

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, announcements dated 29 June 2021, 14 August 2021, 13 November 2021, 29 April 2022 and 7 April 2023 on the release of the Company’s results announcements 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, 22 October 2021, 30 December 2021, 28 January 2022, 21 February 2022, 25 March 2022, 7 April 2022, 3 June 2022 and 17 April 2023 (collectively the “**Previous Announcements**”).*

1. INTRODUCTION

1.1. 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 as of the date of this announcement:

- (a) With the issues faced by the Group to repatriate US Dollars out of Sri Lanka to service its bank loan repayment obligation which resulted in default on the bank loan instalment from September 2021, save for the notice issued by the lending bank that declared that such failure constitutes events of default under the Facility Agreement and that the bank loan is recalled and cancelled with immediate effect, 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 has not received any other formal notices from the lending bank. For the avoidance of doubt, the Sri Lanka bank account has sufficient funds to service the instalments required under the bank loan. The Group continues to maintain communications and discussions with the lending bank, *inter alia*, 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;
- (b) In relation to the notices of demand received by the Company and Anchor Marine 3 Inc, a wholly-owned subsidiary of the Company, as announced on 3 February 2023, the Group has not received any other formal notices from the secured lender. The Group is in continuous discussion with the secured lender and seek their support in the Group’s proposed debt restructuring;
- (c) In relation to the China photovoltaic power plant (“**PRC Solar**”), the Group continues to closely follow up on the remaining National Subsidy payment for electricity sold since June 2018. As previously updated, the Group had fulfilled the quarterly instalment payment on the loan principal amount and interest for periods ended September 2022, December 2022 and March 2023;

Meanwhile, the Group remains in talks with potential buyers for PRC Solar as part of the Company’s divestment strategy. The Group would like to update that the Company has entered into a Memorandum of Understanding with a potential buyer for them to commence due diligence work;

- (d) In relation to the Sri Lanka mini hydro power plants operations, the plants continue to operate smoothly and generate positive cashflow. The Group is arranging for a small tranche of US Dollars to be repatriated from Sri Lanka to Singapore;

- (e) In relation to the Scheme of Arrangement, the scheme meeting is scheduled to be held on 7 June 2023. Upon the approval to be received from the creditors at the scheme meeting, the Company will apply to the High Court for a hearing date to sanction the Scheme of Arrangement; and
- (f) As announced by the Company on 3 May 2023, the Company has received confirmation from the Singapore Exchange Regulation Pte Ltd on 28 April 2023 that it has no objection to the Company's Further SGX-ST Extension Applications (collectively, the "**Waivers**") as listed below:
 - (i) announce the 1Q2022 Results, 2Q2022 Results and 3Q2022 Results no later than 7 April 2023, which the Company had released the above quarterly results on 7 April 2023;
 - (ii) hold the Company's FY2021 AGM no later than 5 May 2023 (with the FY2021 AR to be announced at least 14 days before the date of the FY2021 AGM, being no later than 20 April 2023);
 - (iii) issue the FY2021 SR together with the FY2021 AR, being no later than 20 April 2023;
 - (iv) announce the FY2022 Results no later than 3 July 2023;
 - (v) hold the Company's FY2022 AGM no later than 31 July 2023 (with FY2022 AR to be announced at least 14 days before the date of the FY2022 AGM, being no later than 14 July 2023);
 - (vi) issue the FY2022 SR together with the FY2022 AR, being no later than 14 July 2023; and
 - (vii) announce the 1Q2023 Results no later than 21 July 2023,

subject to the Company meeting certain conditions, including but not limiting to confirmation that the Waivers will not be in contravention of any laws and regulations governing the Company and its constitution, and the Company convening its FY2022 AGM by 31 July 2023.

For clarity, the Company has met the necessary timelines in relation to (i) to (iii) above on 7 April 2023, 4 May 2023 and 19 April 2023 respectively. The Company will continue to comply with the remaining timelines in accordance with the Waivers obtained.

2. GOING CONCERN

As announced by the Company on 17 April 2023, failing to complete the Proposed Debt Restructuring will have a major impact on the Company's ability to complete the New CSA with the Investor. Coupled with the depletion of the unencumbered cash to sustain the Group's operations, the Company may have 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 the, *inter alia*, 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
Director
2 June 2023

*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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