

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

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

	Group 3 months ended			Group 6 months ended		
	30.06.2020 (2Q 2020)	30.06.2019 (2Q 2019)	Change	30.06.2020 (1H 2020)	30.06.2019 (1H 2019)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	2,483	2,536	(2)	3,739	5,571	(33)
Cost of sales	(1,158)	(1,737)	(33)	(2,180)	(3,488)	(38)
Gross profit	1,325	799	66	1,559	2,083	(25)
Other operating income	2	312	(99)	2	303	(99)
Administrative and marketing expenses	(929)	(760)	22	(1,877)	(1,625)	16
Profit/(Loss) from operating activities	398	351	13	(316)	761	n.m.
Finance income	27	45	(40)	56	87	(36)
Finance costs	(1,268)	(1,850)	(31)	(2,709)	(3,664)	(26)
Net finance cost	(1,241)	(1,805)	(31)	(2,653)	(3,577)	(26)
Share of results of jointly controlled entities (net of tax)	303	142	n.m.	283	46	n.m.
Loss before taxation	(540)	(1,312)	(59)	(2,686)	(2,770)	(3)
Taxation	(66)	(106)	(38)	(519)	(483)	7
Loss after taxation	(606)	(1,418)	(57)	(3,205)	(3,253)	(1)
Non-controlling interests	(98)	(74)	32	(134)	(71)	89
Loss for the period	(704)	(1,492)	(53)	(3,339)	(3,324)	0

Loss for the period is arrived at after charging the following:-

	Group 3 months ended			Group 6 months ended		
	30.06.2020 (2Q 2020)	30.06.2019 (2Q 2019)	Change	30.06.2020 (1H 2020)	30.06.2019 (1H 2019)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
- Net finance cost	(1,241)	(1,805)	(31)	(2,653)	(3,577)	(26)
- Depreciation	(788)	(1,072)	(26)	(1,412)	(2,295)	(38)
- Impairment of financial assets/other receivables	-	(69)	(100)	-	(108)	(100)

n.m. = not meaningful

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	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	27,113	28,369	-	-
Right-of-use assets	15,639	16,202	-	-
Subsidiaries	-	-	55,399	54,733
Joint ventures	5,231	4,948	5,770	5,965
Other receivables	7,555	7,564	6,990	6,990
	55,538	57,083	68,159	67,688
Current assets				
Inventories	518	565	-	-
Trade and other receivables	10,337	11,586	741	778
Amounts due from subsidiaries	-	-	3,496	3,637
Amounts due from joint ventures	1,814	1,823	1,664	1,479
Assets held for sale	6,520	6,429	-	-
Cash and cash equivalents	3,629	5,246	22	470
	22,818	25,649	5,924	6,364
Total assets	78,356	82,732	74,082	74,052
Equity				
Share capital	274,545	274,545	274,545	274,545
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	(6,844)	(6,480)	(1,276)	(1,276)
Accumulated losses	(308,268)	(304,807)	(292,663)	(290,352)
Equity attributable to owners of the Company	(24,330)	(20,505)	(10,199)	(7,888)
Non-controlling interests	835	705	-	-
Total equity	(23,495)	(19,800)	(10,199)	(7,888)
Non-current liabilities				
Other payables	155	152	-	-
Financial liabilities	16,203	16,444	-	-
Deferred tax liabilities	1,319	1,288	-	-
	17,677	17,884	-	-
Current liabilities				
Trade and other payables	15,187	13,401	7,890	7,047
Amounts due to joint venture	117	114	117	114
Amounts due to related parties	26,094	25,482	26,094	25,445
Amounts due to subsidiaries	-	-	22,562	21,716
Financial liabilities	42,567	45,279	27,618	27,618
Provision for tax	209	372	-	-
	84,174	84,648	84,281	81,940
Total liabilities	101,851	102,532	84,281	81,940
Total equity and liabilities	78,356	82,732	74,082	74,052

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

	Group			
	As at 30.06.2020		As at 31.12.2019	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	42,567	26,094	45,279	25,482
Amount repayable after one year	16,203	-	16,444	-

Details of any collateral

Secured borrowings as at 30 June 2020 and 31 December 2019 were secured by mortgages on the respective hydro-electric power plants, solar photovoltaic power plant, offshore support vessels and onshore accommodation module.

Included in cash and cash equivalents of US\$3,612,000 (31 December 2019: US\$4,656,000) being restricted or earmarked by the banks for various facilities granted.

1(b)(iii) Statement of comprehensive income for the period ended 30 June 2020

	Group			Group		
	3 months ended		Change %	6 months ended		Change %
	30.06.2020	30.06.2019		30.06.2020	30.06.2019	
	(2Q 2020)	(2Q 2019)		(1H 2020)	(1H 2019)	
	US\$'000	US\$'000		US\$'000	US\$'000	
Loss for the period	(606)	(1,418)	(57)	(3,205)	(3,253)	(1)
Other comprehensive loss						
Items that may be reclassified subsequently to profit and loss:						
Effective portion of changes in fair value of cash flow hedge	2	(9)	n.m.	4	(24)	n.m.
Exchange differences on monetary items forming part of net investment in foreign operations	414	56	n.m.	(357)	3	n.m.
Foreign currency translation differences relating to financial statements of foreign operations	(306)	(104)	n.m.	(15)	1,086	n.m.
	110	(57)	n.m.	(368)	1,065	n.m.
Item that is not be reclassified to profit and loss:						
Net change in fair value of financial assets at fair value through other comprehensive income (FVOCI)	-	(12)	(100)	-	(29)	(100)
Net change in fair value of actuarial gain or loss	-	1	(100)	-	(32)	(100)
Other comprehensive income/(loss) for the period	110	(68)	n.m.	(368)	1,004	n.m.
Total comprehensive loss for the period	(496)	(1,486)	(67)	(3,573)	(2,249)	59
Attributable to:						
Owners of the Company	(596)	(1,504)	(60)	(3,703)	(2,310)	60
Non-controlling interests	100	18	n.m.	130	61	n.m.
	(496)	(1,486)	(67)	(3,573)	(2,249)	59

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			
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	(2Q 2020)	(2Q 2019)	(1H 2020)	(1H 2019)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Loss before taxation	(540)	(1,312)	(2,686)	(2,770)
Adjustments for:-				
Depreciation of property, plant and equipment	600	760	1,060	1,841
Depreciation of right-of-use assets	188	312	352	454
Write-back of impairment on:				
- financial asset	-	23	-	40
- other receivables	-	46	-	68
Interest income	(27)	(45)	(56)	(87)
Interest expense	1,268	1,850	2,709	3,664
Equity-settled share-based payment transaction	-	13	-	45
Share of results of jointly controlled entities, net of tax	(303)	(142)	(283)	(46)
Operating profit before working capital changes	1,186	1,505	1,096	3,209
Changes in working capital:				
Inventories	(1)	4	48	(41)
Trade and other receivables	343	381	1,275	(622)
Trade and other payables	402	(427)	336	(326)
Income tax paid	(278)	13	(526)	(123)
Net cash from operating activities	1,652	1,476	2,229	2,097
Cash flows from investing activities				
Purchase of plant and equipment	(3)	(151)	(62)	(232)
Interest income received	27	45	56	87
Net cash from/(used in) investing activities	24	(106)	(6)	(145)
Cash flows from financing activities				
Proceeds from borrowings	-	186	25	186
Repayment of borrowings	(1,647)	(841)	(2,846)	(901)
(Increase)/decrease in restricted cash	(9)	(1,317)	1,044	(1,644)
Payment of lease liabilities	(15)	(5)	(28)	(15)
Interest expense paid	(492)	(98)	(1,050)	(279)
Net cash used in financing activities	(2,163)	(2,075)	(2,855)	(2,653)
Net decrease in cash and cash equivalents	(487)	(705)	(632)	(701)
Cash and cash equivalents at beginning of period	590	353	589	844
Effect of exchange rate fluctuations on cash held	(86)	440	60	(55)
Cash and cash equivalents at end of period	17	88	17	88
Cash and cash equivalent comprise:				
	Group			
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	(2Q 2020)	(2Q 2019)	(1H 2020)	(1H 2019)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents as per statement of financial position	3,629	7,173	3,629	7,173
Less: Restricted cash	(3,612)	(7,085)	(3,612)	(7,085)
Cash and cash equivalents as per consolidated statement of cash flows	17	88	17	88

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 US\$'000	Warrants US\$'000	Foreign currency translation US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total US\$'000
Balance as at 1 April 2020	274,545	6,811	7,042	2,384	(2,974)	(3,961)	(17)	(307,498)	(23,668)	735	(22,933)
Total comprehensive income/(loss) for the period	-	-	-	-	106	-	2	(704)	(596)	100	(496)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(66)	(66)	-	(66)
Total transactions with owners	-	-	-	-	-	-	-	(66)	(66)	-	(66)
Balance as at 30 June 2020	274,545	6,811	7,042	2,384	(2,868)	(3,961)	(15)	(308,268)	(24,330)	835	(23,495)

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 US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Warrants US\$'000	Foreign currency translation reserves US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total US\$'000
Balance as at 1 April 2019	272,670	6,811	7,042	2,384	(1,238)	(1,008)	1	(281,173)	5,489	2,269	7,758
Total comprehensive income/(loss) for the period	-	-	-	-	8	(11)	(9)	(1,492)	(1,504)	18	(1,486)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(54)	(54)	-	(54)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	13	13	-	13
Total transactions with owners	-	-	-	-	-	-	-	(41)	(41)	-	(41)
Balance as at 30 June 2019	272,670	6,811	7,042	2,384	(1,230)	(1,019)	(8)	(282,706)	3,944	2,287	6,231

- 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 Company	Share capital US\$'000	Perpetual securities US\$'000	Warrants US\$'000	Fair value reserves US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2020	274,545	6,811	2,384	(1,276)	(290,723)	(8,259)
Total comprehensive loss for the period	-	-	-	-	(1,874)	(1,874)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(66)	(66)
Total transaction with owners	-	-	-	-	(66)	(66)
Balance as at 30 June 2020	274,545	6,811	2,384	(1,276)	(292,663)	(10,199)

The Company	Share capital US\$'000	Perpetual securities US\$'000	Warrants US\$'000	Fair value reserves US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2019	272,670	6,811	2,384	(1,002)	(270,985)	9,878
Total comprehensive loss for the period	-	-	-	(4)	(3,474)	(3,478)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Accrued convertible perpetual capital securities distributions	-	-	-	-	(54)	(54)
Equity-settled share-based payment transaction	-	-	-	-	13	13
Total transaction with owners	-	-	-	-	(41)	(41)
Balance as at 30 June 2019	272,670	6,811	2,384	(1,006)	(274,500)	6,359

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, 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 second quarter of 2020, there was no allotment and issuance of new ordinary shares.

As at 30 June 2020, the Company had 13,656,697,535 ordinary shares in issue and 3,084,660,568 outstanding convertibles convertible into one ordinary share each. As at 30 June 2019, the Company had 13,166,385,035 ordinary shares in issue and 3,084,660,568 outstanding convertibles convertible into one ordinary share each.

Out of the above-said, as at 30 June 2020 and 30 June 2019, there were 7,299,270 redeemable exchangeable preference shares in a subsidiary available for exchange into 523,620,516 ordinary shares of the Company.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2019.

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

As at 30 June 2020, the issued and paid-up share capital excluding treasury shares of the Company comprised 13,656,697,535 (31 December 2019: 13,656,697,535) 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 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 as the Company did not hold subsidiary holdings as at the end of the current financial period reported on.

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

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

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

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
(a) Update on the efforts taken to resolve each outstanding audit issue**

The auditors have issued a disclaimer of opinion on page 33 of the Company's annual report for the financial year ended 31 December 2019 due to:-

(1) Recoverability of interests in joint venture and asset divestment plans

As included in our announcement on 13 March 2020 and our 1Q 2020 results announcement, the Group had signed a non-binding memorandum of understanding in January 2020 on one of its solar assets and over the past months, more in-depth discussions were held with the interested parties on the divestment plans for the Group's other solar asset. The Group is looking to finalise the terms of these potential transactions and to secure binding agreements in the near term.

(2) Deficiencies in shareholders' equity and loans and borrowings with lenders and a shareholder

Management expects the Group's net working capital and shareholders' equity to remain negative for at least the next 12 months as the forecast operating cashflows are insufficient to address the deficiencies. As included in our announcement on 17 June 2020, the Group continues to engage in on-going discussions with the lenders and creditors to restructure the borrowings as part of the Group's financial restructuring process.

(3) Cash flows from operating activities

With current COVID-19 pandemic together with the economic challenges and regulatory matter encountered in the Group's energy and power segment, there are material uncertainties about the operating cash flows to be generated from the Group's continuing businesses, so as to meet debts as and when they fall due, at least in the next 12 months from the reporting date. Meanwhile, the operational performance of the renewable energy assets remains within the Group's expectations. Over the past months, the Group has actively engaged with its customers and has managed to reduce the outstanding receivables balances from the customers. However, once the following two items are resolved, the Group will have an improved impact on the Group's operating cashflows:

(a) the conditions stipulated in the renewed Power Purchase Agreements (the "PPA") in three of the mini hydro power plants being fulfilled.

(b) the receipt of the central government subsidies in relation to our China photovoltaic power plant which we have just registered for following the opening of the application window in April 2020.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The Board confirms that the impact of matters stated in the disclaimer report on the financial statements have been adequately disclosed.

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 note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2019.

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 same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2019, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2020 as follows:

Amendments to References to Conceptual Framework in SFRS(I) Standards

Definition of a Business (Amendments to SFRS(I) 3)

Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

SFRS(I) 17 Insurance Contracts

The above new SFRS(I)s, interpretations and amendments to SFRS(I)s do not have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

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:-

	Group			
	2Q 2020	2Q 2019	1H 2020	1H 2019
(in US\$ cents)				
(a) Based on weighted average number	(0.01)	(0.01)	(0.02)	(0.03)
(b) On a fully diluted basis *	(0.01)	(0.01)	(0.02)	(0.03)
Note:				
Weighted average number of ordinary shares (in million):				
- Basic earnings per share	13,657	13,166	13,657	13,166
- Diluted earnings per share *	13,657	13,166	13,657	13,166

* The outstanding convertibles (including perpetual securities, share options and redeemable exchangeable preference shares) were excluded in the computation of the diluted earnings per share because these convertibles were anti-dilutive for the respective financial periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
(in US\$ cents)				
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the financial period reported on	(0.18)	(0.15)	(0.07)	(0.06)

- 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
2Q 2020 vs 2Q 2019

The Group's revenue for the three months ended 30 June 2020 ("2Q 2020") remain relatively stable as compared to the corresponding three months ended 30 June 2019 ("2Q 2019") at US\$2,483,000.

The Group's cost of sales for 2Q 2020 decreased by US\$579,000 to US\$1,158,000 as compared to 2Q 2019. The decrease in cost of sales is largely due to lower depreciation expense post impairment exercise of assets in Dec 2019, coupled by cessation of depreciation charge on certain fully depreciated mini hydro assets from Sep 2019 onwards and due to a decrease in operational and maintenance ("O&M") cost of US\$225,000 from the Sri Lanka mini hydro power plants.

As a result of the above, the Group's gross profit for 2Q 2020 increased by US\$526,000 to US\$1,325,000 as compared to 2Q 2019.

Other operating income in 2Q 2020 decreased by US\$310,000 as compared to 2Q 2019 mainly due to reversal of expenses upon final settlement of account with a creditor in 2Q 2019.

Administrative and marketing expenses in 2Q 2020 increased by US\$169,000 as compared to 2Q 2019 mainly due to professional and legal fee incurred for the finance restructuring and asset divestment plan of the Group.

Finance costs in 2Q 2020 decreased by US\$582,000 as compared to 2Q 2019 mainly due to reduction in the financing costs after restructuring of a term loan.

Share of profit of jointly controlled entities increased in 2Q 2020 relates to the Group's joint venture in India due to lower administrative expenses incurred.

1H 2020 vs 1H 2019

The Group's revenue for the six months ended 30 June 2020 ("1H 2020") decreased by US\$1,832,000 to US\$3,739,000 as compared to the corresponding six months ended 30 June 2019 ("1H 2019") due to higher revenue recorded from the recognition of tariff adjustment in 1Q 2019 on prior years generation outputs and weaker power generation from MHPPs in 1H 2020.

The Group's cost of sales for 1H 2020 decreased by US\$1,308,000 to US\$2,180,000 as compared to 1H 2019. The decrease in cost of sales is largely due to lower depreciation expense post impairment exercise of assets in Dec 2019, coupled by cessation of depreciation charge on certain fully depreciated mini hydro assets from Sep 2019 onwards and due to a reduction in O&M costs in Sri Lanka.

As a result of the above, the Group's gross profit for 1H 2020 decreased by US\$524,000 to US\$1,559,000 as compared to 1H 2019.

Other operating income in 1H 2020 decreased by US\$301,000 as compared to 1H 2019 mainly due to reversal of expenses upon final settlement of account with a creditor in 2Q 2019.

Administrative and marketing expenses in 1H 2020 increased by US\$252,000 as compared to 1H 2019 due to professional and legal fee incurred for the finance restructuring and asset divestment plan of the Group.

Finance costs in 1H 2020 decreased by US\$955,000 as compared to 1H 2019 mainly due to reduction in the financing costs after restructuring of a term loan.

Share of profit of jointly controlled entities increased in 1H 2020 relates to the Group's joint venture in India due to lower administrative expenses incurred.

Statement of Financial Position Review

Non-current Assets

The Group's Non-current Assets amounted to US\$55,538,000 as at 30 June 2020. The decrease of US\$1,545,000 was mainly due to depreciation expense and foreign currency translation differences in 1H 2020. Other receivables mainly relate to the non-trade amount due from a joint venture.

Current Assets

The Group's Current Assets amounted to US\$22,818,000 as at 30 June 2020. The decrease was mainly due to the collection of receivables and utilisation of available cash balances for repayment of certain bank loans.

Total Liabilities

The Group's Total Liabilities decreased by US\$681,000 to US\$101,851,000 as at 30 June 2020 as compared to 31 December 2019. This was mainly due to repayment of borrowing to financial institutions offset by the increase in trade and other payables due to increased use of professional services from the Company's restructuring exercise and an increase in amounts due to related parties from the interest accrued on the loans.

Statement of Cash Flows Review

Cash Flow from Operating Activities

The Group's net cash generated from operating activities in 2Q 2020 was US\$1,652,000. This was mainly due to cash collection from trade receivables, coupled with negotiation with trade creditors to defer certain payments.

Cash Flow from Investing Activities

The Group's net cash generated from investing activities in 2Q 2020 was US\$24,000. This was mainly due to interest income received by the Group.

Cash Flow from Financing Activities

The Group's net cash used in financing activities in 2Q 2020 was US\$2,163,000. This was mainly due to the net repayment of borrowings and interest expenses.

Going concern assessment

The Group had net liabilities of US\$23,495,000 as at 30 June 2020. Higher net liabilities as compared to 31 December 2019 is largely due to the losses incurred for the period. In addition, the Group had net current liabilities of US\$61,356,000 as at 30 June 2020. This is a result of the reclassification from non-current liabilities to current liabilities for certain financial liabilities and amounts due to shareholders as the Group did not meet the repayment schedule, financial covenants and the general undertaking imposed on the restructured loan and the shareholders' loan respectively. The Group continue to engage in on-going discussions with all the lenders to restructure the borrowings as part of the whole Group's restructuring process.

The Group is still in the process of securing the binding agreement in relation to one of its solar assets that form part of the Group's asset divestment plan, following the signing of the non-binding memorandum of understanding in January 2020.

As disclosed in the Company's 17 June 2020 announcement, the Group would remain in a net liability position post execution of its asset divestment plan.

In view of the above uncertainties faced by the Group, the Board and the Audit Committee is of the view that the Company's shares should remain suspended under Rule 1303(3)(c) of the Catalyst Rules.

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.

As at the date of this announcement, the Group is still in the discussion with creditors and lenders in relation to its financial restructuring:

- In relation to the maturity of redeemable and exchangeable preference shares (the "REPS"), pursuant to the standstill period which expired on 30 June 2020, the Company continues to engage in discussion with the REPS holders for an extension of the standstill period;
- The Group continues to engage in discussion with the lenders and creditors to formalise their commitment to provide continued support to the Group; and
- As disclosed in paragraph 3A(a)(1) above, the Group is currently looking to finalise the terms of certain potential disposal transactions and to secure binding agreements in the near term.

As mentioned in the Company's previous announcements, the execution of the above events are critical to the completion of the Group's refinancing plans. In addition, the following trends and developments will have negative impact on Group's operating cash flows:

- There are three mini hydro plants in Sri Lanka that have had their PPAs renewed, however the Group is in the process of meeting the conditions stipulated in the PPAs to qualify the Group for payments from the relevant authority which resulted in deferred billing and collections for these plants. Completion is expected in mid 2H 2020.
- Continued depreciation of the Sri Lanka Rupee (LKR), the functional currency which the mini hydro plants are operating in, against the USD will impact profitability and the ability to repay the Group's term loan owing to the Group's lender.
- Delay in the receipt of the Central Government and City subsidies in the Group's Solar PV Plant in China.
- With increased engagement of professional consultants' services as a result of the restructuring exercise, there is growing overhead expenditures and the Group continues to face pressure to meet the payments of these payables as they fall due.

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

11 Dividend

(a) Current Financial Period Reported On

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

As the Company incurred losses for 2Q 2020, no dividend has been declared or recommended for the financial period.

- 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 22 June 2020, obtained a general and specific mandate from shareholders for interested person transactions ("IPTs").

Particulars of IPTs for the period 1 April 2020 to 30 June 2020 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US\$	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$
<u>Ezion Holdings Limited</u> Management fee paid/payable to	Controlling shareholder of the Company	NIL	50,178
<u>Ezion Holdings Limited</u> Interest paid/payable to	Controlling shareholder of the Company	NIL	269,507

- 14 Disclosure of acquisition of the issuer to include the aggregate value of the consideration pursuant to Rule 706A**

Not applicable. The Company did not acquire and dispose any shares in any companies during 2Q 2020.

- 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

Tan Wee Sin
Company Secretary
14 August 2020

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 30 June 2020 to be false or misleading in any material aspect.

On behalf of the Board of directors

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

.....
 Eng Chiaw Koon
 Non-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 Catalist.

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).