

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

- (i) *the previous monthly update announcements by Charisma Energy Services Limited (the “**Company**”) dated 30 October 2024 and 30 November 2024 (the “**Previous Announcements**”),*
- (ii) *the announcement in relation to the completion of the disposal of 80.0% of the equity interests in Yichang Smartpower Green Electricity Co., Ltd. (“**Yichang**”) dated 23 September 2024, the circular dated 13 June 2024; and*
- (iii) *the announcement in relation to the entry into a convertible loan agreement with Anchor Marine 2 Inc, CES Hydro Power (SL) Limited, Yin Khing Investments Limited and Cosmic Marvel International Limited dated 20 December 2024.*

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) The Company had, on 1 October 2024, submitted through its sponsor an update application to SGX Regco following the previous submission of the Company’s Trading Resumption Proposal on 10 November 2023 (the “**Update Application**”). The Company had on 9 December 2024, through its continuing sponsor, received a letter from Singapore Exchange Regulation (the “**SGX RegCo**”) (the “**Letter**”) confirming that it has no objection to the Company’s updated Resumption Proposal submitted in the Update Application, subject to several conditions listed in the Letter. The decision of the SGX RegCo will not be effective if any of the conditions has not been fulfilled. Please refer to the Company’s announcement dated 10 December 2024 for further details.
- (b) The Company had entered into a convertible loan agreement with the Subscriber and its wholly-owned subsidiaries, Cosmic Marvel International Limited (“**CMIL**”) on 20 December 2024 (the “**Convertible Loan Agreement**”) to govern the terms and conditions related to the outstanding principal amounts of a loan extended to the Group by a financial institution for its Sri Lanka Hydro-Power Plants (the “**Outstanding Loan**”), which CMIL purchased from that financial institution. Pursuant to the Convertible Loan Agreement, the parties have agreed to capitalise an outstanding principal amount of S\$10,860,800 under the Outstanding Loan pursuant to the New CSA and for the remaining outstanding principal amount of up to S\$10,255,000 under the Outstanding Loan to be convertible into new ordinary shares of the Company. For the avoidance of doubt, the existing agreements related to the Outstanding Loan (the “**Original Loan Agreements**”) continue to be in force and remain in default until the Convertible Loan Agreement becomes effective. Please refer to the announcement dated 20 December 2024 for further details on the entry into the Convertible Loan Agreement.

- (c) On 23 December 2024, the Company had submitted an application letter to the Securities Industry Council of Singapore seeking a waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for the Shares not held by the Subscriber following the allotment and issue of the Subscription Shares under the New CSA, the Option Shares pursuant to the exercise of the options under the terms and conditions of the Options under the New CSA and the Conversion Shares pursuant to any conversion under the Convertible Loan Agreement, subject to certain conditions. The Company will keep Shareholders informed of any developments in relation thereto.
- (d) On 27 December 2024, the Company entered into a supplemental agreement with the Subscriber to agree to an extended longstop date of the New CSA of 31 March 2025 (or such other date as may be mutually agreed between the parties).
- (e) In relation to the Sri Lanka mini hydro power plants operations, the plants continue to operate smoothly and generate positive operating cashflows. The Group's outstanding receivables from its customer is approximately US\$0.7 million as of the date of this announcement.
- (f) As announced on 23 September 2024, the sale of the Company's 80.0% equity interest in Yichang was completed on 19 September 2024 and the First Transfer Price had been received by the Company on 4 December 2024 and transferred to the designated bank account of CESY in accordance with the Assignment Agreement. The Company is actively engaging with the Purchaser on the payment of the Second Transfer Price which was due on 5 November 2024.

The proceeds from the disposal of Yichang are to be distributed in accordance with the terms of (i) the Supplementary Scheme of Arrangement entered into with the Category A Participating Creditors under the April 2023 Scheme; and (ii) the Amended and Restated Deed of Settlement entered with the REPS Holders, upon meeting the conditions precedent set out therein.

- (g) The Company is seeking approval from CMIL under the Original Loan Agreements for operational expenses of the Group on a monthly basis as these need to be funded from the cashflows generated from the operations of the Sri Lanka Hydro-Power Plants. Due to the transition from the financial institution to the CMIL, 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 CMIL and the Subscriber to settle the payment arrears.

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

Cho Form Po
Company Secretary
27 December 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.*

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