
RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the “**Board**”) of Charisma Energy Services Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it has received queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 12 May 2020 (the “**12 May Queries**”) in relation to the voluntary trading suspension of the Company and wishes to respond to the 12 May Queries in this announcement as follows:

Question 1: Has the external consultant (which we were given to understand previously to potentially be RSM Corporate Advisory) been appointed? If so, when was that?

Company’s Response

The Company had appointed RSM Corporate Advisory Pte Ltd as the external consultant (“**External Consultant**”) on 14 May 2020. The delay in the appointment was due to finalisation of the terms of the engagement with the External Consultant.

Question 2: It was disclosed in the responses to SGX queries on 13 March 2020 and in the 4Q19 results announcement issued on 1 April 2020 that the financial review to be issued by the external consultant would be ready by middle of April 2020.

What is the latest updates to this financial review?

Company’s Response

The issuance of the report to review the Company’s financial position and its ability to operate as a going concern (the “**Financial Review**”) was delayed primarily due to the in-depth review performed by the External Consultant. Longer time was required than expected for the External Consultant to assess the viability of the Group’s future plans and, in particular, to ascertain the realisable value of the portfolio of the Group’s assets.

The External Consultant is currently finalising the report on the Financial Review (the “**Financial Report**”) and we expect the Financial Report to be completed by end of May 2020.

Question 3: What is the Company’s updated timeline with regards its assessment of whether the Company can continue to operate as a going concern?

Company’s Response

With the completion of Financial Review by end of May 2020, the Audit Committee of the Company and Board will be able to make an informed assessment of the Company to ascertain the going concern of the Group by early June 2020.

Question 4: It was disclosed in the 4Q19 results announcement issued on 1 April 2020 that the Group had successfully restructured one of the subsidiary's bank financing facility for a maturity extension of seven years to October 2026 with a bank lender and had also entered into a standstill agreement up to October 2020 with another bank lender, of which the lender has agreed to withhold demand for payment under the standstill period. The Group is still in the discussion with one remaining bank lender in relation to its financing structure. Are there updates as to the Company's discussions with the remaining bank lender?

Company's Response

The Company has engaged the remaining bank lender on regular basis. The bank lender is currently waiting for approval from their head office to enter into a standstill agreement with the Company. However, the process of seeking approval has been further delayed due to the COVID-19 situation.

The Company will continue to follow up with the bank lender to complete the refinancing exercise with them.

Question 5: In relation to the maturity of redeemable and exchangeable preference shares (the "REPS"), pursuant to the expiry of the standstill period on 29 February 2020, the Company is currently in the midst of discussion with the holders of the REPS to further extend the standstill period. Please provide the updates to this.

Company's Response

In the latest email discussion with the REPS holders on 1 May 2020 on extension of the standstill period, the Company had proposed to the REPS holders to execute a standstill agreement to further extend the standstill period up to 30 June 2020.

Of the two REPS holders, one of them had reverted on 12 May 2020, giving their concurrence on the above proposal. This REPS holder had signed the latest standstill agreement to further extend the standstill period to 30 June 2020.

The Company is currently waiting for the other REPS holder to revert on the latest standstill agreement. This REPS holder is currently seeking internal approval on the extension of the standstill period. Once the signed standstill agreement is received from this REPS holder, the Company will update the shareholders accordingly.

FURTHER UPDATES TO SHAREHOLDERS

The Company will provide updates to the shareholders via SGXNet as and when there are further developments.

CAUTIONARY STATEMENT

Notwithstanding that the Company's shares are currently under voluntary suspension, shareholders and potential investors of the Company are advised to read this announcement and further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
Charisma Energy Services Limited

Tan Wee Sin
Company Secretary
18 May 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).