

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 announcements by Charisma Energy Services Limited (the “Company”) dated 15 June 2021 in relation to the updates on the going concern assessment, announcement dated 14 June 2021 on the release of the Company’s annual report for financial year ended 31 December 2020, announcement dated 29 June 2021 on the release of the Company’s first quarter results for the financial period ending 31 March 2021, announcement dated 14 August 2021 on the release of the Company’s second quarter results for the financial period ending 30 June 2021, announcement dated 13 November 2021 on the release of the Company’s third quarter results for the financial period ending 30 September 2021 and the monthly update announcements dated 2 October 2020, 4 November 2020, 3 December 2020, 5 January 2021, 3 March 2021, 16 April 2021, 27 May 2021 9 July 2021, 16 September 2021, 22 October 2021 and 30 December 2021 (collectively the “Previous Announcements”).

The Board of Directors (the “**Directors**” or the “**Board**”) of the Company and together with its subsidiaries (the “**Group**”), refers to its Previous Announcements and would like to update the following:

- 1) As announced on 14 October 2021, the Group’s facility agreement (“**Facility Agreement**”) for the outstanding loan secured by the mini-hydro electric power plants in Sri Lanka (“**Hydro Loan**”) remains recalled and cancelled, with the lending bank reserving its rights to take such steps under the Facility Agreement which it deems fit and at the appropriate time. Save for the Notice, the Group has not received any other formal notices from the lending bank.

The Group continues to face issues with the repatriation of US Dollars out of Sri Lanka to service the Hydro Loan repayment obligation and has yet to make payments for monthly instalments from December 2021 onwards. For the avoidance of doubt, the Sri Lanka bank account has sufficient funds to service the instalments required under the Loan. The Group continues to maintain communications with the Bank, specifically to seek forbearance in the meantime as the continued delay in payment of the overdue instalments is due to the foreign currency crisis in Sri Lanka. The Group remains committed to the exploration of several avenues to remit the US Dollar amount.

- 2) In relation to the China photovoltaic power plant (the “**PRC Solar**”), the Company remains in preliminary talks with potential buyers for the PRC Solar as part of the Company’s divestment strategy. The Group is currently working towards collecting the National Subsidy in relation to the payment receivable for the electricity sold in 2018. The next principal instalment payment is due on 25 March 2022. The Group has initiated discussion with the lender to:
 - a. restructure the repayment so that it is in line with the cash receipts from tariff and subsidies;
 - b. waive the requirement to maintain funds amounting to two instalments in the liquidity account until the Group receives further National Subsidy to meet the requirement.
- 3) In relation to the settlement agreement with Whitesea Shipping & Supply (LLC) FZC (“**WSS**”), the Group will dispose of four vessels (“**Vessels**”) to WSS for a total consideration of US\$4,000,000 over twenty instalments. The Group had received 50% of the second instalment payment of US\$200,000. The Group is following up closely with WSS on the remaining payment.
- 4) In relation to the sale of the accommodation module, the Group has received the monthly payments on a timely basis based on the revision of the instalment payment terms as announced on 19 October 2021. The Group expects the disposal to complete in the next two weeks.

Debt Restructuring and Recapitalisation of the Group

As announced on 10 January 2022, the Company has entered into a conditional subscription agreement (the “**New Investment**”) with Yin Khing Investments Limited (the “**Investor**”) for subscription of new ordinary shares amounting to S\$16,080,000 and share options amounting to S\$16,080,000.

It is contemplated that the Company will also intend to undertake the following:

- (a) propose a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of certain of its 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 compromise certain of the Company’s debt (the “**Past Liabilities**”) with such settlement being a combination of cash and issue of new Shares (the “**Scheme of Arrangement**”);
- (b) restructure certain of the Company’s secured debts with certain existing lenders (the “**Continuing Lenders**”) which shall remain in the Company (the “**Loan Restructuring**”);
- (c) agree on a settlement with holders of the redeemable exchangeable preference shares (the “**Bilateral Settlement**”)

(the Scheme of Arrangement, Loan Restructuring together with the Bilateral Settlement, collectively the “**Proposed Debt Restructuring**”).

The Company has initiated discussion with the relevant lenders and creditors to obtain the support of the relevant creditors and lenders on the Proposed Debt Restructuring, with the intention to achieve a positive net assets value upon completion of the New Investment and Proposed Debt Restructuring Exercise and strive towards trading resumption of the Company’s shares. At the appropriate time, the aforementioned proposed transactions, including any potential shareholding dilution, will be tabled to all relevant stakeholders for their approval.

Resumption of Trading

Since 17 June 2020, trading in the Company’s shares has been suspended under Rule 1303(3)(c) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX**”) (the “**Catalist Rules**”) in view of the uncertainties faced by the Company to continue as going concern (the “**Trading Suspension**”). The Company has on 30 December 2021, through its sponsor submitted an application to the Singapore Exchange Regulation Pte Ltd (the “**SGX RegCo**”) to extend the submission date of the proposal to resume trading in its securities (the “**Resumption Proposals**”) from 31 December 2021 to 30 June 2022. Once the New Investment and Proposed Debt Restructuring are finalised, the Group will submit the Resumption Proposals to SGX RegCo.

Further Announcements

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

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 Wee Sin
Company Secretary
28 January 2022

*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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