

# CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199706776D)

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## MONTHLY UPDATE

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*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 13 March 2020, 18 May 2020 and 17 June 2020 in relation to the updates on the going concern assessment, announcement dated 31 May 2020 on the release of the Company’s annual report for financial year ended 31 December 2019, announcement dated 10 June 2020 on the release of the Company’s first quarter results for the financial period ending 31 March 2020, announcement dated 14 August 2020 on the release of the Company’s second quarter results for the financial period ending 30 June 2020, announcement dated 13 November 2020 on the release of the Company’s third quarter results for the financial period ending 30 September 2020, announcements dated 21 August 2020, 28 August 2020, 15 September 2020, 20 November 2020 and 24 December 2020 in relation to the proposed disposal of shares in Rising Sun Energy Private Limited, the circular dated 15 September 2020 and the monthly update announcements dated 2 October 2020, 4 November 2020, 3 December 2020, 5 January 2021 and 3 March 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 since the previous monthly update announcement on 3 March 2021:

- 1) The Group is following up on the necessary qualification from the relevant authorities to qualify the Group for payments for the remaining one out of the three mini hydro plant in Sri Lanka that had its PPA extended for another five years.
- 2) The Group continues to follow up on the government subsidies in relation to the China photovoltaic power plant (“**PRC Solar**”). As part of the Company’s divestment strategy, the Company is currently in preliminary talks with potential buyers for the PRC Solar.
- 3) In relation to the completed disposal of all of the Company’s effective interest of 48.45% in the issued and paid-up share capital of Rising Sun Energy Private Limited, the Company remains committed to working towards satisfying all of the post-completion conditions in order to receive the remaining consideration. As at the date of this announcement, the Company has completed the First Retention Obligation and the Company received an amount of approximately US\$1.3 million which was utilised to repay the Group’s borrowings and interest expenses.
- 4) In relation to the disposal of the accommodation module in Port Melville, both the buyer and the Group have finalised the terms of the extension to complete the transaction and the buyer continues to make payments in accordance with the progressive 12-month payment plan in lieu of the lump sum payment which was due in October 2020. As at end of March 2021, the Company has fully repaid the loan that financed the accommodation module.
- 5) In relation to the maturity of Redeemable Exchangeable Preference Shares (“**REPS**”), the Company, CES HPG<sup>1</sup> and the Investors<sup>2</sup> had entered into the eleventh variation agreement dated as of 30 March 2021 (the “**Agreement**”) to further extend the standstill period with the REPS Investors from 31 March 2021 up to and including 30 September 2021. The executed Agreement was received on 15 April 2021.

On 17 June 2020, trading in the Company’s shares were 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 for the Company to continue as going concern (the “**Trading Suspension**”).

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<sup>1</sup> CES HPG refers to CES Hydro Power Group Pte. Ltd.

<sup>2</sup> Investors refers to Venstar Investment III Ltd (In Members’ Voluntary Liquidation) and Evia Growth Opportunities III Ltd (In Members’ Voluntary Liquidation)

In accordance with Catalist Rule 1304, the Company shall submit proposals through its sponsor to the SGX with a view to resuming trading in its securities (the “**Resumption Proposals**”) within 12 months from the date of suspension under Catalist Rule 1303(3)(c).

The Company’s plan to resume trading are detailed as follows:

### Plans for Trading Resumption

Since 2018, the Company has identified 3 stages of restructuring to turnaround the Group which are set out below. The Company continues to adopt the 3-staged approach and is in the midst of several negotiations to dispose certain assets and restructure the Group’s debt as detailed below:

#### 1) Stage 1: Stabilisation of the Company via debt restructuring

The Company has achieved the following debt restructuring to stabilise the Group from the period of 2018 to 2020 as follows:

- a) Restructured the major loan of approximately US\$16 million which were in default such that the principal and interest repayments are in line with the cashflow generated from Sri Lanka’s operation.
- b) Entered into standstill agreements with two lenders.
- c) Entered into standstill agreements with REPS Investors.
- d) Restructured PRC solar’s finance lease to defer the principal repayment by one year to December 2021.

#### 2) Stage 2: Asset Divestment

Upon stabilisation of the Group, the Company has implemented the asset divestment strategy to pare down the financial liabilities of the Group since 2018 until present. The Company had achieved the following:

- a) Disposal of accommodation module in 2018; and
- b) Disposal of India Solar in 2020.

The Group is continuing its efforts to dispose the following assets:

- a) Four (4) offshore support vessels; and
- b) PRC Solar.

From 2018 to 3Q2020, the Group had managed to make repayment of borrowing and interest amounting to approximately US\$14.8 million. The Group has further utilised approximately US\$11 million from the sale of India Solar in December 2020 to pay down the Group’s borrowings and interest.

#### 3) Stage 3: Restructuring and Recapitalisation of the Group

The Company, through its corporate consultant, is in early talks with an interested investor (“**Potential Investor**”) to secure new cash funding for the Group. The Company will be looking into restructuring the Group’s remaining debt based on terms that can be mutually agreed with the Potential Investor.

Once the discussion with the Potential Investor materialises, the Company will seek shareholders’ approval for these contemplated transactions in due course and also submit the Resumption Proposals to SGX RegCo.

### Indicative Timeline to Resume Trading

Timeline	Milestones
April to May 2021	1. Finalisation of terms with the Potential Investor
	2. Discussion of preliminary debt restructuring proposal with relevant parties
June to July 2021	1. Execute agreement with the Potential Investor
	2. Execute documentations on debt restructuring proposal

	3. Seek necessary regulatory approvals on the contemplated transactions
	4. Submit the Resumption Proposals
August to September 2021	1. Obtain the necessary regulatory and shareholders' approvals on contemplated transactions
October 2021	1. Completion of contemplated transactions
	2. Resumption of trading

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.

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  
16 April 2021

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*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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