

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 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 and 9 July 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) The Group has commenced the process to renew the power purchase agreement (the "PPA") and generating license for a 2MW mini-hydro power plant (the "MHPP") expiring in 4Q2021. This is the only 2MW MHPP, out of the entire portfolio of 13 MHPPs (total installed capacity of 43MW). The Group has submitted a formal application on the renewal in July 2021, four months before the expiry date. However, the approval process for the renewal is expected to be delayed due to the COVID-19 situation in Sri Lanka, relying on past experiences. The Group will provide updates as and when there are material developments on the renewal process.
- 2) In view of the current economic crisis in Sri Lanka, the Group is facing challenges in repatriating foreign currency out of Sri Lanka to service its bank loan repayment obligation. The Group is currently in talks with the lending bank and the local banks on resolving the foreign currency issue.
- 3) In relation to the China photovoltaic power plant (the "PRC Solar"), the Group has, in August 2021, received the second payment of the National Subsidy for the electricity sold in 2017. The Group is following up closely on the remaining government subsidies receivable. As part of the Company's divestment strategy, the Company remains in preliminary talks with potential buyers for the PRC Solar.
- 4) 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 was expected to receive the first instalment payment of US\$200,000 by early July 2021. However, there has been a delay in the receipt of the first instalment due to the delay in removing the attachment order for one of WSS's bank accounts required to perform the payment. The Group continues to remain in discussion with WSS to finalise the first instalment due date, which the Group expects to be by end-September 2021. The Group will make a separate announcement when the revision of terms is finalised by both parties. In the event the Group is unable to reach an agreement with WSS, the Group will seek legal action to enforce its rights under the settlement agreement.
- 5) In relation to the sale of accommodation module, the buyer had defaulted on the instalment payment. The Group has preliminary agreed to the main revision of instalment payment terms with the buyer. The Group will make a separate announcement when the revision of terms is formalised and signed by both parties.

2016 Warrants Update

Notwithstanding that trading in the Company's shares was suspended under Rule 1303(3)(c) of the Catalist Rules in view of the Trading Suspension, the Company would like to remind that:

- (a) holders of the 2016 Warrants remain able to exercise the 2016 Warrants at the exercise price of S\$0.0020 until the Expiry Date (being 5.00 p.m. of 28 November 2021); and

- (b) the procedure for the exercise of the 2016 Warrants remain unchanged as set out in Paragraph 4 of the terms and conditions of the 2016 Warrants as set out in Appendix I and Appendix II, as the case may be, of the Offer Information Statement dated 3 November 2016.

Shareholders are to note that:

- (a) holders of the 2016 Warrants who have exercised the 2016 Warrants will be issued shares in the Company;
- (b) the 2016 Warrants which have not been exercised after the Expiry Date shall lapse and cease to be valid for any purpose; and
- (c) due to the Trading Suspension, the trading of the Company's shares and the 2016 Warrants on SGX under the book-entry (scripless) settlement system remains suspended.

Debt Restructuring and Recapitalisation of the Group

- 1) The Company, together with the support from its corporate consultant, is continuously in search and remains in discussion with Potential Investors to secure new cash funding for the Group (the "**New Investments**"). Once the discussion with any one of the Potential Investors materialises, the Company will be looking into the Proposed Debt Restructuring Exercise and the Company will seek shareholders' approval for the contemplated transactions. The Company will be reviewing the terms and conditions of any proposal put forth by any of the Potential Investors.
- 2) There is also a need to engage in further discussions with the relevant lenders and creditors to obtain their support in satisfying the relevant terms of New Investments as well as to understand the requirement of these lenders and creditors. Once the discussion with any of the Potential Investors materialises, the Company will be looking into the Proposed Debt Restructuring Exercise to achieve a positive net assets value upon completion of the debt restructuring and recapitalisation 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 14 June 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 17 June 2021 to 31 December 2021. The Company had received the letter of no objection for the Company's extension of time application on 29 June 2021. Once the definitive agreements with the Potential Investor and the Proposed Debt Restructuring Exercise are executed, 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
16 September 2021

*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.*

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.