

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

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

	Note ¹	Group			Group		
		3Q 2015 US\$'000	3Q 2014 US\$'000	Change %	9M 2015 US\$'000	9M 2014 US\$'000	Change %
<u>Continuing operations</u>							
Revenue	(1)	6,257	1,275	n.m.	18,020	168,087	(89%)
Cost of sales	(1)	(2,323)	(502)	n.m.	(6,573)	(159,755)	(96%)
Gross profit	(1)	3,934	773	n.m.	11,447	8,332	37%
Other operating income, net		-	10	(100%)	6	15	(60%)
Administrative and marketing expenses	(2)	(152)	(180)	(16%)	(1,123)	(1,069)	5%
Profit from operating activities		3,782	603	n.m.	10,330	7,278	42%
Finance income		1	23	(96%)	7	92	(92%)
Finance costs	(3)	(750)	(135)	n.m.	(2,183)	(167)	n.m.
Net finance cost		(749)	(112)	n.m.	(2,176)	(75)	n.m.
Share of results of jointly controlled entities (net of tax)		6	-	n.m.	(8)	-	n.m.
Profit before taxation		3,039	491	n.m.	8,146	7,203	13%
Taxation		6	-	n.m.	6	-	n.m.
Profit for the period from continuing operations		3,045	491	n.m.	8,152	7,203	13%
<u>Discontinued operations</u>							
Loss for the period from discontinued operations ² , net of tax		-	-	-	-	(52)	(100%)
Profit for the period		3,045	491	n.m.	8,152	7,151	14%
Profit for the period attributable to:							
Equity holders of the Company		3,045	491	n.m.	8,152	7,165	14%
- Continuing operations		3,045	491	n.m.	8,152	7,203	13%
- Discontinued operations		-	-	-	-	(38)	(100%)
Non-controlling interest from discontinued operations		-	-	-	-	(14)	(100%)
Profit for the period		3,045	491	n.m.	8,152	7,151	14%

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

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

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

	Group			Group		
	3Q 2015 US\$'000	3Q 2014 US\$'000	Change %	9M 2015 US\$'000	9M 2014 US\$'000	Change %
Continuing Operations						
- Net finance cost	(749)	(112)	n.m.	(2,176)	(75)	n.m.
- Depreciation of plant and equipment	(2,327)	(502)	n.m.	(6,583)	(647)	n.m.
- Foreign exchange gain/(loss)	48	105	(54%)	(44)	140	n.m.
Discontinued Operations						
- Interest on borrowings	-	-	-	-	(10)	(100%)
- Depreciation of plant and equipment	-	-	-	-	(42)	(100%)

n.m. = not meaningful

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

	Note ³	Group		Company	
		30/09/2015 US\$'000	31/12/2014 US\$'000	30/09/2015 US\$'000	31/12/2014 US\$'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	(1)	133,481	85,730	31	27
Investment in quoted shares	(2)	2,801	5,645	2,801	5,645
Subsidiaries		-	-	52,497	43,220
Joint ventures		1,249	1,249	281	273
		137,531	92,624	55,610	49,165
CURRENT ASSETS					
Trade and other receivables	(3)	4,590	14,258	300	108
Amounts due from subsidiaries		-	-	3,840	8,691
Amounts due from joint ventures	(4)	7,831	-	7,831	-
Cash and cash equivalents		4,410	13,920	2,317	5,605
		16,831	28,178	14,288	14,404
TOTAL ASSETS		154,362	120,802	69,898	63,569
Share capital		266,515	266,103	266,515	266,103
Convertible perpetual capital securities		6,811	6,811	6,811	6,811
Warrants		19,394	19,394	19,394	19,394
Redeemable exchangeable preference shares	(5)	7,051	-	-	-
Foreign currency translation reserves		(861)	(10)	-	-
Fair value reserve	(2)	(1,751)	1,093	(1,751)	1,093
Accumulated losses		(225,621)	(233,572)	(238,385)	(237,539)
TOTAL EQUITY		71,538	59,819	52,584	55,862
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred revenue	(6)	8,938	3,239	-	-
Financial liabilities	(7)	56,184	38,172	-	-
Amounts due to subsidiaries		-	-	16,305	209
		65,122	41,411	16,305	209
CURRENT LIABILITIES					
Trade and other payables	(8)	2,256	4,431	1,009	846
Deferred revenue	(6)	2,286	571	-	-
Provision for tax		9	20	-	-
Financial liabilities	(7)	13,151	14,550	-	6,652
		17,702	19,572	1,009	7,498
TOTAL LIABILITIES		82,824	60,983	17,314	7,707
TOTAL EQUITY AND LIABILITIES		154,362	120,802	69,898	63,569

³ Please refer to Paragraph 8 for review of Statement of Financial Position.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	Group	
	As at 30/09/2015 US\$'000	As at 31/12/2014 US\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	13,151	14,550
<u>Amount repayable after one year:-</u>		
Secured	56,184	38,172

As at 30 September 2015 and 31 December 2014, the Group has no unsecured borrowings and debt securities.

Details of any collateral

Secured borrowings as at 30 September 2015 and 31 December 2014 were secured by mortgages on the respective hydro-electric power generation equipment, offshore support vessels and onshore accommodation module.

1(b)(iii) Statement of comprehensive income for the period ended 30 September 2015

	Group					
	3Q 2015 US\$'000	3Q 2014 US\$'000	Change %	9M 2015 US\$'000	9M 2014 US\$'000	Change %
Profit for the period	3,045	491	n.m.	8,152	7,151	14%
- Continuing operations	3,045	491	n.m.	8,152	7,203	13%
- Discontinued operations	-	-	-	-	(52)	(100%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit and loss</u>						
Net (loss)/gain on fair value changes of available-for-sale financial assets from continuing operations	(2,265)	350	n.m.	(2,844)	(267)	n.m.
Foreign currency translation differences due to foreign operations	(838)	(5)	n.m.	(851)	(1)	n.m.
Other comprehensive income for the period from continuing operations	(3,103)	345	n.m.	(3,695)	(268)	n.m.
Total comprehensive income for the period	(58)	836	n.m.	4,457	6,883	(35%)
- Continuing operations	(58)	836	n.m.	4,457	6,935	(36%)
- Discontinued operations	-	-	-	-	(52)	(100%)
Total comprehensive income for the period attributable to:						
Equity holders of the Company	(58)	836	n.m.	4,457	6,897	(35%)
- Continuing operations	(58)	836	n.m.	4,457	6,935	(36%)
- Discontinued operations	-	-	-	-	(38)	(100%)
Non-controlling interest from discontinued operations	-	-	-	-	(14)	(100%)
Total comprehensive income for the period	(58)	836	n.m.	4,457	6,883	(35%)

n.m. = not meaningful

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

Note ⁴	Group			
	3Q 2015 US\$'000	3Q 2014 US\$'000	9M 2015 US\$'000	9M 2014 US\$'000
Cash flows from operating activities				
	3,039	491	8,146	7,203
Profit before taxation from continuing operations				
Adjustments for:-				
	(576)	-	(1,686)	-
	2,327	502	6,583	647
	(1)	(23)	(7)	(92)
	750	135	2,183	167
	30	-	40	-
	(6)	-	8	-
	5,563	1,105	15,267	7,925
Operating profit before working capital changes				
Changes in working capital:				
	63	(1,246)	6,760	(1,196)
	637	(50)	(2,270)	(1,264)
	-	-	12,000	-
	-	-	(5)	-
	6,263	(191)	31,752	5,465
	Net cash generated from/(used in) operating activities from continuing operations			
	-	-	-	(33)
	Net cash used in operating activities from discontinued operations			
	6,263	(191)	31,752	5,432
(1)	Net cash generated from/(used in) operating activities			
Cash flows from investing activities				
	-	(78,091)	(43,617)	(83,724)
	-	-	(11,714)	-
	(1,528)	-	(7,831)	-
	1	23	7	92
	(1,527)	(78,068)	(63,155)	(83,632)
	Net cash used in investing activities from continuing operations			
	-	-	-	234
	Net cash generated from investing activities from discontinued operations			
(2)	(1,527)	(78,068)	(63,155)	(83,398)
	Net cash used in investing activities			
Cash flows from financing activities				
	-	47,600	40,690	47,600
	(11,564)	-	(24,076)	-
	26	-	412	1,657
	7,051	-	7,051	-
	(779)	(136)	(2,184)	(167)
	(5,266)	47,464	21,893	49,090
(3)	Net cash (used in)/generated from financing activities			
	(530)	(30,795)	(9,510)	(28,876)
	4,940	46,037	13,920	44,118
	4,410	15,242	4,410	15,242
	Net decrease in cash and cash equivalents			
	Cash and cash equivalents at beginning of period			
	Cash and cash equivalents at end of period			

⁴ Please refer to Paragraph 8 for review of Statement of Cash Flows.

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

Statements of Changes in Equity

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Warrants US\$'000	Redeemable Exchangeable Preference Shares US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 January 2015	266,103	6,811	19,394	-	(10)	1,093	(233,572)	59,819
Profit for the period	-	-	-	-	-	-	8,152	8,152
Other comprehensive income								
Net loss on fair value changes of available-for sale financial assets	-	-	-	-	-	(2,844)	-	(2,844)
Foreign currency translation differences due to foreign operations	-	-	-	-	(851)	-	-	(851)
Total comprehensive income for the period	-	-	-	-	(851)	(2,844)	8,152	4,457
Transactions with owners, recognised directly in equity								
Contributions by and distribution to owners								
Issuance of ordinary shares	412	-	-	-	-	-	-	412
Issuance of redeemable exchangeable preference shares, net of issuance expenses	-	-	-	7,051	-	-	-	7,051
Accrued perpetual securities distributions	-	-	-	-	-	-	(241)	(241)
Equity-settled share-based payment transaction	-	-	-	-	-	-	40	40
Total transactions with owners	412	-	-	7,051	-	-	(201)	7,262
Balance as at 30 September 2015	266,515	6,811	19,394	7,051	(861)	(1,751)	(225,621)	71,538

1(d)(i) Continued

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair value Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling Interest US\$'000	Total Equity US\$'000
Balance as at 1 January 2014	247,714	23,486	19,394	-	5,186	(242,626)	53,154	263	53,417
Profit for the period	-	-	-	-	-	7,165	7,165	(14)	7,151
Other comprehensive income									
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(267)	-	(267)	-	(267)
Foreign currency translation differences due to foreign operations	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	(1)	(267)	7,165	6,897	(14)	6,883
Transactions with owners, recognised directly in equity									
Contributions by and distribution to owners									
Issuance of ordinary shares	1,658	-	-	-	-	-	1,658	-	1,658
Accrued convertible perpetual capital securities distributions	-	-	-	-	-	(546)	(546)	-	(546)
Conversion of perpetual capital securities	16,675	(16,675)	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(249)	(249)
Total transactions with owners	18,333	(16,675)	-	-	-	(546)	1,112	(249)	863
Balance as at 30 September 2014	266,047	6,811	19,394	(1)	4,919	(236,007)	61,163	-	61,163

1(d)(i) Continued

The Company	Share Capital US\$'000	Perpetual Securities US\$'000	Fair value Reserve US\$'000	Warrants US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2015	266,103	6,811	1,093	19,394	(237,539)	55,862
Loss for the period	-	-	-	-	(645)	(645)
Other comprehensive income						
Net loss on fair value changes of available-for-sale financial assets	-	-	(2,844)	-	-	(2,844)
Total comprehensive income for the period	-	-	(2,844)	-	(645)	(3,489)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	412	-	-	-	-	412
Accrued convertible perpetual capital securities distributions	-	-	-	-	(241)	(241)
Equity-settled share-based payment transaction	-	-	-	-	40	40
Total transaction with owners	412	-	-	-	(201)	211
Balance as at 30 September 2015	266,515	6,811	(1,751)	19,394	(238,385)	52,584
Balance as at 1 January 2014	247,714	23,486	5,186	19,394	(242,896)	52,884
Loss for the period	-	-	-	-	(583)	(583)
Other comprehensive income						
Net loss on fair value changes of available-for-sale financial assets	-	-	(267)	-	-	(267)
Total comprehensive income for the period	-	-	(267)	-	(583)	(850)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	1,658	-	-	-	-	1,658
Accrued convertible perpetual capital securities distributions	-	-	-	-	(544)	(544)
Conversion of perpetual capital securities	16,675	(16,675)	-	-	-	-
Total transaction with owners	18,333	(16,675)	-	-	(544)	1,114
Balance as at 30 September 2014	266,047	6,811	4,919	19,394	(244,023)	53,148

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the first quarter of 2015, the Company did not allot and issue any new ordinary shares.

During the second quarter of 2015, the Company allotted and issued 285,200,000 new ordinary shares pursuant to the exercise of 285,200,000 options by various option holders.

During the third quarter of 2015, the Company allotted and issued 20,000,000 new ordinary shares pursuant to the exercise of 20,000,000 options by various option holders.

As at 30 September 2015, the Company had 10,611,365,710 ordinary shares issued and 3,387,068,000 outstanding convertibles. As at 30 September 2014, the Company had 10,266,165,710 ordinary shares issued and 3,732,268,000 outstanding convertibles.

As at 30 September 2015, there were 7,299,270 redeemable exchangeable preference shares (30 September 2014: nil) in a subsidiary available for exchange to 523,620,516 ordinary shares of the Company.

The Company did not hold any treasury shares as at 30 September 2015 and 30 September 2014.

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

As at 30 September 2015, the issued and paid up share capital (excluding treasury shares) of the Company comprised 10,611,365,710 (31 December 2014: 10,306,165,710) ordinary shares.

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

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

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

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

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

Not applicable.

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

Except as disclosed under item 5 below, the Group has consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial year ended 31 December 2014.

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

The Group and the Company have applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2014, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2015 as follows:

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

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRSs.

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

Earnings per share after deducting any provisions for preference dividends:

	Group			
	3Q 2015	3Q 2014	9M 2015	9M 2014
(a) EPS based on weighted average number of ordinary shares in issue (in US cents)				
- Continuing operations	0.03	0.01	0.08	0.07
- Discontinued operations	-	-	-	(0.00)
Weighted average number of ordinary shares (in million)	10,458	9,811	10,457	9,811
(b) EPS based on fully diluted basis (in US cents)				
- Continuing operations	0.02	0.00	0.06	0.05
- Discontinued operations	-	-	-	(0.00)
Weighted average number of ordinary shares (in million)	13,845	13,543	13,844	13,543

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

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on (in US cents)	0.67	0.58	0.50	0.54

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement Review

3Q 2015

1. The Group's revenue recognised in 3Q 2015 increased by US\$5.0 million to US\$6.3 million compared to 3Q 2014 mainly due to the following:
 - (i) lease income from the leasing of 42.4MW hydro-electric power generation equipment in 3Q 2015 (3Q 2014: 42.4MW, of which 40MW commenced leasing in September 2014);
 - (ii) charter income from the deployment of four offshore support vessels in 3Q 2015 (3Q 2014: one offshore support vessels which was deployed in September 2014); and
 - (iii) charter income from the leasing of an onshore accommodation module in 3Q 2015 (3Q 2014: nil).

Cost of sales in 3Q 2015 comprised mainly depreciation expenses. The cost of sales in 3Q 2015 increased by US\$1.8 million to US\$2.3 million as compared to 3Q 2014 due to depreciation from newly acquired plant and equipment.

As a result of the above, the Group's gross profit for 3Q 2015 increased by US\$3.2 million to US\$3.9 million as compared to 3Q 2014.

2. The decrease in administrative and marketing expenses in 3Q 2015 was mainly due to lower professional fees incurred in 3Q 2015 as compared to 3Q 2014.
3. The increase in finance costs in 3Q 2015 was due to additional interest expense for the funding requirements of additional plant and equipment.

9M 2015

1. The Group's revenue recognised in 9M 2015 decreased by US\$150.0 million to US\$18.0 million compared to 9M 2014. The decrease was due to the absence of an one-off sale of rig made in 2Q 2014. The decrease was partially offset by the following additional operations in 9M 2015:
 - (i) lease income from the leasing of 42.4MW hydro-electric power generation equipment in 9M 2015 (9M 2014: 42.4MW, of which 40MW commenced leasing in September 2014);
 - (ii) charter income from the deployment of four offshore support vessels in 9M 2015 (9M 2014: one offshore support vessels which was deployed in September 2014); and
 - (iii) charter income from the leasing of an onshore accommodation module in 9M 2015 (9M 2014: nil).

Cost of sales in 9M 2015 comprised mainly depreciation expenses. The cost of sales in 9M 2015 decreased by US\$153.2 million to US\$6.6 million as compared to 9M 2014 due to the sale of rig in 9M 2014 as mentioned above, partially offset by depreciation from newly acquired plant and equipment.

As a result of the above, the Group's gross profit for 9M 2015 increased by US\$3.1 million to US\$11.4 million as compared to 9M 2014.

2. The increase in administrative and marketing expenses in 9M 2015 was mainly due to increased activities from the new business partially offset by the absence of one-off expenses incurred in 9M 2014 in relation to the disposal of 51% equity interest in YHME and the sale of the rig.
3. The increase in finance costs in 9M 2015 was due to additional interest expense for the funding requirements of additional plant and equipment.

Statement of Financial Position Review

1. The increase in property, plant and equipment as at 30 September 2015 as compared to 31 December 2014 was mainly due to the acquisition of additional offshore support vessels as well as an onshore accommodation module in 9M 2015.
2. The investment in quoted shares comprises 6,660,029 ordinary shares in the capital of Ezion Holdings Limited ("Ezion"). The decrease in the investment in quoted shares and the fair value reserve was due to the revaluation based on the lower closing price of Ezion shares as at 30 September 2015 as compared to 31 December 2014.
3. The decrease in trade and other receivables as at 30 September 2015 as compared to 31 December 2014 was mainly due to the collection in 9M 2015 for receivables relating to trading activities of oil and gas related products in December 2014. The decrease was partially offset by the increase in receivables due to the charter for offshore support vessels as well as the onshore accommodation module in 9M 2015.
4. The increase in amounts due from joint ventures relates to advances and payment made on behalf of a jointly controlled entity which are interest-free and repayable on demand.
5. The increase in redeemable exchangeable preference shares relates to the redeemable exchangeable preference shares that was issued by a subsidiary in 3Q 2015.
6. The increase in deferred revenue was due to charter payments received in advance from a customer pertaining to the chartering of additional offshore support vessels in 9M 2015.
7. The increase in borrowings was due to the bank loan drawn down for the acquisition of plant and equipment in 9M 2015.

8. The decrease for trade and other payables as at 30 September 2015 as compared to 31 December 2014 was mainly due to repayment to suppliers in 9M 2015 for trading activities for oil and gas products.

Statement of Cash Flows Review

3Q 2015

1. The Group's net cash generated from operating activities in 3Q 2015 was approximately US\$6,263,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in 3Q 2015 was approximately US\$1,527,000. This was mainly due to advances made to joint ventures in 3Q 2015.
3. Net cash used in financing activities in 3Q 2015 was approximately US\$5,266,000. This was mainly due to repayment of borrowings, partially offset by net proceeds from the issuance of redeemable exchangeable preference shares in 3Q 2015.

9M 2015

1. The Group's net cash generated from operating activities in 9M 2015 was approximately US\$31,752,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in 9M 2015 was approximately US\$63,155,000. This was mainly due to acquisition of plant and equipment and a subsidiary in 9M 2015.
3. Net cash generated from financing activities in 9M 2015 was approximately US\$21,893,000. This was mainly due to the proceeds from new bank loan secured and issuance of redeemable exchangeable preference shares, partially offset by the repayment of bank loans in 9M 2015.

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

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

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

Operating environment in the oil and gas segment has been made challenging following the drastic drop in oil prices over the past 12 months. In such environment, management will be very selective and would only consider projects with strong fundamentals. The Group will continue to primarily focus on growing its power and energy business.

11. **Use of Proceeds**

- (a) **Proceeds from share options issued in 2012**

Description	US\$'000
Balance of proceeds as at 1 July 2015	-
Add: Proceeds from exercise of options in 3Q 2015	26
Less: Use of proceeds in 3Q 2015 for administrative expenses of the Group	(26)
Balance of proceeds as at 30 September 2015	<u>-</u>

The utilisation of proceeds from share options was in line with the intended use as previously disclosed.

(b) Proceeds from redeemable exchangeable preference shares issued in 2015

Description	US\$'000
Balance of proceeds as at 1 July 2015	-
Add: Net proceeds from issuance of redeemable exchangeable preference shares in 3Q 2015	7,051
Less: Use of proceeds in 3Q 2015 for financing of capital expenditure for plant and equipment	<u>(7,051)</u>
Balance of proceeds as at 30 September 2015	<u><u>-</u></u>

The Company had in the announcement dated 28 July 2015 disclosed that the net proceeds from issuance of redeemable exchangeable preference shares were intended to be used for (a) capital expenditure for plant and equipment in relation to the Group's oil and gas or renewable energy assets, and (b) general working capital purposes, in the proportion of 80% and 20%, respectively.

As the Company has and is expected to have sufficient funds from operations to meet its existing and future general working capital requirements, the Company has re-allocated the entire net proceeds for capital expenditure for plant and equipment.

(c) Proceeds from warrants issued in 2013

No new proceeds were raised in 3Q 2015 from the exercise of warrants issued in 2013.

12. If a decision regarding dividend has been made:

- (a) ***Whether an interim (final) ordinary dividend has been declared (recommended); and***
None.
- (b) (i) ***Amount per share (cents)***
Not applicable.
- (ii) ***Previous corresponding period (cents)***
None.
- (c) ***Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).***
Not applicable.
- (d) ***The date the dividend is payable.***
Not applicable.
- (e) ***The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.***
Not applicable.

13. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for 3Q 2015.

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

The Group had on 21 April 2015, obtained a general mandate from shareholders for interested person transactions (“IPTs”).

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

Particulars of IPTs for the period 1 January 2015 to 30 September 2015 are as follows:

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person	US\$	US\$
<u>Management fee paid/payable to</u> Ezion Holdings Limited	NIL	128,000

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
6 November 2015

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

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the period ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of directors

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

.....
 Wong Bheet Huan
 Executive Director

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.