



ANNUAL REPORT 2024

CONTENTS

REVIEW

- 02 Letter to Shareholders
- 03 Board of Directors
- 04 Key Management Personnel
- 05 Corporate Information
- 06 Sustainability Report

FINANCIALS

- 38 Corporate Governance Report
- 57 Directors' Statement
- 61 Independent Auditor's Report
- 65 Statements of Financial Position
- 66 Consolidated Statement of Comprehensive Income
- 68 Consolidated Statement of Changes in Equity
- 70 Consolidated Statement of Cash Flows
- 71 Notes to the Financial Statements
- 156 Statistics of Shareholdings
- 158 Notice of Annual General Meeting
- 163 Additional Information on Director Seeking Re-Election
Proxy Form

This annual report 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.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

LETTER TO SHAREHOLDERS

DEAR VALUED SHAREHOLDERS,

Shalom.

On behalf of the Board of Directors, I am pleased to present to you the annual report of Charisma Energy Services Limited (the “**Company**”, or together with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2024 (“**FY2024**”).

The Group’s 13 mini-hydro power plants in Sri Lanka continued to operate smoothly in FY2024. Revenue increased by US\$1.1 million (18%) to US\$6.89 million in FY2024, attributable to the recovery of the Sri Lankan Rupee against the United States Dollar during the period as well as higher generation output and higher average tariff rates. As a result, gross profit increased by US\$0.64 million (15%) to US\$4.90 million. Other operating income in FY2024 increased by US\$0.93 million (80%) to US\$2.08 million largely due to the receipt of late payment interest on overdue invoices from a customer. However, these increases were offset by (i) an increase in administrative expenses of US\$1.75 million (82%) largely due to professional services rendered in relation to the corporate restructuring exercise; (ii) higher finance costs of US\$0.38 million (14%) mainly due to higher interest charged on the Group’s borrowings which remain in default (of which the interest rate charged will reduce when the Convertible Loan Agreement, defined herein, comes into effect); and (iii) an increase in income tax payable of US\$0.38 million (26%) arising from higher profit before tax in Sri Lanka operations. Overall, the Group reported a loss from continuing operations of US\$1.34 million for FY 2024.

In FY2024, the Group made significant progress in its restructuring efforts. Firstly, as part of the debt restructuring exercise, the Company completed the assignment of the rights and securities under the loan financing of the mini hydro assets (the “**Hydro Loan**”) from a secured financial institution to a wholly owned subsidiary of Yin Khing Investments Limited (the “**Subscriber**”) in January 2024. Following the completion of the above assignment, the Group entered into a convertible loan agreement with the Subscriber and its subsidiary in December 2024 (the “**Convertible Loan Agreement**”). The Convertible Loan Agreement governs the terms and conditions related to the outstanding principal amounts of the Hydro Loan that was assigned to the subsidiary of the Subscriber from the secured financial institution (the “**Outstanding Loan**”). Pursuant to the Convertible Loan Agreement, the parties have agreed to capitalise an outstanding principal amount of S\$10,860,000 under the Outstanding Loan pursuant to a conditional subscription agreement (the “**CSA**”) entered into between the Company and the Subscriber and for the remaining principal amount of up to S\$10,255,000 under the Outstanding Loan which is convertible into new ordinary shares of the Company. For the avoidance of doubt, the existing loan agreements continue to be in force and remain in default until the Convertible Loan Agreement becomes effective.

Next, the Company completed the disposal of its 20MW solar photovoltaic plant in China on 19 September 2024, following the receipt of the first tranche of the sales proceeds, the transfer of the shares held by the Company to the purchaser and the discharge of the corporate guarantees provided by the Company. As the disposal

proceeds were to be received over several tranches, the Company had proposed a supplementary scheme of arrangement (the “**Supplementary Scheme**”) to modify the terms of the April 2023 Scheme of Arrangement which allowed for Category A Participating Creditors of the 2023 Scheme of Arrangement to receive 85% of the net proceeds in 5 tranches over a 20-month period through a special purpose vehicle, CES Yichang Pte Ltd (“**CESY**”). The High Court of Singapore had on 26 September 2024 granted the orders sought by the Company in the Supplementary Scheme court application (“**Order of Court**”), thereby approving the Supplementary Scheme. The Company lodged a copy of the extracted Order of Court with the Registrar of Companies on 26 September 2024. The Order of Court takes effect on and from the date of lodgment. The Company also entered into an amended and restated deed of settlement with CES Hydro Power Group Pte. Ltd, CESY and the holders of redeemable exchangeable preference shares (“**REPS Holders**”) to provide for the new distribution arrangements. All disposal proceeds received by the Company are assigned to CESY and will be distributed to Category A participating creditors and REPS Holders once the Supplementary Scheme and the Amended and Restated Deed of Settlement are effective.

In addition, the Company submitted its update application for resumption of trading through its Sponsor to the Singapore Exchange Regulation Pte Ltd (“**SGX RegCo**”) in October 2024. On 9 December 2024, the Company received a letter from SGX RegCo (the “**Letter**”) through its Sponsor confirming that SGX RegCo has no objection to the Company’s updated resumption proposal submitted in the update application, subject to certain conditions to be met by the Company prior to the resumption of trading.

Lastly, the Company also submitted an application letter to the Securities Industry Council (“**SIC**”) in December 2024 to seek a waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for the shares not held by the Subscriber following the allotment and issue of the shares under the CSA to the Subscriber (the “**Whitewash Application**”). The Company is currently awaiting SIC’s approval of the Whitewash Application and the Company will keep the shareholders informed of any developments in relation thereto.

We thank God for his grace upon us for the last twelve months. We are appreciative of our fellow Directors for their continued guidance and support. We are also much indebted to our consultants and the professional teams who have been assisting us through this difficult period. In addition, we are grateful to the management team who has worked and persevered under great constraints and pressure. And we thank you for your patience and for keeping faith with us.

May the peace of the Lord be with you all.

MR. CHEW THIAM KENG
Non-Executive Chairman

BOARD OF DIRECTORS

MR. CHEW THIAM KENG

Non-Executive Chairman &
Non-Executive Director

Mr. Chew Thiam Keng (“**Mr. Chew**”) was appointed to the Board as Non-Executive Chairman of the Board on 20 February 2013 and was last re-elected on 23 November 2023. He currently serves as a member of the Audit, Remuneration and Nominating Committees.

Mr. Chew was the Chief Executive Officer and Executive Director of two different Singapore listed energy services company between 2001 to 2022. He was also the General Manager and Executive Director of a Singapore listed distribution and engineering company between 1996 and 2001. Before that, he was with the Development Bank of Singapore Limited for nine years working in areas of banking such as corporate finance and retail banking.

Mr. Chew holds a Master Degree in Business Administration from the University of Hull and Bachelor Degree (Honours) in Mechanical Engineering from the National University of Singapore.

MR. OWYONG THIAN SOO

Independent
Non-Executive Director

Mr. Owyong Thian Soo (“**Mr. Owyong**”) was appointed as Independent Non-Executive Director of the Company on 3 October 2023 and was last elected on 23 November 2023. He currently serves as the Chairman of both the Nominating Committee and Remuneration Committee and a member of the Audit Committee.

Mr. Owyong has more than 50 years’ experience in the legal profession. Mr. Owyong was admitted to the Singapore Bar in 1982. He is a Senior Partner of the law firm, Lee & Lee and is the Head of its Real Estate Department. His practice covers a wide range of real estate and financing transactions relating to the commercial, industrial and residential properties.

Mr. Owyong is also an Independent Non-Executive Director at Koh Brothers Group Limited and MYP Ltd., which he has held the appointments since June 2016 and July 2024 respectively. He serves as the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and the Remuneration Committee in Koh Brothers Group Limited and serves as the Chairman of the Nominating Committee and as a member of the Remuneration Committee and Audit Committee in MYP Ltd.

MR. TAN TIONG HUAT ALEX

Independent
Non-Executive Director

Mr. Tan Tiong Huat Alex (“**Mr. Tan**”) was appointed as Independent Non-Executive Director of the Company on 26 July 2024. He currently serves as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Mr. Tan was a Director and Chief Executive Officer of ZICO Capital Pte Ltd from August 2016. He stepped down from these positions on 14 March 2025, and will remain with the company till 5 May 2025. He was also a Director and Chief Executive Officer of Canaccord Genuity Singapore Pte Ltd (legacy Collins Stewart Pte. Limited) from 2008 to 2016. Mr. Tan has more than 30 years of experience as a corporate finance professional during which he has successfully completed numerous initial public offerings and reverse take-overs on the Catalist and Main Board of the Singapore Exchange (“**SGX**”) and has also advised Catalist-listed companies on compliance with SGX-Catalist Rules.

Mr. Tan holds an MBA degree from Nanyang Technological University and Bachelor of Science (Honours) from National University of Singapore and is also a “Chartered Valuer and Appraiser” by Institute of Valuers & Appraisers, Singapore. He is also the Lead Independent Director & Audit Committee Chairman of Khong Guan Limited and an Independent Director & Audit Committee Chairman of Global Invacom Group Limited.

KEY MANAGEMENT PERSONNEL

MR. QUAK JIN LIM

Financial Controller

Mr. Quak Jin Lim (“**Mr. Quak**”) was appointed as a Financial Controller of the Company on 1 September 2022. Mr. Quak is responsible for the Group’s overall finance function which include accounting, internal controls, financial and management reporting, investment, tax, treasury, financial analysis, merger & acquisition support, risk management and investor relations. Mr. Quak has more than 10 years of experience in managing accounting operations in listed companies in Singapore and he holds a Bachelor of Accountancy Degree from the Nanyang Technological University.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Chew Thiam Keng, Non-Independent Non-Executive Chairman
Mr. Owyong Thian Soo, Independent Non-Executive Director
Mr. Tan Tiong Huat Alex, Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Tan Tiong Huat Alex (*Chairman*)
Mr. Chew Thiam Keng
Mr. Owyong Thian Soo

REMUNERATION COMMITTEE

Mr. Owyong Thian Soo (*Chairman*)
Mr. Chew Thiam Keng
Mr. Tan Tiong Huat Alex

NOMINATING COMMITTEE

Mr. Owyong Thian Soo (*Chairman*)
Mr. Chew Thiam Keng
Mr. Tan Tiong Huat Alex

COMPANY SECRETARY

Mr. Cho Form Po

REGISTERED OFFICE

8 Wilkie Rd, #03-01
Wilkie Edge
Singapore 228095
Tel: (65) 6594 7849
Fax: (65) 6538 7600

SHARE REGISTRAR AND SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services
9 Raffles Place, #26-01
Republic Plaza Tower 1
Singapore 048619

AUDITORS

CLA Global TS Public Accounting Corporation
80 Robinson Road #25-00
Singapore 068898
Partner-in-charge:
Mr. Loh Ji Kin
(Appointed since financial year ended 31 December 2021)

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad

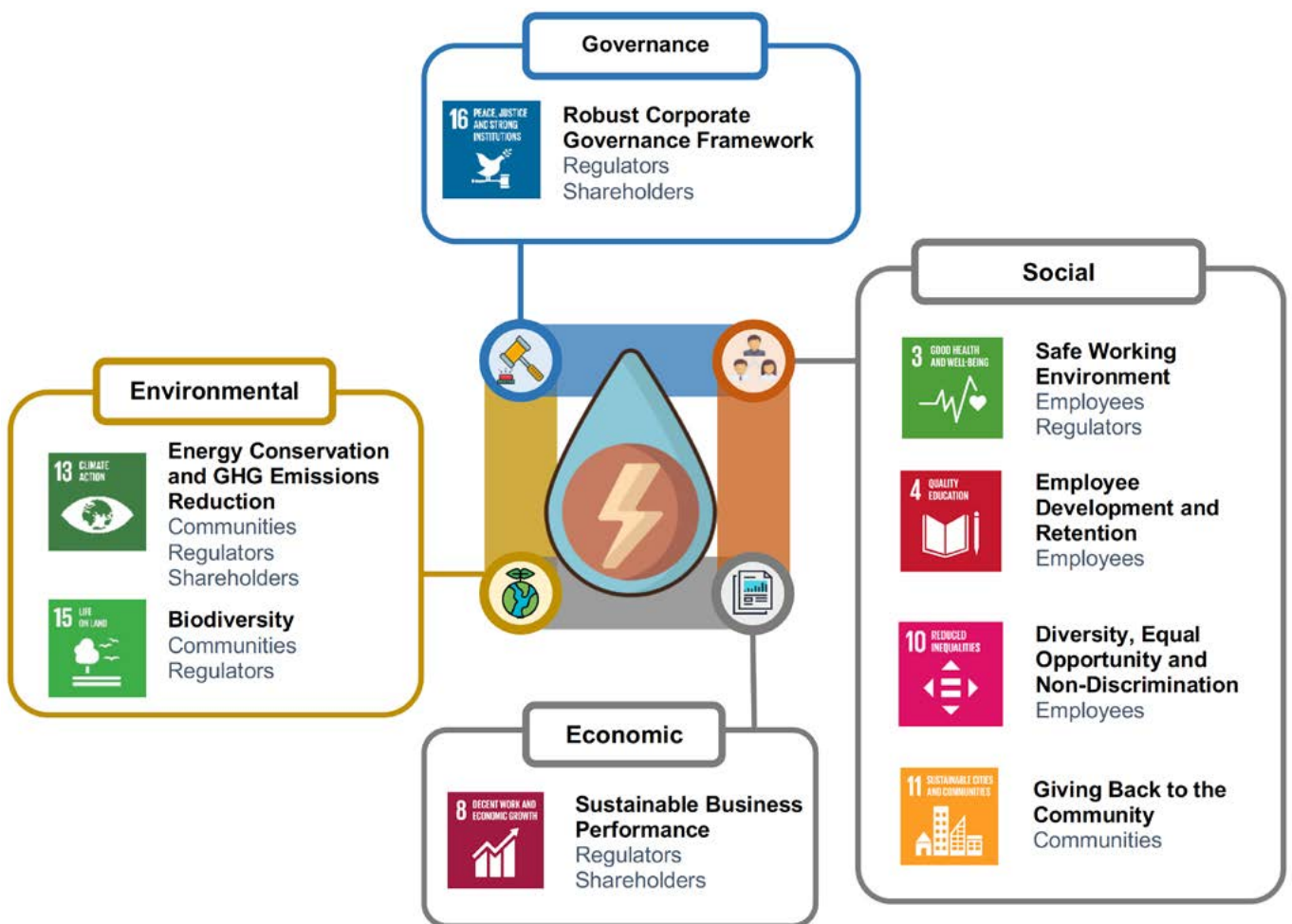
SUSTAINABILITY REPORT

BOARD STATEMENT

Charisma Energy Services Limited (“**Charisma**” or the “**Company**”, and together with its subsidiaries, the “**Group**” or “**We**”) reaffirms its commitment to sustainability with the publication of this sustainability report (“**Report**”). For this Report, we provide insights into the way we do business, while highlighting our sustainability factors under the pillars of environmental, social, governance and economic performance (collectively referred to as “**Sustainability Factors**”).

We are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of the Group. In line with our commitment, the Board, having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“**SDG**”), which are primarily driven by the concerns of our key stakeholders. We work closely with key stakeholders in our value chain and their inputs are considered in driving our material Sustainability Factors towards the SDG as follows:



SUSTAINABILITY REPORT

SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our key sustainability performance in the financial year (“FY”) 2024 is as follows:

Sustainability Pillar	Sustainability Metric	Sustainability Performance	
		FY2024	FY2023
Economic	Revenue (US\$million)	6.9	5.8
Environmental	Renewable energy generated (terajoules or “TJ”)	508	443
	Greenhouse gas (“GHG”) emissions reduced through hydropower generation (tonnes CO ₂ e) ¹	94,597	89,568
	Aggregated Scope 1 and 2 GHG emissions intensity (tonnes CO ₂ e/ revenue US\$’000)	0.029	0.034
	Number of incidents of non-compliance with relevant environmental flow regulations	–	–
Social	Number of workplace fatalities	–	–
	Number of high consequence work-related injuries ²	–	–
	Number of recordable work-related injuries	–	–
	Number of recordable work-related ill health cases ³	–	–
	Employee turnover rate (%)	4	8
Governance	Number of incidents of unlawful discrimination against employees ⁴	–	–
	Number of reported incidents of serious offence ⁵	–	–
	Number of incidents of non-compliance with any applicable laws and regulations ⁶ that resulted in a significant fine or non-monetary sanction	–	–

¹ The amount of GHG emissions reduction is calculated based on amount of renewable energy generated.

² A high consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six (6) months.

³ A work-related ill health case refers to a case with negative impacts on health arising from exposure to hazards at work.

⁴ An unlawful discrimination refers to an incident of discrimination whereby the relevant authority has commenced investigation against a company which resulted in a penalty to the company.

⁵ A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by its officers or employees.

⁶ An incident of non-compliance excludes incidents involving fraud or dishonesty.

SUSTAINABILITY REPORT

CHARISMA SUSTAINABILITY STORY

SUSTAINABILITY PHILOSOPHY

Charisma’s sustainability vision is to achieve sustainable development via production of clean energy for the current and future generation. Our mission is to build a future with renewable energy through the development and operation of renewable energy assets in an economically, socially and environmentally responsible way.

Being in the renewable energy industry, we play a part in reducing the global carbon footprint and combating global warming. We continue to strengthen our sustainability commitment through the production of clean energy. By harnessing the forces of nature to produce renewable and sustainable energy, the generation of harmful GHG emissions that would have otherwise been produced by burning of fossil fuels, is mitigated.

ORGANISATION PROFILE



Company Name: Charisma Energy Services Limited

Founded: 1997

Listed: Singapore Exchange Limited (“**SGX**”) Catalist listed since 1998

Company Headquarters: Singapore

Our principal activities are mainly in the business of generating and sale of energy and power generation services in Asia as follows:



HYDROPOWER GENERATION

We are one of the largest players in Sri Lanka’s mini hydropower plant sector, currently owning and operating **13** mini hydropower plants across **4** regions in Sri Lanka, with a total capacity of **43** megawatts. As the global electricity generation mix is expected to shift toward renewables, hydropower continues to be a key energy source used for electricity generation in Sri Lanka.

REPORTING PERIOD AND SCOPE

This Report covers the consolidated entities, as disclosed in our audited financial statements, for the financial year from 1 January 2024 to 31 December 2024 (“**FY2024**” or “**Reporting Period**”).

SUSTAINABILITY REPORT

REPORTING FRAMEWORK

This Report is prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited. This Report is also prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards for the Reporting Period. We chose to report using the GRI framework as it is an internationally recognised reporting standard that covers a comprehensive range of sustainability disclosures. The GRI content index can be found in pages 35 to 36.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which was adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs or Sustainable Development Goals, which form an urgent call for action by all developed and developing countries in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are prepared based on the 11 recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). Following the publication of the International Sustainability Standards Board (“**ISSB**”) Standards – International Financial Reporting Standards (“**IFRS**”) S1 and IFRS S2, we conducted a gap analysis against our existing TCFD reporting and are in the process of aligning our climate-related disclosures to the ISSB Standards. We are guided by the phased approach recommended by the Singapore Exchange Regulation (“**SGX RegCo**”) in aligning our reporting of climate-related disclosures in accordance with the ISSB Standards.

We relied on internal data monitoring and verification to ensure accuracy of data and information for this Report. Internal review on the sustainability reporting process is incorporated as part of our internal audit review cycle. We will work towards external assurance for our future sustainability reports subject to market trends and regulatory requirements.

FEEDBACK

We welcome our stakeholders to provide feedback on this Report and our sustainability performance. You may send your comments and suggestions via email to enquiries@charismaenergy.com.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

As part of our stakeholder engagement process, we identify the key stakeholders relevant to our business, and they include entities or individuals that have an interest that is affected or could be affected by our activities. These key stakeholders include communities, employees, national agencies and government bodies (“**Regulators**”), investors and shareholders (“**Shareholders**”).

The concerns of key stakeholders are considered when formulating corporate strategies. We adopt both formal and informal channels of communication to understand the needs of our key stakeholders and incorporate them in our corporate strategies to achieve mutually beneficial outcomes. We engage our key stakeholders through the following channels:

Stakeholder	Engagement Channel	Frequency of Engagement	Key Concern Raised
Communities	<ul style="list-style-type: none"> Community engagement Employment opportunities 	Ongoing	<ul style="list-style-type: none"> Environmental impact Social development
Employees	<ul style="list-style-type: none"> Performance appraisal system Employee training 	Ongoing	<ul style="list-style-type: none"> Remuneration and benefits Career development opportunities Occupational health and safety Job security
Regulators	<ul style="list-style-type: none"> Annual reports SGX quarterly financial statements announcements Ongoing dialogues and reporting to regulatory bodies in the respective countries Monthly updates 	Annually, quarterly and, as and when is required	<ul style="list-style-type: none"> Compliance with laws and regulations Environmental compliance Workplace health and safety
Shareholders	<ul style="list-style-type: none"> Annual reports SGX quarterly financial statements announcements Investor relations management 	Annually Quarterly Ongoing	<ul style="list-style-type: none"> Anti-corruption Corporate governance Economic performance Environmental impact

SUSTAINABILITY REPORT

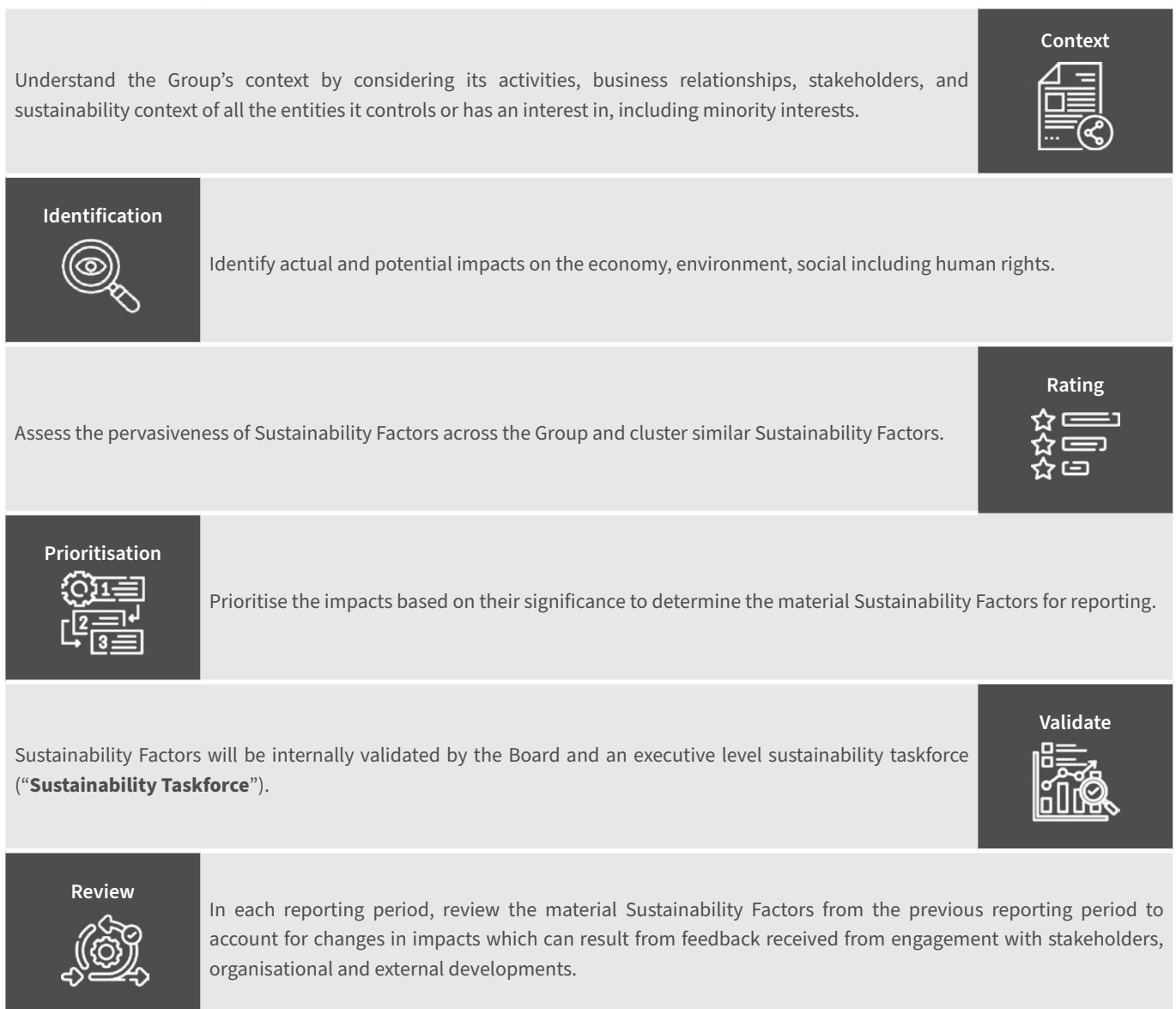
POLICY, PRACTICE AND PERFORMANCE REPORTING

In line with our commitment to sustainability, a sustainability reporting policy (“**SR Policy**”) covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors periodically, considering the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

SUSTAINABILITY REPORTING PROCESSES

Under our SR policy, our sustainability process begins with an understanding of the Group’s context. This is followed by the ongoing identification and assessment of the Group’s sustainability-related impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



SUSTAINABILITY REPORT

POLICY, PRACTICE AND PERFORMANCE REPORTING

SUSTAINABILITY GOVERNANCE STRUCTURE

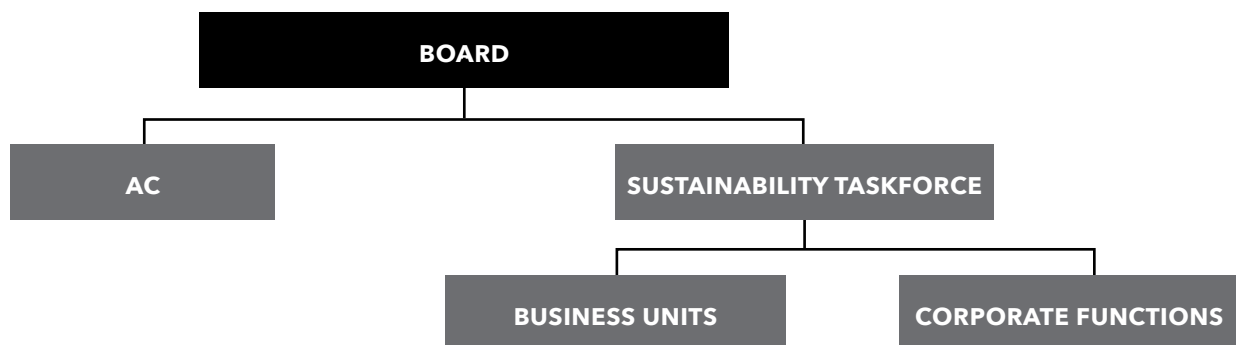
The Board is ultimately responsible for the oversight of the Group's strategic direction on sustainability matters and is primarily supported by the Sustainability Taskforce by virtue of delegation. As part of our continual efforts to upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of Rule 720(6) of the Catalist Rules, we confirm that all our Directors attended at least one (1) of the sustainability training courses approved by SGX RegCo.

Following the resignation of the Chief Executive Officer ("CEO"), the Sustainability Taskforce is currently led by the Financial Controller during the transition period until a new CEO is appointed.

Beside the Sustainability Taskforce, the Board is also supported by the Audit Committee ("AC") of the Company on specific sustainability matters under its terms of reference. As we are still refining our sustainability related metrics measuring, tracking and target setting mechanism, we will link the key executives' remuneration to sustainability performance when the mechanism is more matured and stable.

Our sustainability governance structure and the responsibilities of component parties are detailed as follows:

Sustainability Governance Structure



SUSTAINABILITY REPORT

POLICY, PRACTICE AND PERFORMANCE REPORTING

Terms of Reference of Component Parties

Component Party	Member	Terms of Reference
Board	Board members	<ul style="list-style-type: none"> • Determine material sustainability factors of the Group • Review and approve sustainability strategies, policies and targets (including materiality assessment process and outcome) • Monitor implementation of sustainability strategies, policies and performance against targets • Oversee the identification and evaluation of climate-related risks and opportunities • Ensure that sustainability and climate-related risks and opportunities are covered by the Group's enterprise risk management ("ERM") framework • Review and approve sustainability reports
AC	AC members	<ul style="list-style-type: none"> • Review the adequacy and effectiveness of the Group's internal controls and risk management systems • Oversee the conduct of assurance activities pertaining to the Group's sustainability reporting processes
Sustainability Taskforce	<ul style="list-style-type: none"> • CEO⁷ • Financial Controller • CEO – Sri Lanka 	<ul style="list-style-type: none"> • Develop sustainability strategies and policies and recommend revisions to the Board • Ensure that the implementation of sustainability strategies is aligned across business segments and geographical locations • Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities • Perform materiality assessment and prepare sustainability reports prior to approval by the Board • Monitor sustainability activities and performance against targets • Align the Group's practices with the Group-wide sustainability agenda and strategies • Consolidate sustainability metrics to track sustainability impact on a group basis and for reporting purposes
Business Units and Corporate Functions	Representatives from the Finance, Human Resources ("HR"), Administration and Engineering departments	<ul style="list-style-type: none"> • Align practices on the operational level with the Group's sustainability agenda and strategies • Collect and compile sustainability metrics to track sustainability impact and for reporting purposes

⁷ Position vacant as of 31 December 2024

SUSTAINABILITY REPORT

POLICY, PRACTICE AND PERFORMANCE REPORTING

MATERIALITY ASSESSMENT

We constantly refine our management approach to adapt to the changing business landscape. The Sustainability Taskforce performs an annual materiality assessment to ensure that material Sustainability Factors disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Both positive and negative impacts, whether actual and potential, are assessed based on: (i) the likelihood of the occurrence of actual and potential negative and positive impacts; and (ii) their significance on the economy, environment, people and human rights, as well as their contribution to sustainable development.

PERFORMANCE TRACKING AND REPORTING

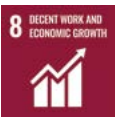







We track the progress of our material Sustainability Factors by identifying, monitoring and measuring the relevant sustainability metrics. In addition, we set performance targets that are aligned with our business strategies to ensure that we remain focused in our path to sustainability. We constantly enhance our performance-monitoring processes and improve our data collection processes. A sustainability report is published annually in accordance with our SR policy.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

In FY2024, a materiality assessment was conducted by the Sustainability Taskforce to update the material Sustainability Factors and this was followed by a stakeholder engagement session⁸ to understand the concerns and expectations of our key stakeholders. In this Report, we also reported on our progress in managing these factors and set related targets to improve our sustainability performance.

We incorporated the SDG from the UN Sustainability Agenda, as a supporting framework to shape and guide our sustainability strategy where appropriate. Below are the results showing how our material Sustainability Factors relate to these SDG:

S/N	MATERIAL SUSTAINABILITY FACTOR	SDG	KEY STAKEHOLDER	OUR EFFORT
ECONOMIC				
1	Sustainable Business Performance		<ul style="list-style-type: none"> Regulators Shareholders 	We stay abreast with market trends and strive to maintain a healthy financial position while mitigating relevant business risks identified.
ENVIRONMENTAL				
2	Energy Conservation and GHG Emissions Reduction		<ul style="list-style-type: none"> Communities Regulators Shareholders 	We implemented practices to reduce energy consumption, improve efficiency and lower GHG emissions for our business operations.
3	Biodiversity		<ul style="list-style-type: none"> Communities Regulators 	We strictly adhered to applicable environmental rules and regulations.
SOCIAL				
4	Safe Working Environment		<ul style="list-style-type: none"> Employees Regulators 	We implemented health and safety policies and procedures.
5	Employee Development and Retention		<ul style="list-style-type: none"> Employees 	We provided job specific training and development programmes for our employees.
6	Diversity, Equal Opportunity and Non-Discrimination		<ul style="list-style-type: none"> Employees 	We ensure equal opportunity for all regardless of gender, age, educational background.
7	Giving Back to the Community		<ul style="list-style-type: none"> Communities 	We contributed to community projects and encouraged employee involvement in volunteerism to create a positive impact in the communities where we operate.
GOVERNANCE				
8	Robust Corporate Governance Framework		<ul style="list-style-type: none"> Regulators Shareholders 	We implemented policies and procedures to enforce ethical practices.

⁸ The Company distributed an online survey to its internal stakeholder of employees for the materiality assessment.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

SUSTAINABLE BUSINESS PERFORMANCE

Commitment

We are committed to creating long-term economic value for stakeholders by adopting responsible business practices and growing our business in a sustainable manner.

Approach and Performance

During the Reporting Period, the Group recorded a revenue of US\$ 6.9 million (FY2023: US\$ 5.8 million) and US\$ 1.3 million (FY2023: US\$ 0.4 million) of loss from continuing operations.

Please refer to the audited financial statements in our Annual Report (“AR FY2024”) for the Group’s financial performance and financial risk management disclosure on our efforts and progress in maintaining financial sustainability.

ENERGY CONSERVATION AND GHG EMISSIONS REDUCTION

Commitment

We acknowledge that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reducing our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

Approach

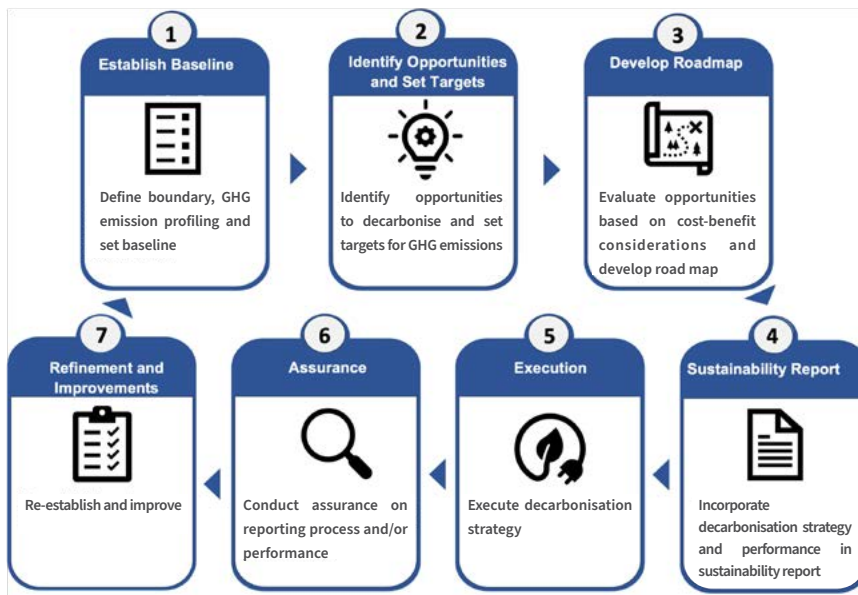
We aim to reduce our environmental footprint and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders. We adopt a balanced approach in effectively managing and minimising the environmental impacts arising from our business operations.

To run our operations, we rely mainly on the following energy sources:

- Diesel and petrol fuel for our vehicle fleet;
- Liquefied Petroleum Gas (“LPG”) in our office pantries for cooking purposes; and
- Electricity for operating machinery and equipment.

Decarbonisation Approach

To conserve energy and manage our GHG emissions, we set up a seven (7) step continuous circular process as follows:



SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

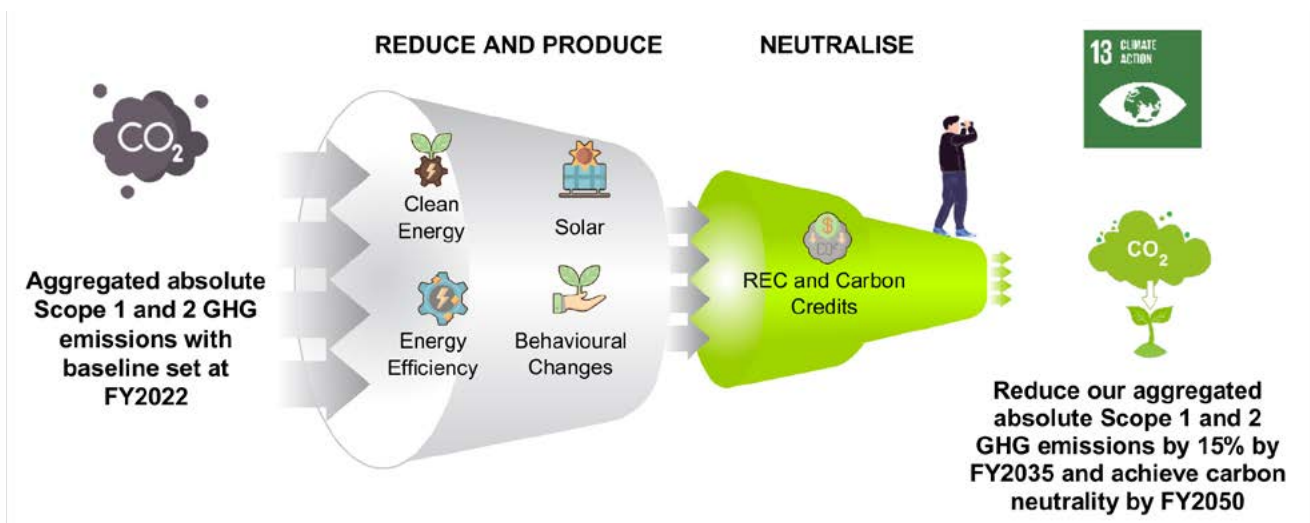
On a yearly basis, we update our GHG emissions profile for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We will also conduct a GHG emissions profiling exercise whenever there are significant changes in our business models and work processes.

We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions, and are developing mechanisms to track other categories of scope 3 GHG emissions, where relevant and practicable. We have developed a climate change transition plan which will be improved upon as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review subject to any subsequent regulatory requirements then.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). We adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach is selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We assessed that we have operational control over all reporting entities covered in this Report.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our aggregated absolute Scope 1 and 2 GHG emissions by 15% and by FY2035, and aspire to achieve carbon neutrality by FY2050, with FY2022 as our baseline. Our climate change transition plan is focused on three (3) strategic levers of reduce, produce and neutralise as follows:



Details of the strategic levers adopted in our climate change transition plan are as follows:

Lever		
Reduce	Produce	Neutralise
Focus Area: <ul style="list-style-type: none"> Energy efficiency <ul style="list-style-type: none"> - Machinery and equipment - Electric vehicles Clean energy Behavioural change 	Focus Area: <ul style="list-style-type: none"> Solar energy 	Focus Area: <ul style="list-style-type: none"> Renewable energy certificates (“REC”) Carbon credits

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

Our action plans by lever and focus area are as follows:

LEVER	FOCUS AREA	ACTION PLAN
Reduce	Energy efficiency – Machinery and equipment	Our action plans on this front include: <ul style="list-style-type: none"> Regular maintenance of machinery and equipment to optimise energy efficiency; and Regular cleaning of filters for air-conditioning systems to reduce air flow resistance.
	Energy efficiency – Electric vehicles	We developed an electric vehicle plan to convert 50% of our internal combustion vehicles to electric vehicles by FY2035, with a goal of achieving 100% conversion by FY2050, subject to market conditions and technological advancements.
	Clean energy	We constantly explore opportunities to use clean and/or renewable energy available in the locations that we operate in.
	Behavioural changes	We constantly remind our employees on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving modes.
Produce	Solar energy	We are exploring the installation of solar panels on our premises in Sri Lanka to further reduce our GHG emissions when practicable.
Neutralise	<ul style="list-style-type: none"> REC Carbon credits 	We plan to use REC and carbon credits to offset unavoidable residual GHG emissions by FY2050 subject to market maturity.

At the heart of the fight against climate change is the absolute and undeniable necessity for renewable and sustainable energy. We pride ourselves in being at the forefront of that movement through bringing clean energy to the world for the current and our future generations.

The nature of our business model largely contributes towards the reduction of the carbon footprint, as electricity generation from renewable energy sources replaces electricity generation from burning of carbon-based unsustainable fossil fuels. By harnessing sustainable energy, we not only reduce harmful GHG emissions but also cut down the use of finite resources. Our mini hydropower plants utilise natural energy sources to generate electricity in an environmentally sustainable manner.

Performance

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

(i) Energy Consumption

SUSTAINABILITY METRIC	FY2024		FY2023	
	GIGAJOULES (“GJ”)	%	GJ	%
Diesel consumption (fleet) ⁹	896	44	889	47
Petrol consumption (fleet) ⁹	598	30	518	27
LPG consumption	71	4	92	5
Electricity consumption	435	22	410	21
Total energy consumption	2,000	100	1,909	100

⁹ Diesel and petrol consumption (fleet) refers to the consumption from motor vehicles such as cars and motorcycles. We do not consume any non-fleet energy.



94,597 tonnes CO₂e
GHG emissions avoided through generation of clean energy

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

(ii) *Energy Consumption Intensity*

SUSTAINABILITY METRIC	UNIT OF MEASUREMENT	FY2024	FY2023
Diesel consumption intensity	GJ/ revenue US\$'000	0.13	0.16
Petrol consumption intensity	GJ/ revenue US\$'000	0.09	0.08
LPG consumption intensity	GJ/ revenue US\$'000	0.01	0.02
Electricity consumption intensity	GJ/ revenue US\$'000	0.06	0.07

(iii) *GHG Emissions*

SUSTAINABILITY METRIC	UNIT OF MEASUREMENT	FY2024	FY2023
Direct GHG emissions (Scope 1) ¹⁰	tonnes CO ₂ e	113	110
Indirect GHG emissions (Scope 2) ¹¹	tonnes CO ₂ e	84	85
Aggregated GHG emissions (Scope 1 and 2)	tonnes CO ₂ e	197	195
Aggregated GHG emissions intensity (Scope 1 and 2)	tonnes CO ₂ e/ revenue US\$'000	0.029	0.035

During the Reporting Period, our aggregated GHG emissions intensity improved as compared to the prior year due to a more than proportional increase in revenue as compared to our GHG emissions, given that a portion of our energy consumption is fixed and not directly co-related to changes in our revenue.

During the Reporting Period, we expanded our disclosure of indirect GHG emissions (Scope 3)¹² to include Category 5: Waste generated as follows:

CATEGORY	COVERAGE	UNIT OF MEASUREMENT	FY2024	FY2023
Category 5: Waste generated	Paper	tonnes CO ₂ e	1	1
Category 6: Business travel	Air travel	tonnes CO ₂ e	7	3
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tonnes CO ₂ e	278	NA ¹³

During the Reporting Period, our hydropower plants in Sri Lanka generated 508 TJ of renewable energy (FY2023: 443 TJ) and a total of 94,597 tonnes CO₂e of GHG emissions (FY2023: 89,568 tonnes CO₂e) was avoided through our hydropower generation.

¹⁰ The direct GHG emissions from consumption of diesel, petrol and LPG controlled by a reporting entity (Scope 1) are calculated based on the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

¹¹ The indirect GHG emissions from electricity purchased (Scope 2) are calculated using the location-based methods based on the GHG emission factors published by the relevant local authorities.

¹² The indirect GHG emissions (Scope 3) are calculated using calculation tools which include the International Civil Aviation Organization Carbon Emissions Calculator, GHG Protocol Transport Tool and a mix of GHG emission factors published by the National Environment Agency, Singapore Emissions Factor Registry and Department for Environment Food and Rural Affairs of the United Kingdom.

¹³ No comparative data is available as we expanded the coverage of our indirect GHG emissions (Scope 3) disclosure to cover all employees of the Group in the current year whilst in FY2023, plant employees were excluded. As the comparable data for FY2023 was not tracked, it is not disclosed.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

BIODIVERSITY

Commitment

We are committed to protect biological diversity and ensure the survival of plant and animal species, genetic diversity and natural ecosystems at our operational sites.

Approach

We adhere to relevant environmental flow regulations prior to the commencement of projects and while operating our hydropower assets.

Our hydropower assets are small in scale with weirs that are low in height and are located at non-protected areas in accordance with local laws and regulations. Our hydropower assets: (i) do not divert large bodies of water or harm wildlife; (ii) no chemicals are added to the power during hydropower generation; and (iii) uses run-of-the-river without storage, relying on the natural flow of a river. The diversion of water is confined from the weir to powerhouse and thereafter, water is directed back to the original stream.

Performance

During the Reporting Period, there were zero incidents of non-compliance with relevant environmental flow regulations (FY2023: zero incidents).

Our mini hydropower plants supplying electricity to Sri Lanka's national utility board are as follows:



Pathaha Oya



Gampolawalakada



Nakkawita



Way Ganga



Barcaple I



Barcaple II



Guruluwana



Bogandana



Wewelwatta I



Wewelwatta II



Kalupahana Oya



Falcon Valley



Thannawetta

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

SAFE WORKING ENVIRONMENT

Commitment

We are committed to provide a safe working environment for our employees, pursue the highest standards in workplace health and safety management and seek to cultivate a strong and enduring safety culture in the workplace with zero workplace accidents.

Approach

To protect the health and safety of our employees, we implemented stringent policies and operational procedures to govern all our operations. Our health and safety practices are closely aligned to the guidance, standards and regulations of Workplace Safety and Health (“**WSH**”) Council under the Ministry of Manpower Singapore and Department of Labour Sri Lanka.

We implemented various WSH initiatives across our operations as follows:

- Workplace policies and procedures, guidelines are implemented to guide our practices;
- Dress code requirements to ensure that our employees are properly equipped and protected at our premises in Sri Lanka;
- Routine replacement for wear and tear for all safety equipment utilised by our employees;
- Relevant senior employees such as engineers in charge and supervisors are appointed to take charge of employee’ health and safety;
- Safety trainings for all employees before they are allowed to operate plant and machinery. Refer to section ‘Employee Development and Retention’ below for the details; and
- Routine preventive maintenance are conducted at our hydropower plants, to ensure that all plants and machineries are safe for operations.

Performance

Key statistics on our work-related injuries and ill health cases are as follows:

SUSTAINABILITY METRIC	FY2024	FY2023
Number of workplace fatalities	-	-
Number of high consequence work-related injuries ²	-	-
Number of recordable work-related injuries	-	-
Number of recordable work-related ill health cases ³	-	-

EMPLOYEE DEVELOPMENT AND RETENTION

Commitment

Our employees are our most valuable asset and we are committed to address their well-being to sustain their performance and realise their full potential.

Approach

Training and Development

We train and groom our employees to equip them with the necessary skills for career development and set up a learning and development policy to ensure all employees have access to learning opportunities. To upskill our employees, we set up the following key mechanisms:

- Internal in house training is provided and avail to all relevant employees to ensure that they are equipped with the right skills; and
- External training programmes and sponsorships are avail to relevant employees who meet the preset criteria.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

Employee Review and Performance Appraisal

Employees are assessed based on their ability, performance and merit of their performance. Through various formal employee engagement processes such as employee's objective setting, annual performance appraisals and exit interviews in the case of resignations, we gather valuable feedback to constantly improve the management of our human resources.

Comprehensive Employee Benefits

Various benefit schemes are maintained to ensure that eligible full-time employees are granted benefits aligned with local legislations and market practices, including provident funds contributions, bonus payments, annual leave, maternity and paternity leave, mobile allowance, incentive payment for overseas secondment and incentives for employees when certain power generation output targets are achieved.

Performance

Key statistics on new hires and turnover of full-time employees are as follows:

(i) *New Hires*¹⁴

SUSTAINABILITY METRIC	FY2024		FY2023	
	Number of New Hire	Rate of New Hire	Number of New Hire	Rate of New Hire ¹⁵
Overall new hires	18	7%	14	6%
Gender				
Male	16	6%	12	5%
Female	2	25%	2	22%
Age				
Below 30	9	41%	4	27%
30 to 50	9	5%	6	3%
Above 50	-	-	4	8%

(ii) *Turnover*¹⁶

SUSTAINABILITY METRIC	FY2024		FY2023	
	Number of Resignee	Rate of Turnover	Number of Resignee	Rate of Turnover ¹⁵
Overall new turnover	11	4%	20	8%
Gender				
Male	8	3%	16	7%
Female	3	38%	4	44%
Age				
Below 30	1	5%	2	13%
30 to 50	7	4%	15	8%
Above 50	3	6%	3	6%

¹⁴ New hire related statistics are calculated based on confirmed new hires over total employees by age group and gender.

¹⁵ Figure is restated due to change in computation methodology.

¹⁶ Turnover related statistics are calculated based on turnover of confirmed employees over total employees by age group and gender.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

(iii) Training and Development

Key statistics on training hours are as follows:

SUSTAINABILITY METRIC	FY2024	FY2023
Overall		
Total training hours	514	632
Average training hours per employee	2.0	2.5
Gender (Male)		
Total training hours	348	592
Average training hours per employee	1.4	2.4
Gender (Female)		
Total training hours	166	40
Average training hours per employee	18.4	4.0
Management		
Total training hours	108	22
Average training hours per employee	15.4	2.8
Non-Management		
Total training hours	406	610
Average training hours per employee	1.6	2.5

Plant employees are required to undergo proper safety training before being allowed to operate plant and machinery. During the Reporting Period, there was a decrease in average training hours per employee due to more group training sessions organised in the prior year for both new hires as well as a refresher for the existing plant employees.

(iv) Employee Review and Performance Appraisal

Key statistics on employees who received performance appraisals are as follows:

SUSTAINABILITY METRIC	FY2024	FY2023
Overall	96%	95%
Gender		
Male	96%	95%
Female	89%	78%
Employee Category		
Management	100%	71%
Non-management	96%	95%

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

Commitment

We are committed to provide a work environment for employees that fosters fairness, equality and respect regardless of age, gender, race or nationality.

Approach

A diverse workforce supports business sustainability by providing different perspectives and insights to the team which can contribute to increased productivity and profitability as well as building a positive image and reputation for the organisation.

On this front, we implemented various HR related processes such as the following:

- An equal opportunities policy is in place, with qualifications, skills and experiences serving as the basis for recruitment, placement, training and advancement of employees at all levels;
- Zero tolerance policy for discrimination, harassment and bullying. If any form of discrimination is identified, guidelines are in place to address complaints, handle appeals and provide recourse for employees;
- We adhere to national laws and regulations relating to discrimination wherever we operate; and
- Regular site visits are conducted by head office employees to gather feedback on areas of improvement from the local employees.

We do not condone the engagement of child labour or forced labour in our work, and any form of child labour and forced labour are strictly prohibited.

Performance

As at 31 December 2024, the Group has a workforce of 258 full-time employees and 1 part-time employee (31 December 2023: 251 full-time employees and 1 part-time employee¹⁷). The breakdown of our employees by location is as follows:

SINGAPORE	SRI LANKA	TOTAL
5	254	259

Key statistics on the gender diversity of our employees are as follows:

SUSTAINABILITY METRIC	31 DECEMBER 2024		31 DECEMBER 2023 ¹⁷	
	Male	Female	Male	Female
Overall	97%	3%	96%	4%
Employee category				
Management	71%	29%	75%	25%
Non-management	97%	3%	97%	3%

Key statistics on the age diversity of our employees are as follows:

SUSTAINABILITY METRIC	31 DECEMBER 2024			31 DECEMBER 2023 ¹⁷		
	Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50
Overall	7%	73%	20%	6%	75%	19%
Employee category						
Management	–	43%	57%	–	38%	62%
Non-management	8%	73%	19%	6%	75%	19%

¹⁷ Figure is restated due to omission in the prior year.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

Key statistics on the educational background diversity of our employees are as follows:

SUSTAINABILITY METRIC	AS AT 31 DECEMBER 2024		AS AT 31 DECEMBER 2023 ¹⁷	
	Tertiary	Non-Tertiary	Tertiary	Non-Tertiary
Percentage of employees by educational level	13%	87%	10%	90%

During the Reporting Period, there were zero incidents of unlawful discrimination against employees (FY2023: zero incidents).

GIVING BACK TO THE COMMUNITY

Commitment

We are committed to being a responsible corporate citizen by giving back to the community and also adopt a “hire local” policy in the countries we operate in.

Approach and Performance

During the Reporting Period, we donated approximately US\$34,000 to an initiative for aiding flood victims in the Ratnapura District, who were affected by the heavy rain and flooding experienced in May 2024. The proceeds were used to restore damaged houses and provide basic utensils and furniture for the affected families.

The Group also engaged in reforestation projects aimed at preserving the environment. The reforestation initiatives were in collaboration with the participation from officials of the Haldumulla Divisional Secretariat, wildlife reserves officers, and representatives from the Department of Agriculture and Environment.



Reforestation event organised by employees of the Bogandana, Kalupahana, and Pathaha mini hydropower plants

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

ROBUST CORPORATE GOVERNANCE FRAMEWORK

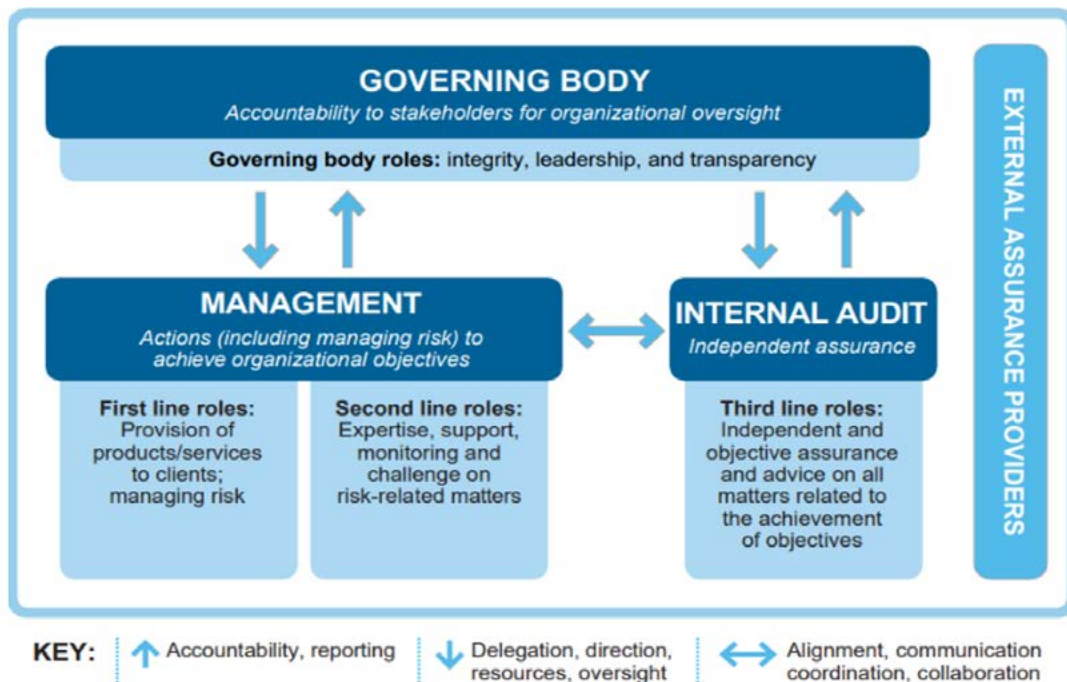
Commitment

We are committed to upholding high ethical standards and integrity in our operations, complying with all relevant laws and regulations.

Approach

We believe that proactive anti-corruption practices are vital in creating an environment that supports the success of our business and that important values such as responsibility and honesty need to be constantly embedded within our business practices.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first- and second-line roles), internal audit (third-line roles) and the relationship among them are defined as follows:



Source: The IIA’s Three Lines Model

Our policies and commitments for enforcing anti-corruption and ethical business practices are as follows:

- A code of conduct that outlines expectations for employees and the consequences for any violations of rules or standards not being met. Additionally, clear and fair grievance procedures are detailed in the employees’ handbook; and
- A whistle blowing policy is in place to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others.

Performance

During the Reporting Period, there were zero incidents of serious offence⁵ (FY2023: zero incidents) and zero incidents of non-compliance with any applicable laws and regulations⁶ (FY2023: zero incidents) that resulted in a significant fine or non-monetary sanction.

Please refer to the Corporate Governance Report of our AR FY2024 for details for our corporate governance practices.

⁵ A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by its officers or employees.

⁶ An incident of non-compliance excludes incidents involving fraud or dishonesty.

SUSTAINABILITY REPORT

TARGETS AND PROGRESS

To measure our ongoing sustainability performance and drive continual improvement, we developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

LEGEND: PROGRESS TRACKING

- New target
- Target achieved
- On track to meet target
- Not on track, requires review

S/N	MATERIAL SUSTAINABILITY FACTOR	TARGET ¹⁸	PERFORMANCE IN FY2024
ECONOMIC			
1	Sustainable Business Performance	<u>Short-term</u> Maintain or improve financial performance subject to market conditions	●●● We improved our financial performance to US\$ 6.9 million.
ENVIRONMENTAL			
2	Energy Conservation and GHG Emissions Reduction	<u>Short-term</u> Reduce Scope 1 and 2 GHG emissions intensity by FY2025, with FY2022 as our baseline	●●○ We reduced our Scope 1 and 2 GHG emissions intensity to 0.029 tonnes CO ₂ e/ revenue (in US\$'000).
		<u>Medium-term</u> Reduce aggregated absolute Scope 1 and 2 GHG emissions by 15% by FY2035, with FY2022 as our baseline	●○○ Our aggregated absolute Scope 1 and 2 GHG emissions increased to 197 tonnes CO ₂ e.
		<u>Long-term</u> Aspire to achieve carbon neutrality by FY2050	○○○ We set a new long-term target for Energy Conservation and GHG Emissions Reduction.
3	Biodiversity	<u>Ongoing and long-term</u> Adhere to the relevant environmental flow regulations	●●● There were zero incidents of non-compliance with the relevant environmental flow regulations.
SOCIAL			
4	Safe Working Environment	<u>Ongoing and long-term</u> Maintain zero incidents of workplace fatalities, high consequence work-related injuries, recordable work-related injuries and ill health cases	●●● There were zero incidents of workplace fatalities, high consequence work-related injuries, recordable work-related injuries and ill health cases.
5	Employee Development and Retention	<u>Ongoing and long-term</u> Maintain or improve employee turnover rate	●●● The employee turnover rate decreased to 4%.
6	Diversity, Equal Opportunity and Non-Discrimination	<u>Ongoing and long-term</u> Maintain zero incidents of unlawful discrimination against employees	●●● There were zero incidents of unlawful discrimination against employees.
7	Giving Back to the Community	<u>Ongoing and long-term</u> Continue to engage in community campaigns and charitable activities	●●● We continued to engage in community campaigns and charitable activities.

¹⁸ Time horizons for target setting are: (1) short-term: within 5 years (until FY2028); (2) medium-term: between 5 to 20 years (FY2029 and FY2043); (3) long-term: more than 20 years (FY2044 onwards); and (4) ongoing: encompassing short, medium and long-term.

SUSTAINABILITY REPORT

TARGETS AND PROGRESS

S/N	MATERIAL SUSTAINABILITY FACTOR	TARGET ¹⁸	PERFORMANCE IN FY2024
GOVERNANCE			
8	Robust Corporate Governance Framework	<u>Ongoing and long-term</u> <ul style="list-style-type: none"> Maintain zero incident of serious offence⁵ Maintain zero incidents of non-compliance with any applicable laws and regulations⁶ that resulted in a significant fine or non-monetary sanction 	<p>●●●</p> <p>There were zero incidents of serious offence.</p> <p>●●●</p> <p>There were zero incidents of non-compliance with any applicable laws and regulations that resulted in a significant fine or non-monetary sanction.</p>

For the material Sustainability Factors identified in this Report, the Board and the Sustainability Taskforce have considered the relevance and usefulness of setting related targets in the short, medium, and long term-horizon. As historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

We are committed to support the recommendations by the TCFD and disclosed our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Governance

a. *Describe the board's oversight of climate-related risks and opportunities.*

The Board oversees the management and monitoring of material Sustainability Factors. It also oversees the identification and evaluation of climate-related risks and opportunities in determining the Group's strategic direction and policies on an annual basis.

b. *Describe management's role in assessing and managing climate-related risks and opportunities.*

Our sustainability strategy is developed and directed by the Sustainability Taskforce in consultation with the Board. The Sustainability Taskforce, which comprise Financial Controller and CEO – Sri Lanka, is led by the Financial Controller. The responsibilities of the Sustainability Taskforce include considering climate-related risks and opportunities in the development of sustainability strategy, target setting, as well as the collection, monitoring and reporting of performance data.

Strategy

a. *Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.*

b. *Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.*

We recognise that climate change poses different types of risks to our business. The Group's assessment on the potential implications of the climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") range of climate scenarios:

Scenario	Description
NGFS – Orderly	This scenario assumes that climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued through cohesive stringent climate policies and innovation.
NGFS – Hot house world	This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are preserved, leading to high physical risks.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short-term (within 5 years, until FY2028), medium-term (between 5 to 20 years, between FY2029 and FY2043) and long-term (more than 20 years, FY2044 onwards). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise include the following:

Risk and Potential Impact	Significance of Financial Impact ¹⁹				Mitigation Measure	Climate-related Opportunity
	Current effect ('000)	Short-term	Medium-term	Long-term		
Key Physical Risk Identified - Increased severity of extreme weather events						
Adverse changes in climate patterns such as rising temperatures and extreme weather events (such as droughts) may disrupt the generation output at our mini hydropower plants. As a result, the Group may face adverse impacts on financial performance due to the disruption arising from climate change.	Scenario: Orderly				We put in place a climate change transition plan to steer us on our decarbonisation journey.	We may capitalise on opportunities available in improving our operational efficiency.
	NA ²¹	○	○	⊗		
	Scenario: Hot house world				The increased severity of extreme weather events drove us to increase our operational efficiency.	The Group also seeking the opportunity to review and identify new products and services as a form of risk diversification.
	NA ²¹	○	⊗	●		
We remain vigilant in monitoring the impact of climate change on our operations, mindful of the alarming estimated global cost of US\$16 million per hour ²⁰ arising from climate-related damage.					You may refer to the 'Energy Conservation and GHG Emissions Reduction' section in this Report for further information.	

LEGEND:

- Minor
- ⊗ Moderate
- Major

¹⁹ Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

²⁰ Source: <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>

²¹ We are unable to estimate the current financial effect due to uncertainties in the inputs and assumptions resulting from the lack of available data, including information about climate outcomes and their effects on the Group. We will continue to monitor credible information to support our disclosures in this area.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

Risk and Potential Impact	Significance of Financial Impact ¹⁹				Mitigation Measure	Climate-related Opportunity
	Current effect ('000)	Short-term	Medium-term	Long-term		
Key Transition Risk Identified – Enhanced GHG emissions reporting obligations						
<p>With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are requiring reporting of climate-related information. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance.</p> <p>These new requirements necessitate the investment of manpower resource in more comprehensive data collection, analysis and reporting processes, greater involvement from management, and additional costs for consultant and employee training.</p>	Scenario: Orderly				<p>To strengthen our sustainability governance structure, we put in place a Sustainability Taskforce for managing and monitoring our material Sustainability Factors, including working with the various business units and corporate functions to ensure that these are integrated into our day-to-day operations.</p> <p>In addition, we established terms of reference for component parties involved in the sustainability reporting process, for clarity and accountability purposes.</p> <p>With the above, we will be in a better position to meet the changes in regulations and rising expectations of stakeholders on the environment.</p>	<p>The enhanced GHG emissions reporting obligations and increase in regulatory costs will raise climate awareness among our employees.</p> <p>With a better defined job responsibilities and training, the Group will also be better positioned to use energy resources responsibly and adopt environmentally friendly practices.</p>
	US\$27	○	○	○		
	Scenario: Hot house world					
	US\$27	○	○	○		

LEGEND:

- Minor
- ⊗ Moderate
- Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

Strategy

- c. *Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that under warming scenario 2 (Hot House World: > 4°C warming), unmitigated risks of increased severity of extreme weather events may lead to moderate and severe financial impacts in the medium and long-term. Under warming scenario 1 (Orderly: <2°C warming), the climate-related risks identified are expected to result in moderate financial impacts in the long-term. To address the risks and capitalise on opportunities associated with climate change, we will continually refine our strategy to remain resilient throughout our sustainability journey.

Risk Management

- a. *Describe the organisation's processes for identifying and assessing climate-related risks*
- b. *Describe the organisation's processes for managing climate-related risks.*
- c. *Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.*

Climate-related risk management is covered under our ERM framework whereby potential climate-related risks are identified, assessed, monitored and managed. Business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. These risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM exercise and presented to the AC and the Board along with other key enterprise-wide risks for consideration and where appropriate, delegate to Sustainability Taskforce for developing strategies to deal with these challenges. Climate-related risks are also monitored based on the trend of climate-related sustainability metrics.

Metrics and Targets

- a. *Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.*

We track, measure and report on our environmental performance, including energy and GHG emissions, and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts. Please refer to our Sustainability Report from pages 27 to 28 and pages 33 to 34 of this Report.

- b. *Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.*

To support the climate change agenda, we disclose our Scope 1, 2 and selected Scope 3 GHG emissions in this Report and set climate-related targets such as those related to GHG emissions.

Our disclosure on indirect Scope 3 GHG emissions in this Report includes waste generated (category 5), business travel (category 6) and employee commuting (category 7).

- c. *Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*

As a commitment towards mitigating climate change, we set climate-related targets related to energy and GHG emissions. For further details, refer to the 'Targets and Progress' section in this Report.

SUSTAINABILITY REPORT

INDUSTRY-BASED GUIDANCE ON IMPLEMENTING CLIMATE-RELATED DISCLOSURE METRICS

The sustainability disclosure metrics are based on the IFRS Sustainability Disclosure Standard (“SDS”) industry-based guidance for implementing climate-related disclosure (Volume B32 – Electric Utilities and Power Generators) for the hydropower generation business segment. The details are as follows:

Sustainability Disclosure Topics and Metrics

CODE	METRIC	FY2024 ²²
Greenhouse Gas Emissions & Energy Resource Planning		
IF-EU-110a.1	Gross global Scope 1 emissions covered under emissions-limiting regulations (tonnes CO ₂ e)	Not applicable as we do not operate under emissions-limiting regulations.
	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations (%)	
	Gross global Scope 1 emissions covered under emissions-reporting regulations (tonnes CO ₂ e)	113
	Gross global Scope 1 emissions, percentage covered under emissions-reporting regulations (%)	100
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	–
IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Refer to the ‘Energy Conservation and GHG Emissions Reduction’ and ‘Targets and Progress’ sections for further information.
Water Management		
IF-EU-140a.1	Total water withdrawn in regions with high or extremely high baseline water stress (m ³)	We do not withdraw or consume a significant amount of water in our operations. Disclosure on water drawn from areas with water stress is not made as we do not significantly impact the ability of the countries where we operate, in meeting their human and ecological water demands.
	Total water withdrawn, percentage of each in regions with high or extremely high baseline water stress (%)	
	Total water consumed in regions with high or extremely high baseline water stress (m ³)	
	Total water consumed, percentage of each in regions with high or extremely high baseline water stress (%)	
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/ or quality permits, standards and regulations	Zero incidents
IF-EU-140a.3	Description of water management risks and discussions of strategies and practices to mitigate those risks	Refer to the ‘Biodiversity’ section for further information.
End Use Efficiency and demand		
IF-EU-420a.2	Percentage of electric load served by smart grid technology	No electricity is served by smart grid technology.
IF-EU-420a.3	Customer electricity savings from efficiency measures by market (with respect to the local regulations)	Not applicable as electricity generated is supplied to a state-owned electricity authority.
Nuclear Safety and Emergency Management		
IF-EU-540a.1	Total number of nuclear power units, broken by results of most recent independent safety review	Not applicable as we do not operate nuclear power units.
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	
Grid Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/ or cyber security standards or regulations	–
IF-EU-550a.2	System Average Interruption Duration Index (SAIDI)	None
	System Average Interruption Frequency Index (SAIFI)	
	Customer Average Interruption Duration Index (CAIDI), inclusive of major event days (*Example, significant number of customers/ disruptions for extended durations)	

²² We applied the transition relief under IFRS S2 to not disclose comparative information as this is the first reporting period in which we apply IFRS SDS.

SUSTAINABILITY REPORT

INDUSTRY-BASED GUIDANCE ON IMPLEMENTING CLIMATE-RELATED DISCLOSURE METRICS

Activity Metrics

CODE	METRIC	FY2024
IF-EU-000.A	Number of residential customers served	Not applicable as the electricity generated is supplied to a state-owned electricity authority.
	Number of commercial customers served	
	Number of industrial customers served	
IF-EU-000.B	Total electricity delivered to residential customers (TJ)	All renewable energy generated (508 TJ) was supplied to a state-owned electricity authority.
	Total electricity delivered to commercial customers (TJ)	
	Total electricity delivered to industrial customers (TJ)	
	Total electricity delivered to all other retail customers (TJ)	
	Total electricity delivered to wholesale customers (TJ)	
IF-EU-000.C	Length of transmission and distribution lines (km)	Not applicable as the transmission and distribution lines are owned and controlled by the state-owned electricity authority which our electricity generated was supplied to.
IF-EU-000.D	Total electricity generated (TJ), percentage by major energy source, percentage (%) in regulated markets	100% of the 508 TJ of renewable energy generated was supplied to a state-owned electricity authority.
IF-EU-000.E	Total wholesale electricity purchased (GJ)	435

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	Charisma Energy Services Limited has reported the information cited in the GRI content index for the Reporting Period with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	5
	2-2 Entities included in the organisation's sustainability reporting	8
	2-3 Reporting period, frequency and contact point	8-9
	2-4 Restatements of information	22, 24
	2-5 External assurance	9
	2-6 Activities, value chain and other business relationships	8
	2-7 Employees	24
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	12-13
	2-10 Nomination and selection of the highest governance body	44-47
	2-11 Chair of the highest governance body	3, 43
	2-12 Role of the highest governance body in overseeing the management of impacts	12-13
	2-13 Delegation of responsibility for managing impacts	12-13
	2-14 Role of the highest governance body in sustainability reporting	12-13
	2-15 Conflicts of interest	41
	2-16 Communication of critical concerns	26, 52-53
	2-17 Collective knowledge of the highest governance body	12-13
	2-18 Evaluation of the performance of the highest governance body	44-47
	2-19 Remuneration policies	47-49
	2-20 Process to determine remuneration	47-49
	2-21 Annual total compensation ratio	Not disclosed due to confidentiality

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	6, 55
	2-23 Policy commitments	11-14, 16-23, 26
	2-24 Embedding policy commitments	11-14, 16-23, 26
	2-25 Processes to remediate negative impacts	26, 52 -53
	2-26 Mechanisms for seeking advice and raising concerns	26, 52 -53
	2-27 Compliance with laws and regulations	12-13, 16-21, 24-26, 50
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	11-14, 55-56
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	11-15
	3-2 List of material topics	15
	3-3 Management of material topics	16-26
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	16
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	26
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	16-19
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	21-23
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	21-23
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	24-25, 41-43
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	24-25
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	21
	403-10 Work-related ill health	21
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	25

FINANCIAL CONTENTS

38	Corporate Governance Report
57	Directors' Statement
61	Independent Auditor's Report
65	Statements of Financial Position
66	Consolidated Statement of Comprehensive Income
68	Consolidated Statement of Changes in Equity
70	Consolidated Statement of Cash Flows
71	Notes to the Financial Statements
156	Statistics of Shareholdings
158	Notice of Annual General Meeting
163	Additional Information on Director Seeking Re-Election Proxy Form

CORPORATE GOVERNANCE REPORT

Charisma Energy Services Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) recognise the importance of and are committed to maintaining a high standard of corporate governance within the Group. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company’s stakeholders and promote investors’ confidence.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2024 (“**FY2024**”) with references to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the accompanying practice guidance (the “**Guide**”) issued by the Monetary Authority of Singapore. The Company has complied with the principles and guidelines as set out in the Code and the Guide, where appropriate. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

The Company did not adopt any alternative corporate governance practices for the FY2024.

(A) BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Company is led by an effective Board of Directors (the “**Board**”) comprise Non-Executive Directors only. Each Director brings to the Board his skills, experience and insights, which together with strategic networking relationships, serve to further the interests of the Company. At all times, the Directors are collectively and individually obliged to act in good faith, provide insight and consider at all times the best interests of the Company.

The Board oversees the business affairs of the Group and works with the Management to achieve the objectives set for the Group. To ensure smooth operation and facilitate decision-making, and at the same time ensure proper controls, the Board has delegated some of its powers to the board committees and the Management. The board committees and the Management remain accountable to the Board.

As at date of this report, the Board has three (3) members and comprising the following:

Name of Director	Designation
Mr. Chew Thiam Keng	Non-Executive Chairman
Mr. Owyong Thian Soo	Independent Non-Executive Director
Mr. Tan Tiong Huat Alex	Independent Non-Executive Director

CORPORATE GOVERNANCE REPORT

The main responsibilities of the Board are:

- (i) to provide entrepreneurial leadership and guidance and put in place an effective management team;
- (ii) to review and approve broad policies, set strategies and objectives of the Group;
- (iii) to review and approve business plans and annual budgets, major funding including capital management proposals, major investment and disposal proposals;
- (iv) to review at least annually the adequacy and effectiveness of the Group's risk management and internal control systems;
- (v) to review and monitor the Group's financial performance and the performance of Management;
- (vi) to review and appoint Chief Executive Officer ("**CEO**") and Directors as well as Board Committees; and
- (vii) sets the tone in respect of ethics, values, culture and standards, and ensuring proper accountability within the Company.

Matters and transactions that require the approval of the Board include, amongst others, the following:

- (i) matters in relation to the overall strategy and management of the Group;
- (ii) material changes to the Group's management and control structure;
- (iii) matters involving financial reporting and dividends;
- (iv) major/strategic acquisitions and disposal of investments not in the ordinary course of business; and
- (v) matters which require the Board's approval as specified under Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**"), Companies Act 1967 (the "**Companies Act**") or other relevant laws and regulations.

The Board has established three (3) board committees, namely the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**") (collectively, the "**Board Committees**"). These Board Committees function within clearly defined terms of reference and operating procedures, which were approved by the Board.

The Board held six (6) meetings during the FY2024. Ad-hoc meetings are convened as and when warranted by circumstances. Dates of Board meetings, Board Committee meetings, Annual General Meeting ("**AGM**") and Extraordinary General Meeting, if any, ("**EGM**") are scheduled in advance in consultation with the Directors to assist them in planning their attendance. A Director who is unable to attend a Board or Board Committee meeting physically may participate via telephone conference or other electronic and telegraphic means. The constitution of the Company provide for the meetings to be held via telephone conference and other electronic or telegraphic means. In addition, matters requiring decisions of the Board are approved by way of written resolutions of the Board.

CORPORATE GOVERNANCE REPORT

The attendance of the Directors at the AGM and EGM as well as meetings of the Board and Board Committees during FY2024 is disclosed below:

Type of Meetings	AGM [#]	EGM ^{##}	Board	AC	NC	RC
Total No. Held	1	1	6	6	1	1
Name of Director	No. of Meetings Attended					
Mr. Chew Thiam Keng	1	1	6	6	1	1
Mr. Simon de Villiers Rudolph ^(a)	0	–	3	3	1	1
Mr. Tan Tiong Huat Alex ^(b)	–	–	2	2	–	–
Mr. Owyong Thian Soo	1	1	6	6	1	1

AGM for financial year ended 31 December 2023 was held on 26 April 2024.

EGM was held on 28 June 2024.

Notes:

(a) Mr. Simon de Villiers Rudolph retired as an Independent Non-Executive Director, Chairman of the AC and member of the NC and RC w.e.f. 26 April 2024.

(b) Mr. Tan Tiong Huat Alex was appointed as an Independent Non-Executive Director, Chairman of the AC and member of the NC and RC w.e.f. 26 July 2024.

The Company believes that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge of its duties effectively. The Management provides members of the Board with quarterly management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material development of the Group as and when necessary.

All newly appointed Directors will be briefed on the business activities, strategic directions, policies and corporate governance practices of the Group. A formal letter of appointment is provided to all new Directors setting out, among other things, a Director's duties and obligations.

In addition, as required under the Catalist Rules, a new Director who has no prior experience as a Director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment. There was no appointment of first time Directors during the FY2024.

Mr. Tan Tiong Huat Alex (“**Mr. Tan**”) was appointed as Director of the Company on 26 July 2024. He has prior experience as a Director of companies listed on the SGX-ST. Mr. Tan has been briefed on the roles and responsibilities of a Director of a listed company, as well as the Group's business and operations. Mr. Simon de Villiers Rudolph retired as a Director of the Company at its AGM held on 26 April 2024.

Directors are also provided with briefings and updates from time to time by professional advisors, auditors and Management on relevant practices, new laws, rules and regulations, Directors' duties and responsibilities, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors. The Management updates the Board at each meeting on business and strategic developments of the Group and industry. Informal meetings are held for Management to brief Directors on prospective deals and potential developments in the early stages before formal Board approval is sought.

Directors would be informed and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors and may suggest training topics, the funding of which will be provided by the Company.

CORPORATE GOVERNANCE REPORT

For the FY2024, the Directors were briefed by the external auditors on the developments in financial reporting, governance standards and issues which have a direct impact on financial statements so as to enable them to discharge their duties and responsibilities as Board members or Board Committee members. The Company is aware of the importance of the sustainability training and all the Directors had attended relevant sustainability training required by the Singapore Exchange.

The Board has separate and independent access to the Company Secretary and the Management. The role of the Company Secretary includes responsibility for ensuring the Board's procedures are followed and that the applicable rules and regulations are complied with. The Company Secretary or his representative(s) attends and prepares minutes of meetings of the Board, Board Committees and shareholders. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Each member of the Board also has direct access to the Group's independent professional advisors as and when necessary to enable each member to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

The Company has adopted internal guidelines setting forth matters which requires Board approval. Matters which are specifically reserved to the full Board for decision are those involving interested party transactions ("IPTs") (including among others, conflict of interest issues in relation to substantial shareholders and Directors of the Company), material acquisitions and disposal of companies or assets, corporate or financial restructuring, share issuance and dividends and financial results and corporate strategies. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required. Each Board member makes decision objectively in the interests of the Group. Directors facing conflicts of interest, if any, would recuse themselves from discussions and decisions involving the issue of conflict.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises three (3) Directors, all of whom are Non-Executive Directors, of which two (2) are independent. Mr. Chew is the Non-Independent Non-Executive Chairman.

The Board is of the view that the present board size of three (3) Directors is adequate to provide for a diversity of views, facilitate effective decision-making and that the Board has an appropriate balance of Non-Independent and Independent Directors, taking into account the scope and nature of operations of the Group and current circumstances. The full Board is made up of Non-Executive Directors, which satisfies the requirements of Provision 2.3 of the Code.

While Non-Executive Directors makes up the entire Board, the Board notes that Provision 2.2 of the Code requires the Independent Directors to make up majority of the Board when the Chairman is not independent. The Board has assessed and is satisfied that there is an independent element, with a majority of Independent Directors on the Board, to contribute to effective decision making on the Board given the size of the Board and scale of operations.

The Board considers the existence of relationships or circumstances, including those identified by the Code and Catalist Rules, that are relevant to determine whether a Director is independent. In addition, the NC reviews the individual Director's declaration in their assessment of independence.

CORPORATE GOVERNANCE REPORT

The NC reviewed the declaration of independence provided by each of the Independent Directors in accordance with the Code and Catalist Rules. The NC and Board consider a Director as independent if he has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Director's independent business judgement with a view to the best interests of the Company. Under the Catalist Rules, a Director will not be independent if (i) he is employed or has been employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; (ii) he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for any of the past three (3) financial years, and whose remuneration is or was determined by the RC of the Company; and (iii) a Director who has been a Director of the company for an aggregate period of more than nine years (whether before or after listing). Such Director may continue to be considered independent until the conclusion of the next annual general meeting of the company.

The NC, taking into consideration the above, determined that Mr. Tan, and Mr. Owyong Thian Soo ("**Mr. Owyong**") (the "**Independent Directors**") are independent according to the Code and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code and Catalist Rules.

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent.

The Directors come from diverse background and possess different core competencies, qualifications and skills. The Board comprises members with vast management experience, industry knowledge, strategic planning experience and includes professionals with financial or accounting and legal backgrounds. They bring with them a wealth of experience that enhances the overall quality of the Board.

The NC reviews and considers the size and composition of the Board and the Board Committees annually to ensure that there is an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as age, so as to avoid group think and foster constructive debate. The NC considers the present Board size and composition appropriate, taking into account the business and scale of operations of the Group and current circumstances. The NC is of the view that the Board and Board Committees comprises Directors who have the relevant skills and knowledge, expertise and experiences as a group for discharging the Board's duties.

The Company is committed to fostering a diverse and inclusive environment, acknowledging the advantages of diversity within its Board. The Board's Diversity Policy provides that the NC will evaluate Board composition and succession planning with considerations to various forms of diversity, such as skills, experience, background, gender, age, ethnicity, and other relevant factors. These distinctions will inform decisions on the optimal Board composition, aiming for appropriate balance. All Board appointments are solely based on merit, taking into account the skills, experience, independence and knowledge necessary for the Board's effectiveness as a whole.

Although the Company has a Board diversity policy in place, it recognises that the current Board composition is exclusively male. Nevertheless, in alignment with the Company's commitment to diversity and inclusivity, the Board will actively seek and identify qualified female candidates for potential Board appointments. This effort, together with the NC's plans to further review the existing Board diversity policy (including meeting the full requirements of Catalist Rule 710A), will commence following the completion of the Company's internal restructuring, expected to be completed in Year 2025.

The Board and the Management engage in open and constructive debate for the furtherance and achievement of strategic objectives. All Board members are provided with relevant and sufficient information and Non-Executive Directors may challenge Management's assumptions and also extend guidance to the Management, in the best interest of the Group.

The Non-Executive Directors meet as warranted, in the absence of key management personnel, to discuss concerns or matters such as the effectiveness of the Management. The Non-Executive Directors met once without the presence of the Management during the FY2024.

The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group.

CORPORATE GOVERNANCE REPORT

The Board has taken the following steps to maintain or enhance its balance and diversity:

- (i) Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (ii) Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

Chairman and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The offices of the Chairman and CEO are separate. The Chairman of the Board, Mr. Chew Thiam Keng (“**Mr. Chew**”), is a Non-Executive Director. Mr. Chew leads the Board and ensures that the Board members engage the Management in constructive discussions on various strategic issues. The CEO, Mr. Tan Ser Ko, who was responsible for the day-to-day operations with the assistance of key management personnel business directions and operational decisions of the Group, has resigned with effect from 14 October 2024. The Chairman and the then CEO were not related to each other.

The responsibilities of the Chairman are as follows:

- (i) ensures that Board meetings are held as and when necessary;
- (ii) leads the Board to ensure the effectiveness of each Board meeting;
- (iii) sets the agenda for Board meetings in consultation with the CEO/Executive Director;
- (iv) monitors communications and relations between the Company and its shareholders, between the Board and the Management, and between Executive and Non-Executive Directors, with a view to encourage constructive relations and dialogue among them;
- (v) works to facilitate the effective contribution of Non-Executive Directors; and
- (vi) assists to ensure proper procedures are introduced to comply with the Code.

In consideration of the strong independent element on the Board, with the Independent Directors making up majority of the Board, whom voices out their concerns and challenges the Management’s assumptions, the Board is of the view that it is able to exercise independent and objective judgement on the corporate affairs of the Group.

The Board is of the view that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is based on collective decision of the Directors, without any concentration of power or influence residing in any individual. In view thereof, there is no need for the Company to have a lead Independent Director. The Board is of the view that the Independent Directors are available to shareholders during the general meetings where they have concerns and for which contact through the normal channels of communication with the Chairman or the Management are inappropriate or inadequate.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

As at the date of this report, the NC comprises the following three (3) Directors, the majority of whom, including the NC Chairman, are independent:

Mr. Owyong Thian Soo	Chairman
Mr. Chew Thiam Keng	Member
Mr. Tan Tiong Huat Alex	Member

The principal duties of the NC, as set out in its terms of reference include:

- (i) identifying candidates and making recommendations for all Board appointments and re-nomination or continuation in office of any Director;
- (ii) reviewing the Board structure, size and composition, and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- (iii) determining the independence of Directors annually;
- (iv) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations, and proposing internal guidelines in relation to multiple board representations;
- (v) deciding how the performance of the Board may be evaluated and proposing objective performance criteria; and
- (vi) recommending process and procedures for assessing the effectiveness of the Board as a whole, its Board Committees and the contributions by each individual Director to the effectiveness of the Board.

The NC acknowledged the importance of succession planning for Directors and CEO and was satisfied with the existing board composition. In view of the ongoing debts and organisational restructuring of the Group, the Board has assessed and concurred with the NC's recommendation that the Board and CEO succession plans will be on hold and will be reviewed at a later stage. There is currently no formal succession plan in place for key management personnel. The NC and the Board will consider implementing such succession plan upon the completion of the Group's restructuring plan.

The Directors are informed of and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors and may suggest training topics, the funding of which will be provided by the Company. The Directors are encouraged to attend relevant training programmes. For the FY2024, Directors were kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements so as to enable them to discharge their duties and responsibilities as Board members or Board Committee members. News released issued by the SGX-ST which are relevant to the Directors were also circulated to the Board for information.

For selection and appointment of new Directors, the NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board. The search and nomination process for new Directors will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. The NC would meet and interview the shortlisted candidates to assess their suitability. The NC will review and recommend the selected candidate to the Board for consideration and approval. The NC ensures that newly appointed Directors are aware of their duties and obligations. Newly appointed Directors during the year shall hold office only until the next AGM of the Company and shall be eligible for re-election.

CORPORATE GOVERNANCE REPORT

The existing Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Pursuant to Regulation 106 of the Company's constitution and the Catalyst Rules, one-third of the Board are to retire from office by rotation and these Directors are eligible to offer themselves for re-election at the AGM. The NC would assess the performance of the incumbent Director due for re-election in accordance with the performance criteria set by the Board; and consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would propose the re-nomination of the Director to the Board for its consideration and approval.

Information in respect of the academic and professional qualification, and directorship or chairmanship, both present and those held over the preceding three (3) years in other listed companies, of the Directors are set out in the "Board of Directors" section of the Annual Report. In addition, information on shareholdings in the Company and its related companies held by each Director is set out in the "Directors' Statement" section of the Annual Report.

The dates of initial appointment and last re-election of each of the Directors are set out as follows:

Name of Director	Designation	Date of initial appointment	Date of last re-election
Mr. Chew Thiam Keng	Non-Executive Chairman	20 February 2013	23 November 2023
Mr. Owyong Thian Soo	Independent Non-Executive Director	3 October 2023	23 November 2023
Mr. Tan Tiong Huat Alex	Independent Non-Executive Director	26 July 2024	-

Regulation 106 of the Company's constitution require that every Director on the Board shall retire at least once every three (3) years. A retiring Director shall be eligible to offer himself for re-election. Pursuant to Regulation 107 of the Company's constitution, any new Director appointed by the Board during the year shall retire at the next annual general meeting ("AGM") of the Company and shall then be eligible for re-election. The NC is responsible for the nomination of retiring Directors for re-election.

Pursuant to Regulation 106 of the Company's constitution, Mr. Chew will be retiring by rotation at the forthcoming AGM and being eligible, has consented to stand for re-election as Director at the forthcoming AGM. Mr. Chew had abstained from participating in the discussion and recommendation on his nomination.

Pursuant to Regulation 107 of the Company's constitution, Mr. Tan will be retiring at the forthcoming AGM and being eligible, has consented to stand for re-election as Director at the forthcoming AGM. Mr. Tan had abstained from participating in the discussion and recommendation on his nomination.

The NC recommended that the abovementioned Directors be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered and is satisfied with the Directors' overall contributions and performance. The Board has assessed and concurred with the NC's recommendation.

Mr. Chew will, upon re-election as a Director of the Company, remain as a Non-Executive Chairman of the Company. Mr. Tan will, upon re-election as Director of the Company, remain as an Independent Non-Executive Director of the Company.

Information regarding the Directors nominated for re-election/re-appointment, including the information required under Appendix 7F of the Catalyst Rules is given in the "Board of Directors" section and on pages 163 to 168 of the Annual Report.

The Board has not capped the maximum number of listed company board representations each Director may hold. The NC and the Board are of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities and

CORPORATE GOVERNANCE REPORT

commitments. The NC does not wish to omit considering any outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments effectively while serving on the Board.

In assessing the capacity of Directors, the NC considers, amongst others, the following:

- (i) Expected and/or competing time commitments of Directors, including whether such commitment is in a full-time or part-time employment capacity;
- (ii) Geographical location of Directors;
- (iii) Size and composition of the Board;
- (iv) Nature and scope of the Group's operations and size; and
- (v) Capacity, complexity and expectations of the other listed directorships and principal commitments held, if any.

The measures and tools in place to assess the performance and consider competing time commitments of the Directors include the following:

- Declarations by individual Directors of their other listed company board directorships and principal commitments; and
- Attention to the Company's affairs, having regard to his other commitments.

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company, the NC is satisfied that the Directors continue to meet the demands of the Group and are discharging their duties adequately.

As of date of this report, the Company does not have any alternate Director.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

The performance of the Board is ultimately reflected in the long-term performance of the Company.

The Board, through the delegation of its authority to the NC, had made its best efforts to ensure that each Director possesses the experience, knowledge and skills critical to the Group's business. This is necessary to enable the Board to make sound and well-considered decisions. The NC, in considering the nomination of any Director for re-election, will evaluate the performance of the Director involved. Renewal or replacement of Directors does not necessarily reflect their contribution to-date, but may be driven by the need to position and shape the Board in line with the needs of the Group and its business.

The NC has in place a formal evaluation process for assessing the Board as a whole, the Board Committees and contribution of individual Directors to the effectiveness of the Board. The performance criteria for the Board evaluation are in respect of Board composition, procedures, training, strategy and performance. The NC also undertook an evaluation of the Board Committees based on, amongst others, the size, training and their performance in relation to discharging their responsibilities as set out in their respective terms of reference. Individual Directors are evaluated based on performance criteria such as competency of the Director, attendance and contribution at Board meetings and ability to work with other Directors.

CORPORATE GOVERNANCE REPORT

The NC would review the criteria on a periodic basis to ensure that the criteria used is able to provide an accurate and effective performance assessment, taking into consideration factors such as industry standards and the industry operating environment, with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2024 as compared to the previous financial year as the economic climate, Board composition and the Group's principal business activities remained the same.

The NC meets at least once a year, and as warranted by circumstances, to discharge its functions. There was one (1) NC meeting held for FY2024.

The process for the evaluation of the Board, Board Committees and individual Directors involves the completion of a questionnaire by Board members annually to seek their views on various aspects of board performance such as Board composition, information, Board process, internal controls and risk management and accountability. A summary of the findings is prepared based on the completed questionnaire and is reviewed and deliberated by the NC and thereafter tabled to the Board for further discussion and implementation if required.

No external facilitator was used in the evaluation process for FY2024.

All NC members have abstained from voting or the review process of any matters in connection with the assessment of his performance.

Due to the ongoing Group's internal restructuring, the NC had conducted its assessments of the Board as a whole and on some of the individual Directors in respect of FY2024. The Chairman of the NC confers with the Chairman of the Board on the findings and ensures appropriate follow-up actions are taken as necessary. The Board is satisfied that all Directors have discharged their duties adequately for FY2024 and during the ongoing debts and organisational restructuring exercise of the Group.

The Directors' fees to be paid to the Directors are subject to shareholders' approval at the forthcoming AGM for FY2024.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

As at the date of this report, the RC comprises the following three (3) Directors, all whom are Non-Executive Directors, the majority of whom, including the RC Chairman, are independent:

Mr. Owyong Thian Soo	Chairman
Mr. Chew Thiam Keng	Member
Mr. Tan Tiong Huat Alex	Member

The principal duties of the RC, as set out in its terms of reference include:

- (i) reviewing and recommending a framework of remuneration for the Directors and key management personnel, determining specific remuneration packages for each Executive Director, the CEO and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;

CORPORATE GOVERNANCE REPORT

- (ii) reviewing the remuneration packages of employees in the Company or any of its principal subsidiaries who are related to any of the Directors or the CEO (if any);
- (iii) administering the options granted to participants which are still exercisable under the Charisma Energy Employee Share Option Scheme (the “**Scheme**”), which the Scheme had expired on 23 April 2023; and
- (iv) administering and recommending to the Board the performance share plan or any long-term incentive schemes which may be set up from time to time.

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC reviews the terms of compensation and employment for Executive Directors and key management personnel at the time of their respective employment or renewal (where applicable) including considering the Company’s obligations in the event of termination of services to ensure such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC’s review covers all aspects of remuneration, including salaries, fees, allowances, bonuses and benefits-in-kind. The RC’s recommendations are submitted for endorsement by the entire Board. The RC has access to external professional advice on remuneration matters, if required. In the event of such advice being sought, existing relationship, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. No remuneration consultants were engaged by the Company for FY2024. The RC will, if necessary, seek advice from external remuneration consultants on remuneration matters.

The RC meets at least once a year, and as warranted by circumstances, to discharge its function. There was one (1) RC meeting held for FY2024.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objective of the company.

The Company’s remuneration policy, which covers all aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company’s business vision and create sustainable value for its stakeholders. The remuneration received by the Executive Directors and key management personnel comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Director and key management personnel, “claw-back” provisions in the service agreements may not be relevant or appropriate.

The short-term incentives are based largely on the Group’s performance and the responsibilities and performance of each individual personnel. The remuneration policy of the Company is based on an annual appraisal system using the criteria of core values, competencies, key results areas, performance rating and potential. The RC has reviewed and is satisfied that the specific criteria and performance targets set out by the RC were met for FY2024. However, there was no variable remuneration paid to the Executive Director and key executive officers because the Company was not profitable for FY2024. Long-term incentive schemes, were or are, as the case may be, put in place to motivate and reward employees and align their interests to maximise long-term shareholder value. The Scheme was a long-term incentive plan and was intended to achieve the objective of aligning the interests of holders with those of the shareholders of the Company. As the Scheme had expired on 23 April 2023, there was no options issued to the Directors and employees as part of the Scheme for FY 2024.

CORPORATE GOVERNANCE REPORT

The RC is the committee administering the options granted to participants which are still exercisable under the Scheme. Information on the options granted under the Scheme to the then Directors prior to the expiration of the Scheme is set out on pages 58 to 59 of this Annual Report.

The Independent and Non-Executive Directors are paid Directors' fees, taking into account factors such as effort and time spent, and their responsibilities. The Non-Executive Directors received a base Director's fees. The Independent Directors are not over-compensated to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval at the Company's AGM. The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2024 is appropriate, considering the effort, time spent and responsibilities.

Disclosure in Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The names, breakdown of the exact remuneration paid to the Company's Directors and CEO for FY2024 are as follows:-

Remuneration and Name of Directors	Salary US\$'000	Bonus USD'000	Other benefits USD'000	Fees USD'000	Total USD'000
<u>Director</u>					
Mr. Chew Thiam Keng	–	–	–	43	43
Mr. Owyong Thian Soo	–	–	–	32	32
Mr. Simon de Villiers Rudolph ^(a)	–	–	–	10	10
Mr. Tan Tiong Huat Alex ^(b)	–	–	–	14	14
<u>CEO</u>					
Mr. Tan Ser Ko ^(c)	98	–	–	–	98
Remuneration and Name of Key Management Personnel	Salary %	Bonus %	Other benefits %	Fees %	Total %
<u>Key Management Personnel</u>					
Mr. Quak Jin Lim	100	–	–	–	100

Notes:

(a) Mr. Simon de Villiers Rudolph retired as an Independent Non-Executive Director w.e.f. 26 April 2024.

(b) Mr. Tan Tiong Huat Alex was appointed as an Independent Non-Executive Director, Chairman of the AC and member of the NC and RC w.e.f. 26 July 2024.

(c) Mr. Tan Ser Ko resigned as CEO w.e.f. 14 October 2024.

For FY2024, there were two (2) key management personnel in the Company, out of which one of them was the CEO who resigned on 14 October 2024. The key management personnel each received remuneration of less than S\$250,000. Information on the remuneration of key management personnel can be found on page 141 of this Annual Report.

There were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel other than the payment in lieu of notice in the event of termination in their respective employment contracts for FY2024.

There were no employees within the Group who were substantial shareholders of the Company, immediate family members of a Director, the then CEO or a substantial shareholder of the Company whose remuneration exceeded S\$100,000 for FY2024.

The Scheme as mentioned in Principle 7 is a long-term incentive plan and is intended to achieve the objective of aligning the interests of holders with those of the shareholders of the Company. Information on the Scheme is set out on pages 58 to 59 of this Annual Report.

CORPORATE GOVERNANCE REPORT

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Group for effective risk governance.

The AC oversees risk governance and the related roles and responsibilities of the AC include the following:

- (i) proposing the risk governance approach and risk policies for the Group to the Board;
- (ii) reviewing the risk management methodology adopted by the Group;
- (iii) reviewing the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by the Management; and
- (iv) reviewing the Management's assessment of risks and the Management's action plans to mitigate such risks.

To facilitate the governance of risks and monitoring the effectiveness of internal controls, the Group has in place a formal Enterprise Risk Management policy. The Management reports annually to the AC and the Board on the Group's risk profile, the risk mitigation action plans and the results of various assurance activities carried out on the effectiveness and adequacy of Group's risk management and internal controls systems including financial, operational, compliance and information technology controls. Such assurance activities include control self-assessments performed by the Management, internal, external audits and external certifications conducted by various external professional service firms.

In respect of FY2024, as the CEO of the Company had resigned in October 2024 and the Financial Controller ("FC") is only key management personnel in the Group, the Board has received assurance from the FC:

- (i) that financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (ii) that the Company's risk management and internal control systems are adequate and effective.

Based on the internal controls established and maintained by the Group, assurance received from the FC, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board (with concurrence of the AC) are of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management system, were adequate and effective for FY2024.

The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

Audit Committee (“AC”)

Principle 10: *The Board has an Audit Committee which discharges its duties objectively.*

The AC comprises the following three (3) Directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent:

Mr. Tan Tiong Huat Alex	Chairman
Mr. Chew Thiam Keng	Member
Mr. Owyong Thian Soo	Member

The Board is of the view that the AC members have the relevant accounting or related financial management expertise and experience to discharge their duties.

None of the AC members are former partners or Directors of the Company’s external audit firm within the last two (2) years and none of the AC members hold any financial interest in the external audit firm.

For FY2024, the AC met six (6) times to perform the duties as set out in its terms of reference which include:

- (i) reviewing with the external auditors the scope and results of the audit, their evaluation of the system of internal accounting controls, their Management letter and Management’s response;
- (ii) reviewing the financial statements including annual budget and any forecast, before submission to the Board for approval;
- (iii) reviewing the adequacy and effectiveness of and the procedures for the internal audit function, including the staffing of and resources made available for the internal audit function, and to make such recommendations as it may think fit;
- (iv) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- (v) reviewing and making recommendations to the Board on the appointment and re-appointment of the external auditors and the remuneration and terms of engagements of the external auditors;
- (vi) reviewing the scope and results of the external audit, the independence and objectivity of the external auditors and the cost-effectiveness of the audit;
- (vii) reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance;
- (viii) reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up actions to be taken;
- (ix) reviewing interested person transactions, if any; and
- (x) overseeing risk governance.

CORPORATE GOVERNANCE REPORT

The AC has full access to and obtained the co-operation of the Management. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC met with the external and internal auditors without the presence of the Management at least once annually. For FY2024, the AC met once with the external and internal auditors without the presence of Management.

The external auditors were also invited to be present at AC meetings, as and when required, held during the year to *inter alia*, answer or clarify any matter on accounting and auditing or internal controls.

The Group has complied with Rules 712, 715 and 716 of the Catalist Rules in relation to the appointment of CLA Global TS Public Accounting Corporation as the external auditors of the Company and KPMG, Sri Lanka and Crowe China Certified Public Accountants, China being the statutory auditors of the Group's significant components. The Board and AC are satisfied that the appointment of KPMG LLP as the current auditors of its Singapore subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group. The Company does not have any significant Singapore-incorporated associated companies.

The AC has reviewed the scope and value of non-audit services provided by the external auditors in FY2024 and is satisfied that the nature and extent of such services would not affect the independence of the external auditors. Details of the aggregate amount of fees paid to the external auditors for FY2024 and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 134 of this Annual Report. The AC has recommended to the Board and the Board has nominated that CLA Global TS Public Accounting Corporation for re-appointment as the external auditors for the financial year ending 31 December 2025 at the forthcoming AGM.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy, details of which have been made available to all employees. Whistle-blowing report can be requested by sending an email to whistleblow@charismaenergy.com. This policy provides well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group directly to either the then Executive Director or the AC Chairman, as appropriate. No whistle blowing reports have been received during FY2024.

The Company has designated the AC to investigate whistleblowing reports made in good faith independently. The Company will treat all (written) complaints in a confidential and sensitive manner. A report of a complaint will only be disclosed to persons on a need-to-know basis in order to properly carry out an investigation and the identity of the whistleblower is kept confidential. The Company is committed to ensure protection of the whistleblower against detrimental or unfair treatment arising from whistleblowing.

For FY2024, the AC reviewed the quarterly and full-year financial statements prior to approving or recommending their release to the Board, the external audit plan and the results of the external audit performed and the internal audit report of the Group.

For FY2024, the AC and the Board were briefed by the external auditors on the developments in financial reporting and governance standards.

The Group outsources its internal audit function to Yang Lee & Associates ("IA"). Internal control weaknesses identified during the internal audit reviews and the implementation status of the recommended corrective actions are reported to the AC periodically.

The AC approves the evaluation, hiring, compensation and removal of the corporation to which the internal audit function is outsourced.

CORPORATE GOVERNANCE REPORT

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that the Management provides the necessary co-operation to enable the IA to perform its function. The AC annually reviews the adequacy and effectiveness of the risk management and internal audit function to ensure that the internal audits are performed effectively. The AC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

The IA reports directly to the AC and administratively to the CEO (in his absence, the FC). The IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. As such, the AC is satisfied that the IA is staffed by qualified and experienced personnel, and has appropriate standing in the Company to discharge its duties effectively.

The IA completed one (1) review for FY2024 in accordance with the internal audit plan approved by the AC.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, quarterly and full-year financial results. The Company does not practise selective disclosures and releases its financial results and other material information to the shareholders on a timely basis in accordance with the requirements of the Catalyst Rules, via the SGXNet.

The AGM for the financial year ended 31 December 2023 was convened and held physically ("AGM 2023"). Shareholders were able to attend and participate the AGM 2023 in-person, they were able to submit questions to the Chairman of the Meeting before the AGM 2023 and/or have their questions addressed prior to the AGM 2023 itself. The Company also held a physical EGM on 28 June 2024.

The Company's forthcoming AGM in respect of FY2024 ("AGM 2024") to be held on 24 April 2025, will be held in a wholly physical format. The Company will adhere to the SGX-ST's guiding principle to allow Shareholders sufficient time from the date of the AGM Notice to raise questions and provide answers to such questions within reasonable timelines. Please refer to the Notice of the AGM 2024 of the Company, which may be accessed at the SGX website at <https://www.sgx.com/securities/company-announcement>.

Shareholders are able to proactively engage the Board and the Management on the Group's business activities, financial performance and other business-related matters at the AGM. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

An independent polling agent is appointed by the Company for general meetings who will explain the rules, including voting procedures that govern the AGM. The Company will not be issuing printed copies of the annual reports to its shareholders but will send the printed copies of the Notice of AGM and Proxy Form to the shareholders by post. In addition, the annual report, accompanied with the notice of AGM and proxy form, are accessible by electronic means via SGXNet.

CORPORATE GOVERNANCE REPORT

To facilitate participation by the shareholders, the Company's constitution allows a shareholder to appoint not more than two (2) proxies to attend and vote at general meetings. As the authentication of shareholder identity information and other related security issues still remains a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email, fax or electronically. Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. In the event of interdependent and linked resolutions, the reasons and material implications of the "bundled" resolutions will be explained.

At the general meetings, the external auditors as well as all the Directors, in particular the Chairman of the Board and the respective Chairman of the AC, NC and RC, are in attendance to answer queries from shareholders. The attendance of the Directors at general meetings held for the FY2024 is set out in page 40 of this Annual Report. Shareholders are given the opportunity to query the Directors and Management on matters relating to the Group and its operations. Minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management will be uploaded to the SGXNet within one (1) month from the AGM.

All resolutions are put to vote by poll and the voting results of all votes cast for, or against, each resolution and the respective percentages are announced at the meeting and via SGXNet upon the conclusion of the general meetings.

Dividend Policy

The Company does not have a specific dividend policy. Nonetheless, the Management will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. No dividend has been declared or recommended as the Group was loss-making for FY2024.

Engagement with Shareholders

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their view on various matters affecting the Company.*

The Company's primary avenue to solicit and understand the views of shareholders is via general meetings.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, as well as any information that is necessary to avoid the establishment of a false market in the Company's shares, through announcements via SGXNet. Such announcements are communicated on an immediate basis or on a timely basis as required under the Catalist Rules. Shareholders are provided with updates on the Group's performance position and prospects through the Company's annual report and its unaudited financial results announced quarterly.

The Company's quarterly and full year results announcements are issued via SGXNet. The Company discloses all material information on a timely basis to all shareholders. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make same disclosure publicly to all others promptly.

The Company does not have a formal investor relations policy but considers advice from its corporate lawyers, its Sponsor and other professionals on appropriate disclosure requirements before announcing material information to shareholders. Pertinent information is regularly disseminated to the shareholders through SGXNet. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise.

CORPORATE GOVERNANCE REPORT

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of materials stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, community, government and regulators and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company maintains a corporate website at <https://www.charismaenergy.com> to communicate and engage with stakeholders. Shareholders can submit their feedback and raise any questions to the Company via the Company's corporate email at enquiries@charismaenergy.com.

SUSTAINABILITY REPORTING

The Company upholds the high standards of responsible, sustainable and socially aware business practices. We are committed to instilling sustainability in our corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. We prudently balance economic viability with sustainability and social progress for future generations.

The Company has assigned a sustainability task force for our sustainability reporting, to monitor our sustainability performance and the implementation of our sustainability policies and measures. We endeavour to streamline our business operations to improve efficiency and conserve resources.

Below is a summary table of the key topics in line with the GRI standards, TCFD recommendations and ISSD standards that are relevant to the Group and our stakeholders.

Economic	Environmental	Social	Governance
<ul style="list-style-type: none">Sustainable Business Performance	<ul style="list-style-type: none">Energy Conservation and GHG Emissions ReductionBiodiversity	<ul style="list-style-type: none">Safe Working EnvironmentEmployee Development and RetentionDiversity, Equal Opportunity and Non-DiscriminationGiving Back to the Community	<ul style="list-style-type: none">Robust Corporate Governance Framework

More information on the Group's efforts on sustainability management in FY2024 can be found in our 2024 Sustainability Report which is set out in pages 6 to 36 of this Annual Report.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

The Company has adopted an internal code in line with the SGX-ST's best practices with regards to dealings in securities to provide guidance for its Directors and employees.

The internal code provides that the Company, its Directors and employees are prohibited from dealing in securities of the Company when they are in possession of any unpublished material price-sensitive information of the Group. The internal code also prohibits the Company, its Directors and employees from dealing in the Company's securities during the period commencing one (1) month and two (2) weeks before the date of announcement of the Company's full-year and quarterly financial results respectively and ending on the date of announcement of the relevant results.

The Company, its Directors and employees are also required to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Company, its Directors and employees are expected not to deal in the Company's securities for short-term considerations.

DISCLOSURE OF MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the CEO, Directors or controlling shareholder, either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Company has established procedures to ensure that transactions with interested persons are properly reviewed and approved, are conducted at arm's length basis and are not prejudicial to the interests of the Company and its minority shareholders.

The Group had on 21 April 2014 obtained a general mandate from shareholders for IPTs which was last renewed on 4 May 2023. The mandate had lapsed on 31 July 2023 and the Group had not obtained a new general and specific mandate from shareholders for IPT.

There were no IPTs during FY2024.

NON-SPONSOR FEES

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2024.

UTILISATION OF PROCEEDS

There are no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalyst Rules.

DIRECTORS' STATEMENT

We hereby submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:

- (a) the financial statements set out on pages 65 to 155 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having regards to the matters set out in Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The Directors in office at the date of this statement are as follows:

Chew Thiam Keng

Owyong Thian Soo

Tan Tiong Huat Alex (Appointed on 26 July 2024)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiary corporations) are as follows:

Name of Directors and corporation in which interests are held	Holdings registered in the name of Director or nominee	
	01.01.24	31.12.24
Charisma Energy Services Limited		
- Ordinary shares		
Simon de Villiers Rudolph (Retired on 26 April 2024)	10,000,000	-

Except as disclosed in this statement, no other Director who held office at the end of the financial year had interests in shares, debentures or warrants of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2025.

DIRECTORS' STATEMENT

Except as disclosed under the "Share options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

Employee Share Option Scheme

The Company's Employee Share Option Scheme, which was approved and adopted by its members at an Extraordinary General Meeting held on 24 April 2013, expired on 23 April 2023 (the "**Scheme**"). The options granted to participants which are still exercisable under the Scheme are administered by the Company's Remuneration Committee, comprising three Directors, Owyong Thian Soo, Tan Tiong Huat Alex and Chew Thiam Keng.

Other information regarding the Scheme is set out below:

- The exercise price of the options can be set at market price or at a discounted price not exceeding 20% of the market price (or such other percentage or amount prescribed or permitted by the SGX-ST) and approved by the shareholders at a general meeting in a separate resolution in respect of that option.
- The options shall be exercised in whole or in part 1 year (if exercise price of option is set at market price) or 2 years (if exercise price of option is set at a discount to market price) after the grant date.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years from date of grant (the "**Exercise Period**") or upon cessation of the employment of employees, whichever is earlier. Directors may exercise any un-exercised options in full during the Exercise Period even after they have ceased to be a director of the Company.

At the end of the financial year, details of the options granted under the Scheme on unissued ordinary shares of the Company to the then Directors prior to the expiration of the Scheme are as follows:

Date of grant of options	Exercise price per share	Options outstanding at			Options outstanding at		Exercise period
		1 January 2024	Options exercised '000	Options forfeited '000	31 December 2024	31 December 2024	
	S\$	'000	'000	'000	'000		
10/5/2016	0.009	47,500	-	-	47,500	5	10/5/2018 to 10/5/2026
9/5/2017	0.006	45,000	-	-	45,000	5	9/5/2019 to 9/5/2027

Except as disclosed above, there were no other share options forfeited, expired, cancelled or exercised since commencement of the Scheme to 31 December 2024.

DIRECTORS' STATEMENT

No options were granted to the following:

- (i) participants who are controlling shareholders of the Company and their associates;
- (ii) participants, other than those as set out in (i) above and those Directors disclosed below, who received 5% or more of the total number of options available under the Scheme; and
- (iii) Directors or employees of the holding company and its subsidiary corporations as the Company does not have a holding company.

Details of options granted to the Directors of the Company are as follows:

Name of Director	Options granted for financial year ended 31 December 2024 '000	Aggregate options granted since commencement of Scheme to 31 December 2024 '000	Aggregate options exercised since commencement of Scheme to 31 December 2024 '000	Aggregate options cancelled since commencement of Scheme to 31 December 2024 '000	Aggregate options outstanding as at 31 December 2024 '000
Chew Thiam Keng	–	–	–	–	–
Owyong Thian Soo	–	–	–	–	–
Tan Tiong Huat Alex (Appointed on 26 July 2024)	–	–	–	–	–
Simon de Villiers Rudolph (Retired on 26 April 2024)	–	10,000	–	–	10,000

The above options were granted at a 20% discount to the average of the last dealt prices per share on SGX-ST over the 5 consecutive market days immediately preceding the date of grant of options.

The options granted under the Scheme do not entitle the holders of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

AUDIT COMMITTEE

The Audit Committee of the Company which comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director at the date of this statement are:

Tan Tiong Huat Alex (Appointed on 26 July 2024) (Chairman)
Chew Thiam Keng
Owyong Thian Soo

The Audit Committee performs the functions specified in Section 201B of the Act, the Catalist Rules and the Code of Corporate Governance.

The Audit Committee held four meetings since the last Directors' Statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Catalist Rules).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of external auditors and reviews the level of audit and non-audit fees.

In appointing our auditors for the Company and subsidiary corporations, Rule 712, Rule 715 and Rule 716 of the Catalist Rules have been complied with.

AUDITORS

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Chew Thiam Keng

Director

Tan Tiong Huat Alex

Director

9 April 2025

INDEPENDENT AUDITOR'S REPORT

to the Members of Charisma Energy Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Charisma Energy Services Limited (the “**Company**”) and its subsidiary corporations (the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2 *Going Concern* of the financial statements, which indicates that the Group incurred a net loss of US\$1,241,000 for the financial year ended 31 December 2024. As at 31 December 2024, the Group and the Company were in net liabilities positions of US\$50,906,000 and US\$80,217,000 respectively; and in net current liabilities positions of US\$56,050,000 and US\$86,148,000 respectively.

The ability of the Group to fulfil its obligations is dependent on the Group’s ability to raise fresh investment funds from the conditional subscription agreement with the 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.

These conditions, along with other matters as set forth in Note 2 *Going Concern*, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

to the Members of Charisma Energy Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Valuation of trade and other receivables

As at 31 December 2024, the Group's net trade receivables amounted to US\$0.8 million, net other receivables amounted to US\$0.8 million and deferred consideration receivables amounted to US\$2.7 million, comprising net total trade and other receivables of US\$4.3 million, representing 20% of the Group's total assets.

The Group applies the simplified approach in determining the expected credit loss ("ECL") rates in accordance with SFRS(I) 9 – *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the trade and other receivables. In carrying out this assessment, management applies judgement to determine the credit loss allowance.

Significant judgement is required in determining whether a credit loss allowance should be recorded in accordance with SFRS(I) 9. Accordingly, we consider this to be a key audit matter.

Please refer to Note 4.8(i) of the financial statements for disclosure of the related accounting policy, Note 3.4 for disclosure of the related critical accounting estimates and assumptions, Note 11 for the trade and other receivables' balances, Note 12 for the deferred consideration receivables' balances and Note 32 for details of the ECL.

We obtained an understanding of significant credit exposures on the trade and other receivables and deferred consideration receivables which were either overdue, in default or had been specifically identified via collection reports and analysis of aged receivables produced by management.

Our audit procedures included the following:

- Understood and evaluated the effectiveness of management's process and controls over the recoverability of trade and other receivables;
- Assessed reasonableness of management's assumptions and estimates;
- Reviewed management's ECL assessment on trade and other receivables including examining and validating the data used to determine historical loss rates adjusted with forward-looking information; and
- Reviewed the aging analysis and subsequent receipts as part of the testing to support the adequacy of allowance of ECL on the trade and other receivables.

Based on the above procedures, we found the results of our procedures to be consistent with the results of management's assessment.

INDEPENDENT AUDITOR'S REPORT

to the Members of Charisma Energy Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

to the Members of Charisma Energy Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The Engagement Director on the audit resulting in this independent auditor's report is Loh Ji Kin.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
9 April 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Non-current assets					
Property, plant and equipment	5	5,397	5,748	1	-
Right-of-use assets	6	238	94	-	-
Intangible assets	7	-	-	-	-
Investment in subsidiary corporations	8	-	-	-	-
Loan to subsidiary corporations	8	-	-	5,930	5,930
Joint ventures	9	-	-	-	-
Other investments	10	-	-	-	-
Deferred tax assets	22	-	-	-	-
Trade and other receivables	11	7	9	-	-
Deferred consideration receivables	12	685	-	-	-
		6,327	5,851	5,931	5,930
Current assets					
Inventories		534	431	-	-
Trade and other receivables	11	1,554	4,279	10,120	6,720
Deferred consideration receivables	12	2,055	-	-	-
Cash and bank balances	14	230	25	212	21
Cash and bank balances (restricted)	14	10,665	2,633	-	32
		15,038	7,368	10,332	6,773
Assets of disposal group classified as held for sale	13(iii), (vi)	-	19,181	-	2,679
		15,038	26,549	10,332	9,452
Total assets		21,365	32,400	16,263	15,382
Equity					
Share capital	15	274,553	274,553	274,553	274,553
Perpetual securities	16	6,811	6,811	6,811	6,811
Redeemable exchangeable preference shares	17	7,042	7,042	-	-
Other reserves	18	(13,788)	(13,551)	(1,276)	(1,276)
Accumulated losses		(325,524)	(324,257)	(360,305)	(357,520)
Amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held for sale	13(v)	-	(209)	-	-
Deficit in equity attributable to owners of the Company		(50,906)	(49,611)	(80,217)	(77,432)
Non-controlling interests	19	-	(166)	-	-
Net deficit in equity		(50,906)	(49,777)	(80,217)	(77,432)
Non-current liabilities					
Trade and other payables	20	199	152	-	-
Financial liabilities	21	166	1	-	-
Deferred tax liabilities	22	818	882	-	-
		1,183	1,035	-	-
Current liabilities					
Trade and other payables	20	53,894	47,242	80,177	73,461
Financial liabilities	21	16,325	16,527	16,303	19,353
Provision for tax		869	507	-	-
		71,088	64,276	96,480	92,814
Liabilities directly associated with disposal group classified as held for sale	13(iv)	-	16,866	-	-
		71,088	81,142	96,480	92,814
Total liabilities		72,271	82,177	96,480	92,814
Total equity and liabilities		21,365	32,400	16,263	15,382

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Continuing operations			
Revenue	24	6,894	5,842
Cost of sales		(1,990)	(1,575)
Gross profit		4,904	4,267
Administrative and marketing expenses		(3,878)	(2,130)
Other income, net		2,084	1,156
Result from operating activities		3,110	3,293
Finance income		506	484
Finance cost		(3,104)	(2,729)
Net finance cost	25	(2,598)	(2,245)
Share of results of joint ventures, net of tax	9	–	–
Profit before income tax	26	512	1,048
Income tax expense	27	(1,849)	(1,469)
Loss from continuing operations		(1,337)	(421)
Discontinued operations			
Profit/(loss) from discontinued operations, net of tax		96	(6,799)
Loss for the financial year		(1,241)	(7,220)
(Loss)/profit attributable to:			
Owners of the Company		(1,267)	(5,860)
Non-controlling interests	19	26	(1,360)
Loss for the financial year		(1,241)	(7,220)
(Loss)/profit attributable to owners of the Company relates to:			
Loss from continuing operations		(1,337)	(421)
Profit/(loss) from discontinued operations		70	(5,439)
		(1,267)	(5,860)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 US\$	2023 US\$
Earnings per share (“EPS”) for (loss)/profit from continuing and discontinued operations attributable to equity holders of the Company (cent per share)			
Basic EPS			
From continuing operations	28	(0.010)	(0.004)
From discontinued operations	28	0.001	(0.040)
Diluted EPS			
From continuing operations	28	(0.010)	(0.004)
From discontinued operations	28	0.001	(0.040)
	Note	2024 US\$'000	2023 US\$'000
Loss for the financial year		(1,241)	(7,220)
Other comprehensive income/(losses)			
Items that will not be reclassified to profit or loss:			
Net change in fair value of actuarial gain or loss		–	(52)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to financial statements of foreign operations		607	504
Other comprehensive income for the financial year, net of tax		607	452
Total comprehensive losses for the financial year		(634)	(6,768)
Total comprehensive losses attributable to:			
Owners of the Company		(991)	(5,003)
Non-controlling interests	19	357	(1,765)
Total comprehensive losses for the financial year		(634)	(6,768)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

		Attributable to owners of the Company											
		Share capital	Perpetual securities	Redeemable exchangeable preference shares	Other reserve	Foreign currency translation reserves	Fair value reserve	Hedging reserve	Accumulated losses	Amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held for sale	Total	Non-controlling interests	Net (deficit in equity)/equity
Note		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group		274,553	6,811	7,042	36	(10,727)	(3,916)	(10)	(318,292)	-	(44,503)	1,599	(42,904)
At 1 January 2023													
Total comprehensive income/(losses) for the financial year		-	-	-	-	-	-	-	(5,860)	-	(5,860)	(1,360)	(7,220)
Loss for the financial year													
Other comprehensive income/(losses)													
Net change in fair value of actuarial gain or loss							(52)				(52)		(52)
Reclassification to amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held for sale	13(v)					209				(209)			
Foreign currency translation differences relating to financial statements of foreign operations						909					909	(405)	504
Total comprehensive income/(losses) for the financial year		-	-	-	-	1,118	(52)	-	(5,860)	(209)	(5,003)	(1,765)	(6,768)
Transactions with owners of the Company, recognised directly in equity													
Contributions by and distributions to owners													
Accrued perpetual securities distributions	16								(105)		(105)		(105)
Total transactions with owners									(105)		(105)		(105)
At 31 December 2023		274,553	6,811	7,042	36	(9,609)	(3,968)	(10)	(324,257)	(209)	(49,611)	(166)	(49,777)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Cash flows from operating activities			
Loss for the financial year		(1,241)	(7,220)
Adjustments for:			
Depreciation of property, plant and equipment	5	571	586
Depreciation of right-of-use assets	6	46	641
Loss on disposal of discontinued operations	13(vii)	35	-
Loss allowance on amounts due from joint venture	26	-	334
Loss allowance on trade and other receivables		1,421	7,642
Finance income	25	(506)	(484)
Finance cost	25	3,725	4,094
Gain on disposal of property, plant and equipment	26	-	(17)
Gain on disposal of assets held for sale	26	-	(1,130)
Income tax expense		1,849	1,503
		5,900	5,949
Changes in working capital:			
- inventories		(103)	(41)
- trade and other receivables		952	143
- trade and other payables		3,442	2,160
Cash generated from operations		10,191	8,211
Income tax paid		(1,646)	(1,629)
Net cash from operating activities		8,545	6,582
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(124)	(54)
Disposal of discontinued operations, net of cash disposed of	13(vii)	81	-
Proceeds from disposal of assets held for sale		-	1,400
Proceeds from disposal of property, plant and equipment		-	17
Finance income received		506	485
Net cash from investing activities		463	1,848
Cash flows from financing activities			
Advances from minority shareholder of subsidiary corporation		396	347
Repayment of overdraft facilities by subsidiary corporation/borrowings		(166)	(6,017)
(Increase)/Decrease in restricted cash		(8,032)	434
Payment of lease liabilities		(239)	(588)
Finance cost paid		(762)	(2,703)
Net cash used in financing activities		(8,803)	(8,527)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January		25	122
Cash and cash equivalents at 31 December	14	230	25

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 9 April 2025.

1. DOMICILE AND ACTIVITIES

Charisma Energy Services Limited (the “**Company**”) is incorporated in Singapore. The address of the Company’s registered office is 8 Wilkie Rd, #03-01 Wilkie Edge, Singapore 228095.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiary corporations (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 subsidiary corporations. The principal activities of the significant subsidiary corporations are set out in Note 8 to the financial statements.

2. GOING CONCERN

The Group incurred a net loss of US\$1,241,000 (2023: US\$7,220,000) for the financial year ended 31 December 2024. As of that date, the Group and the Company were in net liabilities positions of US\$50,906,000 and US\$80,217,000 (2023: US\$49,777,000 and US\$77,432,000) respectively; and in net current liabilities positions of US\$56,050,000 and US\$86,148,000 (2023: US\$56,908,000 and US\$86,041,000) respectively. The net current liabilities positions were a result of certain liabilities being reclassified from non-current to current as the Group and the Company did not meet the repayment schedule, financial covenants and the general undertaking imposed by the lenders.

In the assessment of the appropriateness of the going concern assumption used in the preparation of the financial statements, the Directors of the Company have considered the developments set out below, which includes, *inter alia*, future inflows of fresh investment funds from the New CSA (as defined below) with the Subscriber (as defined below), restructuring plans to be agreed with creditors and lenders subject to fulfilling all conditions pursuant to the Scheme and the New CSA, support from shareholders, as well as the expected positive cash flows from the Group’s continuing operations.

Subsequent to the lapse of the conditional subscription agreement dated 10 January 2022 (the “**CSA**”) on 9 July 2022, on 18 January 2023, the Company entered into a new conditional subscription agreement (the “**New CSA**”) with the same subscriber (the “**Subscriber**”) 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 is to undertake the following:

- (a) divestments of its existing assets and quoted securities (the “**Proposed Divestments**”) such that pursuant to the Proposed Divestments, the Company would 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 megawatts (the “**Hydro-Power Plants**”), together with their receivables, cash and inventories (including the Hydro-Power Plants) (the “**Remaining Assets**”);

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. GOING CONCERN (CONTINUED)

Under the **New CSA**, the Company is to undertake the following: (Continued)

- (b) propose a scheme of arrangement which would 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 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 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 Subscriber;
- (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 this reporting date. If for any reason the Group and the Company are unable to continue as going concerns, 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.

Developments up to 31 December 2024

In 2023 and 2024, the Group made significant progress in its holistic plan to recapitalise and restructure the Group, as described below.

Divestment of AHTS

The Group successfully divested the two remaining anchor handling tug supply vessels ("**AHTS**") in February 2023 and March 2023 respectively, the proceeds of which were applied towards reducing the respective secured loans.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. GOING CONCERN (CONTINUED)

New CSA, extension of longstop date of the New CSA and assignment of loan from secured lender

On 13 October 2023, the Company entered into a supplemental agreement with the Subscriber to extend the longstop date of the New CSA from 17 October 2023 to 31 March 2024. Due to the extension of the longstop date, the Company received instructions from a secured lender in December 2023 to make a partial repayment of US\$5 million towards the outstanding secured bank loan, using the remitted funds from the Sri Lanka operations. The Company complied with the secured lender's instruction and arranged for the partial repayment of US\$5 million on 4 December 2023. Further, as announced by the Company on 16 January 2024, the Company completed the assignment of the rights and securities under the loan from the secured lender to Cosmic Marvel International Limited ("**CMIL**") (a wholly-owned subsidiary corporation of the Subscriber) and the loan remains in default, notwithstanding the partial payment.

The Company subsequently entered into six (6) supplemental agreements with the Subscriber to further extend the longstop date of the New CSA from 31 March 2024 to 31 March 2025.

Scheme of Arrangement 2023

In relation to the Scheme of Arrangement, the Company convened a meeting with class(es) of certain of its creditors (the "**Scheme Creditors**") on 7 June 2023 (the "**Scheme Meeting**") and at the Scheme Meeting, the Scheme Creditors had, 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 "**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 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.

Deed of Settlement

In relation to the Bilateral Settlement, the Company, together with its wholly-owned subsidiary corporation, CES Hydro Power Group Pte. Ltd. ("**CES Hydro**"), 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.

Submission of Trading Resumption Proposal

In view of the above developments, on 10 November 2023 the Company submitted an application to the Singapore Exchange Regulation Pte Ltd ("**SGX RegCo**") on the lifting of suspension of trading of the ordinary shares of the Company on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in accordance with Chapter 13 of the Listing Manual Section B: Rules of Catalist of the SGX-ST. Following the submission of the Company's Trading Resumption Proposal, on 1 October 2024 the Company submitted through its sponsor an updated application to the SGX RegCo. On 9 December 2024, the Company through its sponsor, received a letter from SGX RegCo (the "**Letter**") confirming that SGX RegCo had no objection to the Company's updated resumption proposal submitted in the update application, subject to the several conditions listed in the Letter. The decision of the SGX RegCo will not be effective if any of the conditions is not fulfilled. Please refer to the Company's announcement dated 10 December 2024 for more information on the Letter.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. GOING CONCERN (CONTINUED)

Yichang Divestment

On 7 April 2024, an equity transfer agreement was entered into by the Company and Smartpower Technology (Shanghai) Co., Ltd. (the “**Purchaser**”) to dispose the Company’s entire 80.0% equity interest in Yichang Smartpower Green Electricity Co., Ltd. (“**Yichang**” or the “**Disposal Group**”) (the “**Equity Transfer Agreement**”), for a total consideration of RMB23.08 million (equivalent to US\$3.21 million). Yichang is a company incorporated in China which owns a solar photovoltaic power plant. The Company had convened an extraordinary general meeting on 28 June 2024 and obtained the approval of its shareholders in relation to the disposal of Yichang as contemplated under the Equity Transfer Agreement. The transaction was completed on 19 September 2024 (the “**Disposal Date**”).

Supplementary Scheme of Arrangement

Due to the terms of the Equity Transfer Agreement, the Company proposed a Pre-packaged Supplementary Scheme of Arrangement (“**Supplementary Scheme**”) to be entered between the Company, CES Yichang Pte. Ltd. (“**CES Yichang**”) (as described in the Supplementary Scheme documents) (a wholly-owned subsidiary corporation of the Company) and the Category A Participating Creditors of the Scheme of Arrangement to agree on certain modifications to the Scheme of Arrangement. The Supplementary Scheme document was sent to the Category A Scheme Creditors by electronic means on 26 July 2024. Based on the votes received through the ballot forms at the cut-off timing of the submission of the ballot forms, the Supplementary Scheme has been approved by the Category A Participating Creditors with the requisite majority in number (92.9% - being over 50%) and in value (99.9% - being at least 75%) of the Category A Participating Creditors. The Company filed an application with the High Court of Singapore on 29 August 2024 for the sanction of the Supplementary Scheme. On 26 September 2024 the Court granted the orders sought by the Company in the Supplementary Scheme Court Application (the “**Order of Court**”) approving the Supplementary Scheme proposed between the Company, CES Yichang and the Category A Participating Creditors. The Company lodged a copy of the extracted Order of Court with the Registrar of Companies on 26 September 2024. The Order of Court took effect on and from the date of lodgement.

Amended and Restated Deed of Settlement

Due to the terms of the Equity Transfer Agreement, on 13 August 2024 the Company entered into an amended and restated deed of settlement with CES Hydro, CES Yichang and the REPS Holders to amend the Deed to provide for the new distribution arrangements of the net proceeds from the disposal of Yichang.

Entry into Convertible Loan Agreement

Further to the entry into the New CSA and pursuant to the loan restructuring mentioned above, the Group entered into a binding termsheet with the Subscriber in January 2023. With the completion of assignment of the secured loan from a secured lender as mentioned above, the termsheet was effected into a convertible loan agreement which the Group entered with the Subscriber and CMIL on 20 December 2024 (the “**Convertible Loan Agreement**”). The Convertible Loan Agreement governs the terms and conditions related to the outstanding principal amounts of the loan CMIL purchased from the secured lender on the Group’s Sri Lanka Hydro-Power Plants (the “**Outstanding Loan**”). Pursuant to the Convertible Loan Agreement, the parties have agreed to capitalise an outstanding principal amount of S\$10,860,000 under the Outstanding Loan pursuant to the New CSA and for the remaining principal amount of up to S\$10,255,000 under the Outstanding Loan which is convertible into new ordinary shares of the Company. For the avoidance of doubt, the existing loan agreements continue to be in force and remain in default until the Convertible Loan Agreement becomes effective.

Submission of whitewash waiver application

In December 2024, the Company submitted an application letter to the Securities Industry Council of Singapore seeking a waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for the Shares not held by the Subscriber following the allotment and issue of the Subscription Shares under the New CSA, the Option Shares pursuant to the exercise of the options under the terms and conditions of the Options under the New CSA and the Conversion Shares pursuant to any conversion under the Convertible Loan Agreement, subject to certain conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”). The related changes to material accounting policies are described in Note 3.5 to the financial statements.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below.

3.3 Functional and presentation currency

These 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.

3.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 year 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. BASIS OF PREPARATION (CONTINUED)

3.4 Use of estimates and judgements (Continued)

Valuation of investments in subsidiary corporations

The Company determines whether there is impairment on the investments in subsidiary corporations 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 subsidiary corporations 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 and other receivables

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. The Group 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.

Notwithstanding the above, the Group evaluates the expected credit loss ("ECL") on customers in financial difficulties separately.

The assessment of the correlation between historical credit loss experience, forecast economic conditions and historical observed expected loss rates is a significant estimate. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future.

ECL on trade and other receivables are probability weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company's credit risk exposure for trade receivables by different revenue segment is set out in Note 32.

3.5 Changes in material accounting policies

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 3.5 which addresses the changes in accounting policies.

4.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity instruments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary corporation that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiary corporations

Subsidiary corporations are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary corporations are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary corporations have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary corporation are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary corporation, it derecognises the assets and liabilities of the subsidiary corporation, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary corporation is measured at fair value when control is lost.

(iv) Investment in joint ventures (equity-accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (Continued)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiary corporations and joint ventures in the separate financial statements

Investments in subsidiary corporations and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an equity investment designated at FVOCI; and
- qualifying cash flow hedges to the extent that the hedges are effective.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Foreign currency (Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US\$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US\$ at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary corporation, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary corporation that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

4.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, capitalised borrowing costs and the Group's obligation to remove the asset or remove the site based on an estimate of the costs of dismantling and removing and restoring the site on which they are located.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Property, plant and equipment (Continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that property, plant and equipment are completed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

	<u>Useful lives</u>
Power generation equipment	5 - 30 years
Vessels	15 years
Furniture and computer equipment	3 - 5 years
Motor vehicles	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiary corporations is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 4.1(i).

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Intangible assets (Continued)

Land use rights

Intangible assets acquired in a business combination relate to land use rights and are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful life of the land use rights is 25 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Upon the adoption of SFRS(I) 16 Leases in 2019, land use rights were reclassified from “intangible assets” to “right-of-use assets” (see Note 4.12). The Group was not required to make any adjustments at the date of initial application of SFRS(I) 16, other than changing the captions for the balances.

4.5 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is generally determined by reference to weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and locations. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.6 Disposal group classified as held for sale

Disposal group comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the components of a disposal group, are remeasured in accordance with the Group’s accounting policies. Thereafter, the disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, if any, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories and financial assets, which continue to be measured in accordance with the Group’s accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of joint ventures ceases once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (“FVOCI”) - equity investment, or FVTPL if they qualify for such classification.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost, FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (Continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, cash deposits pledged by the Group as securities for banking facilities are excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (Continued)

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issued. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

Redeemable exchangeable preference shares

The Group's redeemable preference shares are classified as equity because the redemption is at the issuer's discretion, they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

(vii) Intra-group financial guarantees contracts (FGCs)

FGCs are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

FGCs issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for FGCs issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from FGCs are included within "financial liabilities".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (Continued)

(viii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedge

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amounts accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- lease receivables; and
- intra-group financial guarantee contracts (FGCs).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset remains outstanding beyond management's expected range of past due days taking into consideration past payment trends, macroeconomic and industry conditions.

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default (as defined above);
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment (Continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is measured annually using the projected unit credit method calculated using the gratuity formula. The present value of the defined benefit obligation is determined by discounting the estimated future benefit that employees have earned in return for their services in the current and prior periods.

Gains and losses arising from changes in the assumptions, current service cost and interest are recognised in the statement of comprehensive income in the period in which they arise.

The retirement benefit obligation is not externally funded.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.11 Revenue

Rendering of services and sale of energy and power generation services

Revenue from rendering of services and sale of energy and power generation services is recognised when the Group satisfies a performance obligation (“PO”) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods or services. The individual standalone selling price of goods or a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue from rendering of services is generally recognised over time on straight line basis over the period when the service is rendered.

Revenue from rendering of other services is recognised at a point in time when the Group has rendered the services to customers. The other services are related to provision of management services for disposal of vessels and project management.

Revenue from sale of energy and power generation services is recognised as and when clean energy is generated and delivered to the customer, and all criteria for acceptance have been satisfied (i.e. at a point in time).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.12 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "right-of-use assets" and lease liabilities in "financial liabilities" in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.12 Leases (Continued)

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 4.8(i)). The Group further regularly reviews estimated unguaranteed residual values, if any, used in calculating the gross investment in the lease.

4.13 Finance income and costs

Finance income comprises interest income on bank deposits. Finance costs comprise interest expenses on borrowings that are recognised in profit or loss. Interest income or expense is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.14 Income tax expense

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

4.15 Earnings per share

The Group presents basic and diluted earnings per share (“**EPS**”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise outstanding warrants, perpetual securities, redeemable exchangeable preference shares and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.16 Borrowings

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has the right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the Chief Operating Decision Maker), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

4.18 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

Amendments to SFRS(I) 1-21: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Statements (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets);
- Update the disclosure for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.18 New or revised accounting standards and interpretations (Continued)

SFRS(I) 18: Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to user. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular, those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange difference currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is group might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual report of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.18 New or revised accounting standards and interpretations (Continued)

SFRS(I) 18: Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027) (Continued)

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Power generation equipment	Vessels	Furniture and computer equipment	Motor vehicle	Work-in- progress	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group							
Cost							
At 1 January 2023	199	66,436	–	17	79	15	66,746
Foreign exchange translation	23	1,717	–	14	35	1	1,790
Additions	–	32	–	7	14	1	54
Disposals	–	–	–	–	(16)	–	(16)
Reclassification	–	17	–	–	–	(17)	–
Reclassification to disposal group held for sale (Note 13(iii))	–	(509)	–	–	–	–	(509)
At 31 December 2023	222	67,693	–	38	112	–	68,065
Foreign exchange translation	25	2,086	–	17	38	–	2,166
Additions	–	84	–	36	–	4	124
Disposals	–	–	–	(8)	(1)	–	(9)
At 31 December 2024	247	69,863	–	83	149	4	70,346
Accumulated depreciation and impairment losses							
At 1 January 2023	–	60,074	–	12	58	–	60,144
Foreign exchange translation	–	1,689	–	13	33	–	1,735
Depreciation from continuing operations (Note 26)	–	543	6	5	13	–	567
Depreciation from discontinued operations	–	19	–	–	–	–	19
Disposals	–	–	–	–	(16)	–	(16)
Reclassification to gain on non-current assets held for sale	–	–	(6)	–	–	–	(6)
Reclassification to disposal group held for sale (Note 13(iii))	–	(126)	–	–	–	–	(126)
At 31 December 2023	–	62,199	–	30	88	–	62,317
Foreign exchange translation	–	2,020	–	15	35	–	2,070
Depreciation from continuing operations (Note 26)	–	542	–	13	16	–	571
Disposals	–	–	–	(8)	(1)	–	(9)
At 31 December 2024	–	64,761	–	50	138	–	64,949
Carrying amounts							
At 31 December 2023	222	5,494	–	8	24	–	5,748
At 31 December 2024	247	5,102	–	33	11	4	5,397

* Amount is less than US\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computer equipment
	US\$'000
Company	
Cost	
At 1 January 2023 and 31 December 2023	89
Additions	1
At 31 December 2024	90
Accumulated depreciation	
At 1 January 2023 and 31 December 2023	89
Depreciation	_*
At 31 December 2024	89
Carrying amounts	
At 31 December 2023	-
At 31 December 2024	1

* Amount is less than US\$1,000

Transfer to assets of disposal group classified as held for sale

In 2023, property, plant and equipment of the Group with carrying amounts of US\$383,000 were reclassified to assets of disposal group classified as held for sale and the Company has, on 7 April 2024, executed the equity transfer agreement to dispose the solar plant CGU, and subsequently completed the disposal on 19 September 2024.

Security

As at 31 December 2024 and 31 December 2023, property, plant and equipment of the Group with carrying amounts of US\$5,102,000 (2023: US\$5,494,000) are pledged as security to the Subscriber following the completion of the assignment of rights and securities under the hydro loan from a financial institution to Cosmic Marvel International Limited, a wholly owned subsidiary corporation of the Subscriber.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment loss

There are no indicators of impairment in the current year. However, in 2023, indicators of impairment were identified for the following cash-generating units that belong to the Energy and Power segment:

- Mini hydro power plants (“**Hydro Plants CGUs**”);

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

	Carrying Value
	2023
	US\$'000
Property, plant and equipment	5,748
Rights of use assets – office premises	94
	5,842

Management has estimated the recoverable amounts of the Hydro Plants CGUs 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
	2023
Projection period	21 years
Tariff rates	
- During existing contracted period	Actual FY2023 tariff rates with an average annual upward revision of 5%
- Post-contractual renewal period	Renewal tariff rate recommended by authority
Projected utilisation rate	Average of past 7 years historical plant factor
Post-tax discount rate	27%

The cash flow projections were based on forecasts prepared by management taking into account past experience, current and expected weather conditions and legislation. 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 derived recoverable amounts, no impairment losses were identified and allocated to the individual assets of the Hydro Plants CGUs for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In estimating the recoverable amounts of the mini-hydro power plants, the Group assumed the concessions will 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.

Sensitivity analysis

Management has identified that a reasonably possible change to one of the relevant assumptions, holding other assumptions constant, would have affected the recoverable amounts of the CGUs by the amounts shown below.

	Hydro Plants CGUs 2023 US\$'000
- 1% increase in discount rate	(185)
- 1% decline in tariff rate annual increment	(282)
- 1% decline in average utilisation rate	(1,235)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6. RIGHT-OF-USE ASSETS

	Land use rights	Leases of premises	Leases of power generation equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Cost				
At 1 January 2023	2,554	238	22,742	25,534
Addition	–	63	–	63
Foreign exchange translation	(51)	(39)	(451)	(541)
Reclassified to disposal group (Note 13(iii))	(2,503)	–	(22,291)	(24,794)
At 31 December 2023	–	262	–	262
Addition	–	173	–	173
Foreign exchange translation	–	34	–	34
At 31 December 2024	–	469	–	469
Accumulated depreciation and impairment loss				
At 1 January 2023	682	191	11,244	12,117
Depreciation from continuing operations	–	3	–	3
Depreciation from discontinued operations	100	–	538	638
Foreign exchange translation	(13)	(26)	(224)	(263)
Reclassified to disposal group (Note 13(iii))	(769)	–	(11,558)	(12,327)
At 31 December 2023	–	168	–	168
Depreciation from continuing operations	–	46	–	46
Foreign exchange translation	–	17	–	17
At 31 December 2024	–	231	–	231
Carrying amounts				
At 31 December 2023	–	94	–	94
At 31 December 2024	–	238	–	238

Impairment loss

The Group's right-of-use assets are deployed in the Hydro Plants CGUs. There are no indicators of impairment in the current year. However, in 2023, the Group tested the carrying amount of the right-of-use assets for impairment. Under this assessment, the Group recognised impairment losses towards the non-financial assets deployed in the Hydro Plants CGUs, and no impairment loss had been allocated to right-of-use assets during 2023. Further information about management's impairment assessment is included in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6. RIGHT-OF-USE ASSETS (CONTINUED)

Security

At 31 December 2023, the underlying power generation equipment, as represented in the right-of-use assets with carrying amounts of US\$10,733,000, acquired under lease arrangements are pledged as security for lease liabilities associated with disposal group classified as held for sale.

As at 31 December 2023, right-of-use assets of US\$12,467,000 are reclassified to assets of disposal group classified as held for sale (Note 13(iii)).

7. INTANGIBLE ASSETS

	Goodwill
	US\$'000
Group	
Cost	
At 31 December 2023 and 2024	1,306
Accumulated amortisation and impairment loss	
At 31 December 2023 and 2024	1,306
Carrying amounts	
At 31 December 2023 and 2024	–

Impairment loss

The Group's intangible assets are part of the solar photovoltaic power plant cash-generating unit ("Solar Plant CGU") which was disposed of during 2024. In 2023, the Group continued to face challenging market conditions, evolving government legislation and uncertain financial performance in the business of the CGU. The Group tested the carrying amount of the intangible assets for impairment. Under this assessment, in prior year, the Group recognised impairment losses towards the non-financial assets deployed in the Solar Plant CGU and impairment loss had been allocated in full to goodwill. No reversal of impairment loss previously recognised was necessary during 2023 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. SUBSIDIARY CORPORATIONS

	Company	
	2024	2023
	US\$'000	US\$'000
Unquoted equity investments, at cost	9,339	20,410
Addition	_*	-
Impairment losses	(9,339)	(17,731)
Reclassified to disposal group (Note 13(iii))	-	(2,679)
	-	-
Loans to subsidiary corporations	84,174	87,469
Impairment losses	(78,244)	(81,539)
	5,930	5,930
	5,930	5,930

* Amount is less than US\$1,000

The loans to the subsidiary corporations form an extension of the Company's interest in the subsidiary corporations. They are interest-free, unsecured and the settlement of the amount is neither planned nor likely to occur in the foreseeable future.

Impairment losses

The change in impairment loss in respect of equity investments in subsidiary corporations was as follows:

	Company	
	2024	2023
	US\$'000	US\$'000
At 1 January	17,731	14,223
(Written off)/Impairment losses	(8,392)	3,508
At 31 December	9,339	17,731

The change in impairment loss in respect of loans to subsidiary corporations was as follows:

	Company	
	2024	2023
	US\$'000	US\$'000
At 1 January	81,539	80,374
(Written off)/Impairment losses	(3,295)	1,165
At 31 December	78,244	81,539

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. SUBSIDIARY CORPORATIONS (CONTINUED)

In 2024, the Company had written off the impairment losses on investment in subsidiary corporation of US\$8,392,000 upon completion of disposal of a subsidiary corporation for calculation of gain or loss on disposal of the subsidiary corporation. Following the disposal of the subsidiary corporation, the Company has sold the loan to the subsidiary corporation at US\$0.14 (equivalent to RMB1) to the Purchaser. As a result, the Company had written off the impairment losses on the amount due from the subsidiary corporation of US\$3,295,000.

Conversely, in 2023, the Company recognised impairment losses amounting to US\$3,508,000 and US\$1,165,000 in respect of the Company's investments in and loans to subsidiary corporations as a result of recurring losses incurred by these subsidiary corporations.

Management assessed for impairment whenever there is any objective evidence or indications that equity investments in and loans to subsidiary corporations may be impaired. Loss allowance was made in 2023 to reduce the net carrying amount of the equity investments in and loans to subsidiary corporations to the recoverable amounts which were determined based on value-in-use calculations, after taking into consideration the financial performance and position of the subsidiary corporations.

Details of the significant subsidiary corporations are as follows:

Name of significant subsidiary corporations	Principal activities	Place of business/ Country of incorporation	Equity held by the Group	
			2024 %	2023 %
<u>Held by the Company</u>				
Anchor Marine 2 Inc. ¹	Ship owner and provision of ship chartering services	Mauritius	100	100
Anchor Marine 3 Inc. ¹	Ship owner and provision of ship chartering services	Mauritius	100	100
Anchor Offshore Services Inc. ¹	Shipping agent and provision of ship chartering services	Mauritius	100	100
Aus Am Pte. Ltd. ²	Owning and leasing of accommodation modules	Singapore	100	100
Yichang Smartpower Green Electricity Co. Ltd ^{3,6}	Owning and operating of solar power plant	China	–	80
CES Hydro Power Group Pte Ltd ²	Investment holding company	Singapore	100	100
CES Green Power S.A. Pte Ltd ²	Investment holding company	Singapore	100	100
<u>Held through CES Hydro Power Group Pte Ltd</u>				
CES Hydro Power (SL) Limited ⁴	Owning and leasing of hydropower generation equipment	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. SUBSIDIARY CORPORATIONS (CONTINUED)

Details of the significant subsidiary corporations are as follows: (Continued)

Name of significant subsidiary corporations	Principal activities	Place of business/ Country of incorporation	Equity held by the Group	
			2024 %	2023 %
<u>Held through CES Green Power S.A. Pte Ltd</u>				
WKV Hydro Technics (Private) Limited ⁵	Generation and supply of hydroelectric power	Sri Lanka	100	100
Math Hydro Power (Private) Limited ⁵	Generation and supply of hydroelectric power	Sri Lanka	100	100
Hynford Water Power (Private) Limited ⁵	Generation and supply of hydroelectric power	Sri Lanka	100	100
Upcountry Power Supply International (Private) Limited ⁵	Generation and supply of hydroelectric power	Sri Lanka	100	100
Thannewatha Mini Hydro Power Holdings (Private) Limited ⁵	Generation and supply of hydroelectric power	Sri Lanka	100	100

1 Audited by KPMG Mauritius.

2 Audited by CLA Global TS Public Accounting Corporation.

3 Audited by Crowe China Certified Public Accountants.

4 Audited by PKF, Malaysia.

5 Audited by KPMG Sri Lanka.

6 Disposed during the financial year ended 31 December 2024.

A subsidiary corporation is considered significant as defined under the SGX-ST Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more than the Group's consolidated pre-tax profits.

The Company classified its 80% owned subsidiary corporation, Yichang Smartpower Green Electricity Co., Ltd. ("Yichang") as assets of disposal group classified as held for sale as at 31 December 2023 following management's decision to dispose Yichang. The disposal was completed in 19 September 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. JOINT VENTURES

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Interests in joint ventures	1,144	1,144	1,540	1,540
Impairment loss	(1,144)	(1,144)	(1,540)	(1,540)
	-	-	-	-

The Group has not recognised its share of losses of certain joint ventures amounting to US\$ Nil (2023: US\$145,000) because the Group's cumulative share of losses exceeds its interests in those entities and the Group has no obligation in respect of those losses.

10. OTHER INVESTMENTS

As at 31 December 2024 and 2023, the Group held investments in two companies listed on the Singapore Exchange. The Group classifies the quoted equity investments measured at FVOCI and the convertible perpetual securities as debt investments held at FVTPL.

The carrying amounts of the investments were deemed to be US\$ Nil since 31 December 2019 due to the trading halt and suspension of the shares of the two companies. Accordingly, the Group recognised fair value losses to the income statement and other comprehensive income in relation to those investments.

No investments were disposed of during the financial year 2023 and 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Equity investments designated at FVOCI

The Group designated the equity investments at FVOCI because the Group intends to hold them for longer-term strategic purpose.

Security

At 31 December 2024 and 2023, other investments of the Group and the Company were pledged as security to secure loans from financial institutions obtained by Group entities (see Note 21).

Credit and market risks, and fair value measurement

Information about the Group's and the Company's fair value measurement is disclosed in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Other receivables				
Prepayments	7	9	-	-
Current				
Trade receivables				
Trade amounts due from:				
- third parties	3,101	5,697	-	-
- subsidiary corporations	-	-	10,464	10,599
Less: Loss allowance (Note 32)	(2,306)	(2,306)	(3,996)	(4,283)
Total trade receivables	795	3,391	6,468	6,316
Other receivables				
Prepayments	180	147	3	4
Deposits paid	67	23	67	23
Amount due from subsidiary corporation (non-trade)	-	-	3,171	-
Amounts due from joint ventures (non-trade)	631	631	356	356
Less: Loss allowance (Note 32)	(502)	(502)	(227)	(227)
Net amounts due from joint ventures (non-trade)	129	129	129	129
Other receivables – third parties	725	589	282	248
Less: Loss allowance (Note 32)	(342)	-	-	-
Net other receivables – third parties	383	589	282	248
Total trade and other receivables (current)	1,554	4,279	10,120	6,720
Total trade and other receivables	1,561	4,288	10,120	6,720

During the financial year ended 31 December 2023, the Company recognised loss allowance of US\$572,000 on trade receivables from subsidiary corporations due to uncertainty of recovery. In the financial year 2024, the Company derecognised a loss allowance of US\$287,000 on trade receivables from subsidiary corporations, as the Company has sold the amount to the Purchaser.

During the financial year ended 31 December 2023, the Group recognised loss allowance of US\$334,000 for amounts due from joint ventures due to uncertainty of recovery (Note 26). No loss allowance was recognised by the Group for amounts due from joint ventures for the financial year ended 31 December 2024 as the Group intends to offset them with amounts due to joint ventures.

There is no loss allowance recognised by the Company for amounts due from joint ventures for the financial year ended 31 December 2024 and 2023 as the Company intends to offset them with amounts due to joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

Non-trade amounts due from joint ventures of US\$129,000 (2023: US\$129,000) are unsecured, interest-free and receivable on demand.

Non-trade amount due from subsidiary corporation of US\$3,171,000 (2023: US\$ Nil) is unsecured, interest-free and receivable on demand.

Credit and currency risks, and impairment losses

The Group's and the Company's exposures to credit and currency risks, and impairment losses for trade and other receivables are disclosed in Note 32.

12. DEFERRED CONSIDERATION RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current	685	–	–	–
Current	2,055	–	–	–
	2,740	–	–	–

Deferred consideration receivables relates to the balance purchase consideration due from the Purchaser of Yichang from the Yichang Divestment which are to be distributed in accordance with the terms of (i) the Supplementary Scheme of Arrangement entered into with the Category A Participating Creditors under the April 2023 Scheme; and (ii) the Amended and Restated Deed of Settlement entered with the REPS holders, upon meeting the conditions precedent set out therein.

As at 31 December 2024, the Group received the first instalment of the purchase consideration in December 2024, and the second instalment was due from the Purchaser of Yichang. The remaining 3 instalments are presented as current and non-current deferred consideration receivables based on their respective due dates.

The Group did not recognise a loss allowance on deferred consideration receivables for the financial year ended 31 December 2024 because the Company has a high probability of completing the New CSA and Proposed Debt Restructuring within the next 12 months since (i) most of the conditions precedent of the New CSA and Supplementary Scheme were met by 31 December 2024 and (ii) with the implementation of the Scheme, the Company will transfer its shareholding in CES Yichang (which was set up to hold the deferred consideration receivables) to a nominee shareholder who shall hold the shares on trust for the Scheme Managers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

Under the New CSA, the Company undertook to divest its 80% shareholding interests in Yichang Smartpower Green Electricity Co., Ltd. (“**Yichang**”) which owned China photovoltaic power plant (“**Yichang Divestment**”) and utilise the proceeds from the Yichang Divestment to pare down the existing loans, payment of related transaction costs for the Yichang Divestment and/or as partial cash settlement of the Proposed Debt Restructuring.

The Company had on 7 April 2024, executed the equity transfer agreement for the sale of Yichang and subsequently completed the disposal of Yichang on the Disposal Date.

As at 31 December 2023, following the Group’s decision to sell Yichang (known as the “**Disposal Group**”), and in compliance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations, the corresponding assets and liabilities of Yichang were classified as “Assets of disposal group classified as held for sale” and “Liabilities directly associated with disposal group classified as held for sale” respectively on the statements of financial position. Its financial results have been reclassified and presented separately as “Discontinued operations” for the financial year ended 31 December 2023.

- (i) The results of the discontinued operations and re-measurement of the disposal group are as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
Revenue	1,983	3,093
Cost of sales	(149)	(859)
Administrative and marketing expenses	(3)	8
Other operating expenses	(1,079)	(7,642)
Finance income	_*	_*
Finance costs (Note 25)	(621)	(1,365)
Profit/(Loss) before tax from discontinued operations	131	(6,765)
Income tax expense	-	(34)
Loss on disposal of discontinued operations	(35)	-
Net profit/(loss) for the year from discontinued operations	96	(6,799)

* Amount less than US\$1,000

- (ii) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
Operating cash inflows	866	1,508
Financing cash outflows	(529)	(1,588)
Total cash inflows/(outflows)	337	(80)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(iii) Details of the assets of disposal group classified as held for sale were as follows:

	Group	
	As at 31 December 2024 US\$'000	As at 31 December 2023 US\$'000
Plant and equipment	–	383
Right of use assets	–	12,467
Deferred tax assets	–	673
Trade and other receivables (non-current)	–	528
Trade and other receivables (current)	–	5,127
Cash and bank balances (restricted)	–	3
Total	–	19,181

(iv) Details of the liabilities of disposal group classified as held for sale were as follows:

	Group	
	As at 31 December 2024 US\$'000	As at 31 December 2023 US\$'000
Trade and other payables (current)	–	3,042
Financial liabilities (current)	–	13,824
Total ⁽¹⁾	–	16,866

⁽¹⁾ Excludes amount due to holding company of US\$3,324,000 as at 31 December 2023.

(v) Details of the amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held for sale were as follows:

	Group	
	As at 31 December 2024 US\$'000	As at 31 December 2023 US\$'000
Foreign currency translation reserves	–	209

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(vi) Details of the assets in non-current asset classified as held for sale of the Company were as follows:

	Company	
	As at 31 December 2024 US\$'000	As at 31 December 2023 US\$'000
Investment in subsidiary corporation	–	2,679

(vii) The effects of the disposal on the cash flows of the Group were as follows:

	Group At the Disposal Date US\$'000
Plant and equipment	387
Right of use assets	11,231
Deferred tax assets	681
Trade and other receivables (non-current)	535
Trade and other receivables (current)	5,567
Cash and bank balances (restricted)	341
Trade and other payables (current)	(3,860)
Financial liabilities	(12,406)
Net assets derecognised	2,476
Non-controlling interests derecognised	(191)
Cumulative exchange differences reclassified from foreign exchange translation reserve on loss of control of subsidiary corporation	(304)
Net assets disposed of	1,981

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(vii) The effects of the disposal on the cash flows of the Group were as follows (Continued):

Consideration receivable

	At the Disposal Date US\$'000
Cash	–
Deferred consideration receivables	3,210
Total consideration	3,210
Less: Transaction costs payable	(1,264)
Net consideration receivable	1,946

The deferred consideration receivables consist of five instalments of the purchase consideration, which will be settled in cash by the Purchaser. Subsequent to the Disposal Date, the first instalment equivalent to US\$422,000 was received in December 2024.

Loss on disposal

	At the Disposal Date US\$'000
Net consideration receivable	1,946
Less: Net assets disposed of (as above)	(1,981)
Loss on disposal	(35)

The loss on disposal is included in the profit for discontinued operations (Note 13(i)).

Net cash outflow arising from disposal

	At the Disposal Date US\$'000
Cash consideration received (First instalment)	422
Less: Cash and bank balances disposed of	(341)
Effect of disposal of cash flow	81

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Total cash and bank balances	10,895	2,658	212	53
Less: Cash and bank balances (restricted)	(10,665)	(2,633)	–	(32)
Cash and cash equivalents	230	25	212	21

Included in cash and bank balances (restricted) is an amount of US\$10,243,000 (31 December 2023: US\$2,633,000) being restricted or earmarked by the secured lenders for various facilities granted. The Group is obliged to seek approval for disbursement of payments made from the secured lenders of the Group.

An amount of US\$422,000 (31 December 2023: US\$ Nil) included in cash and bank balances (restricted) is also being restricted as it relates to the first instalment of the purchase consideration of Yichang received by the Group (Note 12). This amount is to be distributed in accordance with the terms of (i) the Supplementary Scheme of Arrangement entered into with the Category A Participating Creditors under the April 2023 Scheme; and (ii) the Amended and Restated Deed of Settlement entered with the REPS holders, upon meeting the conditions precedent set out therein.

15. SHARE CAPITAL

	Group and Company			
	2024	2023	2024	2023
	No. of shares		Amount	
	'000	'000	US\$'000	US\$'000
Issued and fully paid, with no par value				
At 1 January and 31 December	13,659,329	13,659,329	274,553	274,553

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital management

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back issued shares, obtain new borrowings, reduce its borrowings or dispose of its assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

15. SHARE CAPITAL (CONTINUED)

Capital management (Continued)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as financial liabilities and trade and other payables less cash and bank balances and loan from shareholders. Total capital includes issued capital, perpetual securities, redeemable exchangeable preference shares, reserves and retained earnings.

	Group	
	2024	2023
	US\$'000	US\$'000
Financial liabilities	16,491	16,528
Trade and other payables	54,093	47,394
Less: Cash and bank balances	(10,895)	(2,658)
Less: Loan from a shareholder	(27,841)	(27,841)
Net debt	31,848	33,423
Deficit in equity attributable to owners of the Company	(50,906)	(49,611)

The Group's management reviews the capital structure on a periodic basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

There were no changes in the Group's approach to capital management during the year. The Company and its subsidiary corporations are subject to externally imposed capital requirements in the form of loan covenants for the financial years ended 31 December 2024 and 2023. For details on the default of secured loans from financial institutions and financial guarantees and breach of loan covenants, see Note 21.

16. PERPETUAL SECURITIES

On 28 March 2013, the Company completed the placement of S\$30,000,000 (equivalent to US\$23,710,000) 5% convertible perpetual capital securities at an issue price of 100 per cent of the principal amount (the "Capital Securities").

The securities are perpetual, subordinated and the cumulative distribution interest of 5% per annum may be deferred at the sole discretion of the Company. The perpetual securities do not have a maturity date. These perpetual securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. Transaction costs incurred in connection with the issuance of perpetual securities amounted to US\$224,000.

Each unit of Capital Securities will, at the option of the holders of the Capital Securities, be converted into fully paid shares of the Company at a conversion price of S\$0.025 per share. For the financial years ended 31 December 2024 and 2023, no new ordinary shares in the capital of the Company had been allotted and issued by the Company pursuant to the conversion of convertible perpetual capital securities by Capital Securities holders.

For the financial year ended 31 December 2024, no perpetual securities distribution was accrued by the Group (2023: US\$105,000). As disclosed in Note 2, outstanding distributions together with the face value of perpetual securities are included in the Scheme of Arrangement which was sanctioned by the Court. The distributions accrual on perpetual securities had ceased upon the sanction of the Scheme of Arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. REDEEMABLE EXCHANGEABLE PREFERENCE SHARES

	Group	
	2024	2023
	US\$'000	US\$'000
At 1 January and 31 December	7,042	7,042

In 2015, 7,299,270 redeemable exchangeable preference shares (“REPS”) were issued by a subsidiary corporation of the Company at an issue price of US\$1.00 per share. All issued preference shares were fully paid. The main terms and conditions of the agreement are as follows:

- (a) The REPS are convertible into ordinary shares in the share capital of the Company based on the exchange price of US\$0.01394 (“**Exchange Price**”). The conversion ratio will be subject to anti-dilution adjustments.
- (b) The holders of REPS shall have the right to convert:
 - (i) the first 50% of their holdings of the REPS into ordinary shares of the Company (“**Exchange Shares**”) at the Exchange Price at any time beginning from the first anniversary of the date of issuance of REPS and up to one business day before the date falling on the third anniversary of the date of issuance of REPS (“**Maturity Date**”); and
 - (ii) the next 50% of their holdings of REPS into Exchange Shares at the Exchange Price at any time beginning from the second anniversary of the date of issuance of REPS and up to one business day before the Maturity Date.
- (c) The subsidiary corporation of the Company shall redeem all outstanding REPS not exchanged into Exchange Shares (“**Redemption Shares**”) by the holders at US\$1.4125 for each Redemption Share upon the occurrence of any of the following events prior to the Maturity Date:
 - (i) where Ezion Holdings Limited ceases to hold at least 25% of the Company’s shares; or
 - (ii) where the subsidiary corporation of the Company is insolvent, or is unable to pay its debts as they fall due, or is involved in any legal proceedings as a defendant; or
 - (iii) where there is a material breach to any term, condition or provision of the agreement.

Such number of Exchange Shares is to be determined in accordance with the exchange formula.

Within five business days immediately after the Maturity Date, the subsidiary corporation of the Company has the option to redeem any number of Redemption Shares at Maturity Date at US\$1.2625 for each Redemption Share (“**Redemption Price**”). In the event that the subsidiary corporation of the Company does not exercise its option to redeem in part or in whole the Redemption Shares, such Redemption Shares shall be automatically exchanged ten business days after the Maturity Date into Exchange Shares at the Exchange Price. The holders of REPS do not have the right to redeem the REPS for cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. REDEEMABLE EXCHANGEABLE PREFERENCE SHARES (CONTINUED)

The REPS had matured on 13 August 2018 and the Company had entered into a standstill agreement and variation agreements with the holders of the REPS to extend the maturity period from the standstill period till and including 31 March 2022.

As disclosed in Note 2, the Company entered into a Deed of Settlement on 6 June 2023 with the holders of the REPS in relation to the settlement of outstanding arrangements under the REPS subscription agreement and terminate the deed of charge. Subsequently on 13 August 2024, the Company entered into an Amended and Restated Deed of Settlement with CES Hydro, CES Yichang and the REPS holders to amend the Deed to provide for the new distribution arrangements of the net proceeds from the disposal of Yichang. As at the date of this report, the settlement of outstanding amounts owed to the holders of the REPS as agreed under the REPS Settlement Agreement is subject to the fulfillment of conditions agreed between the parties.

In the financial year 2024 and 2023, no REPS in the subsidiary corporation were exchanged by the holders for shares in the Company.

18. OTHER RESERVES

The reserves of the Group comprise the following balances:

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Fair value reserve	(3,968)	(3,968)	(1,276)	(1,276)
Foreign currency translation reserve	(9,846)	(9,609)	–	–
Hedging reserve	(10)	(10)	–	–
Other reserve	36	36	–	–
	(13,788)	(13,551)	(1,276)	(1,276)

Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of equity investments designated at FVOCI.

Foreign currency translation reserve

The foreign currency translation reserve comprises:

- foreign exchange differences arising from the translation of the financial statements of subsidiary corporations whose functional currencies are different from the functional currency of the Company; and
- the exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. NON-CONTROLLING INTERESTS

The following subsidiary corporation has non-controlling interests (“NCI”) that is material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI	
		2024	2023
		%	%
Yichang Smartpower Green Electricity Co. Ltd	China	– ⁽¹⁾	20

⁽¹⁾ The Company has successfully completed the disposal of Yichang on 19 September 2024.

The following summarised financial information for the above subsidiary corporation is prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group’s accounting policies.

	2023 US\$’000
Revenue	3,093
Loss for the year	(6,799)
Other comprehensive losses	(2,025)
Total comprehensive losses for the year	(8,824)
Attributable to NCI:	
- Loss for the year	(1,360)
- Other comprehensive losses	(405)
Total comprehensive losses for the year	(1,765)
Non-current assets	14,051
Current assets	5,130
Current liabilities	(20,190)
Net assets	(1,009)
Net assets attributable to NCI	(166)
Cash flows from operating activities	1,508
Cash flows used in financing activities	(1,588)
Net decrease in cash and cash equivalents	(80)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Staff retirement liabilities	199	152	–	–
Current				
Trade payables	23	24	–	–
Loan from a shareholder ⁽¹⁾	27,841	27,841	27,841	27,841
Non-trade amounts due to:				
- a related party ⁽²⁾	1,585	1,585	1,585	1,585
- subsidiary corporations ⁽²⁾	–	–	28,220	27,749
- joint ventures ⁽²⁾	455	470	455	470
Accrued operating expenses	5,560	1,998	3,745	617
Accrued interest payable	16,299	13,308	16,299	13,309
Other payables	2,131	2,016	2,032	1,890
	53,894	47,242	80,177	73,461
Total trade and other payables	54,093	47,394	80,177	73,461

- (1) Loan from a shareholder of the Group, amounting to US\$27,841,000 (2023: US\$27,841,000), is unsecured and bears principal interest at a fixed rate of 5% (2023: 5%) per annum. As disclosed in Note 2, the loan from a shareholder is included in the Scheme of Arrangement which was sanctioned by the Court. The interest accrual on loan from a shareholder had ceased upon the sanction of the Scheme of Arrangement.

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

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

Market and liquidity risks

The Group’s and the Company’s exposures to currency risks and liquidity risk related to trade and other payables are disclosed in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. FINANCIAL LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Lease liabilities	166	1	–	–
Current				
Secured loan	7,369	7,369	7,369	7,369
Secured loans from financial institutions	8,934	9,119	8,934	8,934
Lease liabilities	22	39	–	–
Intra-group financial guarantees	–	–	–	3,050
	16,325	16,527	16,303	19,353
Total financial liabilities	16,491	16,528	16,303	19,353

Secured loan

As at 31 December 2024, secured loan of US\$7,369,000 (2023: US\$7,369,000) relates to the loan assigned by a secured lender to Cosmic Marvel International Limited, a wholly owned subsidiary corporation of the Subscriber. The loan is secured by first legal charge on the Group's assets with carrying amounts of US\$5,396,000 (2023: US\$5,748,000), legal assignment of the rental proceeds from the Group's assets, assignment of insurances in respect of the Group's assets in the lender'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 lender.

Secured loans from financial institutions

During the financial year ended 31 December 2023, a secured bank loan from a financial institution was transferred to a secured loan following the completion of the loan purchase by the Subscriber from the financial institution as part of the New CSA. As at 31 December 2024 and 31 December 2023, the remaining secured loans from financial institutions are secured by corporate guarantees from the Company.

Discharge of secured lease liabilities and contingent liabilities

Following the completion of the disposal of Yichang as disclosed elsewhere in these financial statements, all liabilities and contingent liabilities of the Group relating to Yichang have ceased on the Disposal Date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. FINANCIAL LIABILITIES (CONTINUED)

Default of secured loans from financial institutions 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, these term loans were classified as current liabilities. As at 31 December 2024, the Group remains in default for these secured term loans. As at the date of these financial statements, other than notices received by the Group as announced on 3 February 2023, there were no notifications from banks for the affected loans to be settled on demand basis.

The secured loan from financial institutions of US\$8,934,000 (2023: US\$9,119,000) includes a financial guarantee obligation amounting to US\$2,086,000 (2023: US\$2,165,000) issued by a financial institution. This guarantee was related to the standstill agreement that expired on 31 October 2020 and remains unpaid. The financial institution did not extend the standstill agreement after its expiration. As a result, the financial guarantee obligation is classified as current liabilities as at 31 December 2024 and 31 December 2023. As disclosed in Note 2, the financial guarantee obligation is included in the Scheme of Arrangement which was sanctioned by the Court.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of Maturity	Face value/ Carrying amount	
			2024	2023
			US\$'000	US\$'000
Group				
USD secured floating rate loans	3.04 - 7.23	2021 - 2022	16,303	16,287
LKR secured floating rate loans	14	2023	-	201
LKR lease liabilities	21	2032	188	40
			16,491	16,528
Company				
USD secured floating rate loans	5.65 - 7.23	2020 - 2021	16,303	16,303

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. FINANCIAL LIABILITIES (CONTINUED)

The following are the Group's expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount US\$'000	Cash flows			
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000
Group					
31 December 2024					
Non-derivative financial liabilities					
Secured loan	7,369	(8,714)	(8,714)	-	-
Secured loans from financial institutions	8,934	(9,743)	(9,743)	-	-
Lease liabilities	188	(201)	(28)	(135)	(38)
Trade and other payables	54,093	(54,093)	(54,093)	-	-
	70,584	(72,751)	(72,578)	(135)	(38)
31 December 2023					
Non-derivative financial liabilities					
Secured loan	7,369	(7,990)	(7,990)	-	-
Secured loans from financial institutions	9,119	(2,516)	(2,516)	-	-
Lease liabilities	40	(40)	(39)	(1)	-
Trade and other payables	47,394	(47,394)	(47,394)	-	-
	63,922	(57,940)	(57,939)	(1)	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. FINANCIAL LIABILITIES (CONTINUED)

The following are the Company's expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount US\$'000	Cash flows			
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000
Company					
31 December 2024					
Non-derivative financial liabilities					
Other payables	80,177	(80,177)	(80,177)	-	-
Secured loan	7,369	(8,714)	(8,714)	-	-
Secured loans from financial institutions	8,934	(9,743)	(9,743)	-	-
	96,480	(98,634)	(98,634)	-	-
31 December 2023					
Non-derivative financial liabilities					
Other payables	73,461	(73,461)	(73,461)	-	-
Secured loan	7,369	(7,990)	(7,990)	-	-
Secured loans from financial institutions	8,934	(2,315)	(2,315)	-	-
Financial guarantees	3,050	(1,640)	(1,640)	-	-
	92,814	(85,406)	(85,406)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. FINANCIAL LIABILITIES (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities							
	Non-trade amounts due to joint ventures	Non-trade amount due to a related party		Loan from a shareholder	Accrued interest payable	Lease liabilities	Secured loans	Total
		US\$'000	US\$'000					
		US\$'000	US\$'000					
Balance at 1 January 2024	470	1,585	27,841	13,308	40	16,488	59,732	
Changes from financing cash flows								
Repayment of overdraft facilities by subsidiary corporation	-	-	-	-	-	(201)	(201)	
Payment of lease liabilities								
- Continuing operations	-	-	-	-	(33)	-	(33)	
- Discontinued operations	-	-	-	-	(206)	-	(206)	
Finance cost paid								
- Continuing operations	-	-	-	-	(12)	(35)	(47)	
- Discontinued operations	-	-	-	-	(715)	-	(715)	
Total changes from financing cash flows	-	-	-	-	(966)	(236)	(1,202)	
Effect of changes in foreign exchange rates	-	-	-	(66)	181	-	115	
Non-cash changes – continuing operations								
Non-trade amounts due to joint ventures	(15)	-	-	-	-	-	(15)	
Reclassification	-	-	-	-	-	16	16	
Addition of lease liabilities	-	-	-	-	178	-	178	
Finance cost	-	-	-	3,057	12	35	3,104	
	(15)	-	-	3,057	190	51	3,283	
Non-cash changes – discontinued operations								
Finance cost	-	-	-	-	621	-	621	
Lease modification	-	-	-	-	(1,384)	-	(1,384)	
Decrease in tax recoverable	-	-	-	-	88	-	88	
Changes arising from losing control of subsidiary corporation	-	-	-	-	1,418	-	1,418	
	-	-	-	-	743	-	743	
Balance at 31 December 2024	455	1,585	27,841	16,299	188	16,303	62,671	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. FINANCIAL LIABILITIES (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)

	Liabilities							
	Non-trade amounts due to joint ventures	Non-trade amount due to a related party		Loan from a shareholder	Accrued interest payable	Lease liabilities	Secured loans	Total
		US\$'000	US\$'000					
		US\$'000	US\$'000					
Balance at 1 January 2023	173	1,585	27,704	11,995	14,499	22,415	78,371	
Changes from financing cash flows								
Repayment of borrowings	-	-	-	-	-	(6,017)	(6,017)	
Payment of lease liabilities								
- Continuing operations	-	-	-	-	(24)	-	(24)	
- Discontinued operations	-	-	-	-	(564)	-	(564)	
Finance cost paid								
- Continuing operations	-	-	-	(1,332)	-	-	(1,332)	
- Discontinued operations	-	-	-	-	(1,371)	-	(1,371)	
Total changes from financing cash flows	-	-	-	(1,332)	(1,959)	(6,017)	(9,308)	
Effect of changes in foreign exchange rates	-	-	-	(22)	(104)	-	(126)	
Non-cash changes – continuing operations								
Non-trade amounts due to joint ventures	297	-	-	-	-	-	297	
Increase in bank overdraft	-	-	-	-	-	90	90	
Addition of lease liabilities	-	-	-	-	57	-	57	
Amount capitalised as equity	-	-	-	105	-	-	105	
Finance cost	-	-	137	2,562	7	-	2,706	
	297	-	137	2,667	64	90	3,255	
Non-cash changes – discontinued operations								
Finance cost	-	-	-	-	1,364	-	1,364	
Reclassification to liabilities directly associated with disposal group classified as held for sale (Note 13(iv))	-	-	-	-	(13,824)	-	(13,824)	
	-	-	-	-	(12,460)	-	(12,460)	
Balance at 31 December 2023	470	1,585	27,841	13,308	40	16,488	59,732	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Property, plant and equipment	–	(673)	856	920
Right-of-use assets	–	–	59	34
Lease liabilities	(39)	(12)	–	–
Retirement benefits liabilities	(58)	(45)	–	–
Tax loss carried forward	–	–	–	(15)
Reclassified to assets of disposal group classified as held for sale (Note 13(iii))	–	673	–	–
Deferred tax (assets)/liabilities	(97)	(57)	915	939
Set off of tax	97	57	(97)	(57)
Net deferred tax liabilities	–	–	818	882

Movements in deferred tax balances

	Balance as at 1 January 2023	Recognised in profit or loss	Exchange differences	Balance as at 31 December 2023	Recognised in profit or loss	Exchange differences	Balance as at 31 December 2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Continuing operations							
Group							
Property, plant and equipment	958	(147)	109	920	(164)	100	856
Right-of-use assets	–	33	1	34	21	4	59
Lease liabilities	–	(12)	–	(12)	(25)	(2)	(39)
Tax loss carried forward	(9)	(5)	(1)	(15)	16	(1)	–
Retirement benefits liabilities	(20)	(22)	(3)	(45)	(7)	(6)	(58)
	929	(153)	106	882	(159)	95	818
Disposal group and discontinued operations							
Property, plant and equipment ¹	(721)	33	15	(673)	–	(8)	(681)
Total	208	(120)	121	209	(159)	87	137

¹ Deferred tax assets arising from property, plant and equipment amounting to US\$673,000 were included in assets of disposal group classified as held for sale (Note 13(iii)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. SHARE-BASED PAYMENTS

Prior to 31 December 2024, the Company had the Charisma Energy Employee Share Option Scheme (the “Scheme”).

The Scheme, approved and adopted by its members at an Extraordinary General Meeting held on 24 April 2013, expired on 23 April 2023. The options granted to participants which are still exercisable under the Scheme are administered by the Company's Remuneration Committee. Following the expiration of the Scheme, no new options has been granted to the Directors and Employees of the Group.

Other information regarding the Scheme is set out below:

- The exercise price of the options can be set at market price or at a discounted price not exceeding 20% of the market price (or such other percentage or amount prescribed or permitted by the SGX-ST) and approved by the shareholders at a general meeting in a separate resolution in respect of that option.
- The options shall be exercised in whole or in part 1 year (if exercise price of option is set at market price) or 2 years (if exercise price of option is set at a discount to market price) after the grant date.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years from date of grant (the “Exercise Period”) or upon cessation of the employment of employees, whichever is earlier. Directors may exercise any un-exercised options in full during the Exercise Period even after they have ceased to be a Director of the Company.

At the end of the financial year, details of the options granted under the Scheme on unissued ordinary shares of the Company to the then Directors prior to the expiration of the Scheme are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2024	Options granted/exercised	Options forfeited	Options outstanding at 31 December 2024	Number of option holders at 31 December 2024	Exercise period
	S\$	'000	'000	'000	'000		
10/5/2016	0.009	47,500	–	–	47,500	5	10/5/2018 to 10/5/2026
9/5/2017	0.006	45,000	–	–	45,000	5	9/5/2019 to 9/5/2027

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2023	Options granted/exercised	Options forfeited	Options outstanding at 31 December 2023	Number of option holders at 31 December 2023	Exercise period
	S\$	'000	'000	'000	'000		
10/5/2016	0.009	47,500	–	–	47,500	5	10/5/2018 to 10/5/2026
9/5/2017	0.006	45,000	–	–	45,000	5	9/5/2019 to 9/5/2027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. SHARE-BASED PAYMENTS (CONTINUED)

The outstanding options include 52,500,000 (2023: 52,500,000) share options granted to the Company's then Executive Director, Tan Ser Ko; and 10,000,000 (2023: 10,000,000) share options granted to each of the then Non-Executive Directors, Simon de Villiers Rudolph, Cheng Yee Seng and Lim Chen Yang.

Fair value of share options and assumptions

The grant-date fair value of share options granted was measured based on the Black-Scholes option-pricing model formula as the fair value of services performed by employees and Directors cannot be measured reliably. Expected volatility is estimated by considering historic average share price volatility. Option lives are based on the assumption that the share options will be exercised once the vesting period is over.

Option granted on 10 May 2016

	At 10 May 2016
Fair value (S\$)	0.007
Share price (S\$)	0.011
Exercise price (S\$)	0.009
Expected volatility	64%
Expected dividends (Singapore cents)	-
Risk-free interest rate	1.34%

Option granted on 9 May 2017

	At 9 May 2017
Fair value (S\$)	0.008
Share price (S\$)	0.008
Exercise price (S\$)	0.006
Expected volatility	78%
Expected dividends (Singapore cents)	-
Risk-free interest rate	1.57%

There is no market condition associated with the share option grants.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. SHARE-BASED PAYMENTS (CONTINUED)

Disclosure of share-based payments arrangements

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price per share 2024 S\$	Number of options 2024 '000	Weighted average exercise price per share 2023 S\$	Number of options 2023 '000
Outstanding at 1 January and 31 December	0.008	92,500	0.008	92,500

There are no employee expenses recognised as share-based payments in both the financial years ended 31 December 2024 and 31 December 2023.

24. REVENUE

	Group	
	2024 US\$'000	2023 US\$'000
Revenue from contracts with customers		
- Sale of energy and power generation services	6,894	5,531
- Rendering of services	-	311
	6,894	5,842

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Sale of energy and power generation services

Nature of goods or services	Revenue generated from sale of energy and power generation services to state-owned electricity authorities.
When revenue is recognised	Revenue from sale of services is recognised at the point in time when the clean energy is generated and delivered to the customer, and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices to customers are issued on a monthly basis and are payable within 30 days.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. REVENUE (CONTINUED)

Rendering of services

Nature of goods or services	Revenue generated from the provision of management services.
When revenue is recognised	Revenue from rendering of services is recognised over time as the services have been rendered.
Significant payment terms	Invoices are issued on a monthly basis and are payable within 30 days.

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	
	2024	2023	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Primary geographical markets						
Singapore	-	-	-	311	-	311
Sri Lanka	6,894	5,531	-	-	6,894	5,531
	6,894	5,531	-	311	6,894	5,842
Major products/service line						
Sale of energy and power generation services	6,894	5,531	-	-	6,894	5,531
Rendering of services	-	-	-	311	-	311
	6,894	5,531	-	311	6,894	5,842
Timing of revenue recognition						
At a point in time	6,894	5,531	-	275	6,894	5,806
Over time	-	-	-	36	-	36
	6,894	5,531	-	311	6,894	5,842

The Group applies the practical expedient in SFRS(I)15 and does not disclose information about remaining performance obligations if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. NET FINANCE COST

	Group	
	2024	2023
	US\$'000	US\$'000
Continuing operations:		
Finance income		
Interest income from bank deposits	506	484
Finance cost		
Interest expense on:		
- Loan from a shareholder	-	(137)
- Lease liabilities (Note 30)	(12)	(7)
- Secured loans from financial institutions	(3,057)	(2,562)
Bank charges	(35)	(23)
	(3,104)	(2,729)
Net finance cost	(2,598)	(2,245)
Discontinued operations:		
Finance cost		
Interest expense on:		
- Lease liabilities (Note 13(i))	(621)	(1,365)
	(621)	(1,365)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. PROFIT BEFORE INCOME TAX

The following items have been included in arriving at profit before income tax of continuing operations:

	Note	Group	
		2024	2023
		US\$'000	US\$'000
Depreciation of property, plant and equipment	5	571	567
Depreciation of right-of-use assets	6	46	3
Other income		-	(342)
Loss allowance on trade and other receivables	11,32	342	-
Loss allowance on amounts due from joint ventures	11,32	-	334
Gain on disposal of property, plant and equipment		-	(17)
Gain on disposal of assets held for sale		-	(1,130)
Audit fees paid/payable to:			
- auditors of the Company		108	86
- other auditors		81	68
Non-audit fees paid/payable to:			
- auditors of the Company		15	24
- other auditors		12	9
Staff costs [^]		1,630	1,418
Contributions to defined contribution plans, included in staff costs		36	39
Foreign exchange (gain)/loss, net		(303)	(53)

[^] Staff costs include key management personnel compensation as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. INCOME TAX EXPENSE

	Group	
	2024	2023
	US\$'000	US\$'000
Current income tax expense		
Current year	2,008	1,603
Under provision in respect of prior years	–	19
	2,008	1,622
Deferred tax expense		
Movements in temporary differences	(159)	(153)
Income tax expense recognised in profit or loss	1,849	1,469
Reconciliation of effective tax rate		
Profit/(loss) before income tax		
- Continuing operations	512	1,048
- Discontinued operations (Note 13(i))	131	(6,765)
Profit/(loss) before income tax excluding share of results of joint ventures	643	(5,717)
Tax calculated using Singapore tax rate of 17% (2023: 17%)	109	(972)
Effect of tax rates in other countries	438	(94)
Non-deductible expenses	208	79
Income not subjected to tax	–*	(195)
Tax losses for which no deferred tax asset is recognised	1,094	2,632
Under provision in respect of prior years	–	19
	1,849	1,469

* Amount less than US\$1,000

The Group has unrecognised tax losses of US\$18,134,000 (2023: US\$11,696,000) and unutilised capital allowances of US\$1,352,000 (2023: US\$1,352,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to agreement by the tax authorities and compliance with tax regulations prevailing in the respective countries. These tax benefits do not expire under current tax legislation and have not been recognised because certain subsidiary corporations of the Group do not consider the future taxable profits in the foreseeable future to be probable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. LOSS PER SHARE

Basic loss per share

	Group	
	2024	2023
	US\$'000	US\$'000
(Loss)/Profit attributable to owners of the Company		
- Continuing operations	(1,337)	(421)
- Discontinued operations	70	(5,439)
Distributions on perpetual securities	-	(150)
Loss attributable to ordinary shareholders (basic)	(1,267)	(6,010)

Weighted average number of ordinary shares

	No. of shares	
	2024	2023
	'000	'000
Issued ordinary shares at 1 January	13,659,329	13,659,329
Effect of issue of new ordinary shares	-	-
Weighted average number of ordinary shares at 31 December	13,659,329	13,659,329
Basic (loss)/earnings per share (US cents)		
- Continuing operations	(0.010)	(0.004)
- Discontinued operations	0.001	(0.040)

Diluted loss per share

As the Group was in a loss position in 2024 and 2023, the potential ordinary shares arising from the potential conversion of perpetual securities, redeemable exchangeable preference shares and warrants were not included in the computation of diluted loss per share because these potential ordinary shares would have been anti-dilutive.

Therefore, the diluted loss per share for the financial years ended 31 December 2024 and 2023 were the same as the basic loss per share for both the periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. OPERATING SEGMENTS

Industry segments

The Group's revenue, capital expenditure, assets and liabilities were mainly derived from one single business segment in the business of generating and 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. OPERATING SEGMENTS (CONTINUED)

Industry segments (Continued)

31 December 2024	Energy and power services	Others	Total
	US\$'000	US\$'000	US\$'000
REVENUE			
External revenue	6,894	–	6,894
RESULTS			
Reportable segment results from operating activities	4,904	–	4,904
Finance cost	(1,754)	–	(1,754)
Other operating income	2,174	–	2,174
Loss allowance on trade and other receivables – write back	6	–	6
Reportable segment profit before income tax	5,330	–	5,330
Tax expense	(1,829)	(20)	(1,849)
Reportable segment profit/(loss) for the year	3,501	(20)	3,481
Unallocated finance cost			(1,350)
Unallocated finance income			506
Unallocated expenses			(3,974)
Loss for the year			(1,337)
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	16,988	3,706	20,694
Unallocated assets			671
Total assets			21,365
Reportable segment liabilities	14,697	46,286	60,983
Unallocated liabilities			11,288
Total liabilities			72,271
Capital expenditure	297	–	297
Depreciation expense	617	–	617

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. OPERATING SEGMENTS (CONTINUED)

Industry segments (Continued)

31 December 2023	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	5,531	311	5,842
RESULTS			
Reportable segment results from operating activities	3,956	311	4,267
Finance cost	(1,559)	(164)	(1,723)
Loss allowance on amounts due from joint venture	–	(334)	(334)
Gain on disposal of property, plant and equipment	17	–	17
Reportable segment profit/(loss) before income tax	2,414	(187)	2,227
Tax expense	(1,469)	–	(1,469)
Reportable segment profit/(loss) for the year	945	(187)	758
Unallocated finance cost			(1,006)
Unallocated finance income			484
Unallocated expenses			(657)
Loss for the year			(421)
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	9,501	3,042	12,543
Unallocated assets			676
Assets of disposal group classified as held for sale			19,181
Total assets			32,400
Reportable segment liabilities	9,085	54,432	63,517
Unallocated liabilities			1,794
Liabilities directly associated with disposal group classified as held for sale			16,866
Total liabilities			82,177
Capital expenditure	54	–	54
Depreciation expense	570	–	570

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. OPERATING SEGMENTS (CONTINUED)

Geographical segments

The businesses of the Group are primarily in Singapore and Sri Lanka. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location where non-current assets are located.

	2024		2023	
	Revenue	Non-current assets ⁽¹⁾	Revenue	Non-current assets ⁽¹⁾
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore	–	1	311	–
Sri Lanka	6,894	5,641	5,531	5,851
Total operations	6,894	5,642	5,842	5,851

⁽¹⁾ Non-current assets exclude financial instruments and deferred tax assets.

Major customers

During the financial year, the Group had 1 (2023: 1) customer in the power and energy services segment that individually contributed 10% or more of the Group's total revenue. Revenue from this customer amounted to US\$6,894,000 (2023: US\$5,531,000) of the Group's total revenue.

30. LEASES

Leases as lessee

The Group leases land, office premises and power generation equipment. The lease tenures range between 4 and 25 years.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

The Group's movement of right-of-use assets is disclosed in Note 6.

Certain right-of-use assets were reclassified to assets of disposal group classified as held for sale (Note 13(iii)) as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. LEASES (CONTINUED)

Lease liabilities

The Group's lease liabilities and contractual cash flows are disclosed in Note 21.

Certain lease liabilities were reclassified to liabilities directly associated with disposal group classified as held for sale (Note 13(iv)) as at 31 December 2023.

Amounts recognised in profit or loss

	Group	
	2024	2023
	US\$'000	US\$'000
Interest on lease liabilities	12	7

Amounts recognised in statement of cash flows

	Group	
	2024	2023
	US\$'000	US\$'000
Total cash outflow for leases	45	24

31. RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Group	
	2024	2023
	US\$'000	US\$'000
Short-term employee benefits (including CPF)	200	232

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. RELATED PARTIES (CONTINUED)

Other related party transactions

	Group	
	2024	2023
	US\$'000	US\$'000
Transactions with shareholders		
Interest paid/payable	–	138
Transactions with joint ventures		
Management fees income/receivable	–	301

32. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing those risks.

Risk management framework

Risk management is integral to the whole business of the Group. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and the Company's receivables.

The carrying amount of financial assets in the statements of financial position represents the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. However, management also considers the demographics of the debtors, including the default risk associated with the industry and country in which debtors operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 29.

The Group has established credit limits for customers and monitors their balances. It is the Group's policy to conduct credit reviews on new customers and credit terms are only extended to creditworthy customers. These debts are continually monitored and therefore the Group does not expect to incur material credit losses.

At 31 December 2024, the Group has concentration of credit risk with 1 customer (2023: 1 customer) engaged in the energy and power services segment accounting for 100% (2023: 100%) of net trade receivables.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by type of customer was as follows:

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Government related entities	795	3,391	–	–
Non-government related entities	–	–	6,468	6,316
	795	3,391	6,468	6,316

Expected credit loss (“ECL”) assessment

The Group assesses on a forward-looking basis the ECL associated with trade and other receivables.

The Group identifies trade and other receivables that are credit-impaired and for which default event(s) has occurred. For such receivables, the Group assesses specifically the probability of recovery to the trade and other receivables balances and recognises the difference as impairment loss.

The Group uses an allowance matrix to measure the ECLs for the remaining of trade and other receivables which are not credit-impaired. ECL rates are calculated using factors including industry default rate and country risk rates that reflect the counterparty risks where these counterparties are government entities in the respective countries of operations. The Group monitors changes in credit risk through on-going review of customer credit worthiness and by tracking published external credit ratings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Expected credit loss (“ECL”) assessment (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables:

	Weighted average loss rate	Gross carrying amount	ECL allowance	Net carrying amount
	%	US\$'000	US\$'000	US\$'000
Group				
2024				
<i>Trade receivables</i>				
- Credit-impaired receivables measured at lifetime ECL	100	2,306	(2,306)	-
- Remaining receivables				
- Not past due or less than 60 days overdue	-	793	-	793
- Past due 61 - 120 days	-	-	-	-
- More than 120 days	100	2	-	2
		3,101	(2,306)	795
<i>Other receivables*</i>	-	1,423	(844)	579
2023				
<i>Trade receivables</i>				
- Credit-impaired receivables measured at lifetime ECL	100	2,306	(2,306)	-
- Remaining receivables				
- Not past due or less than 60 days overdue	-	3,214	-	3,214
- Past due 61 - 120 days	-	41	-	41
- More than 120 days	100	136	-	136
		5,697	(2,306)	3,391
<i>Other receivables*</i>	-	1,243	(502)	741

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Expected credit loss (“ECL”) assessment (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables (continued):

	Weighted average loss rate	Gross carrying amount	ECL allowance	Net carrying amount
	%	US\$'000	US\$'000	US\$'000
Company				
2024				
<i>Trade receivables</i>				
- Credit-impaired receivables measured at lifetime ECL	100	3,996	(3,996)	-
- Remaining receivables				
- Not past due or less than 60 days overdue	-	128	-	128
- Past due 61 - 120 days	-	11	-	11
- More than 120 days	-	6,329	-	6,329
		10,464	(3,996)	6,468
<i>Other receivables*</i>	5.80	3,876	(227)	3,649
2023				
<i>Trade receivables</i>				
- Credit-impaired receivables measured at lifetime ECL	100	4,283	(4,283)	-
- Remaining receivables				
- Not past due or less than 60 days overdue	-	1,091	-	1,091
- Past due 61 - 120 days	-	73	-	73
- More than 120 days	-	5,152	-	5,152
		10,599	(4,283)	6,316
<i>Other receivables*</i>	10.78	627	(227)	400

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Expected credit loss (“ECL”) assessment (Continued)

There were no trade receivables for which credit risk has increased significantly since initial recognition that are not credit-impaired financial assets.

Movements in the loss allowance of trade and other receivables of the Group and the Company are as follows:

	Trade receivables	Other receivables	Trade receivables	Other receivables
	2024	2024	2023	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Balance at 1 January	2,306	502	2,306	168
Loss allowance recognised	–	342	–	334
Balance at 31 December	2,306	844	2,306	502
Company				
Balance at 1 January	4,283	227	3,711	168
Loss allowance (written off)/recognised	(287)	–	572	59
Balance at 31 December	3,996	227	4,283	227

During 2023 and 2024, there were no amount written off by the Group on amounts due from joint ventures and other receivables.

Cash and bank balances

Cash and fixed deposits are placed with banks and approved financial institutions.

Impairment on cash and bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances was negligible.

Non-trade amounts due from joint ventures

Both the Group and the Company held non-trade amounts due from their joint ventures of US\$129,000 (2023: US\$129,000), respectively. These balances are extended to the joint ventures to satisfy their funding requirements. The Group and the Company recognise loss allowance for other financial assets equal to 12-month expected loss basis, which reflects its low credit risk. Accordingly, the amount of allowance is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Expected credit loss (“ECL”) assessment (Continued)

Financial guarantees

The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are given to its subsidiary corporations. Financial guarantees provided by the Company to its subsidiary corporations are eliminated in preparing the consolidated financial statements. Financial guarantees were computed based on the expected payment to reimburse the holder less any amount the Company expects to recover. Estimates of the Company’s obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of.

Financial guarantees comprise guarantees granted by the Company to lenders in respect of lease liabilities of a subsidiary corporation amounting to US\$ Nil (2023: US\$13,824,000). As at 31 December 2024, the Company recognised financial liabilities of US\$ Nil (2023: US\$3,050,000) in relation to these financial guarantees issued. The aggregated obligations from these financial guarantees have been measured at the higher of the expected credit loss and the initial fair value of the financial guarantee.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient level of cash and bank balances and bank facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities between its financial assets and financial liabilities.

As at 31 December 2024, the Group’s current liabilities exceed current assets by US\$56,050,000 (2023: US\$54,593,000).

With the approval from the Subscriber, the Group’s operations are financed mainly through restricted cash flow generated from its operations in Sri Lanka. The Group has not met certain loan obligations since 2017, and the Group has entered into a Scheme of Arrangement with the financial institutions and certain creditors to restructure its outstanding loans to ensure necessary liquidity is available when required so that the Group and the Company will be able to pay their debts as and when they fall due.

The Group has entered into a Convertible Loan Agreement (which is effective subject to certain conditions) with the lender to restructure the outstanding loans and to reschedule payments of its present and future obligations to be in line with the Group’s expected cash inflows. Together with the Group’s ability to generate positive cash flows from operating activities and planned divestment of assets, the Group believes it should have sufficient resources to meet its debt obligations upon successful restructuring of the outstanding loans.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risks

The Group incurs foreign currency risk on cash and bank balances, borrowings and expenditures that are denominated in currencies other than the United States dollars ("USD"). The currency giving rise to this risk is primarily the Singapore dollars ("SGD"), Australian dollars ("AUD"), Chinese Renminbi ("RMB") and Sri Lankan Rupee ("LKR").

There is no formal hedging policy with respect to foreign currency exposures. Exposures to foreign currency risk are monitored on an on-going basis and the Group endeavours to keep the net exposures at acceptable levels by buying currencies at spot rates, where necessary, to address short term imbalances.

The Group's and Company's net exposure to foreign currencies as at the reporting date are as follows:

	AUD US\$'000	LKR US\$'000	SGD US\$'000	RMB US\$'000
Group				
31 December 2024				
Trade and other receivables	-	997	-	2,741
Cash and bank balances	37	10,193	95	424
Trade and other payables	(21)	(812)	(9,351)	(2)
Net exposure	16	10,378	(9,256)	3,163
31 December 2023				
Trade and other receivables	-	3,689	-	-
Cash and bank balances	40	2,554	51	-
Trade and other payables	(16)	(467)	(6,056)	(13)
Net exposure	24	5,776	(6,005)	(13)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risks (Continued)

	SGD
	US\$'000
Company	
31 December 2024	
Trade and other receivables	2,215
Cash and bank balances	88
Trade and other payables	(8,296)
Net exposure	(5,993)
31 December 2023	
Trade and other receivables	2,481
Cash and bank balances	50
Trade and other payables	(5,096)
Net exposure	(2,565)

Sensitivity analysis

A 10% strengthening of the USD against the following currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	Profit or loss
	2024	2023
	US\$'000	US\$'000
Group		
AUD	(2)	(2)
LKR	(1,038)	(578)
SGD	926	601
RMB	(316)	(1)
Company		
SGD	599	256

A 10% weakening of the USD against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group's interest rate exposure relates primarily to its secured loans from financial institutions that is subject to fluctuating interest rates that reset according to market rates change. The Group enters into and designates interest rate swap as hedge of the variability in cash flows attributable to interest rate risk.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	2024 US\$'000	2023 US\$'000
Group and Company		
Fixed rate instruments		
Loan from a shareholder	27,841	27,841
Variable rate instruments		
Secured loan	7,369	7,369
Secured loans from financial institutions	8,934	9,119

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis point in interest rate at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Equity		Profit or loss	
	50 bp increase US\$'000	50 bp decrease US\$'000	50 bp increase US\$'000	50 bp decrease US\$'000
Group				
31 December 2024				
Secured loans	-	-	(82)	82
31 December 2023				
Secured loans	-	-	(82)	82
Company				
31 December 2024				
Secured loans	-	-	(82)	82
31 December 2023				
Secured loans	-	-	(82)	82

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (the "IBORs") with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has no exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is no uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to bank bill swap rate ("BBSW"). The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties. The Group have currently not entered into any interest rate swaps hence no derivative instruments have been modified as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classification and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and liabilities as at 31 December 2024 and 2023 are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is also not required.

	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Group			
31 December 2024			
Financial assets not measured at fair value			
Trade and other receivables ⁽¹⁾	1,374	–	1,374
Deferred consideration receivables	2,740	–	2,740
Cash and bank balances	230	–	230
Cash and bank balances (restricted)	10,665	–	10,665
Financial liabilities not measured at fair value			
Trade and other payables	–	(54,093)	(54,093)
Secured loan	–	(7,369)	(7,369)
Secured loans from financial institutions	–	(8,934)	(8,934)

⁽¹⁾ Excludes prepayments

	Amortised Cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Group			
31 December 2023			
Financial assets not measured at fair value			
Trade and other receivables ⁽¹⁾	4,132	–	4,132
Cash and bank balances	25	–	25
Cash and bank balances (restricted)	2,633	–	2,633
Financial liabilities not measured at fair value			
Trade and other payables	–	(47,394)	(47,394)
Secured loan	–	(7,369)	(7,369)
Secured loans from financial institutions	–	(9,119)	(9,119)

⁽¹⁾ Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classification and fair values (Continued)

Fair values versus carrying amounts (Continued)

	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Company			
31 December 2024			
Financial assets not measured at fair value			
Trade and other receivables ⁽¹⁾	10,117	–	10,117
Cash and bank balances	212	–	212
Financial liabilities not measured at fair value			
Trade and other payables	–	(80,177)	(80,177)
Financial liabilities	–	(16,303)	(16,303)
31 December 2023			
Financial assets not measured at fair value			
Trade and other receivables ⁽¹⁾	6,716	–	6,716
Cash and bank balances	21	–	21
Cash and bank balances (restricted)	32	–	32
Financial liabilities not measured at fair value			
Trade and other payables	–	(73,461)	(73,461)
Financial liabilities	–	(19,353)	(19,353)

⁽¹⁾ Excludes prepayments

Estimation of fair values

The following methods and assumptions are used to estimate fair values of the following significant classes of financial instruments:

Non-current trade and other receivables, non-current trade and other payables and non-current financial liabilities

The fair values have been determined by discounting the expected payments with current interest rates for similar instruments at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Floating interest rate loans from financial institutions

The carrying amounts of floating interest-bearing loans, which are repriced within 1 to 6 months, reflect the corresponding fair values.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including current trade and other receivables, cash and bank balances, current trade and other payables and current financial liabilities) are assumed to approximate their fair values because of the short period to maturity.

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- *Level 2:* inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* unobservable inputs for the asset or liability.

Financial assets and financial liabilities carried at fair value

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Measurement of fair values

(i) *Valuation technique and significant unobservable input*

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable input	Inter-relationship between key unobserved input and fair value measurement
Group			
Interest rate swaps used for hedging	<i>Market comparison technique:</i> The fair values are based on bank quotes.	Not applicable	Not applicable
Group and Company			
Equity investments at FVOCI*/ Debt investment at FVTPL*	<i>Discounted cash flows:</i> The valuation model considers the present value of the expected future cash flows discounted using a risk-adjusted discount rate.	Expected cash flows	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none">the expected future dividends were higher (lower); orthe risk adjusted discount rate was lower (higher).

(ii) *Transfers between Levels 1 and 3*

There were no transfers during the financial years ended 31 December 2024 and 2023.

33. EVENTS OCCURRING AFTER REPORTING DATE

(a) The Company has on 28 March 2025, entered into a supplemental agreement with the Subscriber to extend the longstop date of the New CSA from 31 March 2025 to 31 May 2025.

STATISTICS OF SHAREHOLDINGS

As at 14 March 2025

DISTRIBUTION OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	214	2.28	10,068	-
100 - 1,000	1,584	16.85	847,591	0.01
1,001 - 10,000	3,056	32.51	11,382,974	0.08
10,001 - 1,000,000	3,876	41.24	915,495,934	6.70
1,000,001 and above	669	7.12	12,731,591,968	93.21
TOTAL	9,399	100.00	13,659,328,535	100.00

TOP 20 SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	EZION HOLDINGS LIMITED (IN LIQUIDATION)	5,461,932,000	39.99
2	PATRICK TAN CHOON HOCK	1,003,083,100	7.34
3	HISTORY MAKER LIMITED	490,312,500	3.59
4	SERENE LEE SIEW KIN	339,000,000	2.48
5	OCBC SECURITIES PRIVATE LTD	322,240,037	2.36
6	DBS NOMINEES PTE LTD	282,101,607	2.07
7	RAFFLES NOMINEES (PTE) LIMITED	277,028,854	2.03
8	SUNSHINE CAPITAL GROUP PTE LTD	250,222,667	1.83
9	CHUA AH SUAI	233,968,000	1.71
10	ER CHOON HUAT	201,000,000	1.47
11	SEAH SOI CHENA	147,800,000	1.08
12	CHOW JOO MING	109,000,000	0.80
13	PHILLIP SECURITIES PTE LTD	107,030,948	0.78
14	MAYBANK SECURITIES PTE. LTD.	103,715,551	0.76
15	SIM ENG KIANG	95,000,000	0.70
16	OCBC NOMINEES SINGAPORE PTE LTD	70,042,871	0.51
17	CITIBANK NOMINEES SINGAPORE PTE LTD	65,323,776	0.48
18	UNITED OVERSEAS BANK NOMINEES PTE LTD	65,290,443	0.48
19	WEE PEI TIING	60,110,000	0.44
20	YIAP MOI HIANG	59,980,000	0.44
	Total:	9,744,182,354	71.34

STATISTICS OF SHAREHOLDINGS

As at 14 March 2025

SUBSTANTIAL SHAREHOLDERS

As per register of Substantial Shareholder:

SIZE OF SHAREHOLDINGS	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Ezion Holdings Limited	5,461,932,000	39.99	–	–
Patrick Tan Choon Hock	1,003,083,100	7.34	493,186,000 ¹	3.61 ¹

¹ Mr. Patrick Tan Choon Hock is able to exercise control over the voting rights of 339,000,000 shares owned by his spouse, Mdm Serene Lee Siew Kin and 154,186,000 shares owned by Mr. Patrick Tan Choon Hock are held through nominees.

PERCENTAGE OF SHAREHOLDING HELD IN PUBLIC'S HANDS

Based on the Register of Substantial Shareholders and the information made available to the Company as at 14 March 2025, approximately 49.06% of the Company's shares were held in the hands of the public, and accordingly, Catalist Rule 723 is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Charisma Energy Services Limited (the “**Company**”) will be at 51 Cuppage Road, #03-03, Singapore 229469 on Thursday, 24 April 2025 at 10:00 a.m. to transact the following businesses.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Director of the Company who will retire pursuant to the relevant Regulations of the Company’s constitution, and who being eligible, offers himself for re-elections:

Mr. Chew Thiam Keng (Regulation 106) **(Resolution 2)**
(See Explanatory Note (i))
3. To re-elect the following Director of the Company who will retire pursuant to the relevant Regulations of the Company’s constitution, and who being eligible, offers himself for re-elections:

Mr. Tan Tiong Huat Alex (Regulation 107) **(Resolution 3)**
(See Explanatory Note (ii))
4. To approve the payment of Directors’ fees of S\$143,000 for the financial year ending 31 December 2025, payable quarterly in arrears. (2024: S\$143,000). **(Resolution 4)**
5. To re-appoint CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), authority be and hereby given to the Directors to:-

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instruments made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with (a) and (b) in this sub-paragraph (2) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
(See Explanatory Note (iii))

(Resolution 6)

8. Authority to issue shares under the Charisma Energy Employee Share Option Scheme (“2013 Option Scheme”)

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered under the 2013 Option Scheme to issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the 2013 Option Scheme approved by shareholders on 24 April 2013, provided always that the aggregate number of additional ordinary Shares to be issued pursuant to the 2013 Option Scheme and all other share-based incentive schemes of the Company shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings, if any) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note (iv))

(Resolution 7)

By Order of the Board

Cho Form Po
Company Secretary
Singapore, 9 April 2025

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

- (i) **Ordinary Resolution 2** is to re-elect Mr. Chew Thiam Keng (“**Mr. Chew**”) who will be retiring by rotation under Regulation 106 of the constitution. Mr. Chew will, upon re-election as a Director of the Company, remain as a Non-Executive Chairman of the Company and a member of the Audit, Nominating and Remuneration Committees of the Company respectively. Further information on Mr. Chew can be found under “Board of Directors” and “Corporate Governance” sections in the Company’s Annual Report 2024.
- (ii) **Ordinary Resolution 3** is to re-elect Mr. Tan Tiong Huat Alex (“**Mr. Tan**”) who will be retiring by rotation under Regulation 107 of the constitution. Mr. Tan will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of the Company. The Board considers Mr. Tan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Mr. Tan can be found under “Board of Directors” and “Corporate Governance” sections in the Company’s Annual Report 2024.
- (iii) **Ordinary Resolution 6**, if passed, will empower the Directors from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from (i) the conversion or exercise of the convertible securities, (ii) the exercise of share options or the vesting of share awards, and (iii) any subsequent bonus issue, consolidation or subdivision of shares. Adjustments with regards to (i) and (ii) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (iv) Although the 2013 Option Scheme expired on 24 April 2023, outstanding options granted prior to that date subsist and remain exercisable in accordance with the rules of the 2013 Option Scheme. The **Ordinary Resolution 7** above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares in the Company pursuant to the exercise of options granted or to be granted under the 2013 Option Scheme and all other share-based incentive schemes of the Company up to a number not exceeding in aggregate (for the entire duration of the 2013 Option Scheme) fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Participation in the AGM

1. As the AGM will be held in a wholly physical format, shareholders will NOT be able to participate virtually.
2. Shareholders and proxies will be able to ask questions and vote at the AGM by attending the AGM in person. Arrangements have also been put in place to permit shareholders to submit their questions ahead of the AGM. Please refer to the notes below for further details.
3. If a shareholder wishes to receive printed copies of the Annual Report, please submit a request to the Company by completing and returning the request form which will be despatched together with the Notice of AGM and the Proxy Form to shareholders of the Company.

Voting by Proxy who need not be a member of the Company

1. Shareholders may only exercise their voting rights at the AGM by appointing proxy(ies) or the Chairman of the AGM as their proxy to do so on their behalf. In appointing the Chairman of the AGM as proxy, a shareholder should specifically direct the Chairman on how he is to vote for or vote against or abstain from voting on each resolution to be tabled at the AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
2. The instrument appointing the proxy(ies) ("**Proxy Form**") must be deposited at the registered office of the Company at **8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095** or sent by email to enquiries@charismaenergy.com not less than seventy-two (72) hours (i.e. by 10:00 a.m. on Monday, 21 April 2025), before the time appointed for holding the AGM. The Proxy Form can be downloaded from SGXNet.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email to enquiries@charismaenergy.com.

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**") at least seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the AGM by appointing the Chairman of the AGM as his/her proxy to do so on his/her behalf. In view of Section 81SJ(4) of the Securities and Futures Act 2001, Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such shareholder deposits his/her proxy form seventy-two (72) hours before the AGM, the Chairman of the AGM who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the AGM.

CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e.: by **11 April 2025**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.

NOTICE OF ANNUAL GENERAL MEETING

Access to documents or information relating to the AGM

All documents and information relating to the business of the AGM (including the Annual Report and the Proxy Form) have been published on SGXNet. Printed copies of this Notice of AGM and the Proxy Form will be sent by post to shareholders.

Submission of questions prior to the AGM

1. Shareholders may submit questions related to the resolutions to be tabled at the AGM by post to the Company at **8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095** or sent by email to enquiries@charismaenergy.com. Questions must be submitted by 5:00 p.m. on Wednesday, 16 April 2025 so that relevant and substantial queries will be addressed by the Board of Directors and published on the SGXNet by 19 April 2025, Saturday.

Shareholders are strongly encouraged to submit questions electronically by email.

2. Shareholders or their representatives (in the case of shareholders who are legal entities, CPF or SRS Investors) must state his/her full name and whether he/she is a shareholder or a representative of a shareholder which is a legal entity. Any question without the identification details will not be addressed.
3. The Company will address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received from Shareholders before 5:00 p.m. on Wednesday, 16 April 2025, relating to the resolutions tabled for approval at the AGM by Saturday, 19 April 2025 via an announcement to be published on the SGXNet. For substantial and relevant comments, queries and/or questions which the Company is unable to address prior to the AGM, the Company will address them at the AGM. Shareholders and/or their proxy(ies) can also ask questions during the AGM. The Company will publish the minutes of the AGM, including substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Company, on SGXNet within one (1) month after the date of AGM.

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM or at the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing a proxy(ies) for the AGM (including any adjournment thereof);
- (ii) addressing relevant and substantial questions from shareholders received before or during the AGM and if necessary, following up with the relevant shareholders in relation to such questions;
- (iii) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr. Chew Thiam Keng and Mr. Tan Tiong Huat Alex are the Directors seeking re-election at the forthcoming Annual General Meeting (“AGM”) of the Company to be convened on 24 April 2025 (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) issued by the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

	Mr. Chew Thiam Keng	Mr. Tan Tiong Huat Alex
Date of Appointment	20 February 2013	26 July 2024
Date of last re-appointment	23 November 2023	-
Age	63	57
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Chew Thiam Keng (“Mr. Chew”) for re-appointment as Non-Executive Chairman of the Company, a member of the Audit, Remuneration and Nominating Committees.</p> <p>The Board has reviewed and concluded that Mr. Chew possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Tan Tiong Huat Alex (“Mr. Tan”) for re-appointment as Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee of the Company.</p> <p>The Board has reviewed and concluded that Mr. Tan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p> <p>The Board considers Mr. Tan to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, Audit Committee Chairman, Audit Committee Member etc.)	Non-Executive Chairman, a member of the Audit, Remuneration and Nominating Committees.	Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Mr. Chew Thiam Keng	Mr. Tan Tiong Huat Alex
Professional Qualifications	<ul style="list-style-type: none"> - Master Degree in Business Administration from the University of Hull. - Bachelor Degree (Honours) in Mechanical Engineering from the National University of Singapore. 	<ul style="list-style-type: none"> - Chartered Valuer and Appraiser by Institute of Valuers & Appraisers, Singapore. - MBA Degree from Nanyang Technological University - Bachelor of Science (Honours) from National University of Singapore.
Working experience and occupation(s) during the past 10 years	<p>Jun 2007 to Feb 2022: Chief Executive Officer of Ezion Holdings Limited ("Ezion")</p>	<p>Aug 2016 to Mar 2025: Chief Executive Officer of ZICO Capital Pte Ltd</p> <p>Feb 2008 to Apr 2016: Chief Executive Officer of Canaccord Genuity Singapore Pte Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	Mr. Chew was the Chief Executive Officer and Executive Director of Ezion, the controlling shareholder of the Company.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments	<u>Other Principal Commitments</u> Nil	<u>Other Principal Commitments</u> Nil

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr. Chew Thiam Keng

Mr. Tan Tiong Huat Alex

Past Directorships (for the last 5 years)

Past Directorships (for the last 5 years)

Past Directorships (for the last 5 years)

- (1) Ezion Investments Pte. Ltd.
- (2) Teras Investments Pte. Ltd.

- (1) ZICO Capital Pte Ltd

Struck Off:

- (3) Atlantic Amsterdam Pte. Ltd.
- (4) EG Marine Pte. Ltd.
- (5) ES Indonesia Pte. Ltd.
- (6) Ezion Maritime Pte. Ltd.
- (7) Teras 333 Pte. Ltd.
- (8) Teras Atlantic Pte. Ltd.
- (9) Teras Conquest 4 Pte. Ltd.
- (10) Teras Conquest 6 Pte. Ltd.
- (11) Teras Pacific Pte. Ltd
- (12) Teras Pegasus Pte. Ltd.
- (13) Teras Progress Pte. Ltd.
- (14) Teras Transporter Pte. Ltd.
- (15) Teras Cargo Logistics Limited
- (16) Teras Oilfield Support Limited

Dissolved - creditors voluntary
winding up:

- (17) Atlantic Labrador Pte. Ltd.
- (18) Atlantic London Pte. Ltd.
- (19) Atlantic Tiburon 1 Pte. Ltd.
- (20) Atlantic Tiburon 2 Pte. Ltd.
- (21) Atlantic Tiburon 3 Pte. Ltd.
- (22) Kenai Offshore Ventures, LLC
- (23) Meridian Maritime Pte. Ltd.
- (24) Teras 336 Pte. Ltd.
- (25) Teras Conquest 3 Pte. Ltd.
- (26) Teras Conquest 7 Pte. Ltd.
- (27) Teras Conquest 9 Pte. Ltd.
- (28) Teras Genesis Pte. Ltd.
- (29) Teras Harta Maritime Limited
- (30) Teras Oranda Pte. Ltd.
- (31) Teras Pneuma Pte. Ltd.
- (32) Teras Wallaby Pte. Ltd.

In Liquidation - creditors voluntary
winding up:

- (33) Atlantic Esbjerg Pte. Ltd.
 - (34) Teras 281 Pte. Ltd.
 - (35) Teras 375 Pte. Ltd.
 - (36) Teras Conquest 1 Pte. Ltd.
 - (37) Teras Conquest 2 Pte. Ltd.
 - (38) Teras Conquest 5 Pte. Ltd.
 - (39) Teras Fortress 2 Pte. Ltd.
 - (40) Teras Offshore Pte. Ltd.
 - (41) Teras Singapore Pte. Ltd.
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ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Mr. Chew Thiam Keng	Mr. Tan Tiong Huat Alex
Present Directorships	<u>Live:</u> (1) Dynamic Commerce (M) Sdn Bhd	(1) Khong Guan Limited (2) Global Invacom Group Limited
	<u>In Liquidation - compulsory winding up (insolvency):</u> (2) Ezion Holdings Limited (3) Macarios Pte. Ltd.	
Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes *	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

* Certain entities are under liquidation or dissolved. Please see details in the earlier sections on “Other Principal Commitments” and “Past Directorships”.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Mr. Chew Thiam Keng	Mr. Tan Tiong Huat Alex
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Mr. Chew Thiam Keng	Mr. Tan Tiong Huat Alex
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere		
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Disclosure applicable to the appointment of Director only

Any prior experience as a Director of a listed company?	N/A	N/A
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If yes, please provide details of prior experience.

If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).

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CHARISMA ENERGY SERVICES LIMITED
(Company Registration No. 199706776D)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

Note: This Proxy Form may be accessed on the SGXNet.

1. A proxy need not be a member.
2. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies. Where such member's proxy form appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument (please see Note 5 for the definition of "Relevant Intermediary").
3. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies or appointment of the Chairman of the Meeting as proxy.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal Data Privacy

By submitting an instrument appointing proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2025.

I/We, _____ (Name) _____ (NRIC/Passport/Co Reg No.*)
of _____ (Address)

being a member/members* of Charisma Energy Services Limited (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company ("Meeting" or "AGM") to be held at 51 Cuppage Road, #03-03, Singapore 229469 on Thursday, 24 April 2025 at 10:00 a.m. (including any adjournment thereof).

*I/We direct *my/our proxy to vote for, against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and (including any adjournment thereof), the appointment of the Chairman of the Meeting as *my/our proxy will be treated as invalid.

Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain", please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of the Directors' Statement, Audited Financial Statements and Independent Auditors' Report for the financial year ended 31 December 2024			
2	Re-election of Mr. Chew Thiam Keng as a Director of the Company			
3	Re-election of Mr. Tan Tiong Huat Alex as a Director of the Company			
4	Approval of payment of Directors' fees amounting to S\$143,000 for financial year ending 31 December 2025, payable quarterly in arrears			
5	Re-appointment of CLA Global TS Public Accounting Corporation as Auditors of the Company			
6	Authority to issue shares in the capital of the Company			
7	Authority to issue shares under the Charisma Energy Employee Share Option Scheme 2013 ("2013 Option Scheme")			

Dated this _____ day of _____, 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature or Common Seal of Member(s)

* Delete where inapplicable



Notes:

1. A shareholder should insert the total number of shares held by him/her. If the shareholder has shares entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”), he/she/it should insert that number of shares. If the shareholder has shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of shares. If the shareholder has shares entered against his/her/its name in the said Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his name in the Depository Register and registered in his/her/its name in the Register of Members. If the number of shares is not inserted, this Proxy Form will be deemed to relate to all the shares held by the shareholder.
2. A shareholder is entitled to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf. A proxy need not be a shareholder of the Company.
3. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such shareholder’s proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
4. A shareholder who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder’s proxy form appoints more than one proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of shareholders of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e.: by **16 April 2024**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.
 6. The proxy need not be a shareholder.
 7. The instrument appointing the proxy(ies) (“**Proxy Form**”) must be deposited at the registered office of the Company at **8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095** or sent by email to enquiries@charismaenergy.com not less than seventy-two (72) hours (i.e. by **10:00 a.m. on Tuesday, 23 April 2024**), before the time appointed for holding the AGM.

Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

8. If the shareholder is shown to not have any shares entered against his/her/its name as at seventy-two (72) hours before the time fixed for the Meeting, the Proxy Form will be rejected.
9. The Proxy Form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
10. The power of attorney or other authority (if any) under which the Proxy Form is signed on behalf of the shareholder or duly certified copy of such power or authority (failing previous registration with the Company) must be lodged with the Proxy Form, failing which the instrument may be treated as invalid.
11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in and/or attached to the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by CDP to the Company.
12. All shareholders will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.
13. Personal data privacy: By submitting an instrument appointing the proxy(ies) (other than the Chairman of the Meeting) or Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, all Members accept and agree to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2024.



CHARISMA ENERGY SERVICES LIMITED

Co. Reg. No. 199706776D

8 Wilkie Rd, #03-01

Wilkie Edge

Singapore 228095

Tel: (65) 6594 7849

Fax: (65) 6538 7600