

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2017

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

	Note ¹	Group			Group		
		2Q 2017 US\$'000	2Q 2016 US\$'000	Change %	1H 2017 US\$'000	1H 2016 US\$'000	Change %
Revenue	(1)	4,741	6,039	(21%)	9,473	12,610	(25%)
Cost of sales	(1)	(2,163)	(2,306)	(6%)	(4,328)	(4,607)	(6%)
Gross profit	(1)	2,578	3,733	(31%)	5,145	8,003	(36%)
Other operating (expense)/income, net	(2)	(814)	150	n.m.	(807)	150	n.m.
Administrative and marketing expenses		(558)	(543)	3%	(1,016)	(948)	7%
Profit from operating activities		1,206	3,340	(39%)	3,322	7,205	(42%)
Finance income		76	1	n.m.	152	4	n.m.
Finance costs	(3)	(660)	(636)	4%	(1,327)	(1,298)	2%
Net finance cost		(584)	(635)	(8%)	(1,175)	(1,294)	(9%)
Share of results of jointly controlled entities (net of tax)		33	(74)	n.m.	115	(80)	n.m.
Profit before taxation		655	2,631	(75%)	2,262	5,831	(61%)
Taxation		(1)	(1)	n.m.	(1)	(1)	n.m.
Profit after income tax		654	2,630	(75%)	2,261	5,830	(61%)
Non-controlling interests		7	-*	n.m.	16	-	n.m.
Profit for the period		661	2,630	(75%)	2,277	5,830	(61%)

*Amount less than US\$1,000

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

	Group			Group		
	2Q 2017 US\$'000	2Q 2016 US\$'000	Change %	1H 2017 US\$'000	1H 2016 US\$'000	Change %
- Net finance cost	(584)	(635)	(8%)	(1,175)	(1,294)	(9%)
- Depreciation and amortisation	(2,147)	(2,244)	(4%)	(4,296)	(4,524)	(5%)
- Impairment loss on available-for-sale financial assets	(827)	-	n.m.	(827)	-	n.m.
- Foreign exchange gain	59	30	97%	37	60	(38%)

n.m. = not meaningful

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

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

	Note ²	Group		Company	
		30/06/2017	31/12/2016	30/06/2017	31/12/2016
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	(1)	127,279	123,192	24	38
Subsidiaries		-	-	81,530	75,895
Joint ventures	(2)	15,070	5,757	22,481	13,287
Investment in quoted shares	(3)	1,477	2,305	1,477	2,305
Intangible assets	(4)	1,306	1,306	-	-
Other receivables	(5)	1,469	1,138	-	-
Amount due from joint venture	(6)	-	7,530	-	-
		146,601	141,228	105,512	91,525
CURRENT ASSETS					
Trade and other receivables	(5)	12,322	7,392	1,095	346
Amounts due from subsidiaries		-	-	1,201	1,200
Amounts due from joint ventures	(6)	7,958	341	-	341
Cash and cash equivalents		1,799	4,112	1,493	1,776
		22,079	11,845	3,789	3,663
TOTAL ASSETS		168,680	153,073	109,301	95,188
EQUITY					
Share capital		272,592	272,373	272,592	272,373
Convertible perpetual capital securities		6,811	6,811	6,811	6,811
Redeemable exchangeable preference shares		7,042	7,042	-	-
Warrants		2,424	2,514	2,424	2,514
Other reserves	(7)	(257)	(845)	-	-
Accumulated losses		(202,486)	(204,703)	(218,253)	(216,532)
Equity attributable to owners of the Company		86,126	83,192	63,574	65,166
Non-controlling interests		1,934	1,950	-	-
TOTAL EQUITY		88,060	85,142	63,574	65,166
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred revenue	(8)	-	1,264	-	-
Other payables		35	40	-	-
Amounts due to subsidiaries		-	-	19,263	18,165
Amounts due to a related party	(9)	22,592	7,797	22,592	7,797
Financial liabilities	(10)	33,274	39,755	898	1,325
		55,901	48,856	42,753	27,287
CURRENT LIABILITIES					
Deferred revenue	(8)	-	1,059	-	-
Trade and other payables	(11)	8,038	3,738	1,732	1,478
Amounts due to related parties		670	593	633	558
Amounts due to joint venture		28	24	28	24
Financial liabilities	(10)	15,983	13,661	581	675
		24,719	19,075	2,974	2,735
TOTAL LIABILITIES		80,620	67,931	45,727	30,022
TOTAL EQUITY AND LIABILITIES		168,680	153,073	109,301	95,188

² Please refer to Paragraph 8 for review of Statement of Financial Position.

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

	Group	
	As at 30/06/2017 US\$'000	As at 31/12/2016 US\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	15,983	13,661
<u>Amount repayable after one year:-</u>		
Secured	33,274	39,755
Unsecured	22,592	7,797

Details of any collateral

Secured borrowings as at 30 June 2017 and 31 December 2016 were secured by mortgages on the respective hydro-electric power generation equipment, offshore support vessels and onshore accommodation module.

1(b)(iii) Statement of comprehensive income for the period ended 30 June 2017

	Group					
	2Q 2017 US\$'000	2Q 2016 US\$'000	Change %	1H 2017 US\$'000	1H 2016 US\$'000	Change %
Profit for the period	654	2,630	(75%)	2,261	5,830	(61%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit and loss</u>						
Net loss on fair value changes of available-for-sale financial assets	-	(242)	n.m.	-	(306)	n.m.
Effective portion of changes in fair value of cash flow hedge	1	(25)	n.m.	14	(100)	n.m.
Translation differences relating to financial statements of foreign operations	(54)	12	n.m.	9	(16)	n.m.
Foreign currency translation differences due to foreign operations	(129)	(194)	(34%)	565	120	n.m.
Other comprehensive income for the period	(182)	(449)	(59%)	588	(302)	n.m.
Total comprehensive income for the period	472	2,181	(78%)	2,849	5,528	(48%)
Attributable to:						
Owners of the Company	479	2,181	(78%)	2,865	5,528	(48%)
Non-controlling interests	(7)	-*	n.m.	(16)	-*	n.m.
	472	2,181	(78%)	2,849	5,528	(48%)

*Amount less than US\$1,000
n.m. = not meaningful

1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Note ³	Group			
	2Q 2017 US\$'000	2Q 2016 US\$'000	1H 2017 US\$'000	1H 2016 US\$'000
Cash flows from operating activities				
	655	2,631	2,262	5,831
	Profit before taxation			
Adjustments for:-				
	-	(379)	-	(891)
	Amortisation of deferred income			
	2,147	2,244	4,296	4,524
	Depreciation of property, plant and equipment			
	52	(150)	45	(150)
	Fair value gain on derivative assets			
	(76)	(1)	(152)	(4)
	Interest income			
	660	636	1,327	1,298
	Interest expense			
	66	(60)	102	(38)
	Equity-settled share-based payment transaction			
	(33)	74	(115)	80
	Share of results of jointly controlled entities, net of tax			
	827	-	827	-
	Impairment loss on available-for-sale financial assets			
	4,298	4,995	8,592	10,650
	Operating profit before working capital changes			
Changes in working capital:				
	(3,779)	(2,719)	(7,488)	(4,493)
	Trade and other receivables			
	(173)	1,216	(40)	96
	Trade and other payables			
	(1)	(6)	(1)	(10)
	Income tax paid			
	345	3,486	1,063	6,243
(1)	Net cash generated from operating activities			
Cash flows from investing activities				
	(4,659)	-	(4,659)	-
	Purchase of plant and equipment			
	(1)	-	(146)	-
	Prepayment for land use rights			
	-	(1,045)	-	(1,045)
	Acquisition of subsidiary, net of cash acquired			
	-	(1)	-	(9)
	Loans to joint ventures			
	(5,988)	-	(8,876)	-
	Investment in joint ventures			
	76	1	152	4
	Interest income received			
	(10,572)	(1,045)	(13,529)	(1,050)
(2)	Net cash used in investing activities			
Cash flows from financing activities				
	-	304	-	304
	Capital contribution by non-controlling interests of subsidiary			
	11,907	-	14,795	-
	Loan from a related party			
	(2,290)	(3,366)	(4,159)	(6,246)
	Repayment of borrowings			
	7	-	129	-
	Proceeds from issuance of shares by the company			
	(502)	(626)	(795)	(1,262)
	Interest expense paid			
	9,122	(3,688)	9,970	(7,204)
(3)	Net cash generated from/(used in) financing activities			
	(1,105)	(1,247)	(2,496)	(2,011)
	Net decrease in cash and cash equivalents			
	2,877	7,468	4,112	8,110
	Cash and cash equivalents at beginning of period			
	27	8	183	130
	Effect of exchange rate fluctuations on cash held			
	1,799	6,229	1,799	6,229
	Cash and cash equivalents at end of period			

³ Please refer to Paragraph 8 for review of Statement of Cash Flows.

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

Statements of Changes in Equity

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Redeemable Exchangeable Preference Shares US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Hedging Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total Equity US\$'000
Balance as at 1 January 2017	272,373	6,811	7,042	2,514	(803)	-	(42)	(204,703)	83,192	1,950	85,142
Total comprehensive income for the period	-	-	-	-	574	-	14	2,277	2,865	(16)	2,849
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Issuance of ordinary shares	129	-	-	-	-	-	-	-	129	-	129
Conversion of warrants to ordinary shares	90	-	-	(90)	-	-	-	-	-	-	-
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(162)	(162)	-	(162)
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	102	102	-	102
Total transactions with owners	219	-	-	(90)	-	-	-	(60)	69	-	69
Balance as at 30 June 2017	272,592	6,811	7,042	2,424	(229)	-	(28)	(202,486)	86,126	1,934	88,060

*Amount less than US\$1,000

1(d)(i) Continued

The Group	Share Capital US\$'000	Perpetual Securities US\$'000	Redeemable Exchangeable Preference Shares US\$'000	Warrants US\$'000	Foreign Currency Translation Reserves US\$'000	Fair Value Reserve US\$'000	Hedging Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total Equity US\$'000
Balance as at 1 January 2016	270,718	6,811	7,042	19,394	(482)	-	(71)	(224,802)	78,610	-	78,610
Total comprehensive income for the period	-	-	-	-	104	(306)	(100)	5,830	5,528	-*	5,528
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Issuance of ordinary shares	1,541	-	-	-	-	-	-	-	1,541	-	1,541
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(161)	(161)	-	(161)
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	304	304
Equity-settled share-based payment transaction	-	-	-	-	-	-	-	(38)	(38)	-	(38)
Total transactions with owners	1,541	-	-	-	-	-	-	(199)	1,342	304	1,646
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	261	261
Balance as at 30 June 2016	272,259	6,811	7,042	19,394	(378)	(306)	(171)	(219,171)	85,480	565	86,045

* Amount is less than US\$1,000

1(d)(i) Continued

The Company	Share Capital US\$'000	Perpetual Securities US\$'000	Fair value Reserve US\$'000	Warrants US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2017	272,373	6,811	-	2,514	(216,532)	65,166
Total comprehensive income for the period	-	-	-	-	(1,661)	(1,661)
Transactions with owners, recognised directly in equity Contributions by and distribution to owners						
Issuance of ordinary shares	129	-	-	-	-	129
Conversion of warrants to ordinary shares	90	-	-	(90)	-	-
Accrued convertible perpetual capital securities distributions	-	-	-	-	(162)	(162)
Equity-settled share-based payment transaction	-	-	-	-	102	102
Total transaction with owners	219	-	-	(90)	(60)	69
Balance as at 30 June 2017	272,592	6,811	-	2,424	(218,253)	63,574
Balance as at 1 January 2016	270,718	6,811	-	19,394	(235,256)	61,667
Total comprehensive income for the period	-	-	(306)	-	74	(232)
Transactions with owners, recognised directly in equity Contributions by and distribution to owners						
Issuance of ordinary shares	1,541	-	-	-	-	1,541
Accrued convertible perpetual capital securities distributions	-	-	-	-	(161)	(161)
Equity-settled share-based payment transaction	-	-	-	-	(38)	(38)
Total transaction with owners	1,541	-	-	-	(199)	1,342
Balance as at 30 June 2016	272,259	6,811	(306)	19,394	(235,381)	62,777

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the second quarter of 2017, the Company allotted and issued 4,900,000 new ordinary shares pursuant to the exercise of 4,900,000 warrants by various warrant holders.

As at 30 June 2017, the Company had 13,139,385,035 ordinary shares issued and 3,200,081,668 outstanding convertibles. As at 30 June 2016, the Company had 13,010,308,855 ordinary shares issued and 1,425,700,000 outstanding convertibles.

As at 30 June 2017, there were 7,299,270 redeemable exchangeable preference shares (30 June 2016: 7,299,270) in a subsidiary available for exchange to 523,620,516 ordinary shares of the Company.

The Company did not hold any treasury shares as at 30 June 2017 and 30 June 2016.

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 2017, the issued and paid up share capital (excluding treasury shares) of the Company comprised 13,139,385,035 (31 December 2016: 13,050,963,935) 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.

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

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

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under item 5 below, the Group has consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial year ended 31 December 2016.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2017 as follows:

Amendments to FRS 7 *Statement of Cash Flows*
 Amendments to FRS 12 *Income Taxes*
 Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRSs.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

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

		Group			
		2Q 2017	2Q 2016	1H 2017	1H 2016
(a)	EPS based on weighted average number of ordinary shares in issue (in US cents)	0.01	0.02	0.02	0.04
	Weighted average number of ordinary shares (in million)	13,053	13,010	13,114	12,964
(b)	EPS based on fully diluted basis (in US cents)	0.00 ^N	0.02	0.01	0.04
	Weighted average number of ordinary shares (in million)	15,266*	13,048	15,335*	12,983
		Group			
		2Q 2017	2Q 2016	1H 2017	1H 2016
(a)	EPS based on weighted average number of ordinary shares in issue (in SGD cents)	0.01 [^]	0.03 [^]	0.02 [#]	0.06 [#]
	Weighted average number of ordinary shares (in million)	13,053	13,010	13,114	12,964
(b)	EPS based on fully diluted basis (in SGD cents)	0.01 [^]	0.03 [^]	0.02 [#]	0.06 [#]
	Weighted average number of ordinary shares (in million)	15,266*	13,048	15,335*	12,983

^N Less than 0.01

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

[^] Conversion to SGD were based on 2Q 2017 average exchange rate of USD 1: SGD 1.3861 (2Q 2016: USD1 : SGD 1.3577).

[#] Conversion to SGD were based on 1H 2017 average exchange rate of USD 1: SGD 1.3966 (1H 2016: USD1 : SGD 1.3767).

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.

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2017</u>	<u>31/12/2016</u>	<u>30/06/2017</u>	<u>31/12/2016</u>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on (in US cents)	0.67	0.65	0.48	0.50

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2017</u>	<u>31/12/2016</u>	<u>30/06/2017</u>	<u>31/12/2016</u>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on (in SGD^ cents)	0.92	0.94	0.67	0.72

^ Conversion to SGD were based on 30 June 2017 exchange rate of USD 1: SGD 1.3773 (31 December 2016: USD 1: SGD 1.4463).

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 2017

1. The Group's revenue for 2Q 2017 decreased by approximately US\$1,298,000 to US\$4,741,000 as compared to 2Q 2016 mainly due to reduction in the charter rates of the Group's vessels.

Cost of sales comprised mainly depreciation and amortisation expenses. The cost of sales for 2Q 2017 decreased by approximately US\$143,000 to US\$2,163,000 as compared to 2Q 2016 due to lower depreciation from existing plant and equipment.

As a result of the above, the Group's gross profit for 2Q 2017 decreased by approximately US\$1,155,000 to US\$2,578,000 as compared to 2Q 2016.

2. Other operating expenses in 2Q 2017 of US\$814,000 was mainly due to impairment on available-for-sale financial assets.
3. Finance costs in 2Q 2017 increased by US\$24,000 to US\$660,000 as compared to 2Q 2016 mainly due to increase in loan from a related party during the period.

1H 2017

1. The Group's revenue for 1H 2017 decreased by approximately US\$3,137,000 to US\$9,473,000 as compared to 1H 2016 mainly due to reduction in the charter rates of the Group's vessels.

Cost of sales in 1H 2017 comprised mainly depreciation and amortisation expenses. The cost of sales in 1H 2017 decreased by approximately US\$279,000 to US\$4,328,000 as compared to 1H 2016 due to lower depreciation from existing acquired plant and equipment.

As a result of the above, the Group's gross profit for 1H 2017 decreased by approximately US\$2,858,000 to US\$5,145,000 as compared to US\$8,003,000 in 1H 2016.

2. Other operating expenses in 2Q 2017 of US\$807,000 was mainly due to impairment on available-for-sale financial assets.
3. Finance costs in 1H 2017 increased by US\$29,000 to US\$1,327,000 as compared to 1H 2016 mainly due to increase in loan from a related party during the period.

Statement of Financial Position Review

1. The increase in property, plant and equipment was mainly due to capital expenditure incurred for the PV Solar plant in China, offset by the depreciation of the Group's plant and equipment in 1H 2017.
2. The increase in joint ventures as at 30 June 2017 as compared to 31 December 2016 was due to additional capital contribution to a joint venture developing PV Solar projects in South Asia.
3. The decrease in the investment in quoted shares was due to the revaluation of these shares as at 30 June 2017 as compared to 31 December 2016.
4. Intangible assets relate to the approvals and permits for the development of the solar photovoltaic power plant and sales of electricity from the power plant.
5. The increase in trade and other receivables as at 30 June 2017 as compared to 31 December 2016 was due to the increase in prepayments of land used rights for the ongoing construction of solar photovoltaic plant in China and receivables relating to the lease of the Group's offshore support vessels, the onshore accommodation module and mini hydro power plants.
6. The increase in amounts due from joint ventures was due to a reclassification of approximately US\$7.5 million from non-current amount due from joint venture as the amount is repayable in 2Q 2018.
7. Other reserves mainly relate to the currency translation arising from foreign operations as well as translation differences relating to financial statements of foreign operations..
8. The decrease in deferred revenue (non-refundable deposits) as at 30 June 2017 as compared to 31 December 2016 was due to offset of the non-refundable deposits against trade receivables.
9. Amount due to a related party relates to loan from a shareholder of the Group. Increase is due to additional loans obtained in 2Q 2017.
10. The decrease in financial liabilities was as at 30 June 2017 as compared to 31 December 2016 mainly due to the repayment of bank loans.
11. The increase in trade and other payables as at 30 June 2017 as compared to 31 December 2016 was due to increase in amount payable for the ongoing construction of solar photovoltaic plant in China.

As at 30 June 2017, the Group was in a net current liabilities position. Based in its internal budget and cash flow planning, the Group is confident that it would be able to meet its short term obligations as and when they fall due.

Statement of Cash Flows Review

2Q 2017

1. Net cash generated from operating activities in 2Q 2017 was approximately US\$345,000.
2. Net cash used in investing activities in 2Q 2017 was approximately US\$10,572,000. This was mainly due to the additional capital investment in a joint venture and the construction of solar photovoltaic power plant in 2Q 2017.
3. Net cash generated from financing activities in 2Q 2017 was approximately US\$9,122,000. This was mainly due to proceeds from loan from a related party, partially offset by the repayment of borrowings in 2Q 2017.

1H 2017

1. The Group's net cash generated from operating activities in 1H 2017 was approximately US\$1,063,000.
2. Net cash used in investing activities in 1H 2017 was approximately US\$13,529,000. This was mainly due to the additional capital investment in a joint venture and the construction of solar photovoltaic power plant in 2Q 2017.
3. Net cash generated from financing activities in 1H 2017 was approximately US\$9,970,000. This was mainly due to proceeds from loan from a related party, partially offset by the repayment of borrowings in 2Q 2017.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's continued focus is on the development, ownership and operation of assets in the renewable energy sector.

11. Use of Proceeds

Proceeds from warrants issued in 2016

Description	US\$'000
Balance of proceeds as at 1 April 2017	90
Less: Use of proceeds in 2Q 2017 for capital expenditure on renewable energy assets	(90)
Balance of proceeds as at 30 June 2017	<u>-</u>

The above utilisation is in line with the intended uses of the net proceeds stated in the Company's announcement dated 30 September 2016. As at the date of this announcement, the net proceeds have been fully utilised.

12. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share (cents)

Not applicable.

(ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

13. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for 2Q 2017.

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

The Group had on 25 April 2017, obtained a general mandate from shareholders for interested person transactions ("IPTs").

For details, please refer to the Appendix to Annual Report 2016 dated 10 April 2017.

Particulars of IPTs for the period 1 January 2017 to 30 June 2017 are as follows:

	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person	US\$	US\$
<u>Management fee paid/payable to</u> Ezion Holdings Limited	NIL	70,061
<u>Interest paid/payable to</u> Ezion Holdings Limited	193,195	NIL

15. Confirmation of undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
10 August 2017

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 2017 to be false or misleading in any material aspect.

On behalf of the Board of directors

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

.....
Wong Bheet Huan
Executive Director

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: lancetan@ppcf.com.sg).