

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

**FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 <sup>1</sup>	4Q 2015 US\$'000	Group 4Q 2014 US\$'000	Change %	FY 2015 US\$'000	Group FY 2014 US\$'000	Change %
<b><u>Continuing operations</u></b>							
Revenue	(1)	6,270	5,239	20%	24,290	173,326	(86%)
Cost of sales	(1)	(2,336)	(1,296)	80%	(8,909)	(161,051)	(94%)
<b>Gross profit</b>	<b>(1)</b>	<b>3,934</b>	<b>3,943</b>	<b>-</b>	<b>15,381</b>	<b>12,275</b>	<b>25%</b>
Administrative and marketing expenses	(2)	(681)	(958)	(29%)	(1,804)	(2,027)	(11%)
Other (expenses) / income, net	(3)	(1,679)	12	n.m.	(1,673)	27	n.m.
<b>Profit from operating activities</b>		<b>1,574</b>	<b>2,997</b>	<b>(47%)</b>	<b>11,904</b>	<b>10,275</b>	<b>16%</b>
Finance income		2	6	(67%)	9	98	(91%)
Finance costs	(4)	(663)	(435)	52%	(2,846)	(602)	n.m.
<b>Net finance cost</b>		<b>(661)</b>	<b>(429)</b>	<b>54%</b>	<b>(2,837)</b>	<b>(504)</b>	<b>n.m.</b>
Share of results of jointly controlled entities (net of tax)		(22)	(24)	(8%)	(30)	(24)	25%
<b>Profit before taxation</b>		<b>891</b>	<b>2,544</b>	<b>(65%)</b>	<b>9,037</b>	<b>9,747</b>	<b>(7%)</b>
Taxation		(2)	(20)	(90%)	4	(20)	n.m.
Profit for the period/year from continuing operations		889	2,524	(65%)	9,041	9,727	(7%)
<b><u>Discontinued operations</u></b>							
Loss for the period/year from discontinued operations <sup>2</sup> , net of tax		-	-	-	-	(52)	(100%)
<b>Profit for the period/year</b>		<b>889</b>	<b>2,524</b>	<b>(65%)</b>	<b>9,041</b>	<b>9,675</b>	<b>(7%)</b>
Profit for the period/year attributable to:							
Equity holders of the Company		889	2,524	(65%)	9,041	9,689	(7%)
- Continuing operations		889	2,524	(65%)	9,041	9,727	(7%)
- Discontinued operations		-	-	-	-	(38)	(100%)
Non-controlling interest from discontinued operations		-	-	-	-	(14)	(100%)
<b>Profit for the period/year</b>		<b>889</b>	<b>2,524</b>	<b>(65%)</b>	<b>9,041</b>	<b>9,675</b>	<b>(7%)</b>

<sup>1</sup> Please refer to Paragraph 8 for review of Income Statement.

<sup>2</sup> 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/year is arrived at after crediting/(charging) the following:-

	Group			Group		
	4Q 2015	4Q 2014	Change	FY 2015	FY 2014	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Continuing Operations</b>						
- Net finance cost	(661)	(429)	54%	(2,837)	(504)	n.m.
- Depreciation of plant and equipment	(2,333)	(1,300)	79%	(8,916)	(1,947)	n.m.
- Foreign exchange loss	(77)	(228)	(66%)	(121)	(88)	38%
- Impairment of available-for-sale financial assets	(1,679)	-	n.m.	(1,679)	-	n.m.
<b>Discontinued Operations</b>						
- Interest on borrowings	-	-	-	-	(10)	(100%)
- Depreciation and amortisation	-	-	-	-	(42)	(100%)

n.m. = not meaningful

**[Intentionally Left Empty Below]**

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

		Group		Company	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
	Note <sup>3</sup>	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	(1)	131,961	85,730	55	27
Investment in quoted shares	(2)	2,874	5,645	2,874	5,645
Subsidiaries		-	-	52,497	43,220
Joint ventures		1,249	1,249	281	273
Other receivables		85	-	-	-
		<b>136,169</b>	<b>92,624</b>	<b>55,707</b>	<b>49,165</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables	(3)	6,316	14,258	526	108
Amounts due from subsidiaries		-	-	5,977	8,691
Amounts due from joint ventures	(4)	7,823	-	7,845	-
Cash and cash equivalents		8,110	13,920	5,312	5,605
		<b>22,249</b>	<b>28,178</b>	<b>19,660</b>	<b>14,404</b>
<b>TOTAL ASSETS</b>		<b>158,418</b>	<b>120,802</b>	<b>75,367</b>	<b>63,569</b>
Share capital		270,718	266,103	270,718	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)	7,042	-	-	-
Other reserves	(6)	(553)	1,083	-	1,093
Accumulated losses		(224,802)	(233,572)	(238,991)	(237,539)
<b>TOTAL EQUITY</b>		<b>78,610</b>	<b>59,819</b>	<b>57,932</b>	<b>55,862</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Other payables	(7)	71	-	-	-
Deferred revenue	(8)	8,362	3,239	-	-
Financial liabilities	(9)	53,138	38,172	-	-
Amounts due to subsidiaries		-	-	16,555	209
		<b>61,571</b>	<b>41,411</b>	<b>16,555</b>	<b>209</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	(7)	2,632	4,431	880	846
Deferred revenue	(8)	2,286	571	-	-
Provision for tax		10	20	-	-
Financial liabilities	(9)	13,309	14,550	-	6,652
		<b>18,237</b>	<b>19,572</b>	<b>880</b>	<b>7,498</b>
<b>TOTAL LIABILITIES</b>		<b>79,808</b>	<b>60,983</b>	<b>17,435</b>	<b>7,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>158,418</b>	<b>120,802</b>	<b>75,367</b>	<b>63,569</b>

<sup>3</sup> Please refer to Paragraph 8 for review of Statement of Financial Position.

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

	<b>Group</b>	
	<b>As at 31/12/2015 US\$'000</b>	<b>As at 31/12/2014 US\$'000</b>
<b><u>Amount repayable in one year or less, or on demand:-</u></b>		
Secured	13,309	14,550
<b><u>Amount repayable after one year:-</u></b>		
Secured	53,138	38,172

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

**Details of any collateral**

Secured borrowings as at 31 December 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 31 December 2015**

	<b>Group</b>					
	<b>4Q 2015 US\$'000</b>	<b>4Q 2014 US\$'000</b>	<b>Change %</b>	<b>FY 2015 US\$'000</b>	<b>FY 2014 US\$'000</b>	<b>Change %</b>
<b>Profit for the period/year</b>	<b>889</b>	<b>2,524</b>	<b>(65%)</b>	<b>9,041</b>	<b>9,675</b>	<b>(7%)</b>
- Continuing operations	889	2,524	(65%)	9,041	9,727	(7%)
- Discontinued operations	-	-	-	-	(52)	(100%)
Other comprehensive income:						
<b><u>Items that may be reclassified subsequently to profit and loss</u></b>						
Net reversal of/(loss) on fair value changes of available-for-sale financial assets from continuing operations	1,751	(3,826)	n.m.	(1,093)	(4,093)	(73%)
Effective portion of changes in fair value of cash flow hedge	(71)	-	n.m.	(71)	-	n.m.
Translation differences relating to financial statements of foreign operations	(97)	(9)	n.m.	43	(10)	n.m.
Exchange differences on monetary items forming part of net investment in foreign operations	476	-	n.m.	(515)	-	n.m.
<b>Other comprehensive income for the period/year from continuing operations</b>	<b>2,059</b>	<b>(3,835)</b>	<b>n.m.</b>	<b>(1,636)</b>	<b>(4,103)</b>	<b>(60%)</b>
<b>Total comprehensive income for the period/year</b>	<b>2,948</b>	<b>(1,311)</b>	<b>n.m.</b>	<b>7,405</b>	<b>5,572</b>	<b>33%</b>
- Continuing operations	2,948	(1,311)	n.m.	7,405	5,624	32%
- Discontinued operations	-	-	-	-	(52)	(100%)
<b>Total comprehensive income for the period/year attributable to:</b>						
<b>Equity holders of the Company</b>	<b>2,948</b>	<b>(1,311)</b>	<b>n.m.</b>	<b>7,405</b>	<b>5,586</b>	<b>33%</b>
- Continuing operations	2,948	(1,311)	n.m.	7,405	5,624	32%
- Discontinued operations	-	-	-	-	(38)	(100%)
<b>Non-controlling interest from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>(100%)</b>
<b>Total comprehensive income for the period/year</b>	<b>2,948</b>	<b>(1,311)</b>	<b>n.m.</b>	<b>7,405</b>	<b>5,572</b>	<b>33%</b>

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 <sup>4</sup>	Group			
	4Q 2015 US\$'000	4Q 2014 US\$'000	FY 2015 US\$'000	FY 2014 US\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation from continuing operations	891	2,544	9,037	9,747
<b>Adjustments for:-</b>				
Amortisation of deferred income	(576)	(190)	(2,262)	(190)
Depreciation of property, plant and equipment	2,333	1,300	8,916	1,947
Impairment of available-for-sale financial assets	1,679	-	1,679	-
Interest income	(2)	(6)	(9)	(98)
Interest expense	663	435	2,846	602
Equity-settled share-based payment transaction	10	-	50	-
Share of results of jointly controlled entities, net of tax	22	24	30	24
<b>Operating profit before working capital changes</b>	<b>5,020</b>	<b>4,107</b>	<b>20,287</b>	<b>12,032</b>
<b>Changes in working capital:</b>				
Trade and other receivables	(1,820)	(12,914)	4,940	(14,110)
Trade and other payables	(172)	4,009	(2,442)	2,694
Deferred revenue	-	-	12,000	-
Income tax paid	-	-	(5)	-
<b>Net cash generated from/(used in) operating activities from continuing operations</b>	<b>3,028</b>	<b>(4,798)</b>	<b>34,780</b>	<b>616</b>
<b>Net cash used in operating activities from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31)</b>
<b>Net cash generated from/(used in) operating activities</b>	<b>3,028</b>	<b>(4,798)</b>	<b>34,780</b>	<b>585</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	-	-	(43,617)	(83,674)
Acquisition of subsidiary, net of cash acquired	-	-	(11,714)	-
Advances to joint ventures	-	-	(7,831)	-
Investment in joint ventures	-	(1,273)	-	(1,273)
Interest income received	2	6	9	98
<b>Net cash generated from/(used in) investing activities from continuing operations</b>	<b>2</b>	<b>(1,267)</b>	<b>(63,153)</b>	<b>(84,849)</b>
<b>Net cash generated from investing activities from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>232</b>
<b>Net cash generated from/(used in) investing activities</b>	<b>2</b>	<b>(1,267)</b>	<b>(63,153)</b>	<b>(84,617)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	-	6,436	40,690	54,036
Repayment of borrowings	(2,889)	(1,314)	(26,965)	(1,314)
Proceeds from issuance of shares by the company	4,203	56	4,615	1,714
Net proceeds from issuance of redeemable exchangeable preference shares, net of transaction costs	(9)	-	7,042	-
Interest expense paid	(635)	(435)	(2,819)	(602)
<b>Net cash generated from financing activities</b>	<b>670</b>	<b>4,743</b>	<b>22,563</b>	<b>53,834</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,700</b>	<b>(1,322)</b>	<b>(5,810)</b>	<b>(30,198)</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>4,410</b>	<b>15,242</b>	<b>13,920</b>	<b>44,118</b>
<b>Cash and cash equivalents at end of period/year</b>	<b>8,110</b>	<b>13,920</b>	<b>8,110</b>	<b>13,920</b>

<sup>4</sup> 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	Hedging 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
Total comprehensive income for the year	-	-	-	-	(472)	(1,093)	(71)	9,041	7,405
Transactions with owners, recognised directly in equity									
Contributions by and distribution to owners									
Issuance of ordinary shares	4,615	-	-	-	-	-	-	-	4,615
Issuance of redeemable exchangeable preference shares, net of issuance expenses	-	-	-	7,042	-	-	-	-	7,042
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(321)	(321)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	50	50
Total transactions with owners	4,615	-	-	7,042	-	-	-	(271)	11,386
Balance as at 31 December 2015	270,718	6,811	19,394	7,042	(491)	-	(71)	(224,802)	78,610

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
Total comprehensive income for the year	-	-	-	(10)	(4,093)	9,689	5,586	(14)	5,572
Transactions with owners, recognised directly in equity									
Contributions by and distribution to owners									
Issuance of ordinary shares	1,714	-	-	-	-	-	1,714	-	1,714
Conversion of perpetual capital securities	16,675	(16,675)	-	-	-	-	-	-	-
Accrued perpetual securities distributions	-	-	-	-	-	(635)	(635)	-	(635)
Disposal of a subsidiary	-	-	-	-	-	-	-	(249)	(249)
Total transactions with owners	18,389	(16,675)	-	-	-	(635)	1,079	(249)	830
Balance as at 31 December 2014	266,103	6,811	19,394	(10)	1,093	(233,572)	59,819	-	59,819

# 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
<b>Balance as at 1 January 2015</b>	<b>266,103</b>	<b>6,811</b>	<b>1,093</b>	<b>19,394</b>	<b>(237,539)</b>	<b>55,862</b>
Total comprehensive income for the year	-	-	(1,093)	-	(1,181)	(2,274)
<b>Transactions with owners, recognised directly in equity Contributions by and distribution to owners</b>						
Issuance of ordinary shares	4,615	-	-	-	-	4,615
Accrued convertible perpetual capital securities distributions	-	-	-	-	(321)	(321)
Equity-settled share-based payment transaction	-	-	-	-	50	50
Total transaction with owners	4,615	-	-	-	(271)	4,344
<b>Balance as at 31 December 2015</b>	<b>270,718</b>	<b>6,811</b>	<b>-</b>	<b>19,394</b>	<b>(238,991)</b>	<b>57,932</b>

<b>Balance as at 1 January 2014</b>	<b>247,714</b>	<b>23,486</b>	<b>5,186</b>	<b>19,394</b>	<b>(242,896)</b>	<b>52,884</b>
-------------------------------------	----------------	---------------	--------------	---------------	------------------	---------------

Total comprehensive income for the year	-	-	(4,093)	-	5,992	1,899
---	---	---	---------	---	-------	-------

## Transactions with owners, recognised directly in equity Contributions by and distribution to owners

Issuance of ordinary shares	1,714	-	-	-	-	1,714
Accrued convertible perpetual capital securities distributions	-	-	-	-	(635)	(635)
Conversion of perpetual capital securities	16,675	(16,675)	-	-	-	-
Total transaction with owners	18,389	(16,675)	-	-	(635)	1,079

<b>Balance as at 31 December 2014</b>	<b>266,103</b>	<b>6,811</b>	<b>1,093</b>	<b>19,394</b>	<b>(237,539)</b>	<b>55,862</b>
---------------------------------------	----------------	--------------	--------------	---------------	------------------	---------------



**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 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.

During the fourth quarter of 2015, the Company allotted and issued 2,227,068,000 new ordinary shares pursuant to the exercise of 2,027,068,000 options by various option holders and placement of 200,000,000 new ordinary shares. All options under the option agreement dated 25 October 2012 had been exercised and allotted prior to expiry on 18 December 2015.

As at 31 December 2015, the Company had 12,838,433,710 ordinary shares issued and 1,360,000,000 outstanding convertibles. As at 31 December 2014, the Company had 10,306,165,710 ordinary shares issued and 3,692,268,000 outstanding convertibles.

As at 31 December 2015, there were 7,299,270 redeemable exchangeable preference shares (31 December 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 31 December 2015 and 31 December 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 31 December 2015, the issued and paid up share capital (excluding treasury shares) of the Company comprised 12,838,433,710 (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 as the Company did not hold any treasury shares as at the end of the current financial periods 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			
	4Q 2015	4Q 2014	FY 2015	FY 2014
<b>(a) EPS based on weighted average number of ordinary shares in issue (in US cents)</b>				
- Continuing operations	0.01	0.02	0.09	0.10
- Discontinued operations	-	-	-	(0.00)
Weighted average number of ordinary shares (in million)	10,723	10,299	10,608	9,705
<b>(b) EPS based on fully diluted basis (in US cents)</b>				
- Continuing operations	0.01	0.02	0.08	0.07
- Discontinued operations	-	-	-	(0.00)*
Weighted average number of ordinary shares (in million)	12,083	13,991	11,968	13,397

	Group			
	4Q 2015	4Q 2014	FY 2015	FY 2014
(a) <b>EPS based on weighted average number of ordinary shares in issue (in SGD^ cents)</b>				
- Continuing operations	0.01	0.03	0.12	0.10
- Discontinued operations	-	-	-	(0.00)
Weighted average number of ordinary shares (in million)	10,723	10,299	10,608	9,705
(b) <b>EPS based on fully diluted basis (in SGD^ cents)</b>				
- Continuing operations	0.01	0.02	0.10	0.10
- Discontinued operations	-	-	-	(0.00)*
Weighted average number of ordinary shares (in million)	12,083	13,991	11,968	13,397

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

^ Conversion to SGD were based on average exchange rate of USD 1: SGD 1.3786.

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

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	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 <b>(in US cents)</b>	0.61	0.58	0.45	0.54
	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	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 <b>(in SGD^ cents)</b>	0.84	0.80	0.62	0.74

^ Conversion to SGD were based on average exchange rate of USD 1: SGD 1.3786.

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

##### 4Q 2015

1. The Group's revenue recognised in 4Q 2015 increased by US\$1.0 million to US\$6.3 million compared to 4Q 2014 mainly due to the following:

- (i) charter income from the deployment of four offshore support vessels in 4Q 2015 (4Q 2014: one offshore support vessel); and
- (ii) charter income from the leasing of an onshore accommodation module in 4Q 2015 (4Q 2014: nil).

The above is partially offset by the absence of income from trading of oil and gas related products in 4Q 2015 as compared to 4Q 2014.

Cost of sales in 4Q 2015 comprised mainly depreciation expenses. The cost of sales in 4Q 2015 increased by US\$1.0 million to US\$2.3 million as compared to 4Q 2014 due to depreciation from newly acquired plant and equipment.

As a result of the above, the Group's gross profit for 4Q 2015 remained constant at US\$3.9 million as compared to 4Q 2014.

2. The decrease in administrative and marketing expenses in 4Q 2015 was mainly due to lower professional fees incurred in 4Q 2015 as compared to 4Q 2014.
3. The increase in other expenses was due to impairment of available-for-sale financial asset.
4. The increase in finance costs in 4Q 2015 was due to additional interest expense on additional bank loans drawn down to acquire plant and equipment.

### **FY 2015**

1. The Group's revenue recognised in FY 2015 decreased by US\$149.0 million to US\$24.3 million compared to FY 2014. The decrease was mainly 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 FY 2015:
  - (i) lease income from the leasing of 42.4MW hydro-electric power generation equipment in FY 2015 (FY 2014: 42.4MW, of which 40MW commenced leasing in September 2014);
  - (ii) charter income from the deployment of four offshore support vessels in FY 2015 (FY 2014: one offshore support vessel which was deployed in September 2014); and
  - (iii) charter income from the leasing of an onshore accommodation module in FY 2015 (FY 2014: nil).

Cost of sales in FY 2015 comprised mainly depreciation expenses. The cost of sales in FY 2015 decreased by US\$152.2 million to US\$8.9 million as compared to FY 2014 due to the absence of the one-off sale of rig as mentioned above, partially offset by depreciation of newly acquired plant and equipment.

As a result of the above, the Group's gross profit for FY 2015 increased by US\$3.1 million to US\$15.4 million as compared to FY 2014.

2. The decrease in administrative and marketing expenses in FY 2015 was mainly due to lower professional fees and staff costs incurred in FY 2015 as compared to FY 2014.
3. The increase in other expenses was due to impairment of available-for-sale financial asset.
4. The increase in finance costs in FY 2015 was due to interest expense on additional bank loans drawn down to acquire plant and equipment.

### **Statement of Financial Position Review**

1. The increase in property, plant and equipment as at 31 December 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 FY 2015.

2. The decrease in the investment in quoted shares was due to the revaluation of these shares as at 31 December 2015 as compared to 31 December 2014.
3. The decrease in trade and other receivables as at 31 December 2015 as compared to 31 December 2014 was mainly due to the collection in FY 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 FY 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 were issued by a subsidiary in 3Q 2015.
6. The decrease in other reserves was mainly due to the decrease in the fair value reserve of the quoted shares, as explained in note 2 above.
7. The decrease for trade and other payables as at 31 December 2015 as compared to 31 December 2014 was mainly due to repayment to suppliers in FY 2015 for trading activities for oil and gas products.
8. 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 FY 2015.
9. The increase in borrowings was due to the bank loan drawn down for the acquisition of plant and equipment in FY 2015.

## **Statement of Cash Flows Review**

### **4Q 2015**

1. The Group's net cash generated from operating activities in 4Q 2015 was approximately US\$3,028,000. This was mainly due to cash generated from the operations of the Group.
2. Cash generated from investing activities in 4Q 2015 was approximately US\$2,000. This was due to interest income received in 4Q 2015.
3. Net cash generated from financing activities in 4Q 2015 was approximately US\$670,000. This was due to proceeds from the issuance of new ordinary shares, partially offset by the repayment of bank loans in 4Q 2015.

### **FY 2015**

1. The Group's net cash generated from operating activities in FY 2015 was approximately US\$34,780,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in FY 2015 was approximately US\$63,153,000. This was mainly due to acquisition of plant and equipment and a subsidiary in FY 2015.
3. Net cash generated from financing activities in FY 2015 was approximately US\$22,563,000. This was mainly due to the proceeds from new bank loans secured and issuance of redeemable exchangeable preference shares, partially offset by the repayment of bank loans in FY 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 focus on developing, ownership and operation in the renewable energy sector.

11. **Use of Proceeds**

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

Description	US\$'000
Balance of proceeds as at 1 October 2015	-
Add: Proceeds from exercise of options in 4Q 2015	2,994
Balance of proceeds as at 31 December 2015	<u>2,994</u>

(b) **Proceeds from share placement in 2015**

Description	US\$'000
Balance of proceeds as at 1 October 2015	-
Add: Net proceeds from placement of shares in 4Q 2015	1,621*
Balance of proceeds as at 31 December 2015	<u>1,621</u>

\*equivalent to S\$2,284,000 as per the Company's announcement dated 8 December 2015.

(c) **Proceeds from warrants issued in 2013**

No new proceeds were raised in 4Q 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 FY 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 31 December 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\$
<b><u>Management fee paid/payable to</u></b> Ezion Holdings Limited	NIL	183,000

## **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

For the year ended 31 December 2015, all revenue, capital expenditure, assets and liabilities were derived in Asia-Pacific and from one single business segment in providing power and energy services.

For the year ended 31 December 2014, all revenue, capital expenditure, assets and liabilities were derived in Asia and from one single business segment in providing power and energy services.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

**17. A breakdown of financials as follows:-.**

	<b>Group</b>		
	<b>FY 2015 US\$'000</b>	<b>FY 2014 US\$'000</b>	<b>Variance</b>
Sales			
(a) first half year	11,763	166,812	(93%)
(b) second half year	12,527	6,514	92%
Total for the year	24,290	173,326	(86%)

	<b>Group</b>		
	<b>FY 2015 US\$'000</b>	<b>FY 2014 US\$'000</b>	<b>Variance</b>
Total profit after tax:			
(a) first half year	5,107	6,711	(24%)
(b) second half year	3,934	3,016	30%
Total for the year	9,041	9,727	(7%)

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Not applicable. No dividend has been declared or recommended for FY2015 and FY2014.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a 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.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

**BY ORDER OF THE BOARD**

\_\_\_\_\_  
**Lee Tiong Hock**  
**Company Secretary**  
**24 February 2016**



*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 Catalyst. 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.*

---