

CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199706776D)

APPLICATION FOR EXTENSION OF TIME:

- (A) TO ANNOUNCE THE UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2021 (“FY2021 FS”) NOT LATER THAN 60 DAYS AFTER END OF THE FULL YEAR ENDED 31 DECEMBER 2021 (“FY2021”) PURSUANT TO RULE 705(1) OF LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) (“CATALIST RULES”);
 - (B) TO HOLD THE ANNUAL GENERAL MEETING FOR FY2021 (THE “FY2021 AGM”) WITHIN FOUR MONTHS FROM THE END OF FY2021 PURSUANT TO CATALIST RULE 707(1);
 - (C) TO ISSUE THE SUSTAINABILITY REPORT FOR FY2021 (THE “FY2021 SR”) NOT LATER THAN FOUR MONTHS AFTER THE END OF FY2021 (OR WHERE THE ISSUER HAS CONDUCTED EXTERNAL ASSURANCE ON THE SUSTAINABILITY REPORT, NO LATER THAN FIVE MONTHS AFTER FY2021) PURSUANT TO CATALIST RULE 711A; AND
 - (D) TO ANNOUNCE THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER PERIOD ENDING 31 MARCH 2022 (THE “1Q2022 FS”) NOT LATER THAN 45 DAYS AFTER THE END OF THE FIRST QUARTER PERIOD PURSUANT TO CATALIST RULE 705(2).
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1. INTRODUCTION

The Board of Directors (the “**Board**”) of Charisma Energy Services Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that on 26 February 2022, the Company has, through its sponsor, submitted an application to seek the approval of the Singapore Exchange Regulation Pte. Ltd. for extension of time:

- (a) of sixty (60) days to announce the FY2021 FS, being no later than 30 April 2022 (the “**FY2021 FS Extension Application**”);
- (b) of sixty (60) days to hold the FY2021 AGM (the “**FY2021 AGM Extension**”), being no later than 29 June 2022 (with the annual report for FY2021 (the “**FY2021 AR**”) to be announced at least 14 days before the date of the FY2021 AGM, being no later than 14 June 2022);
- (c) to issue the FY2021 SR together with the FY2021 AR, being no later than 14 June 2022; and
- (d) of forty-five (45) days to announce the 1Q2022 FS, being no later than 29 June 2022,
(collectively, the “**Extension Applications**”)

The Company will apply to the Accounting and Corporate Regulatory Authority (“**ACRA**”) for (the “**ACRA Extension Application**”):

- (a) a sixty (60) days extension of time under Section 175 of the Companies Act 1967 of Singapore (the “**Companies Act**”) to hold the Company’s FY2021 AGM by 29 June 2022 (from the deadline of 30 April 2022); and
- (b) a sixty (60) days extension of time under Section 197 of the Companies Act to file its annual return in respect of FY2021 by 30 July 2022 (from the deadline of 31 May 2022).

2. REASONS FOR SEEKING THE EXTENSION APPLICATION

The reasons for the Extension Applications are set out below:

- (a) As announced on 10 January 2022, the Company has entered into a conditional subscription agreement (the “**New Investment**”) with Yin King Investments Limited for subscription of new ordinary shares amounting to S\$16,080,000 and share options amounting to S\$16,080,000 and it is contemplated that the Company will undertake the following:
- (1) a scheme of arrangement which will be a compromise or arrangement between the Company and class(es) of certain of its creditors, in accordance with Section 210 of the Companies Act 1967 of Singapore or the Insolvency, Restructuring and Dissolution Act 2018 of Singapore or under any applicable law(s) of Singapore, to compromise certain of the Company’s debt with such settlement being a combination of cash and issue of new Shares (the “**Scheme of Arrangement**”);
 - (2) restructure certain of the Company’s secured debts with certain existing lenders which shall remain in the Company (the “**Loan Restructuring**”); and
 - (3) agree on a settlement with holders of the redeemable exchangeable preference shares (the “**Bilateral Settlement**”),

(the Scheme of Arrangement, Loan Restructuring together with the Bilateral Settlement, collectively the “**Proposed Debt Restructuring**”)
- (b) The Company had commenced engaging the relevant lenders and creditors for their feedback specifically on the framework of the New Investment and the Proposed Debt Restructuring, with a view to negotiate and finalise the main terms for the Proposed Debt Restructuring. The Company initially expected the discussions of the Proposed Debt Restructuring to be completed in February 2022. However, the discussions had taken longer than expected and the Company is currently working towards finalising the Proposed Debt Restructuring with the creditors by end of March 2022. This will provide the Company further clarity on the support from the creditors of the Proposed Debt Restructuring.
- (c) The exercise of preparing and finalising the FY2021 FS involves the making of the following: (1) appropriateness of going concern assumptions; and (2) critical accounting estimates. The assessments and appropriate conclusion in respect of the aforesaid estimates, assumptions and judgments that must be made to finalize the FY2021 FS, which depends on the support from creditors, would materially impact the preparation of the financial statements of the Group for FY2021. Thus, the Company believes that a fair and objective view on the going concern assumptions and critical estimates can be established only when the Company has further clarity on the support of the Proposed Debt Restructuring.
- (d) In view of the foregoing, the Company requires more time to determine the actual impact on the FY2021 FS to ensure that the FY2021 FS presents a true and fair view of the financial performance and position of the Group.
- (e) As a result of the above, the Company has sought an extension of sixty (60) days to release the FY2021 FS no later than 30 April 2022. Consequently, the Company’s FY2021 AGM, the preparation of the FY2021 AR (which will be based on the FY2021 FS) and the FY2021 SR (which is intended to have reference to the FY2021 AR and to be read in conjunction with the FY2021 AR given the relativity of the aspects of governance and sustainability targets), will be delayed.
- (f) Further, an extension of time will allow the Company to have sufficient time and resources to prepare the 1Q2022 FS based on the audited consolidated financial statements for FY2021 given the delay in the FY2021 FS (i.e. the audited consolidated financial statements for FY2021 has to be finalised before the closing balance of the audited consolidated financial statements for FY2021 can be rolled over to serve as the opening balance of the 1Q2022 FS).

3. FURTHER ANNOUNCEMENTS

In addition to the outcome of the Extension Applications and the ACRA Extension Application, the Company will make further announcements as and when there are material developments.

4. TRADING CAUTION

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
28 February 2022

*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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