

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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	1Q 2018 US\$'000	Group 1Q 2017 US\$'000	Change %
Revenue	(1)	4,078	4,732	(14%)
Cost of sales	(1)	(1,684)	(2,165)	(22%)
Gross profit	(1)	2,394	2,567	(7%)
Administrative and marketing expenses		(464)	(451)	3%
Other operating expenses, net	(2)	(57)	-	n.m.
Profit from operating activities		1,873	2,116	(11%)
Finance income		78	76	3%
Finance costs	(3)	(1,333)	(667)	100%
Net finance cost		(1,255)	(591)	n.m.
Share of results of jointly controlled entities (net of tax)	(4)	140	82	71%
Profit before taxation		758	1,607	(53%)
Taxation		-	-	n.m.
Profit after income tax		758	1,607	(53%)
Non-controlling interests		(13)	9	n.m.
Profit for the period		745	1,616	(54%)

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

	1Q 2018 US\$'000	Group 1Q 2017 US\$'000	Change %
- Net finance cost	(1,255)	(591)	n.m.
- Depreciation and amortisation	(1,648)	(2,149)	(23%)
- Foreign exchange gain	46	23	100%
- Expected credit losses (Adoption of SFRS (I) 9)	(57)	-	n.m.

n.m. = not meaningful

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

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 ²	Group		Company	
		31/03/2018	31/12/2017	31/03/2018	31/12/2017
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	(1)	100,118	104,966	16	19
Intangible assets	(2)	1,306	1,306	-	-
Subsidiaries		-	-	63,349	63,722
Joint ventures	(3)	5,120	4,978	20,475	20,844
Investment in quoted shares		1,300	1,276	1,300	1,276
Other receivables	(4)	17,756	17,955	-	-
		125,600	130,481	85,140	85,861
CURRENT ASSETS					
Trade and other receivables	(4)	19,250	12,644	949	935
Amounts due from subsidiaries		-	-	2,340	2,417
Amounts due from joint ventures		1,751	1,764	1,725	1,722
Cash and cash equivalents		2,765	2,974	1,593	1,536
		23,766	17,382	6,607	6,610
TOTAL ASSETS		149,366	147,863	91,747	92,471
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	(5)	913	572	24	-
Accumulated losses		(236,326)	(236,530)	(239,639)	(238,077)
Equity attributable to owners of the Company		53,494	52,949	42,250	43,788
Non-controlling interests		2,088	2,013	-	-
TOTAL EQUITY		55,582	54,962	42,250	43,788
LIABILITIES					
NON-CURRENT LIABILITIES					
Other payables		26	28	-	-
Amount due to subsidiaries		-	-	20,947	21,841
Amount due to related party	(6)	21,742	21,546	22,642	21,546
Financial liabilities	(7)	19,755	19,133	-	-
		41,523	40,707	43,589	43,387
CURRENT LIABILITIES					
Trade and other payables		6,939	5,917	2,861	2,232
Amount due to related party		1,747	1,712	1,709	1,674
Amount due to joint venture		57	44	57	44
Financial liabilities	(7)	43,512	44,515	1,281	1,346
Provision for tax		6	6	-	-
		52,261	52,194	5,908	5,296
TOTAL LIABILITIES		93,784	92,901	49,497	48,683
TOTAL EQUITY AND LIABILITIES		149,366	147,863	91,747	92,471

² 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 31/03/2018 US\$'000	As at 31/12/2017 US\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	43,512	44,515
<u>Amount repayable after one year:-</u>		
Secured	19,755	19,133
Unsecured	21,742	21,546

Details of any collateral

Secured borrowings as at 31 March 2018 and 31 December 2017 were secured by mortgages on the respective hydro-electric power generation equipment, solar photovoltaic power plant, offshore support vessels and onshore accommodation module.

1(b)(iii) Statement of comprehensive income for the period ended 31 March 2018

	Group		
	1Q 2018 US\$'000	1Q 2017 US\$'000	Change %
Profit for the period	758	1,607	(53%)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit and loss</u>			
Net gain (loss) on fair value changes of available-for-sale financial assets	24	(106)	n.m.
Effective portion of changes in fair value of cash flow hedge	14	13	8%
Translation differences relating to financial statements of foreign operations	799	63	n.m.
Foreign currency translation differences due to foreign operations	(509)	311	n.m.
Other comprehensive income for the period	328	281	17%
Total comprehensive income for the period	1,086	1,888	(43%)
Attributable to:			
Owners of the Company	1,086	1,897	(43%)
Non-controlling interests	75	(9)	n.m.
	1,161	1,888	(39%)

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.

	Group	
	1Q 2018 US\$'000	1Q 2017 US\$'000
Note ³		
Cash flows from operating activities		
Profit before taxation	758	1,607
Adjustments for:-		
Depreciation of property, plant and equipment	1,648	2,149
Fair value gain on derivative asset	(1)	(7)
Interest income	(78)	(76)
Interest expense	1,333	667
Share of results of jointly controlled entities, net of tax	(140)	(82)
Net foreign exchange gains	(144)	-
Equity-settled share-based payment transaction	68	36
Impairment of financial assets	22	-
Impairment of trade receivables	35	-
Operating profit before working capital changes	3,501	4,294
Changes in working capital:		
Trade and other receivables	(2,644)	(2,739)
Trade and other payables	13	133
Net cash generated from operating activities	(1) 870	1,688
Cash flows from investing activities		
Prepayment for land use rights	-	(145)
Purchase of property, plant equipment	(62)	-
Investment in joint ventures	-	(3,781)
Net cash used in investing activities	(2) (62)	(3,926)
Cash flows from financing activities		
Loan from a related company	-	2,888
Repayment of borrowings	(1,079)	(1,869)
Proceeds from issuance of shares by the company	-	122
Interest expense paid	(8)	(293)
Net cash (used in) generated from financing activities	(3) (1,087)	848
Net decrease in cash and cash equivalents	(279)	(1,390)
Cash and cash equivalents at beginning of period	2,974	4,112
Effect of exchange rate fluctuations on cash held	70	156
Cash and cash equivalents at end of period	2,765	2,878

³ 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	Redeemable Exchangeable Preference Shares US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Hedging Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling Interests US\$'000	Total Equity US\$'000
Balance as at 1 January 2018 as previously reported	272,670	6,811	7,042	2,384	567	-	5	(236,530)	52,949	2,013	54,962
Adoption of new/revised SFRS (I)	-	-	-	-	-	-	-	(519)	(519)	-	(519)
Restated 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	-	-	-	-	303	24	14	745	1,086	75	1,161
Transactions with owners, recognized directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(90)	(90)	-	(90)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	68	68	-	68
Total transactions with owners	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Balance as at 31 March 2018	272,670	6,811	7,042	2,384	870	24	19	(236,326)	53,494	2,088	55,582

1(d)(i) Continued

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Redeemable Exchangeable Preference Shares US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Hedging Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000	Non-controlling Interests US\$'000	Total Equity US\$'000
Balance as at 1 January 2017	272,373	6,811	7,042	2,514	(803)	-	(42)	(204,703)	83,192	1,950	85,142
Total comprehensive income for the Period	-	-	-	-	374	(106)	13	1,616	1,897	(9)	1,888
Transactions with owners, recognized directly in equity											
Contributions by and distribution to owners											
Issuance of ordinary shares	122	-	-	-	-	-	-	-	122	-	122
Convestion of warrants to ordinary shares	84	-	-	(84)	-	-	-	-	-	-	-
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(80)	(80)	-	(80)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	36	36	-	36
Total transactions with owners	206	-	-	(84)	-	-	-	(44)	78	-	78
Balance as at 31 March 2017	272,579	6,811	7,042	2,430	(429)	(106)	(29)	(203,131)	85,167	1,941	87,108

1(d)(i) Continued

The Company	Share Capital US\$'000	Perpetual Securities US\$'000	Warrants US\$'000	Fair value Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2018 as previously reported	272,670	6,811	2,384	-	(238,077)	43,788
Adoption of new/revised SFRS (I)	-	-	-	-	(481)	(481)
Restated balance at 1 January 2018	272,670	6,811	2,384	-	(238,558)	43,307
Total comprehensive loss for the period	-	-	-	24	(1,059)	(1,035)
Transactions with owners, recognised directly in equity Contributions by and distribution to owners						
Issuance of ordinary shares	-	-	-	-	-	-
Conversion of warrants to ordinary shares	-	-	-	-	-	-
Accrued convertible perpetual capital securities distributions	-	-	-	-	(90)	(90)
Equity-settled share-based payment transaction	-	-	-	-	68	68
Total transaction with owners	-	-	-	-	(22)	(22)
Balance as at 31 March 2018	272,670	6,811	2,384	24	(239,639)	42,250
Balance as at 1 January 2017	272,373	6,811	2,514	-	(216,532)	65,166
Total comprehensive loss for the period	-	-	-	(106)	(472)	(578)
Transactions with owners, recognised directly in equity Contributions by and distribution to owners						
Issuance of ordinary shares	122	-	-	-	-	122
Conversion of warrants to ordinary shares	84	-	(84)	-	-	-
Accrued convertible perpetual capital securities distributions	-	-	-	-	(80)	(80)
Equity-settled share-based payment transaction	-	-	-	-	36	36
Total transaction with owners	206	-	(84)	-	(44)	78
Balance as at 31 March 2017	272,579	6,811	2,430	(106)	(217,048)	64,666

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the 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 2018, there were no allotment and issuance of new ordinary shares, as there were no warrants being exercised by the warrant holders.

As at 31 March 2018, the Company had 13,166,385,035 ordinary shares issued and 3,084,660,568 outstanding convertibles. As at 31 March 2017, the Company had 13,134,485,035 ordinary shares issued and 3,052,860,568 outstanding convertibles.

As at 31 March 2018, there were 7,299,270 redeemable exchangeable preference shares (31 March 2017: 7,299,270) in a subsidiary available for exchange to 523,620,516 ordinary shares of the Company.

The Company did not hold any treasury shares and subsidiary holdings as at 31 March 2018 and 31 March 2017.

- 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 2018, the issued and paid up share capital (excluding treasury shares) of the Company comprised 13,166,385,035 (31 December 2017: 13,166,385,035) ordinary shares.

- 1(d)(iv) A statement showing all sales, transfers, 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, 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 2017.

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.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group has adopted the new SFRS (I) framework in 2018 and concurrently applied the following SFRS (I)s, interpretations of SFRS(I) and requirements of SFRS (I) which are mandatorily effective from 1 January, 2018.

- SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)*
- SFRS(I) 15 *Revenue from Contracts with Customers* which includes the clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016
- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *insurance contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* issued by the IASB in September 2016

The adoption of the new financial reporting framework has no material impact to the Group's and the Company's financial statements in the year of initial application except for SFRS (I) 9.

Adoption of SFRS (I) 9 impacted the Group's and the Company's statement of financial position as of 1 January 2018 as follows:

- 1) The investment in quoted shares are designated as fair value through other comprehensive income (FVOCI) as they are held to maintain liquidity for the Group and may be sold from time to time should the need arises. When the investment is derecognised, any changes in fair value recognised in OCI will not be reclassified to profit or loss upon disposal of the investment in quoted shares.
- 2) Impairment of financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI) (except for investments in equity instruments) is now based on the expected credit loss model instead of the previous "incurred loss" model used previously.

The following summarises the effects on the Group's and the Company's statement of financial position as of 1 January 2018.

	<u>Group Level</u>			<u>Company Level</u>		
	As previously reported	Effect of SFRS (I) 9	As restated	As previously reported	Effect of SFRS (I) 9	As restated
Other receivables	17,955	(402)	17,553	-	-	-
Trade and other receivables	12,644	(105)	12,539	935	(2)	933
Amount due from subsidiaries	-	-	-	2,417	(77)	2,340
Amount due from joint venture	-	-	-	1,722	(402)	1,320
Other assets	117,264	(12)	117,252	87,397	-	87,397
Total assets	147,863	(519)	147,344	92,471	(481)	91,990
Equity						
Accumulated losses	(236,530)	(519)	(237,049)	(238,077)	(481)	(238,558)
Others	291,492	-	291,492	281,865	-	281,865
	54,962	(519)	54,443	43,788	(481)	43,307

The Group has not restated the comparative information for the effect of adopting SFRS (I) 9 but has instead recognized the effect in revenue reserves and other reserves as at January 1, 2018.

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 ("EPS") after deducting any provisions for preference dividends:

	Group	
	1Q 2018	1Q 2017
(a) EPS based on weighted average number of ordinary shares in issue (in US cents)	0.01	0.01
Weighted average number of ordinary shares (in million)	13,166	13,088
(b) EPS based on fully diluted basis (in US cents)	0.01	0.01
Weighted average number of ordinary shares (in million)	13,166 [#]	15,226 [*]

	Group	
	1Q 2018	1Q 2017
(a) EPS based on weighted average number of ordinary shares in issue (in SGD[^] cents)	0.01	0.02
Weighted average number of ordinary shares (in million)	13,166	13,088
(b) EPS based on fully diluted basis (in SGD[^] cents)	0.01	0.02
Weighted average number of ordinary shares (in million)	13,166 [#]	15,226 [*]

[#] Perpetual capital securities, share options, warrants 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 financial period.

^{*} Perpetual capital securities 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 financial period.

[^] Conversion to SGD were based on 1Q 2018 average exchange rate of USD1: SGD1.3155 (1Q 2017: USD1 : SGD1.4071).

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	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
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)	0.42	0.40	0.32	0.33

	Group		Company	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
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 SGD [^] cents)	0.55	0.54	0.43	0.44

[^] Conversion to SGD was based on the closing exchange rate of USD 1: SGD 1.3117 on 31 March 2018 (31 December 2017: USD1: SGD 1.3366).

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 1Q 2018 decreased by approximately US\$654,000 to approximately US\$4,078,000 as compared to 1Q 2017 due to non recognition of charter income from the Group's vessels (1Q2017: US\$1,190,000) because of the uncertainty of collection. This is partly offset by the revenue from the solar photovoltaic power plant in China which was commissioned in January 2018 of US\$524,000.

Cost of sales comprised mainly depreciation and amortisation expenses. The cost of sales for 1Q 2018 decreased due to lower depreciation from existing plant and equipment post impairment in 4Q 2017. This decrease was partly offset by the depreciation expense of US\$203,000 from the solar photovoltaic power plant in China which commenced operation in January 2018. This has resulted in the overall decrease in Cost of sales by approximately US\$481,000 to approximately US\$1,684,000 as compared to 1Q 2017

As a result of the above, the Group reported a gross profit of US\$2,394,000 for 1Q 2018 as compared to US\$2,567,000 in 1Q 2017.

1. The increase in other operating expenses in 1Q 2018 as compared to 1Q 2017 was due to the impairment of the Group's financial assets of approximately US\$57,000 as a result of the adoption of SFRS (I) 9.
2. The increase in finance costs in 1Q 2018 as compared to 1Q 2017 was mainly due to the higher interest cost during the period, and finance cost for the solar photovoltaic power plant in China which is recognised as interest expense when it started operating.
3. The increase in share of profit of jointly controlled entities in 1Q 2018 as compared to 1Q 2017 was mainly due to the Group's joint venture in India which had just started operations in 1Q 2018.

Statement of Financial Position Review

1. The decrease in property, plant and equipment as at 31 March 2018 as compared to 31 December 2017 was due to the depreciation of the Group's plant and equipment in 1Q 2018, as well as reclassification of US\$4,104,000 from Assets under construction to trade and other receivables. This amount pertains to cost reductions from the construction of the solar photovoltaic power plant in China.
2. Intangible assets relates to the approvals and permits for the development of the solar photovoltaic power plant and sales of electricity from the power plant.
3. The increase in joint ventures as at 31 March 2018 as compared to 31 December 2017 was due to the Group's share of profit from the joint ventures for 1Q 2018.
4. The increase in trade and other receivables as at 31 March 2018 as compared to 31 December 2017 was due to the lease rental charged for the Group's hydropower assets for 1Q 2018, as well as the amount reclassified from Assets under construction, offset by the collection of trade receivables in 1Q 2018.
5. Other reserves was mainly due to the currency translation arising from foreign operations as well as translation differences relating to financial statements of foreign operations.
6. Amount due to a related party relates to loan from a related party, which is a shareholder of the Group. Increase is due to the interest expense payable in 1Q 2018.
7. The decrease in financial liabilities was mainly due to the repayment of bank loans in 1Q 2018.

As at 31 March 2018, the Group was in a net current liabilities position of US\$28,495,000 and this was mainly due to the classification of the Group's term loans of US\$43,512,000 as current liabilities. The classification as current liabilities was a result of the Group not paying these term loans while the Group is currently in negotiations with the banks to refinance the said term loans.

In addition, based on its internal budget and cash flow planning, the Group is also confident that it would be able to meet its other short term obligations as and when they fall due upon successful completion of the restructuring of the said term loans.

Statement of Cash Flows Review

1. Net cash generated from operating activities in 1Q 2018 was approximately US\$870,000. This was mainly due to cash generated from the operations of the Group.
2. Net cash used in investing activities in 1Q 2018 was approximately US\$62,000. This was mainly due to the completion of the construction of solar photovoltaic power plant in China in 1Q 2018.
3. Net cash used in financing activities in 1Q 2018 was approximately US\$1,087,000. This was mainly due to repayment of borrowings made in 1Q 2018.

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.

On 29th March 2018, the Group had entered into a sale and purchase agreement to acquire all the shares in the operating companies ("**Proposed Acquisition**") that holds the power purchase agreements ("**PPAs**"), and operates the hydropower assets which they have leased from the Group. This Proposed Acquisition would enable the Group to own the PPAs, as well as to take over as the operator of the mini-hydro power plants, increasing the Group's profile in the renewable energy sector in South Asia.

Upon completion of the Proposed Acquisition, the operating companies would be the Group's wholly owned subsidiaries. Post completion, the results of the operating companies would be consolidated as part of the Group's performance. The Proposed Acquisition is expected to be completed in 2Q2018, and the results would be reflected accordingly in the next quarter's results.

Apart from the Proposed Acquisition stated in the above paragraphs, the Group is working on divesting certain non-core assets to bring in additional fundings as well as refinancing its loan obligations with the lenders.

The Group's continued focus will be on the development, ownership and operation in the renewable energy sector.

11. Use of Proceeds

Not applicable. No proceeds have been received in Q1 2018.

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 1Q 2018.

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 26 April 2018, obtained a general mandate from shareholders for interested person transactions ("IPTs").

For details, please refer to the Appendix to Annual Report 2017 dated 11 April 2018.

Particulars of IPTs for the period 1 January 2018 to 31 March 2018 are as follows:

	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)
Name of interested person	US\$	US\$
<u>Management fee paid/payable to</u> Ezion Holdings Limited	NIL	34,874
<u>Interest paid/payable to</u> Ezion Holdings Limited	195,319	NIL

15. 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

Lee Tiong Hock
Company Secretary
10 May 2018

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

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the period ended 31 March 2018 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.
