



Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst, Charisma Energy Services Limited is required by SGX-ST to announce its quarterly financial statements.

**Charisma Energy Services Limited
and its Subsidiaries**

Registration Number: 199706776D

Condensed Interim Financial Statements
For the fourth quarter and full year ended 31 December
2022

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 31 December 2022

Consolidated statement of profit or loss

	Note	3 months ended			12 months ended		
		31.12.2022	31.12.2021	Change	31.12.2022	31.12.2021	Change
		(4Q 2022)	(4Q 2021) (Restated) ¹		(12M 2022)	(12M 2021) (Restated) ¹	
US\$'000	US\$'000	%	US\$'000	US\$'000	%		
Revenue	5	2,055	3,746	(45)	8,398	13,392	(37)
Cost of sales		(412)	(705)	(42)	(2,997)	(4,164)	(28)
Gross profit		1,643	3,041	(46)	5,401	9,228	(41)
Other operating income		757	334	>100	1,886	334	>100
Administrative and marketing expenses		(556)	(442)	26	(2,743)	(2,840)	(3)
Other operating expenses		(43)	(2,141)	(98)	(7,903)	(5,841)	35
Result from operating activities		1,801	792	>100	(3,359)	881	n.m.
Finance income		105	55	91	322	131	>100
Finance cost		(1,250)	(194)	>100	(4,084)	(4,126)	(1)
Net finance cost		(1,145)	(139)	>100	(3,762)	(3,995)	(6)
Share of results of joint ventures, net of tax		(138)	138	n.m.	(138)	138	n.m.
Profit/(Loss) before income tax	7	518	791	(36)	(7,259)	(2,976)	>100
Income tax expense	8	(604)	532	n.m.	(895)	(303)	>100
(Loss)/Profit for the period		(86)	1,323	n.m.	(8,154)	(3,279)	>100
(Loss)/Profit attributable to:							
Owners of the Company		(104)	1,181	n.m.	(8,425)	(3,232)	>100
Non-controlling interests		18	142	(87)	271	(47)	n.m.
(Loss)/Profit for the period		(86)	1,323	n.m.	(8,154)	(3,279)	>100
(Loss)/Earnings per share for (loss)/profit for the period attributable to the owners of the Company during the year:							
Basic (US cents)		(0.002)	0.008		(0.064)	(0.026)	
Diluted (US cents)		(0.002)	0.008		(0.064)	(0.026)	
<i>Note:</i>							
Weighted average number of ordinary shares (in millions):							
Basic		13,659	13,657		13,659	13,657	
Diluted*		13,659	13,657		13,659	13,657	

Note 1: The comparative information is restated on account of prior year adjustment. See Note 15 for further details.

* 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.

n.m. = not meaningful

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)
Year Ended 31 December 2022

Consolidated statement of comprehensive income

	3 months ended			12 months ended		
	31.12.2022	31.12.2021	Change	31.12.2022	31.12.2021	Change
	(4Q 2022)	(4Q 2021) (Restated) ¹		(12M 2022)	(12M 2021) (Restated) ¹	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
(Loss)/Profit for the period	(86)	1,323	n.m.	(8,154)	(3,279)	n.m.
Other comprehensive income/ (loss)						
Items that will not be reclassified to profit or loss:						
Net change in fair value of financial assets at fair value through other comprehensive income (FVOCI)	–	–	n.m.	36	–	n.m.
Net change in fair value of actuarial gain or loss	12	3	>100	45	12	>100
Items that are or may be reclassified subsequently to profit or loss:						
Exchange differences on monetary items forming part of net investment in foreign operations	–	(77)	n.m.	–	(77)	n.m.
Foreign currency translation differences relating to financial statements of foreign operations	81	(260)	n.m.	(7,749)	(193)	>100
Other comprehensive (loss)/income for the period	93	(334)	n.m.	(7,668)	(258)	>100
Total comprehensive income/ (loss) for the period	7	989	>(100)	(15,822)	(3,537)	>100
Total comprehensive income/ (loss) attributable to:						
Owners of the Company	441	827	(43)	(16,429)	(3,416)	>100
Non-controlling interests	(434)	162	n.m.	607	(121)	n.m.
Total comprehensive income/(loss) for the period	7	989	>(100)	(15,822)	(3,537)	>100

Note 1: The comparative information is restated on account of prior year adjustment. See Note 15.

n.m. = not meaningful

Condensed Interim Statements of Financial Position

As at 31 December 2022

	Note	----- Group -----		----- Company -----	
		31.12.2022	31.12.2021 (Restated) ¹	31.12.2022	31.12.2021
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	10	6,602	19,641	–	1
Right-of-use assets		13,417	15,304	–	–
Intangible assets		–	–	–	–
Subsidiaries		–	–	13,282	26,104
Joint ventures		–	138	–	–
Other investments		–	–	–	–
Deferred tax assets		721	824	–	–
Trade and other receivables	11	548	726	–	–
		21,288	36,633	13,282	26,105
Current assets					
Inventories		390	622	–	–
Assets held for sale		277	6,821	–	–
Trade and other receivables	11	17,212	16,715	986	916
Amounts due from subsidiaries	11	–	–	5,553	4,169
Amounts due from joint ventures	11	150	126	150	126
Cash and cash equivalents		3,188	5,279	40	60
		21,217	29,563	6,729	5,271
Total assets		42,505	66,196	20,011	31,376
Equity					
Share capital	14	274,553	274,553	274,553	274,553
Perpetual securities		6,811	6,811	6,811	6,811
Redeemable exchangeable preference shares		7,042	7,042	–	–
Warrants		–	–	–	–
Other reserves		(14,617)	(6,613)	(1,276)	(1,276)
Accumulated losses		(318,292)	(309,544)	(355,776)	(344,593)
Deficit in equity attributable to owners of the Company		(44,503)	(27,751)	(75,688)	(64,505)
Non-controlling interests		1,599	992	–	–
Net deficit in equity		(42,904)	(26,759)	(75,688)	(64,505)
Non-current liabilities					
Trade and other payables	12	74	176	–	–
Financial liabilities	13	–	41	–	–
Deferred tax liabilities		929	1,125	–	–
		1,003	1,342	–	–
Current liabilities					
Trade and other payables	12	17,796	21,254	12,654	10,594
Amounts due to joint ventures	12	173	128	173	128
Amounts due to related parties	12	29,289	28,239	29,289	28,201
Amounts due to subsidiaries	12	–	–	27,515	25,560
Financial liabilities	13	36,914	41,609	26,068	31,398
Provision for tax		234	383	–	–
		84,406	91,613	95,699	95,881
Total liabilities		85,409	92,955	95,699	95,881
Total equity and liabilities		42,505	66,196	20,011	31,376

Note 1: The comparative information is restated on account of prior year adjustment. See Note 15.

Condensed Interim Consolidated Statement of Cash Flows

Year Ended 31 December 2022

	Note	3 months ended		12 months ended	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		(4Q 2022)	(4Q 2021) (Restated)	(12M 2022)	(12M 2021) (Restated)
		US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities					
Profit/(Loss) before income tax		518	791	(7,259)	(2,976)
Adjustments for:					
Depreciation of property, plant and equipment	7	(67)	342	990	1,544
Depreciation of right-of-use assets	7	409	(28)	686	738
Gain on disposal of assets held for sale		–	–	(428)	–
Gain on disposal of investment in subsidiary	7	–	(294)	–	(294)
Gain on disposal of property, plant and equipment	7	(556)	(17)	(1,113)	(17)
Other income		(201)	–	(343)	–
Impairment loss on property, plant and equipment	7	–	2,000	7,861	4,650
Impairment loss on right of use asset	7	–	–	–	1,050
Other receivables written off	7	–	16	–	16
Amounts due from joint ventures – loss allowance	7	43	125	43	125
Interest income	7	(105)	(55)	(322)	(131)
Interest expense	7	1,250	194	4,084	4,126
Share of results of joint ventures, net of tax		138	(138)	138	(138)
		1,429	2,936	4,337	8,693
Changes in:					
- Inventories		(7)	(38)	232	(75)
- Trade and other receivables		(426)	(1,741)	206	35
- Trade and other payables		414	807	(2,152)	545
Cash generated from operations		1,410	1,964	2,623	9,198
Income tax paid		(151)	(230)	(666)	(1,164)
Net cash from operating activities		1,259	1,734	1,957	8,034
Cash flows from investing activities					
Purchase of property, plant and equipment	10	(16)	(6)	(62)	(36)
Advances received for assets held for sale		67	569	1,578	2,225
Proceeds from disposal of joint ventures		–	–	–	1,304
Proceeds from disposal of investment in subsidiary		–	50	–	50
Proceeds from disposal of property, plant and equipment		700	17	1,070	18
Interest income received		105	55	307	131
Net cash from investing activities		856	685	2,893	3,692
Cash flows from financing activities					
Repayment of borrowings		(664)	(1,075)	(1,978)	(6,709)
(Increase)/ Decrease in restricted cash		(629)	(123)	466	(2,009)
Payment of lease liabilities		(582)	(591)	(1,140)	(642)
Interest expense paid		(484)	(662)	(2,135)	(2,411)
Net cash used in financing activities		(2,359)	(2,451)	(4,787)	(11,771)
Net (decrease)/increase in cash and cash equivalents		(244)	(32)	63	(45)
Cash and cash equivalents at beginning of period		366	91	59	104
Effect of exchange rate fluctuations on cash held		–	–	–	–
Cash and cash equivalents at end of period		122	59	122	59
Cash and cash equivalents comprise:					
Cash and cash equivalents as per statement of financial position		3,188	5,279	3,188	5,279
Less: Restricted cash		(3,066)	(5,220)	(3,066)	(5,220)
Cash and cash equivalents as per consolidated statement of cash flows		122	59	122	59

Condensed Interim Statements of Changes in Equity

Period Ended 31 December 2022

Group	Note	Attributable to owners of the Company										
		Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Other reserve 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 October 2022		274,553	6,811	7,042	–	(11,206)	(3,891)	(10)	(317,544)	(44,245)	2,149	(42,096)
Impact of prior year adjustment		–	–	–	–	(55)	–	–	(530)	(585)	(116)	(701)
Balance as at 1 October 2022, as restated		274,553	6,811	7,042	–	(11,261)	(3,891)	(10)	(318,074)	(44,830)	2,033	(42,797)
Total comprehensive (loss)/ income for the period		–	–	–	36	534	(25)	–	(104)	441	(434)	7
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners												
Accrued perpetual securities distributions		–	–	–	–	–	–	–	(114)	(114)	–	(114)
Total transactions with owners		–	–	–	–	–	–	–	(114)	(114)	–	(114)
Balance as at 31 December 2022		274,553	6,811	7,042	36	(10,727)	(3,916)	(10)	(318,292)	(44,503)	1,599	(42,904)

Condensed Interim Statements of Changes in Equity (cont'd)

Period Ended 31 December 2022

Group	Attributable to owners of the Company										
	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 October 2021	274,545	6,811	7,042	2,384	(2,337)	(3,961)	(10)	(312,115)	(27,641)	955	(26,686)
Impact of prior year adjustment	–	–	–	–	(26)	–	–	(498)	(524)	(125)	(649)
Balance as at 1 October 2021, as restated	274,545	6,811	7,042	2,384	(2,363)	(3,961)	(10)	(312,613)	(28,165)	830	(27,335)
Total comprehensive income/ (loss) for the period	–	–	–	–	(250)	–	–	1,138	888	153	1,041
Impact of prior year adjustment	–	–	–	–	(29)	–	–	(32)	(61)	9	(52)
Total comprehensive income/ (loss) for the period, as restated	–	–	–	–	(279)	–	–	1,106	827	162	989
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares	15	4	–	–	–	–	–	–	4	–	4
Conversion of warrants to ordinary shares	15	4	–	(4)	–	–	–	–	–	–	–
Expired warrants	15	–	–	(2,380)	–	–	–	2,380	–	–	–
Accrued perpetual securities distributions		–	–	–	–	–	–	(53)	(53)	–	(53)
Accrued redeemable exchangeable preference shares distributions		–	–	–	–	–	–	(364)	(364)	–	(364)
Total transactions with owners		8	–	(2,384)	–	–	–	1,963	(413)	–	(413)
Balance as at 31 December 2021, as restated	274,553	6,811	7,042	–	(2,642)	(3,961)	(10)	(309,544)	(27,751)	992	(26,759)

Condensed Interim Statements of Changes in Equity (cont'd)

Period Ended 31 December 2022

Group	Note	Attributable to owners of the Company									Non-controlling interests US\$'000	Total US\$'000
		Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Other reserve US\$'000	Foreign currency translation reserves US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000		
Balance as at 1 January 2022		274,553	6,811	7,042	–	(2,587)	(3,961)	(10)	(309,014)	(27,166)	1,108	(26,058)
Impact of prior year adjustment		–	–	–	–	(55)	–	–	(530)	(585)	(116)	(701)
Balance as at 1 January 2022, as restated		274,553	6,811	7,042	–	(2,642)	(3,961)	(10)	(309,544)	(27,751)	992	(26,759)
Total comprehensive loss for the year		–	–	–	36	(8,085)	45	–	(8,425)	(16,429)	607	(15,822)
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners												
Accrued perpetual securities distributions		–	–	–	–	–	–	–	(323)	(323)	–	(323)
Total transactions with owners		–	–	–	–	–	–	–	(323)	(323)	–	(323)
Balance as at 31 December 2022		274,553	6,811	7,042	36	(10,727)	(3,916)	(10)	(318,292)	(44,503)	1,599	(42,904)

Condensed Interim Statements of Changes in Equity (cont'd)

Period Ended 31 December 2022

Group	Attributable to owners of the Company										
	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 January 2021	274,545	6,811	7,042	2,384	(2,457)	(3,961)	(10)	(307,543)	(23,189)	1,122	(22,067)
Impact of prior year adjustment	–	–	–	–	(108)	–	–	(382)	(490)	(9)	(499)
Balance as at 1 January 2021, as restated	274,545	6,811	7,042	2,384	(2,565)	(3,961)	(10)	(307,925)	(23,679)	1,113	(22,566)
Total comprehensive income/ (loss) for the year	–	–	–	–	(130)	–	–	(3,191)	(3,321)	(14)	(3,335)
Impact of prior year adjustment	–	–	–	–	53	–	–	(148)	(95)	(107)	(202)
Total comprehensive income/ (loss) for the year, as restated	–	–	–	–	(77)	–	–	(3,339)	(3,416)	(121)	(3,537)
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares	15	4	–	–	–	–	–	–	4	–	4
Conversion of warrants to ordinary shares	15	4	–	(4)	–	–	–	–	–	–	–
Expired warrants	15	–	–	(2,380)	–	–	–	2,380	–	–	–
Accrued perpetual securities distributions		–	–	–	–	–	–	(296)	(296)	–	(296)
Accrued redeemable exchangeable preference shares distributions		–	–	–	–	–	–	(364)	(364)	–	(364)
Total transactions with owners		8	–	(2,384)	–	–	–	1,720	(656)	–	(656)
Balance as at 31 December 2021, as restated	274,553	6,811	7,042	–	(2,642)	(3,961)	(10)	(309,544)	(27,751)	992	(26,759)

Condensed Interim Statements of Changes in Equity

Period Ended 31 December 2022

Company	Note	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 October 2022		274,553	6,811	–	(1,276)	(346,017)	(65,929)
Total comprehensive loss for the period		–	–	–	–	(9,645)	(9,645)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Accrued perpetual securities distributions		–	–	–	–	(114)	(114)
Total transactions with owners		–	–	–	–	(114)	(114)
Balance as at 31 December 2022		274,553	6,811	–	(1,276)	(355,776)	(75,688)

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 October 2021		274,545	6,811	2,384	(1,276)	(327,274)	(44,810)
Total comprehensive loss for the period		–	–	–	–	(19,646)	(19,646)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	15	4	–	–	–	–	4
Conversion of warrants to ordinary shares	15	4	–	(4)	–	–	–
Expiry of warrants	15	–	–	(2,380)	–	2,380	–
Accrued perpetual securities distributions		–	–	–	–	(53)	(53)
Total transactions with owners		8	–	(2,384)	–	2,327	(49)
Balance as at 31 December 2021		274,553	6,811	–	(1,276)	(344,593)	(64,505)

Condensed Interim Statements of Changes in Equity

Period Ended 31 December 2022

Company	Note	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 2022		274,553	6,811	–	(1,276)	(344,593)	(64,505)
Total comprehensive loss for the year		–	–	–	–	(10,860)	(10,860)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Accrued perpetual securities distributions		–	–	–	–	(323)	(323)
Total transactions with owners		–	–	–	–	(323)	(323)
Balance as at 31 December 2022		274,553	6,811	–	(1,276)	(355,776)	(75,688)

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 2021		274,545	6,811	2,384	(1,276)	(325,245)	(42,781)
Total comprehensive loss for the year		–	–	–	–	(21,432)	(21,432)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	15	4	–	–	–	–	4
Conversion of warrants to ordinary shares	15	4	–	(4)	–	–	–
Expired of warrants	15	–	–	(2,380)	–	2,380	–
Accrued perpetual securities distributions		–	–	–	–	(296)	(296)
Total transactions with owners		8	–	(2,384)	–	2,084	(292)
Balance as at 31 December 2021		274,553	6,811	–	(1,276)	(344,593)	(64,505)

Notes to the Condensed Interim Financial Statements

1 Corporate information

Charisma Energy Services Limited (the “**Company**”) is incorporated in Singapore and whose shares are listed on the Catalist of the Singapore Exchange.

These condensed interim consolidated financial statements of the Group as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group Entities**”) and the Group’s interest in joint ventures.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the Group are mainly generating and sale of energy and power generation services.

2 Going concern

The Group incurred a net loss of US\$8,154,000 (2021: US\$3,279,000) for the financial year ended 31 December 2022. As at 31 December 2022, the Group were in a net liability position of US\$42,904,000 (2021: US\$26,759,000) and in net current liability position of US\$63,189,000 (2021: US\$62,050,000) respectively. The net current liability position were a result of certain liabilities being reclassified from non-current to current as the Group did not meet the repayment schedule, financial covenants and the general undertaking imposed by the lenders.

In the assessment of the appropriateness of going concern assumption used in the preparation of the financial statements, the directors of the Company have considered future inflows of fresh investment funds from the conditional subscription agreement with an investor, restructuring plans to be agreed with creditors and lenders, continuous support from shareholders, as well as the expected cash flows from the Group’s continuing operations and asset divestment plans.

On 10 January 2022, the Company entered into a conditional subscription agreement (the “**CSA**”) with an investor (the “**Investor**”) for the subscription of new ordinary shares amounting and share options. The Company, the creditors and the Investor were not able to reach an agreement in relation to the terms and conditions of the Proposed Debt Restructuring under the CSA, pursuant to which, the Longstop Date of the CSA had lapsed on 9 July 2022. Notwithstanding the lapse of the Longstop Date of the CSA, the Company remained engaged in discussions with all of its creditors and as the Investor, to evaluate and assess all available options.

On 18 January 2023, the Company entered into a new conditional subscription agreement (the “**New CSA**”) with the same Investor for the subscription of new ordinary shares amounting to S\$13,576,000 and share options amounting to S\$16,291,200.

Under the New CSA, the Company will undertake the following:

- (a) divestments of its existing assets and quoted securities (the “**Proposed Divestments**”) such that pursuant to the Proposed Divestments, the Company will retain its ownership in the holding entities of its operations in Sri Lanka and the operating companies in Sri Lanka (the “**Sri Lanka Sub-Group**”) (being the owners of the 13 units of mini-hydroelectric power plants in Sri Lanka with a combined capacity of 43.46 megawatt (the “**Hydro-Power Plants**”), together with their receivables, cash and inventories (including the Hydro-Power Plants) (the “**Remaining Assets**”);
- (b) propose a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of certain of its unsecured creditors, in accordance with Section 210 of the Companies Act 1967 of Singapore or the Insolvency, Restructuring and Dissolution Act 2018 of Singapore or under any applicable law(s) of Singapore, to settle certain of the Company’s debt (the “**Past Liabilities**”) with such settlement being a combination of cash and issue of new Shares (the “**Scheme of Arrangement**”);

- (c) the creation of a fresh debt obligation to the Subscriber and/or its nominee, in consideration for the Subscriber procuring (a) full discharge of all liabilities and debts owing by the Sri Lanka Sub-Group to Overseas Chinese Banking Corporation (“**OCBC**”); and (b) OCBC’s consent to discharge any and all mortgage, charge, pledge, lien or other security interest securing any obligation of the Sri Lanka Sub-Group for the benefit of OCBC (the “**OCBC Loan Restructuring**”);
- (d) settlement agreement with holders of the redeemable exchangeable preference shares, which is envisaged to comprise a combination of cash and issue of new Shares to such creditors, with such new Shares to be issued under the Scheme of Arrangement and the Bilateral Settlement (the “**Settlement Shares**”) (the “**Bilateral Settlement**”, together with the Scheme of Arrangement, the “**Proposed Debt Restructuring**”); and
- (e) a share consolidation of all of the issued Shares pursuant to the above transactions (the “**Proposed Share Consolidation**”).

The completion of the New CSA and Proposed Debt Restructuring is contingent upon the following:

- (a) completion of the New CSA with the Investor;
- (b) realisation of the forecasted operating cashflow from the Group's continuing businesses; and
- (c) the successful divestment planned for some of the Group's assets, other than the Remaining Assets.

These conditions may affect the Group’s ability to meet its debts obligations as and when they fall due, at least in the next 12 months from the reporting date. If for any reason the Group and Company are unable to continue as a going concern, it could have an impact on the Group’s and Company’s classification of assets and liabilities and the ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

Recent Developments for the financial year ending 31 December 2023

In 2023, the Group has made significant progress in its holistic plan to recapitalise and restructure the Group.

The Group had entered into the New CSA as mentioned above. Pursuant to the New CSA and the binding termsheet entered into with the Subscriber, half of the loan owing in respect of the Sri Lanka Hydro assets would be capitalised pursuant to the New CSA while the terms of the remaining loan would also be restructured into a 5-year convertible loan with no principal repayment obligations during the tenure.

In relation to the Bilateral Settlement, the Company, together with its wholly-owned subsidiary, CES Hydro Power Group Pte. Ltd. (“**CES Hydro**”), had entered into a deed of settlement on 6 June 2023 with holders of the non-voting, redeemable and exchangeable preference shares issued by CES Hydro, Venstar Investments III Ltd (In Members’ Voluntary Liquidation) (“**Venstar**”) and Evia Growth Opportunities III Ltd (In Members’ Voluntary Liquidation) (“**Evia**”) in relation to the settlement of outstanding arrangements and to terminate the deed of charge under a subscription agreement dated 3 August 2015 signed between CES Hydro, Venstar and Evia.

In relation to the Scheme of Arrangement, the Company had convened a meeting with class(es) of certain of its creditors (the “**Scheme Creditors**”) on 7 June 2023 (the “**Scheme Meeting**”) and at this Scheme Meeting, the Scheme Creditors have, by a majority in number of each class of Scheme Creditors voting, either in person or by proxy on the resolution, representing three-fourths in value of each class of Creditors present and voting, either in person or by proxy on the resolution, approved the Scheme of Arrangement dated 12 April 2023 between the Company and its Scheme Creditors pursuant to Section 210 of the Companies Act.

The Singapore High Court (the “**Court**”) had on 6 July 2023 granted an Order of Court sanctioning the Scheme of Arrangement pursuant to Section 210(4) of the Act. The Company had lodged a copy of the sealed Order of the Court with the Registrar of Companies on 7 July 2023 and with the lodgement, the Scheme is binding on the Company and the Scheme Creditors.

The Group has successfully divested of the two remaining anchor handling tug supply vessel (“**AHTS**”), the proceeds of which were applied towards reducing the respective secured loans.

The Company has on 13 October 2023, entered into a supplemental agreement with the Investor to extend the Longstop Date of the New CSA from 17 October 2023 to 31 March 2024.

In view of the above recent developments, the Company will be submitting an application to the Singapore Exchange Securities Trading Limited (“SGX-ST”) on the lifting of suspension of trading of the ordinary shares of the Company on the SGX-ST in accordance with Chapter 13 of the Listing Manual Section B: Rules of Catalyst of the SGX-ST.

3 Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 3.1.

The condensed interim financial statements are presented in United States dollars (“US\$”), which is the Company’s functional currency. All financial information presented in United States dollars have been rounded to the nearest thousand, unless otherwise stated.

3.1 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards that have been published, and are relevant for the Group’s annual periods beginning on or after 1 January 2023 and which the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The new SFRS(I)s, interpretations and amendments to SFRS(I)s are as follows:

- *SFRS(I) 17 Insurance Contracts*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies*
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)
- *Lease Liability in a Sale and Leaseback* (Amendments to SFRS(I) 1-16)
- *Non-current Liabilities with Covenants* (Amendments to SFRS(I) 1-1)

The Group is currently assessing the impact of the new SFRS(I)s, interpretations and amendments to SFRS(I)s and plans to adopt the new standards on the recognised effective date.

3.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial interim period are discussed as follows:

Cash flow forecast

The Group reviews its forecasts of future cash flows in the foreseeable future and the availability of positive cash flows to repay its lenders in the next 12 months. Such an assessment requires the Group to review its operations, including future market demand for its services and its cash deployment in different locations. Significant judgement is required in deriving the Group's forecasts.

Valuation of non-financial assets

The Group assesses the impairment of non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include (but are not limited) to the following:

- Extended periods of idle capacity;
- Significant decline in market prices;
- Inability to renew contracts upon expiry; and
- Significant adverse industry, regulatory or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to the non-financial assets could affect the amounts reported in the financial statements. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

Valuation of investments in subsidiaries

The Company determines whether there is impairment on the investments in subsidiaries where events or changes in circumstances indicate that the carrying amount of the investments may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities, and market estimates in order to calculate the present value of the future cash flows. The valuation of the investments in subsidiaries are dependent on the outcome of these factors affecting management's forecasts of future cash flows. Actual events that result in deviations from management's estimation may result in higher impairment losses on the investments.

Impairment of trade receivables

Based on the Company's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. The Company has applied credit evaluations by customer within each revenue segment. Accordingly, management has determined the expected loss rates by grouping the receivables in each revenue stream. No loss allowance for trade receivables was recognised as at 31 December 2022 and 2021.

4 Seasonal operations

The Group's businesses are dependent on the weather conditions in Sri Lanka and China during the financial period where the mini hydro power plants and solar photovoltaic power plant are located respectively.

5 Segment and revenue information

The Group's revenue, capital expenditure, assets and liabilities were mainly derived from one single business segment of the sale of energy and power generation services.

Other operations include management services, which are not individually material reportable segments.

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the Chief Operating Decision Maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

5.1 Reportable segments

3 months ended 31 December 2022	Energy and power services	Others	Total
	US\$'000	US\$'000	US\$'000
REVENUE			
External revenue	2,019	36	2,055
RESULT			
Reportable segment results from operating activities	1,607	36	1,643
Finance cost	(629)	(332)	(961)
Impairment of property plant and equipment	–	–	–
Impairment of trade and other receivables	–	–	–
Amounts due from joint ventures written-off	–	–	–
Other income	201	–	201
Gain on disposal of property, plant and equipment	–	–	–
Gain on disposal of investment in subsidiary	–	–	–
Share of results of joint ventures	–	(138)	(138)
Reportable segment income before income tax	1,179	(434)	745
Tax credit	(604)	–	(604)
Reportable segment income for the period	575	(434)	141
Unallocated finance cost			(289)
Unallocated finance income			105
Unallocated expenses			(43)
Loss for the period			(86)
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	40,301	1,726	42,027
Unallocated assets			478
Total assets			42,505
Reportable segment liabilities	32,317	50,074	82,391
Unallocated liabilities			3,018
Total liabilities			85,409
Capital expenditure	16	–	16
Depreciation expenses	331	–	331
Unallocated depreciation expenses			11
Total depreciation expenses			342

5.1 Reportable segments (cont'd)

3 months ended 31 December 2021 (Restated)	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	3,710	36	3,746
RESULT			
Reportable segment results from operating activities	3,005	36	3,041
Finance cost	(315)	61	(254)
Impairment of property plant and equipment	(2,000)	–	(2,000)
Impairment of trade and other receivables	–	(16)	(16)
Amounts due from joint ventures written-off	–	(125)	(125)
Gain on disposal of property, plant and equipment	17	–	17
Gain on disposal of investment in subsidiary	294	–	294
Share of results of joint ventures	–	138	138
Reportable segment profit/(loss) before income tax	<u>1,001</u>	<u>94</u>	<u>1,095</u>
Tax expenses	528	4	532
Reportable segment profit/(loss) for the period	<u>1,529</u>	<u>98</u>	<u>1,627</u>
Unallocated finance cost			60
Unallocated finance income			55
Unallocated expenses			<u>(419)</u>
Profit for the period			<u>1,323</u>
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	<u>57,155</u>	<u>2,212</u>	<u>59,367</u>
Unallocated assets			<u>6,829</u>
Total assets			<u>66,196</u>
Reportable segment liabilities	<u>34,327</u>	<u>48,186</u>	<u>82,513</u>
Unallocated liabilities			<u>10,442</u>
Total liabilities			<u>92,955</u>
Capital expenditure	<u>6</u>	<u>–</u>	<u>6</u>
Depreciation expenses	<u>290</u>	<u>–</u>	<u>290</u>
Unallocated depreciation expenses			<u>24</u>
Total depreciation expenses			<u>314</u>

5.1 Reportable segments (cont'd)

12 months ended 31 December 2022	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	8,362	36	8,398
RESULT			
Reportable segment results from operating activities	5,365	36	5,401
Finance cost	(2,034)	(1,260)	(3,294)
Impairment of property plant and equipment	(7,861)	–	(7,861)
Impairment of right-of-use assets	–	–	–
Impairment of trade and other receivables	–	–	–
Amounts due from joint ventures written-off	–	–	–
Other income	201	–	201
Gain on disposal of property, plant and equipment	1	–	1
Gain on disposal of investment in subsidiary	–	–	–
Share of results of joint ventures	–	(138)	(138)
Reportable segment profit/(loss) before income tax	(4,328)	(1,362)	(5,690)
Tax (expenses)/credit	(895)	–	(895)
Reportable segment profit/(loss) for the period	(5,223)	(1,362)	(6,585)
Unallocated finance cost			(790)
Unallocated finance income			322
Unallocated expenses			(1,101)
Loss for the year			(8,154)
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	40,301	1,726	42,027
Unallocated assets			478
Total assets			42,505
Reportable segment liabilities	32,317	50,074	82,391
Unallocated liabilities			3,018
Total liabilities			85,409
Capital expenditure	62	–	62
Depreciation expenses	1,598	–	1,598
Unallocated depreciation expenses			78
Total depreciation expenses			1,676

5.1 Reportable segments (cont'd)

12 months ended 31 December 2021 (Restated)	Energy and power services	Others	Total
	US\$'000	US\$'000	US\$'000
REVENUE			
External revenue	13,356	36	13,392
RESULT			
Reportable segment results from operating activities	9,192	36	9,228
Finance cost	(2,045)	(1,432)	(3,477)
Impairment of property plant and equipment	(4,650)	–	(4,650)
Impairment of right-of-use assets	(1,050)	–	(1,050)
Impairment of trade and other receivables	–	(16)	(16)
Amounts due from joint ventures written-off	–	(125)	(125)
Gain on disposal of property, plant and equipment	17	–	17
Gain on disposal of investment in subsidiary	294	–	294
Share of results of joint ventures	–	138	138
Reportable segment profit/(loss) before income tax	1,758	(1,399)	359
Tax (expenses)/credit	(307)	4	(303)
Reportable segment profit/(loss) for the period	1,451	(1,395)	56
Unallocated finance cost			(649)
Unallocated finance income			131
Unallocated expenses			(2,817)
Loss for the year			(3,279)
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	57,155	2,212	59,367
Unallocated assets			6,829
Total assets			66,196
Reportable segment liabilities	34,327	48,186	82,513
Unallocated liabilities			10,442
Total liabilities			92,955
Capital expenditure	36	–	36
Depreciation expenses	2,187	–	2,187
Unallocated depreciation expenses			95
Total depreciation expenses			2,282

5.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Energy and power services		Others		Total	
	3 months ended		3 months ended		3 months ended	
	31.12.2022	31.12.2021 (Restated)	31.12.2022	31.12.2021	31.12.2022	31.12.2021 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Primary geographical markets						
Singapore	–	–	36	36	36	36
Sri Lanka	1,345	2,849	–	–	1,345	2,849
China	674	861	–	–	674	861
	<u>2,019</u>	<u>3,710</u>	<u>36</u>	<u>36</u>	<u>2,055</u>	<u>3,746</u>
Major products/service line						
Sale of energy and power generation services	2,019	3,710	–	–	2,019	3,710
Rendering of services	–	–	36	36	36	36
	<u>2,019</u>	<u>3,710</u>	<u>36</u>	<u>36</u>	<u>2,055</u>	<u>3,746</u>
Timing of revenue recognition						
At a point in time	2,019	3,710	–	–	2,019	3,710
Over time	–	–	36	36	36	36
	<u>2,019</u>	<u>3,710</u>	<u>36</u>	<u>36</u>	<u>2,055</u>	<u>3,746</u>

	Energy and power services		Others		Total	
	12 months ended		12 months ended		12 months ended	
	31.12.2022	31.12.2021 (Restated)	31.12.2022	31.12.2021	31.12.2022	31.12.2021 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Primary geographical markets						
Singapore	–	–	36	36	36	36
Sri Lanka	4,765	10,017	–	–	4,765	10,017
China	3,597	3,339	–	–	3,597	3,339
	<u>8,362</u>	<u>13,356</u>	<u>36</u>	<u>36</u>	<u>8,398</u>	<u>13,392</u>
Major products/service line						
Sale of energy and power generation services	8,362	13,356	–	–	8,362	13,356
Rendering of services	–	–	36	36	36	36
	<u>8,362</u>	<u>13,356</u>	<u>36</u>	<u>36</u>	<u>8,398</u>	<u>13,392</u>
Timing of revenue recognition						
At a point in time	8,362	13,356	–	–	8,362	13,356
Over time	–	–	36	36	36	36
	<u>8,362</u>	<u>13,356</u>	<u>36</u>	<u>36</u>	<u>8,398</u>	<u>13,392</u>

5.2 Disaggregation of revenue from contracts with customers (cont'd)

A breakdown of sales:

	Group 12 months ended		Change %
	31.12.2022	31.12.2021 (Restated)	
	US\$'000	US\$'000	
Sales reported for the			
- first half year	4,370	6,484	(33)
- second half year	4,028	6,908	(42)
	<u>8,398</u>	<u>13,392</u>	(37)
Operating (loss) after tax before deducting non-controlling interests reported for			
- first half year	(8,026)	(797)	n.m.
- second half year	(128)	(2,482)	(95)
	<u>(8,154)</u>	<u>(3,279)</u>	n.m.

n.m. = not meaningful

6 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the group as at 31 December 2022 and 31 December 2021:

	Fair value – hedging instruments US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Group				
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables ⁽¹⁾	–	16,669	–	16,669
Cash and cash equivalents	–	3,188	–	3,188
Financial liabilities not measured at fair value				
Trade and other payables	–	–	(47,332)	(47,332)
Secured bank loans	–	–	(22,415)	(22,415)
31 December 2021 (Restated)				
Financial assets not measured at fair value				
Trade and other receivables ⁽¹⁾	–	15,653	–	15,653
Cash and cash equivalents	–	5,279	–	5,279
Financial liabilities not measured at fair value				
Trade and other payables	–	–	(49,797)	(49,797)
Secured bank loans	–	–	(24,390)	(24,390)

⁽¹⁾ Excludes tax recoverable and prepayments.

6 Financial assets and financial liabilities (cont'd)

Company	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
31 December 2022			
Financial assets not measured at fair value			
Trade and other receivables ⁽¹⁾	6,680	–	6,680
Cash and cash equivalents	40	–	40
Financial liabilities not measured at fair value			
Trade and other payables	–	(42,116)	(42,116)
Amounts due to subsidiaries	–	(27,515)	(27,515)
Financial liabilities	–	(26,068)	(26,068)
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables ⁽¹⁾	5,204	–	5,204
Cash and cash equivalents	60	–	60
Financial liabilities not measured at fair value			
Trade and other payables	–	(38,923)	(38,923)
Amounts due to subsidiaries	–	(25,560)	(25,560)
Financial liabilities	–	(31,398)	(31,398)

⁽¹⁾ Excludes prepayments

7 Loss/(Profit) before income tax

The following items have been included in arriving at loss/(profit) before income tax:

	Group			
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(4Q 2022)	(4Q 2021)	(12M 2022)	(12M 2021)
	US\$'000	US\$'000	US\$'000	US\$'000
Net finance cost	1,145	139	3,762	3,995
Depreciation of property, plant and equipment	67	342	990	1,544
Depreciation of right-of-use assets	409	(28)	686	738
Gain on disposal of investment in subsidiary	–	(294)	–	(294)
Gain on disposal of assets held for sale	–	–	(428)	–
Gain on disposal of property, plant and equipment	(556)	(17)	(1,113)	(17)
Other income	(201)	–	(343)	–
Amount due from joint ventures – loss allowance	43	125	43	125
Impairment loss on:				
- property, plant and equipment	–	2,000	7,861	4,650
- right of use asset	–	–	–	1,050
Other receivables – written off	–	16	–	16

7.1 Related party transactions

	Group			
	3 months ended		12 months ended	
	31.12.2022 (4Q 2022) US\$'000	31.12.2021 (4Q 2021) US\$'000	31.12.2022 (12M 2022) US\$'000	31.12.2021 (12M 2021) US\$'000
Transactions with shareholders				
Management fees paid/payable	–	33	18	184
Interest paid/payable	270	270	1,070	1,671

8 Income tax (credit)/expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	3 months ended		12 months ended	
	31.12.2022 (4Q 2022) US\$'000	31.12.2021 (4Q 2021) US\$'000	31.12.2022 (4Q 2022) US\$'000	31.12.2021 (4Q 2021) US\$'000
Current income tax expense	209	543	517	1,378
Deferred income tax expense/(credit) relating to origination and reversal of temporary differences	395	(1,075)	378	(1,075)
	604	(532)	895	303

9 Net asset value

	Group		Company	
	31.12.2022 US\$ cents	31.12.2021 US\$ cents	31.12.2022 US\$ cents	31.12.2021 US\$ cents
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	(0.31)	(0.20)	(0.55)	(0.47)

10 Property, plant and equipment

During the twelve months ended 31 December 2022, the Group acquired plant and equipment amounting to US\$62,000 (31 December 2021: US\$36,000) and disposed of plant and equipment with carrying value amounting to US\$287,000 (31 December 2021: US\$Nil).

Impairment Loss

The Group continues to face challenging market conditions and uncertain financial performances in the businesses of the respective cash-generating units. In the current period, the identified indicators of impairment on the following cash-generating units that belong to the Energy and Power Services segment:

- Mini hydro power plants (“**Hydro Plants CGUs**”); and
- Solar Photovoltaic power plant (“**Solar Plant CGU**”)

The Hydro Plants CGUs and Solar Plant CGU belong to the Group Entities operating in Sri Lanka and China, respectively. There are 13 mini hydro power plants and 1 solar photovoltaic power plant (collectively “**Power Generation Equipment**”) in the Hydro Plants CGUs and Solar Plant CGU, respectively. For the purpose of impairment assessment, each individual hydro power plant is identified as a stand-alone CGU and the non-financial assets (before impairment loss) allocated to the Hydro Plants CGUs and the Solar Plant CGU are as follows:

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2022 US\$'000	31.12.2021 US\$'000	31.12.2022 US\$'000	31.12.2021 US\$'000
Property, plant and equipment	6,192	18,530	410	469
Rights of use assets – Power Generation Equipment	–	–	11,499	13,150
Rights of use assets – land use rights	–	–	1,871	2,154
Rights of use assets – office premises	47	–	–	–
Goodwill	–	–	–	–
	<u>6,239</u>	<u>18,530</u>	<u>13,780</u>	<u>15,773</u>

Management has estimated the recoverable amounts of the Hydro Plants CGUs and Solar Plant CGU based on their value-in-use calculations.

The value-in-use calculation for the respective CGUs was based on cash flow projections with the following key assumptions:

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Projection period	22 years	23 years	21 years	22 years
Tariff rates				
- During existing contracted period	Actual FY2022 tariff rates with an average annual upward revision of 5%	Actual FY2021 tariff rates with an average annual upward revision of 5%	Actual contracted tariff rates	Actual contracted tariff rates
- Post-contractual renewal period	Renewal tariff rate recommended by authority	Renewal tariff rate recommended by authority	Actual industry tariff rates	Actual industry tariff rates

10 Property, plant and equipment (cont'd)

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Projected utilisation rate	Average of past 7 years historical plant factor	Average of past 7 years historical plant factor	N.A.	N.A.
Timing of receipt of subsidies	N.A.	N.A.	Estimated to receive progressively from 2023	Estimated to receive progressively from 2022
Projected efficiency rate	N.A.	N.A.	Average 21 years projected efficiency rate	Average 22 years projected efficiency rate
Pre-tax discount rate	22%	18%	8.5%	14%

The cash flow projections were based on forecasts prepared by the management taking into account past experience, current and expected weather conditions and legislation affecting the operation of the business. The discount rates applied to the cash flow projections were estimated based on weighted average cost of capital with inputs from market comparables.

Based on the cash flow projections, the derived recoverable amounts of the Hydro Plants CGUs have significantly reduced primarily due to weakening of Sri Lankan Rupee and high discount rate used in view of the prevailing economic situation in Sri Lanka. Accordingly, the impairment losses were identified and allocated to the individual assets of the Hydro Plants CGUs and Solar Plant CGU as follows:

	Hydro Plants CGUs		Solar Plant CGU	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	US\$'000	US\$'000	US\$'000	US\$'000
Property, plant and equipment	7,861	4,650	–	–
Right-of use assets	–	–	–	1,050
	<u>7,861</u>	<u>4,650</u>	<u>–</u>	<u>1,050</u>

In estimating the recoverable amounts of the mini-hydro power plants, the Group assumed the concessions to continue beyond the existing contract periods. However, the assumed tariff rates as well as the plant factor are subject to estimation uncertainties that may result in material adjustments on the mini-hydro power plants' recoverable amounts in future periods.

In estimating the recoverable amounts of the solar photovoltaic power plant, the tariff rates include the Group's entitlement to government subsidies which account for a major portion of total tariff. The timing of settlement of tariff premium, and the collection of such subsidies is subject to allocation of funds by the relevant local government authorities that could take a longer time to settle. The assumed tariff rates, timing of receipt of subsidies as well as the efficiency rate are therefore subject to estimation uncertainties that may result in material adjustments on the solar photovoltaic power plant's recoverable amount in future periods.

The impairment charge of US\$7.86 million (31 December 2021: US\$5.70 million) is derived based on the value-in-use of the CGUs.

11 Trade and other receivables

	Group		Company	
	31.12.2022	31.12.2021 (Restated)	31.12.2022	31.12.2021
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Prepayments	548	726	–	–
	<u>548</u>	<u>726</u>	<u>–</u>	<u>–</u>
Current				
Trade receivables – third parties	7,100	7,299	–	–
Trade receivables – amounts due from subsidiaries	–	–	9,264	6,957
Allowance for impairment loss	(2,306)	(2,306)	(3,711)	(2,788)
Net trade receivables	<u>4,794</u>	<u>4,993</u>	<u>5,553</u>	<u>4,169</u>
Accrued trade receivables	10,433	9,290	–	–
Amounts due from joint ventures (non-trade)	150	126	150	126
Prepayments	131	511	9	7
Deposits paid	4	–	4	–
Tax recoverable	562	677	–	–
Deferred consideration receivable	419	419	419	419
Other receivables	869	825	554	490
	<u>17,362</u>	<u>16,841</u>	<u>6,689</u>	<u>5,211</u>
	<u>17,910</u>	<u>17,567</u>	<u>6,689</u>	<u>5,211</u>

As at 31 December 2022, the amount of US\$450,000 (31 December 2021: US\$450,000) is recognised in other receivables as receivable due from former joint venture partners of the Rising Sun Energy Pvt. Ltd. (“RSE”) Group which ceased to be a joint venture partner of the Company since 24 December 2020.

Accrued trade receivables relates to the remaining government subsidies in relation to the China photovoltaic power plant. As at 31 December 2022, the Group had not received the full entitled government subsidies which has accumulated to US\$10,433,000 (31 December 2021: US\$9,290,000). The Group had only received progressively some of the outstanding subsidies till June 2018.

Deferred consideration receivable relates to an amount of US\$419,000 (31 December 2021: US\$419,000), which is due from the RSE investor in relation to the sale of RSE upon the satisfaction of all post-completion obligations by the Group.

During the financial year ended 31 December 2022, the Company has recognised loss allowance of US\$923,000 (2021: US\$ Nil) on trade receivables from subsidiary corporations due to uncertainty of recovery. The Group has also recognised loss allowance of US\$43,000 (2021: US\$125,000) for amounts due from joint ventures due to uncertainty of recovery.

Non-trade amounts due from joint ventures of US\$150,000 (31 December 2021: US\$126,000) are unsecured, interest-free and repayable on demand.

12 Trade and other payables

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Staff retirement liabilities	74	176	–	–
	74	176	–	–
Current				
Trade payables	19	28	–	–
Loan from a shareholder	27,704	26,634	27,704	26,634
Non-trade amounts due to:				
- subsidiaries	–	–	27,515	25,560
- a related party	1,585	1,605	1,585	1,567
- joint ventures	173	128	173	128
Accrued operating expenses	1,732	1,619	491	241
Accrued interest payable	11,995	10,417	10,683	9,507
Other payables	4,050	9,190	1,480	846
	47,258	49,621	69,631	64,483
Total trade and other payables	47,332	49,797	69,631	64,483

Loan from a shareholder of the Group, amounting to US\$27,704,000 (31 December 2021: US\$26,634,000), is unsecured and bears principal interest at a fixed rate of 5.0% (31 December 2021: 5.0%) per annum.

The Group classified the entire loan obligations as “current liabilities” having breached covenants imposed by the shareholders.

As disclosed in Note 2, the loan from a shareholder is included in the Scheme of Arrangement which was approved at the Scheme Meeting.

Non-trade amounts due to a related party and joint ventures are unsecured, interest-free and are repayable on demand.

As at 31 December 2022, the amount of US\$Nil (31 December 2021: US\$5,689,000) is recognised in other payables as follows:

- US\$Nil (31 December 2021: US\$5,489,000) received in advance from a buyer in relation to the sale of the accommodation module that is classified as assets held for sale. The disposal has completed in February 2022.
- US\$Nil (31 December 2021: US\$200,000) received in advance from a buyer in relation to the sale of the anchor handling tug supply (“AHTS”) vessels. The disposal has completed in August 2022.

13 Financial liabilities

	Group		Company	
	31.12.2022 US\$'000	31.12.2021 US\$'000	31.12.2022 US\$'000	31.12.2021 US\$'000
Non-current				
Secured bank loans	–	41	–	–
	–	41	–	–
Current				
Secured bank loans	22,415	24,349	15,298	15,498
Secured lease liabilities	14,499	17,260	–	–
Intra-group financial guarantees	–	–	10,770	15,900
	36,914	41,609	26,068	31,398
Total financial liabilities	36,914	41,650	26,068	31,398

All the bank loans are secured by corporate guarantees from the Company, first legal charge on the Group's assets with carrying amounts of US\$6,231,000 (2021: US\$18,771,000), legal assignment of the rental proceeds from the Group's assets, assignment of insurances in respect of the Group's assets in the bank's favour and all monies standing to the credit of the Group's receiving operating accounts in respect of the assets maintained by the Group with the banks.

Included in cash and cash equivalents is an amount of US\$3,066,000 (31 December 2021: US\$5,220,000) being restricted or earmarked by the banks for various facilities granted.

Default of secured lease liabilities

As at 31 December 2022 and 31 December 2021, the Group had not met its obligation to maintain sufficient fund for the next two instalment payments. As the lease liabilities can be called for repayment upon notification by the lessor, the lease liabilities are classified to current liabilities. As at the date of this condensed interim financial statements, there were no notifications from the lessor for the lease to be settled on demand basis.

The lease liabilities are secured by the Group's assets with carrying amounts of US\$11,499,000 (2021: US\$13,150,000).

Default of secured bank loans and financial guarantees and breach of loan covenants

In prior years, the Group had not met its loan obligations and/or breached its loan covenants for certain secured term loans. As the affected loans can be called for repayment upon notification by the banks, those term loans were classified to current liabilities. As at 31 December 2022, the Group remains in default for these secured term loans. As at the date of this condensed interim financial statements, other than the notices received by the Group as announced on 14 October 2021 and 3 February 2023, there were no notifications from banks for the affected loans to be settled on demand basis.

On 31 October 2020, a standstill agreement in relation to the obligations for a financial guarantee amounting to US\$2,165,000 (31 December 2021: US\$2,165,000) issued by a financial institution had expired and remained unpaid. The financial institution did not extend the standstill agreement which expired on 31 October 2020. Accordingly, the financial guarantee obligation remains classified as current liabilities as at 31 December 2022 and 31 December 2021.

14 Share capital

	Group and Company			
	31.12.2022		31.12.2021	
	No. of shares '000	Amount US\$'000	No. of shares '000	Amount US\$'000
Issued and fully paid, with no par value				
At 1 January	13,659,329	274,553	13,656,698	274,545
Conversion of warrants to ordinary shares	–	–	2,631	8
At 31 December	13,659,329	274,553	13,659,329	274,553

There was no change in the Company's share capital from 1 October 2022 to 31 December 2022.

During the second quarter of 2021, the Company had issued 90,000 new ordinary shares upon the exercise and conversion of 90,000 warrants into the share capital of the Company.

During the fourth quarter of 2021, the Company had issued 2,541,000 new ordinary shares upon the exercise and conversion of 2,541,000 warrants into the share capital of the Company.

The remaining 2,037,704,705 outstanding warrants have expired on 26 November 2021.

As at 31 December 2022 and 31 December 2021, the Company had 13,659,328,535 ordinary shares in issue and 1,044,324,863 outstanding convertibles convertible into one ordinary share each.

Out of the above-said, as at 31 December 2022 and 31 December 2021, 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 31 December 2022 and 31 December 2021.

As at 31 December 2022, the issued and paid-up share capital excluding treasury shares of the Company comprised 13,659,328,535 (31 December 2021: 13,659,328,535) ordinary shares.

15 Prior year adjustment

A subsidiary corporation has erroneously included Value-Added Tax (VAT) in calculating revenue of national subsidy in previous periods. The error resulted in an overstatement of revenue recognised in 2021 and prior financial periods and a corresponding understatement of other payables. These have been corrected by restating each of the affected financial statement line items for prior periods as follows:

(a) Consolidated statement of financial position

1 January 2021	Impact of prior year adjustment		
	As previously reported	Adjustments	As restated
	US\$'000	US\$'000	US\$'000
Trade and other payables (current)	(43,902)	(499)	(44,401)
Others	(51,841)	-	(51,841)
Total liabilities	(95,743)	(499)	(96,242)
Accumulated losses	(307,543)	(382)	(307,925)
Other reserves	(6,428)	(108)	(6,536)
Others	290,782	-	290,782
Deficit in equity attributable to owners of the Company	(23,189)	(490)	(23,679)
Non-controlling interests	1,122	(9)	1,113
Net deficit in equity	(22,067)	(499)	(22,566)

30 September 2021	Impact of prior year adjustment		
	As previously reported	Adjustments	As restated
	US\$'000	US\$'000	US\$'000
Trade and other payables (current)	(47,361)	(649)	(48,010)
Others	(45,987)	-	(45,987)
Total liabilities	(93,348)	(649)	(93,997)
Accumulated losses	(312,115)	(498)	(312,613)
Other reserves	(6,308)	(26)	(6,334)
Others	290,782	-	290,782
Deficit in equity attributable to owners of the Company	(27,641)	(524)	(28,165)
Non-controlling interests	955	(125)	830
Net deficit in equity	(26,686)	(649)	(27,335)

31 December 2021	Impact of prior year adjustment		
	As previously reported	Adjustments	As restated
	US\$'000	US\$'000	US\$'000
Trade and other payables (current)	(48,920)	(701)	(49,621)
Others	(43,334)	-	(43,334)
Total liabilities	(92,254)	(701)	(92,955)
Accumulated losses	(309,014)	(530)	(309,544)
Other reserves	(6,558)	(55)	(6,613)
Others	288,406	-	288,406
Deficit in equity attributable to owners of the Company	(27,166)	(585)	(27,751)
Non-controlling interests	1,108	(116)	992
Net deficit in equity	(26,058)	(701)	(26,759)

15 Prior year adjustment (cont'd)

(b) Consolidated statement of profit or loss and OCI

3 months ended 31 December 2021	Impact of prior year adjustment		
	As previously reported	Adjustments	As restated
	US\$'000	US\$'000	US\$'000
Revenue	3,788	(42)	3,746
Others	(2,423)	-	(2,423)
Profit for the period	1,365	(42)	1,323
Profit attributable to:			
Owners of the Company	1,196	(15)	1,181
Non-controlling interests	169	(27)	142
Profit for the period	1,365	(42)	1,323
Other comprehensive losses	(324)	(10)	(334)
Total comprehensive income	1,041	(52)	989
Total comprehensive income attributable to:			
Owners of the Company	888	(61)	827
Non-controlling interests	153	9	162
Total comprehensive income for the period	1,041	(52)	989

For the year ended 31 December 2021	Impact of prior year adjustment		
	As previously reported	Adjustments	As restated
	US\$'000	US\$'000	US\$'000
Revenue	13,579	(187)	13,392
Others	(16,671)	-	(16,671)
Loss for the year	(3,092)	(187)	(3,279)
Loss attributable to:			
Owners of the Company	(3,102)	(130)	(3,232)
Non-controlling interests	10	(57)	(47)
Loss for the year	(3,092)	(187)	(3,279)
Other comprehensive losses	(243)	(15)	(258)
Total comprehensive losses	(3,335)	(202)	(3,537)
Total comprehensive losses attributable to:			
Owners of the Company	(3,321)	(95)	(3,416)
Non-controlling interests	(14)	(107)	(121)
Total comprehensive losses for the year	(3,335)	(202)	(3,537)

16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

- (a) The Company had on 18 January 2023 entered into a new conditional subscription agreement with the Investor for the subscription of new ordinary shares amounting to S\$13,576,000 and share options amounting to S\$16,291,200.
- (b) The Group had on 6 February 2023 completed the disposal of AHTS vessel “SALEH” for a consideration of USD700,000.
- (c) The Company had on 18 February 2023 applied to the Singapore High Court for leave to convene scheme meeting and for a moratorium under Section 210(10) of the Companies Act. On 11 April 2023, the Court had granted orders in relation to grant of leave application to convene the scheme meeting no later than 11 July 2023 and moratorium for a period of 3 months commencing from 11 April 2023. At the scheme meeting held on 7 June 2023 with quorum via proxy, the scheme creditors have approved the Scheme dated 12 April 2023.
- (d) The Group had on 31 March 2023 completed the disposal of AHTS vessel “SAMED” for a consideration of USD700,000.
- (e) The Group had on 6 June 2023 entered into a deed of settlement with holders of REPS in relation to the settlement of outstanding arrangements under the REPS subscription agreement and terminate the deed of charge.
- (f) The Court had on 7 July 2023, granted an Order of Court sanctioning the Scheme and the Company had lodged a copy of the extracted Order of Court with the Registrar of Companies. Thereafter, the Scheme become binding on the Company and the participating creditors. The Company continues to work toward the fulfilment of conditions precedents to effect the Scheme of Arrangement.
- (g) The Group’s main operations are in Sri Lanka where the 13 hydropower generators are situated. Following the detrimental impact of Covid-19, the island nation of Sri Lanka (the “**Country**”) was in the midst of one of the worst economic crisis. Inflation escalated and there was shortage of supplies on the import of many essential items including petrol, food items and medicines. Coupled with the depletion of foreign reserves, the Country went through political turmoil and violent protests over the country’s current economic crisis.

Since the beginning for the Year 2023, the above situations had gradually eased and stabilised. The Company will continue to monitor the situation in the Country and its impact to the Group and with the current situation in the Country, the Company expects the Group to face the following:

- severe slowdown in collection of receivables from the sale of electricity;
 - drop in revenue due to the weakening of Sri Lankan Rupees (“**LKR**”); and
 - further increase in the costs of operations due to the rising inflation costs.
- (h) The Company and Anchor Marine 3 Inc, a wholly-owned subsidiary of the Company (“**AM3**”), received notices of demand dated 1 February 2023 (the “**Notice of Demand**”) from one of the secured lending banks of the Group (the “**Bank**”). In relation to the Notice of Demand issued to AM3, it is noted that AM3 has failed to, inter alia, make full payments under or in connection with the facility with the Bank and that such default(s) remain unaddressed and/or remedied as of 1 February 2023. Consequently, the Bank has declared an event of default under the Facility Agreement (the “**EOD**”) and that the facility thereunder is cancelled. The Notice of Demand issued to the Company is by virtue of a guarantee where the Company had guaranteed to pay on demand as principal debtor, inter alia, all sums due and owing from AM3 (as borrower) under the above facility agreement. In relation thereto to the Notice of Demand, the Group has continued the discussions with the Bank to request for support on the Proposed Debt Restructuring under the New CSA.
 - (i) The Company had on 13 October 2023, entered into a supplemental agreement with the Investor to extend the Longstop Date of the New CSA from 17 October 2023 to 31 March 2024.

Other Information Required by Listing Rule Appendix 7C

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

The condensed consolidated statement of financial position of Charisma Energy Services Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

3(a) Updates on the efforts taken to resolve each outstanding audit issue

The auditors had issued a disclaimer of opinion on page 31 of the Company's annual report for the financial year ended 31 December 2021 ("FY2021") due to the following matters indicate the existence of material uncertainties which may cast significant doubt on the Group and the Company's ability to continue as a going concerns:-

The Group and the Company incurred a net loss of US\$3,092,000 and US\$6,410,000 respectively during the financial year ended 31 December 2021, and as of that date, the Group and the Company were in net liability positions of US\$26,058,000 and US\$64,505,000 respectively. Furthermore, the Group's and the Company's current liabilities exceeded their assets by US\$61,349,000 and US\$90,610,000 respectively. In addition, the Group has outstanding obligations amounting to S\$24,349,000 that were classified as "current liabilities" in the statement of financial position as at 31 December 2021. Of these obligations, US\$14,749,000 has been restructured with progressive repayments over 84 months from November 2019. However, the remaining US\$14,590,000 outstanding obligations has not been restructured are in default and are callable on demand. Furthermore, due to the defaults on certain bank loans by the Group, the loans from shareholders of US\$26,634,000 were classified as "current liabilities". The Group plans to seek continuous financial support from these shareholders, despite the cross-default clause present in the shareholder loan agreements. There is however no formal agreement reached with the shareholders to extend this financial support for at least another 12 months from the reporting date.

In view of recent developments as outlined in Note 2, the Company would like to update that the abovementioned matters have been addressed after taking into consideration fresh investment funds from the New CSA with an investor, restructuring plans to be agreed with creditors and lenders, continuous support from shareholders and the Group generating sufficient cash flows from its continuing operations and asset divestment plans.

Please refer to section on "Recent Developments for the financial year ending 31 December 2023" under Note 2 on updates in relation to the following matters:

- Group's entry into the New CSA and the binding termsheet with the Subscriber;
- Group's entry into the deed of settlement with holders of the non-voting, redeemable and exchangeable preference shares;
- Scheme of Arrangement dated 12 April 2023 between the Company and its Scheme Creditors pursuant to Section 210 of the Companies Act.

As at the date of this announcement, the Company continues to work towards the fulfilment of conditions precedents to effect the Scheme of Arrangement.

The Company had on 30 June 2023 submitted, through its sponsor to the Singapore Exchange Regulation Pte Ltd (the “SGX RegCo”) a further application for the further extension of time till 31 December 2023 to submit its proposal with a view to resume trading in its securities. As at the date of this announcement, the Company is in the midst of preparing its proposal for the trading resumption and the Company will make further announcements to update shareholders when there are material developments.

In relation to the divestment plan for the Group's remaining solar asset, the Group has entered into the Memorandum of Understanding with a potential buyer for them to commence due diligence work. The Group will provide an update when there is a material development.

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

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement Review

4Q 2022 vs 4Q 2021

The Group’s revenue for the three months ended 31 December 2022 (“**4Q 2022**”) decreased by US\$1,691,000 from US\$3,746,000 as compared to the corresponding three months ended 31 December 2021 (“**4Q 2021**”) mainly due to decrease in generation output for the Sri Lanka Mini Hydro Power Plants (“**MHPPs**”) as a result of a plant’s machinery breakdown in November 2022 coupled with the weaker Sri Lankan Rupee as well as lower tariff rate.

The Group’s cost of sales for 4Q 2022 decreased by US\$293,000 to US\$412,000 as compared to 4Q 2021. The decrease in cost of sales was mainly due to the lower depreciation expenses recognised as a result of impairment recognised on the property, plant and equipment in June 2022.

As a result of the above, the Group’s gross profit for 4Q 2022 decreased by US\$1,398,000 to US\$1,643,000 as compared to 4Q 2021.

Other operating income in 4Q 2022 was primarily due to the gain on disposal of AHTS.

Administrative and marketing expenses in 4Q 2022 increased by US\$114,000 to US\$556,000 as compared to 4Q 2021 mainly due to the increase in professional fees for corporate restructuring.

Other operating expenses decreased by US\$2,098,000 as compared to 4Q 2021 was due to the impairment loss recognised for the property, plant and equipment, and right of use assets in 4Q 2021.

Finance income in 4Q 2022 increased by US\$50,000 to US\$105,000 as compared to 4Q 2021 mainly due to interest income on fixed deposits and cash balance held by the Group in Sri Lanka.

Finance costs in 4Q 2022 increased by US\$1,056,000 to US\$1,250,000 as compared to 4Q 2021 mainly due to adjustment in interest costs effected in 4Q 2021.

The Group recorded tax expenses of US\$604,000 in 4Q2022 as compared to tax credit of US\$532,000 in 4Q2021 mainly due to the reversal of deferred tax expenses amounting to US\$1,075,000 in 4Q 2021.

12M 2022 vs 12M 2021

The Group's revenue for the twelve months ended 31 December 2022 ("12M 2022") decreased by US\$4,994,000 from US\$13,392,000 to US\$8,398,000 as compared to the corresponding year ended 31 December 2021 ("12M 2021") mainly due to decrease in generation output for the MHPPs as a result of lesser rainfall compared to 12M 2021 and weaker Sri Lankan Rupee, coupled with a lower tariff rate. The decrease in revenue was partially offset by improvements in China's operation, recorded an increased to US\$3,597,000 in 12M2022 from US\$3,339,000 in 12M 2021.

The Group's cost of sales for 12M 2022 decreased by US\$1,167,000 to US\$2,997,000 as compared to 12M 2021 was due to lower depreciation expenses recognised as a result of impairment on property, plant and equipment assets in 3Q 2021, 4Q 2021 and 2Q 2022.

As a result of the above, the Group's gross profit for 12M 2022 decreased by US\$3,827,000 to US\$5,401,000 as compared to 12M 2021.

The increase in other operating income in 12M 2022 of US\$1,552,000 is primarily due to the gain on disposal of accommodation module of US\$428,000 and gain on disposal of AHTS vessels of US\$1,113,000.

Administrative and marketing expenses in 12M 2022 decreased by US\$97,000 to US\$2,743,000 as compared to 12M 2021 mainly due to the Group's on-going effort in reducing costs.

Other operating expenses in 12M 2022 increased by US\$2,063,000 to US\$7,903,000 as compared to 12M 2021 mainly due to higher impairment loss recognised for the property, plant and equipment and joint ventures receivables.

Finance income in 12M 2022 increased by US\$191,000 to US\$322,000 as compared to 12M 2021 mainly due to interest income on fixed deposits and cash balance held by the Group in Sri Lanka.

Finance costs in 12M 2022 decreased by US\$42,000 to US\$4,084,000 as compared to 12M 2021 mainly due to the reduction in interest due to partial repayment of principal to lenders and cessation of interest charge by a related party, offset by slight increase in refinancing costs with a lender.

The Group recorded income tax expenses of US\$895,000 in 12M 2022 as compared to tax expenses of US\$303,000 in 12M 2021 mainly due to the reversal of deferred tax expenses amounting to US\$1,075,000 in 4Q 2021.

Statement of Financial Position Review

Non-current Assets

The Group's Non-Current Assets amounted to US\$21,288,000 as at 31 December 2022. The decrease of US\$15,345,000 was mainly due to impairment loss recognised of US\$7,861,000, depreciation charge of US\$1,676,000 and translation loss on Sri Lankan Rupee denominated assets of US\$5,005,000 reducing both the carrying amounts of the property, plant and equipment and right-of-use asset values.

Current Assets

The Group's Current Assets amounted to US\$21,217,000 as at 31 December 2022. The decrease of US\$8,346,000 was mainly due to disposal of assets held for sale amounted to US\$6,821,000 and also due to the decrease of US\$1,649,000 in cash and cash equivalents of the Group due to translation loss on Sri Lankan Rupee.

Total Liabilities

The Group's Total Liabilities amounted to US\$85,409,000 as at 31 December 2022. The decrease of US\$7,546,000 was attributed to the decrease of US\$2,465,000 in trade and other payables arising from the reversal of advance received from assets held for sale and AHTS vessel upon the completion of the disposals amounting to US\$5,689,000, and partially off-set by a slight increase of accrual of interest expense amounting to US\$2,648,000. The decrease in total liabilities is also attributed to the decrease in financial liabilities amounting to US\$4,736,000, due to repayment of borrowings to lenders in 12M 2022.

Statement of Cash Flows Review

4Q 2022 vs 4Q 2021

Cash Flow from Operating Activities

The Group's net cash from operating activities in 4Q 2022 was US\$1,259,000. This was mainly due to cash collection from trade and other receivables.

Cash Flow from Investing Activities

The Group's net cash from investing activities in 4Q 2022 was US\$856,000. This was mainly due to proceeds from disposal of property, plant and equipment.

Cash Flow from Financing Activities

The Group's net cash used in financing activities in 4Q 2022 was US\$2,359,000. This was mainly due to the net repayment of borrowings and interest expense of US\$1,148,000 and payment of lease liabilities of US\$582,000.

12M 2022 vs 12M 2021

Cash Flow from Operating Activities

The Group's net cash from operating activities in 12M 2022 was US\$1,957,000. This was mainly due to the Group recorded a higher net loss in 12M2022 as compared to 12M2021 as explained in the "Income Statement Review" section for financial performance of 12M 2022.

Cash Flow from Investing Activities

The Group's net cash from investing activities in 12M 2022 was US\$2,893,000. This was mainly due to proceeds from disposal of property, plant and equipment of US\$1,070,000 and advances received for assets held for sale of US\$1,578,000. The Group recorded a lower net cash from investing activities mainly due to the absence of proceeds from disposal of joint ventures amounting to US\$1,304,000 in 12M 2021.

Cash Flow from Financing Activities

The Group's net cash used in financing activities in 12M 2022 was US\$4,787,000. This was mainly due to the net repayment of borrowings and interest expense of US\$4,113,000 and payment of lease liabilities of US\$1,140,000. The Group recorded a lower net cash used in financing activities mainly due to higher repayment of borrowings in 12M 2021.

5 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.

6 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 would like to update that:

- (a) In relation to the Sri Lanka mini hydro power plants operations, the plants continue to operate smoothly and generate a positive operating cashflow. With the collection efforts made in the recent months, the Group had reduced the outstanding receivables from its customer to US\$3.7 million. The Group has arranged for the repatriation of US Dollars from Sri Lanka to Singapore over the past 5 months, which is earmarked for repayment of the Group's secured loan;
- (b) In relation to the China photovoltaic power plant PRC Solar, the Group had fulfilled its quarterly instalment payment on the loan principal amount and interest to date with partial funding arising from a loan from the minority shareholder. The Group remains in talks with the potential buyer ("**Potential Buyer**") for PRC Solar as part of the Company's divestment strategy. Subsequent to the Memorandum of Understanding with the Potential Buyer, due diligence work has commenced in September 2023 and is currently ongoing; and
- (c) The Company continues to work with the relevant parties towards trading resumption of its securities on the Catalist Board of the Singapore Exchange. As at the date of this announcement, the Company is in the midst of preparing its proposal for the trading resumption.

The Company will make the necessary announcements as and when there are further material developments on the above matters.

7 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.

8 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 12M 2022, no dividend has been declared or recommended for the financial period.

9 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. No dividend has been declared or recommended for 12M 2022 and 12M 2021.

10 In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments

Please refer to paragraph 4 under Other Information Required by Listing Rule Appendix 7C.

11 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 29 June 2021, obtained a general and specific mandate from shareholders for interested person transactions (“IPTs”).

Particulars of IPTs for the period 1 January 2022 to 31 December 2022 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>Management fee expenses</u>			
Ezion Holdings Limited	A controlling shareholder of the Company	NIL	18,190
<u>Interest expenses</u>			
Ezion Holdings Limited	A controlling shareholder of the Company	NIL	1,069,241

12 Additional information required pursuant to Rule 706A

The Company did not acquire or dispose any shares in any companies during 12M 2022.

13 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).

14 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or in any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

.....
Chew Thiam Keng
Non-Executive Director

.....
Simon de Villiers Rudolph
Independent Non-Executive Director

BY ORDER OF THE BOARD

Zhan Aijuan
Company Secretary
17 October 2023

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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