

CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199706776D)

MONTHLY UPDATE

*Unless otherwise defined, all capitalised terms used in this announcement which are not defined herein shall have the same meanings ascribed to them in the previous announcement by Charisma Energy Services Limited (the “**Company**”) dated 2 June 2023 (“**Previous Announcement**”).*

1. INTRODUCTION

The Board of Directors (the “**Directors**” or the “**Board**”) of the Company and together with its subsidiaries (the “**Group**”), refers to its Previous Announcement and save for the matters already announced, would like to update the following matters as of the date of this announcement:

- (a) In relation to the China photovoltaic power plant (“**PRC Solar**”), the Group had fulfilled the quarterly instalment payment on the loan principal amount and interest to date with partial funding from a loan from the minority shareholder. Meanwhile, the Group remains in talks with potential buyers for PRC Solar as part of the Company’s divestment strategy and have entered into a Memorandum of Understanding with a potential buyer for them to commence due diligence work. The due diligence work is expected to commence in August 2023.
- (b) In relation to the Sri Lanka mini hydro power plants operations, the plants continue to operate smoothly and generate a positive operating cashflow. The Group managed to reduce the outstanding receivables from its customer from US\$5.5 million to US\$4.7 million through collection efforts made in May and June 2023. The Group has received small tranches of US Dollars repatriated from Sri Lanka to Singapore over the past three months; and
- (c) In relation to the scheme of arrangement dated 12 April 2023 between the Company and its Scheme Creditors (the “**Scheme of Arrangement**”) pursuant to Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”), during the meeting held on 7 June 2023 in relation to the Scheme of Arrangement (the “**Scheme Meeting**”) the eligible participating creditors under the Scheme of Arrangement (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 Scheme Creditors present and voting, either in person or by proxy on the resolution, approved the Scheme of Arrangement

Following the approval by the Scheme Creditors at the Scheme Meeting, the Court had on 6 July 2023 granted an Order of Court sanctioning the Scheme pursuant to Section 210(4) of the Act. The Court has also granted an extension of the Moratorium under Section 210(10) of the Act from 11 July 2023 to the date on which the sealed Order of Court made by the Court is lodged with the Registrar of Companies pursuant to Section 210(5) of the Act.

The Company lodged a copy of the extracted Order of Court with the Registrar of Companies on 7 July 2023 and accordingly, the Order of Court took effect on and from 7 July 2023. The Scheme of Arrangement becomes binding on the Company and the Scheme Creditors and the Scheme of Arrangement will become effective upon the fulfilment of certain conditions precedent, including but not limited to approval for the allotment and issue of the subscription shares, the option shares and the settlement shares and the whitewash resolution being obtained at an extraordinary general meeting of the Company to be convened, approval for the resumption of trading of the Shares on the SGX-ST being obtained from the SGX-ST, approval in-principle for the listing and quotation of the subscription shares and option shares on the Catalist of the SGX-ST being obtained from the SGX-ST.

- (d) The Company had previously submitted extension of time applications to the Singapore Exchange Regulation Pte Ltd (the “**SGX RegCo**”) to submit its proposal with a view to resume trading in its securities (the “**Resumption Proposal**”). From the subsequent queries received from the SGX RegCo, it was highlighted to the Company that the Sri Lanka business operations alone may not be sufficient for the purpose to meet the business viability requirement of the Resumption Proposal. As such, additional time is required for the Company to look for new business plans to generate additional revenue stream (non-Sri Lanka based) for the Group to ensure viability and sustainability of the Group’s operating business. The Company is still in discussions with the Investor to address the aforementioned points.

In view of the above, the Company has on 30 June 2023 submitted, through its sponsor to the SGX RegCo, a further application for the further extension of time till 31 December 2023 to submit the Resumption Proposal.

- (e) As per the Company’s announcement dated 3 May 2023, the SGX Regco confirmed that it has no objection to the Company’s extension of time application for the announcement of the Group’s unaudited results announcement for the full year ended 31 December 2022 (“**FY2022 Results**”). However, due to a change in the component auditor of a Group’s significant subsidiary, coupled with the limited manpower resources of the Company, additional time is required for the Company to finalise the FY2022 Results, resulting in the corresponding delays in the issuance of the Company’s annual report for FY2022 (“**FY2022 AR**”) and unaudited results announcement for the first quarter ended 31 March 2023 (“**1Q2023 Results**”). Due to the non-fulfilment of the timeline in the previous extension of time application, the waiver by the SGX Regco had lapsed. The Company is in the midst of submitting a further extension of time application to release the FY2022 Results, to convene the FY2022 annual general meeting, to release the 1Q2023 Results and the results announcement for the six months and second quarter ended 30 June 2023 (“**2Q2023 Results**”).

2. GOING CONCERN

As previously announced by the Company, failing to complete the Proposed Debt Restructuring will have a major impact on the Company’s ability to complete the New CSA with the Investor. Coupled with the depletion of the unencumbered cash to sustain the Group’s operations, the Company may have no means to continue as a going concern if the Proposed Debt Restructuring is not successful.

3. FURTHER ANNOUNCEMENTS

In accordance with Catalist Rule 704(22), the Company will continue to update its shareholders via SGXNet regarding the, *inter alia*, financial situation of the Group. The Company will make further announcements as and when there are material developments.

4. CAUTIONARY STATEMENT

Notwithstanding that the trading of the Company’s shares is suspended, shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Tan Ser Ko
Director
23 July 2023

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

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