investing activities in 4Q 2021 was US\$685,000. This was mainly due to the advances received for the assets held for sale.

Cash Flow from Financing Activities

The Group's net cash used in financing activities in 4Q 2021 was US\$2,451,000. This was mainly due to the net repayment of borrowings and interest expense of US\$1,737,000 and payment of lease liabilities of US\$591,000.

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) As announced on 14 October 2021, the Group continues to face issues with the repatriation of US Dollars out of Sri Lanka to service its bank loan repayment obligation due to the Sri Lanka's foreign currency crisis. As a result, the Group defaulted on the September instalment for the bank loan ("**Loan**"). The lending bank had issued a notice letter ("**Notice**") stating the breaches by the Group in pursuant to the Loan facility agreement ("**Facility Agreement**"), and informing the Company that the Loan is recalled and cancelled with immediate effect, with the lending bank reserving its rights under the Facility Agreement. Save for the Notice, the Group has not received any other formal notices from the lending bank.

Due to the economic situation in Sri Lanka, the Group has yet to successfully repatriate further funds out of Sri Lanka and make any payments for the monthly loan instalments from January 2022 onwards. For the avoidance of doubt, the Sri Lanka bank account has sufficient funds to service the instalments required under the Loan, should the Group be able to repatriate all its cash balances out of Sri Lanka. The Group continues to maintain communications with the bank, specifically to seek forbearance in the meantime as the continued delay in payment of the overdue instalments. Concurrently, the Company is in discussion with the bank to restructure the Loan. The Group remains committed to the exploration of several avenues to remit the US Dollars amount.

- b) In relation to the photovoltaic power plant in China ("**PRC Solar**"), the Company remains in preliminary talks with potential buyers for PRC Solar as part of the Company's divestment strategy. Between June 2021 to December 2021, the Group has received National Subsidy in relation to electricity sold in 2017. The Group is closely following up on the National Subsidy payment for electricity sold subsequent to 2017.

The Group has received approval from the lender to extend the principal instalment payment for the loan for PRC Solar by six (6) months from 25 March 2022 to 25 September 2022. This will provide the Company with additional time to divest PRC Solar and the Group to collect outstanding subsidies.

- c) In relation to the settlement agreement with Whitesea Shipping & Supply (LLC) FZC ("**WSS**"), the Group had agreed to dispose four vessels ("**Vessels**") to WSS for a total consideration of US\$4,000,000 over twenty instalments. To-date, the Group has received US\$300,000 in total, and has yet to receive the overdue instalments amounting to US\$1.1 million. The Group is following up closely with WSS on the overdue instalments.

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

As announced on 10 January 2022, the Company has entered into a conditional subscription agreement (the "**New Investment**") with Yin Khing Investments Limited (the "**Investor**") for subscription of new ordinary shares amounting to S\$16,080,000 and share options amounting to S\$16,080,000.

It is contemplated that the Company will also intend to undertake the following:

- (a) propose a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of certain of its creditors, in accordance with Section 210 of the Companies Act 1967 of Singapore or the Insolvency, Restructuring and Dissolution Act 2018 of Singapore or under any applicable law(s) of Singapore, to compromise certain of the Company's debt (the "**Past Liabilities**") with such settlement being a combination of cash and issue of new Shares (the "**Scheme of Arrangement**");
- (b) restructure certain of the Company's secured debts with certain existing lenders (the "**Continuing Lenders**") which shall remain in the Company (the "**Loan Restructuring**");
- (c) agree on a settlement with holders of the redeemable exchangeable preference shares (the "**Bilateral Settlement**")

(the Scheme of Arrangement, Loan Restructuring together with the Bilateral Settlement, collectively the "**Proposed Debt Restructuring**").

The Company has initiated discussion with the Group's lenders and creditors to obtain the support on the Proposed Debt Restructuring, with the intention to achieve a positive net assets value upon completion of the New Investment and Proposed Debt Restructuring and strive towards trading resumption of the Company's shares.

As at the date of this announcement, the Company has yet to obtain the support from the Group's major lenders and creditors. The Company is working towards finalising the terms of the Proposed Debt Restructuring by May 2022. There had been a delay in the finalisation due to protracted discussions with the lenders and creditors in pursuance of the Proposed Debt Restructuring.

Further, the Company had announced on 7 April 2022 in relation to the Group's update on its 13 mini-hydro power plants ("MHPPs") operation in Sri Lanka. The Company expects the current worsening economic crisis in Sri Lanka to have potential detrimental impact to the New Investment and the Proposed Debt Restructuring as the investor reviews the situation in Sri Lanka and the weakening of LKR.

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 30 December 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 31 December 2021 to 30 June 2022. The Company had received the letter of no objection for the Company's further extension of time application on 3 February 2022. Once the New Investment and Proposed Debt Restructuring are finalised, the Group will submit the Resumption Proposals to SGX RegCo.

The Company will make the necessary announcements as and when there are further material developments on the above matters.

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 12M 2021, no dividend has been declared or recommended for the financial period.

9 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. No dividend has been declared or recommended for 12M 2021 and 12M 2020.

10 In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments

Please refer to paragraph 4 under Other Information Required by Listing Rule Appendix 7C.

11 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 December 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	180,770
<u>Interest expenses</u>			
Ezion Holdings Limited	A controlling shareholder of the Company	NIL	1,069,241

12 Additional information required pursuant to Rule 706A

On 5 November 2021, the Group had completed the sale of the entire issued and paid-up shares in its wholly-owned subsidiary, Eastern Solar Energy Project (Private) Limited (“ESE”), a company incorporated in Sri Lanka, to a third party buyer for a consideration of LKR58,000,000 (approximately US\$288,000) payable as follows:

- (a) LKR10,000,000 (approximately US\$50,000) upon execution of the sale and purchase agreement; and
- (b) LKR48,000,000 (approximately US\$238,000) upon completion of post-closing obligation.

The consideration was arrived at on a willing-seller, willing-buyer basis following arm’s length negotiations between the buyer and the seller, taking into account, among other things, various factors such as the existing assets, intellectual property rights, financial position and business prospects of ESE.

The net asset value of ESE as at 5 November 2021 was LKR70,485 (approximately US\$350). Sale of ESE does not have a material impact on the earnings or the net tangible assets per share of the Group for the financial year ended 31 December 2021. None of the directors, substantial shareholders or controlling shareholders of the Company, and their respective associates, has any interest, direct or indirect, in the transaction. Following the sale of ESE, ESE ceased to be a subsidiary of the Group.

Save as disclosed above, the Company did not acquire or dispose any shares in any companies during 12M 2021.

13 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).

14 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or in any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

On behalf of the Board of directors

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

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

BY ORDER OF THE BOARD

Tan Wee Sin
Company Secretary
29 April 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 Mr Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.