

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 and 22 October 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. The Group continues to face issues with the repatriation of US Dollars out of Sri Lanka to service the Hydro Loan repayment obligation. Save for the Notice, the Group has not received any other formal notices from the lending bank.

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. For the avoidance of doubt, the Sri Lanka bank account has sufficient funds to service the instalments required under the Loan. The Group had managed to remit money in November 2021 and made instalment payments up to November 2021. 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 has collected the full payment from the National Subsidy in relation to the payment receivable for all the electricity sold in 2017 and is currently working towards collecting the payment receivable for the electricity sold in 2018. With this, the Group has sufficient cash and on 24 December 2021, has paid the first principal instalment due on 25 December 2021. This will allow additional time for the Group to dispose the PRC Solar or refinance the finance lease. 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 the first instalment payment of US\$200,000. The Group had fulfilled its obligations in order to receive the second instalment payment of US\$200,000 and is following up with WSS on the second instalment payment which was due on 26 November 2021. The Group has yet to receive the second instalment payment and is following up closely with WSS.
- 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 by end of January 2022.

Debt Restructuring and Recapitalisation of the Group

- 1) The Company, together with the support from its corporate consultant, is in the final stage of discussions with a Potential Investor to secure new cash funding for the Group (the “**New Investment**”) and is pending the execution of definitive agreements for the New Investment.
- 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. On the basis of a general restructuring framework based on the proposed terms by the Potential Investor, the Company had also started preliminary discussions with key creditors for the Proposed Debt Restructuring Exercise, 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.

Status Update on Ezion Holdings Limited

We also refer to the status update announcement dated 29 December 2021 from Ezion Holdings Limited, the Company's controlling shareholder holding 39.99% in the share capital of the Company (“**Ezion**”), where Ezion had stated, among others, that it is unable to pay its debts and is cash flow insolvent and therefore a liquidation of Ezion is in the best interests of its creditors (the “**Potential Liquidation**”).

As at the date of this announcement, we are not aware of any material adverse effect which the Potential Liquidation may have on the Group's business, operations and financial condition.

The Company will continue to assess and keep the shareholders updated in the event that there is any material adverse impact as a result from the developments of Potential Liquidation of Ezion.

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 finalised, the Group will submit the Resumption Proposals to SGX RegCo.

However, as the Company is in the final stage of discussions with the Potential Investors on the terms of investment, the Company has submitted another application seeking a further extension on the submission date of the Resumption Proposals to the SGX RegCo. Please refer to the announcement dated 30 December 2021 in relation to the application for further extension of time to submit a proposal for the resumption of trading, for further details thereto, including the reasons for seeking such further extension.

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
30 December 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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