

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 monthly update announcements by Charisma Energy Services Limited (the “Company”) dated 18 January 2023, 12 April 2023, 9 June 2023, 30 May 2024, 28 June 2024 and 31 July 2024 (the “Previous Announcements”).

1. INTRODUCTION

The Board of Directors (the “**Directors**” or the “**Board**”) of the Company and together with its subsidiaries (the “**Group**”), refers to the Previous Announcements. Save for the matters already announced, the Board would like to provide the following updates on the matters below as of the date of this announcement:

- (a) As stated in the announcement released by the Company dated 30 April 2024 and as announced on 19 April 2024, the Company had on 7 April 2024 entered into an equity transfer agreement with Smartpower Technology (Shanghai) Co., Ltd. (the “**Purchaser**”) and Yichang Smartpower Green Electricity Co., Ltd. (“**Yichang**”) pursuant to which the Purchaser shall acquire from the Company (a) 80.0% of the equity interests in Yichang, being the entire equity interests held by the Company in Yichang; and (b) the shareholder’s loan of RMB23,588,869 extended by the Company to Yichang. Please also refer to the circular dated 13 June 2024 for further details. The Company convened an extraordinary general meeting on 28 June 2024 and obtained the approval of its shareholders in relation to the disposal as contemplated under the equity transfer agreement.
- (b) The Company had previously entered into a scheme of arrangement with certain of its unsecured creditors (the “**Scheme Creditors**”) to compromise certain of the Company’s debt with such settlement being a combination of cash and issue of new ordinary shares of the Company (the “**April 2023 Scheme**”). Pursuant to the terms of the April 2023 Scheme, Category A Participating Creditors (as defined in the April 2023 Scheme) shall be distributed 85.0% of the net proceeds of the Proposed Disposal of Yichang.

Pursuant to the Company’s announcement dated 28 July 2024, due to the terms of the Proposed Disposal of Yichang, the Company had proposed for a Pre-packaged Supplementary Scheme of Arrangement (the “**Supplementary Scheme**”) to be entered between the Company, CES Yichang Pte. Ltd. (a wholly-owned subsidiary of the Company) and the Category A Participating Creditors of the April 2023 Scheme dated 26 July 2024 to modify certain clauses of the April 2023 Scheme. Based on the indicative votes received through the ballot forms at the cut-off timing of the submission of the ballot forms, the Supplementary Scheme has been approved by the Category A Participating Creditors with the requisite majority in number (92.9% - being over 50%) and in value (99.9% - being at least 75%) of the Category A Participating Creditors. The Company had filed an application with the High Court of Singapore on 29 August 2024 for the sanction of the Supplementary Scheme.

- (c) The Company had also previously entered into a deed of settlement (the “**Deed**”) on 6 June 2023 with the two (2) holders of outstanding redeemable exchangeable preference shares (“**REPS**”, and holders of the REPS, the “**REPS Holders**”) issued by a wholly-owned subsidiary of the Company, in relation to the settlement of the outstanding arrangements under the subscription agreement for the REPS. Pursuant to the Deed,

the REPS Holders were to be distributed 15.0% of the net proceeds of the Proposed Disposal of Yichang. In view of the terms of the Proposed Disposal of Yichang, the Company had, on 13 August 2024, entered into an amended and restated deed of settlement with CES Hydro Power Group Pte. Ltd. ("**CESH**"), CESY and the REPS Holders to amend and restate the Deed to provide for the new distribution arrangements (the "**Amended and Restated Deed**"). Please refer to the announcement dated 13 August 2024 for more details on the Amended and Restated Deed.

- (d) On 12 July 2024, the Company entered into a supplemental corporate guarantee contract with Huaneng Tiancheng Financial Leasing Co., Ltd. ("**Huaneng**"), which Huaneng agrees to discharge the corporate guarantee of the Company under the corporate guarantee contract between Huaneng and the Company after the Company's equity holding in Yichang is transferred to the Purchaser pursuant to the transfer equity transfer agreement mentioned in paragraph (a) above.
- (e) On 30 August 2024, the Company entered into a supplemental agreement with the Subscriber to agree to an extended longstop date of the New CSA of 31 October 2024 (or such other date as may be mutually agreed between the parties).
- (f) In relation to the Sri Lanka mini hydro power plants operations, the plants continue to operate smoothly and are generating positive operating cashflows. The Group's outstanding receivables from its customer is approximately US\$0.8 million as at the date of this announcement.
- (g) With the completion of the loan purchase by the Subscriber from a financial institution, the hydro loan has been assigned to Cosmic Marvel International Limited ("**Cosmic Marvel**"), a wholly owned subsidiary of the Subscriber. Accordingly, the Company is seeking approval for operational expenses of the Group on a monthly basis as these need to be funded from the cashflows generated from the Sri Lanka mini hydro power plants operations. Due to the transition from the financial institution to the Cosmic Marvel, and the Subscriber's continued review of the progress of the restructuring, there have been some payment delays to service providers. The Company is working closely with Cosmic Marvel and the Subscriber to settle the Company's payment arrears.
- (h) The Company is also working with Cosmic Marvel and the Subscriber to enter into a convertible loan agreement on the terms and conditions similar to the Term Sheet (which was entered into between the Company and the Subscriber together with the New CSA). The hydro loan remains in default and regularising it is part of the Group's restructuring plan that the Company is working on.
- (i) The Company continues to work with the relevant parties towards the trading resumption of its securities on the Catalist Board of the Singapore Exchange. The Company will make further announcements to update shareholders when there are material developments.

2. GOING CONCERN

As previously announced by the Company, failing to complete the New CSA with the Subscriber by the long stop date, coupled with the depletion of the unencumbered cash to sustain the Group's operations, may result in the Company having no means to continue as a going concern.

3. FURTHER ANNOUNCEMENTS

In accordance with Catalist Rule 704(22), the Company will continue to update its shareholders via SGXNet regarding, *inter alia*, the 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
Chief Executive Officer
30 August 2024

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 Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Center, Singapore 049318, sponsorship@ppcf.com.sg.