
UPDATE ON GOING CONCERN ASSESSMENT

The Board of Directors (the “**Board**” or “**Directors**”) of Charisma Energy Services Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 13 March 2020 and 18 May 2020 (the “**Announcements**”) in relation to the engagement of an external consultant (the “**External Consultant**”) to review the Company’s financial position and its ability to operate as a going concern (the “**Financial Review**”).

The External Consultant has completed the Financial Review and reported that there is material uncertainty on the Group’s ability to continue as a going concern. This is due to:

- (i) the Group’s financial restructuring exercise is still in progress, with on-going discussion with the lenders and creditors;
- (ii) the Group has yet to secure legal agreements on the assets that form part of the Group’s planned asset divestment plan (save for one of the assets planned for divestment); and
- (iii) the Group would remain in a net liability position even post execution of its asset divestment plan.

In view of the above uncertainties faced by the Group, the Board and the Audit Committee is of the view that upon successful resolution on the above uncertainties, the Company will be able to continue as a going concern. In the best interests of the shareholders of the Company, the Board and the Audit Committee is of the opinion that due to the uncertainties for the Company to continue as a going concern as at the date of this announcement, the trading in the Company’s shares should be 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 accordance with Rule 1304 of the Catalist Rules, the Company shall submit proposals through its sponsor to the SGX with a view to resuming trading in its securities within 12 months of the date of suspension under Catalist Rule 1303(3)(c). If the resumption proposals have not been implemented within the 6 months from the date the SGX indicates that it has no objection to the proposals, the SGX may remove the Company from the Catalist. The Company will be providing monthly valuation of its assets and utilisation of cash and updates of milestones in completing the relevant transactions to the market via SGXNET.

Shareholders and potential investors of the Company are advised to read this announcement and the other announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
Charisma Energy Services Limited

Tan Wee Sin
Company Secretary
17 June 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).