

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 and the monthly update announcements dated 2 October 2020, 4 November 2020, 3 December 2020, 5 January 2021, 3 March 2021, 16 April 2021 and 27 May 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 will submit 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) The Group is still working on the receipt of the government subsidies in relation to the China photovoltaic power plant (the "PRC Solar"). The Group had submitted its claims and received, in June 2021, the first payment of the National Subsidy for electricity sold for the month of July 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.
- 3) As announced on 17 May 2021, the Group has entered into a settlement agreement with Whitesea Shipping & Supply (LLC) FZC ("WSS") pursuant to which, the Group will dispose of four vessels (the "Vessels") to WSS upon receipt of the respective settlement sums tied to each Vessel. 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 is currently discussing with WSS to finalise the first instalment due date. 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.
- 4) In relation to the sale of accommodation module, the buyer had defaulted on the instalment payment. The Group is currently in discussion with the buyer on the revision of instalment payment terms. The Company is weighing the various options available including taking legal actions.

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 in initial 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 a debt restructuring exercise (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 Catalist Rules in view of the Trading Suspension. In accordance with Catalist Rule 1304, the Company is required to submit proposals through its sponsor to the SGX with a view to resume trading in its securities (the "**Resumption Proposals**") within 12 months from the date of suspension under Catalist Rule 1303(3)(c).

The Company had on 14 June 2021, through its sponsor submitted an application to Singapore Exchange Regulation Pte Ltd (the "**SGX RegCo**"), and received the letter of no objection on 29 June 2021, to extend the submission date of the Resumption Proposals from 17 June 2021 to 31 December 2021. Once the definitive agreements with any one of the Potential Investors 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
9 July 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.*

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