

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

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER  
ENDED 31 MARCH 2019**

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

	Group		
	1Q 2019	1Q 2018	Change
	US\$'000	US\$'000	%
Revenue	3,035	4,078	(26)
Cost of sales	(1,751)	(1,684)	4
<b>Gross profit</b>	<b>1,284</b>	<b>2,394</b>	<b>(46)</b>
Other operating expenses, net	(9)	(57)	(84)
Administrative and marketing expenses	(865)	(464)	86
<b>Profit from operating activities</b>	<b>410</b>	<b>1,873</b>	<b>(78)</b>
Finance income	42	78	(46)
Finance costs	(1,814)	(1,333)	36
<b>Net finance cost</b>	<b>(1,772)</b>	<b>(1,255)</b>	<b>41</b>
Share of results of jointly controlled entities (net of tax)	(96)	140	n.m.
<b>(Loss)/Profit before taxation</b>	<b>(1,458)</b>	<b>758</b>	<b>n.m.</b>
Taxation	(377)	-	n.m.
<b>(Loss)/Profit after income tax</b>	<b>(1,835)</b>	<b>758</b>	<b>n.m.</b>
Non-controlling interests	3	(13)	(123)
<b>(Loss)/Profit for the period</b>	<b>(1,832)</b>	<b>745</b>	<b>n.m.</b>

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

	Group		
	1Q 2019	1Q 2018	Change
	US\$'000	US\$'000	%
- Net finance cost	(1,772)	(1,255)	41
- Depreciation and amortisation	(1,223)	(1,648)	(26)
- Foreign exchange gain/(loss)	395	(144)	n.m.
- Impairment of available-for-sale financial assets/trade receivables	(39)	(57)	(32)

n.m. = not meaningful

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

	Group		Company	
	31/3/2019	31/12/2018	31/3/2019	31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	70,669	70,305	1	4
Intangible assets	3,637	3,611	-	-
Subsidiaries	-	-	56,651	56,082
Joint ventures	5,317	5,413	14,153	14,153
Available-for-sale financial assets	275	292	275	292
Other receivables	7,811	7,818	6,991	6,991
	<b>87,709</b>	<b>87,439</b>	<b>78,071</b>	<b>77,522</b>
<b>CURRENT ASSETS</b>				
Inventories	489	448	-	-
Assets held for sale	4,412	4,468	-	-
Trade and other receivables	8,751	7,558	963	2,620
Amounts due from subsidiaries	-	-	3,019	3,201
Amounts due from joint ventures	1,784	1,796	1,476	1,489
Cash and cash equivalents	6,271	5,862	2,129	2,847
	<b>21,707</b>	<b>20,132</b>	<b>7,587</b>	<b>10,157</b>
<b>TOTAL ASSETS</b>	<b>109,416</b>	<b>107,571</b>	<b>85,658</b>	<b>87,679</b>
<b>EQUITY</b>				
Share capital	272,670	272,670	272,670	272,670
Convertible perpetual capital securities	6,811	6,811	6,811	6,811
Redeemable exchangeable preference shares	7,042	7,042	-	-
Warrants	2,384	2,384	2,384	2,384
Other reserves	(2,245)	(3,271)	(1,002)	(984)
Accumulated losses	(281,173)	(279,270)	(270,985)	(271,881)
<b>Equity attributable to owners of the Company</b>	<b>5,489</b>	<b>6,366</b>	<b>9,878</b>	<b>9,000</b>
Non-controlling interests	2,269	2,226	-	-
<b>TOTAL EQUITY</b>	<b>7,758</b>	<b>8,592</b>	<b>9,878</b>	<b>9,000</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Other payables	137	91	-	-
Amounts due to subsidiaries	-	-	22,953	22,859
Amounts due to related parties	22,400	22,400	22,400	22,400
Financial liabilities	16,488	16,221	18	71
Deferred tax liabilities	1,318	1,238	-	-
	<b>40,343</b>	<b>39,950</b>	<b>45,371</b>	<b>45,330</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	13,213	12,438	7,194	6,795
Amounts due to joint venture	93	76	93	76
Amounts due to related parties	1,976	1,929	1,126	1,893
Financial liabilities	45,480	44,120	21,996	24,585
Provision for tax	553	466	-	-
	<b>61,315</b>	<b>59,029</b>	<b>30,409</b>	<b>33,349</b>
<b>TOTAL LIABILITIES</b>	<b>101,658</b>	<b>98,979</b>	<b>75,780</b>	<b>78,679</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>109,416</b>	<b>107,571</b>	<b>85,658</b>	<b>87,679</b>

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

	Group	
	As at 31/03/2019 US\$'000	As at 31/12/2018 US\$'000
<b><u>Amount repayable in one year or less, or on demand:-</u></b>		
Secured	45,480	44,120
Unsecured	1,976	1,929
<b><u>Amount repayable after one year:-</u></b>		
Secured	16,488	16,221
Unsecured	22,400	22,400

**Details of any collateral**

Secured borrowings as at 31 March 2019 and 31 December 2018 were secured by mortgages on the respective hydro-electric power generation equipment, solar photovoltaic power plant, offshore support vessels and onshore accommodation module.

Included in cash and cash equivalents an amount of US\$5,345,000 (31 December 2018: US\$5,018,000) being restricted or earmarked by the banks for various facilities granted.

**1(b)(iii) Statement of comprehensive income for the period ended 31 March 2019**

	1Q 2019 US\$'000	1Q 2018 US\$'000	Change %
<b>(Loss)/Profit for the period</b>	<b>(1,835)</b>	<b>758</b>	<b>n.m.</b>
Other comprehensive income:			
<b><u>Items that may be reclassified subsequently to profit and loss</u></b>			
Effective portion of changes in fair value of cash flow hedge	(15)	14	n.m.
Exchange differences on monetary items forming part of net investment in foreign operations	(53)	799	n.m.
Foreign currency translation differences relating to financial statements of foreign operations	1,223	(509)	n.m.
	1,155	304	n.m.
<b><u>Item that is not be reclassified to profit and loss</u></b>			
Net change in fair value of available-for-sale financial assets	(50)	24	n.m.
Net change in fair value of actuarial gain or loss	(33)	-	n.m.
<b>Other comprehensive income for the period</b>	<b>1,072</b>	<b>328</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(763)</b>	<b>1,086</b>	<b>n.m.</b>
<b>Attributable to:</b>			
Owners of the Company	(806)	1,011	n.m.
Non-controlling interests	43	75	(43)
	<b>(763)</b>	<b>1,086</b>	<b>n.m.</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.**

	<b>Group</b>	
	<b>1Q 2019</b>	<b>1Q 2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(1,458)	758
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	1,223	1,648
Net fair value loss on derivative assets	-	(1)
Interest income	(42)	(78)
Interest expense	1,814	1,333
Equity-settled share-based payment transaction	32	68
Share of results of jointly controlled entities, net of tax	96	(140)
Net foreign exchange (gains)/losses	395	(144)
Impairment of available-for-sale financial assets	17	22
Impairment of trade receivables	22	35
<b>Operating profit before working capital changes</b>	<b>2,099</b>	<b>3,501</b>
<b>Changes in working capital:</b>		
Trade and other receivables	(1,179)	(2,722)
Trade and other payables	(298)	13
Income tax paid	(98)	-
<b>Net cash generated from operating activities</b>	<b>524</b>	<b>792</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(81)	(62)
Interest income received	42	78
<b>Net cash (used in)/generated from investing activities</b>	<b>(39)</b>	<b>16</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	186	-
Repayment of borrowings	(246)	(1,079)
Interest expense paid	(122)	(8)
<b>Net cash used in financing activities</b>	<b>(182)</b>	<b>(1,087)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>303</b>	<b>(279)</b>
Cash and cash equivalents at beginning of period	5,862	2,974
Effect of exchange rate fluctuations on cash held	106	70
<b>Cash and cash equivalents at end of period</b>	<b>6,271</b>	<b>2,765</b>

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

# Statements of Changes in Equity

The Group	Share capital	Perpetual securities	Redeemable exchangeable preference shares	Warrants	Foreign currency translation reserves	Fair value reserve	Hedging reserve	Accumulated losses	Total	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2019	272,670	6,811	7,042	2,384	(2,329)	(958)	16	(279,270)	6,366	2,226	8,592
Total comprehensive income for the period	-	-	-	-	1,091	(50)	(15)	(1,832)	(806)	43	(763)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(103)	(103)	-	(103)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	32	32	-	32
Total transactions with owners	-	-	-	-	-	-	-	(71)	(71)	-	(71)
Balance as at 31 March 2019	272,670	6,811	7,042	2,384	(1,238)	(1,008)	1	(281,173)	5,489	2,269	7,758

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

**Statements of Changes in Equity**

The Group	Share capital	Perpetual securities	Redeemable exchangeable preference shares	Warrants	Foreign currency translation reserves	Fair value reserve	Hedging reserve	Accumulated losses	Total	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2018	272,670	6,811	7,042	2,384	567	-	5	(237,049)	52,430	2,013	54,443
Total comprehensive income for the period	-	-	-	-	(2,896)	(958)	11	(42,024)	(45,867)	213	(45,654)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(321)	(321)	-	(321)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	124	124	-	124
Total transactions with owners	-	-	-	-	-	-	-	(197)	(197)	-	(197)
Balance as at 31 December 2018	272,670	6,811	7,042	2,384	(2,329)	(958)	16	(279,270)	6,366	2,226	8,592

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

**Statements of Changes in Equity**

	Share capital	Perpetual securities	Warrants	Fair value reserves	Accumulated losses	Total
The Company	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 January 2019</b>	<b>272,670</b>	<b>6,811</b>	<b>2,384</b>	<b>(984)</b>	<b>(271,881)</b>	<b>9,000</b>
Total comprehensive income for the period	-	-	-	(18)	958	940
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distribution to owners</b>						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(94)	(94)
Equity-settled share-based payment transaction	-	-	-	-	32	244
Total transaction with owners	-	-	-	-	(62)	(62)
<b>Balance as at 31 March 2019</b>	<b>272,670</b>	<b>6,811</b>	<b>2,384</b>	<b>(1,002)</b>	<b>(270,985)</b>	<b>9,878</b>
	Share capital	Perpetual securities	Warrants	Fair value reserves	Accumulated losses	Total
The Company	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2018</b>	<b>272,670</b>	<b>6,811</b>	<b>2,384</b>	<b>-</b>	<b>(238,558)</b>	<b>43,307</b>
Total comprehensive income for the period	-	-	-	24	(1,059)	(1,035)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distribution to owners</b>						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(90)	(90)
Equity-settled share-based payment transaction	-	-	-	-	68	68
Total transaction with owners	-	-	-	-	(22)	(22)
<b>Balance as at 31 March 2018</b>	<b>272,670</b>	<b>6,811</b>	<b>2,384</b>	<b>24</b>	<b>(239,639)</b>	<b>42,250</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the first quarter of 2019, there were no allotment and issuance of new ordinary shares.

As at 31 March 2019 and 31 March 2018, the Company had 13,166,385,035 ordinary shares issued and 3,084,660,568 outstanding convertibles.

As at 31 March 2019 and 31 March 2018, there were 7,299,270 redeemable exchangeable preference shares in a subsidiary available for exchange to 523,620,516 ordinary shares of the Company.

Save as disclosed, the Company did not hold any treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 2018.

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

As at 31 March 2019 and 31 December 2018, the issued and paid up share capital of the Company comprised 13,166,385,035 ordinary shares (excluding treasury shares).

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

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

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

Not applicable.

- 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 2018.



**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 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16 Leases

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)

Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)

Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and 11)

Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I)

Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)

Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)

**SFRS(I) 16 Leases**

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases – Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of accumulated profits at 1 January 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

**The Group and the Company as Lessee**

The Group and the Company expect to measure lease liabilities by applying a single discount rate to their portfolio. For lease contracts that contain the option to renew, the Group and the Company are expected to use hindsight in determining the lease term.

The Group and the Company expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments increment or inflation are included in the measurement of lease liabilities as at date of initial application. The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

**The Group as Lessor**

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

**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.**

Loss per share ("LPS") after deducting any provisions for preference dividends:

		<b>Group</b>	
		<b>1Q 2019</b>	<b>1Q 2018</b>
<b>(a)</b>	Weighted average number of ordinary shares (in million)	13,166	13,166
	- LPS based on weighted average number of ordinary shares in issue (in US cents)	(0.01)	0.01
	- LPS based on weighted average number of ordinary shares in issue (in SGD cents)^	(0.02)	0.01
		<b>Group</b>	
		<b>1Q 2019</b>	<b>1Q 2018</b>
<b>(b)</b>	Weighted average number of ordinary shares (in million)*	13,166	13,166
	- LPS based on fully diluted basis (in USD cents)	(0.01)	0.01
	- LPS based on fully diluted basis (in SGD cents)^	(0.02)	0.01

\* Perpetual capital securities, share options and redeemable exchangeable preference shares were not included in the computation of the diluted earnings per share because these potential shares were anti-dilutive for the respective financial periods.

^ Conversion to SGD were based on 1Q 2019 average exchange rate of USD 1: SGD 1.3504 (1Q 2018: USD1 : SGD 1.3155).

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/3/2019</b>	<b>31/12/2018</b>	<b>31/3/2019</b>	<b>31/12/2018</b>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on				
- (in US cents)	0.04	0.06	0.08	0.06
- (in SGD cents^)	0.06	0.08	0.10	0.08

^ Conversion to SGD on 31 March 2019 were based on the exchange rate of USD 1: SGD 1.3559 (31 March 2018: USD 1: SGD 1.3117).

- 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**

The Group's revenue for the three months ended 31 March 2019 ("1Q19") decreased by US\$1,043,000 to US\$3,035,000 as compared to the corresponding three months ended 31 March 2018 ("1Q18") due to cessation of recognition of revenue from accommodation module disposed in February 2019 and lower revenue contribution from mini-hydro power assets ("MHPPs") in Sri Lanka.

The Group's cost of sales for 1Q19 increased by US\$67,000 to US\$1,751,000 as compared to 1Q18. The increase in cost of sales is largely due to the consolidation of MHPPs which the Group acquired in April 2018, partially offset by lower depreciation expense.

As a result of the above, the Group's gross profit for 1Q19 decreased by US\$1,110,000 to US\$1,284,000 as compared to 1Q18.

The increase in administrative and marketing expenses, and other operating expenses in 1Q19 was largely due to consolidation of MHPPs from April 2018.

Finance costs increased by US\$481,000 to US\$1,814,000 as compared to 1Q18. Lower finance costs in 1Q18 was largely due to capitalisation of interest cost in photovoltaic plant in China prior to its operations.

Share of losses of jointly controlled entities in 1Q19 is largely due to professional fees incurred in relation to the refinancing exercise conducted by jointly controlled entities.

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

##### **Non-current Assets**

The Group's Non-current Assets amounted to US\$87,709,000 as of 31 March 2019. The increase was mainly due to the increase in property, plant and equipment in relation to MHPPS.

##### **Current Assets**

The Group's Current Assets amounted to US\$21,707,000 as of 31 March 2019. The increase was mainly due to higher trade and other receivables in relation to the tariff adjustment from the operations of MHPPs for FY2018, announced in February 2019 which is expected to be received in second quarter of 2019.

##### **Total Liabilities**

The Group's Total Liabilities amounted to US\$101,658,000 as of 31 March 2019 with an increase of US\$2,679,000 as compared to 31 December 2018. Higher liabilities was mainly due to accrual on interest payable.

##### **Reclassification of borrowings to current liabilities**

As at 31 March 2019, the Group was in a net current liabilities position of US\$39,608,000. This was mainly due to the classification of the Group's term loans of US\$12,015,000 as current liabilities. The classification as current liabilities was a result of the Group ceasing the scheduled loan repayments. The Group is currently in negotiations with the banks to refinance the said term loans.

#### **Statement of Cash Flows Review**

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

The Group's net cash generated from operating activities in 1Q19 was US\$524,000. This was mainly due to cash generated from the operations of the Group.

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

The Group's net cash used in operating activities in 1Q19 was US\$39,000. This was mainly due to purchase of property, plant and equipment for MHPPs.

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

The Group's net cash used in financing activities in 1Q19 was US\$182,000. This was mainly due to the net repayment of borrowings and interest expenses.

- 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.**

The Group is in discussions with various stakeholders on its financing and capitalisation plans, of which continual support from the lenders is critical to the completion of these plans.

We will keep the shareholders updated on significant developments in relation to the Group's refinancing discussion.

- 11 **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.

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

As the Company incurred losses for 1Q19, no dividend has been declared or recommended for the financial year.

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

The Group had on 30 April 2019, obtained a general mandate from shareholders for interested person transactions ("IPTs").

For details, please refer to the Appendix to Annual Report 2018 dated 15 April 2019.

Particulars of IPTs for the period 1 January 2019 to 31 March 2019 are as follows:

Name of interested person	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)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
<u>Management fee paid/payable to Ezion Holdings Limited (Note)</u>	NIL	83,466
<u>Interest paid/payable to Ezion Holdings Limited (Note)</u>	225,663	NIL

Note: Ezion Holdings Limited is a controlling shareholder of the Company

- 14 **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).

**BY ORDER OF THE BOARD**

\_\_\_\_\_  
Tan Wee Sin  
Company Secretary  
15 May 2019

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

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the period ended 31 March 2019 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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).*